



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, 2010

The accompanying Financial Statements of the Institute of Marine Affairs for the year ended September 30, 2010 have been audited. The Statements as set out on pages 1 to 12 comprise a Balance Sheet as at September 30, 2010, an Income and Expenditure Statement, a Statement of Accumulated Surplus, a Statement of Cash Flows for the year ended September 30, 2010 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 **\$58,648,275**

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 **\$2,046,599**

7.1 The brought forward balance was overstated by \$772,443.

ACCRUALS AND OTHER LIABILITIES **\$631,143**

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

INCOME AND EXPENDITURE ACCOUNT

GOVERNMENT FUNDS **\$20,663,500**

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 \$19,487,500 and Deferred Income of \$1,176,000.

NON -COMPLIANCE WITH INTERNATIONAL ACCOUNTING STANDARD (IAS) 1- PRESENTATION OF FINANCIAL STATEMENTS

10.1 The Institute of Marine Affairs changed its presentation and classification of items in its Financial Statements for year ended September 30, 2010. A note to the Financial Statements was not included to state the disclosure requirements in accordance with IAS-

“When an entity reclassifies comparative amounts, it shall disclose (including as at the beginning of the preceding period):

(a) the nature of the reclassification;

(b) the amount of each item or class of items that is reclassified; and

(c) the reason for the reclassification.

ADVERSE OPINION

11. In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion at paragraphs 6 to 10 above, the Financial Statements do not present fairly, the financial position of the Institute of Marine Affairs as at September 30, 2010 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

12 The Institute of Marine Affairs Act, Chapter 37:01 paragraph 15 (6) states that:

“Minutes in proper form of each meeting shall be kept by the Secretary and shall be confirmed at a subsequent meeting by the Chairman, the Deputy Chairman or the member appointed to preside at the meeting, as the case may require.”

12.1 Unconfirmed Minutes of meeting of the Board of Governors were produced for only one of five meetings held during the financial year.

SUBMISSION OF REPORT

13. 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.

**27TH SEPTEMBER 2023
PORT-OF-SPAIN**



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

INSTITUTE OF MARINE AFFAIRS

**INSTITUTE OF MARINE AFFAIRS
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
SEPTEMBER 30, 2010**

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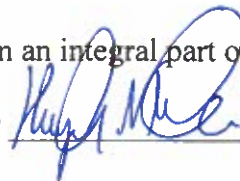
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A Statutory body established by Act of Parliament, No. 15 of 1976

**INSTITUTE OF MARINE AFFAIRS
BALANCE SHEET
As at 30 September 2010**

	Notes	2010 TTS	2009 TTS
ASSETS			
Non-Current Assets			
Pension Plan	4	3,241,214	2,441,835
Fixed Assets	5	56,237,652	53,921,774
Total Non-Current Assets		59,478,866	56,363,609
CURRENT ASSETS			
Cash and bank		11,869,495	16,802,116
Investments		28,330,672	27,345,402
Trade and Other Receivable		455,405	6,211,416
Vat		74,315	498,871
Goods in Transit		5,130	5,130
Prepayment		7,081,522	7,362,147
Total Current Assets		47,816,539	58,225,082
TOTAL ASSETS		107,295,405	114,588,691
EQUITY AND LIABILITIES			
Retained Earnings		44,805,700	48,192,090
Non-Current Liabilities			
Deferred Revenue		58,648,275	59,824,275
Retentions		1,163,688	1,188,447
Total Non-Current Liabilities		59,811,963	61,012,722
Current Liabilities			
Accounts Payable		2,046,599	2,619,926
Accruals and Other Liabilities		631,143	2,763,953
Total Current Liabilities		2,677,742	5,383,879
TOTAL EQUITY & LIABILITIES		107,295,405	114,588,691

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

Chairman Board of Governor



Director:




