

Trinidad and Tobago Association of Retired Persons

Financial Statements

31 December 2013

Brian Fletcher & Co
Chartered Accountants

Independent Auditors' Report

To the members of
Trinidad and Tobago Association of Retired Persons

Report on the financial statements

We have audited the accompanying financial statements of Trinidad and Tobago Association of Retired Persons, which comprise the statement of financial position as of 31 December 2013 and the statement of comprehensive income and accumulated fund and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and the fair presentation of these financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs), and for such internal control relevant as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 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 auditors' 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 accompanying financial statements present fairly, in all material respects, the financial position of Trinidad and Tobago Association of Retired Persons as of 31 December 2013, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs).

Maraval
TRINIDAD
16 September 2014

Trinidad and Tobago Association of Retired Persons

Financial Statements for the year ended 31 December 2013

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Trinidad and Tobago Association of Retired Persons

Statement of Financial Position

As at 31 December 2013

(Expressed in Trinidad and Tobago dollars)

	Notes	2013	2012
ASSETS			
Non-current assets			
Property, plant and equipment	4	<u>3,036,747</u>	<u>3,101,626</u>
		<u>3,036,747</u>	<u>3,101,626</u>
Current assets			
Sundry debtors and prepayments	5	205,023	256,809
Fixed deposit	6	15,000	15,000
Cash at bank and in hand	7	<u>1,562,266</u>	<u>1,109,698</u>
		<u>1,782,289</u>	<u>1,381,507</u>
Total Assets		\$4,819,036	\$4,483,133
		=====	=====
MEMBERS FUND AND LIABILITIES			
Members fund			
Accumulated fund		<u>3,613,162</u>	<u>3,274,279</u>
		<u>3,613,162</u>	<u>3,274,279</u>
Non-current liabilities			
Secured loan	8	645,960	754,238
Grant deferred	9	<u>74,456</u>	<u>99,275</u>
		<u>720,416</u>	<u>853,513</u>
Current liabilities			
Accounts payable		78,434	21,568
Accrued expenses		190,052	35,517
Current portion of secured loan	8	108,274	101,318
Current portion of grant deferred	9	24,819	33,092
Bank overdraft		<u>83,879</u>	<u>163,846</u>
		<u>485,458</u>	<u>355,341</u>
Total Liabilities		<u>1,205,874</u>	<u>1,208,854</u>
Total Members Fund and Liabilities		\$4,819,036	\$4,483,133
		=====	=====

The accompanying notes on pages 6 to 12 form an integral part of these financial statements.

On 16 September 2014 the Board of Directors authorised these financial statements for issue.

Director _____

Director _____

Trinidad and Tobago Association of Retired Persons

Statement of Comprehensive Income and Accumulated Fund for the year ended 31 December 2013 (Expressed in Trinidad and Tobago dollars)

	2013	2012
Revenue		
Membership and admission fees	1,865,541	1,639,209
Administration fees	53,355	90,002
Functions	1,995,460	936,263
Interest on investments	9,214	11,132
Grant	<u>33,091</u>	<u>44,122</u>
	<u>3,956,661</u>	<u>2,720,728</u>
Expenses		
Administration fees	386,100	416,972
Advertising and promotion	562,406	447,194
Audit and accounting fees	34,615	46,035
Bank charges	5,669	6,191
Depreciation	64,880	77,362
Functions and meetings	1,941,574	890,074
General expenses	39,429	44,443
Insurance	9,736	19,878
Legal and professional fees	903	14,488
Mortgage interest	68,841	76,960
Postage	280,859	156,284
Printing and stationery	105,952	97,711
Rent	54,000	54,000
Security	-	5,345
Telephone	51,293	56,663
Utilities	<u>11,521</u>	<u>12,430</u>
	<u>3,617,778</u>	<u>2,422,030</u>
Surplus for the year	338,883	298,698
Accumulated fund at start of year	<u>3,274,279</u>	<u>2,975,581</u>
Accumulated fund at end of year	\$3,613,162 =====	\$3,274,279 =====

The accompanying notes on pages 6 to 12 form an integral part of these financial statements.

