



REPORT OF THE AUDITOR GENERAL OF THE REPUBLIC OF TRINIDAD AND TOBAGO ON THE FINANCIAL STATEMENTS OF THE COLLEGE OF SCIENCE, TECHNOLOGY, AND APPLIED ARTS OF TRINIDAD AND TOBAGO FOR THE YEAR ENDED 30 SEPTEMBER 2007

Section 24 of the College of Science, Technology and Applied Arts of Trinidad and Tobago Act, Chapter 39:56 requires the Auditor General to audit the accounts of the College of Science, Technology and Applied Arts of Trinidad and Tobago. The accompanying Financial Statements of the College of Science, Technology and Applied Arts of Trinidad and Tobago for the year ended 30 September 2007 have been audited. The Statements comprise a Balance Sheet as at 30 September 2007, a Statement of Income and Expenditure, a Statement of Changes in Reserves and a Statement of Cash Flows for the year ended 30 September 2007 and Notes to the Financial Statements numbered 1 to 16.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

2. The management of the College of Science, Technology and Applied Arts of Trinidad and Tobago (COSTAATT) is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS) 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

4. The Auditor General's responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with accepted auditing standards. Because of the matters described in the Basis for Disclaimer Opinion paragraph, however, I am unable to obtain sufficient appropriate evidence to provide a basis for an audit opinion.

BASIS FOR DISCLAIMER OF OPINION

5.1 Several balances on the prior year's Financial Statements could not be verified as sufficient appropriate supporting documents were not provided for audit. Since opening balances affect the determination of the results of operations, It could not be determined whether adjustments to the results of operations and opening retained earnings might be necessary for 2006. The audit opinion on the Financial Statements for the period ended 30th September 2006 was modified accordingly. My audit opinion on the current period's Financial Statements is also modified because of the possible effect of this matter on the comparability of the current period's figures and the corresponding figures, in addition to the matters outlined below.

NON-VERIFICATION OF BALANCES

5.2 The following items in the Financial Statements could not be verified as supporting documents and schedules were not provided for audit examination, nor did they agree with the underlying records:

BALANCE SHEET

<u>Assets</u>	\$
Cash and cash equivalents	62,814,476
Accounts receivables and prepayments	61,390,376
Property and equipment	39,796,203
Civil works	25,170,248
Capital projects in progress	9,553,569
<u>Liabilities</u>	
Trade and other payables	9,941,747
Deferred capital grants	99,640,848

STATEMENT OF INCOME AND EXPENDITURE

<u>Income</u>	
Capital grants released	8,841,328
Tuition and other related fees	25,648,982
Other income	1,021,158
<u>Expenditure</u>	
Depreciation	12,198,311
Staff costs	45,172,580
General and administrative expenses	11,441,650
Other operating expenses	30,417,910

CIVIL WORKS \$25,170,248

6.1 The figure of \$25,170,248 represents the costs of refurbishment works done on the various Tertiary Level Institutions initially vested in, but which were subsequently removed from the purview of COSTAATT via Legal Notice No. 179 dated 14 August 2006.

6.2 The inclusion of Civil Works is in contravention of International Accounting Standard 16, Property Plant and Equipment. Therefore, the assets of COSTAATT are overstated by \$25,170,248.

DISCLAIMER OF OPINION

7. Because of the significance of the matters described in the Basis for Disclaimer of Opinion at paragraphs 5 to 6, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on the Financial Statements.

LEGAL AND OTHER REGULATORY REQUIREMENTS

PENSION PLAN

8. Evidence was not seen that a pension fund plan was established as required by section 32 of College of Science, Technology and Applied Arts of Trinidad and Tobago Act.

SUBMISSION OF REPORT

9. 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 requirements of sections 116 and 119 of the Constitution of the Republic of Trinidad and Tobago.



