



**CARIBBEAN CORPORATE  
GOVERNANCE INSTITUTE**

**2013 ANNUAL REPORT**

Our Founding Sponsor:



Sponsors of the 2013 Annual Report:



### Acknowledgments:

Starting the Institute so successfully is the result of the continued help and contribution of many. The following organizations and individuals have shared their experience very extensively with the CCGI and have become close partners: Baltic Institute of Corporate Governance, Global Corporate Governance Forum, Brazilian Corporate Governance Institute – especially Sandra Guerra, Chair of the Board of Directors, Mauritius Institute of Directors, Richard Frederick, Andrew Johnston, Chris Pierce, and all the Directors of the first Board of CCGI.

A special thanks to, Ms Alex Kjorven, our first CEO, First Citizens, our first Foundation sponsor, our event sponsors, partners of the T&T Corporate Governance Code project, the Trinidad & Tobago Stock Exchange and Trinidad & Tobago Chamber of Industry and Commerce; the International Finance Corporation.

# TABLE OF CONTENTS

<b>1 CCGI Objectives</b>	4
<b>2 A Message from the Chairman</b>	5
2.2 Corporate Governance and the Role of the CCGI	8
2.3 CCGI Focus in Start-up phase	9
2.4 Looking Ahead	10
<b>3 A Message from the CEO</b>	11
<b>4 Milestones &amp; Highlights</b>	13
4.1 Membership	15
4.2 Standards & Guides	17
4.3 Education & Events	19
4.4 Training & Resources	21
4.5 Corporate Development	22
4.5.1 Technology	22
4.5.2 Marketing	22
4.5.3 Leadership & Staffing	23
4.5.4 Sponsorship	23
<b>5 Corporate Governance</b>	24
5.1 Board Oversight	24
5.2 Independence of Directors	27
5.3 Statement of Remuneration Philosophy	28
5.4 Meeting of Members	28
5.5 Internal Control and Risk Management	29
5.6 Auditor Independence	30
5.7 Code of Ethics	30
5.8 Conflicts of Interest	30
5.9 Nomination and Election of Directors	31
5.10 Information and Professional Development	34
5.11 Board Evaluation	34
5.12 Board Committees	34
5.12.1 Membership Committee	34
5.12.2 Audit Committee	35
5.12.3 Nomination & Elections Committee	36
5.13 Board	37
5.13.1 Composition	37
<b>6 TTCGC Application and CG Disclosure Summary</b>	44
<b>7 Audited Financial Statements</b>	51

© Copyright 2014

Caribbean Corporate Governance Institute  
14 Alcazar Street, Port of Spain  
Trinidad & Tobago  
T: +1 868 221 8707  
F: +1 868 221 5306

[www.caribbeangovernance.org](http://www.caribbeangovernance.org)

## 1 CCGI Objectives

The Caribbean Corporate Governance Institute is a not-for-profit organization dedicated towards advancing principles of corporate governance across the Caribbean. Our objectives are:

1. To pursue world class transparency and competitiveness of public, private and state or municipality owned companies in the Caribbean through the promotion of leading corporate governance practices.
2. To offer corporate governance education programs to board members and officers of public, private and state or municipality owned companies including non-governmental and voluntary organizations in the Caribbean.
3. To develop and maintain corporate governance guidelines for Caribbean companies to promote best international corporate governance practice in the region;
4. To establish and maintain an active network of members;

5. To establish relationships with international bodies active in corporate governance as well as with peer organizations in other countries;
6. To raise national and regional awareness of corporate governance practices adopted in the Caribbean countries; and
7. To provide advice and counseling on corporate governance practices and related matters.

The CCGI aims to develop towards serving the corporate governance needs of Members in the 15 CARICOM member states and the 5 associated member states:

Anguila  
Antigua and Barbuda  
The Bahamas  
Barbados  
Belize  
Bermuda  
British Virgin Islands  
Cayman Islands  
Dominica  
Grenada

Guyana  
Haiti  
Jamaica  
Montserrat  
Saint Kitts and Nevis  
Saint Lucia  
Saint Vincent and the Grenadines  
Suriname  
Trinidad and Tobago  
Turks & Caicos Islands

## 2 A Message from the Chairman

### 2.1 Current Context

The Caribbean Corporate Governance Institute (CCGI) has come into existence at a time of great change. Strengthened corporate governance will be a key to moving out of the current crisis – particularly in the Caribbean. Over the past year the CCGI has built a solid foundation and made tremendous progress. We look forward to scaling up and to make the contribution our members expect us to.

More than five years after the global financial crisis erupted the effects are still being felt in many parts of the world. Caribbean. Governments as well as companies across the Caribbean are struggling to adapt and to respond to changes in national, regional, and global markets. Since 2010 the Governments of Antigua and Barbuda, Belize, Grenada, St Kitts and Nevis, and twice in the case of Jamaica have had to restructure their country's debts and enter International Monetary Fund (IMF) programmes. Others, like Barbados, are finding themselves having to impose austerity measures.

