



BAKER TILLY  
MONTANO  
RAMCHARITAR

# AUDITED FINANCIAL STATEMENTS

## *Caribbean Corporate Governance Institute*

*December 31, 2014*

an independent member of  
BAKER TILLY  
INTERNATIONAL

## **Audited Financial Statements**

(Expressed in Trinidad and Tobago Dollars)

## **CARIBBEAN CORPORATE GOVERNANCE INSTITUTE**

**December 31, 2014**

### **Audited Financial Statements**

Auditors' Report .....	1-2
Statement of Financial Position .....	3
Statement of Comprehensive Income .....	4-5
Statement of Changes in Fund Balances .....	6
Statement of Cash Flows .....	7
Notes to Financial Statements .....	8-17

The Members  
Caribbean Corporate Governance Institute  
#14 Alcazar Street  
PORT-OF-SPAIN

## **INDEPENDENT AUDITORS' REPORT**

We have audited the accompanying financial statements of Caribbean Corporate Governance Institute, which comprise the statement of financial position as at December 31, 2014 and statement of comprehensive income, statement of changes in fund balances, statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes as set out on pages 3 to 16.

### **Management responsibility for the financial statements**

The Management is responsible for the preparation and the fair presentation of these financial statements in accordance with International Financial Reporting Standards for Small and Medium-Sized Entities. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

### **Auditors' responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

The Members  
Caribbean Corporate Governance Institute  
#14 Alcazar Street  
PORT-OF-SPAIN

## INDEPENDENT AUDITORS' REPORT – (Continued)

### Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects the financial position of Caribbean Corporate Governance Institute as at December 31, 2014 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-Sized Entities.



March 29, 2015  
PORT-OF-SPAIN

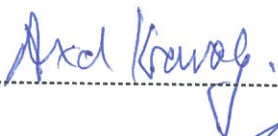

# CARIBBEAN CORPORATE GOVERNANCE INSTITUTE

## STATEMENT OF FINANCIAL POSITION

(Expressed in Trinidad and Tobago Dollars)

ASSETS	Notes	As at December 31	
		2014	2013
<b>CURRENT ASSETS</b>			
Cash in hand and at bank	C	\$ 147,788	\$ 92,791
Accounts receivable		34,265	45,660
Other receivables and prepayments		12,722	12,379
<b>TOTAL CURRENT ASSETS</b>		<u>194,775</u>	<u>150,830</u>
<b>NON-CURRENT ASSET</b>			
Plant and equipment	D	4,882	-
<b>TOTAL NON-CURRENT ASSETS</b>		<u>4,882</u>	<u>-</u>
<b>TOTAL ASSETS</b>		<u>\$ 199,657</u>	<u>\$ 150,830</u>

These financial statements were approved and authorised for issue by the Board of Directors on March 29, 2015 and signed on its behalf by:

Director  Axel Kravatzky  
 Director  Leslie Clarke

The accompanying notes to the accounts, on pages 8 to 17 form an integral part of these financial statements.

<b>LIABILITIES AND EQUITY</b>	<b>Notes</b>	<b>As at December 31</b>	
		<b>2014</b>	<b>2013</b>
<b>CURRENT LIABILITIES</b>			
Accounts payable		\$ 16,659	\$ 10,350
Accruals and other payables		59,025	25,000
Deferred income	E	25,724	42,568
Due to Directors	F	12,600	25,040
Due to related party	F	10,383	9,181
Taxation payable		15,325	1,306
<b>TOTAL CURRENT LIABILITIES</b>		<b>139,716</b>	<b>113,445</b>
<b>NON-CURRENT LIABILITIES</b>			
Due to directors	F	24,000	40,000
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>24,000</b>	<b>40,000</b>
<b>FUND BALANCE</b>			
Accumulated surplus/(deficit)		35,941	(2,615)
		35,941	(2,615)
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>\$ 199,657</b>	<b>\$ 150,830</b>

The accompanying notes to the accounts, on pages 8 to 17 form an integral part of these financial statements.

