



**REPORT OF THE AUDITOR GENERAL OF THE REPUBLIC OF TRINIDAD AND TOBAGO ON THE FINANCIAL STATEMENTS OF THE CHILDREN'S LIFE FUND FOR THE YEAR ENDED SEPTEMBER 30, 2013**

The accompanying Financial Statements of the Children's Life Fund for the year ended September 30, 2013 have been audited. The Statements comprise a Statement of Financial Position as at September 30, 2013, a Statement of Comprehensive Income, a Statement of Changes in Fund Balance and a Statement of Cash Flows for the year ended September 30, 2013 as well as Notes to the Financial Statements numbered 1 to 11.


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 September 13, 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.

30TH APRIL, 2018  
PORT OF SPAIN



  
MAJEED ALI  
AUDITOR GENERAL

SS  
20180430

**Children's Life Fund**

**Financial Statements**

For the year ended September 30, 2013

# Children's Life Fund

## Financial Statements

For the year ended September 30, 2013

*(Expressed in Trinidad and Tobago Dollars)*

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# Children's Life Fund

## Chairman's Review

For the year ended September 30, 2013

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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 purpose for the establishment of the CLF 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 CLF assisted thirty seven (37) children with overseas medical care, ranging from open heart to liver transplant surgeries costing a total of TT\$8,578,571.

Funding for the period totalled TT\$34,108,724, with the chief benefactor being the Government of the Republic of Trinidad and Tobago, along with Government Ministers which totalled TT\$32,289,851.

The CLF'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.

The CLFA's re-current expenditure budget, which directly manages the CLF's operations, was funded directly by the Ministry of Health on a monthly basis.

In the coming years the CLFA will engage in developing its social awareness, so that a greater number of children who require life saving surgeries will be able to access the Fund in the future.



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Dr. Maritza Fernandes  
Chairman  
September 13, 2017



## **Independent Auditors' report**

The Board of Management  
Children's Life Fund Authority

We have audited the accompanying financial statements of Children's Life Fund (the "Fund") which comprise the statement of financial position as at September 30, 2013 and the statements of comprehensive income, changes in fund balance and cash flows for the year ended September 30, 2013, 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 Fund'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 Fund'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 accompanying financial statements present fairly, in all material respects, the financial position of Children's Life Fund as at September 30, 2013, and the of its financial performance and its cash flows for the year ended September 30, 2013 in accordance with International Financial Reporting Standards.



September 13, 2017

Port of Spain,  
Trinidad, West Indies

# Children's Life Fund

## Statement of financial position

As at September 30, 2013

(Expressed in Trinidad and Tobago Dollars)

	Notes	2013	2012 Restated
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	\$ 55,656,971	\$ 29,291,399
Refund receivable		-	306,503
Due from Children's Life Fund Authority		10,425	10,425
<b>Total assets</b>		<b>\$ 55,667,396</b>	<b>\$ 29,608,327</b>
<b>Fund balance and liabilities</b>			
<b>Fund balance</b>			
Fund balance		\$ 55,183,687	\$ 29,096,054
<b>Fund Balance</b>		<b>\$ 55,183,687</b>	<b>\$ 29,096,054</b>
<b>Current liabilities</b>			
Grants payable	6	\$ 483,709	\$ 512,273
<b>Total Liabilities</b>		<b>\$ 483,709</b>	<b>\$ 512,273</b>
<b>Total fund balance and liabilities</b>		<b>\$ 55,667,396</b>	<b>\$ 29,608,327</b>

The accompanying notes on pages 8 to 14 form an integral part of these financial statements.

Approved by the Board of Management:

  
Chairman

  
Director



September 13, 2017  
Date

September 13, 2017  
Date

# Children's Life Fund

## Statement of comprehensive income For the year ended September 30, 2013 (Expressed in Trinidad and Tobago Dollars)

		Year ended September 31, 2013	For the period from commencement of operations to September 30, 2012
	Notes		
<b>Revenue</b>			
Government subventions and donations	7	\$ 34,108,724	\$ 32,437,818
Interest income		534,152	41,827
Foreign exchange gain		28,196	-
<b>Total revenue</b>		<b>\$ 34,671,072</b>	<b>\$ 32,479,645</b>
<b>Expenses</b>			
Grants	8	\$ 8,578,571	\$ 3,383,591
Bank charges		4,868	-
<b>Total expenses</b>		<b>\$ 8,583,439</b>	<b>\$ 3,383,591</b>
<b>Excess of revenue over expenses</b>		<b>\$ 26,087,633</b>	<b>\$ 29,096,054</b>

*The accompanying notes on pages 8 to 14 form an integral part of these financial statements.*

## Children's Life Fund

### Statement of changes in fund balance For the year ended September 30, 2013 (Expressed in Trinidad and Tobago Dollars)

