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Please address your response to the Auditor General and quote the reference particulars below

Ref No: XI 156/4/2011/26

18th October 2021

The Executive Director
Accreditation Council of Trinidad and Tobago
Level 3, Building B
ALGICO Plaza
91-93 St. Vincent Street
PORT OF SPAIN

Dear Sir

Report of the Auditor General of the Republic of Trinidad and Tobago on the Financial Statements of the Accreditation Council of Trinidad and Tobago for the year ended 30 September 2011

Forwarded herewith is a copy of my Report on the Financial Statements of the Accreditation Council of Trinidad and Tobago for the year ended 30 September 2011.

In accordance with section 116 (4) of the Constitution of the Republic of Trinidad and Tobago, the Report has been forwarded to the Speaker and the President of the Senate for presentation to the House of Representatives and the Senate respectively and to the Minister of Finance.

A copy of the Report has been forwarded also to the Minister of Education and the Chairman of the Accreditation Council of Trinidad and Tobago.

Yours faithfully


LORELLY PUJADAS
AUDITOR GENERAL

“championing good governance”



**REPUBLIC OF TRINIDAD AND TOBAGO
AUDITOR GENERAL'S DEPARTMENT**

**R E P O R T
O F T H E
A U D I T O R G E N E R A L**

**ON THE FINANCIAL STATEMENTS OF THE
ACCREDITATION COUNCIL OF TRINIDAD AND TOBAGO**

FOR THE YEAR ENDED

30 SEPTEMBER, 2011



REPORT OF THE AUDITOR GENERAL OF THE REPUBLIC OF TRINIDAD AND TOBAGO ON THE FINANCIAL STATEMENTS OF THE ACCREDITATION COUNCIL OF TRINIDAD AND TOBAGO FOR THE YEAR ENDED 30 SEPTEMBER 2011

The accompanying Financial Statements of the Accreditation Council of Trinidad and Tobago for the year ended 30 September 2011 have been audited. The Statements comprise a Statement of Financial Position as at 30 September 2011, a Statement of Comprehensive Income, a Statement of Changes in Accumulated Fund, a Statement of Cash Flows for the year ended 30 September 2011 and Notes to the Financial Statements numbered 1 to 17.

2. The audit was conducted by a firm of Accountants authorised by the Auditor General in accordance with section 22 (1) of the Accreditation Council of Trinidad and Tobago Act, Chap 39:06. Their Report dated 29 June 2011, which is attached, refers.

SUBMISSION OF REPORT

3. This Report is being submitted to the Speaker of the House of Representatives, the President of the Senate and the Minister of Finance in accordance with the provisions of sections 116 and 119 of the Constitution of the Republic of Trinidad and Tobago.



**18TH OCTOBER 2011
PORT-OF-SPAIN**


**LORELLY PUJADAS
AUDITOR GENERAL**

The Accreditation Council of Trinidad and Tobago

Financial Statements

30 September 2011

(Expressed in Trinidad and Tobago Dollars)

The Accreditation Council of Trinidad and Tobago

Contents	Pages
Statement of Management's Responsibilities	1
Independent Auditor's Report	2
Statement of Financial Position	3
Statement of Comprehensive Income	4
Statement of Changes in Accumulated Fund	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 18

The Accreditation Council of Trinidad and Tobago

Statement of Management's Responsibilities

Management is responsible for the following:


- Preparing and fairly presenting the accompanying financial statements of The Accreditation Council of Trinidad and Tobago (the Council), which comprise the statement of financial position as at 30 September 2011, the statements of comprehensive income, changes in accumulated fund and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information;
- Ensuring that the Council keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the Council's assets, detection/prevention of fraud, and the achievement of Council operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that comply with laws and regulations, including the Exchequer and Audit Act Chapter 69:01; and
- Using reasonable and prudent judgement in the determination of estimates.

In preparing these audited financial statements, management utilised the International Financial Reporting Standards, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where International Financial Reporting Standards presented alternative accounting treatments, management chose those considered most appropriate in the circumstances.

Nothing has come to the attention of management to indicate that the Council will not remain a going concern for the next twelve months from the reporting date; or up to the date the accompanying financial statements have been authorised for issue, if later.

