GUYANA LEGAL AID CLINIC INC.

DECEMBER 31, 2023

AUDITED FINANCIAL STATEMENTS

Ram & McRae
Chartered Accountants
Professional Services Firm

157 'C' Waterloo Street
North Cummingsburg
Georgetown

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

Opinion

We have audited the financial statements of **Guyana Legal Aid Clinic Inc.** (the Company), which comprise the statement of financial position as at December 31, 2023, and the statement of comprehensive income and accumulated fund 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 8 present fairly, in all material respects, the financial position of the Company as at December 31, 2023, 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 skepticism 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

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

July 25, 2024

Guyana Legal Aid Clinic Inc.
Statement of Financial Position
As at December 31, 2023

	Notes	2023	2022
		G$	G$
ASSETS			
Non-current assets			
Office furniture and equipment	3	924,326	3,037,739
Current assets			
Accounts receivable		191,592	191,592
Cash and cash equivalents	4	232,446,622	210,111,225
Total current assets		**232,638,214**	**210,302,817**
Total assets		**233,562,540**	**213,340,556**
EQUITY AND LIABILITIES			
Equity			
Accumulated fund		213,907,462	194,364,133
Non-current liability			
Deferred income	5	19,130,883	18,474,441
Current liability			
Accounts payable	6	524,195	501,982
Total liabilities		**19,655,078**	**18,976,423**
Total Equity & Liabilities		**233,562,540**	**213,340,556**

Director / Treasurer

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, 2023

	Notes	2023 G$	2022 G$
Income			
Grants	7	98,561,720	91,269,484
Consultancy fees		1,230,501	1,170,000
Legal fees	8	14,427,468	18,655,428
Donations		120,500	200,400
Other income		5,953,851	5,079,221
Total income		**120,294,040**	**116,374,533**
Expenses			
Employment costs	9	79,902,022	74,946,446
Operating expenses	10	15,006,641	7,299,919
Administrative expenses	11	5,842,048	5,933,739
Total expenses		**100,750,711**	**88,180,104**
Surplus for the year		**19,543,329**	**28,194,429**
Accumulated fund at January 1,		194,364,133	166,169,704
Accumulated fund at December 31,		**213,907,462**	**194,364,133**

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, 2023

1. Incorporation and principal activity

The Company was incorporated in the Co-operative Republic of Guyana on February 16, 1993 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 July 25, 2024.

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.

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%	20%

3. Office furniture and equipment

	Office furniture G$	Office equipment G$	Total G$
Cost			
At January 1, 2022	1,850,323	8,451,995	10,302,318
Additions	138,998	2,189,732	2,328,730
Reclassification	125,000	(125,000)	-
At December 31, 2022	**2,114,321**	**10,516,727**	**12,631,048**
Additions	143,500	372,496	515,996
At December 31, 2023	**2,257,821**	**10,889,223**	**13,147,044**
Depreciation			
At January 1, 2022	1,413,227	7,184,200	8,597,427
Reclassification	61,886	(61,886)	-
Charges for the year	157,526	838,356	995,882
At December 31, 2022	**1,632,639**	**7,960,670**	**9,593,309**
Charges for the year	451,564	2,177,845	2,629,409
At December 31, 2023	**2,084,203**	**10,138,515**	**12,222,718**
Net book value			
At December 31, 2023	**173,618**	**750,708**	**924,326**
At January 1, 2023	481,682	2,556,057	3,037,739

Guyana Legal Aid Clinic Inc.
Notes to the Financial Statements
For the year ended December 31, 2023

	2023 G$	2022 G$
4. Cash and cash equivalents		

Cash on hand and deposits held with financial institutions:

	2023 G$	2022 G$
Cash on hand	395,614	261,385
Cash at bank	2,820,964	7,258,826
Deposits	229,230,044	202,591,014
Total	**232,446,622**	**210,111,225**

5. Deferred income (non-current)

		2023 G$	2022 G$
(i)	Deferred Grant - Ministry of Human Services	9,935,763	9,259,321
(ii)	Deferred Grant - Ministry of Home Affairs	7,671,600	7,691,600
	Donated depreciable assets	1,523,520	1,523,520
		19,130,883	**18,474,441**

(i) This represent unutilized funding from the Government of Guyana through the Ministry of Human Services, which would be written off to the Income statement when the expenses are incurred in the new financial year.

(ii) This represent unutilized funding under an MOU with the Ministry of home affairs for Expenses incurred on Special project for Juveniles in contact or conflict with the law or appealing a conviction. These are written off to the Income Statement when the expenses are incurred.

6. Accounts payable

	2023 G$	2022 G$
Accrued expenses	524,195	501,982
Total	**524,195**	**501,982**

Guyana Legal Aid Clinic Inc.
Notes to the Financial Statements
For the year ended December 31, 2023

7. Grants

This balance comprises grants recognised in income as follows:

	2023 G$	2022 G$
(i) Ministry of Social Protection	98,561,720	91,269,484
Total	**98,561,720**	**91,269,484**

(i) This represents amount recognised from the annual subvention received from the Government of Guyana through the Ministry of Social Protection 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 year was $96,178,56 of which $4,909,078 was deferred to 2023.

The lease rental for the property occupied by the Company is funded by the Government of Guyana.

(ii) This represents funds provided by United Nations International Children's Fund for the purpose of providing legal aid services to children under the age of 18 in collaboration with the Rights of the Child Commission. Provision of the services began in September 2007 via an agreement with the Ministry of Culture, Youth and Sport who had received funds from UNICEF for the establishment of a children's legal aid service.

8. Legal fees

The Company charges a nominal fee for some clients.

9. Employment costs

	2023 G$	2022 G$
Salaries	67,613,459	62,634,466
Allowances	8,820,465	9,061,891
Employer's NIS Contribution	3,468,098	3,250,089
Total	**79,902,022**	**74,946,446**

During the year the Company employed 18 persons (2022 - 17). There was one resignation during the year and a reappointment. The Company also had the no-cost services of interns under the Canadian Bar Association's International Youth Internship Programme during the year 2023.

Guyana Legal Aid Clinic Inc.
Notes to the Financial Statements
For the year ended December 31, 2023

10. Operating expenses

	2023 G$	2022 G$
Affidavit fees	4,059,330	3,605,642
Depreciation	2,629,409	995,882
Legal services	-	50,000
Rent	7,619,100	1,571,400
Repairs and maintenance - office equipment	-	94,960
Transportation	698,802	906,635
Training and accommodation	-	75,400
Total	**15,006,641**	**7,299,919**

11. Administrative expenses

	2023 G$	2022 G$
Audit fees and expenses	421,800	421,800
Communication costs	835,200	627,912
Electricity	865,433	627,794
Financial charges	62,977	67,800
Insurance	116,121	116,121
Office expenses	2,787,392	3,433,730
Photocopying and postage	9,210	27,059
Security	272,637	133,040
Advertising	91,382	76,660
Telephone	379,896	401,822
Total	**5,842,048**	**5,933,739**

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.

13. Related party transactions

	2023 G$	2022 G$
Donations from related parties	**100,000**	**100,000**
Key management personnel compensation	**10,694,256**	**7,029,558**

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