



REPORT OF THE AUDITOR GENERAL OF THE REPUBLIC OF TRINIDAD AND TOBAGO ON THE FINANCIAL STATEMENTS OF THE CHILDREN'S LIFE FUND FOR THE PERIOD FROM COMMENCEMENT OF OPERATIONS TO SEPTEMBER 30, 2012

The accompanying Financial Statements of the Children's Life Fund for the period from commencement of operations to September 30, 2012 have been audited. The Statements comprise a Statement of Financial Position as at September 30, 2012, a Statement of Comprehensive Income, a Statement of Changes in Fund Balance and a Statement of Cash Flows for the period from commencement of operations to September 30, 2012 as well as Notes to the Financial Statements numbered 1 to 10.

2. The audit was conducted by a firm of Accountants appointed by the Board of Directors with the written consent of the Auditor General. Their Report dated April 26, 2017, which is attached, refers.

SUBMISSION OF REPORT

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

17th JANUARY, 2018
PORT OF SPAIN




MAJEED ALI
AUDITOR GENERAL

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20180117



Children's Life Fund Authority

Financial Statements

For the period from commencement of operations
to September 30, 2012

Children's Life Fund Authority

Financial statements

For the period from commencement of operations to September 30, 2012

(Expressed in Trinidad and Tobago Dollars)

Contents

	<u>Page(s)</u>
Chairman's Review	2
Independent Auditors' report	3
 <u>Financial statements:</u>	
Statement of financial position	4
Statement of comprehensive income	5
Statement of changes in net assets	6
Statement of cash flows	7
Notes to the financial statements	8 - 13

Children's Life Fund Authority

Chairman's Review

The Children's Life Fund (CLF) and by extension the Children's Life Fund Authority (CLFA) were established by the Parliament of the Republic of Trinidad and Tobago in November 2010 as Act No. 12 of 2010.

The CLFA operates and administers the Children's Life Fund, facilitates the provision of specialist medical services, manages the Life Fund Unit and collects and invests funds. The purpose for the establishment of the Fund is to provide funding and critical support for children suffering from life threatening illnesses for which the required treatment is unavailable at local medical institutions.

During the period under review the CLFA established its offices at the Wendy Fitzwilliam Paediatric Hospital located at the Eric Williams Medical Sciences Complex, Mt. Hope. Also the Fund assisted eleven (11) children with overseas medical care, ranging from open heart to liver transplant surgeries costing a total of TT\$3,383,591.00.

Funding for patient costs were paid from the Fund and for the period totalled TT\$32,437,818.00, with the chief benefactor being the Government of the Republic of Trinidad and Tobago, along with Government Ministers which totalled TT\$30,180,003.00.

The Fund's investment portfolio, during the period consisted of money market accounts, this due to the high liquidity situation in the market place and also due to an absence of alternative investment opportunities with relevant risk/return profiles to match the requirements of the Fund.

The CLFA's re-current expenditure budget, which directly manages the CLF's operations, was funded directly by the Ministry of Health and granted subventions for the period was \$1,248,744 with the largest cost being staff costs of \$896,978.

The CLFA is working towards improving its marketing and publicity efforts towards improving its ability to self sustain both the Fund operations and its own administrative operations.



Dr. Maritza Fernandes
Chairman

April 26, 2017

Independent Auditors' report

The Board of Directors
Children's Life Fund Authority

We have audited the accompanying financial statements of Children's Life Fund Authority which comprise the statement of financial position as at September 30, 2012 and the statements of operations, changes in net assets and cash flows for the period from commencement of operations to September 30, 2012, and the accompanying notes to the financial statements.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Children's Life Fund Authority as at September 30, 2012, and of its financial performance and its cash flows for the period from commencement of operations to September 30, 2012 in accordance with International Financial Reporting Standards.

Emphasis of matter

We draw attention to note 9 of the financial statements, which describes an ongoing legal matter and an ongoing investigation into alleged misappropriation of cash, the outcome of which is unknown as at the date of this opinion. Our opinion is not modified in respect of these matters.



