



Chartered Accountants
& Business Advisors

THE HEROES FOUNDATION

FINANCIAL STATEMENTS

31 DECEMBER 2009



Chartered Accountants
& Business Advisors

THE HEROES FOUNDATION

INDEX

	<u>Page</u>
Independent Auditors' Report	1
Statement of Financial Position	2
Statement of Operations and Change in Net Assets	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to the Financial Statements	6 – 8
Schedule to the Financial Statements	9



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INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of The Heroes Foundation which comprise the statement of financial position as at 31 December 2009, the statement of income and the statements of functional expenses and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

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. This responsibility includes: designing, implementing and maintaining internal control, relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 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 auditors' 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 auditors consider 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.

In common with many charitable organizations, the organization derives some of its revenue from donations the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues were limited to the amounts recorded in the records of the organization.

Opinion

In our opinion, except for the effects of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the revenue referred to the preceding paragraph, the financial statements present fairly, in all material respects, the financial position of The Heroes Foundation as at 31 December 2009 and the results of its operations for the year then ended in accordance with International Financial Reporting Standards.

Port-of-Spain
TRINIDAD
14 September 2010

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THE HEROES FOUNDATION
STATEMENT OF FINANCIAL POSITION

ASSETS

	<u>Notes</u>	<u>31 December</u>	
		<u>2009</u>	<u>2008</u>
Current Assets:			
Cash in hand and at bank	3	\$ 489,375	\$ 667,898
Investments		<u>1,056</u>	<u>1,013</u>
Total Current Assets		490,431	668,911
Non-Current Assets:			
Fixed assets	4	<u>27,637</u>	<u>19,992</u>
Total Assets		<u>\$ 518,068</u>	<u>\$ 688,903</u>

LIABILITIES AND NET ASSETS

Liabilities:

Accounts payable		\$ 91,736	\$ 95,035
Deferred revenue		<u>94,871</u>	<u>200,000</u>
Total Liabilities		186,607	295,035

Net Assets:

Total net assets		<u>331,461</u>	<u>393,868</u>
Total Liabilities and Net Assets		<u>\$ 518,068</u>	<u>\$ 688,903</u>

On behalf of the Board:

Director

Director

(The accompanying notes form an integral part of these financial statements)

THE HEROES FOUNDATION
STATEMENT OF OPERATIONS AND CHANGE IN NET ASSETS

	For the year ended 31 December 2009			For the sixteen-month period ended 31 December 2008
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	
Revenues and Other Support:				
Public and corporate donations/sponsorship/fundraising	\$ 123,329	\$ 388,489	\$ 511,818	\$ 495,804
Government funding	420,000	-	420,000	420,000
Investment income	43	-	43	87
Other income	<u>1,420</u>	<u>-</u>	<u>1,420</u>	<u>120</u>
	544,792	388,489	933,281	916,011
Net Assets Released from Restrictions:				
Satisfaction of programme restrictions	<u>388,489</u>	<u>(388,489)</u>	<u>-</u>	<u>-</u>
Total Revenues and Other Support	<u>933,281</u>	<u>-</u>	<u>933,281</u>	<u>916,011</u>
Expenditure:				
Programme services	612,488	-	612,488	301,257
Management and general	<u>383,200</u>	<u>-</u>	<u>388,200</u>	<u>639,669</u>
Total Expenditure	995,688	-	995,688	940,926
Deficit	(62,407)	-	(62,407)	(24,915)
Net assets, beginning of year/period	<u>393,868</u>	<u>-</u>	<u>393,868</u>	<u>418,783</u>
Net assets, end of year/period	<u>\$ 331,461</u>	<u>\$ -</u>	<u>\$ 331,461</u>	<u>\$ 393,868</u>

(The accompanying notes form an integral part of these financial statements)

THE HEROES FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES

	For the year ended 31 December 2009		For the sixteen-month period ended 31 December 2008	
	Programme Services	Management and General	Programme Services	Management and General
	\$	\$	\$	\$
Awards and gifts	-	-	-	7,013
Bank charges and interest	-	26	-	178
Board of Inland Revenue	-	28,317	-	10,762
Cleaning	-	6,150	775	8,566
Cost of events	240,600	-	26,811	26,811
Depreciation	-	8,707	-	8,652
Electricity	-	18,531	-	16,736
General	24,517	2,170	11,050	2,510
Members' welfare	32,227	1,000	25,659	(6,901)
National Insurance Board	-	39,413	-	40,784
Office rent	-	108,000	-	135,750
Printing and stationery	8,547	9,176	42,899	3,408
Professional fees	-	201	5,175	-
Promotion and advertising	6,153	837	-	-
Publication artwork	3,600	-	-	1,850
Rental of equipment and services	-	-	400	400
Repairs and maintenance	-	-	-	1,304
Salaries and wages	286,533	95,211	181,716	347,346
Staff benefits	-	11,765	-	4,449
Stationery and office supplies	4,520	5,103	3,466	8,180
Telephone and internet	-	40,142	-	39,921
Training	-	8,151	-	6,200
Transportation	2,975	-	6,640	402
Venue costs	2,816	-	-	-
	\$ 612,488	\$ 383,200	\$ 304,591	\$ 636,335
				\$ 940,926

(The accompanying notes form an integral part of these financial statements)

