



AUDITOR GENERAL OF THE REPUBLIC OF TRINIDAD AND TOBAGO

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

REF NO: AGD: STAT:A: 100/4/2015/29

16th September, 2024

The Executive Director
Accreditation Council of Trinidad and Tobago
Level 1, Maritime Centre
29 Tenth Avenue
BARATARIA



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 2015

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 2015.

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 to the Minister of Education and the Chairman of the Accreditation Council of Trinidad and Tobago.

Yours faithfully

Jaiwantie Ramdass
JAIWANTIE RAMDASS
AUDITOR GENERAL





**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 year ended

30 September 2015



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 2015

The accompanying Financial Statements of the Accreditation Council of Trinidad and Tobago for the year ended 30 September 2015 have been audited. The Statements comprise a Statement of Financial Position as at 30 September 2015, a Statement of Comprehensive Income, a Statement of Changes in Accumulated Fund, a Statement of Cash Flows for the year ended 30 September 2015 and Notes to the Financial Statements numbered 1 to 19.

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, Chapter 30:06. Their Report dated 25 July 2024 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 section 116 and 119 of the Constitution of the Republic of Trinidad and Tobago.



**16TH SEPTEMBER, 2024
PORT OF SPAIN**

Jaiwantie Ramdass
**JAIWANTIE RAMDASS
AUDITOR GENERAL**

The Accreditation Council of Trinidad and Tobago

Financial Statements

30 September 2015

(Expressed in Trinidad and Tobago Dollars)

The Accreditation Council of Trinidad and Tobago

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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 2015, the statements of comprehensive income, changes in accumulated fund and cash flows for the year then ended, and which include 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
25 July 2024


Director, Finance and Administration
25 July 2024



Independent auditor's report

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

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Accreditation Council of Trinidad and Tobago (the Council) as at 30 September 2015, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

The Council's financial statements comprise:

- the statement of financial position as at 30 September 2015;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Council in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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 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.

In preparing the financial statements, management is responsible for assessing the Council'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 Council or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Council'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 scepticism 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 Council'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 Council'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 Council 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.

PricewaterhouseCoopers

Port of Spain
Trinidad, West Indies
25 July 2024

The Accreditation Council of Trinidad and Tobago

Statement of Financial Position

(Expressed in Trinidad and Tobago Dollars)

		As at	
	Notes	30 September	
		2015	2014
		\$	\$
Assets			
<i>Non-current assets</i>			
Plant and equipment	4	939,513	1,538,909
Intangible assets	5	<u>22,660</u>	<u>18,081</u>
		<u>962,173</u>	<u>1,556,990</u>
<i>Current assets</i>			
Accounts receivables	6	518,340	553,179
Value added tax recoverable		653,284	466,617
Prepayments		848,404	358,568
Other receivables		2,022,364	25,723
Cash and cash equivalents	7	<u>18,288,334</u>	<u>10,262,815</u>
		<u>22,330,726</u>	<u>11,666,902</u>
Total assets		<u>23,292,899</u>	<u>13,223,892</u>
Accumulated fund		<u>13,326,439</u>	<u>9,222,544</u>
<i>Non-current liability</i>			
Deferred income	8	<u>1,389,229</u>	<u>1,348,350</u>
<i>Current liabilities</i>			
Accounts payable and accrued liabilities	9	6,404,922	617,737
Provision for gratuity	10	<u>2,172,309</u>	<u>2,035,261</u>
		<u>8,577,231</u>	<u>2,652,998</u>
Total liabilities		<u>9,966,460</u>	<u>4,001,348</u>
Total accumulated fund and liabilities		<u>23,292,899</u>	<u>13,223,892</u>

The notes on pages 8 to 19 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)

	Notes	Year ended 30 September	
		2015 \$	2014 \$
Income			
Revenue	11	1,208,775	1,141,197
Cost of services	13	<u>(576,507)</u>	<u>(704,698)</u>
Gross surplus		632,268	436,499
<u>Other non-operating income</u>			
Government subventions		20,000,000	19,000,000
Interest income		111,523	71,478
Other income	12	<u>3,988,450</u>	<u>3,136,880</u>
		24,732,241	22,644,857
Expenses			
Administrative expenses	14	19,792,700	19,805,718
Depreciation	4	825,889	916,375
Amortisation of intangible assets	5	<u>9,757</u>	<u>8,803</u>
		<u>20,628,346</u>	<u>20,730,896</u>
Surplus of income over expenditure		<u>4,103,895</u>	<u>1,913,961</u>
Total comprehensive income for the year		<u>4,103,895</u>	<u>1,913,961</u>