**STATEMENT OF COMPREHENSIVE INCOME**

(Expressed in Trinidad and Tobago Dollars)

**CARIBBEAN CORPORATE GOVERNANCE INSTITUTE**

		Year ending December 31, 2014	18 month period ending December 31, 2013
<b>INCOME</b>			
Sponsorship grants	Notes G	\$ 233,109	\$ 440,165
Membership fees		177,000	104,900
Publications		-	5,200
Seminars and other income	G	663,780	-
		<u>1,073,889</u>	<u>550,265</u>
Events costs	H	(238,079)	(145,374)
<b>GROSS SURPLUS</b>		<u>835,810</u>	<u>404,891</u>
<b>LESS: EXPENSES</b>			
Administrative and general expenses		760,955	401,271
Bank charges		21,557	4,929
Depreciation		723	-
		<u>783,235</u>	<u>406,200</u>
<b>OPERATING SURPLUS/(DEFICIT)</b>	I	52,575	(1,309)
Taxation	J	(14,019)	(1,306)
<b>NET SURPLUS/(DEFICIT)</b>		<u>\$ 38,556</u>	<u>\$ (2,615)</u>

The accompanying notes to the accounts, on pages 8 to 17 form an integral part of these financial statements.

**STATEMENT OF CHANGES IN FUND BALANCES**  
(Expressed in Trinidad and Tobago Dollars)

**CARIBBEAN CORPORATE GOVERNANCE INSTITUTE**

	Accumulated Surplus/ (Accumulated Deficit)	Total
<b>Year ended December 31, 2014</b>		
Balance at beginning of year	\$ (2,615)	\$ (2,615)
Net surplus	38,556	38,556
Balance at end of year	<u>\$ 35,941</u>	<u>\$ 35,941</u>
<b>Eighteen (18) month period ended December 31, 2013</b>		
Net deficit	\$ (2,615)	\$ (2,615)
Balance at end of period	<u>\$ (2,615)</u>	<u>\$ (2,615)</u>

The accompanying notes to the accounts, on pages 8 to 17 form an integral part of these financial statements.

**STATEMENT OF CASH FLOWS**  
(Expressed in Trinidad and Tobago Dollars)

**CARIBBEAN CORPORATE GOVERNANCE INSTITUTE**

	Year ending December 31, 2014	18 month period ending December 31, 2013
<b>OPERATING ACTIVITIES</b>		
Net surplus/(deficit)	\$ 52,575	\$ (1,309)
Adjustment of reconcile net surplus to net cash provided depreciation	723	-
Changes to operating assets and liabilities:		
(Increase)/decrease in accounts receivables	11,395	(45,660)
Increase in other receivables and prepayments	(343)	(12,379)
Increase in accruals	34,024	25,000
Increase/(decrease) in due to Directors	(28,440)	25,040
Increase in trade payables	6,309	10,350
Increase/(decrease) in deferred income	(16,844)	42,568
Increase in due to related party	1,203	9,181
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>60,602</u>	<u>52,791</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of plant and equipment	(5,605)	-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<u>(5,605)</u>	<u>-</u>
<b>FINANCING ACTIVITIES</b>		
Advance from Directors	-	40,000
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<u>-</u>	<u>40,000</u>
<b>INCREASE IN CASH</b>	<u>54,997</u>	<u>92,791</u>
Cash and cash equivalents at beginning of year	<u>92,791</u>	<u>-</u>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u>\$ 147,788</u>	<u>\$ 92,791</u>
<b>Represented by:</b>		
Cash in hand and at bank	147,788	92,791
	<u>\$ 147,788</u>	<u>\$ 92,791</u>

The accompanying notes to the accounts, on pages 8 to 17 form an integral part of these financial statements.

## **NOTES TO FINANCIAL STATEMENTS**

(Expressed in Trinidad and Tobago Dollars)

### **CARIBBEAN CORPORATE GOVERNANCE INSTITUTE**

**December 31, 2014**

#### **NOTE A – INCORPORATION AND PRINCIPAL ACTIVITY**

Caribbean Corporate Governance Institute is a limited liability company incorporated as a non-profit organization on July 26, 2012 and domiciled in the Republic of Trinidad and Tobago. The address of its registered office is #14 Alcazar Street, Port-of-Spain. The principal activity of the company is advancing corporate governance practice across the Caribbean.

#### **NOTE B – SIGNIFICANT ACCOUNTING POLICIES**

- (i) Basis of Preparation – These financial statements have been prepared in accordance with the International Financial Reporting Standards for Small and Medium-Sized Entities issued by the International Accounting Standards Board. They are prepared on the historical cost basis and presented in Trinidad and Tobago dollars.