	Restricted balance	Fund balance
Balance at commencement of operations	\$ -	\$ -
Excess of revenue over expenses for the period	29,096,054	29,096,054
<b>Balance at September 30, 2012</b>	<b>\$ 29,096,054</b>	<b>\$ 29,096,054</b>
Excess of revenue over expenses for the year	26,087,633	26,087,633
<b>Balance at September 30, 2013</b>	<b>\$ 55,183,687</b>	<b>\$ 55,183,687</b>

*The accompanying notes on pages 8 to 14 form an integral part of these financial statements*



# Children's Life Fund

## Statement of cash flows

For the year ended September 30, 2013

(Expressed in Trinidad and Tobago Dollars)

	Year ended September 30, 2013	For the period from commencement of operations to September 30, 2012 Restated
<b>Cash Flows from Operating activities</b>		
Excess of revenue over expenses for the year/period	\$ 26,087,633	\$ 29,096,054
<i>Adjustments to reconcile excess of revenue over expense for the year/period to cash generated from operations:</i>		
Decrease / (Increase) in refund receivable	306,503	(306,503)
Increase in due from Children's Life Fund Authority	-	(10,425)
(Decrease) / Increase in grants payable	(28,564)	512,273
<b>Cash generated from operations</b>	<b>\$ 26,365,572</b>	<b>\$ 29,291,399</b>
<b>Increase in cash and cash equivalents</b>	<b>\$ 26,365,572</b>	<b>\$ 29,291,399</b>
Cash and cash equivalents at beginning of year/period	29,291,399	-
<b>Cash and cash equivalents at end of year/period</b>	<b>\$ 55,656,971</b>	<b>\$ 29,291,399</b>

The accompanying notes on page 8 to 14 form an integral part of these financial statements.

# Children's Life Fund

## Notes to the financial statements For the year ended September 30, 2013 (Expressed in Trinidad and Tobago Dollars)

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### 1. Establishment and Principal Activity

The Children's Life Fund (the "Fund") is a charitable fund 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 registered 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 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.

The Fund has no employees and is administered by the Children's Life Fund Authority (the "Authority").

### 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 the year/period 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 Fund'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 Fund

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 Fund.

#### (ii) New standards, amendments and interpretations issued but not effective for the financial year 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 Fund's future financial statements:



# Children's Life Fund

## Notes to the financial statements

For the year ended September 30, 2013

(Expressed in Trinidad and Tobago Dollars)

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### 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 year 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 recognised financial instruments that are offset in the statement of financial position, as well as those recognised 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 Fund'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 amortised 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 Fund 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

## Notes to the financial statements For the year ended September 30, 2013 (Expressed in Trinidad and Tobago Dollars)

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### 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 year 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 Fund and have not been disclosed.

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

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

#### (b) Foreign currency translation

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 year/period end balances of assets and liabilities denominated in foreign currencies are recognised 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) Grants payable

Grants payable and accruals are initially recognised at cost.

#### (e) Taxation

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

#### (f) Revenue Recognition

The Fund's principal sources of revenue and recognition of these revenues for financial statement purposes are as follows:

- (i) Donation revenue is recorded when funds are received.
- (ii) Investment and interest income are recognised as earned.



# Children's Life Fund

## Notes to the financial statements

For the year ended September 30, 2013

(Expressed in Trinidad and Tobago Dollars)

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### 2. Summary of Significant Accounting Policies (continued)

#### (g) Fund balance restrictions

Unrestricted - Fund balances which are free of donor imposed restrictions.

Temporarily Restricted - Fund balances whose use by the Fund 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 Fund pursuant to such stipulations.

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

#### (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 Fund.

### 3. Financial Risk Management

The Fund's current activities do not expose it to significant market, credit or liquidity risk. However, the Fund maintains two bank accounts which are denominated in United States Dollars. If the exchange rate of United States Dollars to Trinidad and Tobago Dollars increased or decreased by 1%, the effect on the financial statements will be an increase or decrease in the cash and cash equivalents and fund balance of TT\$28,578 (2012:\$13,104).

- (i) Market risk (including currency risk, fair value interest rate risk, cash flow interest risk and price risk) - the transactions of the Fund are contracted in its functional currency hence there is limited exposure to currency risk. The Fund is not currently exposed to interest rate risk and price risk.
- (ii) Credit risk - Credit risk is the risk of financial loss if the counterparty to a financial instrument fails to meet its contractual obligations. The Fund did not have any receivables as at September 30, 2013 (2012:\$306,503).
- (iii) Liquidity risk - Liquidity risk is the risk that the Fund will encounter difficulty in meeting its financial obligations as they fall due. As at September 30, 2013 the Fund's liabilities that will fall due within three months after the year end relate to grants payable of \$483,709 (2012:\$512,273).