INSTITUTE OF MARINE AFFAIRS

**INSTITUTE OF MARINE AFFAIRS
INCOME AND EXPENDITURE ACCOUNT
For the year ended September 30, 2010**

	Note	2010 TTS	2009 TTS
INCOME			
Government Funds		20,663,500	19,424,482
Non-Government income		768,538	1,708,939
Gain/Loss on Foreign Exchange		222,902	8,856
Unrealized Gain/Loss on Invest Non-Government Income		238,801	0
		2,255,816	1,039,436
Total Income		24,149,557	22,181,713
EXPENDITURE			
Salaries & Related Cost		12,053,565	12,945,585
Administrative Expenses	6	4,342,526	3,995,572
Maintenance & Repairs		1,879,114	1,123,877
Research Expenses		1,159,891	1,385,321
Audit fees		40,000	33,400
Board remuneration		163,300	424,443
Disposal of Assets		0	21,000
Depreciation Expense		1,926,541	2,325,968
Bad Debts Expenses		5,971,010	0
Total Expenses		27,535,947	22,255,166
Surplus (Deficit) for the period		(3,386,390)	(73,453)
OTHER COMPREHENSIVE INCOME			
Revaluation Reserve		0	0
Total Comprehensive Income		(\$3,386,390)	(\$73,453)

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



INSTITUTE OF MARINE AFFAIRS

INSTITUTE OF MARINE AFFAIRS
STATEMENT OF ACCUMULATED SURPLUS
September 30, 2010
(With comparative figures as at September 30, 2009)

	2010	2009
	TTS	TTS
Accumulated surplus brought forward		
	48,192,090	48,265,538
Deficit for the period	<u>(3,386,390)</u>	<u>(73,453)</u>
Accumulated surplus carried forward	<u>44,805,700</u>	<u>48,192,085</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, 2010

	2010	2009
	TTS	TTS
OPERATING ACTIVITIES		
Deficit for the period	(3,386,390)	(73,453)
Adjustments:		
Depreciation	1,926,541	2,325,968
Revaluation Reserve	0	0
Unrealized (Gain)/Loss on Investments	(238,801)	0
(Gain)/Loss on Asset Disposals	0	0
Deferred Income	(1,176,000)	(2,180,482)
(Increase) Decrease in Pension Plan Asset	(799,379)	480,275
Unrealized Foreign Currency (Gain)/Loss	(222,902)	0
Net cash provided by Operating Activities	<u>(3,896,931)</u>	<u>552,308</u>
Dec. /(Inc) in Trade and Other Receivables	6,461,192	(1,469,532)
Increase/(Decrease) in Creditors/Accruals	<u>(2,730,896)</u>	<u>(471,367)</u>
Changes in Operating Assets & Liabilities	<u>3,730,296</u>	<u>(1,940,899)</u>
Net Cash provided by Operations	<u>(166,635)</u>	<u>(1,388,591)</u>
INVESTING ACTIVITIES		
Capital grants received		
Purchase of Fixed Assets	(4,242,419)	(7,289,338)
Proceeds from disposal of Assets	<u>0</u>	<u>0</u>
Net cash flow investing activities	<u>(4,242,419)</u>	<u>(7,289,338)</u>
Unrealized Foreign Currency Gain/Loss	461,703	0
Net Increase <Decrease> in cash equivalents	<u>(3,947,351)</u>	<u>(8,677,929)</u>
Cash Balance at Beg. of period	44,147,518	52,825,447
Cash Balance at End of Period	<u>40,200,167</u>	<u>44,147,518</u>
Represented by:		
Cash at bank	11,869,495	16,802,116
Investments	<u>28,330,672</u>	<u>27,345,402</u>
	<u>40,200,167</u>	<u>44,147,518</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, 2010

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 1999.

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 utilization 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 objectives.

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.



The Institute of Marine Affairs

INSTITUTE OF MARINE AFFAIRS
NOTES TO THE FINANCIAL STATEMENTS - September 30, 2010

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 5% of debtors in 2010.

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, 2010

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.

11 Retirement Benefit Asset/Liabilities

a) Net liability in statement of financial position

	2010	2009
Present value of defined benefit obligation	(30,002,432)	(27,918,991)
Fair value of plan assets	34,767,031	31,175,167
Value of surplus/(deficit)	4,764,599	3,256,176
Unrecognized actuarial losses/(gains)	(1,523,385)	(814,341)
Net defined benefit asset/(liability)	3,241,214	2,441,835



