



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, 2005

The accompanying financial statements of the National Institute of Higher Education (Research, Science and Technology) for the year ended December 31, 2005 have been audited. The Statements as set out on pages one to five comprise a Balance Sheet as at December 31, 2005, an Income and Expenditure Account and a Statement of Cash Flows for the year ended December 31, 2005 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 - \$1,356,026.00

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 - \$1,303,233.00

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, 2005 and therefore the liability could not be established. This matter was raised in previous Reports. Note No. 5 to the financial statements is relevant.

DEFERRED INCOME - \$5,288,190.00

9. Included in the above figure is a sum of \$1,321,043.51 which represents balances from several accounts that were brought forward from previous years. The status of these accounts is uncertain.

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, 2005 and its financial performance and cash flows for the year ended December 31, 2005 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



MAJ
MAJEED ALI
AUDITOR GENERAL

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20150617

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

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2005

NATIONAL INSTITUTE OF HIGHER EDUCATION (Research, Science & Technology)
BALANCE SHEET AS AT DECEMBER 31, 2005

	NOTES	2005	2004
		\$	\$
<u>FIXED ASSETS</u>	6	4237,355	3509,629
 <u>CURRENT ASSETS</u>			
Fixed Deposit		2065,381	2032,752
Interest Receivable		36,371	40,497
Vat Receivable		275,533	434,911
Debtors		1356,026	1786,817
Prepayments		126,985	93,424
Suspense		3,342	0
Cash at Bank		11330,155	8898,421
Cash in Hand		1,800	1,950
		-----	-----
		15195,593	13288,772
 <u>LESS</u>			
<u>CURRENT LIABILITIES</u>			
Accrued Expenses		400,716	150,596
Suspense		0	3,200
Creditors	5	1303,233	1295,847
Deferred Income	7	5288,190	3234,773
		-----	-----
		6992,139	4684,416
 <u>NET CURRENT ASSETS</u>		 8203,454	 8604,356

<u>TOTAL ASSETS LESS TOTAL LIABILITIES</u>		12440,809	12113,985
		=====	=====
 <u>FINANCED BY:</u>			
Reserve Balance at Beginning of year		12113,985	9588,998
Surplus/Deficit for year		290,005	729,510
Prior Year Adjustments		36,819	1795,477
		-----	-----
		12440,809	12113,985
		=====	=====



Prakash Persad

Chairman

Brian Stewart

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, 2005

	2005	2004
	\$	\$
<u>INCOME</u>		
Government Grants	13364,455	12506,578
Interest Income	193,359	215,402
Miscellaneous Receipts	510,399	1255,899
	14068,213	13977,879
	14068,213	13977,879
 <u>EXPENDITURE</u>		
Personnel Expenditure	4663,647	4538,570
Goods and Services	7225,723	7340,768
Audit Fees	20,000	15,000
Pension & Gratuities	413,748	508,496
Health Plan Contributions	49,727	50,881
Board Fees	0	0
Minor Equipment Purchases	158,223	61,172
Depreciation Charge:		
Equipment and Machinery	431,718	437,998
Furniture and Fittings	46,727	38,419
Motor Vehicles	0	0
Exhibits	768,695	257,065
	13778,208	13248,369
	13778,208	13248,369
 Surplus (Deficit) for year	 290,005	 729,510

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 FLOW FOR THE YEAR ENDED DECEMBER 31,2005

	2005	2004
	\$	\$
OPERATING ACTIVITIES		
Net Profit / (Loss)	290,005	729,510
Adjustment:		
Disposal of Assets	0	0
Depreciation	1247,140	733,482
Decrease in Deferred income	2053,417	1456,952
<u>Increase/Decrease in Current Liabilities</u>		
Increase in Accrued Expenses	250,120	57,023
Increase in Creditors	7,386	730,832
<u>Increase / Decrease in Working Capital</u>		
Decrease in Vat Receivable	159,378	(291,439)
Increase in Receivables - Interest	4,126	582
Increase in Debtors	430,791	(668,474)
Decrease in Prepayments	(33,561)	(13,601)
Decrease in Suspense	(6,542)	18,129
CASH PROVIDED BY / (USED IN) OPERATING ACTIVITIES	4402,260	2752,996
INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1974,866)	(3007,258)
Increase in Fixed Deposit	(32,629)	(33,578)
CASH PROVIDED BY / (USED IN) INVESTING ACTIVITIES	(2007,495)	(3040,836)
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	2394,765	(287,840)
Prior Year Adjustments	36,819	1795,477
Cash and Cash Equivalents at the beginning of the year	8900,371	7392,734
CASH AND CASH EQUIVALENTS AT END OF YEAR	11331,955	8900,371
CASH AND CASH EQUIVALENTS, REPRESENTED BY		
Cash at Bank	11330,155	8898,421
Cash in Hand	1,800	1,950
	11331,955	8900,371

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2005

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 at the present time are to promote science and technology in society through non-functional and formal science education programmes, to encourage innovation and invention, to compile science and technology indicators and to carry out studies which inform policy in science and technology.

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 Accounting Standards approved in Trinidad and Tobago.

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 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%

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, 2005

6. FIXED ASSETS SCHEDULE 2005

	Equipment	Furniture & Fittings	Motor Vehicles	Exhibits	TOTAL
COST:	\$	\$	\$	\$	\$
B/F 2005 At beginning of year	3660,391	548,422	302,719	3637,941	8149,473
Acquisitions 2005	672,616	53,077	0	1249,173	1974,866
Disposals/Adjustments	0	0	0	0	0
	4333,007	601,499	302,719	4887,114	10124,339
	4333,007	601,499	302,719	4887,114	10124,339
Accumulated Depreciation:					
B/F 2005 At beginning of year	2974,245	345,692	302,715	1017,192	4639,844
Disposals/Adjustments	0	0	0	0	0
2005 Charge	431,718	46,727	0	768,695	1247,140
	3405,963	392,419	302,715	1785,887	5886,984
	3405,963	392,419	302,715	1785,887	5886,984
NET BOOK VALUE	927,044	209,080	4	3101,227	4237,355

7. DEFERRED INCOME

I) Cash Donations

Balance as at January 1, 2005	3234,752	1777,780
Increases for the year 2005*	5748,866	7583,844
Decreases for the year 2005**	<u>(3695,469)</u>	<u>(6126,892)</u>
Sub-Total	5288,149	3234,732

II) Non Cash Donations

Balance as at January 1, 2005	41	41
Less Decreases for the year 2005	0	0
Increases for the year 2005*	0	0
Less Depreciation for the year 2005	0	0
Sub-Total	41	41

Total Deferred Income	5288,190	3234,773
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* Included in the Increases is Public Sector Investment Programme (PSIP) funding totalling \$5,546,095. Funding was provided in the main for the following activities: (a) Sci-Techknofest (b) Development of a Innovation System (Young Innovations and Inventors Award) and c) President's awards for Excellence in Science and Technology.

** Included in the Decreases is Public Sector Investment Programme (PSIP) expenses totalling \$3,537,304. 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.