April 26, 2017

Port of Spain,
Trinidad, West Indies

Children's Life Fund Authority

Statement of financial position


As at September 30, 2012

(Expressed in Trinidad and Tobago Dollars)

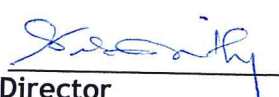
	Notes	2012
ASSETS		
Current assets		
Subventions receivable	6	200,000
Due from Children's Life Fund	4	178,938
Staff costs recoverable		16,000
Total assets		\$ 394,938
Net assets and liabilities		
Net Assets		
Accumulated surplus		275,035
		275,035
Current liabilities		
Payables and accruals	5	119,903
		119,903
Total net assets and liabilities		\$ 394,938

The accompanying notes on pages 7 to 12 form an integral part of these financial statements.

Approved by the Board of Directors:


Chairman

April 26, 2017
Date


Director

April 26, 2017
Date

Children's Life Fund Authority

Statement of comprehensive income

For the period from commencement of operations to September 30, 2012

(Expressed in Trinidad and Tobago Dollars)

	Notes	For the period from commencement of operations to September 30, 2012
Revenue		
Subventions	6	1,248,744
		1,248,744
Expenses		
Administrative expenses	7	973,709
		973,709
Excess of revenue over expenses for the period		\$ 275,035

The accompanying notes on pages 7 to 12 form an integral part of these financial statements.

Children's Life Fund Authority

Statement of changes in net assets

For the period from commencement of operations to September 30, 2012

(Expressed in Trinidad and Tobago Dollars)

	Restricted balance	Net assets
Balance at commencement of operations	-	-
Excess of revenue over expenses for the period	275,035	275,035
Balance at September 30, 2012	\$ 275,035	\$ 275,035

The accompanying notes on pages 7 to 12 form an integral part of these financial statements.

Children's Life Fund Authority

Statement of Cash Flows

For the period from commencement of operations to September 30, 2012

(Expressed in Trinidad and Tobago Dollars)

	For the period from commencement of operations to September 30, 2012
Operating activities	
Excess of revenue over expenses for the period	275,035
<i>Adjustments to reconcile excess of revenue over expenses for the period to cash generated from operations:</i>	
Increase in subventions receivable	(200,000)
Increase in due from Children's Life Fund	(178,938)
Increase in staff costs recoverable	(16,000)
Increase in payables and accruals	119,903
Cash generated from operations	-
Increase in cash and cash equivalents	-
Cash and cash equivalents at beginning of period	-
Cash and cash equivalents at end of period	-

The accompanying notes on pages 7 to 12 form an integral part of these financial statements.

Children's Life Fund Authority

Notes to the financial statements

For the period from commencement of operations to September 30, 2012

(Expressed in Trinidad and Tobago Dollars)

1. Establishment and Principal Activity

The Children's Life Fund Authority (the "Authority") is a body corporate that was established by the Government of Trinidad & Tobago in November 2010 pursuant to Chapter 29:01, Children's Life Fund Act (Act No. 12 of 2010) and commenced operations in September 2011. The office is located at the Wendy Fitzwilliam Paediatric Hospital, Eric Williams Medical Sciences Complex, Uriah Butler Highway, Champ Fleurs, Trinidad.

The principal activity of the Authority is to operate, manage and administer the Children's Life Fund (the "Fund") and facilitate the provision of specialist medical treatment to children suffering from life threatening illnesses for which the required treatment is unavailable at a local medical institution. The Authority also manages the Fund and collects and invests resources on behalf of the Fund.

2. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are stated below. These policies have been consistently applied to all years presented, unless otherwise stated.

(a) Basis of preparation and functional currency

These financial statements have been prepared in accordance with International Financial Reporting Standards and International Accounting Standards and Interpretations (collectively IFRS) issued by the International Accounting Standards Board (IASB) under the historical cost convention.

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the period. Such estimates and assumptions are based on the information available to the Authority's management as of the date of the financial statements. Therefore, actual results could differ from those estimates and assumptions.

All amounts are presented in Trinidad and Tobago Dollars (the "Functional Currency").

(i) New and amended standards adopted by the Authority

There are no IFRSs or IFRIC interpretations that are effective for the first time for the period beginning on or after Commencement of operations that was adopted and had a material impact on the Authority.

(ii) New standards, amendments and interpretations issued but not effective for the financial period beginning from commencement of operations and not early adopted

The following new standards, interpretations and amendments, which have not been applied in these financial statements, will or may have an effect on the Authority's future financial statements:

Children's Life Fund Authority

Notes to the financial statements

For the period from commencement of operations to September 30, 2012

(Expressed in Trinidad and Tobago Dollars)

2. Summary of Significant Accounting Policies (continued)

(a) *Basis of preparation and functional currency (continued)*

(ii) *New standards, amendments and interpretations issued but not effective for the financial period beginning from commencement of operations and not early adopted (continued)*

IAS 1, 'Financial statement presentation' regarding other comprehensive income (Amendments) - The main change resulting from these amendments is a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially re-classifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI. This amendment is effective for periods beginning on or after July 1, 2012.

