

*Table of Contents* *Page No.*

**GUYANA LEGAL AID CLINIC INC.**

**DECEMBER 31, 2020**

• **AUDITED FINANCIAL STATEMENTS**

 **Ram & McRae**  
Chartered Accountants  
Professional Services Firm

157 'C' Waterloo Street  
North Cummingsburg  
Georgetown

# Table of Contents

Page No.

<b>Report of Ram &amp; McRae to the Members</b>	
<b>Statement of Financial Position.....</b>	<b>1</b>
<b>Statement of Comprehensive Income &amp; Accumulated Fund.....</b>	<b>2</b>
<b>Statement of Cash Flows.....</b>	<b>3</b>
<b>Notes to the Financial Statements.....</b>	<b>4-8</b>



**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, 2020, 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, 2020, 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

September 15, 2021

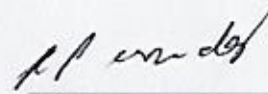
**Guyana Legal Aid Clinic Inc.**

**Statement of Financial Position**

As at December 31, 2020

	Notes	2020 G\$	2019 G\$
<b>ASSETS</b>			
<b>Non-current assets</b>			
Office furniture and equipment	3	1,523,522	2,986,644
<b>Current assets</b>			
Accounts receivable		200,235	200,235
Cash and cash equivalents	4	152,428,522	132,371,739
<b>Total current assets</b>		<u>152,628,757</u>	<u>132,571,974</u>
<b>Total assets</b>		<u>154,152,279</u>	<u>135,558,618</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Accumulated fund		144,432,980	121,688,885
<b>Non-current liability</b>			
Deferred income	5	9,134,599	10,891,270
<b>Current liability</b>			
Accounts payable	6	584,700	2,978,464
<b>Total liabilities</b>		<u>9,719,299</u>	<u>13,869,734</u>
<b>Total Equity &amp; Liabilities</b>		<u>154,152,279</u>	<u>135,558,619</u>

  
Director / Treasurer

  
Chairperson

*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, 2020

	Notes	2020 G\$	2019 G\$
<b>Income</b>			
Grants	7	83,612,984	80,196,162
Consultancy fees		822,500	1,110,500
Legal fees	8	11,098,123	17,199,791
Donations		100,000	100,000
Other income		3,753,836	3,171,511
<b>Total income</b>		<b>99,387,443</b>	<b>101,777,964</b>
<b>Expenses</b>			
Employment costs	9	67,746,990	63,241,113
Operating expenses	10	5,625,574	7,122,172
Administrative expenses	11	3,270,784	3,490,473
<b>Total expenses</b>		<b>76,643,348</b>	<b>73,853,758</b>
<b>Surplus for the year</b>		<b>22,744,095</b>	<b>27,924,206</b>
Accumulated fund at January 1,		121,688,885	93,764,679
<b>Accumulated fund at December 31,</b>		<b>144,432,980</b>	<b>121,688,885</b>

*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, 2020

	2020 GS	2019 GS
<b>Cash flows from operating activities</b>		
Surplus for the year	22,744,095	27,924,205
<i>Adjustments for:</i>		
Grants received	81,856,313	80,396,000
Grants recognised in income	(83,612,984)	(80,196,162)
Depreciation	1,800,190	1,125,771
<b>Operating surplus before working capital changes</b>	<u>22,787,614</u>	<u>29,249,814</u>
Increase in accounts receivable	-	(34,200)
Increase / (Decrease) in Accounts Payable	(2,393,764)	2,350,094
<b>Cash generated by operating activities</b>	<u>20,393,850</u>	<u>31,565,708</u>
<b>Cash flows from investing activity</b>		
Acquisition of office furniture and equipment	(337,068)	(691,538)
<b>Net increase in cash and cash equivalents</b>	<u>20,056,782</u>	<u>30,874,170</u>
Cash and cash equivalents at January 1,	132,371,739	101,497,569
<b>Cash and cash equivalents at December 31,</b>	<u>(Note 4) <u>152,428,521</u></u>	<u>132,371,739</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, 2020

