

Table of Contents

Page No.

Report of Ram & McRae to the Members

Statement of **GUYANA LEGAL AID CLINIC INC.** 1

Statement of Comprehensive Income & Accumulated Fund..... 2

Statement of Cash Flows..... 3

Notes to the Financial Statements..... 4-8

DECEMBER 31, 2021



AUDITED FINANCIAL STATEMENTS

**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, 2021, 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, 2021, 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.

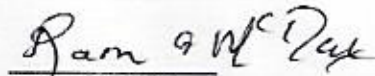
Auditor's Responsibilities for the Audit of the Financial Statements

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

August 2, 2022

Guyana Legal Aid Clinic Inc.
Statement of Financial Position
 As at December 31, 2021

	Notes	2021 GS	2020 GS
ASSETS			
Non-current assets			
Office furniture and equipment	3	1,704,891	1,523,522
Current assets			
Accounts receivable		191,592	200,235
Cash and cash equivalents	4	178,410,674	152,428,522
Total current assets		<u>178,602,266</u>	<u>152,628,757</u>
Total assets		<u>180,307,157</u>	<u>154,152,279</u>
EQUITY AND LIABILITIES			
Equity			
Accumulated fund		166,169,704	144,432,980
Non-current liability			
Deferred income	5	13,565,363	9,134,599
Current liability			
Accounts payable	6	572,090	584,700
Total liabilities		<u>14,137,453</u>	<u>9,719,299</u>
Total Equity & Liabilities		<u>180,307,157</u>	<u>154,152,279</u>


 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, 2021

	Notes	2021 G\$	2020 G\$
Income			
Grants			
Consultancy fees	7	83,630,528	83,612,984
Legal fees		972,000	822,500
Donations	8	16,242,520	11,098,123
Other income		112,000	100,000
Total income		<u>105,810,708</u>	<u>99,387,443</u>
Expenses			
Employment costs	9	73,551,190	67,746,990
Operating expenses	10	6,370,472	5,625,574
Administrative expenses	11	4,152,322	3,270,784
Total expenses		<u>84,073,984</u>	<u>76,643,348</u>
Surplus for the year		<u>21,736,724</u>	<u>22,744,095</u>
Accumulated fund at January 1,		144,432,980	121,688,885
Accumulated fund at December 31,		<u>166,169,704</u>	<u>144,432,980</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, 2021

	2021 G\$	2020 G\$
Cash flows from operating activities		
Surplus for the year	21,736,724	22,744,095
<i>Adjustments for:</i>		
Grants received	87,485,712	81,856,313
Grants recognised in income	(83,630,528)	(83,612,984)
Depreciation	931,300	1,800,190
Operating surplus before working capital changes	<u>26,523,208</u>	<u>22,787,614</u>
Increase in accounts receivable	8,643	-
Increase / (Decrease) in Accounts Payable	(12,610)	(2,393,764)
Cash generated by operating activities	<u>26,519,241</u>	<u>20,393,850</u>
Cash flows from investing activity		
Acquisition of office furniture and equipment	(537,088)	(337,068)
Net increase in cash and cash equivalents	<u>25,982,153</u>	<u>20,056,782</u>
Cash and cash equivalents at January 1,	152,428,521	132,371,739
Cash and cash equivalents at December 31,	<u>(Note 4) 178,410,674</u>	<u>152,428,521</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, 2021

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 August 2, 2022.

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, 2021

	2021	2020
	G\$	G\$
4. Cash and cash equivalents		
Cash on hand and deposits held with financial institutions:		
Cash on hand	285,075	362,351
Cash at bank	9,245,244	3,284,111
Deposits	168,880,355	148,782,060
Total	<u>178,410,674</u>	<u>152,428,522</u>
5. Deferred income (non-current)		
(i) Deferred Grant - Ministry of Human Services	7,311,843	7,611,079
(ii) Deferred Grant - Ministry of Home Affairs	4,730,000	-
Donated depreciable assets	1,523,520	1,523,520
	<u>13,565,363</u>	<u>9,134,599</u>
(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		
Accrued expenses	488,440	501,050
Client funds	83,650	83,650
Total	<u>572,090</u>	<u>584,700</u>

Guyana Legal Aid Clinic Inc.
Notes to the Financial Statements
For the year ended December 31, 2021

	2021	2020
	G\$	G\$

7. Grants

This balance comprises grants recognised in income as follows:

(i) Ministry of Social Protection	83,630,528	83,612,984
Total	<u>83,630,528</u>	<u>83,612,984</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 2020.

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

8. Legal fees

The Company charges a nominal fee for some clients.

9. Employment costs

	2021	2020
	G\$	G\$
Salaries	62,175,767	57,693,076
Allowances	8,078,388	7,012,700
Employer's NIS Contribution	3,297,035	3,041,214
Total	<u>73,551,190</u>	<u>67,746,990</u>

During the year the Company employed 17 persons (2020 - 2). There were nil 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 2020. There were none in the current year.

On July 31, 1994 the Company received approval from the Ministry of Finance to be deemed as a charitable organization. The Company is deemed exempt under Corporation and Company Tax.

	2021	2020
	G\$	G\$
Donations from related parties	111,000	170,000
Key management personnel compensation	7,879,338	7,879,338

No contributions were paid to the Director during the year under review.

Guyana Legal Aid Clinic Inc.
Notes to the Financial Statements
For the year ended December 31, 2021

	2021	2020
	G\$	G\$
10. Operating expenses		
Affidavit fees	2,625,945	1,262,955
Depreciation	931,300	1,800,190
Legal services	25,000	50,000
Rent	1,514,400	1,514,400
Repairs and maintenance - office equipment	-	38,190
Transportation	1,243,827	919,039
Rights of the Child Commission Visits	30,000	20,000
Training and accommodation	-	20,800
Total	<u>6,370,472</u>	<u>5,625,574</u>

11. Administrative expenses

Audit fees and expenses	421,800	421,800
Communication costs	413,000	250,330
Electricity	493,724	379,974
Financial charges	72,850	48,235
Insurance	124,764	126,095
Office expenses	2,167,584	1,462,639
Photocopying and postage	7,570	7,438
Security	99,024	113,544
Advertising	-	103,177
Telephone	352,006	357,551
Total	<u>4,152,322</u>	<u>3,270,784</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.

	2021	2020
	G\$	G\$
13. Related party transactions		
Donations from related parties	<u>112,000</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.