**9TH OCTOBER 2023
PORT OF SPAIN**

Jaiwantie Ramdass
**JAIWANTIE RAMDASS
AUDITOR GENERAL (Ag.)**

**COLLEGE OF SCIENCE TECHNOLOGY
AND APPLIED ARTS OF TRINIDAD AND
TOBAGO**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30

SEPTEMBER 2007

COLLEGE OF SCIENCE TECHNOLOGY & APPLIED ARTS OF TRINIDAD AND TOBAGO

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER, 2007**

CONTENTS	Page
Auditors' Report	2
Balance Sheet	3 & 4
Statement of Income and Expenditure	5
Statement of Changes in Reserves	6
Statement of Cash Flows	7 & 8
Notes to the Financial Statements	9-25

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

COLLEGE OF SCIENCE TECHNOLOGY APPLIED ARTS OF TRINIDAD AND TOBAGO

We have audited the accompanying financial statements of The College of Science, Technology and Applied Arts of Trinidad and Tobago balance sheet as at 30 September 2007 and the statement of income and expenditure, statement of changes in reserves and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 for 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 give a true and fair view of the financial position of the College as of 30 September, 2007 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Port of Spain,
TRINIDAD:
12th November, 2010

COLLEGE OF SCIENCE, TECHNOLOGY & APPLIED ARTS OF TRINIDAD AND TOBAGO

BALANCE SHEET AT 30TH SEPTEMBER, 2007
(Expressed in Trinidad and Tobago dollars)

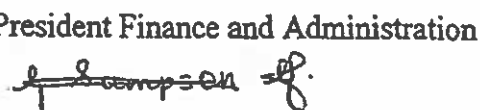
	Notes	2007	2006
Current assets			
Cash and cash equivalents	4	62,814,476	53,756,932
Accounts receivable and prepayments	5	61,390,376	45,924,284
		<u>124,204,852</u>	<u>99,681,216</u>
Non- current assets			
Property and equipment	7	39,796,203	41,563,264
Civil Works		25,170,248	19,061,745
Capital projects in progress		9,553,569	18,471,737
		<u>74,520,020</u>	<u>79 096,747</u>
TOTAL ASSETS		<u>198,724 872</u>	<u>178,777,962</u>
LIABILITIES AND RESERVES			
Current liabilities			
Trade and other payables	6	9,941,747	12 496,069
		<u>9,941,747</u>	<u>12,496,069</u>
Non-current liabilities			
Deferred capital grants	8	99,640,848	90,032,176
		<u>99,640,848</u>	<u>90,032,176</u>
Reserves			
		89,142,277	76,249,717
		<u>89,142,277</u>	<u>76,249,717</u>
TOTAL LIABILITIES AND RESERVES		<u>198 724 872</u>	<u>178,777 962</u>

The notes on pages 9 to 25 form part of these financial statements.

These financial statements were approved on September 30, 2010 and signed by:



: President 

: Vice President Finance and Administration


COLLEGE OF SCIENCE, TECHNOLOGY & APPLIED ARTS OF TRINIDAD AND TOBAGO

STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30TH SEPTEMBER, 2007

(Expressed in Trinidad and Tobago dollars)

	Notes	2007	2006
Income			
Government contributions:			
Recurrent grants		73,186,208	66,569,561
Capital grants released	8	8,841,328	15,598,678
Tuition and other related fees		25,648,982	12,950,396
Interest income	9	2,669,891	2,089,867
Miscellaneous income		755,444	1,622,046
Other income	10	1 021 158	611,561
		<u>112,123,011</u>	<u>99,442,109</u>
Net interest income			
Expenses			
Depreciation	7	(12,198,311)	(12,055,611)
Staff costs	11	(45,172,580)	(40,067,026)
General and administrative expenses	12	(11,441,650)	(9,266,061)
Other operating expenses	13	(30,417 910)	(28,947,811)
		<u>(99,230,451)</u>	<u>(90,336,509)</u>
Excess of income over expenditure for the year		<u>12,892,560</u>	<u>9,105,600</u>

The notes on pages 9 to 25 form part of these financial statements

COLLEGE OF SCIENCE, TECHNOLOGY & APPLIED ARTS OF TRINIDAD AND TOBAGO

STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 30TH SEPTEMBER, 2007
(Expressed in Trinidad and Tobago dollars)

