

LINDEN LEGAL AID CENTRE INC.

DECEMBER 31, 2022

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.....	5-9



**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, 2022, 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, 2022, 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.

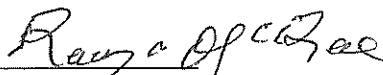
Auditor's Responsibilities for the Audit of the Financial Statements

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, 2022

	Notes	2022 G\$	2021 G\$
Current assets			
Cash & cash equivalents	3	16,801,716	12,201,408
Accounts receivable		1,504,599	985,500
Total current assets		18,306,315	13,186,908
Current liabilities			
Accounts payable		779,300	283,478
Total current liabilities		779,300	283,478
Net current assets		17,527,015	12,903,430
Non-current asset			
Property plant & equipment	2 (f) & 4	1,626,904	1,671,132
Total non-current assets		1,626,904	1,671,132
Non-current liabilities			
Deferred income	4 (ii)	124,894	156,118
Legal Fees Liability Provision	5	88,128	110,160
Total non-current liabilities		213,022	266,278
Net non-current assets		1,413,882	1,404,853
Net assets		18,940,897	14,308,283
Represented by:			
Accumulated surplus		18,940,897	14,308,283
Total equity		18,940,897	14,308,283

B. Charles Fung
Director

19.7.23

Jean Ward-Mans
Company Secretary
19/7/23

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, 2022

	Notes	2022 G\$	2021 G\$
Revenue			
Other Income		70,949	47,054
Donations		-	-
Grants	6	21,700,098	20,509,030
Legal fees		2,620,600	1,742,540
Total income		<u>24,391,647</u>	<u>22,298,623</u>
Expenses			
Administrative and operating expenses	7	19,759,032	19,221,173
Financial charges		-	-
Total expenses		<u>19,759,032</u>	<u>19,221,173</u>
Surplus for the year		<u>4,632,615</u>	<u>3,077,450</u>

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Linden Legal Aid Centre Inc.
Statement of Changes in Equity
For the year ended December 31, 2022

	<u>Accumulated surplus/(deficit) G\$</u>
At January 01, 2021	11,604,133
Adjustment to opening balance	(373,300)
Surplus for the year	<u>3,077,450</u>
At December 31, 2021	14,308,283
Adjustment to opening balance	(0)
Surplus for the year	4,632,615
At December 31, 2022	<u>18,940,897</u>

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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, 2022

	<u>2022</u> G\$	<u>2021</u> G\$
Cash flow from operating activities		
Surplus/(deficit) for the year	4,632,615	3,077,450
<i>Adjustments for :</i>		
(Decrease)/increase deferred revenue	(31,224)	-39,030
Depreciation	522,694	666,698
Opening balance	(0)	(373,300)
Operating surplus/(deficit) before working capital changes	<u>5,124,084</u>	<u>3,331,819</u>
Increase in accounts receivable	(519,099)	(607,500)
(Decrease)/increase in accounts payable	495,821	225,682
(Decrease)/increase in legal fees provision	(22,032)	(27,540)
Net cash from operating activities	<u>5,078,774</u>	<u>2,922,461</u>
Cash flow from investing activity		
Acquisition of property, plant & equipment	(478,467)	(1,069,154)
Net increase in cash and cash equivalents	4,600,307	1,853,307
Cash and cash equivalents at the beginning of the year	12,201,408	10,348,101
Cash and cash equivalents at the end of the year	<u>16,801,716</u>	<u>12,201,408</u>
An analysis of cash and cash equivalents as at December 31		
Cash as shown in the Statement of Financial Position	16,801,716	12,201,408
Cash and cash equivalents	<u>16,801,716</u>	<u>12,201,408</u>

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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, 2022

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, 2023.

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.

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Linden Legal Aid Centre Inc.
Notes to the Financial Statements
For the year ended December 31, 2022

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, 2022, 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%

	2022	2021
	G\$	G\$
3 Cash and cash equivalents		
Bank balances	<u>16,801,716</u>	<u>12,201,408</u>

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Linden Legal Aid Centre Inc.
Notes to the Financial Statements
For the year ended December 31, 2022

4 Property, plant & equipment	Office furniture G\$	Office equipment G\$	Total G\$
i Cost			
At January 1, 2021	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
Additions	36,280	442,187	478,467
At December 31, 2022	1,083,763	2,728,196	3,811,959
Depreciation			
At January 1, 2021	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
Charges for the year	163,471	359,223	522,695
At December 31, 2022	634,952	1,550,103	2,185,055
Net book value			
At December 31, 2022	448,811	1,178,093	1,626,904
At January 1, 2022	576,002	1,095,129	1,671,132
ii Deferred income (non-current)			
		2022	2021
		G\$	G\$
Donated depreciated assets:		124,894	156,118

This represents the unamortised income in respect of assets donated to the Company.

5 Legal Fees Liability Provision

At January 1,	110,160	137,700
Released to income	(22,032)	(27,540)
Deferral for the period	-	-
At December 31,	88,128	110,160

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Linden Legal Aid Centre Inc.

Notes to the Financial Statements

For the year ended December 31, 2022

6 Grants	2022 G\$	2021 G\$
(i) Represent monies received from Government subventures	21,668,874	20,470,000
U.S Agency for International Development	-	-
Total	<u>21,668,874</u>	<u>20,470,000</u>

(ii) This amount represents a cash grant received from the Ministry of Social Protection and the U.S Agency for International Development to cover expenses. The purpose of the grant is to enable the Company to refurbish its office, purchase office equipment and furniture and pay fees to the attorneys and staff during the year.

7 Administrative and operating expenses

Legal and professional services	3,904,250	7,878,648
Audit fees	-	100,000
Rent	1,687,500	1,275,000
Local travel	473,218	811,184
Refund	44,167	-
Repairs & maintenance - building	-	-
Repairs & maintenance - office fur & equip	133,107	7,980
Repairs & maintenance - bicycle	-	7,100
Security	-	-
Office expenses	592,782	530,728
Stamps & postage	4,640	2,400
Cleaning & sanitation	11,780	63,454
Telephone & internet	530,185	453,487
Meals & accommodation	290,605	259,450
Advertising & promotion	-	5,700
Casual labour	-	-
Other expenses	125,609	-
Interest & penalties	-	7,340
Donation	86,640	60,000
Depreciation	522,694	666,698
Bank charges	24,650	27,200
Victim support services	-	223,590
Employment cost	11,327,205	6,841,214
Total	<u>19,759,032</u>	<u>19,221,173</u>

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Linden Legal Aid Centre Inc.
Notes to the Financial Statements
For the year ended December 31, 2022

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 surplus on its statement of financial position, to ensure that it will be able to continue operating into the foreseeable future.

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