



REPORT OF THE AUDITOR GENERAL OF THE REPUBLIC OF TRINIDAD AND TOBAGO ON THE FINANCIAL STATEMENTS OF THE INSTITUTE OF MARINE AFFAIRS FOR THE YEAR ENDED SEPTEMBER 30, 2011

The accompanying Financial Statements of the Institute of Marine Affairs for the year ended September 30, 2011 have been audited. The Statements as set out on pages 1 to 12 comprise a Balance Sheet as at September 30, 2011, an Income and Expenditure Account, a Statement of Accumulated Surplus, a Cash Flow Statement for the year ended September 30, 2011 and Notes to the Financial Statements numbered 1 to 7.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

2. The management of the Institute of Marine Affairs 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

3. The Auditor General's responsibility is to express an opinion on these Financial Statements based on the audit. The audit was carried out in accordance with section 116 of the Constitution of the Republic of Trinidad and Tobago and section 19 of the Institute of Marine Affairs Act, Chapter 37:01. The audit was conducted in accordance with the principles and concepts of International Standards of Supreme Audit Institutions (ISSAIs) which require that ethical requirements be complied with and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. 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 judgment, 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.

5. It is my view that the audit evidence obtained is sufficient and appropriate to provide a basis for the adverse audit opinion.

BASIS FOR ADVERSE OPINION

BALANCE SHEET

DEFERRED REVENUE **\$60,772,275**

6.1 Sufficient appropriate audit evidence was not provided to reconcile the \$9,162,657 difference between the brought forward Deferred Revenue Schedule and the Deferred Revenue general ledger balance. Audit was unable to verify the correct figure from alternative means.

ACCOUNTS PAYABLE **\$2,296,614**

7.1 The brought forward balance was overstated by \$857,489.

ACCRUALS AND OTHER LIABILITIES **\$944,991**

8.1 Sufficient appropriate audit evidence was not provided to verify the brought forward general ledger adjustment totalling \$1,005,536.

INCOME AND EXPENDITURE ACCOUNT

GOVERNMENT FUNDS **\$22,101,800**

9.1 The Institute of Marine Affairs was not in compliance with IAS 1- paragraph 29, whereas:

“An entity shall present separately each material class of similar items. An entity shall present separately items of a dissimilar nature or function unless they are immaterial.”

9.2 It was seen that the Government Fund balance comprised two material dissimilar balances, Government Fund of \$20,925,800 and Deferred Income of \$1,176,000.

ADVERSE OPINION

10. In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion at paragraphs 6 to 9 above, the Financial Statements do not present fairly, the financial position of the Institute of Marine Affairs as at September 30, 2011 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

SUBMISSION OF REPORT

11. 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.



**29th NOVEMBER 2023
PORT-OF-SPAIN**

Jaiwantie Ramdass
**JAIWANTIE RAMDASS
AUDITOR GENERAL**

INSTITUTE OF MARINE AFFAIRS

**INSTITUTE OF MARINE AFFAIRS
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
SEPTEMBER 30, 2011**

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**INSTITUTE OF MARINE AFFAIRS
BALANCE SHEET
As at 30 September 2011**

	Notes	2011 TTS	2010 TTS
ASSETS			
Non-Current Assets			
Pension Plan	4	4,025,765	3,241,214
Fixed Assets	5	57,761,675	56,237,652
Total Non-Current Assets		61,787,440	59,478,866
CURRENT ASSETS			
Cash and bank		13,846,478	11,869,495
Investments		25,898,745	28,330,672
Trade and Other Receivables		342,220	455,405
Goods in Transit		5,130	5,130
VAT		72,870	74,315
Prepayment		5,179,971	7,081,522
Total Current Assets		45,345,414	47,816,539
TOTAL ASSETS		107,132,854	107,295,405
EQUITY AND LIABILITIES			
Retained Earnings		41,955,286	44,805,700
Non-Current Liabilities			
Deferred Revenue		60,772,275	58,648,275
Retentions		1,163,688	1,163,688
Total Non-Current Liabilities		61,935,963	59,811,963
Current Liabilities			
Accounts Payable		2,296,614	2,046,599
Accruals		944,991	631,143
Total Current Liabilities		3,241,605	2,677,742
TOTAL EQUITY & LIABILITIES		107,132,854	107,295,405



The accompanying notes form an integral part of these financial statements.