Struggles with large government debts and poorly performing economies are causing social hardships and likely contributing to increases in crime rates. Some governments are warning that if they cannot meet the legitimate interests of their population there is a very

real risk of socio-political turbulence with far reaching consequences. According to the IMF, Government debts of the Caribbean as a whole amounted to approximately 70 per cent of the region's GDP in 2012.

Part of the challenge is that special debt relief and concessional loans by international organizations are available only to low-income countries, while most of the Caribbean is classified as middle income or higher. Some of the countries are lobbying in both multi-lateral and bi-lateral ways for the special vulnerabilities of Small Island Developing States (SIDS) to be taken into account as they are far more exposed to economic and natural shocks than larger countries. While these vulnerabilities are widely acknowledged and there many examples for both natural and man-made disasters, it is unlikely that financial support or relief will be forthcoming soon.

One of the most dramatic corporate failures in Trinidad and Tobago associated with the global financial crisis of 2008-2010 was the collapse of the CL Financial Group (CLICO). This event is particularly relevant for two reasons: first, because the lessons from and insights into the corporate governance practices that were prevalent in the CL Financial Group have emerged, and secondly because it illustrates well the vulnerability of small open economies such as that of Trinidad & Tobago. In the feature address to the Institute of Chartered Accountants of

Trinidad and Tobago (ICATT) and the Caribbean Association for Audit Committee Members (CAACM) at their 5th Annual General Meeting and Conference, the Trinidad & Tobago Minister of Finance at the time, the Honourable Mr. Winston Dookeran said “the CLICO fiasco has affected the GDP of Trinidad and Tobago to the extent of over 10 percent, according to a recent study and I believe it may be more. And with respect to the Caribbean - over 17 percent.

According to the 2013-2014 Global Competitiveness Index, published by the World Economic Forum <sup>1</sup>, the situation for Trinidad and Tobago in relation to indicators that pertain directly to corporate governance is as follows:

The rankings differ across the Caribbean but much work needs to be done throughout.

**Table 1: Ranking on Indicators of Global Competitiveness of Caribbean Countries**

Rank out of 148 Countries in 2013-2014							
	Selected Indicator	Barbados	Guyana	Haiti	Jamaica	Suriname	T&T
<b>1.03</b>	Diversion of public funds	28	100	126	88	80	89
<b>1.04</b>	Public trust in politician	21	63	134	113	119	111
<b>1.05</b>	Irregular payments and bribes	35	120	122	79	96	95
<b>1.07</b>	Favoritism in decisions of government officials	42	122	118	107	115	125
<b>1.17</b>	Ethical behaviour of firms	25	70	141	97	93	118
<b>1.18</b>	Strength of auditing and reporting standards	18	103	138	34	120	95
<b>1.19</b>	Efficacy of Corporate Boards	32	71	131	61	115	116
<b>1.20</b>	Protection of Minority shareholder’s interest	39	91	143	51	134	111
<b>1.21</b>	Strength of investor protection	134	69	134	69	145	25

<sup>1</sup> World Economic Forum (2013), [Global Competitiveness Report 2013-2014](#), Geneva

As a result of low confidence, high risks, and low economic activities much of the wealth that is being generated is not being invested locally or regionally into productive economic activity. There is therefore a bind – because some organizations, such as banks in Trinidad & Tobago, are highly liquid but cannot find sizable regional investment opportunities, while at the same time others are struggling for cash and resources.

Stock market activities are relatively low, most companies being traded have high concentrations of shareholder ownership, and institutional investor activism or stewardship engagement is low. It could therefore be said that the capital markets are relatively inefficient from a societal or economic perspective. Until now corporate governance disclosure practices of listed companies have been, on average, very low by international standards. Increasing transparency is one way to lower risks and increase market efficiency.

In most Caribbean countries the state plays a very important role through the services it provides but also as it provides employment within the civil service. The state sector is usually relatively large by comparison with the economy, and the state (both central and local government) is also involved in many companies, as a single, majority, or minority owner.

In most parts of the Caribbean civil society organizations are few in number, many are very small, and the large majority are weak in organizational capacity. There is therefore a very great need to increase the civil society capacity across the Caribbean.

The pressure to increase the diversity and number of partnerships and collaborations between the State, commercial companies and civil society is rising. This is presenting opportunities for all three sectors (state, private, and civil) and all three sectors can be strengthened in the process.

The transformations that are created through the partnerships and collaborations will create openings that organizations can make use of. Those that are well governed will be in a better position to make the kind of changes and investments that are required to secure the potential benefits of these opportunities.

Corporate governance is a key enabler of organizational health, performance, and sustainability. Organizations with better corporate governance practices are able to achieve higher results in predictable and transparent ways. For organizations to systematically succeed across the Caribbean requires greater transparency and appropriate standards and guidance for the different sectors and types of organizations as well as investors. It also requires skilled and trusted directors, investors, and executives to lead the process.

This is why we believe that the governance of organizations is an important concern and topic – for individual organizations success, investor results, and societal security and progress.

## **2.2 Corporate Governance and the Role of the CCGI**

It is within this context that the Caribbean Corporate Governance Institute (CCGI) was incorporated in July 2012. The essence of our work is to help create effective organizations and efficient markets.

