



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, 2005

The accompanying Financial Statements of the Institute of Marine Affairs for the year ended September 30, 2005 have been audited. The Statements as set out on pages 1 to 11 comprise a Balance Sheet as at September 30, 2005, an Income and Expenditure Account for the year ended September 30, 2005 a Statement of Accumulated Surplus as at September 30, 2005, a Cash Flow Statement for the year ended September 30, 2005 and Notes to the Financial Statements numbered 1 to 9.

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 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 (3) and (4) of the Constitution of the Republic of Trinidad and Tobago and section 19 of the Institute of Marine Affairs Act, Chapter 37:01 and was conducted in accordance with International Standards on Auditing 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 opinion expressed at paragraph 6 of this Report.

OPINION

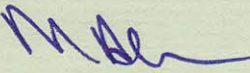
6. In my opinion, the Financial Statements as outlined at paragraph one above present fairly, in all material respects, the financial position of the Institute of Marine Affairs at September 30, 2005 and its financial position and its cash flows for the year ended September 30, 2005 in accordance with International Financial Reporting Standards.

SUBMISSION OF REPORT

7. 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.

5TH OCTOBER, 2015
PORT-OF-SPAIN




MAJEED ALI
AUDITOR GENERAL

SS
20151005

INSTITUTE OF MARINE AFFAIRS

Financial Statements For the Year ended September 30, 2005



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**INSTITUTE OF MARINE AFFAIRS
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
SEPTEMBER 30, 2005**

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INSTITUTE OF MARINE AFFAIRS

INSTITUTE OF MARINE AFFAIRS
BALANCE SHEET
September 30, 2005
(With comparative figures as at September 30, 2004)

Notes	2005 TTS	2004 TTS
CURRENT ASSETS		
Cash and bank	5,249,117	15,360,574
Investments	25,494,306	6,542,858
Accounts receivable	603,925	1,227,974
VAT recoverable	156,450	298,792
Goods in transit	-	317,632
Prepayments and other assets	<u>4,298,366</u>	<u>1,824,400</u>
	<u>35,802,164</u>	<u>25,572,230</u>
CURRENT LIABILITIES		
Sundry Creditors	1,141,585	1,840,975
Accruals and other liabilities	<u>1,016,303</u>	<u>1,416,147</u>
	<u>2,157,888</u>	<u>3,257,122</u>
NET CURRENT ASSETS	<u>33,644,276</u>	<u>22,315,108</u>
NON CURRENT ASSETS		
Pension plan asset	4 3,552,547	4,107,228
Fixed assets	5 <u>21,722,424</u>	<u>13,904,585</u>
	<u>25,274,971</u>	<u>18,011,813</u>
NON CURRENT LIABILITIES		
Contract retentions	409,454	76,955
Deferred Income	<u>35,345,577</u>	<u>21,331,121</u>
	<u>35,755,031</u>	<u>21,408,076</u>
NET ASSETS	<u>23,164,216</u>	<u>18,918,845</u>
REPRESENTED BY		
Accumulated Surplus	<u>23,164,216</u>	<u>18,918,845</u>

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

Chairman

Board of Governors: *J. R. ...*
13-01-15

Director: *Amoy Sun Kong*
16/01/15



INSTITUTE OF MARINE AFFAIRS



**INSTITUTE OF MARINE AFFAIRS
INCOME AND EXPENDITURE ACCOUNT**

For the year ended September 30, 2005

(With comparative figures for the year ended September 30, 2004)

	Note	2005 TTS	2004 TTS
INCOME			
Government Grants		19,994,054	16,466,447
Non-Government Income		740,551	664,322
Project Income		1,234,013	1,171,728
Sale of Publication		21,039	7,265
Gain on disposal of fixed assets		-	78,654
Reduction in provision for bad debts		<u>32,845</u>	<u>-</u>
		<u>22,022,502</u>	<u>18,388,416</u>
EXPENDITURE			
Administration	6	2,429,197	2,589,806
Technical and support services		535,776	501,019
Fish and aquaculture research		104,958	64,042
Legal		7,529	336
Environmental research		399,021	355,597
Information centre		818,730	769,812
Technical advisory services		350,373	294,765
Depreciation		2,031,978	998,858
Audit fees		62,049	18,000
Board remuneration		196,300	186,930
Board expenses		27,133	15,640
Payroll Expenses		10,808,848	11,091,502
Bad debts written off		-	15,838
Increase in provision for bad debts		-	39,423
Loss on disposal of fixed assets		3,901	-
Loss on foreign exchange		<u>1,338</u>	<u>370</u>
		<u>17,777,131</u>	<u>16,941,938</u>
Surplus for the period		<u>4,245,371</u>	<u>1,446,478</u>