**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 1, 2021

**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, 2020

**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\$
<b>Cost</b>			
At January 1, 2019			
Additions	1,370,692	7,365,932	8,736,624
<b>At December 31, 2019</b>	<u>115,038</u>	<u>576,500</u>	<u>691,538</u>
Additions	1,485,730	7,942,432	9,428,162
<b>At December 31, 2020</b>	<u>1,516,298</u>	<u>8,248,932</u>	<u>9,765,230</u>
<b>Depreciation</b>			
At January 1, 2019			
Charges for the year	909,821	4,405,926	5,315,747
<b>At December 31, 2019</b>	<u>199,787</u>	<u>925,984</u>	<u>1,125,771</u>
Charges for the year	1,109,608	5,331,910	6,441,518
<b>At December 31, 2020</b>	<u>1,306,366</u>	<u>6,935,342</u>	<u>8,241,708</u>
<b>Net book value</b>			
<b>At December 31, 2020</b>	<u>209,932</u>	<u>1,313,590</u>	<u>1,523,522</u>
At January 1, 2020	<u>376,122</u>	<u>2,610,522</u>	<u>2,986,644</u>

**Guyana Legal Aid Clinic Inc.**  
**Notes to the Financial Statements**  
For the year ended December 31, 2020

	2020	2019
	G\$	G\$
<b>4. Cash and cash equivalents</b>		
Cash on hand and deposits held with financial institutions:		
Cash on hand	362,351	389,913
Cash at bank	3,284,111	7,791,959
Deposits	148,782,060	124,189,867
<b>Total</b>	<u>152,428,522</u>	<u>132,371,739</u>

**5. Deferred income (non-current)**

Deferred Grant - Ministry of Human Services	7,611,079	
Donated depreciable assets	1,523,520	10,891,270
	<u>9,134,599</u>	<u>10,891,270</u>

This is amortised and charged to the statement of comprehensive income at the same rate at which the asset is depreciated.

**6. Accounts payable**

Accrued expenses	501,050	2,894,814
Client funds	83,650	83,650
<b>Total</b>	<u>584,700</u>	<u>2,978,464</u>

**7. Grants**

This balance comprises grants recognised in income as follows:

(i) Ministry of Social Protection	83,612,984	79,496,162
(ii) UNICEF funded Children's Legal Aid Project (by agreement with the Ministry of Culture, Youth and Sports)	-	700,000
<b>Total</b>	<u>83,612,984</u>	<u>80,196,162</u>

- (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 \$74,105,265 of which \$6,965,008 was deferred to 2019.

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.

**Guyana Legal Aid Clinic Inc.**  
**Notes to the Financial Statements**  
For the year ended December 31, 2020

**8. Legal fees**

The Company charges a nominal fee for some clients.

	2020	2019
	G\$	G\$
<b>9. Employment costs</b>		
Salaries	57,693,076	54,809,579
Allowances	7,012,700	5,643,920
Employer's NIS Contribution	3,041,214	2,787,614
<b>Total</b>	<u>67,746,990</u>	<u>63,241,113</u>

During the year the Company employed 4 persons (2019 - 2). There were 3 resignation during the year. The Company also had the no-cost services of interns under the Canadian Bar Association's International Youth Internship Programme during the year 2019. There were none in the current year.

**10. Operating expenses**

Affidavit fees	1,262,955	1,820,214
Depreciation	1,800,190	1,125,771
Legal services	50,000	-
Rent	1,514,400	1,566,000
Repairs and maintenance - office equipment	38,190	206,910
Transportation	919,039	2,045,477
Repairs and maintenance building	-	105,000
Rights of the Child Commission Visits	20,000	252,800
Training and accommodation	20,800	-
<b>Total</b>	<u>5,625,574</u>	<u>7,122,172</u>

**11 Administrative expenses**

Audit fees and expenses	421,800	421,800
Communication costs	250,330	215,928
Electricity	379,974	740,922
Financial charges	48,235	58,832
Insurance	126,095	126,095
Office expenses	1,462,639	1,449,078
Photocopying and postage	7,438	18,700
Security	113,544	106,704
Advertising	103,177	61,104
Telephone	357,552	291,309
<b>Total</b>	<u>3,270,784</u>	<u>3,490,473</u>

**Guyana Legal Aid Clinic Inc.**  
**Notes to the Financial Statements**  
For the year ended December 31, 2020

**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.

	2020	2019
	GS	GS
<b>13 Related party transactions</b>		
Donations from related parties	<u>100,000</u>	<u>100,000</u>
Key management personnel compensation	<u>7,029,558</u>	<u>7,029,558</u>

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