Non-profit membership organizations focused on corporate governance exist in many countries and regions. However there was no such organization in the Caribbean. The CCGI was created to fill this need.

Corporate governance activities have and are continuing to be undertaken in many countries of the Caribbean. Stock exchanges, regulators, Central Banks, governments, private consultancies, professional associations and bodies, Business Support Organizations, tertiary educational establishments, have all been active and valuable contributors. We expect and encourage all of these different stakeholders to continue and to significantly increase their work in the Corporate Governance domain. The CCGI aims to support and complement these efforts.

We believe that the field of Corporate Governance does not operate as a zero-sum game, where one wins at the expense of the other, but instead it holds the potential to display the qualities of a virtuous cycle where improved governance leads to improved economic activity, which in turn leads to more demand for increased performance enhancing services, more opportunities to collaborate, etc.

Since the CCGI is working with a very diverse range of members and stakeholders from a variety of organizations and countries, it is important for the CCGI to be independent, always guided by member needs and professional standards. At no point should any specific interest group, or the needs of just one country dominate the affairs of the CCGI.

CCGI is incorporated as a private independent not-for-profit organization governed in accordance with the Companies Act of Trinidad and Tobago. Its directors serve on a voluntary pro-bono basis and I take this opportunity to thank all of them for their time and support.

To achieve its mission the CCGI is bringing together members and stakeholders for educational programmes and towards the development of standards and guides that are appropriate for diverse types of organizations across the Caribbean.

### 2.3 CCGI Focus in Start-up phase

Since we began operations in January of 2013 we have been able to achieve important milestones and success, in no small measure due to the dedication, commitment, and leadership of our founding CEO, Ms Alex Kjorven. I would like to take this opportunity to thank her, on behalf of the entire board, for all her contributions and for enabling the CCGI to achieve all the successes over the past year.

In the Board's view this has been a high risk year for the CCGI, being still very early in its start-up. Consequently much of the CEO's time was taken up with the establishment of the organizational infrastructure required for members from across the Caribbean to join. In addition to this foundation work, we also undertook the significant task of developing the Trinidad & Tobago Corporate Governance Code in partnership with the Trinidad and Tobago Chamber of Industry and Commerce and the Trinidad and Tobago Stock Exchange. The CCGI was chosen as the Secretariat of the Working Group Chaired by Roger Hamel-Smith, Retired Justice of Appeal of the Supreme Court of T&T, because of our expertise and the fact that such codes and standards are part of our core work.

The T&T Code Project was chosen because in addition to addressing an important corporate governance need, the contributions we received from the Project Partners made it a viable project for the Institute. The project was extended from six to eleven months, and while very successful, it may have impinged (to some extent) on the development

of our education programmes. This delay may have reduced the number of educational events for current and potential members to attend. Fewer events lowered the likelihood that members would join and that in turn reduced available income as well as the potential for mounting income generating events. However, the budget and targets were revised and updated with newly gained market information and by the of the year we were close to achieving our target membership number of 100.

An additional benefit from this prolonged preparatory stage for the education programme has been a much strengthened foundation. The programme that the CCGI can provide from 2014 onwards is therefore likely to lead to an acceleration in membership, sponsorship, and income growth that is set to last.

Until August of 2013 the Board met on a quarterly basis. This was then revised to meetings every six weeks. Later in the year the Board also constituted a number of additional Board Committees to support the work of the organization.

The Institute, the T&T code project and the events the CCGI organized or helped to organized have been very graciously supported by sponsors, partners, and well-wishers both in cash and in kind. I would like to express the Board's sincere appreciation for all contributions. As expected, the income we generate at present does not yet match our expenses and so we are counting on continued and even increased support by the corporate community across the Caribbean.

## 2.4 Looking ahead

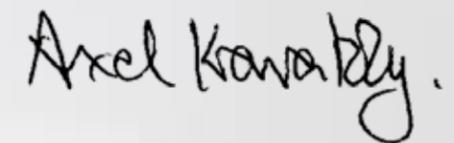
Success over the coming three years will hinge on the Institute doing well in four key areas:

1. Education programme: We seek to establish a world class, assessment based and blended education programme that is accessible and affordable to the full range of constituent groups we are seeking to support. To be successful, the programme must also span the breadth and depth of the regional corporate governance environment while at the same time be connected with and help shape the global corporate governance movement.
2. Viable regional network: In order to be able to serve the members across the Caribbean we will seek to foster the development of a network of members capable of directing the Institute's work locally while helping to shape the agenda of the Institute as a whole. Creating local relevance and adaptations while maintaining a common brand and minimizing bureaucracy will be key.
3. Custom standards and guides: a number of corporate governance codes and guides have already been developed in the Caribbean. We would want to join our efforts with the organizations that development those to further corporate governance and also lead the development of standards and guides for areas that have not yet been covered.

4. Leading by example: as we seek to help others to improve the governance of their organizations, we must strive to lead by example and govern the Institute in accordance with the highest standards to the maximum sustained benefit for all our members.

