

LINDEN LEGAL AID CENTRE INC.

DECEMBER 31, 2011

AUDITED FINANCIAL STATEMENTS

Table of Contents

Page No.

Report of Ram & McRae to the Members	
Statement of Financial Position.....	1
Statement of Comprehensive Income.....	2
Statement of Changes in Equity.....	3
Statement of Cash Flows.....	4
Notes to the Financial Statements.....	5-11



**REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF
LINDEN LEGAL AID CENTRE INC.**

We were engaged to audit the accompanying financial statements of **Linden Legal Aid Centre Inc.**, which comprise the statement of financial position as at December 31, 2011, and the related statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards and the Companies Act 1991. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with International Standards on Auditing. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

The Company's registered office was destroyed by a fire on April 12, 2011 and the subsequently occupied office was destroyed by a fire on July 18, 2012. These events resulted in the loss of certain accounting records and fixed assets. In this regard we were unable to obtain sufficient audit evidence to determine whether internal controls operated effectively and financial transactions recorded accurately.

As discussed in note 17, the company currently has no operations which raises substantial doubt about its ability to continue as a going concern.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements.



Ram & McRae
Chartered Accountants
Professional Services Firm
157 'C' Waterloo Street,
Georgetown

June 10, 2015

Linden Legal Aid Centre Inc.

Statement of Financial Position

As at December 31, 2011

	Notes	2011 G\$	2010 G\$
Current assets			
Cash and cash equivalents	3	3,474,998	1,218,591
Total current assets		3,474,998	1,218,591
Current liabilities			
Accounts payable		-	103,000
Deferred income	4	-	59,627
Total current liabilities		-	162,627
Net current assets		3,474,998	1,055,964
Non-current assets			
Property, plant and equipment	5	908,060	3,639,352
Non-current liabilities			
Deferred income	6	180,695	3,639,352
Net assets		4,202,363	1,055,964
Represented by:			
Accumulated surplus		4,202,363	1,055,964
Total equity		4,202,363	1,055,964

Charles Sampson-Lett
Director

Jan Ward-Mars
Company Secretary

The notes on pages 5 to 11 form an integral part of these financial statements.

Linden Legal Aid Centre Inc.
Statement of Comprehensive Income
For the year ended December 31, 2011

	Notes	2011 G\$	2010 G\$
Revenue			
Bank interest		11,617	4,138
Consultancy fees		78,000	-
Donated assets		-	1,518,659
Donations		850,669	-
Grants	7	7,379,375	5,401,172
Legal fees		454,300	1,008,940
Total income		8,773,961	7,932,909
Expenses			
Operating expenses	8	1,826,804	2,927,469
Administrative expenses	9	3,757,424	3,635,614
Loss due to fire and theft	10	43,334	-
Financial charges		-	12,600
Total expenses		5,627,562	6,575,683
Surplus for the year		3,146,399	1,357,226

The notes on pages 5 to 11 form an integral part of these financial statements.

Linden Legal Aid Centre Inc.
Statement of Changes in Equity
For the year ended December 31, 2011

	Accumulated surplus/(deficit) G\$
At January 01, 2010	(301,262)
Surplus for the year	1,357,226
At December 31, 2010	<u>1,055,964</u>
Surplus for the year	3,146,399
At December 31, 2011	<u><u>4,202,363</u></u>

The notes on pages 5 to 11 form an integral part of these financial statements.

Linden Legal Aid Centre Inc.**Statement of Cash Flows**

For the year ended December 31, 2011

	2011	2010
	G\$	G\$
Cash flows from operating activities		
Surplus for the period	3,146,399	1,357,226
<i>Adjustments for:</i>		
Donated assets	180,695	(1,518,659)
Loss on asset written-off	43,334	-
Depreciation	-	1,367,669
Operating surplus before working capital changes	<u>3,370,428</u>	<u>1,206,236</u>
Decrease in accounts payable	(103,000)	(77,158)
Decrease in deferred income	(59,627)	(901,172)
Net cash flows from operating activities	<u>3,207,801</u>	<u>227,906</u>
Cash flows from investing activities		
Acquisition of office furniture and equipment	(1,077,158)	-
Net increase in cash and cash equivalents	<u>2,130,643</u>	<u>227,906</u>
Cash and cash equivalents at January 1,	1,218,591	990,685
Cash and cash equivalents at December 31,	<u>3,349,234</u>	<u>1,218,591</u>
Analysis of cash and cash equivalents as shown in the Statement of Financial Position		
Cash at bank	3,474,998	1,218,591
Total	<u>3,474,998</u>	<u>1,218,591</u>

The notes on pages 5 to 11 form an integral part of these financial statements.

Linden Legal Aid Centre Inc.

Notes to the Financial Statements

For the year ended December 31, 2011

1. Incorporation and principal activity

The Company was incorporated in the Co-operative Republic of Guyana on September 24, 2007 as a not-for-profit entity without share capital. The principal objective of the Company is to provide free or subsidised legal advice and representation to persons of the Linden Community who, because of lack of means, would otherwise have their need for such advice and representation unmet.