Chairman Board of Governor

Director:



INSTITUTE OF MARINE AFFAIRS

INSTITUTE OF MARINE AFFAIRS

**INSTITUTE OF MARINE AFFAIRS
INCOME AND EXPENDITURE ACCOUNT
For the year ended September 30, 2011**

	Note	2011 TTS	2010 TTS
INCOME			
Government Funds		22,101,800	20,663,500
Non-Government income		597,876	768,538
Gain/Loss on Foreign Exchange		39,877	222,902
Unrealized Gain/Loss on Invest		(52,215)	238,801
Non-Government Income		1,079,578	2,255,816
Total Income		23,766,916	24,149,557
EXPENDITURE			
Salaries & Related Cost		12,543,261	12,053,565
Administrative Expenses	6	4,630,327	4,342,526
Maintenance & Repairs		2,204,720	1,879,114
Research Expenses		1,959,323	1,159,891
Audit fees		38,000	40,000
Board remuneration		428,727	163,300
Depreciation Expense		4,240,539	1,926,541
Bad Debts Expenses		572,433	5,971,010
Total Expenses		26,617,330	27,535,947
Surplus (Deficit) for the period		(2,850,414)	(3,386,390)
OTHER COMPREHENSIVE INCOME			
Revaluation Reserve		0	0
Total Comprehensive Income		(\$2,850,414)	(\$3,386,390)

The accompanying notes form an integral part of these financial statements



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STATEMENT OF ACCUMULATED SURPLUS
September 30, 2011

	2011	2010
	TTS	TTS
Accumulated surplus brought forward		
Deficit for the period	44,805,700	48,192,090
	<u>(2,850,414)</u>	<u>(3,386,390)</u>
Accumulated surplus carried forward	<u>41,955,286</u>	<u>44,805,700</u>

The accompanying notes form an integral part of these financial statements.



INSTITUTE OF MARINE AFFAIRS
CASH FLOW STATEMENT
For the year ended September 30, 2011

	2011	2010
	TTS	TTS
OPERATING ACTIVITIES		
Loss for the period	(2,850,414)	(3,386,390)
Adjustments:		
Depreciation	4,240,539	1,926,541
Revaluation Reserve	0	0
Unrealized (Gain)/Loss on Investments	52,215	(238,801)
(Gain)/Loss on Asset Disposals	0	0
Deferred Income	(1,176,000)	(1,176,000)
(Increase) Decrease in Pension Plan Asset	(784,551)	(799,379)
Unrealized Foreign Currency (Gain)/Loss	(39,877)	(222,902)
Net cash provided by Operating Activities	<u>(558,088)</u>	<u>(3,896,931)</u>
Dec. /(Inc) in Trade and Other Receivables	2,016,181	6,461,192
Increase/(Decrease) in Creditors/Accruals	563,863	(2,730,896)
Changes in Operating Assets & Liabilities	<u>2,580,044</u>	<u>3,730,296</u>
Net Cash provided by Operations	<u>2,021,956</u>	<u>(166,635)</u>
INVESTING ACTIVITIES		
Capital grants received	3,300,000	
Purchase of Fixed Assets	(5,764,562)	(4,242,419)
Proceeds from disposal of Assets	0	0
Net cash flow investing activities	<u>(2,464,562)</u>	<u>(4,242,419)</u>
Unrealized Foreign Currency Gain/Loss	39,877	461,703
Unrealized (Gain)/loss on Investments	(52,215)	0
Net Increase <Decrease> in cash equivalents	<u>(454,944)</u>	<u>(3,947,351)</u>
Cash Balance at Beg. of period	40,200,167	44,147,518
Cash Balance at End of Period	<u>39,745,223</u>	<u>40,200,167</u>
Represented by:		
Cash at bank	13,846,478	11,869,495
Investments	<u>25,898,745</u>	<u>28,330,672</u>
	<u>39,745,223</u>	<u>40,200,167</u>

The accompanying notes form an integral part of these financial statements.



INSTITUTE OF MARINE AFFAIRS

INSTITUTE OF MARINE AFFAIRS
NOTES TO THE FINANCIAL STATEMENTS - September 30, 2011

1. INCORPORATION AND ACTIVITIES

The Institute was established by an Act of Parliament of Trinidad and Tobago on 10th May 1976, Chapter 37:01 of the Laws of the Republic of Trinidad and Tobago refers. This Act was amended by Act #13 of 1990.

The principal activities are:

- a) to develop and implement programmes and projects that translate the marine and related policies of the Government into activities that contribute to national development;
- b) to develop and execute programmes and projects that foster and encourage regional and international collaboration in the exploitation of the marine and other related areas of the environment;
- c) to promote a public understanding of and appreciation for all aspects of the marine and related environment;
- d) to stimulate and advance the conduct of marine scientific research in Trinidad and Tobago;
- e) to promote the utilisation and conservation of the marine resources for the economic and social benefit of Trinidad and Tobago and to enhance the national capabilities;
- f) to do all such things as are incidental or conducive to the attainment of the above objects.

2. REPORTING CURRENCY

These financial statements are expressed in Trinidad and Tobago dollars.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Accounting Convention

These financial statements are prepared under the historical cost convention and in accordance with International Financial Reporting Standards (IFRS). As such, no account is taken of the effects of inflation.