I am very confident that the Institute is well positioned and that we will be successful in all of these domains. We have laid the groundwork and we have already achieved important successes and milestones in each of these areas. Most important of all, we have a highly capable and motivated team and we have many members who have expressed their desire to actively shape and contribute to the success of the Institute in the years to come.

It has been an honour to serve and I thank you.



Axel Kravatzky, PhD  
Chairman

### 3 A Message from the CEO

There are few opportunities in one's career to participate in the genesis of an institution, which has the potential to significantly improve the business landscape within which it operates. Since I first became involved in the Institute in October 2012, I realized quickly the dedication of the founding Board and the considerable groundwork that had been laid in paving the path for our future success.

In November 2012, while the Institute was still in its infancy, the Trinidad & Tobago Chamber of Industry & Commerce and the Trinidad & Tobago Stock Exchange demonstrated their commitment by designating the Institute as Secretariat in leading the development of a corporate governance code for Trinidad & Tobago; an initiative that could change the governance landscape of a nation. This was a role we took on with pride, which culminated in the landmark launch of the Code a year later.

The Institute became operational in January 2013 and began accepting its first Members. We began building our Membership base with modest steps and, like all start-up organizations, labored through the necessities of creating a strong foundation for growth. Much of the first half of 2013 was focused on doing just this. We built everything from IT infrastructure to our accounting procedures, developed marketing and branding alongside critical policies and procedures for our own governance.

By the time of the Institute's public launch in October of 2013, we had solidified a 3-year partnership with First Citizens Bank, our first Founding sponsor. The T&T Corporate Governance Code was in its final stages of completion and the Institute was already collaborating with international organizations on education and events. The Institute had closed off its first year, 2013, with 91 Members across 5 Caribbean states, a national Code for Trinidad & Tobago, the addition of new staff and a renewed affirmation that our work was necessary and needed to expand in 2014.

The vision for CCGI was always centered on creating exceptional value for our Members. In 2014 we look towards introducing an enriching learning curriculum and even more opportunities for our Members to play a role in shaping the evolution of corporate governance in the Caribbean. 2014 will be a year for building on the foundation that has been created and for expanding our services and our reach throughout the Caribbean.

On a personal note, as my role with the Institute comes to an end in 2014, I stand down as Chief Executive Officer knowing that an exceptional enterprise has been created. There is tremendous momentum for furthering best practices amongst our stakeholders and room for continued progress on this critical initiative.

Alex Kjorven, CA  
Chief Executive Officer



*15 members of the T&T Corporate Governance Code Working Group in one of nine meetings reviewing one of the five draft versions of the code.*



*The Honourable Larry Howai, Minister of Finance and the Economy, delivering the feature address at the launch of the Code on November 26, 2014*

**4 Milestones & Highlights**

<b>July 2012</b>	Incorporation of the Caribbean Corporate Governance Institute (CCGI) and formation of the initial Board of Directors.
<b>October 2012</b>	Recruitment of a Chief Executive Officer.
<b>November 2012</b>	The Institute is designated Secretariat in leading the development of a national corporate governance Code for Trinidad & Tobago.
<b>January 2013</b>	The Institute launches its website and begins accepting Members. The T&T Corporate Governance Code Working Group is established.
<b>February 2013</b>	The Institute develops the first draft of the Trinidad & Tobago Corporate Governance Code. Development continues until November 2013.
<b>March 2013</b>	The Institute receives financial contributions from Code Project Partners; T&T Chamber of Industry and Commerce and the T&T Stock Exchange.
<b>August 2013</b>	The Institute reaches 50 Members across 5 Caribbean states.
<b>October 2013</b>	The Institute hosts official launch event on October 3rd, 2013 and announces First Citizens as a Founding Sponsor. A Public Forum is held on the T&T Corporate Governance Code. The Institute and the International Finance Corporation host roundtable talks on Risk Governance with Chairmen and CEO's of financial institutions.
<b>November 2013</b>	The Trinidad & Tobago Corporate Governance Code is complete and publicly released at a launch event held on November 26th, 2013.  The Institute hires part-time Marketing & Events Coordinator.

Launching the Institute October 3rd, 2013



*Joseph Esau and Ronald Harford*



*Stakeholders were well represented at the launch*



*Panelists Sharon Christopher, Norman Christie, Joseph Esau*



*Subesh Ramjattan, Norman Christie, Alex Kjørven*



*Justice Roger Hamel-Smith, Chair of the TT Corporate Governance Code Working Group*



*Norman Christie in conversation with Kurt Kisto*

#### 4.1 Membership

The Caribbean Corporate Governance Institute began accepting Members in January 2013, and from there, saw steady growth and interest from directors across the region. The Institute reached 50 Members by August 2013 and by December 2013; 91 individuals had been accepted into the membership. 30 (33%) of these Members joined as individuals and the remaining 61 (67%) joined the Institute as part of a full Board or Committee of an organization.

All together, the Institute’s Membership base now spans across 5 Caribbean states and represents directors and members of senior management across 26 different companies or Boards.