The Company's registered office is located at Christianburg Magistrate's Court Building, Burnham Drive, Linden.

These financial statements were approved by the Board of Directors on June 10, 2015.

2. Statement of accounting policies

(a) Basis of accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards and the Companies Act 1991 under the historical cost basis.

The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make judgments, estimates and assumptions. Actual results could differ from those estimates.

Application of new and revised Standards and Interpretations

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the financial statements for the prior year except for the adoption of new and amended standards and interpretations which became effective during the period. The adoption of these pronouncements had no impact on the financial position or performance of the Company.

Standards and Interpretations not yet effective

At the date of authorisation of these financial statements several new and amended standards and interpretations were in issue but not yet effective. The Company has not early adopted any such pronouncements. The directors anticipate that the adoption of these standards and interpretations will have no material impact on the financial statements of the Company.

(b) Income and expenditure

Income and expenditure are dealt with in these financial statements on the accrual basis.

Linden Legal Aid Centre Inc.

Notes to the Financial Statements

For the year ended December 31, 2011

2. Statement of accounting policies continued

(c) Revenue recognition

Revenue from services are recognised when the service has been rendered. Donations, other than capital donations, are recognised when received. Income from grants, other than capital grants, is recognised to the extent utilised. Any unutilised amounts are credited to deferred income.

(d) Capital donations

Capital donations comprise the estimated or actual (if available) acquisition cost of office furniture and equipment donated in-kind as well as cash donations and grants received specifically for the acquisition of office furniture and equipment. Capital donations of non-depreciable assets are credited to capital reserve. Capital donation of depreciable assets are credited to deferred income with an amount equivalent to their annual depreciation charge transferred to the income and expenditure account each year.

(e) Reporting currency

These financial statements are stated in Guyana dollars. Foreign currency transactions during the year are translated at the exchange rates ruling at the dates of these transactions. Any gains or losses arising from these conversions are accounted for in the income statement in the period in which they were incurred. Monetary assets and liabilities in foreign currencies at the statement of financial position date are translated at the rates prevailing at the end of the year.

(f) Property, plant and equipment

Office furniture and equipment are stated at historical cost. Depreciation is provided for on the straight line basis at rates sufficient to write off the cost of the assets over their estimated useful lives. The rate used is as follows:

Office furniture and equipment	20%
--------------------------------	-----

3. Cash and cash equivalents

	2011	2010
	G\$	G\$
Bank balances	<u>3,474,998</u>	<u>1,218,591</u>

Linden Legal Aid Centre Inc.

Notes to the Financial Statements

For the year ended December 31, 2011

	2011	2010
	G\$	G\$

4. Deferred income (current)

This represents grants received but not utilised at the end of the period:

UNICEF (<i>United Nations Children's Fund</i>)	-	767
Bank of Nova Scotia	-	58,860
Total	<u>-</u>	<u>59,627</u>

Please refer to note 7 for additional information on the UNICEF and Bank of Nova Scotia.

	Office furniture G\$	Office equipment G\$	Total G\$
--	----------------------------	----------------------------	--------------

5. Property, plant and equipment

Cost

At January 1, 2011	3,716,892	3,121,457	6,838,349
Additions	607,142	470,016	1,077,158
Disposals (note 10)	(3,716,892)	(3,171,457)	(6,888,349)
At December 31, 2011	<u>607,142</u>	<u>420,016</u>	<u>1,027,158</u>

Depreciation

At January 1, 2011	1,722,940	1,476,057	3,198,997
Charges for the year	70,833	54,931	125,764
Write back on disposal	(1,722,940)	(1,482,723)	(3,205,663)
At December 31, 2011	<u>70,833</u>	<u>48,265</u>	<u>119,098</u>

Net book value

At December 31, 2011	<u>536,309</u>	<u>371,751</u>	<u>908,060</u>
At January 1, 2011	<u>1,993,952</u>	<u>1,645,400</u>	<u>3,639,352</u>

6. Deferred income (non-current)

	2011	2010
	G\$	G\$
Donated depreciable assets:	<u>180,695</u>	<u>3,639,352</u>

This represents the unamortised income in respect of assets donated to the Company. The full amount of **\$3,639,352** was written off due to the loss of related assets in fire.

Linden Legal Aid Centre Inc.

Notes to the Financial Statements

For the year ended December 31, 2011

7. Grants	2011	2010
	G\$	G\$
This balance comprises monies utilised from the following projects:		
(i) Bank of Nova Scotia	-	41,140
(ii) United States Agency for International Development	-	10,860
(iii) UNICEF funded Children's Legal Aid Project (by agreement with the Ministry of Culture, Youth and Sports)	7,379,375	5,349,172
Total	<u>7,379,375</u>	<u>5,401,172</u>

- (i) This represents amounts utilised from the Bank of Nova Scotia to fund the purchase of books for donation to children.
- (ii) This represents the cash portion of a grant received from the Guyana Democratic Consolidation and Conflict Resolution Project (GDCCR) of the United States Agency for International Development (USAID) to cover expenses. The purpose of the grant was to enable the Company to refurbish its office, purchase office equipment and furniture and pay fees to the attorneys and staff for a period of eight months.
- (iii) This represents amounts utilised from a grant of \$7,560,070 received from UNICEF, the United Nations Children's Fund in respect of a Project Cooperation Agreement to cover the Guyana Child Labour Project. The grant is for a period of one year from January 31, 2011.