	Total
Year ended 30 September, 2005	
Balance at 1 October 2004 as adjusted	54,301,924
Excess of income over expenditure for the year	<u>12,842,193</u>
Balance at 30 September, 2005 as adjusted	<u>67 144 117</u>
Year ended 30 September, 2006	
Balance at 1 October 2005 as adjusted	67,144,117
Excess of income over expenditure for the year	<u>9,105,600</u>
<u>Balance at 30 September, 2006</u>	<u>76 249 717</u>
Year ended 30 September, 2006	
Balance at 1 October 2006 as adjusted	76,249,717
Excess of income over expenditure for the year	<u>12,892,560</u>
<u>Balance at 30 September, 2007</u>	<u>89,142,277</u>

The accompanying notes on pages 9 to 25 form part of these financial statements.

COLLEGE OF SCIENCE, TECHNOLOGY & APPLIED ARTS OF TRINIDAD AND TOBAGO

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH SEPTEMBER, 2007

(Expressed in Trinidad and Tobago dollars)

	2007	2006
Cash flows from operating activities		
Excess of income over expenditure for the year	12,892,560	9,105,600
Adjustments to reconcile excess of income over expenditure to net cash from operating activities:		
Depreciation	12,198,311	12,055,611
Capital grants released to the statement of income and expenditure	(8,841,328)	(15,598,678)
Operating income before working capital changes	16,249,543	5,562,533
(Decrease)/Increase in accounts receivables and prepayments	(15,466,092)	15,190,278
(Decrease)/Increase in accounts payable and accruals	(2,554,322)	5,634,398
Net cash inflow from operating activities	(1,770,871)	26,387,209
Cash flows from investing activities		
Purchase of property, plant and equipment	(10,431,250)	(21,389,823)
Transfers from/Payments toward capital projects in progress	2,809,665	(89,267)
Net cash outflow from investing activities	(7,621,585)	(21,479,090)
Cash flows from financing activities		
Proceeds from capital grants and increase in remittances outstanding	18,450,000	18,471,596
Net cash inflow from financing activities	18,450,000	18,471,596
Net (decrease)/increase in cash and cash equivalents	9,057,544	23,379,715
Cash and cash equivalents at the beginning of year	53,756,932	30,377,217
Cash and cash equivalents at the end of year	62,814,476	53,756,932

The accompanying notes on pages 9 to 25 form part of these financial statements.

COLLEGE OF SCIENCE, TECHNOLOGY & APPLIED ARTS OF TRINIDAD AND TOBAGO

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH SEPTEMBER, 2007

(Expressed in Trinidad and Tobago dollars)

(Continued)

Represented by:	2007	2006
Cash at bank and in hand	33,167,700	27,982,269
Money market mutual funds	29,659,776	25,774,663
	<u>62 827 476</u>	<u>53 756 932</u>

The accompanying notes on pages 9 to 25 form part of these financial statements.

COLLEGE OF SCIENCE, TECHNOLOGY & APPLIED ARTS OF TRINIDAD AND TOBAGO

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER, 2007
(Expressed in Trinidad and Tobago dollars)

1. Incorporation and principal activity

The College of Science, Technology and Applied Arts of Trinidad and Tobago (COSTAATT) was established by an Act of Parliament, Act number 77 of 2000, assented to on 27th October 2000, as a teaching, research and examining body.

The College operates out of multi-campus facilities throughout Trinidad and Tobago. Its registered office is located at No. 5-7 Melville Lane, Port of Spain.

The management of the college is vested in a Board of Trustees appointed by the President of the Republic of Trinidad and Tobago.

The College is an institution of higher education and research. It provides training and educational services at the undergraduate and graduate levels.

2. Significant accounting policies

a) Basis of presentation

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), and are stated in Trinidad and Tobago dollars. These financial statements have been prepared on a historical cost basis.

The following is a summary of the significant accounting and reporting policies used in preparing the financial statements.

b) Standards in issue not yet effective

The College has not applied the following IFRS and IFRIC Interpretations that have been issued but are not yet effective. These standards/interpretations may not apply to the activities of the College or have no material impact on its financial statements.