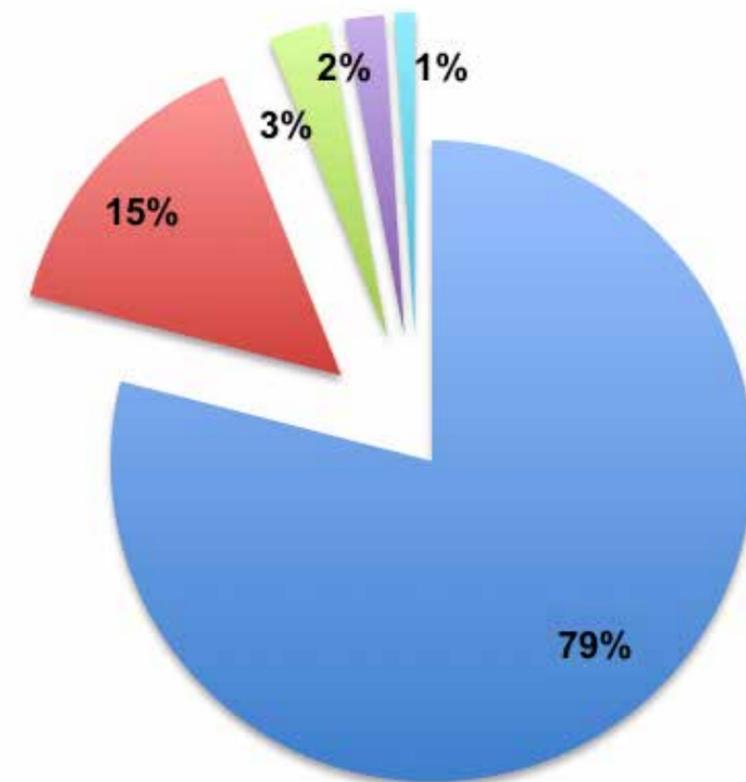
Our Membership Directory is a listing of CCGI Members provided through a restricted Member’s only website. When recruiting for qualified individuals to take up board positions, Members can browse through the listing of other registered Members and view individuals’ profiles and board experience. Similarly, through this directory, Members can update their profiles at any time.

<b>Total Members</b>	<b>91</b>
<b>Individual Memberships</b>	<b>30</b>
<b>Organizational Memberships</b>	<b>6</b>

#### Countries Represented

(Most to least)

- Trinidad & Tobago
- Barbados
- Jamaica
- St. Lucia
- British Virgin Islands



### **Companies Represented Amongst Membership**

Accreditation Council of Trinidad & Tobago  
Caribbean Development Bank  
Barbados Stock Exchange Inc.  
BizTactics Limited  
BCQS International  
The Beacon Insurance Company  
Chaguaramas Development Authority  
Co-Operative Development Division  
Ernst & Young  
Financial Services Regulatory Authority  
First Citizens Bank  
Guardian Holdings Limited  
Jamaica Money Market Brokers Limited  
Institute of Chartered Accountants of Jamaica  
Mair & Company, Attorney's at Law  
Murphy Clarke Financial Ltd  
National Library and Information System Authority (NALIS)  
Pension Management Interactive, Inc.  
PricewaterhouseCoopers  
Reinsurance Co. of Trinidad & Tobago Limited (TRINRE)  
Savannah Computing Limited  
Syntegra Change Architects Ltd  
Trinidad & Tobago Coalition of Service Industries  
Trinidad and Tobago Chamber of Industry and Commerce  
Trinidad & Tobago Tourism Development Company Limited  
The Phi Group Limited

### 4.2 Standards & Guides



Standards and guidance development at the Institute began with the creation of the Trinidad & Tobago Corporate Governance Code (TTCGC).

In November 2012, a partnership with the Trinidad & Tobago Chamber of Industry & Commerce and the Trinidad & Tobago Stock Exchange was established and Terms of Reference for the development of this national Code was created. At the same time, the Partners agreed that the Institute would act as Secretariat in leading the drafting and development process, which began in January 2013 and continued until November 2013.

This Trinidad & Tobago Corporate Governance Code is targeted towards companies with public accountability for adoption on an “apply or explain” basis. The Code was officially launched on November 26th, 2013 in Port of Spain, Trinidad, to an audience of over 120 directors and senior executives. In addition to the project Partners, who were collaborators on the initiative and provided start-up funding for the project, financial sponsorship for the launch of the Code was also received from Ernst & Young, Neal & Massy and the West Indian Tobacco Company.

Among the presenters at the launch event, special guests included the Honorable Larry Howai, Minister of Finance & the Economy as well as Andrew Johnston, Group Executive, Allied Electronics Corporation Ltd. and member of the King III Committee in South Africa.

As the Secretariat for the Code Project, the Institute was responsible for preparing the first working draft of the Code as well as preparing and researching revisions based on decisions of the Working Group. The Institute led the coordination of all Working Group Meetings and together with the Project Partners, guided the public consultation process. By February 2013, a working draft had been prepared and following several rounds of revisions, was ready for public consultations that took place between May and September 2013. Throughout November 2013, the Institute oversaw the publication of the document and led the organization of the final Launch event.

