



REPORT OF THE AUDITOR GENERAL OF THE REPUBLIC OF TRINIDAD AND TOBAGO ON THE FINANCIAL STATEMENTS OF THE NATIONAL INSTITUTE OF HIGHER EDUCATION (RESEARCH, SCIENCE AND TECHNOLOGY) FOR THE YEAR ENDED DECEMBER 31, 2004

The accompanying financial statements of the National Institute of Higher Education (Research, Science and Technology) for the year ended December 31, 2004 have been audited. The Statements as set out on pages one to five comprise a Balance Sheet as at December 31, 2004, an Income and Expenditure Account and a Statement of Cash Flows for the year ended December 31, 2004 and Notes to the financial statements numbered 1 to 7.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

2. The management of the National Institute of Higher Education (Research, Science and Technology) 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 audit these financial statements and to report thereon in accordance with section 116 (2) of the Constitution of the Republic of Trinidad and Tobago and section 19 (2) of the National Institute of Higher Education (Research, Science and Technology) Act, Chapter 39:58. The audit was conducted in accordance with auditing standards 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 the audit evidence obtained is sufficient and appropriate to provide a basis for the comments made at paragraphs six to eleven of this Report.

BASIS FOR QUALIFIED OPINION

BALANCE SHEET

6. The Institute maintains a defined benefit pension plan for certain employees. International Accounting Standard (IAS) 19 - Employee Benefits requires that the Institute recognizes the net defined benefit liability (assets) of the pension plan in its Balance Sheet together with extensive disclosures of the plan's assets and liabilities and actuarial assumptions. The Institute has not recognized the value of its net defined liability (assets) in the Balance Sheet nor has it made the necessary disclosures. An actuarial valuation assessment under the IAS was not produced for audit. Therefore the effects of the non-compliance with the IAS on the Balance Sheet have not been determined. Note 4 to the financial statements is relevant.

DEBTORS - \$1,786,817.00

7. Included in the above figure is a sum of \$509,551.49 brought forward from previous years. It is uncertain whether the Institute will be able to collect these debts.

CREDITORS - \$1,295,847.00

8. Included in the above figure is the sum of \$366,941.84 being the value of invoice orders issued for the purchase of assets on behalf of the College of Science, Technology and Applied Arts of Trinidad and Tobago. Evidence was not seen that the items were received as at 31st December 2004 and therefore the liability could not be established. This matter was raised in previous Reports. Note 5 to the financial statements is relevant.

PRIOR YEAR ADJUSTMENT - \$1,795,477.00

9. The Prior Year Adjustment was not treated in accordance with the requirements of International Accounting Standard 8.

INCOME AND EXPENDITURE ACCOUNT

10. The effect on the Income and Expenditure Account of the non-compliance with International Accounting Standard 19 - Employee Benefits, as it relates to the Defined Benefit Pension Scheme, has not been determined.

QUALIFIED OPINION

11. In my opinion, except for the effects of the matters described at paragraphs six to ten above, the financial statements as outlined in paragraph one above present fairly, in all material respects, the financial position of the National Institute of Higher Education (Research, Science and Technology) as at December 31, 2004 and its financial performance and cash flows for the year ended December 31, 2004 in accordance with International Financial Reporting Standards.

SUBMISSION OF REPORT

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

**17th June, 2015
PORT OF SPAIN**



M. Ali
**MAJEED ALI
AUDITOR GENERAL**

*SS
20150617*

NATIONAL INSTITUTE OF HIGHER EDUCATION
(RESEARCH, SCIENCE & TECHNOLOGY)

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2004

NATIONAL INSTITUTE OF HIGHER EDUCATION (Research, Science & Technology)
BALANCE SHEET AS AT DECEMBER 31, 2004

	NOTES	2004 \$	2003 \$
<u>FIXED ASSETS</u>	6	3509,629	1235,853
 <u>CURRENT ASSETS</u>			
Fixed Deposit		2032,752	1999,174
Interest Receivable		40,497	41,079
Vat Receivable		434,911	143,472
Debtors		1786,817	1118,343
Prepayments		93,424	79,823
Suspense		0	14,929
Assets in Transit		0	0
Cash at Bank		8898,421	7390,784
Cash in Hand		1,950	1,950
		13288,772	10789,554
 <u>LESS</u>			
 <u>CURRENT LIABILITIES</u>			
Accrued Expenses		150,596	93,573
Suspense		3,200	
Creditors	5	1295,847	565,015
Deferred Income	7	3234,773	1777,821
		4684,416	2436,409
<u>NET CURRENT ASSETS</u>		8604,356	8353,145
 <u>TOTAL ASSETS LESS TOTAL LIABILITIES</u>			
		12113,985	9588,998
 <u>FINANCED BY:</u>			
Reserve Balance at Beginning of year		9588,998	8742,595
Surplus/Deficit for year		729,510	834,995
Prior Year Adjustments		1795,477	11,408
		12113,985	9588,998
		=====	=====