INSTITUTE OF MARINE AFFAIRS
NOTES TO THE FINANCIAL STATEMENTS - September 30, 2011

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Accounts Receivable

Accounts receivable are stated net of provision for bad and doubtful debts. The Institute has made a provision for doubtful debts of approximately 43% of debtors in 2011.

c) Fixed Assets

Fixed assets are depreciated at rates estimated to write off the depreciable amounts of the fixed assets over their useful lives.

The annual depreciation rates used are: -

Category	Method	Rate
Buildings and improvement works	Straight line	2%
Plant and machinery	Reducing balance	10-25%
Computer Equipment	Reducing balance	33%
Furniture and fittings	Reducing balance	10%
Marine vessels	Reducing balance	25%
Motor vehicles	Reducing balance	25%
Reference and resource materials	Reducing balance	10%

d) Income

The Government of Trinidad and Tobago funds most of the operations of the Institute by means of monthly subventions. These are recognized on a cash basis and credited to income.

e) Deferred Income

Grants from Government, related to the purchase of fixed assets, are deferred and credited to revenue over the useful life of the assets concerned.

f) Taxation

The Institute may be exempted from payment of, or the Government shall bear the cost of any taxes, customs duties, fees or levies which may be imposed on the Institute in respect of any equipment, materials and supplies imported into Trinidad and Tobago by the Institute which are essential for its operations



INSTITUTE OF MARINE AFFAIRS
NOTES TO THE FINANCIAL STATEMENTS - September 30, 2011

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Foreign currency

Transactions involving foreign currencies are converted at the rates prevailing on the dates of such transactions. Monetary assets and liabilities are translated at the rate prevailing at the Balance Sheet date. Exchange gains and losses are taken directly to the Income and Expenditure Account.

h) Actuarial Gains and Losses

Actuarial Gains and Losses are recognised at the rate of 20% of the brought forward balance.

4. PENSION PLAN ASSET

The Institute's pension plan is a defined benefit plan. The plan is operated by virtue of a Trust Deed made on 8th June 1990 between the Institute of Marine Affairs and the Trustees of the Plan. The assets supporting the Plan are invested through a Deposit Administration Policy with an insurance company.

Effective October 1st, 1999, the Institute adopted the provisions of International Accounting Standard 19 Employee Benefits (IAS 19) (Revised). It treated with the transitional asset as an adjustment to the opening retained earnings of that period because it was impracticable to restate the comparative information of prior periods.

Retirement Benefit Asset/Liabilities

a) Net liability in statement of financial position

	2011	2010
Present value of defined benefit obligation	(31,659,647)	(30,002,432)
Fair value of plan assets	37,418,504	34,767,031
Value of surplus/(deficit)	5,758,857	4,764,599
Unrecognized actuarial losses/(gains)	(1,733,092)	(1,523,385)
Net defined benefit asset/(liability)	4,025,765	3,241,214



INSTITUTE OF MARINE AFFAIRS
Pension Plan Asset (Continued)

b) Movement in present value of defined benefit obligation

	2011	2010
Defined benefit obligations at start	30,002,432	27,918,991
Current service cost	1,078,689	1,063,451
Interest cost	1,960,237	2,105,628
Members contributions	316,861	302,926
Past service cost/(credit)		-
<u>Premeasurements:</u>		
Experience Adjustments	(586,221)	(241,504)
Actuarial (gain)/loss from change in financial assumptions	(26,926)	(92,777)
Benefits paid	(1,085,425)	(1,054,283)
Defined benefit obligation at end of year	31,659,647	30,002,432

c) Movement in fair value of plan assets

	2011	2010
Plan assets at start of year	34,767,031	31,175,167
Interest income	-	-
Expected return on plan assets	2,275,293	2,211,749
Company's contributions	1,243,508	1,593,841
Members contributions	316,859	302,924
Benefits paid	(1,085,425)	(1,054,283)
Experience Adjustments	(98,762)	537,633
Administration & other non-Plan Investment Management Expenses	-	-
Fair value of plan assets at end of year	37,418,504	34,767,031
Actual return on plan assets	2,176,531	2,749,380

d) Expenses recognised in profit or loss

	2011	2010
Current service cost	1,078,689	1,063,451
Interest Cost	1,960,237	2,105,628
Expected return on plan assets	(2,275,293)	(2,211,749)
Administration & other non-Plan Investment Management Expenses	-	-
Net pension cost	763,634	957,330