The preparation of financial statements in conformity with International Financial Reporting Standards for Small and Medium-Sized Entities requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies.

- (ii) Cash and Cash Equivalents – Cash and cash equivalents include cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less.
- (iii) Accounts Receivable – Accounts receivable include membership fees and amounts due from sponsors. At the end of each reporting period the carrying amounts of accounts and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised in the income statement.

**NOTES TO FINANCIAL STATEMENTS – (Continued)**  
(Expressed in Trinidad and Tobago Dollars)

**CARIBBEAN CORPORATE GOVERNANCE INSTITUTE**

**December 31, 2014**

**NOTE B – SIGNIFICANT ACCOUNTING POLICIES – (Continued)**

- (iv) Accounts payable – Accounts payable are obligations on the basis of normal credit terms and do not bear interest. Accounts payable denominated in a foreign currency are translated into Trinidad and Tobago dollars using the exchange rate at the reporting date. Foreign exchange gains or losses are included in other income or other expenses.
- (v) Revenue Recognition – Membership fees recognised when the application for Membership has been approved by the CCGI Membership Committee. All other revenue is recognised when delivery is made or service is provided. Sponsorship and event income is recognised on a receipt basis.
- (vi) Foreign Currency – Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transactions: gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Such balances are translated at year-end exchange rates.
- (vii) Taxation – Taxation is provided for using the liability approach for corporation taxes. Under this method, deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases. Deferred tax liabilities are recognised for all temporary differences that are expected to increase taxable profit in the future. Deferred tax assets are recognised for all temporary differences that are expected to reduce taxable profit in the future and any unused tax losses or unused tax credits. Deferred tax assets are measured at the highest amount that, on the basis of current or estimated future taxable profit, is more likely than not to be recovered. There were no material temporary differences requiring a deferred tax adjustment. The net carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. Any adjustments are recognised in statement of comprehensive income.

**NOTE C – CASH AND RESTRICTED CASH**

As at December 31, 2014, the Caribbean Corporate Governance Institute held restricted funds of \$44,864 (2013 - \$14,080) designated for use against expenses related to the Trinidad and Tobago Corporate Governance Code. The source of these restricted funds came from Code sponsorship or bulk sales of the Code booklets.

Use of these restricted funds is guided by Memorandum of Understanding, being developed between the three partners of the Code: the Trinidad & Tobago Chamber of Industry & Commerce, the Trinidad & Tobago Stock Exchange and the Caribbean Corporate Governance Institute.

**NOTES TO FINANCIAL STATEMENTS – (Continued)**  
(Expressed in Trinidad and Tobago Dollars)

**CARIBBEAN CORPORATE GOVERNANCE INSTITUTE**

**December 31, 2014**

**NOTE C – CASH AND RESTRICTED CASH – (Continued)**

	<u>2014</u>	<u>2013</u>
Restricted funds	\$ 44,864	\$ 14,080
Unrestricted funds	102,924	78,711
	<u>\$ 147,788</u>	<u>\$ 92,791</u>

**NOTE D – PLANT AND EQUIPMENT**

<b>Cost</b>	<u>Computer Equipment</u>	<u>Furniture &amp; Fixtures</u>	<u>Total 2014</u>	<u>Total 2013</u>
At beginning of year	\$ -	\$ -	\$ -	\$ -
Additions	4,000	1,605	5,605	-
At end of year	<u>\$ 4,000</u>	<u>\$ 1,605</u>	<u>\$ 5,605</u>	<u>\$ -</u>
<b>Accumulated Depreciation</b>				
At beginning of year	\$ -	\$ -	\$ -	\$ -
Current year charge	556	167	723	-
At end of year	<u>\$ 556</u>	<u>\$ 167</u>	<u>\$ 723</u>	<u>\$ -</u>
<b>Net book value</b>	<u>\$ 3,444</u>	<u>\$ 1,438</u>	<u>\$ 4,882</u>	<u>\$ -</u>