Management affirms that it has carried out its responsibilities as outlined above.


Executive Director
29 June 2021


Director, Finance and Administration
29 June 2021



Independent Auditor's Report

To the members of the Council of The Accreditation Council of Trinidad and Tobago

Report on the Financial Statements

We have audited the accompanying financial statements of The Accreditation Council of Trinidad and Tobago (the Council), which comprise the statement of financial position as at 30 September 2011 and the statements of comprehensive income, changes in accumulated funds and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, 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.

Auditor's 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 about 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 auditor's judgement, 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 financial statements present fairly, in all material respects, the financial position of The Accreditation Council of Trinidad and Tobago as at 30 September 2011, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers

Port of Spain
Trinidad, West Indies
29 June 2021


The Accreditation Council of Trinidad and Tobago


Statement of Financial Position

(Expressed in Trinidad and Tobago Dollars)

		As at	
	Notes	30 September	
		2011	2010
		\$	\$
Assets			
<i>Non-current assets</i>			
Plant and equipment	3	1,474,031	1,473,995
Intangible assets	4	<u>26,552</u>	<u>70,204</u>
		<u>1,500,583</u>	<u>1,544,199</u>
<i>Current assets</i>			
Accounts receivables	5	210,392	98,271
Value added tax recoverable		886,114	910,677
Prepayments		280,053	265,698
Other receivables		29,327	5,933
Cash and cash equivalents	6	<u>4,984,859</u>	<u>5,120,938</u>
		<u>6,390,745</u>	<u>6,401,517</u>
Total assets		<u>7,891,328</u>	<u>7,945,716</u>
Accumulated fund		<u>5,442,658</u>	<u>5,339,065</u>
Non-current liability			
Deferred income	7	<u>731,941</u>	<u>916,504</u>
Current liabilities			
Accounts payable and accrued liabilities	8	334,961	288,482
Provision for gratuity	9	<u>1,381,768</u>	<u>1,401,665</u>
		<u>1,716,729</u>	<u>1,690,147</u>
Total liabilities		<u>2,448,670</u>	<u>2,606,651</u>
Total accumulated fund and liabilities		<u>7,891,328</u>	<u>7,945,716</u>

The notes on pages 7 to 18 are an integral part of these financial statements.

 Director

 Director

The Accreditation Council of Trinidad and Tobago

Statement of Comprehensive Income

(Expressed in Trinidad and Tobago Dollars)

		Year ended 30 September	
	Notes	2011 \$	2010 \$
Income			
Revenue	10	1,383,102	1,155,733
Cost of services	12	<u>(939,199)</u>	<u>(453,335)</u>
Gross surplus		443,903	702,398
<u>Other non-operating income</u>			
Government subventions		14,843,000	13,000,845
Interest income		73,427	60,983
Other income	11	<u>1,360,760</u>	<u>2,015,641</u>
		<u>16,721,090</u>	<u>15,779,867</u>
Expenses			
Administrative expenses	13	15,752,960	13,429,332
Depreciation	3	820,885	684,805
Amortisation of intangible assets	4	<u>43,652</u>	<u>172,695</u>
		<u>16,617,497</u>	<u>14,286,832</u>
Surplus of income over expenditure		<u>103,593</u>	<u>1,493,035</u>
Total comprehensive income for the year		<u>103,593</u>	<u>1,493,035</u>

The notes on pages 7 to 18 are an integral part of these financial statements.

The Accreditation Council of Trinidad and Tobago

Statement of Changes in Accumulated Fund

(Expressed in Trinidad and Tobago Dollars)

	Accumulated fund \$
Balance at 30 September 2011	
Balance at 1 October 2010	5,339,065
Surplus of income over expenditure	<u>103,593</u>
Balance at 30 September 2011	<u>5,442,658</u>
Balance at 30 September 2010	
Balance at 1 October 2009 - restated	3,846,030
Surplus of income over expenditure	<u>1,493,035</u>
Balance at 30 September 2010	<u>5,339,065</u>

The notes on pages 7 to 18 are an integral part of these financial statements.