# Children's Life Fund

## Notes to the financial statements For the year ended September 30, 2013 (Expressed in Trinidad and Tobago Dollars)

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### 4. Cash and cash equivalents

Cash and cash equivalents as at September 30 were as follows:

	2013	2012
FCB Abercrombie TTD Mutual Fund account	\$ 52,404,532	\$ -
FCB Paria USD Mutual Fund account	2,319,542	-
USD Fund Account	538,247	1,310,449
TTD Fund Account	390,773	27,980,950
Petty cash USD	3,877	-
	<u>\$ 55,656,971</u>	<u>\$ 29,291,399</u>

### 5. Due from Children's Life Fund Authority

The Children's Life Fund Authority (the "Authority") is a body corporate that was established to operate, manage and administer the Children's Life Fund, 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 Life Unit and collects and invests resources on behalf of the Fund.

During the year ended September 30, 2013, donations intended for the Fund amounting to \$nil (2012:\$10,425) were deposited into the Authority's operations bank account in error by donors and not subsequently transferred to the Fund's account. The receivable balance at September 30, 2013 was brought forward from the prior financial period ended September 30, 2012.

### 6. Grants payable

Grants payable relate to the portion of medical and other costs approved for ailing children, which were not yet paid as at September 30, 2013 and 2012. These were settled subsequent to the year end.

# Children's Life Fund

## Notes to the financial statements For the year ended September 30, 2013 (Expressed in Trinidad and Tobago Dollars)

### 7. Government subvention and donations

Donations received during the year/period ended September 30 were as follows:

	2013	2012
Government subventions	\$ 30,000,000	\$ 30,000,000
Donations from Government Ministers	2,289,851	180,003
National Gas Company	500,000	-
Phoenix Park Gas	644,000	-
National Energy Corporation	200,000	150,000
Consular Corps of Trinidad and Tobago	100,000	100,000
Salvation Healing and Love Outreach Ministries	100,000	-
Neal & Massy Foundation	50,000	-
Scotia Bank	15,000	-
Columbus Communication	15,000	-
Caribbean Airlines Limited	16,500	1,259,843
Consulate Gerard of T&T	15,936	-
Xtatic Limited	-	100,000
Other Donors	162,437	647,972
	<b>\$ 34,108,724</b>	<b>\$ 32,437,818</b>

Donations are further analysed by currency of receipt as follows:

	2013	2012
Donations received - Trinidad and Tobago dollars	\$ 34,012,124	\$ 31,132,615
Donations received - United States dollars	96,600	1,305,203
	<b>\$ 34,108,724</b>	<b>\$ 32,437,818</b>



# Children's Life Fund

## Notes to the financial statements For the year ended September 30, 2013 (Expressed in Trinidad and Tobago Dollars)

### 8. Grants

	2013		2012	
	Number of children assisted	Grants approved	Number of children assisted	Grants approved
Open heart surgery	30	\$5,260,478	9	\$2,125,009
Removal of tumour	3	1,810,061	-	-
Liver transplant Surgery	3	1,437,493	1	996,803
Pacemaker insertion	1	70,539	-	-
Surgery for Apert syndrome	-	-	1	261,779
		<u>\$8,578,571</u>		<u>\$3,383,591</u>

The approved grants include grants payable of \$483,709 (2012: \$512,273) that relate to the year ended September 30, 2013.

### 9. Comparative information and prior period restatement

Where necessary, comparatives have been adjusted to conform to changes in presentation in the current year. The following are the details of the major changes made to the comparative information. The corrections were necessary to adjust the accounting within the period from commencement of operations to September 30, 2012 audited financial statements primarily for the reclassification of the Operations account.

	As previously reported	Restatement	As restated
As at September 30, 2012	\$	\$	\$
Cash and cash equivalents	29,480,762	(189,363)	29,291,399
Due to Children's Life Fund Authority	178,938	(178,938)	-
Due from Children's Life Fund Authority	-	10,425	10,425

### 10. Contingency

The Trinidad and Tobago Police Service, Fraud Squad Division, commenced investigating an alleged misappropriation of funds by a staff member of the Authority, which is alleged to have occurred during the period September 2013 and April 2014. Based on an initial investigation done by Ernst & Young Services Limited, the amount misappropriated has been estimated to be \$100,921. No provisions have been made for any legal cost associated with the investigation in these financial statements.



# Children's Life Fund

## Notes to the financial statements

For the year ended September 30, 2013

*(Expressed in Trinidad and Tobago Dollars)*

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### 11. Subsequent Events

The Fund has evaluated subsequent events from October 1, 2013 through to September 13, 2017, the date the financial statements were available to be issued. During this year, the Fund did not have any subsequent events requiring recognition or disclosure in the financial statements, other than the matter noted below.

The Trinidad and Tobago Police Service, Fraud Squad Division, commenced investigating an alleged misappropriation of funds by a staff member of the Authority, which is alleged to have occurred during the period September 2013 and April 2014. Based on an initial investigation done by Ernst & Young Services Limited, the alleged amount misappropriated has been estimated to be \$100,921.