

GUYANA LEGAL AID CLINIC INC.

DECEMBER 31, 2019

AUDITED FINANCIAL STATEMENTS

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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, 2019, 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, 2019, 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.

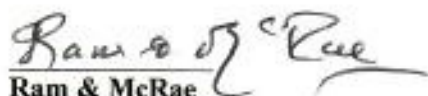
Auditor's Responsibilities for the Audit of the Financial Statements

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

15 September, 2020.

Guyana Legal Aid Clinic Inc.

Statement of Financial Position

As at December 31, 2019

	Notes	2019 G\$	2018 G\$
ASSETS			
Non-current assets			
Office furniture and equipment	3	2,986,644	3,420,877
Current assets			
Accounts receivable		200,235	166,035
Cash and cash equivalents	4	132,371,739	101,497,569
Total current assets		<u>132,571,974</u>	<u>101,663,604</u>
Total assets		<u>135,558,618</u>	<u>105,084,481</u>
EQUITY AND LIABILITIES			
Equity			
Accumulated fund		121,688,886	93,764,679
Non-current liability			
Deferred income	5	10,891,268	10,691,432
Current liability			
Accounts payable	6	2,978,464	628,370
Total liabilities		<u>13,869,732</u>	<u>11,319,802</u>
Total Equity & Liabilities		<u>135,558,618</u>	<u>105,084,481</u>


Valentin Rousseau
Director/ Treasurer

Guyana Legal Aid Clinic Inc.
185 Charlotte & King Streets
Lacytown, Georgetown, Guyana


[Signature]
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, 2019

	Notes	2019 G\$	2018 G\$
Income			
Grants	7	80,196,162	68,383,978
Consultancy fees		1,110,500	1,115,000
Legal fees	8	17,199,791	18,334,000
Donations		100,000	100,000
Other income		3,171,511	2,378,886
Total income		<u>101,777,964</u>	<u>90,311,864</u>
Expenses			
Employment costs	9	63,241,113	57,990,902
Operating expenses	10	7,122,172	6,341,162
Administrative expenses	11	3,490,472	3,483,109
Total expenses		<u>73,853,757</u>	<u>67,815,173</u>
Surplus for the year		<u>27,924,207</u>	<u>22,496,691</u>
Accumulated fund at January 1,		93,764,679	71,267,988
Accumulated fund at December 31,		<u>121,688,886</u>	<u>93,764,679</u>

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, 2019

	2019	2018
	G\$	G\$
Cash flows from operating activities		
Surplus for the year	27,924,207	22,496,691
<i>Adjustments for:</i>		
Grants received	80,395,998	74,642,548
Grants recognised in income	(80,196,162)	(68,383,978)
Depreciation	1,125,771	967,341
Operating surplus before working capital changes	<u>29,249,814</u>	<u>29,722,602</u>
Decrease/(increase) in accounts receivable	(34,200)	18,911
Increase in accounts payable	2,350,094	95,762
Cash generated by operating activities	<u>31,565,708</u>	<u>29,837,275</u>
Cash flows from investing activities		
Acquisition of office furniture and equipment	(691,538)	(143,406)
Net increase in cash and cash equivalents	<u>30,874,170</u>	<u>29,693,869</u>
Cash and cash equivalents at January 1,	101,497,569	71,803,700
Cash and cash equivalents at December 31,	<u>132,371,739</u>	<u>101,497,569</u>
	(Note 4)	
Analysis of cash and cash equivalents as shown in the statement of financial position		
Cash at bank	131,981,826	101,248,483
Cash in hand	389,913	249,086
	<u>132,371,739</u>	<u>101,497,569</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, 2019

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 **September 15, 2020**.

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.