The notes on pages 8 to 19 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 \$
Year ended 30 September 2015	
Balance at 1 October 2014	9,222,544
Surplus of income over expenditure	<u>4,103,895</u>
Balance at 30 September 2015	<u><u>13,326,439</u></u>
Year ended 30 September 2014	
Balance at 1 October 2013	7,308,583
Surplus of income over expenditure	<u>1,913,961</u>
Balance at 30 September 2014	<u><u>9,222,544</u></u>

The notes on pages 8 to 19 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	
		2015 \$	2014 \$
Cash flows from operating activities			
Surplus of income over expenditure		4,103,895	1,913,961
Adjustments for:			
Depreciation	4	825,889	916,375
Amortisation of intangible assets	5	9,757	8,803
Amortisation of deferred income	8	(327,339)	(291,615)
Gain on disposal of plant and equipment	12	<u>(5,078)</u>	<u>(5,025)</u>
Operating surplus before changes in operating asset and liabilities		4,607,124	2,542,499
Decrease/(increase) in accounts receivables		34,838	(121,415)
(Increase)/decrease in value added tax recoverable		(186,666)	95,226
Increase in prepayments		(489,836)	(68,065)
(Increase)/decrease in other receivables		(1,996,641)	1,382,982
Increase in accounts payable and accrued liabilities		5,787,185	154,248
Increase/(decrease) in provision for gratuity		<u>137,048</u>	<u>(49,936)</u>
Net cash generated from operating activities		<u>7,893,052</u>	<u>3,935,539</u>
Cash flows from investing activities			
Purchase of plant and equipment	4	(229,163)	(267,670)
Purchase of intangible assets		(14,336)	(5,000)
Proceeds from disposal of plant and equipment		<u>7,748</u>	<u>6,646</u>
Net cash used in investing activities		<u>(235,751)</u>	<u>(266,024)</u>
Cash flows from financing activities			
Proceeds from government grants (PSIP)	8	<u>368,218</u>	<u>291,128</u>
Net cash generated from financing activities		<u>368,218</u>	<u>291,128</u>
Net increase in cash and cash equivalents		8,025,519	3,960,643
Cash and cash equivalents, beginning of year		<u>10,262,815</u>	<u>6,302,172</u>
Cash and cash equivalents, end of year		<u><u>18,288,334</u></u>	<u><u>10,262,815</u></u>
Represented by:			
Cash and Cash equivalents	7	<u><u>18,288,334</u></u>	<u><u>10,262,815</u></u>

The notes on pages 8 to 19 are an integral part of these financial statements.

The Accreditation Council of Trinidad and Tobago

Notes to the Financial Statements

30 September 2015

(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 Tobago.

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

- a) registration of Tertiary Level Institutions;
- b) accreditation of Tertiary Level Institutions;
- c) accreditation of Specialised Programmes;
- d) programme approval of locally developed programmes
- e) recognition of Foreign Tertiary Level Institutions and their programmes and awards; and
- f) conferment of title on Tertiary Level Institutions.
- g) Statement on recognition on local and international programmes and institutions

These financial statements were authorised for issue by the Directors on 25 July 2024.

2 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.

The Accreditation Council of Trinidad and Tobago

Notes to the Financial Statements (continued)

30 September 2015

(Expressed in Trinidad and Tobago Dollars)

2 Significant accounting policies (continued)

a. Basis of preparation (continued)

- (ii) *New standards, amendments and interpretations issued but not effective for the financial year beginning 1 October 2013 and not early adopted*

Certain new accounting standards and interpretations have been published that are not mandatory for 1 October 2013 reporting periods and have not been early adopted by the Council. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions. Most notable published new accounting standards and interpretations have been identified below;

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. The Council is yet to assess the impact of IFRS 9.	1 January 2018
IFRS 15, 'Revenue from contracts with customers'	IFRS 15 deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18, 'Revenue' and IAS 11, 'Construction contracts' and related interpretations. The Council is yet to assess the impact of IFRS 15.	1 January 2018
IFRS 16, 'Leases'	IFRS 16 eliminates the classification of leases as either operating leases or finance leases for a lessee. Instead all leases are treated in a similar way to finance leases applying IAS 17. Leases are 'capitalised' by recognising the present value of the lease payments and showing them either as lease assets (right-of-use assets) or together with property, plant and equipment. If lease payments are made over time, an entity also recognises a financial liability representing its obligation to make future lease payments. The most significant effect of the new requirements will be an increase in lease assets and financial liabilities. The Council is yet to assess the impact of IFRS 16.	1 January 2019

The Accreditation Council of Trinidad and Tobago

Notes to the Financial Statements (continued)

30 September 2015

(Expressed in Trinidad and Tobago Dollars)

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.