The Accreditation Council of Trinidad and Tobago

Statement of Cash Flows

(Expressed in Trinidad and Tobago Dollars)

	Notes	Year ended 30 September	
		2011 \$	2010 \$
Cash flows from operating activities			
Surplus of income over expenditure		103,593	1,493,034
Adjustments for:			
Depreciation	3	820,885	684,805
Amortisation of intangible assets	4	43,652	172,696
Amortisation of deferred income	7	(184,563)	(46,028)
Gain on disposal of plant and equipment		(108,414)	(16,485)
Operating surplus before changes in operating asset and liabilities		675,153	2,288,022
(Increase)/decrease in accounts receivables		(112,121)	120,898
Decrease in value added tax recoverable		24,563	48,419
(Increase)/decrease in prepayments		(14,355)	536,174
(Increase)/decrease in other receivables		(23,394)	33,179
Increase in accounts payable and accrued liabilities		46,479	52,722
(Decrease)/increase in provision for gratuity		(19,897)	460,823
Net cash generated from/(used in) operating activities		576,428	3,540,237
Cash flows from investing activities			
Purchase of plant and equipment	3	(825,722)	(1,099,046)
Purchase of intangible assets	4	--	(53,300)
Proceeds from disposal of plant and equipment		113,215	21,265
Net cash used in investing activities		(712,507)	(1,131,081)
Cash flows from financing activities			
Proceeds from government grants (PSIP)	7	--	100,000
Net cash generated from financing activities		--	100,000
Net (decrease)/increase in cash and cash equivalents		(136,079)	2,509,157
Cash and cash equivalents, beginning of year		5,120,938	2,611,781
Cash and cash equivalents, end of year		4,984,859	5,120,938
Represented by			
Cash at bank		3,845,358	3,052,139
Bank chequing account		1,085,125	2,031,562
Cash in hand		48,861	29,296
Petty cash		5,515	7,941
		4,984,859	5,120,938

The notes on pages 7 to 18 are an integral part of these financial statements.

The Accreditation Council of Trinidad and Tobago

Notes to the Financial Statements

30 September 2011

(Expressed in Trinidad and Tobago Dollars)

1 General information

The Accreditation Council of Trinidad and Tobago (ACTT) is a statutory body established by Chapter 39:06 as the principal body in Trinidad and Tobago responsible for the quality assurance of post-secondary and tertiary level institutions, programmes and awards. The Act creating the Council was proclaimed in June 2004, by an Act of Parliament #16 of 2004, and the organisation commenced operations in November 2004. Its place of operations is located at Level 1, Maritime Centre, 29 Tenth Avenue, Barataria San Juan 250606, Trinidad and Tobago.

The principal activity of the organisation is to ensure quality in higher education in Trinidad and Tobago through the following five major activities:

- a) registration of Tertiary Level Institutions;
- b) accreditation of Tertiary Level Institutions;
- c) accreditation of Specialised Programmes;
- d) recognition of Foreign Tertiary Level Institutions and their programmes and awards;
- e) conferment of title on Tertiary Level Institutions.

These financial statements were authorised for issue by the Directors on 29 June 2021.

2 Summary of significant accounting policies

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.

a. Basis of preparation

- (i) The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) under the historical cost convention and interpretations issued by the IFRS Interpretations Committee (IFRS IC). The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB).

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Council's accounting policies. There were no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

- (ii) *New and amended standards, and interpretations mandatory for the first time for the financial year beginning 1 January 2010 but not currently relevant to the entity.*

Topic	Key requirements	Effective Date
IAS 24, 'Related party disclosures' (revised 2009)	Amends the definition of a related party and modifies certain related party disclosure requirements for government-related entities.	1 January 2011.

The Accreditation Council of Trinidad and Tobago

Notes to the Financial Statements (continued)

30 September 2011

(Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

a. Basis of preparation (continued)

- (ii) *New and amended standards, and interpretations mandatory for the first time for the financial year beginning 1 January 2010 but not currently relevant to the entity (continued)*

Topic	Key requirements	Effective Date
IFRS 9, 'Financial instruments'	IFRS 9 is the first standard issued as part of a wider project to replace IAS 39. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortised cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The guidance in IAS 39 on impairment of financial assets and hedge accounting continues to apply. Prior periods need not be restated if an entity adopts the standard for reporting periods beginning before 1 January 2012.	1 January 2018
IFRS 7, 'Financial instruments'	Emphasises the interaction between quantitative and qualitative disclosures about the nature and extent of risks associated with financial instruments.	1 January 2011. Applied retrospectively.
IAS 1, 'Presentation of financial statements'	Clarifies that an entity will present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements.	1 January 2011. Applied retrospectively.

b. Foreign currency translation

- (i) *Functional and presentation currency*

Items included in the financial statements of the Council are measured using currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Trinidad and Tobago dollars, which is the Council's functional and presentation currency.