IFRS 2 Share-based Payment: Group Cash settled Share-based Payment Transactions (effective 1 January 2010). Clarifies the definition of vesting conditions and prescribes the treatment for an award that is cancelled and provides guidance on the scope and the accounting for group cash-settled share based payment transactions.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER, 2007
(Expressed in Trinidad and Tobago dollars)
(Continued)

2. Significant accounting policies (continued)

IFRS 3 Business Combinations (Revised) and IAS 27 Consolidated and Separate Financial Statements (Amended) (effective 1st July, 2009) including consequential amendments to IFRS 7, IAS 21, IAS 28, IAS 31 and IAS 39. IFRS 3 (Revised) introduces significant changes in the accounting for business combinations occurring after this date. Changes affect the valuation of non-controlling interest, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages.

IAS 27 (Amended) requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as a transaction with owners in their capacity as owners. Therefore, such transactions will no longer give rise to goodwill, nor will it give rise to a gain or a loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. The changes by IFRS 3 (Revised) and IAS 27 (Amended) will affect future acquisitions or loss of control of subsidiaries and transactions with noncontrolling interests.

IAS 39 Financial Instruments: Recognition and Measurement — Eligible Hedged Items (effective 1st July, 2009). The amendment clarifies that an entity is permitted to designate a portion of the fair value changes or cash flow variability of a financial instrument as a hedged item.

IFRIC 9 Remeasurement of Embedded Derivatives and IAS 39 Financial Instruments: Recognition and Measurement (effective for period ending on or after 30th June, 2009). This amendment to IFRIC 9 requires an entity to assess whether an embedded derivative must be separated from a host contract when the entity reclassifies a hybrid financial asset out of the fair value through profit or loss category. This assessment is to be made based on circumstances that existed on the later of the date the entity first became a party to the contract and the date of any contract amendments that significantly changes the cash flows of the contract. IAS 39 now states that if an embedded derivative cannot be reliably measured, the entire hybrid instrument must remain classified as at fair value through profit and loss.

IFRIC 17 Distributions of Non-cash Assets to Owners (effective from 1st July, 2009) provides guidance on how to account for such transactions. It also provides guidance on when to recognise a liability and how to measure it and the associated assets, and when to derecognise the asset and liability and the consequences of doing so.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER, 2007
(Expressed in Trinidad and Tobago dollars)
(Continued)

2. Significant accounting policies (continued)

IFRIC 18 Transfers of Assets from Customers (effective from 1st July, 2009) provides guidance on when and how an entity should recognise items of property, plant and equipment received from their customers.

The directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the College.

c) Adoption of new and revised International Financial Reporting Standards

In the current year, the College has adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board (the IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and effective for accounting periods beginning on 1 January 2004. The adoption of these new and revised Standards and Interpretations has not resulted in changes to the College's accounting policies in the following areas that have affected the amounts reported for the current or prior years:

d) Financial instruments

Financial instruments carried in the balance sheet include cash and bank balances, accounts receivables and prepayments and accounts payables, and are stated at fair values.

The College's financial assets and liabilities are recognised in the balance sheet when it becomes party to the contractual obligations of the instrument. Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER, 2007
(Expressed in Trinidad and Tobago dollars)
(Continued)

2. Significant accounting policies (continued)

d) Financial instruments (continued)

The College derecognizes its financial assets when the rights to receive cash flows from the assets have expired or where the College has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised only when the obligation under the liability is discharged, cancelled or expires. All "regular way" purchases and sales are recognized on the trade date, which is the date that the College commits to purchase or sell the instrument.

e) Impairment of financial assets

Financial assets are impaired when the carrying value is greater than the recoverable amount and there is objective evidence of impairment. The recoverable amount is the present value of the future cash flows.

Provision for impairment is assessed for all loans where there is objective evidence that the full amount due to the College would not be repaid. The allowance recognized is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset original effective interest rate.

0 Property and equipment

Property, plant and equipment are stated in the balance sheet at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the College and the cost of the item can be measured reliably.