Prokash Persad
.....
Chairman

Brian Turner
.....
Board Member

The accompanying notes on pages 4 to 5 form an integral part of these Financial Statements.

NATIONAL INSTITUTE OF HIGHER EDUCATION (Research, Science & Technology)
 INCOME AND EXPENDITURE ACCOUNT
 FOR THE YEAR ENDED DECEMBER 31, 2004

	2004	2003
	\$	\$
<u>INCOME</u>		
Government Grants	12506,578	10280,007
Interest Income	215,402	261,202
Miscellaneous Receipts	1255,899	527,985
Previous Years Adjustments	0	0
Gain on Disposal	0	0
	<u>13977,879</u>	<u>11069,194</u>
 <u>EXPENDITURE</u>		
Personnel Expenditure	4538,570	4089,425
Goods and Services	7340,768	5089,894
Audit Fees	15,000	15,000
Pension & Gratuities	508,496	329,121
Health Plan Contributions	50,881	46,077
Board Fees	0	91,639
Loss on Disposal	0	0
Minor Equipment Purchases	61,172	26,878
Depreciation Charge:		
Equipment and Machinery	437,998	382,614
Furniture and Fittings	38,419	38,382
Motor Vehicles	0	31,234
Exhibits	257,065	93,935
	<u>13248,369</u>	<u>10234,199</u>
 Surplus (Deficit) for year	 729,510	 834,995

The accompanying notes on pages 4 to 5 form an integral part of these Financial Statements.

NATIONAL INSTITUTE OF HIGHER EDUCATION
(RESEARCH, SCIENCE AND TECHNOLOGY)
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31,2004

	2004	2003
	\$	\$
OPERATING ACTIVITIES		
Net Profit / (Loss)	729,510	834,995
Adjustment:		
Assets transferred to COSTAATT	0	0
Disposal of Assets	0	0
Depreciation	733,482	546,165
Decrease in Deferred income	1456,952	1623,205
<u>Increase/Decrease in Current Liabilities</u>		
Decrease in Course Fees	0	0
Increase in Accrued Expenses	57,023	(1004,178)
Increase in Creditors	730,832	57,030
<u>Increase / Decrease in Working Capital</u>		
Decrease in Vat Receivable	(291,439)	55,973
Increase in Receivables - Interest	582	12,724
Decrease in Assets in Transit	0	8,577
Increase in Debtors	(668,474)	921,781
Decrease in Prepayments	(13,601)	(3,172)
Decrease in Suspense	18,129	(14,929)
CASH PROVIDED BY / (USED IN) OPERATING ACTIVITIES	2752,996	3038,171
INVESTING ACTIVITIES		
Purchase of Fixed Assets	(3007,258)	(488,797)
Increase in Fixed Deposit	(33,578)	(47,376)
CASH PROVIDED BY / (USED IN) INVESTING ACTIVITIES	(3040,836)	(536,173)
FINANCING ACTIVITIES		
Loans	0	0
Repayment of loans for year	0	0
CASH PROVIDED BY / (USED IN) FINANCING ACTIVITIES	0	0
Net Increase/(Decrease) in Cash/Cash Equivalents	(287,840)	2501,998
Prior Year Adjustments	1795,477	11,408
Cash and Cash Equivalents at the beginning of the year	7392,734	4879,328
CASH AND CASH EQUIVALENTS AT END OF YEAR	8900,371	7392,734
CASH AND CASH EQUIVALENTS, REPRESENTED BY		
Cash at Bank	8898,421	7390,784
Cash in Hand	1,950	1,950
	8900,371	7392,734

NATIONAL INSTITUTE OF HIGHER EDUCATION
(Research, Science & Technology)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2004

1. INCORPORATION AND ACTIVITIES

The National Institute of Higher Education (Research, Science and Technology) (NIHERST) is a Statutory Authority incorporated by Act of Parliament No. 20 which was assented to on June 28, 1984. The principal objectives of the Institute are to promote, support and undertake Research and Development, to produce and provide scientific information and deliver programs of tertiary education in scientific and technological subjects.