INSTITUTE OF MARINE AFFAIRS
Pension Plan Asset (Continued)

e) Re-measurements recognised in other comprehensive income

	2011	2010
Actuarial (gain)/loss from changes in financial assumptions	(26,926)	(92,777)
Experience Adjustments	(586,221)	(241,504)
Expected Return on plan assets	2,275,293	2,211,749
Actual return on plan assets	(2,176,531)	(2,749,380)
Total amount recognised in other comprehensive income	(514,385)	(871,912)

f) Reconciliation of opening & closing statement of financial position entries

	2011	2010
Opening defined benefit asset/(liability)	4,764,599	3,256,176
Net pension cost	(763,634)	(957,330)
Re-measurements recognised in other comprehensive income	514,385	871,912
Company contributions paid	1,243,508	1,593,841
Closing defined benefit asset/(liability)	5,758,857	4,764,599

g) Summary of principal assumptions as at 30th September

	2011	2010
Discount rate	6.25% per annum	6.5% per annum
Expected return on assets at the end of the year	6.25% per annum	6.5% per annum
Future promotional salary increases	3.5% per annum	3.50% per annum
Future inflationary salary increases	1.75% per annum	2.00% per annum
Future increases in the NIS Ceiling for earnings	Nil	Nil
Future increases to pensions	0.75% per annum	1.00% per annum
Mortality	GAM94	GAM94
Termination of active members	Nil	Nil
Early Retirement	Nil	Nil
Future expenses	Nil	Nil



INSTITUTE OF MARINE AFFAIRS

NOTES TO THE FINANCIAL STATEMENTS - September 30, 2011

5. FIXED ASSETS

Property, plant and equipment	LAND & BUILDINGS	CAPITAL WORK IN PROGRESS	MOTOR VEHICLE	PLANT & MACHINERY, EQUIPMENT	REFERENCE & RESOURCE	FURNITURE & FIXTURES	TOTAL
Year ended 30 September 2011							
Opening Net book value	2,602,923	45,702,591	378,083	6,695,460	233,362	625,233	56,237,651
Prior period adjustments							-
Additions	34,615,586	(40,812,072)	-	7,918,219		4,042,829	5,764,562
Revaluations							-
Depreciation charge	(788,888)	-	(94,520)	(2,866,475)	(23,335)	(467,319)	(4,240,537)
Closing net book value	36,429,623	4,890,519	283,563	11,747,199	210,027	4,200,743	57,761,674
At 30 September 2011							
Accumulated Cost	39,584,831	4,890,519	1,729,115	33,866,675	1,132,406	5,526,418	86,729,964
Revaluation							-
Accumulated depreciation	(3,155,208)		(1,445,552)	(22,119,476)	(922,379)	(1,325,675)	(28,968,290)
Net book value	36,429,623	4,890,519	283,563	11,747,199	210,027	4,200,743	57,761,674
Year ended 30 September 2010							
Opening book value	2,699,503	42,206,860	504,110	7,135,371	259,290	628,372	53,433,506
Prior period adjustments							-
Additions		3,495,731		1,170,478		64,482	4,730,691
Revaluations							-
Depreciation charge	(96,576)	-	(126,028)	(1,610,389)	(25,928)	(67,621)	(1,926,542)
Closing net book value	2,602,923	45,702,591	378,082	6,695,460	233,362	625,233	56,237,651
At 30 September 2010							
Accumulated Cost	4,969,245	45,702,591	1,729,115	25,948,457	1,132,406	1,483,589	80,965,403
Revaluation							-
Accumulated depreciation	(2,366,322)		(1,351,033)	(19,252,997)	(899,044)	(858,356)	(24,727,752)
Net book value	2,602,923	45,702,591	378,082	6,695,460	233,362	625,233	56,237,651



INSTITUTE OF MARINE AFFAIRS
NOTES TO THE FINANCIAL STATEMENTS - September 30, 2011

6 ADMINISTRATION

Included in Administration expenditure is the cost attributable to a 30 year lease agreement between the Chaguaramas Development Authority (CDA) and the IMA. This lease is an operating lease and provides for an annual rent of \$12,000 over the total period of the lease.

	2011	2010
	\$	\$
Minimum lease payments recognised as an expense in the year	253,255	252,200
	<u>=====</u>	<u>=====</u>

As at the balance sheet date, the IMA has outstanding commitments under the operating lease as follows:

	2011	2010
	\$	\$
Within one year	12,000	12,000
In the second to fifth years inclusive	48,000	48,000
After five years	253,200	253,200
	<u>-----</u>	<u>-----</u>
	313,200	313,200
	<u>=====</u>	<u>=====</u>



INSTITUTE OF MARINE AFFAIRS
NOTES TO THE FINANCIAL STATEMENTS - September 30, 2011

7 SEVERANCE BENEFITS

Under the provisions of the Retrenchment and Severance Benefits Act 1985, the Institute is required to pay severance benefits to workers who are retrenched. The Institute has adopted a 'pay-as-you-go' approach in dealing with these payments. With this approach provision is not made for obligations until employees are actually retrenched.