- (ii) *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.

The Accreditation Council of Trinidad and Tobago

Notes to the Financial Statements (continued)

30 September 2011

(Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

c. *Plant and equipment*

Plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Historical cost includes expenditure that is directly attributable to the acquisition of the items.

The Council recognises in the carrying amount of an item of fixed assets, the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Council and the cost of the item can be measured reliably. All other expenditure is recognised in the statement of comprehensive income during the financial period as an expense as incurred.

Depreciation is charged to the statement of comprehensive income using the straight line basis at the following rates which are designed to write off the assets over their estimated useful lives:

Motor vehicles	25%
Computer equipment	33%
Furniture and fittings	25%
Equipment	25%
Cellular phones	50%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each 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 disposal of Plant and equipment are determined by comparing proceeds with the carrying amount and are included in the statement of comprehensive income within other income.

d. *Intangible assets*

Computer software license are accounted for as intangible assets when they are not an integral part to the related hardware. Computer software that is an integral part to the related hardware shall be accounted for as property, plant and equipment.

Computer software licenses that are recognised as assets are amortised over their estimated useful lives, which does not exceed three years.

The Accreditation Council of Trinidad and Tobago

Notes to the Financial Statements (continued)

30 September 2011

(Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

e. *Impairment*

The carrying amounts of the Council's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income.

Calculation of recoverable amount

The recoverable amount of the Council's assets is the greater of their net selling price and value in use.

Reversals of impairment

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

f. *Accounts receivable*

Accounts receivable are amounts due from customers for services performed in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment. A provision for impairment is established when there is objective evidence that the Council will not be able to collect all amounts due according to the original terms. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered as indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows. The amount of the provision is recognised in the statement of comprehensive income. Bad debts are written off to the statement of comprehensive income when identified.

g. *Cash and cash equivalents*

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand and at bank.

h. *Government subventions*

Government subventions related to the ongoing operations of the Council are recognised in the Income Statement as revenue when the subvention becomes receivable. Subventions that compensate the Council for the cost of an asset are recognised in the Income Statement on a systematic basis over the life of the asset.

The Accreditation Council of Trinidad and Tobago

Notes to the Financial Statements (continued)

30 September 2011

(Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

i. *PSIP Funding*

All projects that fall under the Ministry's Public Sector Investment Programme (PSIP) allocation are funded by distributions from this account.

These expenses include institutional and staff development and infrastructure expansion. Funds that are received under this type of funding are not included with Government Subventions, and are shown separately in the Statement of Comprehensive Income.

j. *Amortisation of assets purchased under PSIP Funding*

In accordance with IAS 20: Accounting for Government Grants and Amortisation of deferred income, grants used to purchase assets are recognised as deferred income and systematically amortised over a period matching the useful life of the acquired asset.

k. *Accounts payable and accrued liabilities*

Accounts payable and accrued liabilities are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Liabilities for accounts payable and accrued liabilities which are normally settled on thirty to ninety 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 invoiced to the Council.

Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

l. *Provisions*

Provisions are recognised when:-

- the Council has a present legal or constructive obligation as a result of past events;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate of the amount of the obligation can be made.

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 obligations 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.

m. *Revenue recognition*

Revenue related to the Council includes revenue earned from the Council's core services as itemised at note 1 above, plus income generated from the hosting of workshops and conferences, from advertisements in ACTT's publications and from sale of publications. This revenue is recorded when the service is provided and accepted by the client.