2. REPORTING CURRENCY

These financial statements are expressed in Trinidad and Tobago currency.

3. SIGNIFICANT ACCOUNTING POLICIES

A. Accounting Convention

The financial statements of the Institute have been prepared under the historical cost convention. The Institute's accounting policies conform with International Financial Reporting Standards.

B. The Institute's year end is December 31st.

C. Government Grants, Contributions and Donations

The Institute's operations are funded in the main by Government Grants on the basis of an annual budget approved by the Government of Trinidad and Tobago. Contribution/Donations are received from Companies/Organisation to assist with the expenses for a particular event/activity undertaken by the Institute.

D. Fixed Assets and Depreciation

All Fixed Assets are recorded at cost. Depreciation is provided at rates estimated to write off fixed assets over their expected useful lives. For each category of fixed asset the rates per annum used are as follows:

Furniture and Fittings	-	10 years	10%
Equipment and Machinery	-	3 years	33 1/3%
Motor Vehicles	-	4 years	25%
Exhibits	-	4 years	25%
Radiological Equipment	-	3 years	33 1/3%

4. EMPLOYEE RETIREMENT BENEFITS

Certain employees of the Institute are members of the NIHERST Pension Fund Plan. The Plan is a defined plan, the assets of which are held separately from those of the Institute, in an independently trustee-administered fund.

5. CREDITORS

This figure includes a provision of \$366,941.84 with respect to assets ordered but not yet received at year-end. Creditors have been established for the relevant suppliers for the value of the Assets ordered.

NATIONAL INSTITUTE OF HIGHER EDUCATION
(Research, Science & Technology)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2004

6. FIXED ASSETS SCHEDULE 2004

	Equipment	Furniture & Fittings	Motor Vehicles	Exhibits	Radiological Equipment	TOTAL
	\$	\$	\$	\$	\$	\$
COST:						
B/F 2004 At beginning of year	3294,498	534,656	302,719	1010,342	0	5142,215
Acquisitions 2004	365,893	13,766	0	2627,599	0	3007,258
Disposals/Adjustments	0	0	0	0	0	0
	<u>3660,391</u>	<u>548,422</u>	<u>302,719</u>	<u>3637,941</u>	<u>0</u>	<u>8149,473</u>
Accumulated Depreciation:						
B/F 2004 At beginning of year	2536,247	307,273	302,715	760,127	0	3906,362
Disposals/Adjustments	437,998	38,419	0	257,065	0	733,482
2004 Charge	0	0	0	0	0	0
	<u>2974,245</u>	<u>345,692</u>	<u>302,715</u>	<u>1017,192</u>	<u>0</u>	<u>4639,844</u>
NET BOOK VALUE AT 2004 DECEMBER 31	<u>686,146</u>	<u>202,730</u>	<u>4</u>	<u>2620,749</u>	<u>0</u>	<u>3509,629</u>
NET BOOK VALUE AT 2003 DECEMBER 31	<u>758,251</u>	<u>227,383</u>	<u>4</u>	<u>251,215</u>	<u>0</u>	<u>1236,853</u>

7. DEFERRED INCOME

	2004	2003
	\$	\$
I) Cash Donations		
Balance as at January 1, 2004	1777,780	1527,405
Increases for the year 2004*	7583,844	2858,078
Decreases for the year 2004**	<u>(6126,892)</u>	<u>(4230,908)</u>
Sub-Total	3234,732	154,575
II) Non Cash Donations		
Balance as at January 1, 2004	41	41
Less Decreases for the year 2004	0	0
Increases for the year 2004*	0	0
Less Depreciation for the year 2004	0	0
Sub-Total	41	41
Total Deferred Income	<u>3234,773</u>	<u>154,616</u>

* Included in the Increases is Public Sector Investment Programme (PSIP) funding totalling \$6,491,544.

Funding was provided in the main for the following activities: (a) Sci-Techknofest-2004 and (b) Development of a Innovation System (Young Innovators and Inventors Award)

** Included in the Decreases is Public Sector Investment Programme (PSIP) expenses totalling \$4,720,700.

Other funds shown in the deferred income account were received from various Organisations to sponsor specific projects. Expenses incurred on these projects are applied directly to the sponsored funds.