Release of the Trinidad & Tobago Corporate Governance Code November 26th, 2013



The launch of the TCGC was well attended by important stakeholders



Lucille Mair, Wain Iton, Wendy Kerry, Rachel Lacquis



Arnold Niranjana, Ronnie Bissessar, Wayne Dass, Paula Rajkumarsingh, Axel Kravatzky, Catherine Kumar, Andrew Johnston, Justice Roger Hamel-Smith, Alex Kjørven, Stacy-Ann Golding, Sharon Christopher, Peter Ganteaume, Wain Iton



Wain Dass and Seamus Clarke



#### 4.3 Education & Events

In this first year of activity, the Education & Events agenda focused on knowledge dissemination and market penetration through various presentations and workshop sessions. The fourth quarter of 2013 was marked by two widely publicized high profile events; the launch of the Institute in October 2013 and the formal launch of the T&T Corporate Governance Code a month later. Both events built awareness and received media coverage across the Caribbean region.

Across the region, the CCGI was represented by staff, directors or Members at events held by various Caribbean organizations that had commitments and interest in strengthening best practices. For example, these include the Caribbean Association of Audit Committee Members, the meeting of the Council of Securities Regulators of the Americas (COSRA) and the very first Corporate Governance Conference held by the Barbados Stock Exchange.

Similarly, at the global level, the CCGI was represented at the 30th meeting of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR) in Geneva as well as the 5th Biennial International Business, Banking and Finance Conference held in Trinidad.

In addition to presentations and events, the Education agenda of the Institute was further enhanced through the submission of articles in several industry publications and journals throughout the year. This includes the *Governance & Compliance Magazine* (UK), the Trinidad & Tobago Coalition of Service Industries' quarterly report as well as a number of local magazines and regional newspapers.

**Events Calendar**

**October 2012**

**Presentation:** Meeting of the Council of Securities Regulators of the Americas (COSRA) hosted by the T&T Securities & Exchange Commission.

**Presentation:** Arthur Lok Jack Graduate School of Business, Family Business Governance.

---

**May 2013**

**Presentation:** 5th Biennial International Business, Banking and Finance Conference.

---

**June 2013**

**Presentation:** International Finance Corporation's Risk Management & Corporate Governance Workshop.

---

**July 2013**

**CCGI Luncheon:** Leadership & Governance with Sandra Guerra, Co-founder and Chairperson of the Brazilian Institute of Corporate Directors.

**Presentation:** Institute of Chartered Accountants of T&T/Caribbean Association of Audit Committee Members' 7th Annual General Meeting & Conference.

---

**August 2013**

**CCGI Focus Group:** T&T Corporate Governance Code – Focus Group for Members of CCGI.

---

**September 2013**

**Presentation:** Making the Transition 2013 – Inspire Your Leaders Seminar

---

**October 2013**

**CCGI Launch Event:** Introducing the Caribbean Corporate Governance Institute.

**Code Event:** Public Forum and Discussion on the proposed T&T Corporate Governance Code.

**CCGI Event:** Roundtable Discussions on Risk Governance in Financial Institutions. Jointly hosted by CCGI and the International Finance Corporation.

---

**November 2013**

**Presentation:** 30th Anniversary of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR) in Geneva

**Code Event:** Launch of the Trinidad & Tobago Corporate Governance Code 2013.

#### **4.4 Training & Resources**

Throughout 2013, the Institute held discussions with various international bodies on corporate governance as preparation and research for the establishment of a relevant Director Training program in the Caribbean. Collaborations, curriculum and certification methods are still being evaluated by the Board of Directors with the intention of creating a comprehensive approach towards education by Q1 of 2014. In December 2013, the Board resolved to establish an Education Advisory Committee to guide the Institute in developing its Director Training mandate.

Similar efforts were made to provide Members the opportunity to participate in shaping the learning agenda of the Institute by creating a forum for their needs and preferences to be heard. As such, in December of 2013 interested Members gathered to discuss the establishment of an Events & Education working group to brainstorm and execute on training related seminars and activities.

## 4.5 Corporate Development

Critical to the sustainability of any start-up enterprise is the investment in the creation of infrastructure necessary to deliver business objectives. As such, considerable amount of resources have been dedicated in this start-up period toward capacity building and creating the systems and policies necessary to do business.

### 4.5.1 Technology

In January 2013, the Institute launched its corporate website along with the ability to register and pay for events or membership entirely via an online platform. A contract was negotiated with an external service provider Cvent, which now hosts the full suite of CCGI's membership management system, event management system and e-marketing campaigns.

Number of events created:	4
Total online registrations:	288
Number of active contacts:	217

### 4.5.2 Marketing

As CCGI's level of exposure and event participation increased in the second quarter of 2013, investments were made to develop brand guidelines and marketing collateral that were widely distributed at events, seminars and mail campaigns.

In July 2013, the Institute launched a mass marketing campaign where letters of introduction as well as information on the Institute were sent to peer organizations, related government ministries and stakeholder institutions across the Caribbean. In August 2013, the CCGI monthly newsletter was introduced which features Institute announcements as well as corporate governance highlights from around the region. The CCGI Blog was subsequently introduced in September 2013, as another tool for information dissemination and as a platform for Members to introduce governance topics and discussion themes.

