

**THE HEROES FOUNDATION**

**FINANCIAL STATEMENTS**

**31 DECEMBER 2011**

# 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 – 9
Schedule to the Financial Statements	10

## 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 2011, the statements of operations and change in net assets, functional expenses and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *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.

### *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 2011 and the results of its operations for the year then ended in accordance with International Financial Reporting Standards.

**Port-of-Spain  
TRINIDAD  
9 September 2013**

**THE HEROES FOUNDATION**  
**STATEMENT OF FINANCIAL POSITION**

**ASSETS**

	<u>Notes</u>	<b>31 December</b>	
		<u>2011</u>	<u>2010</u>
<b>Current Assets:</b>			
Cash in hand and at bank	3	\$ 135,422	\$ 177,185
Accounts receivable	4	771,511	102,088
Investments		<u>1,133</u>	<u>1,133</u>
Total Current Assets		908,066	280,406
<b>Non-Current Assets:</b>			
Fixed assets	5	<u>27,261</u>	<u>25,447</u>
<b>Total Assets</b>		<b><u>\$ 935,327</u></b>	<b><u>\$ 305,853</u></b>

**LIABILITIES AND NET ASSETS**

<b>Liabilities:</b>			
Accounts payable		<u>\$ 95,420</u>	<u>\$ 14,074</u>
Total Liabilities		95,420	14,074
<b>Net Assets:</b>			
Total Net Assets		<u>839,907</u>	<u>291,779</u>
<b>Total Liabilities and Net Assets</b>		<b><u>\$ 935,327</u></b>	<b><u>\$ 305,853</u></b>

These financial statements were approved by the Board of Directors and authorised for issue on 9 September 2013 and signed on their behalf by:

\_\_\_\_\_  
**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	
	<u>2011</u>	<u>2010</u>
<b>Revenues and Other Support:</b>		
Public and corporate donations/sponsorship/fundraising	\$ 1,812,604	\$ 599,770
Government funding	-	225,000
Investment income	-	77
Total Revenues and Other Support	<u>1,812,604</u>	<u>824,847</u>
<b>Expenditure:</b>		
Programme services	861,369	526,074
Management and general	<u>403,107</u>	<u>338,455</u>
Total Expenditure	<u>1,264,476</u>	<u>864,529</u>
Surplus/(Deficit)	548,128	(39,682)
Net assets, beginning of year	<u>291,779</u>	<u>331,461</u>
<b>Net assets, end of year</b>	<b><u>\$ 839,907</u></b>	<b><u>\$ 291,779</u></b>

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

**THE HEROES FOUNDATION**  
**STATEMENT OF FUNCTIONAL EXPENSES**

	-----For the year ended 31 December-----					
	2011			2010		
	<u>Programme Services</u>	<u>Management and General</u>	<u>Total</u>	<u>Programme Services</u>	<u>Management and General</u>	<u>Total</u>
Bank charges and interest	\$ -	\$ 598	\$ 598	\$ -	\$ 298	\$ 298
Cleaning	-	8,450	8,450	-	8,100	8,100
Cost of events ( <b>Schedule 1</b> )	255,355	-	255,355	168,245	-	168,245
Depreciation	-	4,721	4,721	-	13,553	13,553
Electricity	-	21,200	21,200	-	18,718	18,718
General	-	-	-	-	-	-
Gift card expenses	14,430	-	14,430	15,266	-	15,266
Members' welfare	-	-	-	-	-	-
Miscellaneous	-	630	630	-	-	-
National Insurance Board	-	32,505	32,505	-	25,195	25,195
Office rent	-	127,600	127,600	-	127,200	127,200
Penalties and interest	-	22,430	22,430	-	745	745
Printing and stationery	-	-	-	-	-	-
Professional fees	-	21,200	21,200	-	-	-
Promotion and advertising	-	-	-	7,970	-	7,970
Publication artwork	-	-	-	-	-	-
Rental equipment	-	7,225	7,225	-	-	-
Salaries and wages	591,584	79,737	671,321	334,593	75,035	409,628
Staff benefits	-	-	-	-	5,637	5,637
Stationery and office supplies	-	17,354	17,354	-	17,600	17,600
Telephone and internet	-	59,457	59,457	-	46,374	46,374
Training	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Venue costs	-	-	-	-	-	-
	<u>\$ 861,369</u>	<u>\$ 403,107</u>	<u>\$ 1,264,476</u>	<u>\$ 526,074</u>	<u>\$ 338,455</u>	<u>\$ 864,529</u>