THE HEROES FOUNDATION
STATEMENT OF CASH FLOWS

	For the year ended 31 December <u>2009</u>	For the sixteen-month period ended 31 December <u>2008</u>
OPERATING ACTIVITIES:		
Deficit	\$ (62,407)	\$ (24,915)
Adjustments for:		
Depreciation	<u>8,707</u>	<u>8,652</u>
	(53,700)	(16,263)
Changes in operating assets and liabilities		
Net change in deferred revenue	(105,129)	200,000
Net change in accounts payable	<u>(3,299)</u>	<u>(2,022)</u>
Cash (used in)/provided by Operating Activities	<u>(162,128)</u>	<u>181,715</u>
INVESTING ACTIVITIES		
Payments for purchase of fixed assets	<u>(16,352)</u>	<u>(18,900)</u>
Cash used in Investing Activities	<u>(16,352)</u>	<u>(18,900)</u>
Increase in cash and cash equivalents	(178,480)	162,815
Cash and cash equivalents, beginning of year/period	<u>668,911</u>	<u>506,096</u>
Cash and cash equivalents, end of year/period	<u>\$ 490,431</u>	<u>\$ 668,911</u>
Represented by:		
Cash in hand and at bank	\$ 489,375	\$ 667,898
Investments	<u>1,056</u>	<u>1,013</u>
	<u>\$ 490,431</u>	<u>\$ 668,911</u>

(The accompanying notes form an integral part of these financial statements)

THE HEROES FOUNDATION**NOTES TO THE FINANCIAL STATEMENTS****31 December 2009****1. Establishment and Principal Objectives:**

The Heroes Foundation was established on 14 November 2002 as a Non Profit organisation under the provisions of the Companies Act, 1995.

The Foundation has no authorised share capital and is to be carried on without pecuniary gain to its members, and any profits or other accretions to its assets are to be used in furthering its undertaking.

The liability of the members is limited by guarantee.

The undertakings of the Foundation are restricted, inter alia, to the education and fostering in the youth and people of Trinidad and Tobago and the Caribbean a sense of patriotism, national pride and an awareness and appreciation of local and regional heroes.

2. Summary of Significant Accounting Policies:**i) Basis of Accounting: -**

These financial statements have been prepared on the historical cost basis and no account has been taken on the effects of inflation.

ii) Inventories: -

Inventories on hand are stated at the lower of cost and net realisable value.

iii) Fixed Assets: -

Fixed assets are stated at cost net of depreciation. Depreciation is provided at the rate of 20% per annum on a straight line basis which is sufficient to write off these costs of the assets over their useful economic lives.

iv) Contributed materials and services: -

The organisation recognises contributed materials and services if the determination of fair value is readily available. The value of volunteer time is not reflected in these financial statements.

(v) Comparative figures -

During the year certain changes in the presentation of the financial statements were made. The comparative figures were amended, where possible, to reflect these changes in disclosure. The changes did not affect the previously reported net surplus.

THE HEROES FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS

31 December 2009

2. Summary of Significant Accounting Policies:

vi) Revenue recognition: -

The Organisation follows the deferred method of accounting for contributions. As such, contributions received that relate to future periods are reflected in the period in which the related expenses are recognised.

Revenues from operating grants and subsidies are recognised in the period in which they relate.

Revenues from fundraising activities and investments are recognised in the period of receipt.

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organisation and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that will be met either by actions of the Organisation and/or the passage of time.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that require that they be maintained permanently by the Organisation. Generally, the donors of these assets permit the Organisation to use all or part of the income earned on related investments for general or specific purposes. The Organisation had no permanently restricted net assets at 31 December 2008.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognised. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities and change in net assets as net assets released from restrictions.

THE HEROES FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS

31 December 2009

3. Cash at Hand and at Bank:

	31 December	
	<u>2009</u>	<u>2008</u>
Petty cash	\$ 474	\$ 232
RBTT Bank Limited - Chequeing Account	488,901	667,658
- Credit Card	-	8
	<u>\$ 489,375</u>	<u>\$ 667,898</u>

4. Fixed Assets:

Cost	Display Equipment & Machinery	Furniture & Fittings	Office Equipment	Work in Progress	Total
Balance as at 31 December 2008	\$ 13,434	\$ 4,089	\$ 25,737	\$ -	\$ 43,260
Additions	-	322	-	16,030	16,352
Balance as at 31 December 2009	<u>13,434</u>	<u>4,411</u>	<u>25,737</u>	<u>16,030</u>	<u>59,612</u>
Accumulated Depreciation					
Balance as at 31 December 2008	10,748	1,703	10,817	-	23,268
Charge for the year	<u>2,685</u>	<u>875</u>	<u>5,147</u>	-	<u>8,707</u>
Balance as at 31 December 2009	<u>13,433</u>	<u>2,578</u>	<u>15,964</u>	-	<u>31,975</u>
Net Book Value					
Balance as at 31 December 2009	<u>\$ 1</u>	<u>\$ 1,833</u>	<u>\$ 9,773</u>	<u>\$ 16,030</u>	<u>\$ 27,637</u>
Balance as at 31 December 2008	<u>\$ 2,686</u>	<u>\$ 2,386</u>	<u>\$ 14,920</u>	<u>\$ -</u>	<u>\$ 19,992</u>

THE HEROES FOUNDATION
SCHEDULE TO THE FINANCIAL STATEMENTS
31 December 2009

	For the year ended 31 December <u>2009</u>	For the sixteen-month period ended 31 December <u>2008</u>
Awards and gifts	\$ 2,932	\$ -
General	34,938	22,500
Members' welfare	4,085	-
Printing	17,074	-
Stationery and office supplies	740	-
Professional fees	86,666	-
Promotion and advertising	85,328	3,333
Staff benefits	127	-
Transportation	7,960	-
Venue costs	<u>750</u>	<u>979</u>
	<u>\$ 240,600</u>	<u>\$ 26,811</u>