Foreign exchange gains and losses that relate to cash and cash equivalents are presented in the statement of comprehensive income within "Administrative expenses". All other foreign exchange gains and losses are presented in the statement of comprehensive income within "Administrative expenses."

The Accreditation Council of Trinidad and Tobago

Notes to the Financial Statements (continued)

30 September 2015

(Expressed in Trinidad and Tobago Dollars)

2 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 plant and equipment, 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 – 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 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 2015

(Expressed in Trinidad and Tobago Dollars)

2 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 2015

(Expressed in Trinidad and Tobago Dollars)

2 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 2015

(Expressed in Trinidad and Tobago Dollars)

2 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.

3 Financial risk management

Risk and foreign currency risk

a. *Market risk*

Market risk is the risk that the fair value of future cash flows of the financial instrument will fluctuate because of changes in market prices. The Council takes on exposure to market risks from changes in foreign exchange rates.

(i) *Foreign exchange risk*

The entity is exposed to foreign exchange risk arising from currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

b. *Credit risk*

The Council has no significant concentration of credit risk.

c. *Liquidity risk*

Liquidity risk is the risk that the Council is unable to meet its payment obligations associated with its financial liabilities when they fall due.

The Council's liquidity risk management process is measured and monitored by senior management within the Council. This process includes:

- Monitoring cash flows and the availability incoming subventions
- Maintaining statement of financial position liquidity ratios.

The Council's financial liabilities equate to the balances as shown on the statement of financial position. The contractual undiscounted cash flows equate to the carrying value.

The Accreditation Council of Trinidad and Tobago

Notes to the Financial Statements (continued)

30 September 2015

(Expressed in Trinidad and Tobago Dollars)

4 Plant and equipment

	Motor vehicle \$	Computer equipment \$	Furniture and fittings \$	Equipment \$	Total \$
Year ended 30 September 2015					
Opening net book amount	654,612	331,451	304,537	248,309	1,538,909
Additions	--	171,881	25,385	31,897	229,163
Disposals	--	--	--	(2,670)	(2,670)
Depreciation charge	(350,624)	(222,984)	(135,178)	(117,103)	(825,889)
Closing net book amount	<u>303,988</u>	<u>280,348</u>	<u>194,744</u>	<u>160,433</u>	<u>939,513</u>
At 30 September 2015					
Cost	1,908,558	2,895,940	1,535,669	691,484	7,031,651
Accumulated depreciation	(1,604,570)	(2,615,592)	(1,340,925)	(531,051)	(6,092,138)
Net book amount	<u>303,988</u>	<u>280,348</u>	<u>194,744</u>	<u>160,433</u>	<u>939,513</u>
Year ended 30 September 2014					
Opening net book amount	1,064,851	447,126	377,808	299,451	2,189,236
Additions	6,000	123,294	73,237	65,139	267,670
Disposals	--	--	--	(1,622)	(1,622)
Depreciation charge	(416,239)	(238,969)	(146,508)	(114,659)	(916,375)
Closing net book amount	<u>654,612</u>	<u>331,451</u>	<u>304,537</u>	<u>248,309</u>	<u>1,538,909</u>
At 30 September 2014					
Cost	1,908,558	2,724,058	1,510,284	668,222	6,811,122
Accumulated depreciation	(1,253,946)	(2,392,607)	(1,205,747)	(419,913)	(5,272,213)
Net book amount	<u>654,612</u>	<u>331,451</u>	<u>304,537</u>	<u>248,309</u>	<u>1,538,909</u>
At 1 October 2013					
Cost	1,902,558	2,754,540	1,445,059	625,020	6,727,177
Accumulated depreciation	(837,707)	(2,307,415)	(1,067,251)	(325,569)	(4,537,942)
Net book amount	<u>1,064,851</u>	<u>447,125</u>	<u>377,808</u>	<u>299,451</u>	<u>2,189,235</u>

The Accreditation Council of Trinidad and Tobago

Notes to the Financial Statements (continued)