Number of Newsletters:	5
Number of Blog Posts:	7
Total Number of Blog Hits (all articles):	1,684

4.5.3 Leadership & Staffing

The Institute was founded with an initial Board of five members. During 2013, four additional directors were added. The CCGI Board is currently represented by members from Trinidad & Tobago, Barbados and Jamaica. As CCGI is a not for profit organization, Directors do not receive remuneration for their services.

The CCGI operates under the leadership of its Chief Executive Officer, who was the sole staff member of the Institute until December 2013, when a part-time position of Marketing & Membership Coordinator was created.

The CCGI has, and continues to operate a very lean staffing model, where support services such as accounting and event coordination are outsourced when needed.

4.5.4 Sponsorship

In 2013, the Institute's primary sources of revenue were from Membership fees and sponsorship. We are extremely grateful to have received a total of approximately US\$74,842 from corporate sponsors in support of various events and programs throughout the year. The breakdown of sponsorships by type is as follows (converted to US\$):

March 2013	10,858	Code Partnership Contributions
October 2013	9,302	Sponsorship of Launch Event
	29,106	Founding Sponsorship
November 2013	25,576	Sponsorships of Code Launch
<b>Total</b>	<b>\$ 74,842</b>	<b>US\$</b>

The CCGI graciously acknowledges support from our various sponsors in 2013:



## 5 Corporate Governance

The CCGI Board of Directors is committed to best in class corporate governance. Our definition of what that means can be found in the Governance Policies (GP's) of our Board Policy Manual. Part of our commitment is to monitor the effectiveness of our governance, to keep abreast with the evolving best practices, continuously improve our corporate governance practices. The latest version of the Policy Manual is always available on our website for downloading.

The Board of Directors understands its legal and governance responsibilities and undertakes these with integrity, probity, accountability, and transparency.

CCGI is a private company (Company Number C7538(95)) without share capital, incorporated as a not-for-profit organization under the laws of Trinidad & Tobago (The Company Act, 1995).

Our corporate governance framework is built on the Policy Governance<sup>®</sup> Framework developed by John Carver – a system initially developed particularly for non-profit organizations. For meeting procedures and conduct of the Board we are also guided, as stipulated in our Bye-Laws, by the latest edition of "Robert's Rules of Order Newly Revised".

While we are a small membership organization, using the IFRS Small and Medium Sized Company accounting standard, as opposed to the accounting standard for companies with public accountability, we are committed to implementing the principles and recommends of Corporate Governance defined in the Trinidad & Tobago Corporate Governance Code (TTCGC 2013) as far as practicable. An overview of the extent to which are applying the recommendation and guidance of the Code can found in Section 6.

### 5.1 Board oversight

Once the CCGI became Operational and we had engaged a Chief Executive Officer (CEO), the Board started out meeting once per quarter. We increased that frequency to once every six weeks so as to be able to address the increasing workload for the Board and the organization as a whole. In addition to the formal meetings we also decided on matters through unanimous written consent without meeting in person in accordance with the provisions of our Bye-Laws (Section 5.08).

From the date of incorporation, on 26 July 2012 to end of December 2013, the Board met twelve times.

Meetings	B0D1	B0D2	B0D3	B0D4	B0D5	B0D6	B0D7	B0D8	B0D9	B0D10	B0D11	B0D12	Meetings Attended	Max # of Meetings	% Attendance
Directors	23-Aug-12	3-Oct-12	27-Oct-12	6-Nov-12	19-Dec-12	2-Feb-13	13-Mar-13	1-May-13	15-Jul-13	17-Sep-13	6-Nov-13	12-Dec-13			
AJK	1	1	1	1	1	1	0	1	1	1	1	1	11	12	92%
AR	0	1	1	1	1	1	1	0	1	1	1	1	10	12	83%
LC	1	1	1	1	0	1	1	1	1	0	1	1	10	12	83%
NR	1	0	1	0	1	1	0	1	1	1	1	1	9	12	75%
RB	1	1	1	0	0	1	1	0	1	1	1	1	9	12	75%
ARB		1	1	1	1	1	1	1	1	1	1	1	11	11	100%
DB								1	0	1	1	1	4	5	80%
MY										0	1	1	2	3	67%
SC											1	0	1	2	50%

All Directors attended the Annual General Meeting held on January 24, 2014 in Port of Spain.

Board members also met frequently informally with the CEO to consider matters of strategic importance and to offer informal and non-binding advice to the CEO.

In the course of the year the Board fulfilled its key functions in accordance with Governance Policy GP-3 in the Board Policy Manual as follows:

1. Creating a systematic linkage between the membership and the operational organization
2. Establishing written governing policies that realistically address the broadest levels of all organizational decisions and situations, in the following categories:
  - A. Ends: organizational products, impacts, benefits, outcomes, recipients, and their relative worth (what good for which recipients at what cost)

- B. Executive limitations: constraints on executive authority that establish the prudence and ethics boundaries within which all executive activity and decisions must take place
- C. Governance process: specification of how the board conceives, carries out, and monitors its own task
- D. Board-management delegation: how power is delegated and its proper use; the CEO's role, authority, and accountability

3. Assurance of successful organizational performance on Ends and Executive Limitations.

In the course of this work the board:

- Reviewed and approved CCGI's 2013-2014 operational plan and budget
- Approved the CEOs performance targets and monitored performance

- Monitored CEO performance in the implementation and achievement of the ENDS of CCGI, the agreed strategic objectives, financial performance and condition, as well as compliance with the Executive Limitation Policies specified in the Policy Manual.
- Considered and approved a number of Policies recommended by the CEO and Board Committees.