COLLEGE OF SCIENCE, TECHNOLOGY & APPLIED ARTS OF TRINIDAD AND TOBAGO

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER, 2007
(Expressed in Trinidad and Tobago dollars)
(Continued)

2. Significant accounting policies (continued)

0 Property and equipment

All other repairs and maintenance are charged to other operating expenses during the financial period in which they are incurred.

With the exception of capital works in progress, depreciation is charged on all other assets on the reducing balance basis at rates estimated to write off these assets over their useful lives as follows:

Motor vehicles	25%
Furniture and equipment	20%
Computer equipment	33 1/3%

The costs of buildings under construction are classified as 'capital works in progress'. Depreciation is charged when the construction is substantially completed and the assets are ready for use.

Section No. 39 of Act 77 of 2000 by which the College was established states that 'all property belonging to the scheduled TLI's be respectively transferred to and vested in the College'. As such, property, plant and equipment transferred by GORTT and/or donated by other sources to the College are recognized at their estimated fair values, with a corresponding credit to the deferred capital grant account.

Property and equipment are reviewed periodically for impairment. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposals of property and equipment are determined by reference to their carrying amounts and are taken into the Statement of income and expenditure.

COLLEGE OF SCIENCE, TECHNOLOGY & APPLIED ARTS OF TRINIDAD AND TOBAGO

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th SEPTEMBER, 2007
(Expressed in Trinidad and Tobago dollars)
(Continued)

g) Cash and cash equivalents

Cash and cash equivalents are defined as cash at bank and in hand and short term, highly liquid investments readily convertible to known amounts of cash with original maturities of three months or less and subject to insignificant risks of change in value. These amounts are carried at cost which approximates their fair value.

h) Capital grants and government contributions

Capital grants

Capital grants are received from the GORTT for the specific purpose of construction and/or purchase of property, plant and equipment. These grants are recognized where there is reasonable assurance that the grant funds will be received and utilized in accordance with all stipulated conditions. An amount equivalent to the depreciation charge on the relevant property, plant and equipment is released to income over the expected useful life of the asset.

Government subventions

Subventions received from GORTT to meet operating deficits are recognized in the respective year to which the Government's annual budget allocation applies.

The College adopts the deferral method of accounting for grants when they are restricted in use by the donor.

i) Trade and Other payables

Accounts payable 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 College.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER,
2007 (Expressed in Trinidad and Tobago dollars)
(Continued)

2. Significant accounting policies (continued)

j) Provisions

Provisions are recognised when the College has a present (legal or constructive) obligation as a result of past events from which, 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.

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the balance sheet date.

Provisions are measured at the present value of the expenditures 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.

k) Employee benefits

Pension obligations

The College has no pension plan in existence presently. Employees transferred from NIHERST to COSTAATT continue to contribute to the NIHERST pension plan.

The College has three (3) categories of staff namely:

- Employees transferred from the National Institute of Higher education and research Institute (NIHERST).
- (ii) Seconded officers. These are officers transferred from Government Ministries for specified periods.
- (iii) Contract staff.

The rate of contribution for employees of NIHERST is 6% of their base salary, while the rate of contribution paid by COSTAATT for NIHERST employees is 10.4% of their base salary plus 4% pension adjustment granted to members to assist in meeting their pension payment.

COLLEGE OF SCIENCE, TECHNOLOGY & APPLIED ARTS OF TRINIDAD AND TOBAGO

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER, 2007
(Expressed in Trinidad and Tobago dollars)
(Continued)

2. Significant accounting policies (continued)

k) Employee benefits (continued)

Pension obligations (continued)

COSTAATT's monthly pension contributions for NIHERST employees stand at \$32,000.

Seconded officers pensionable status are preserved by COSTAATT paying 25% of their substantive salary to the Comptroller of Accounts, while contracted officers receive a gratuity upon completion of service to the organization.

