

**LINDEN LEGAL AID CENTRE INC.**

**DECEMBER 31, 2014**

**AUDITED FINANCIAL STATEMENTS**

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

We have audited the accompanying financial statements of **Linden Legal Aid Centre Inc.**, which comprise the statement of financial position as at December 31, 2014, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

***Management's Responsibility***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the Companies Act Cap. 89:01, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

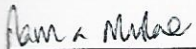
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 auditor's 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 auditor considers 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.

***Opinion***

In our opinion, the financial statements on pages 1 to 9 present fairly, in all material respects, the financial position of **Linden Legal Aid Centre Inc.** as at December 31, 2014, and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the Companies Act Cap. 89:01.



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

July 27, 2017




# Linden Legal Aid Centre Inc.

## Statement of Financial Position

As at December 31, 2014

	Notes	2014 G\$	2013 G\$
<b>Current assets</b>			
Cash and cash equivalents	3	1,082,198	1,126,410
<b>Total current assets</b>		<u>1,082,198</u>	<u>1,126,410</u>
<b>Current liabilities</b>			
Accounts payable		246,000	164,000
<b>Total current liabilities</b>		<u>246,000</u>	<u>164,000</u>
<b>Net current assets</b>		<u>836,198</u>	<u>962,410</u>
<b>Non-current assets</b>			
Property, plant and equipment	5	94,250	116,000
<b>Net assets</b>		<u>930,448</u>	<u>1,078,410</u>
<b>Represented by:</b>			
Accumulated surplus		930,448	1,078,410
<b>Total equity</b>		<u>930,448</u>	<u>1,078,410</u>

  
Director

  
Company Secretary

*The notes on pages 5 to 9 form an integral part of these financial statements.*



**Linden Legal Aid Centre Inc.**

**Statement of Changes in Equity**

For the year ended December 31, 2014

	<b>Accumulated surplus</b> <b>G\$</b>
<b>At January 01, 2013</b>	1,177,206
Deficit for the year	(98,796)
<b>At December 31, 2013</b>	<u>1,078,410</u>
Deficit for the year	(147,962)
<b>At December 31, 2014</b>	<u>930,448</u>

*The notes on pages 5 to 9 form an integral part of these financial statements.*

# Linden Legal Aid Centre Inc.

## Statement of Cash Flows

For the year ended December 31, 2014

	2014	2013
	G\$	G\$
<b>Cash flows from operating activities</b>		
<b>Deficit for the year</b>	<b>(147,962)</b>	<b>(98,796)</b>
<i>Adjustments for:</i>		
Depreciation	21,750	21,750
<b>Operating deficit before working capital changes</b>	<b>(126,212)</b>	<b>(77,046)</b>
Decrease in accounts payable	82,000	82,000
<b>Net cash flows from operating activities</b>	<b>(44,212)</b>	<b>4,954</b>
Cash and cash equivalents at January 1,	1,126,410	1,121,456
<b>Cash and cash equivalents at December 31,</b>	<b><u>1,082,198</u></b>	<b><u>1,126,410</u></b>
<b>Analysis of cash and cash equivalents as shown in the Statement of Financial Position</b>		
Cash at bank	1,082,198	1,126,410
<b>Total</b>	<b><u>1,082,198</u></b>	<b><u>1,126,410</u></b>

*The notes on pages 5 to 9 form an integral part of these financial statements.*

# **Linden Legal Aid Centre Inc.**

## **Notes to the Financial Statements**

For the year ended December 31, 2014

### **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 July 27, 2017.

### **2. Statement of accounting policies**

#### **(a) Basis of accounting**

The financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the Companies Act Cap. 89:01 under the historical

The preparation of financial statements in conformity with International Financial Reporting Standards for Small and Medium-sized Entities 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, 2014

### 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%
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### 3. Cash and cash equivalents

	2014	2013
	G\$	G\$
Bank balances	<u>1,082,198</u>	<u>1,126,410</u>

# Linden Legal Aid Centre Inc.

## Notes to the Financial Statements

For the year ended December 31, 2014

4. Property, plant and equipment	Office equipment G\$	Total G\$
<b>Cost</b>		
At January 1, 2013	145,000	145,000
Additions	-	-
<b>At December 31, 2013</b>	<b>145,000</b>	<b>145,000</b>
Additions	-	-
<b>At December 31, 2014</b>	<b>145,000</b>	<b>145,000</b>
<b>Depreciation</b>		
At January 1, 2013	-	-
Charges for the year	29,000	29,000
<b>At December 31, 2013</b>	<b>29,000</b>	<b>29,000</b>
Charges for the year	21,750	21,750
<b>At December 31, 2014</b>	<b>50,750</b>	<b>50,750</b>
<b>Net book value</b>		
<b>At December 31, 2014</b>	<b>94,250</b>	<b>94,250</b>
At January 1, 2014	116,000	116,000
<b>5. Grants</b>		
The Company was not operational during the year and as a result no Grants were received from any donor agencies.		
<b>6. Operating expenses</b>	<b>2014</b> G\$	<b>2013</b> G\$
Transportation	15,000	-
<b>Total</b>	<b>15,000</b>	<b>-</b>
<b>7. Administrative expenses</b>		
Accounting, audit and tax fees	82,000	82,000
Meals and accommodation	32,860	-
Depreciation	21,750	21,750
<b>Total</b>	<b>136,610</b>	<b>103,750</b>
<b>8. Taxation</b>		

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.



# **Linden Legal Aid Centre Inc.**

## **Notes to the Financial Statements**

For the year ended December 31, 2014

### **9. 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.

#### **(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.



# **Linden Legal Aid Centre Inc.**

## **Notes to the Financial Statements**

For the year ended December 31, 2014

### **9. Financial Risk Management continued**

#### **(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.

#### **(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.

### **10. 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.

### **11. 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.

### **12. 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.

### **13. Going concern**

As a consequence of 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.