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, 2005

(With comparative figures as at September 30, 2004)

	2005 TTS	2004 TTS
Accumulated surplus brought forward	18,918,845	17,472,367
Surplus for the period	<u>4,245,371</u>	<u>1,446,478</u>
Accumulated surplus carried forward	<u>23,164,216</u>	<u>18,918,845</u>

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



INSTITUTE OF MARINE AFFAIRS

**INSTITUTE OF MARINE AFFAIRS
CASH FLOW STATEMENT**

For the year ended September 30, 2005

(With comparative figures for the year ended September 30, 2004)

	Note	2005 TTS	2004 TTS
OPERATING ACTIVITIES			
Surplus for the period		4,245,371	1,446,478
Adjustments:			
Depreciation		2,031,978	998,858
Loss/ (Gain) on disposal of fixed assets		3,901	(78,654)
Deferred income		(1,945,054)	(885,542)
Decrease in pension plan asset		554,681	(576,403)
Changes in operating assets and liabilities	7	<u>(2,494,307)</u>	<u>(1,140,563)</u>
Net cash provided by (used in) operating activities		<u>2,396,570</u>	<u>(235,826)</u>
INVESTING ACTIVITIES			
Capital grants received		15,959,510	11,435,818
Purchase of fixed assets		(9,526,668)	(4,687,562)
Proceeds from disposal of assets		<u>10,579</u>	<u>129,583</u>
Net cash flow from investing activities		<u>6,443,421</u>	<u>6,877,839</u>
Increase in cash and cash equivalents		8,839,991	6,642,013
Cash and cash equivalents at beginning of year		<u>21,903,432</u>	<u>15,261,419</u>
Cash and cash equivalents at end of year		<u>30,743,423</u>	<u>21,903,432</u>
Represented by:			
Cash and bank		5,249,117	15,360,574
Investments		<u>25,494,306</u>	<u>6,542,858</u>
		<u>30,743,423</u>	<u>21,903,432</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, 2005

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 approved accounting standards. No account is taken of the effects of inflation.



INSTITUTE OF MARINE AFFAIRS

INSTITUTE OF MARINE AFFAIRS

NOTES TO THE FINANCIAL STATEMENTS – September 30, 2005

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 2004.

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, 2005

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.

	<u>2005</u> \$	<u>2004</u> \$
a) <u>Amounts recognised in the Balance Sheet</u>		
Present value of funded obligation	(20,144,821)	(17,650,570)
Fair Value of plan assets	<u>22,433,413</u>	<u>20,874,328</u>
	2,288,592	3,223,758
Unrecognised actuarial losses	1,263,955	883,470
Net asset in the Balance Sheet	<u>3,552,547</u> =====	<u>4,107,228</u> =====



INSTITUTE OF MARINE AFFAIRS

NOTES TO THE FINANCIAL STATEMENTS – September 30, 2005

4 PENSION PLAN ASSET (continued)

	<u>2005</u>	<u>2004</u>
	\$	\$
b) <u>Amounts recognised in the Income Statement</u>		
Current service cost	886,626	713,375
Interest on obligation	1,223,471	1,041,212
Expected return on plan assets	(1,365,112)	(1,541,940)
Adjustment to eliminate surplus of no economic value	-	-
Net Actuarial losses (gains) recognised during the year	351,104	(184,696)
Past service cost	-	-
	<u>1,096,089</u>	<u>27,951</u>
	=====	=====
Actual Return on Plan Assets	<u>1,304,271</u>	<u>1,397,955</u>
	=====	=====
c) <u>Movements in the net asset recognised in the Balance Sheet</u>		
Net asset at start of year	4,107,228	3,530,825
Net expense recognised in the income statement	(1,096,089)	(27,951)
Contributions	541,408	604,354
	<u>3,552,547</u>	<u>4,107,228</u>
	=====	=====
d) <u>Principal Actuarial Assumptions at the Balance Sheet date</u>		
Discount rate at end of year	7.00%	7.00%
Expected return on plan assets at end of year	7.00%	8.00%
Future promotional salary increases	3.00%	2.00%
Future inflationary salary increases	3.00%	4.00%
Future COLA increases to pensions	1.50%	0.50%