Trinidad and Tobago Association of Retired Persons

Statement of Cash Flows

for the year ended 31 December 2013

(Expressed in Trinidad and Tobago dollars)

	Note	2013	2012
Cash flows from operating activities			
Surplus for the year		338,883	298,698
Adjustments for non-cash income and expenses:			
Deferred income		(33,092)	(44,122)
Depreciation		64,879	77,362
Changes in operating assets and liabilities			
Decrease/(increase) in sundry debtors and prepayments		51,786	(25,436)
Increase/(decrease) in accrued expenses		154,535	(152,929)
Increase/(decrease) in accounts payable		<u>56,866</u>	<u>(99,699)</u>
Net cash from operating activities		<u>633,857</u>	<u>53,874</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		_____ -	(<u>28,607</u>)
Net cash used in investing activities		_____ -	(<u>28,607</u>)
Cash flows from financing activities			
Repayment of secured loan		(<u>101,322</u>)	(<u>93,202</u>)
Net cash used in financing activities		(<u>101,322</u>)	(<u>93,202</u>)
Net increase/(decrease) in cash for the year		532,535	(67,935)
Cash and cash equivalents at beginning of year		<u>960,852</u>	<u>1,028,787</u>
Cash and cash equivalents at end of year	10	\$1,493,387 =====	\$ 960,852 =====

The accompanying notes on pages 6 to 12 form an integral part of these financial statements.

Trinidad and Tobago Association of Retired Persons

Notes to the Financial Statements

for the year ended 31 December 2013

(Expressed in Trinidad and Tobago dollars)

1. Incorporation And Principal Activity

The Association, a company limited by guarantee and not having a share capital, was incorporated in the Republic of Trinidad and Tobago on 18th June, 1993 and continued under the provisions of The Companies Act, 1995 on 29th July, 1999 as a non-profit company. The principal objects are:-

- (a) To promote the enhancement of the quality of life for mature men and women in Trinidad and Tobago.
- (b) To promote the independence, dignity and purpose in life of mature men and women in Trinidad and Tobago.
- (c) To represent, express and give effect to the view and opinions of mature men and women and to assist in determining the role of senior citizens in Society.
- (d) To improve the image of aging.

2. Significant accounting policies

These financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board.

The financial statements are presented in Trinidad and Tobago dollars (\$) which is the functional currency and all values are rounded to the nearest dollar.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements have been prepared on the historical cost basis. The preparation of financial statements in conformity with the IFRS for SMEs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Association's accounting policies. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimations are significant to the financial statements are disclosed in note 2.2.

2.2 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The Association adds to the carrying amount of an item of property, plant and equipment the cost of replacing parts of such an item when the cost is incurred if the replacement part is expected to provide incremental future benefits to the Association; the carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Trinidad and Tobago Association of Retired Persons

Notes to the Financial Statements

for the year ended 31 December 2013 (continued)

(Expressed in Trinidad and Tobago dollars)

2. Significant accounting policies (continued)

2.2 Property, plant and equipment (continued)

Land is not depreciated. Depreciation on other assets is charged at rates so as to allocate the cost of the assets less their residual value over their estimated useful lives as follows:-

Freehold buildings	2% straight line basis
Furniture, fixtures and equipment	10% reducing balance basis
Office equipment	25% reducing balance basis
Motor vehicle	25% reducing balance basis

The assets' residual values and useful lives are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last statement of financial position date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amounts and are included in the statement of comprehensive income.

2.3 Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.4 Sundry debtors

Sundry debtors are recognised at fair value less provision for impairment. A provision for impairment of sundry debtors is established when there is objective evidence that the Association will not be able to collect all amounts due according to the original terms of debtors. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the sundry debtor is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the statement of comprehensive income within administration expenses.

Trinidad and Tobago Association of Retired Persons

Notes to the Financial Statements

for the year ended 31 December 2013 (continued)

(Expressed in Trinidad and Tobago dollars)

2. Significant accounting policies (continued)

2.5 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any differences between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income and accumulated fund over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Association has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

2.6 Grant deferred

Grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position by setting up the grant as deferred income. Grants shall be recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

2.7 Accounts payable and accrued expenses

Liabilities for amounts payable which are normally settled on 30-90 day terms, are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Association.

2.8 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost and comprise cash in hand, deposits held at call with banks and funds held in an Income Fund net of bank overdraft.

2.9 Foreign currency translation

(a) Functional and presentation currency

Items found in the financial statements of the Association are measured using the currency of the primary economic environment in which the Association operates (“the functional currency”). These financial statements are presented in Trinidad and Tobago dollars (TTD) which is the Association’s functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income and accumulated fund.

Trinidad and Tobago Association of Retired Persons

Notes to the Financial Statements

for the year ended 31 December 2013 (continued)

(Expressed in Trinidad and Tobago dollars)

2. Significant accounting policies (continued)

2.10 Provisions

Provisions are recognised when the Association has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligation as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.11 Income and expenditure recognition

Income is accounted for on the receipts basis and expenditure on the accruals basis.