IAS 32 'Financial Instruments: Presentation' (Amendments) clarify some of the requirements for offsetting financial assets and financial liabilities in the statement of financial position. In connection therewith, IFRS 7, 'Financial instruments: Disclosures' amendments were also issued. These new IFRS 7 disclosures are intended to facilitate comparison between IFRS and US GAAP preparers. The converged offsetting disclosures in IFRS 7 are to be retrospectively applied, with an effective date of annual periods beginning on or after January 1, 2013. The IAS 32 changes are retrospectively applied, with an effective date of annual periods beginning on or after January 1, 2014. Master netting agreements where the legal right of offset is only enforceable on the occurrence of some future event, such as default of the counterparty, continue not to meet the offsetting requirements. The disclosures focus on quantitative information about recognized financial instruments that are offset in the statement of financial position, as well as those recognized financial instruments that are subject to master netting or similar arrangements irrespective of whether they are offset. The new amendments are not expected to have any significant impact on the Authority's financial position or performance.

IFRS 9, 'Financial instruments' - This new standard introduces new requirements for the classification, measurement and recognition of financial assets and financial liabilities and replaces parts of IAS 39. The standard is effective for annual periods beginning on after January 1, 2015 with early adoption permitted. IFRS 9 is required to be applied retrospectively. IFRS 9 uses business model and contractual cash flow characteristics to determine whether a financial asset is measured at amortized cost or fair value, replacing the four category classification in IAS 39. The determination is made at initial recognition. The approach is also based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The Authority is yet to assess IFRS 9's full impact and intends to adopt IFRS 9 no later than the accounting period beginning on or after January 1, 2015.

Children's Life Fund Authority

Notes to the financial statements

For the period from commencement of operations to September 30, 2012

(Expressed in Trinidad and Tobago Dollars)

2. Summary of Significant Accounting Policies (continued)

(a) Basis of preparation and functional currency (continued)

(ii) New standards, amendments and interpretations issued but not effective for the financial period beginning from commencement of operations and not early adopted (continued)

Other standards, amendments and interpretations to existing standards in issue but not yet effective are not considered to be relevant to the Authority and have not been disclosed.

(iii) Standards and amendments to published standards early adopted by the Authority.

The Authority did not early adopt any new, revised or amended standards.

(b) Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency at the foreign exchange rates prevailing at the date of the transaction or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of period end balances of assets and liabilities denominated in foreign currencies are recognized in the statement of comprehensive income.

(c) Cash and cash equivalents

Cash and cash equivalents are carried at cost and include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

(d) Payables and accruals

Payables and accruals are initially recognized at fair value.

(e) Taxation

Pursuant to the terms of the Children's Life Fund Act, notwithstanding any law to the contrary, the Authority is not subject to any tax in Trinidad and Tobago.

(f) Revenue Recognition

The Authority follows the deferral method of revenue recognition. Its principal sources of revenue and recognition of these revenues for financial statement purposes are as follows:

(i) Grants/Subventions related to current expenditures are reflected in the financial statements as revenue in the current period. Grants/Subventions received in the period for expenses to be incurred in the following fiscal year are recorded as deferred revenue.

(ii) Fundraising and donation revenue is recorded when funds are received.

(iii) Investment and interest income is recognized as earned.

Children's Life Fund Authority

Notes to the financial statements

For the period from commencement of operations to September 30, 2012

(Expressed in Trinidad and Tobago Dollars)

2. Summary of Significant Accounting Policies (continued)

(g) Net asset restrictions

Unrestricted - Portion of net assets which are free of donor imposed restrictions.

Temporarily Restricted - Portion of net assets whose use by the Authority is limited by donor imposed stipulations that either expire by the passage of time or that can be fulfilled or removed by actions of the Authority pursuant to such stipulations.

Permanently Restricted - Portion of net assets whose use by the Authority is limited by donor imposed stipulations that neither expire with the passage of time nor can be fulfilled and removed by actions of the Authority.