The Accreditation Council of Trinidad and Tobago

Notes to the Financial Statements (continued)

30 September 2011

(Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

n. *Leases*

The Council is the lessee

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense.

o. *Taxation*

Section 20 of the Act indicates that the Council is exempt from stamp duties, corporation taxes, and custom duties,

The Accreditation Council of Trinidad and Tobago

Notes to the Financial Statements (continued)

30 September 2011

(Expressed in Trinidad and Tobago Dollars)

3 Plant and equipment

	Motor vehicle \$	Computer equipment \$	Furniture and fittings \$	Equipment \$	Total \$
Year ended 30 September 2011					
Opening net book amount	218,176	898,483	233,726	123,610	1,473,995
Additions	535,583	206,220	44,533	39,386	825,722
Disposals	(2,414)	—	—	(2,387)	(4,801)
Depreciation charge	(171,571)	(464,472)	(111,938)	(72,904)	(820,885)
Closing net book amount	<u>579,774</u>	<u>640,231</u>	<u>166,321</u>	<u>87,705</u>	<u>1,474,031</u>
At 30 September 2011					
Cost	1,374,625	2,296,452	998,642	347,922	5,017,641
Accumulated depreciation	(794,851)	(1,656,221)	(832,321)	(260,217)	(3,543,610)
Net book amount	<u>579,774</u>	<u>640,231</u>	<u>166,321</u>	<u>87,705</u>	<u>1,474,031</u>
Year ended 30 September 2010					
Opening net book amount	372,277	381,687	187,998	123,375	1,065,337
Additions	5,230	862,829	163,773	67,214	1,099,046
Reclassification of software to intangibles	—	(802)	—	—	(802)
Disposals	—	(1,595)	—	(3,186)	(4,781)
Depreciation charge	(159,332)	(343,636)	(118,045)	(63,792)	(684,805)
Closing net book amount	<u>218,175</u>	<u>898,483</u>	<u>233,726</u>	<u>123,611</u>	<u>1,473,995</u>
At 30 September 2010					
Cost	1,035,195	2,116,846	954,109	372,091	4,478,241
Accumulated depreciation	(817,020)	(1,218,363)	(720,383)	(248,480)	(3,004,246)
Net book amount	<u>218,175</u>	<u>898,483</u>	<u>233,726</u>	<u>123,611</u>	<u>1,473,995</u>
At 30 September 2009					
Cost	1,029,965	1,533,638	790,336	318,942	3,672,881
Accumulated depreciation	(657,688)	(1,151,951)	(602,338)	(195,568)	(2,607,545)
Net book amount	<u>372,277</u>	<u>381,687</u>	<u>187,998</u>	<u>123,374</u>	<u>1,065,336</u>

The Accreditation Council of Trinidad and Tobago

Notes to the Financial Statements (continued)

30 September 2011

(Expressed in Trinidad and Tobago Dollars)

4 Intangible assets	2011 \$	2010 \$
Software	26,542	47,861
Document management system	<u>10</u>	<u>22,343</u>
	<u>26,551</u>	<u>70,204</u>
At beginning of year	70,204	188,798
Additions	—	53,300
Reclassification of software from computer equipment	—	802
Amortisation charge for the year	<u>(43,652)</u>	<u>(172,696)</u>
At end of year	<u>26,552</u>	<u>70,204</u>

5 Accounts receivables	2011 \$	2010 \$
Accounts receivables	258,382	114,171
Less: provision for bad and doubtful debt	<u>(47,990)</u>	<u>(15,900)</u>
	<u>210,392</u>	<u>98,271</u>

The aging of accounts receivables at the reporting date was:

	2011 \$	2010 \$
0-30 days	101,499	63,181
31-60 days	89,000	—
Over 90 days	<u>67,883</u>	<u>50,990</u>
	<u>258,382</u>	<u>114,171</u>

As at 30 September 2011, accounts receivables of \$190,499 (2010 - \$63,181) were fully performing.

