

LINDEN LEGAL AID CENTRE INC.

DECEMBER 31, 2021

AUDITED FINANCIAL STATEMENTS

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

Opinion

We have audited the financial statements of **Linden Legal Aid Centre Inc.** (the Company), which comprise the statement of financial position as at December 31, 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements on pages 1 to 9 present fairly, in all material respects, the financial position of the Company as at December 31, 2021, 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.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

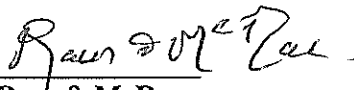
Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



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

July 27, 2022


Linden Legal Aid Centre Inc.

Statement of Financial Position

As at December 31, 2021

	Notes	2021 G\$	2020 G\$
Current assets			
Cash & cash equivalents	3	12,201,408	10,348,100
Accounts receivable		985,500	378,000
Total current assets		13,186,908	10,726,100
Current liabilities			
Accounts payable		283,478	57,795
Total current liabilities		283,478	57,795
Net current assets		12,903,430	10,668,305
Non-current asset			
Property plant & equipment	2 (f) & 4	1,671,132	1,268,676
Total non-current assets		1,671,132	1,268,676
Non-current liabilities			
Deferred income	4 (ii)	156,118	195,148
Legal Fees Liability Provision	5	110,160	137,700
Total non-current liabilities		266,278	332,848
Net non-current assets		1,404,853	935,828
Net assets		14,308,283	11,604,133
Represented by:			
Accumulated surplus		14,308,283	11,604,133
Total equity		14,308,283	11,604,133


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 Comprehensive Income
For the year ended December 31, 2021

	Notes	<u>2021</u> <u>G\$</u>	<u>2020</u> <u>G\$</u>
Revenue			
Other Income		47,054	60,319
Grants	6	20,509,030	17,592,972
Legal fees		1,742,540	659,500
Total income		<u>22,298,623</u>	<u>18,312,791</u>
Expenses			
Administrative and operating expenses	7	19,221,173	13,520,655
Total expenses		<u>19,221,173</u>	<u>13,520,655</u>
Surplus for the year		<u>3,077,450</u>	<u>4,792,136</u>

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, 2021

	Accumulated surplus/(deficit) G\$
At January 01, 2020	6,811,997
Surplus for the year	<u>4,792,136</u>
At December 31, 2020	11,604,133
Adjustment to opening balance	(373,300)
Surplus for the year	3,077,450
At December 31, 2021	<u>14,308,283</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, 2021

	2021	2020
	G\$	G\$
Cash flow from operating activities		
Surplus/(deficit) for the year	3,077,450	4,792,136
<i>Adjustments for :</i>		
(Decrease)/increase deferred revenue	(39,030)	-30,797
Depreciation	666,698	249,255
Opening balance	(373,300)	-
Operating surplus/(deficit) before working capital changes	3,331,819	5,010,594
Increase in accounts receivable	(607,500)	(278,000)
(Decrease)/increase in accounts payable	225,682	(120,193)
(Decrease)/increase in legal fees provision	(27,540)	-
Net cash from operating activities	2,922,461	4,612,401
Cash flow from investing activity		
Acquisition of property, plant & equipment	(1,069,154)	(289,489)
Net increase in cash and cash equivalents	1,853,307	4,322,912
Cash and cash equivalents at the beginning of the year	10,348,101	6,025,189
Cash and cash equivalents at the end of the year	12,201,408	10,348,101
An analysis of cash and cash equivalents as at December 31		
Cash as shown in the Statement of Financial Position	12,201,408	10,348,101
Cash and cash equivalents	12,201,408	10,348,101

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, 2021

1 Incorporation and 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 97-98 Republic Avenue, McKenzie, Linden.

These financial statements were approved by the Board of Directors on July 27, 2022.

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 cost convention.

The preparation of financial statements in conformity with International Financial Reporting Standard for Small and Medium-sized Entities requires management to make adjustments, estimates and assumptions. Actual results could differ from those estimates.

(b) Income & expenditure

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

(c) Revenue recognition

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

Linden Legal Aid Centre Inc.
Notes to the Financial Statements
For the year ended December 31, 2021

2 Statement of accounting policies continued

(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 prevailing exchange rate at the time of those transactions. Monetary assets and liabilities denominated in foreign currencies at the date of the statement of financial position are translated at the prevailing exchange rate at the end of the year and exchange gains/losses were recognised in the statement of comprehensive income.

(f) Property, plant & 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. Effective January 1, 2021, the Company applied a standard rate of 20% on all property, plant and equipment.

In prior years, the Company charged multiple rates of depreciation. The rates are as follows:

Office furniture	10%
Office equipment - electrical	50%
Office equipment - other	15%

	2021	2020
3 Cash and cash equivalents	G\$	G\$
Bank balances	<u>12,201,408</u>	<u>10,348,100</u>

Linden Legal Aid Centre Inc.
Notes to the Financial Statements
For the year ended December 31, 2021

4 Property, plant & equipment	Office furniture G\$	Office equipment G\$	Total G\$
i Cost			
At January 1, 2020	552,832	1,422,017	1,974,849
Additions	-	289,489	289,489
At December 31, 2020	552,832	1,711,506	2,264,338
Additions	494,651	574,503	1,069,154
At December 31, 2021	1,047,483	2,286,009	3,333,492
Depreciation			
At January 1, 2020	206,700	539,707	746,407
Charges for the year	55,284	193,971	249,255
At December 31, 2020	261,984	733,678	995,662
Charges for the year	209,497	457,202	666,698
At December 31, 2021	471,481	1,190,880	1,662,360
Net book value			
At December 31, 2021	576,002	1,095,129	1,671,132
At January 1, 2021	290,848	977,828	1,268,676
ii Deferred income (non-current)		2021	2020
		G\$	G\$
Donated depreciated assets:		156,118	195,148
This represents the unamortised income in respect of assets donated to the Company.			
5 Legal Fees Liability Provision			
At January 1,		137,700	137,700
Released to income		(27,540)	-
At December 31,		110,160	137,700

Linden Legal Aid Centre Inc.
Notes to the Financial Statements
For the year ended December 31, 2021

	2021	2020
	G\$	G\$
6 Grants		
(i) Represent monies received from Government subventures	20,470,000	17,592,972
Total	<u>20,470,000</u>	<u>17,592,972</u>
7 Administrative and operating expenses		
Legal and professional services	7,828,648	4,929,700
Audit fees	150,000	100,000
Rent	1,275,000	1,075,000
Local travel	811,184	401,704
Refund	-	67,000
Repairs & maintenance - office fur & equip	7,980	2,500
Repairs & maintenance - bicycle	7,100	23,320
Office expenses	530,728	325,150
Stamps & postage	2,400	2,260
Cleaning & sanitation	63,454	52,643
Telephone & internet	453,487	179,440
Meals & accommodation	259,450	88,320
Advertising & promotion	5,700	-
Interest & penalties	7,340	1,623
Donation	60,000	10,380
Depreciation	666,698	249,255
Bank charges	27,200	28,507
Victim support services	223,590	-
Employment cost	6,841,214	5,983,853
Total	<u>19,221,173</u>	<u>13,520,655</u>

Linden Legal Aid Centre Inc.
Notes to the Financial Statements
For the year ended December 31, 2021

8 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.

9 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.

10 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.