(h) Donated services or materials

No amounts have been reflected in the financial statements for donated services or materials requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Authority.

3. Financial Risk Management

The Authority's current activities do not expose it to significant market, credit or liquidity risk.

- (i) Market risk (including currency risk, fair value interest rate risk, cash flow interest risk and price risk) - the transactions of the Authority are contracted in its functional currency hence there is limited exposure to currency risk. The Authority is not currently exposed to interest rate risk and price risk.
- (ii) Credit risk is the risk of financial loss if the counterparty to a financial instrument fails to meet its contractual obligations. The Authority's exposure to credit risk as at September 30, 2012 relates to subventions receivable of \$200,000 and staff costs recoverable of \$16,000.
- (iii) Liquidity risk - Liquidity risk is the risk that the Authority will encounter difficulty in meeting its financial obligations as they fall due. As at September 30, 2012 the Authority's liabilities that will fall due within three months after the period end and relate to administrative expenses payable of \$119,903.

4. Due from Children's Life Fund

The Children's Life Fund (the "Fund") is a charitable fund set up to provide funding and critical support for children suffering from life threatening illnesses for which the required treatment is unavailable at local medical institutions.

As at September 30, 2012, the Authority did not have its own bank accounts and all subventions and expenses related to the Authority were deposited and paid from an operations bank account and petty cash maintained in the name of the Fund.

Children's Life Fund Authority

Notes to the financial statements

For the period from commencement of operations to September 30, 2012

(Expressed in Trinidad and Tobago Dollars)

4. Due from Children's Life Fund (continued)

Amounts due from the Fund as at September 30, 2012 were as follows:

Balance in operations bank account, held by the Fund on behalf of the Authority	178,246
Petty cash, held by the Fund on behalf of the Authority	<u>692</u>
	<u>\$ 178,938</u>

5. Payables and accruals

Payables and accruals as at September 30, 2012 were as follows:

Salaries payable	69,403
PAYE payable	24,625
Accrual in lieu of staff vacation entitlement	<u>25,875</u>
	<u>\$ 119,903</u>

6. Subventions

During the period ended September 30, 2012, the Authority was granted subventions totalling \$1,248,744 by the Government of Trinidad and Tobago to finance the cost of its operations of which \$200,000 was receivable as at September 30, 2012.

7. Administrative expenses

Administrative expenses for the period ended September 30, 2012 were as follows:

Staff costs	896,978
Advertising and promotion	26,700
Office supplies and stationery	14,286
Repairs and maintenance expenses	14,000
Staff events	12,071
Printing costs	5,008
Miscellaneous expenses	3,112
Postage costs	1,169
Travel expenses	325
Bank charges	<u>60</u>
	<u>\$ 973,709</u>

Children's Life Fund Authority

Notes to the financial statements

For the period from commencement of operations to September 30, 2012

(Expressed in Trinidad and Tobago Dollars)

8. Premises and property, plant and equipment

- (i) Premises -The Authority's operations is facilitated by the Ministry of Health at the premises of the Wendy Fitzwilliam Paediatric Hospital. This accommodation is provided free of charge.
- (ii) Property, plant and equipment - The Authority currently uses equipment, furniture and fittings provided by the Ministry of Health.

The use of these items are provided free of charge. The estimated net book value of the items as at September 30, 2012 is as follows:

	Cost	Accumulated depreciation	Net book value
Furniture and fittings	143,829	29,948	113,881
Office and other equipment	58,834	12,250	46,584
	<u>\$ 202,663</u>	<u>\$ 42,198</u>	<u>\$ 160,465</u>

9. Subsequent events

The Authority has evaluated subsequent events from October 1, 2012 through to April 26, 2017, the date the financial statements were available to be issued. During this period, the Authority did not have any subsequent events requiring recognition or disclosure in the financial statements, other than the matters disclosed below.

Subsequent to the year end the Authority became the defendant in an ongoing Trade Dispute between the National Workers Union and the Authority. In this matter, a former employee is claiming, inter alia, payment for the unexpired portion of her contract with the Authority which was terminated ahead of the contractual date. Management estimates that the potential liability arising from an unfavourable judgement to be \$720,000.

Subsequent to the year end, the Trinidad and Tobago Police Service, Fraud Squad Division commenced investigating an alleged misappropriation of funds by certain members of the Authority, which is alleged to have first occurred during the year ended September 30, 2013. The quantum of the alleged misappropriation is currently unknown.