As at 30 September 2011, accounts receivables of \$67,833 (2010 - \$50,990) were past due. As at 30 September 2011, \$47,990 (2010 - \$15,900) of accounts receivables are estimated as being impaired. The balance of accounts receivable relate to a number of customers of whom there is no recent history of default and management expects the amount to be fully recovered.

a. The carrying amounts of the Council's invoiced receivables are denominated in Trinidad and Tobago dollars

b. Fair value of accounts receivables
Due to the short-term nature of the current accounts receivables, their carrying amount is assumed to be the same as their fair value.

c. Movement in the Company's provision for impairment is as follows:

	2011 \$	2010 \$
Beginning of year	15,900	—
Provision for receivables impairment	<u>32,090</u>	<u>15,900</u>
End of year	<u>47,990</u>	<u>15,900</u>

Further information relating to trade receivables is set out in note 15.

The Accreditation Council of Trinidad and Tobago

Notes to the Financial Statements (continued)

30 September 2011

(Expressed in Trinidad and Tobago Dollars)

6	Cash and cash equivalents	2011 \$	2010 \$
	Cash and cash equivalents	3,899,734	3,089,376
	Bank chequing account	<u>1,085,125</u>	<u>2,031,562</u>
		<u>4,984,859</u>	<u>5,120,938</u>
7	Deferred income	2011 \$	2010 \$
	Grant balance at beginning of year	916,504	862,532
	Grant received – Public Sector Investment Programme (PSIP)	–	100,000
	Amortisation of deferred income	<u>(184,563)</u>	<u>(46,028)</u>
		<u>731,941</u>	<u>916,504</u>
8	Accounts payable and accrued liabilities	2011 \$	2010 \$
	Advertising and promotions	32,505	7,583
	Audit fees	205,000	173,000
	Equipment	6,498	19,364
	Fees	14,388	39,810
	Hosting of conferences, seminars, workshops, etc	3,640	–
	Office expenses	17,245	35,966
	Salaries and wages	379	2,171
	Security and janitorial	19,572	10,588
	Training	<u>26,718</u>	<u>–</u>
		<u>334,961</u>	<u>288,482</u>
9	Provision for gratuity	2011 \$	2010 \$
	At beginning of year	1,401,665	940,842
	Provision for the year	<u>(19,897)</u>	<u>460,823</u>
		<u>1,381,768</u>	<u>1,401,665</u>

All staff at ACTT are employed on contract and a 20% gratuity becomes payable upon successful completion of the contract of employment. The provision for gratuity is calculated based on each employee's basic salary and is charged to the accounts annually in proportion to the period that the employee was employed over the financial year.

The Accreditation Council of Trinidad and Tobago

Notes to the Financial Statements (continued)

30 September 2011

(Expressed in Trinidad and Tobago Dollars)

10	Revenue	2011 \$	2010 \$
	Recognition of foreign programmes and awards	407,332	680,278
	Registration	340,485	304,393
	Programme approval and conferment of title	126,404	97,468
	Accreditation	508,881	73,594
		<u>1,383,102</u>	<u>1,155,733</u>

ACTT applies a 20% administrative fee on the cost of conducting evaluations on institutions for accreditation, registration, foreign and local programmes and awards.

11	Other income	2011 \$	2010 \$
	Public Sector Investment Programme (PSIP) grant funding	460,000	1,100,000
	European Development Fund (EDF) grant funding	—	650,000
	Hosting of conferences, seminars, functions	408,484	109,423
	Other income	1,299	3,705
	Rental income	198,000	90,000
	Amortisation of deferred income (Note 7)	184,563	46,028
	Gain on disposal of plant and equipment	108,414	16,485
		<u>1,360,760</u>	<u>2,015,641</u>

12	Cost of services	2011 \$	2010 \$
	Registration	709,092	236,139
	Recognition of foreign programmes and awards	151,357	170,194
	Programme approval and conferment of title	78,750	47,002
		<u>939,199</u>	<u>453,335</u>

Cost of ACTT's services are funded by fees charged to institutions for the provision of these services. (Note 10 refers)

13	Administrative expenses	2011 \$	2010 \$
	Advertising and promotions	839,178	435,205
	Bad and doubtful debt	355,552	15,900
	Hosting of conferences, seminars, functions	953,378	559,028
	Insurance	126,923	77,068
	Office expenses	618,396	507,517
	Other contracted services	346,613	279,722
	Rent	1,830,164	1,598,103
	Repairs and maintenance	526,992	550,661
	Salaries and wages	8,922,507	8,204,386
	Security and janitorial	399,703	314,761
	Training	413,158	481,875
	Travel	101,441	87,921
	Utilities	318,955	317,186
		<u>15,752,960</u>	<u>13,429,332</u>

The Accreditation Council of Trinidad and Tobago

Notes to the Financial Statements (continued)

30 September 2011

(Expressed in Trinidad and Tobago Dollars)

14 Related parties

Key management personnel

Key management personnel receive compensation in the form of short-term employee benefits and post-employment benefits.