INSTITUTE OF MARINE AFFAIRS
Pension Plan Asset (Continued)

b) Movement in present value of defined benefit obligation

	2010	2009
Defined benefit obligations at start	27,918,991	26,107,175
Current service cost	1,063,451	1,078,048
Interest cost	2,105,628	1,966,902
Members contributions	302,926	308,935
Past service cost/(credit)	-	-
<u>Re measurements:</u>		
Experience Adjustments	(241,504)	(391,459)
Actuarial (gain)/loss from change in financial assumptions	(92,777)	-
Benefits paid	(1,054,283)	(1,150,610)
Defined benefit obligation at end of year	30,002,432	27,918,991

c) Movement in fair value of plan assets

	2010	2009
Plan assets at start of year	31,175,167	28,017,088
Interest income	-	-
Expected return on plan assets	2,211,749	1,959,987
Company's contributions	1,593,841	807,128
Members contributions	302,924	308,934
Benefits paid	(1,054,283)	(1,150,610)
Experience Adjustments	537,633	1,232,640
Administration & other non-Plan Investment Management Expenses	-	-
Fair value of plan assets at end of year	34,767,031	31,175,167
Actual return on plan assets	2,749,380	3,192,627

d) Expenses recognised in profit or loss

	2010	2009
Current service cost	1,063,451	1,078,048
Interest Cost	2,105,628	1,966,902
Expected return on plan assets	(2,211,749)	(1,959,987)
Administration & other non-Plan Investment Management Expenses	-	-
Net pension cost	957,330	1,084,964



INSTITUTE OF MARINE AFFAIRS
Pension Plan Asset (Continued)

e) Re-measurements recognised in other comprehensive income

	2010	2009
Actuarial (gain)/loss from changes in financial assumptions	(92,777)	-
Experience Adjustments	(241,504)	(391,459)
Expected Return on plan assets	2,211,749	1,959,987
Actual return on plan assets	(2,749,380)	(3,192,627)
Total amount recognised in other comprehensive income	(871,912)	(1,624,099)

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

	2010	2009
Opening defined benefit asset/(liability)	3,256,176	1,909,913
Net pension cost	(957,330)	(1,084,964)
Re-measurements recognised in other comprehensive income	871,912	1,624,099
Company contributions paid	1,593,841	807,128
Closing defined benefit asset/(liability)	4,764,599	3,256,176

g) Summary of principal assumptions as at 30th September

	2010	2009
Discount rate	6.5% per annum	7.50% per annum
Expected return on assets at the end of the year	6.5% per annum	7.00% per annum
Future promotional salary increases	3.50% per annum	3.50% per annum
Future inflationary salary increases	2.00% per annum	3.00% per annum
Future increases in the NIS Ceiling for earnings	Nil	Nil
Future increases to pensions	1.00% per annum	2.00% 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, 2010

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 2010							
Opening Net 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	(96,575)	-	(126,028)	(1,610,389)	(25,928)	(67,621)	(1,926,541)
Closing net book value	2,602,928	45,702,591	378,082	6,695,460	233,362	625,233	56,237,656
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	(2,366,317)		(1,351,033)	(19,252,997)	(899,044)	(858,356)	(24,727,747)
Net book value	2,602,928	45,702,591	378,082	6,695,460	233,362	625,233	56,237,656
Year ended 30 September 2009							
Opening book value	2,796,645	35,652,327	672,146	8,303,657	288,189	662,090	48,375,054
Prior period adjustments							-
Additions		6,554,533		742,250		37,125	7,333,908
Revaluations							-
Depreciation charge	(97,142)		(168,036)	(1,910,536)	(28,899)	(70,843)	(2,275,456)
Closing net book value	2,699,503	42,206,860	504,110	7,135,371	259,290	628,372	53,433,504
At 30 September 2009							
Accumulated Cost	4,969,245	42,206,860	1,729,115	24,777,979	1,132,406	1,419,107	76,234,712
Revaluation							-
Accumulated depreciation	(2,269,742)		(1,225,005)	(17,642,610)	(873,116)	(790,735)	(22,801,208)
Net book value	2,699,503	42,206,860	504,110	7,135,371	259,290	628,372	53,433,504



INSTITUTE OF MARINE AFFAIRS
NOTES TO THE FINANCIAL STATEMENTS - September 30, 2010

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.

	2010	2009
	\$	\$
Minimum lease payments recognised as an expense in the year	253,200	252,000
	<u>253,200</u>	<u>252,000</u>

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

	2010	2009
	\$	\$
Within one year	12,000	12,000
In the second to fifth years inclusive	48,000	48,000
After five years	253,200	251,000
	<u>313,200</u>	<u>311,000</u>
	<u>313,200</u>	<u>311,000</u>



INSTITUTE OF MARINE AFFAIRS
NOTES TO THE FINANCIAL STATEMENTS - September 30, 2010

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.