The College's obligation for contributions to the defined-contribution scheme is recognized as an expense in the statement of income as incurred.

l) Financial liabilities

Financial liabilities are recognized initially at fair value net of transaction costs, and subsequently measured at amortized cost using the effective interest rate method.

m) Revenue recognition

Revenue is recognized to the extent that it is probable that economic benefits will flow to the College and the revenue can be reliably measured. Revenue is measured at their fair value of the consideration received, excluding discounts and rebates. The following specific recognition criteria apply to the relevant category of revenue:

COLLEGE OF SCIENCE, TECHNOLOGY & APPLIED ARTS OF TRINIDAD AND TOBAGO

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER, 2007

(Expressed in Trinidad and Tobago dollars)

(Continued)

2. Significant accounting policies (continued)

o) Revenue recognition

Grants relating to operating activities

Grants relating to operating activities are recognized as income on a systematic basis over the periods in which the related expenses are incurred.

(ii) Tuition and other related fees

Tuition fees are recognized on the accrual basis over the period of instruction.

(iii) Interest income

Interest income is accounted for on an accrual basis.

(iv) Other income

Income is received from a range of sources including cafeteria sales and other services rendered. Income is recognized on the accrual basis.

p) Comparative information

Certain changes in presentation of comparative information have been made in these financial statements. These changes primarily relate to the reclassification of balances previously presented as other operating income and staff costs. In addition, there were changes to the classification of certain prior year expenses to ensure consistency with current year presentation. These changes had no effect on net assets or operating results for the previous year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER, 2007

(Expressed in Trinidad and Tobago dollars)

(Continued)

3. Critical accounting judgments and key sources of estimation uncertainty

Key sources of estimation uncertainty

The preparation of the financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical accounting judgments

The following are the critical judgments, apart from those involving estimations that management has made in the process of applying the entity's accounting policies that have the most significant effect on the amounts recognized in financial statements.

a) *Impairment of financial assets*

Management makes judgments at each balance sheet date to determine whether financial assets are impaired when the carrying value is greater than the recoverable amount and there is objective evidence of impairment. The recoverable amount is the present value of the expected future cash flows.

COLLEGE OF SCIENCE, TECHNOLOGY & APPLIED ARTS OF TRINIDAD AND TOBAGO

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER, 2007

(Expressed in Trinidad and Tobago dollars)

(Continued)

4. Cash and cash equivalents 2007 2006

Cash and cash equivalents for the purposes of the statement of cash flows include the following:

Cash at bank and in hand	33,154,700	27,982,269
Money market mutual funds	29,659,776	25,774,663
	62,814,476	53,756,932

5. Accounts receivable and prepayments 2007 2006

Accounts receivable	57,610,288	43,046,663
Prepayments	921,312	1,066,381
Staff debtors	170,518	177,518
VAT receivable	2,636,648	1,614,798
Other receivables	51,610	18,924
	61,390,376	45,924,284

6. Trade and other payables 2007 2006

Accounts payable and accruals	3,098,060	8,109,429
Provision for staff bonus and unpaid leave	2,431,165	2,370,290
Stale-dated cheques	835,005	647,453
Other payables	3,577,517	1,368,897
	9,941,747	12,496,069

COLLEGE OF SCIENCE, TECHNOLOGY & APPLIED ARTS OF TRINIDAD AND TOBAGO

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER, 2007

(Expressed in Trinidad and Tobago dollars)

(Continued)

7. Property, plant and equipment

	Furniture and Equipment	Vehicles	Furnishings	Equipment	Total
Year ended 30th September 2007					
Opening net book value	12,403,280	670,441	10,758,213	17,731,330	41,563,264
Additions	2,944,722	202,025	3,585,659	3,698,844	10,431,250
Depreciation charge	(5,355,166)	(209,699)	(2,458,462)	(4,174,984)	(12,198,311)
Closing net book value	9,992,836	662,767	11,885,410	17,255,190	39,796,203
At 30th September 2007					
Cost	35,321,652	1,268,310	20,195,309	30,390,518	87,175,789
Accumulated depreciation	(25,328,816)	(605,543)	(8,309,899)	(13,135,328)	(47,379,586)
Net book value	9,992,836	662,767	11,885,410	17,255,190	39,796,203
Year ended 30th September 2006					
Opening net book value	9,208,500	486,915	11,373,571	11,160,066	32,229,052
Additions	8,703,992	367,100	1,895,083	10,423,648	21,389,823
Depreciation charge	(5,509,212)	(183,574)	(2,510,441)	(3,852,384)	(12,055,611)
Closing net book value At	12,403,280	670,441	10,758,213	17,731,330	41,563,264
30th September 2006					
Cost	32,376,930	1,066,285	16,609,650	26,691,674	76,744,540
Accumulated depreciation	(19,973,650)	(395,844)	(5,851,437)	(8,960,344)	(35,181,276)
Net book value	12,403,280	670,441	10,758,213	17,731,330	41,563,264