Key management personnel received compensation of \$3,341,967 (2010: \$2,373,417) for the period. Total remuneration is included in 'salaries and wages' in the 'administrative expenses' note.

15 a. Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

<i>Assets as per statement of financial position</i>	2011 \$	2010 \$
Accounts receivables	210,392	98,271
Other receivables	29,327	5,933
Cash and cash equivalents	<u>4,984,858</u>	<u>5,120,938</u>
	<u>5,224,577</u>	<u>5,225,142</u>
 <i>Liabilities as per statement of financial position</i>		
Accounts payable and accrued liabilities	334,961	288,482
Provision for gratuity	<u>1,381,768</u>	<u>1,401,665</u>
	<u>1,716,729</u>	<u>1,690,147</u>

15 b. Credit quality of financial assets

The credit quality of the financial assets that are neither past due nor impaired can be assessed by reference to historical information about the counterparty default rates and/or by management's evaluation based on historical recovery.

<i>Accounts receivables</i>	2011 \$	2010 \$
Counterparties without external credit rating:		
Group 1	<u>210,392</u>	<u>98,271</u>

Almost all trade receivables represent amounts due from government entities operating in Trinidad and Tobago. The balance comprises both invoiced amounts and accrued amounts recognised in annual fees earned in 2011 but billed/collected after 30 September 2011. There is no past history of default.

<i>Cash at bank</i>	2011 \$	2010 \$
Group A	<u>4,930,483</u>	<u>5,083,701</u>

All cash balances are held at a locally based bank with no history of default. The remainder of the statement of financial position item "cash and cash equivalents" is cash in hand.

Group A - Trinidad and Tobago based banking institutions.

The Accreditation Council of Trinidad and Tobago

Notes to the Financial Statements (continued)

30 September 2011

(Expressed in Trinidad and Tobago Dollars)

16 Contingencies and commitments

Operating leases

Operating lease rentals are payable as follows:

	2011 \$	2010 \$
No later than 1 year	1,217,976	1,348,268
Later than 1 year, no later than 5 years	<u>1,596,551</u>	<u>324,731</u>
	<u>2,814,527</u>	<u>1,672,999</u>

The lease rentals represent future payments under operating leases for office accommodation in Port of Spain, Trinidad and in Crown Point, Tobago, plus leases for two Xerox copiers.

During the year ended 30 September 2011 \$3,521,567 (2010: \$1,580,424) was recognised as an expense in the statement of comprehensive income in respect of office accommodation leases.

17 Subsequent events – the impact of COVID-19

Beginning in January 2020, global financial markets have experienced and may continue to experience significant volatility resulting from the spread of a novel coronavirus known as COVID-19. The outbreak of COVID-19 has resulted in travel and border restrictions, quarantines, supply chain disruptions, lower consumer demand and general market uncertainty. There has also been a precipitous decline in the spot price of crude oil on global markets as a result of both market forces and COVID-19. The extent and duration of the impact of these events on the education sector in which the entity operates is uncertain at this point and is still under assessment.

The entity's external stakeholders have however, been adversely affected, with institutions having to downsize or close their doors permanently. Reduced income from site visits and annual fees have been the most prominent effect on the entity.

However, after careful consideration of this financial impact, COVID-19 is not expected to have a significant influence on the Council. Management has determined that there is no material uncertainty that casts doubt on its ability to continue as a going concern. It expects that COVID-19 would have some impact, though not significant, in relation to reduced revenues. Due to the fact that government subventions are received annually to cover recurrent expenditure, the fall in revenue will not impact the ability of the entity to carry out its daily functions.

As a result, there are no disclosure requirements regarding the effect of developments after the reporting date that would affect the carrying amount of assets and liabilities, significant restructuring plans or new government reliefs.