30 September 2015

(Expressed in Trinidad and Tobago Dollars)

5	Intangible assets	2015	2014
		\$	\$
	Software	22,650	18,071
	Document management system	<u>10</u>	<u>10</u>
		<u>22,660</u>	<u>18,081</u>
	At beginning of year	18,081	21,884
	Additions	14,336	5,000
	Amortisation charge for the year	<u>(9,757)</u>	<u>(8,803)</u>
	At end of year	<u>22,660</u>	<u>18,081</u>
6	Accounts receivables		
	Accounts receivables	571,930	604,169
	Provision for bad and doubtful debt	<u>(53,590)</u>	<u>(50,990)</u>
		<u>518,340</u>	<u>553,179</u>
	The aging of accounts receivables at the reporting date was:		
	0-30 days	152,213	100,853
	31-60 days	36,800	16,000
	61-90 days	298	31,000
	Over 90 days	<u>382,619</u>	<u>456,316</u>
		<u>571,930</u>	<u>604,169</u>

As at 30 September 2015, accounts receivables of \$189,311 (2014 - \$147,853) were fully performing. As at 30 September 2015, accounts receivables of \$382,619 (2014 - \$456,316) were past due. As at 30 September 2015, \$53,590 (2014 - \$50,990) 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 Council's provision for impairment is as follows:

Beginning of year	50,990	50,990
Provision for receivables impairment	<u>2,600</u>	<u>--</u>
End of year	<u>53,590</u>	<u>50,990</u>

The Accreditation Council of Trinidad and Tobago

Notes to the Financial Statements (continued)

30 September 2015

(Expressed in Trinidad and Tobago Dollars)

7	Cash and cash equivalents	2015	2014
		\$	\$
	Cash at bank – Abercrombie Fund (0.9%)	13,006,932	6,781,810
	Cash at bank – Checking Account	5,231,439	3,414,523
	Cash in hand	42,859	60,049
	Petty cash	7,104	6,433
		<u>18,288,334</u>	<u>10,262,815</u>

8	Deferred income		
	Grant balance at beginning of year	1,348,350	1,348,837
	Grant received – Public Sector Investment Programme (PSIP)	368,218	291,128
	Amortisation of deferred income (Note 12)	<u>(327,339)</u>	<u>(291,615)</u>
		<u>1,389,229</u>	<u>1,348,350</u>

As at 30 September 2015 \$229,164 (2014: \$267,670) was incurred in capital expenditure.

9	Accounts payable and accrued liabilities		
	Audit fees	313,633	293,633
	Hosting of conferences, seminars, workshops, etc	--	3,069
	Fees	5,896,214	46,812
	Equipment	100,430	28,274
	Office expenses	4,071	7,828
	Advertising and promotions	7,303	110,655
	Salaries and wages	56,622	--
	Utilities	15,866	--
	Contracted services	<u>10,783</u>	<u>127,466</u>
		<u>6,404,922</u>	<u>617,737</u>

\$5,824,000 is included in the 'Fees' figure which represents the balance held, pending disbursement to institutions. Also included is \$72,214 which represents funds held for clients/institutions re: refunds or prepayment of annual fees.

10	Provision for gratuity		
	At beginning of year	2,035,261	2,085,197
	Expense for the year	1,550,586	1,544,575
	Payments for the year	(1,114,534)	(1,276,440)
	Resignations for the year	<u>(299,004)</u>	<u>(318,071)</u>
		<u>2,172,309</u>	<u>2,035,261</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 2015

(Expressed in Trinidad and Tobago Dollars)

11	Revenue	2015 \$	2014 \$
	Registration	457,004	345,047
	Recognition of foreign programmes and awards	270,424	301,721
	Accreditation	291,727	330,064
	Programme approval and conferment of title	<u>189,620</u>	<u>164,365</u>
		<u>1,208,775</u>	<u>1,141,197</u>

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

12	Other income		
	Public Sector Investment Programme (PSIP) grant funding	2,565,000	2,100,00
	Hosting of conferences, seminars, functions	1,023,651	728,894
	Other income	67,382	11,346
	Amortisation of deferred income (Note 8)	327,339	291,615
	Gain on disposal of plant and equipment	<u>5,078</u>	<u>5,025</u>
		<u>3,988,450</u>	<u>3,136,880</u>