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

**THE HEROES FOUNDATION**  
**STATEMENT OF CASH FLOWS**

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b><u>2011</u></b>	<b><u>2010</u></b>
<b>OPERATING ACTIVITIES:</b>		
Surplus/(deficit)	\$ 548,128	\$ (39,682)
Adjustments for:		
Depreciation	<u>4,721</u>	<u>13,553</u>
	552,849	(26,129)
Changes in operating assets and liabilities		
Net change in accounts receivable	(669,423)	(102,088)
Net change in deferred revenue	-	(94,871)
Net change in accounts payable	<u>81,346</u>	<u>(77,662)</u>
Cash used in Operating Activities	<u>(35,228)</u>	<u>(300,750)</u>
<b>INVESTING ACTIVITIES</b>		
Payments for purchase of fixed assets	<u>(6,535)</u>	<u>(11,363)</u>
Cash used in Investing Activities	<u>(6,535)</u>	<u>(11,363)</u>
Decrease in cash and cash equivalents	(41,763)	(312,113)
Cash and cash equivalents, beginning of year	<u>177,185</u>	<u>490,431</u>
Cash and cash equivalents, end of year	<b><u>\$ 135,422</u></b>	<b><u>\$ 178,318</u></b>
<b>Represented by:</b>		
Cash in hand and at bank	\$ 135,422	\$ 177,185
Investments	<u>-</u>	<u>1,133</u>
	<b><u>\$ 135,422</u></b>	<b><u>\$ 178,318</u></b>

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

**THE HEROES FOUNDATION****NOTES TO THE FINANCIAL STATEMENTS****31 December 2011****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 2011****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 2011

3. Cash at Hand and at Bank:

	31 December	
	<u>2011</u>	<u>2010</u>
Petty cash	\$ 148	\$ 1,037
RBTT Bank Limited - Chequeing Account	<u>135,274</u>	<u>176,148</u>
	<u>\$ 135,422</u>	<u>\$ 177,185</u>

4. Accounts Receivable:

	31 December	
	<u>2011</u>	<u>2010</u>
General sponsorship	\$ 771,511	\$ 90,000
Gift card receivable	-	11,088
Other receivable	<u>-</u>	<u>1,000</u>
	<u>\$ 771,511</u>	<u>\$ 102,088</u>

**THE HEROES FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**

31 December 2011

**5. Fixed Assets:**

<b>Cost</b>	<b><u>Display Equipment &amp; Machinery</u></b>	<b><u>Furniture &amp; Fittings</u></b>	<b><u>Office Equipment</u></b>	<b><u>Computer Equipment</u></b>	<b><u>Work in Progress</u></b>	<b><u>Total</u></b>
Balance as at 31 December 2010	\$ 13,434	\$ 4,411	\$ 27,050	\$ 26,080	\$ -	\$ 70,975
Additions	-	-	-	6,535	-	6,535
Transfers	-	-	-	-	-	-
Balance as at 31 December 2011	<u>13,434</u>	<u>4,411</u>	<u>27,050</u>	<u>32,615</u>	<u>-</u>	<u>77,510</u>
<b>Accumulated Depreciation</b>						
Balance as at 31 December 2010	13,433	3,460	21,251	7,384	-	45,528
Charge for the year	-	346	2,199	2,176	-	4,721
Balance as at 31 December 2011	<u>13,433</u>	<u>3,806</u>	<u>23,450</u>	<u>9,560</u>	<u>-</u>	<u>50,249</u>
<b>Net Book Value</b>						
Balance as at 31 December 2011	<u>\$ 1</u>	<u>\$ 605</u>	<u>\$ 3,600</u>	<u>\$ 23,055</u>	<u>\$ -</u>	<u>\$ 27,261</u>
Balance as at 31 December 2010	<u>\$ 1</u>	<u>\$ 951</u>	<u>\$ 5,799</u>	<u>\$ 18,696</u>	<u>\$ -</u>	<u>\$ 25,447</u>

**THE HEROES FOUNDATION**  
**SCHEDULE TO THE FINANCIAL STATEMENTS**

31 December 2011

1. **Cost of Events:**

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b><u>2011</u></b>	<b><u>2010</u></b>
Awards and gifts	\$ 24,434	\$ 4,722
General	173,865	19,799
Office expenses	-	38,748
Printing	19,656	55,309
Staff benefits	-	18,560
Stationery and office supplies	-	784
Transportation	<u>37,400</u>	<u>30,323</u>
	<b><u>\$ 255,355</u></b>	<b><u>\$ 168,245</u></b>