8 Operating expenses

Attorney fees	1,587,000	1,950,000
Legal expenses	5,180	-
Swearing and filing fees	33,500	-
Telephone charges	105,989	88,969
Transportation	95,135	888,500
Total	<u>1,826,804</u>	<u>2,927,469</u>

9 Administrative expenses

Accounting & audit fees	95,000	315,875
Administrative expenses	-	93,400
Depreciation	125,764	1,367,669
Employment cost	1,759,480	1,616,937
Meals and accommodation	270,330	71,039
Other expenses	110,420	69,794
Travelling	690,100	-
Sub-total	<u>3,051,094</u>	<u>3,534,714</u>

Linden Legal Aid Centre Inc.

Notes to the Financial Statements

For the year ended December 31, 2011

	2011	2010
	G\$	G\$
9 Administrative expenses continued		
Balance brought forward	3,051,094	3,534,714
Donation	319,590	50,000
Internet fees	32,600	5,900
Repairs & maintenance: building	232,656	-
Repairs & maintenance: office equipment	-	45,000
Stationery	121,484	-
Total	<u>3,757,424</u>	<u>3,635,614</u>

10. Loss due to fire and theft

Assets written off due to fire	3,639,352	-
Deferred income released	(3,639,352)	-
Asset written off due to theft	43,334	-
Total	<u>43,334</u>	<u>-</u>

11. Taxation

The Company is a not-for-profit organisation and has therefore prepared these financial statements under the assumption that an exemption from taxes will be granted.

12. Financial Risk Management

Exposure to credit, interest rate, foreign currency, market, liquidity and cash flow risks arises in the ordinary course of business. The activities of the Company however, do not expose it to significant financial risks. Management nevertheless seeks to minimise potential adverse effects on the financial performance of the Company by applying procedures to appropriately identify, evaluate and manage any risks which may arise. No derivative investments are presently used to manage, mitigate or eliminate exposure to financial instrument units.

(i) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's only exposure to credit risks is in respect of its bank balances. While the Company holds no collateral in respect of these balances, their credit quality are considered high as the counterparties are financial institutions with no known liquidity problems.

Linden Legal Aid Centre Inc.

Notes to the Financial Statements

For the year ended December 31, 2011

12. Financial Risk Management continued

(ii) Interest rate risk

This is the risk that the value of a financial instrument will fluctuate as a result of changes in market interest rates. The Company earns interest on its cash deposits and none of its liabilities are subject to interest. The values of the cash deposits and liabilities are not influenced by future changes in interest rates.

(iii) Foreign Currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company would incur foreign currency risk on transactions that are denominated in a currency other than the Guyana dollar. The Company is however not exposed to foreign currency risks.

(iv) Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual security, its issuer or factors affecting all securities traded in the market. The Company has no exposure to market risk as it has no traded securities.

(v) Liquidity risk

Liquidity risk, also referred to as funding risk, is the risk that the Company will encounter difficulty in raising funds to meet its commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at, or close to, its fair value. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the availability of funding through an adequate amount of committed facilities.

The Company manages this risk by maintaining adequate financial assets in liquid form and continuously seeking commitments from donors. All financial liabilities were payable within thirty days of the period end.

The Company therefore has sufficient liquidity to fund liabilities as they fall due. Cash and cash equivalents include amounts treated as deferred income which will be utilised to fund future activities.

Linden Legal Aid Centre Inc.

Notes to the Financial Statements

For the year ended December 31, 2011

12. Financial Risk Management continued

(vi) Cash flow risk

Cash flow risk is the risk that future cash flows associated with a monetary financial instrument will fluctuate in amount and timing. The Company's financial assets are not expected to realise less than their carrying values.

13. Fair values of financial instruments

The fair value of cash and cash equivalents and accounts payable approximate to their carrying values due to their short term nature.

14. Capital management

The Company manages its capital, represented by accumulated deficit on its statement of financial position, to ensure that it will be able to continue operating into the foreseeable future.

15. Subsequent events

The Company suffered the loss of all fixed assets and all hard copies of its accounting records in a fire on July 18, 2012, except for one laptop used by a director which was also subsequently stolen from her residence.

16. Contingent liability

A contingent liability exists in respect of a claim for rental by National Industrial Commercial Investments Limited (NICIL) in respect of office space utilised in the Linmine Secretariat between the period May 2011 to July 2012. No provision has been made in the financial statements as the directors are of the opinion that no rental should have been charged.

17. Going concern

As a consequence of the matters discussed in notes 10 and 15; and the lack of additional funding from UNICEF and the Government of Guyana, the company is not operational. The ability to continue as a going concern would depend on additional funding.