
**REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF
GUYANA LEGAL AID CLINIC INC.**

We have audited the accompanying financial statements of **Guyana Legal Aid Clinic Inc.**, which comprise the statement of financial position as at December 31, 2015, 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 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

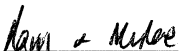
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 8 present fairly, in all material respects, the financial position of **Guyana Legal Aid Clinic Inc.** as at December 31, 2015, 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

June 15, 2016

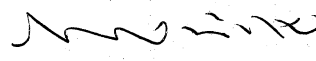
Guyana Legal Aid Clinic Inc.

Statement of Financial Position

As at December 31, 2015

	Notes	2015 G\$	2014 G\$
ASSETS			
Non-current assets			
Office furniture and equipment	3	1,070,737	969,070
Current assets			
Accounts receivable		251,425	251,425
Cash and cash equivalents	4	46,403,350	31,764,724
Total current assets		<u>46,654,775</u>	<u>32,016,149</u>
Total assets		<u>47,725,512</u>	<u>32,985,219</u>
EQUITY AND LIABILITIES			
Equity			
Accumulated fund		46,015,827	31,470,574
Non-current liabilities			
Deferred income	5	1,258,966	1,102,628
Current liabilities			
Accounts payable	6	450,719	412,017
Total liabilities		<u>1,709,685</u>	<u>1,514,645</u>
Total Equity & Liabilities		<u>47,725,512</u>	<u>32,985,219</u>


Director


Company Secretary

The notes on pages 4 to 8 form an integral part of these financial statements.

Guyana Legal Aid Clinic Inc.
Statement of Comprehensive Income & Accumulated Fund
For the year ended December 31, 2015

	Notes	2015 G\$	2014 G\$
Income			
Grants	7	52,930,662	40,646,736
Consultancy fees		1,049,000	962,000
Legal fees	8	12,116,965	11,275,950
Donations		100,000	100,000
Other income		873,542	434,131
Total income		67,070,169	53,418,817
Expenses			
Employment costs	9	47,184,656	41,619,987
Operating expenses	10	2,349,647	2,086,938
Administrative expenses	11	2,990,613	2,906,076
Total expenses		52,524,916	46,613,001
Surplus for the year		14,545,253	6,805,816
Accumulated fund at January 1,		31,470,574	24,664,758
Accumulated fund at December 31,		46,015,827	31,470,574

The notes on pages 4 to 8 form an integral part of these financial statements.

Guyana Legal Aid Clinic Inc.**Statement of Cash Flows**

For the year ended December 31, 2015

	2015 G\$	2014 G\$
Cash flows from operating activities		
Surplus for the year	14,545,253	6,805,816
<i>Adjustments for:</i>		
Grants recognised in income	53,087,000	41,087,000
Grants received	(52,930,662)	(40,646,736)
Depreciation	344,476	281,021
Loss on assets written off	54,671	-
Operating surplus before working capital changes	<u>15,100,738</u>	<u>7,527,101</u>
(Increase) in accounts receivable	-	20,184
Increase/(decrease) in accounts payable	38,702	(14,668)
Cash generated by operating activities	<u>15,139,440</u>	<u>7,532,617</u>
Cash flows from investing activities		
Purchase of office furniture and equipment	(500,814)	(692,671)
Net increase in cash and cash equivalents	<u>14,638,626</u>	<u>6,839,946</u>
Cash and cash equivalents at January 1,	31,764,724	24,924,778
Cash and cash equivalents at December 31,	<u>(Note 4) 46,403,350</u>	<u>31,764,724</u>

The notes on pages 4 to 8 form an integral part of these financial statements.

Guyana Legal Aid Clinic Inc.

Notes to the Financial Statements

For the year ended December 31, 2015

1. Incorporation and principal activity

The Company was incorporated in the Co-operative Republic of Guyana on February 16, 1993 under the Companies Act Cap. 89:01 as a Company limited by guarantee and was continued under the Companies Act Cap. 89:01 on January 5, 1996. Operations commenced during March 1994.

The principal objective of the Company is to provide free or subsidised legal advice and representation to persons, who because of lack of means would otherwise have their need for such advice and representation unmet, and to refer persons requiring non-legal help to appropriate agencies.

The Company's registered office is located at First Floor, Eastern Section, Maraj Building, Charlotte & King Streets, Georgetown, Guyana.

These financial statements were approved by the Board of Directors on 15th June 2016.

2. Statement of accounting policies

(a) Basis of accounting

These financial statements have been prepared in accordance with and comply with the International Financial Reporting Standard for Small and Medium-sized Entities. The financial statements have been prepared under the historical cost convention.

(b) Income and expenditure

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

(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, are recognised in income to the extent utilised. Any unutilised amounts are included in 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 donation 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 statement of comprehensive income each year.