NOTES TO THE FINANCIAL STATEMENTS – September 30, 2005

5 FIXED ASSETS

	Buildings and Improvement Works	Capital Work in progress	Plant and machinery	Computer equipment	Furniture and fittings	Marine vessels	Motor vehicles	Reference and resource materials	Total
<u>Cost</u>	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 st Oct 2004	4,969,248	4,454,624	10,435,529	2,953,936	761,067	1,024,854	1,194,104	1,009,756	26,803,168
Additions	-	7,114,098	1,369,041	847,083	43,265	471,798	-	27,812	9,864,297
Disposals	-	-	5,130	11,579	-	-	-	-	16,709
Balance at Sept 2005	<u>4,969,248</u>	<u>11,568,722</u>	<u>11,790,490</u>	<u>3,789,640</u>	<u>804,332</u>	<u>1,496,652</u>	<u>1,194,109</u>	<u>1,037,568</u>	<u>36,650,756</u>
<u>Accumulated Depreciation</u>									
Balance at 1 st Oct 2004	1,775,069	-	6,337,822	1,845,932	548,518	869,669	777,928	743,645	12,898,583
Charge for the year	99,385	-	988,391	641,541	26,629	143,521	104,027	28,484	2,031,978
Disposals	-	-	-	2,229	-	-	-	-	2,229
Balance at 30 Sept 2005	<u>1,874,454</u>	<u>-</u>	<u>7,326,213</u>	<u>2,485,244</u>	<u>575,147</u>	<u>1,013,190</u>	<u>8881,955</u>	<u>772,129</u>	<u>14,928,332</u>
<u>Net Book Value</u>									
Balance at 30 Sep 2004	<u>3,194,179</u>	<u>4,454,624</u>	<u>4,092,752</u>	<u>1,108,004</u>	<u>212,549</u>	<u>155,185</u>	<u>416,176</u>	<u>266,111</u>	<u>13,704,585</u>
Balance at 30 Sept 2005	<u>3,094,794</u>	<u>11,568,722</u>	<u>4,464,277</u>	<u>1,306,396</u>	<u>229,185</u>	<u>483,462</u>	<u>312,149</u>	<u>265,439</u>	<u>21,722,424</u>



INSTITUTE OF MARINE AFFAIRS

NOTES TO THE FINANCIAL STATEMENTS – September 30, 2005

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 effective from September 1st, 2003 and provides for a premium of \$7,200,000 to be paid during the first 5 years, as well as an annual rent of \$12,000 over the total period of the lease.

	<u>2005</u>	<u>2004</u>
	\$	\$
Minimum lease payments recognised as an expense in the year	252,000	252,000
	=====	=====

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

	<u>2005</u>	<u>2004</u>
	\$	\$
Within one year	1,452,000	1,452,000
In the second to fifth years inclusive	4,247,000	4,260,000
After five years	299,000	311,000
	<u>5,699,000</u>	<u>6,023,000</u>
	=====	=====

7 CHANGES IN OPERATING ASSETS AND LIABILITIES

	<u>2005</u>	<u>2004</u>
	\$	\$
Accounts receivable	624,049	(749,040)
VAT recoverable	142,342	(121,293)
Goods in transit	312,502	(299,198)
Prepayments and other assets	(2,473,966)	(1,540,715)
Sundry creditors	(699,390)	809,119
Accruals and other liabilities	(399,844)	760,564
	<u>(2,494,307)</u>	<u>(1,140,563)</u>
	=====	=====



INSTITUTE OF MARINE AFFAIRS

NOTES TO THE FINANCIAL STATEMENTS – September 30, 2005

8 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.

9 CAPITAL COMMITMENTS

In 2004 the Ministry of Finance approved and IMA entered into a contract for the construction of a new research building at a cost of \$22,532,839 plus Value Added Tax.



INSTITUTE OF MARINE AFFAIRS