COLLEGE OF SCIENCE, TECHNOLOGY & APPLIED ARTS OF TRINIDAD AND TOBAGO

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER, 2007

(Expressed in Trinidad and Tobago dollars)

(Continued)

7. Property, plant and equipment

John S. Donaldson and San Fernando Campuses:

In June 2005, GORTT agreed to the assignment of John S. Donaldson technical Institute and San Fernando Technical Institute to the University of Trinidad and Tobago and accordingly to the vesting of the properties of these two (2) Institutes to the University of Trinidad and Tobago. The formal transfer of these properties has not been effected as at the balance sheet date. In the interim, the University of Trinidad and Tobago has been granted permission to occupy and utilize the said properties.

ECIAF Campus:

In September 2006, GORTT agreed to the integration of the Eastern Caribbean Institute of Agriculture and Forestry (ECIAF) into the University of Trinidad and Tobago. As part of the decision GORTT agreed to the vesting of the properties of ECIAF. The formal transfer of the properties of ECIAF has not been effected as at the balance sheet date. In the interim, the Ministry of Science, Technology and Tertiary Education has granted permission to the University to occupy and utilize the properties and building of ECIAF.

8. Deferred capital grants

The College receives monetary grants on an annual basis. Those related to the acquisition of property, plant and equipment are released to the Income and Expenditure Account over the life of the related asset in the same way that depreciation of assets is charged to the Income and Expenditure Account. Grants to be released in future years are held on the Balance Sheet as deferred capital grants.

	2007	2006
Grant balance as at 30 September	90,032,176	87,159,258
Grants received during the year	13,650,000	13,745,596
Grants due for the year, but not received	4,800,000	4,726,000
Amounts released to the Statement of of income and expenditure	(8 841 328)	(15,598,678)
	99,640,848	90,032,176

COLLEGE OF SCIENCE, TECHNOLOGY & APPLIED ARTS OF TRINIDAD AND TOBAGO

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER, 2007

(Expressed in Trinidad and Tobago dollars)

(Continued)

11.	Interest income	2007	2006
	Interest on bank accounts	2,662,546	1,920,189
	Interest on money market accounts	7,345	169,678
		<u>2,669,891</u>	<u>2,089,867</u>
13.	Other income	2007	2006
	Application fees	86,188	113,329
	Donations	15,400	
	Library fees	176,828	138,944
	Student guild fees		35,780
	Tender fees	8,575	5,000
	Other receipts	<u>734,167</u>	<u>318,508</u>
		<u>1,021,158</u>	<u>611,561</u>
10.	Staff costs	2007	2006
	Salaries, gratuities, allowances and other benefits	44,165,296	39,019,164
	National insurance	820,029	798,472
	Pension costs — defined benefit plan	<u>187,254</u>	<u>249,390</u>
		<u>45,172,580</u>	<u>40,067,026</u>
9.	General and administration expenses	2007	2006
	Included therein are the following items:		
	Audit fees	8,900	
	Bank charges and interest	147	36,018
	Board fees	310,700	236,350
	Books and periodicals	1,645,025	1,951,645
	Hosting of conferences, seminars and other functions	285,348	276,503
	Overseas travel	497,913	257,891
	Office stationery and supplies	1,775,321	1,503,316
	Professional consulting and other fees	<u>3,347,988</u>	<u>3,381,920</u>
		<u>11,441,650</u>	<u>9,266,061</u>