**NOTES TO FINANCIAL STATEMENTS – (Continued)**  
(Expressed in Trinidad and Tobago Dollars)

**CARIBBEAN CORPORATE GOVERNANCE INSTITUTE**

**December 31, 2014**

**NOTE E – DEFERRED INCOME**

	Year ending December 31, <u>2014</u>	18 month period December 31, <u>2013</u>
Publications	\$ -	\$ 5,200
Restricted grants/sponsorship – Note G	-	164,964
	<hr/>	<hr/>
	-	170,164
Balance at beginning of year	42,568	-
Less: Cost incurred		
Event costs – Trinidad and Tobago Code	(16,844)	(86,148)
Other general expenses	-	(41,448)
	<hr/>	<hr/>
<b>DEFERRED INCOME</b>	<b>\$ 25,724</b>	<b>\$ 42,568</b>
	<hr/> <hr/>	<hr/> <hr/>

**NOTES TO FINANCIAL STATEMENT – (Continued)**  
(Expressed in Trinidad and Tobago Dollars)

**CARIBBEAN CORPORATE GOVERNANCE INSTITUTE**

**December 31, 2014**

**NOTE F – DUE TO DIRECTORS AND RELATED PARTY**

	<u>Short-term</u>	<u>Long-term</u>	<u>Total 2014</u>	<u>Total 2013</u>
<b>Due to directors</b>				
Ronnie Bissessar	\$ -	\$ -	\$ -	\$ 13,000
Leslie Clarke	5,000	8,000	13,000	13,000
Axel Kravatzky	3,800	8,000	11,800	13,000
Annette Rahael	3,800	8,000	11,800	13,000
Nigel Romano	-	-	-	13,000
Reshma Bissessar	-	-	-	40
	<u>\$ 12,600</u>	<u>\$ 24,000</u>	<u>\$ 36,600</u>	<u>\$ 65,040</u>

At the Board of Directors' meeting held on October 3, 2012 it was resolved that each Director would contribute \$8,000 towards the start-up expenses of the Caribbean Corporate Governance Institute.

At a Board meeting held in January 2014, Ronnie Bissessar and Nigel Romano resign as Directors.

As of December 31, 2014, total amount owing to Directors is \$36,600.

**Due to related party**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decision. Related party balances and transactions that arose in the ordinary course of business and from short-term cash advances are accordingly recognised.

These balances are unsecured and bear no fixed terms of repayment. The amount carried in these financial statements as due to related party relates to start up costs provided by Syntegra Change Architects Limited.

	<u>2014</u>	<u>2013</u>
Syntegra Change Architects Limited	\$ <u>10,383</u>	\$ <u>9,181</u>

**NOTES TO FINANCIAL STATEMENTS – (Continued)**  
(Expressed in Trinidad and Tobago Dollars)

**CARIBBEAN CORPORATE GOVERNANCE INSTITUTE**

**December 31, 2014**

**NOTE G – GRANTS AND SPONSORSHIP**

	12 month period December 31, <u>2014</u>	18 month period December 31, <u>2013</u>
Sponsorship grants were received as follows:		
PricewaterhouseCoopers	\$ -	\$ 60,000
The Trinidad Chamber of Industry & Commerce	-	35,035
The Trinidad and Tobago Stock Exchange	-	35,000
First Citizens Bank Limited	185,625	187,734
Trinidad Cement Limited	10,000	-
KPMG	10,000	-
Reinsurance Company T&T Limited	10,000	-
IBL Bank Limited	640	-
	<u>216,265</u>	<u>317,769</u>
Restricted Grants were as follows:		
Neal & Massy Holdings Limited	\$ -	64,099
Ernst & Young	-	62,405
West Indian Tobacco Company Limited	-	38,460
	<u>-</u>	<u>164,964</u>
Total grants received	216,265	482,733
Add: Opening unused restricted grants	42,568	-
Less: Unused restricted grants (deferred)	(25,724)	(42,568)
	<u>\$ 233,109</u>	<u>\$ 440,165</u>
Seminars and other income were as follows:		
Consultancy	\$ 17,000	\$ -
TTCODE	30,080	-
Certificate Programme	380,825	-
CCGI Host Training	222,975	-
Sale of books	3,900	-
Other Seminars	9,000	-
	<u>\$ 663,780</u>	<u>\$ -</u>

**NOTES TO FINANCIAL STATEMENTS – (Continued)**  
(Expressed in Trinidad and Tobago Dollars)

**CARIBBEAN CORPORATE GOVERNANCE INSTITUTE**

**December 31, 2014**

**NOTE H – EVENT COSTS**

	Year ending December 31, <u>2014</u>	18 month period December 31, <u>2013</u>
Online Registration	\$ -	\$ 9,675
Food	79,548	3,744
Materials	30,108	19,776
Venue cost	29,735	105,296
Speaker cost	93,840	6,883
Equipment cost	4,848	-
	<u>\$ 238,079</u>	<u>\$ 145,374</u>

**NOTE I – STAFF COSTS**

The follow expenses have been included in administrative and general expenses in determining net surplus before taxation.