3. Fair value estimation

The fair value estimation of the Association's financial assets and liabilities approximates to their carrying amounts at the statement of financial position date.

Trinidad and Tobago Association of Retired Persons

Notes to the Financial Statements

for the year ended 31 December 2013 (continued)

(Expressed in Trinidad and Tobago dollars)

4. Property, Plant And Equipment

	Freehold Land And Buildings	Furniture, Fixtures And Equipment	Office Equipment	Motor Vehicle	Total
Year ended					
31 December 2013					
Opening net book value	2,911,800	27,849	29,611	132,366	3,101,626
Depreciation	(21,600)	(2,785)	(7,403)	(33,091)	(64,879)
Closing net book value	\$2,890,200 =====	\$ 25,064 =====	\$ 22,208 =====	\$ 99,275 =====	\$3,036,747 =====
At 31 December 2013					
Cost	2,955,000	58,425	110,736	386,164	3,510,325
Accumulated depreciation	(64,800)	(33,361)	(88,528)	(286,889)	(473,578)
Net book value	\$2,890,200 =====	\$ 25,064 =====	\$ 22,208 =====	\$ 99,275 =====	\$3,036,747 =====
Year ended					
31 December 2012					
Opening net book value	2,933,400	21,536	18,957	176,488	3,150,381
Additions	-	9,824	18,783	-	28,607
Depreciation	(21,600)	(3,511)	(8,129)	(44,122)	(77,362)
Closing net book value	\$2,911,800 =====	\$ 27,849 =====	\$ 29,611 =====	\$132,366 =====	\$3,101,626 =====
At 31 December 2012					
Cost	2,955,000	58,425	110,736	386,164	3,510,325
Accumulated depreciation	(43,200)	(30,576)	(81,125)	(253,798)	(408,699)
Net book value	\$2,911,800 =====	\$ 27,849 =====	\$ 29,611 =====	\$132,366 =====	\$3,101,626 =====

Trinidad and Tobago Association of Retired Persons

Notes to the Financial Statements

for the year ended 31 December 2013 (continued)

(Expressed in Trinidad and Tobago dollars)

5. Sundry Debtors And Prepayments			2013	2012
Sundry debtors			155,007	155,007
Prepayments			<u>50,016</u>	<u>101,802</u>
			\$ 205,023	\$ 256,809
			=====	=====
6. Fixed Deposit			2013	2012
RBC Merchant Bank (Caribbean) Limited			<u>15,000</u>	<u>15,000</u>
			\$ 15,000	\$ 15,000
			=====	=====
7. Cash At Bank And In Hand			2013	2012
Cash at bank			531,423	287,597
Cash in hand			600	600
UTC income fund			<u>1,030,243</u>	<u>821,501</u>
			\$ 1,562,266	\$1,109,698
			=====	=====
8. Secured Loan				
	Current Portion	Long Term Portion	2013	2012
Republic Finance and Merchant Bank Limited	\$ 108,274	\$ 645,960	\$ 754,234	\$ 855,556
	=====	=====	=====	=====

There is a secured loan with Republic Finance and Merchant Bank Limited for one million four hundred and forty thousand dollars (\$1,440,000).

This loan is repayable over 15 years at a monthly instalment of \$14,180 inclusive of interest and is secured by a First Mortgage on the company's property at 167-169 Belmont Circular Road, Belmont. This loan bears interest at 8.5% per annum.

Trinidad and Tobago Association of Retired Persons

Notes to the Financial Statements

for the year ended 31 December 2013 (continued)

(Expressed in Trinidad and Tobago dollars)

9. Grant Deferred	2013	2012
Balance as at 1 January		
Amounts received		
Donation of bus	386,165	386,165
Maintenance of bus	<u>80,000</u>	<u>80,000</u>
	466,165	466,165
Amounts released to income	<u>(366,890)</u>	<u>333,798</u>
Balance as at 31 December	\$ 99,275	\$ 132,367
	=====	=====
Current portion of Grant deferred	24,819	33,092
Medium term portion of Grant deferred	<u>74,456</u>	<u>99,275</u>
	\$ 99,275	\$ 132,367
	=====	=====

The Association received a grant from Phoenix Park Gas Processors Limited of a Civilian 30 Seat Bus and eighty thousand dollars (\$80,000) to cover Bus maintenance for three (3) years.

10. Cash And Cash Equivalent	2013	2012
Cash at bank and in hand (note 7)	1,562,266	1,109,698
Fixed deposit	15,000	15,000
Bank overdraft	<u>(83,879)</u>	<u>(163,846)</u>
	\$1,493,387	\$ 960,852
	=====	=====