COLLEGE OF SCIENCE, TECHNOLOGY & APPLIED ARTS OF TRINIDAD AND TOBAGO

FOR THE YEAR ENDED 30TH SEPTEMBER, 2007

(Expressed in Trinidad and Tobago dollars)

(Continued)

13.	Other operating expenses	2007	2006
	Included therein are the following items:		
	Advertising and promotions	932,061	1,055,585
	Local travel	268,425	172,787
	Materials and supplies	1,229,550	2,319,454
	Other contracted services	2,470,513	2,774,298
	Utilities and telecommunications	6,078,276	5,077,716
	Rent	13,739,556	11,788,619
	Repairs and maintenance	3,326,033	3,222,145
	Security	535,173	862,291
	Insurance	610,036	747,687
	Other	1,228,287	927,229
		<u>30,417,910</u>	<u>28,947,811</u>

14. Related party transactions

Parties are considered to be related if one has the ability to control or exercise significant influence over the other party in making financial or operational decisions.

Key management personnel are those persons having authority and responsibility for planning and controlling the activities of the College.

	2007	2006
Key management compensation		
Directors' remuneration	310,700	236,350

COLLEGE OF SCIENCE, TECHNOLOGY & APPLIED ARTS OF TRINIDAD AND TOBAGO

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER, 2007

(Expressed in Trinidad and Tobago dollars)

(Continued)

15. Capital management

The College's objectives when managing capital, which is a broader concept than equity on the face of the balance sheet, are:

- To safeguard the College's ability to continue as a going concern so that it can continue to provide benefits for stakeholders; and
- To maintain a strong capital base to support the development of its business.

The College reviews its capital adequacy annually at the Finance committee and Board Level. The College maintains healthy capital ratios in order to support its business and to maximize shareholder value.

16. Risk management

The College's risk management policies are designed to identify and analyze these risks, set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems, together with robust corporate governance. The College regularly reviews its risk management policies and systems to reflect changes in markets and emerging best practice. The most important types of risk that the College is exposed to are credit risk, liquidity risk, market risk and other operational risk.

Risk management structure

The Board of Trustees is ultimately responsible for identifying and controlling risks however, there are separate independent bodies responsible for managing and monitoring risks.

Board of Trustees

The Board of Trustees is responsible for the overall risk management approach and for approving the risk strategies and principles.

Internal audit

Risk management processes throughout the College are audited periodically by the internal audit function, which examines both the adequacy of the procedures and the College's compliance with the procedures. In addition, internal audit is responsible for the independent review of risk management and the control environment. Internal Audit discusses the results of all assessments with management, and reports its findings and recommendations to the Financial, Audit and Information and Communication Technology Committee.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER, 2007

(Expressed in Trinidad and Tobago dollars)

(Continued)

16. Risk management (continued)

Foreign currency risk

The College incurs foreign currency exposure on transactions that are denominated in a currency other than the Trinidad and Tobago dollar. The College ensures that the net exposure is kept to a minimum and is managed by monitoring and, where necessary adjusting the exposure.

Interest rate risk

Interest rate risk is further mitigated by the subsidies received from the Government in support of granting subsidized mortgages. These subsidies serve to reduce borrowing cost.

Liquidity risk

Liquidity risk is financial risk due to uncertain liquidity. It is the risk that the College is will encounter difficulty in raising funds to meet commitments. The College might lose liquidity if it experiences sudden unexpected cash outflows, or some other event causes counterparties to avoid trading with the College. The consequence may be the failure to meet obligations. Prudent liquidity risk management implies maintaining sufficient cash and ensuring the availability of funding through an adequate amount of committed resources. The management of the College mitigates this risk by keeping a substantial portion of its financial assets in liquid form.

Liquidity risk management process

The College's liquidity management process includes:

- Day-to-day funding, managed by monitoring future cash flows to ensure that requirements can be met.
- Keeping a significant portion of its financial assets in liquid form.
- Monitoring balance sheet liquidity ratios against internal requirements.