	Year ending December 31, <u>2014</u>	18 month period December 31, <u>2013</u>
Salaries	\$ 288,600	\$ 126,100
National insurance	13,438	6,149
	<u>\$ 302,038</u>	<u>\$ 132,249</u>
Number of persons employed	2	2

**NOTES TO FINANCIAL STATEMENTS – (Continued)**  
(Expressed in Trinidad and Tobago Dollars)

**CARIBBEAN CORPORATE GOVERNANCE INSTITUTE**

**December 31, 2014**

**NOTE J – TAXATION**

	Year ending December 31, <u>2014</u>	18 month period December 31, <u>2013</u>
Corporation tax expense	\$ 12,945	\$ 756
Green fund levy expense	1,074	550
	<u>          </u>	<u>          </u>
Taxation expense	\$ <u>14,019</u>	\$ <u>1,306</u>
<b>Reconciliation between tax expense and the product of accounting profit multiplied by the applicable tax rate:</b>		
Net surplus/(deficit) before taxation	\$ <u>52,575</u>	\$ <u>(1,309)</u>
Tax at the rate of 25%	13,144	\$ (327)
Tax effect of income not chargeable and expenses that are not deductible in determining taxable profits	(199)	1,083
Green fund levy	1,074	550
	<u>          </u>	<u>          </u>
Current year taxation expense	\$ <u>14,019</u>	\$ <u>1,306</u>

No provision was made for deferred taxation.

**NOTES TO FINANCIAL STATEMENTS – (Continued)**  
(Expressed in Trinidad and Tobago Dollars)

**CARIBBEAN CORPORATE GOVERNANCE INSTITUTE**

**December 31, 2014**

**NOTE K – REVENUES AND MEMBERSHIP**

The Caribbean Corporate Governance Institute began accepting members starting January 2013. As of December 31, 2014 the Institute had a total of (2013 - 93) approved members from five different Caribbean states. Gross revenue related to Membership fees in 2014 was \$177,000 (2013 - \$104,900).

In October 2013, the Caribbean Corporate Governance Institute entered into a two-year sponsorship agreement with First Citizens Bank Limited, whereby the bank became the Institute's first Founding Sponsor, with a commitment to contribute US\$30,000 per year for two years. The first installment received in October 2013 translated to TT\$187,734. The second installment was received in 2014 and translated to TT\$185,625.

Sponsorship and event income is recognised on a receipt basis.

**NOTE L – COMMITMENTS UNDER OPERATING LEASES**

The Institute occupies office space and parking under an operating lease. The lease is for part of a building located at #14 Alcazar Street, Port-of-Spain. This agreement was made with Murphy Clarke Financial Limited for twenty-four months and the monthly rent is \$4,200. This agreement was effective from November, 2014.

	<u>2014</u>	<u>2013</u>
Minimum lease payments under operating leases recognised as an expense during the period	\$ 46,400	\$ 7,600
At the end of the period, the company has outstanding commitments under non-cancellable operating leases that fall due as follows:	<u>2014</u>	<u>2013</u>
Within one year	\$ 50,400	\$ 38,000
Later than one year but within five years	42,000	-
	<u>\$ 92,400</u>	<u>\$ 38,000</u>

**NOTES TO FINANCIAL STATEMENTS – (Continued)**  
(Expressed in Trinidad and Tobago Dollars)

**CARIBBEAN CORPORATE GOVERNANCE INSTITUTE**

**December 31, 2014**

**NOTE M – FINANCIAL INSTRUMENTS**

A financial instrument is a contract that gives rise to a financial asset of one entity and a liability or equity instrument of another entity.

(i) Credit risk

The company has no significant concentration of credit risk.

(ii) Fair values

The carrying amounts of short-term financial assets and liabilities comprising cash in hand and at bank, accounts receivable, other receivables and prepayments, accounts payable, accruals and other payables are a reasonable estimate of their par values because of the short maturity of these instruments.