Guyana Legal Aid Clinic Inc.
Notes to the Financial Statements
For the year ended December 31, 2015

2. Statement of accounting policies continued

(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 statement of comprehensive income in the period 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) Office furniture and equipment

Office furniture and equipment are stated at historical cost less depreciation and any impairment losses. 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. Office furniture and equipment	Office furniture G\$	Office equipment G\$	Total G\$
Cost			
At January 1, 2014	1,030,610	5,958,618	6,989,228
Additions	109,404	583,267	692,671
At December 31, 2014	1,140,014	6,541,885	7,681,899
Additions	90,666	410,148	500,814
Disposals	(655,730)	(3,323,496)	(3,979,226)
At December 31, 2015	574,950	3,628,537	4,203,487
Depreciation			
At January 1, 2014	1,000,073	5,431,735	6,431,808
Charges for the year	20,381	260,640	281,021
At December 31, 2014	1,020,454	5,692,375	6,712,829
Charges for the year	34,557	309,919	344,476
Written back on disposals	(655,730)	(3,268,825)	(3,924,555)
At December 31, 2015	399,281	2,733,469	3,132,750
Net book value			
At December 31, 2015	175,669	895,068	1,070,737
At January 1, 2015	119,560	849,510	969,070

Guyana Legal Aid Clinic Inc.
Notes to the Financial Statements
For the year ended December 31, 2015

	2015	2014
	G\$	G\$
4. Cash and cash equivalents		
Cash on hand and deposits held with financial institutions:		
Cash on hand	150,561	96,797
Cash at bank	4,267,136	3,867,572
Deposits	41,985,653	27,800,355
Total	<u>46,403,350</u>	<u>31,764,724</u>

5. Deferred income (non-current)

Donated depreciable assets	<u>1,258,966</u>	<u>1,102,628</u>
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This is amortised and charged to the statement of comprehensive income at the rate the asset is depreciated.

6. Accounts payable

Publication fees	-	44,365
Accrued expenses	367,069	284,002
Client funds	83,650	83,650
Total	<u>450,719</u>	<u>412,017</u>

7. Grants

This balance comprises grants recognised in income as follows:

(i) USAID/GDCCR Project	344,476	252,407
(ii) Ministry of Labour, Human Services & Social Security	51,586,186	40,394,329
Total	<u>52,930,662</u>	<u>40,646,736</u>

(i) This represents amount recognised from a capital grant received in prior year from the Guyana Democratic Consolidation and Conflict Resolution Project (GDCCR) of the United States Agency for International Development (USAID). No grant was received from USAID in 2015.

(ii) This represents amount recognised from the annual subvention received from the Government of Guyana through the Ministry of Labour, Human Services and Social Security to fund day-to-day activities of the Company. This funding is provided pursuant to a Memorandum of Understanding between the Company and the Ministry dated March 14, 2009. Total cash received during the period was \$52,087,000.

The lease rental for the premises occupied by the Company is funded by the Ministry of Labour, Human Services and Social Security.

Guyana Legal Aid Clinic Inc.

Notes to the Financial Statements

For the year ended December 31, 2015

8. Legal fees

The Company charges a nominal fee for some clients.

	2015	2014
	G\$	G\$
9. Employment costs		
Salaries	40,366,059	35,238,251
Allowances	5,062,902	4,837,334
Employer's NIS Contribution	1,755,695	1,544,402
Total	<u>47,184,656</u>	<u>41,619,987</u>

During the period, the Company employed 14 persons (2014 - 14). From October 2012 to December 2014, the Company had the no-cost services of an intern under the Canadian Bar Association's International Youth Internship Programme. There was no intern with the company during 2015.

10. Operating expenses

Affidavit fees	288,030	280,454
Depreciation	344,476	281,021
Legal services	135,000	-
Rent	210,000	200,000
Repairs and maintenance - office equipment	900	211,210
Transportation	1,371,241	1,114,254
Total	<u>2,349,647</u>	<u>2,086,938</u>

11 Administrative expenses

Audit fees	440,730	257,040
Communication costs	208,674	132,265
Electricity	613,159	711,321
Financial charges	198,159	29,400
Insurance	147,833	147,833
Office expenses	973,991	1,067,816
Photocopying and postage	32,900	41,115
Security	106,697	80,736
Advertising	71,334	-
Telephone	142,465	438,550
Total	<u>2,990,613</u>	<u>2,906,076</u>

12 Taxation

On July 07, 1994 the Company received approval from the Ministry of Finance to be deemed as a charitable organisation. The Company is therefore exempt from Corporation and Property Taxes.

Guyana Legal Aid Clinic Inc.
Notes to the Financial Statements
For the year ended December 31, 2015

	2015	2014
	G\$	G\$
13 Related party transactions		
Donations from related parties	<u>100,000</u>	<u>100,000</u>
Key management personnel compensation	<u>8,112,718</u>	<u>7,467,876</u>

No remuneration was paid to the Directors during the year under review.