13	Cost of services		
	Registration and Accreditation	497,289	512,856
	Recognition of foreign programmes and awards	56,034	104,228
	Programme approval and conferment of title	<u>23,184</u>	<u>87,614</u>
		<u>576,507</u>	<u>704,698</u>

Cost of ACTT's services are funded by fees charged to institutions for the provision of these services. (Note 11 refers)

14	Administrative expenses		
	Salaries and wages	11,474,754	11,273,600
	Rent	2,481,978	2,362,340
	Hosting of conferences, seminars	2,421,005	1,844,045
	Repairs and maintenance	795,943	924,082
	Advertising and promotion	460,741	959,125
	Office expenses	548,445	781,250
	Other contracted services	125,164	251,790
	Training	351,507	247,824
	Security and janitorial	471,903	509,014
	Utilities	383,420	372,900
	Insurance	180,182	195,843
	Audit fees	54,430	--
	Travel	40,628	83,905
	Bad and doubtful debt	<u>2,600</u>	<u>--</u>
		<u>19,792,700</u>	<u>19,805,718</u>

The Accreditation Council of Trinidad and Tobago

Notes to the Financial Statements (continued)

30 September 2015

(Expressed in Trinidad and Tobago Dollars)

15 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 \$3,245,188 (2014: \$3,599,191) for the period. Total remuneration is included in 'salaries and wages' in the 'administrative expenses' note.

16 Financial instruments by category

	2015	2014
	\$	\$

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

Assets as per statement of financial position

Loans and receivables

Accounts receivables	518,340	553,179
Other receivables	2,022,364	25,723
Cash and cash equivalents	<u>18,288,334</u>	<u>10,262,815</u>
	<u>20,829,038</u>	<u>10,841,717</u>

Liabilities as per statement of financial position

Amortised cost

Accounts payable and accrued liabilities	6,404,922	617,737
Deferred Income	1,389,229	1,348,350
Provision for gratuity	<u>2,172,309</u>	<u>2,035,261</u>
	<u>9,966,460</u>	<u>4,001,348</u>

As at 30 September 2015, \$2,000,000 was included which represented subventions for September 2015 received 2 October 2015. All subventions for financial year 2014 were received during the year, and as such there were no receivables for subventions for FY 2014.

The Accreditation Council of Trinidad and Tobago

Notes to the Financial Statements (continued)

30 September 2015

(Expressed in Trinidad and Tobago Dollars)

17 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>	2015	2014
	\$	\$
Counterparties without external credit rating:		
Group 1	<u>518,340</u>	<u>553,179</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 2015 but billed/collected after 30 September 2015. There is no past history of default.

Cash at bank

Group A	<u>18,238,371</u>	<u>10,196,333</u>
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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.

18 Contingencies and commitments

Operating leases

Operating lease rentals are payable as follows:

No later than 1 year	2,530,680	2,289,447
Later than 1 year, no later than 5 years	<u>3,330,309</u>	<u>99,324</u>
	<u>5,860,989</u>	<u>2,388,771</u>

The lease rentals represent future payments under operating leases for office accommodation in Port of Spain and San Fernando, plus leases for three copiers.

During the year ended 30 September 2015 \$2,302,098 (2014: \$2,177,400) was recognised as an expense in the statement of comprehensive income in respect of office accommodation leases.

The Accreditation Council of Trinidad and Tobago

Notes to the Financial Statements (continued)

30 September 2015

(Expressed in Trinidad and Tobago Dollars)

19 Subsequent events

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.

In mid-February 2022, Russia invaded Ukraine and because of the inherent dynamics, both the economic impacts of the conflict and sanctions that were subsequently imposed on Russia need to be reassessed on a continual basis as there may be several potential financial effects on the financial statements e.g. restricted cash, possible impairment of financial and non-financial assets, loss of control/significant influence on shareholdings and most significantly, if the ability of the entity to continue as a going concern was jeopardised or made impossible.

The recently rekindled conflict between Israel and Hamas has introduced volatility into the global economy as the potential for a more widespread war looms in addition to the unfolding humanitarian tragedy. While the economic effects of the Israel-Hamas War are uncertain and evolving, entities with operations, suppliers, or customers in Israel, Palestinian-occupied territories, and the larger Middle Eastern region could potentially be impacted as the war unfolds. Additionally, many entities may be indirectly impacted by the war, especially in the global energy, petrochemical, and capital markets, among others.

However, after careful consideration of these financial impacts, COVID-19, the Russia-Ukraine war and the Israel-Hamas war are 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.