The CEO is responsible for the execution of the agreed strategy and for all operational matters as specified in the Board Management Delegation Policies presented in the Policy Manual. The policies also include an annual schedule of monitoring activities to be conducted by the board, indicating what aspects will be examined when, by whom, and in what manner (BMD-5). These policies make it explicit that the board can monitor any policy at any time by any method but will ordinarily depend on a routine schedule.

The CCGI did not have directors' and officers' liability insurance in respect of legal actions against its directors.

## 5.2 Independence of Directors

CCGI understands the important role that independent directors play in the governance of the Institute. The standard used by the CCGI to determine independence is that agreed upon in the TTCGC:

A director is not considered independent if s/he:

- a. Has been an employee of the company within the last three years;
- b. Has, or has had within the last three years, a relationship, that is material to the director, a material business relationship with the company directly, or in their capacity as a partner, shareholder, director or senior employee of a company that has had such a relationship with the company;
- c. Receives, or has received remuneration from the company (apart from director's fees) participates in a share option or other performance; related pay program, or is a member of the company's pension program;
- d. Has family ties, as defined by law, with any of the company's directors or employees or major suppliers;
- e. Holds cross-directorships or has significant links with other directors through involvement in other companies or organizations;
- f. a significant shareholder, to be considered as a person who either alone or with one or more affiliates or connected parties is entitled to exercise 20% (or such other percentage as may be determined relevant on a case by case basis) or more of the voting power at any general meeting of the company; or
- g. Has served on the Board of the company for more than nine years from the date of their first election.

**All Directors of CCGI are non-executive and independent.**

### **5.3 Statement of Remuneration Philosophy**

The board is responsible for reviewing and deciding any changes to the CEO's remuneration. The board reviews and approves the CEO's plans for rewarding employees, in accordance with the policies that it has set out in this regard in the Policy Manual.

The CEO is rewarded for the contribution to the Institute's performance, including the Institute's financial position, and at levels which take into account industry and market benchmarks. The method and process for determining CEO performance is defined in the Policy Manual (BMD-3).

Directors are not and may not be remunerated for serving on the Board (Section 5.10 of Bye-Laws).

### **5.4 Meeting of Members**

CCGI communicates with its members throughout the year. A monthly newsletter has become standard practice, our website has both public and members only access; additional information is made available to members in the members only section. The first Annual Members Meeting was held on January 24, 2014 in Trinidad & Tobago and was attended by 20 members. The agenda, proxy forms, and resolutions were all made available in conformance with the Companies Act and best practice guidance .

A report on the activities and events held during the period is presented in Section 4.3 of this report.

### 5.5 Internal Control and Risk Management

The board is responsible for ensuring that Risk is managed appropriately both by the Board and the CEO. The board determines its risk appetite by considering the Ends (or results) that it seeks to achieve and the values that it wants the whole organization to maintain and exemplify.

The board managed risk and the achievement of strategic objectives by establishing Executive Limitation Policies under the following headings (see EMD Policies in Policy Manual):

- Global Executive Constraints
- Treatment of Customers
- Treatment of Staff
- Financial Conditions and Activities
- Financial Planning and Budgeting
- Emergency CEO Succession
- Asset Protection
- Compensation and benefits
- Communication and Support to the Board
- Ends Focus of Contracts

These policies are proscriptive in that they articulate all the conditions and risks that the Board would find unacceptable. The policies are also hierarchically related to one-another so as to address all possible unacceptable conditions, processes, or outcomes – in the widest sense and in very specific conditions that the Board would find unacceptable.

The CEO prepared Monitoring Reports for the Board addressing all the policies over an annual cycle articulating, in a concise way, how she interpreted the policies, what evidence there is with regard to the compliance with the policies, and asserting whether or not there was compliance. The Board in turn reviewed and examined the Monitoring Reports, agreed to proposed mitigation and corrective actions where necessary, and updated or revised policies so as to ensure they always reflected best available knowledge and the Boards perspective on the risks faced.

The Directors confirm that Board as a whole and through its committees has reviewed the systems of risk management and internal controls and is satisfied that it is appropriate and enables CCGI to (a) achieve appropriate results for appropriate persons at an appropriate cost (as specified in board Ends policies) and (b) avoid unacceptable actions and situations (as prohibited in board Executive Limitations policies).

### **5.6 Auditor Independence**

The financial conditions and activities were examined by external and independent Auditors, Baker Tilly Montano Ramcharitar. This has been the first year that Baker Tilly Montano Ramcharitar worked with CCGI.

The fees paid to auditor are in financial statement. There was no other work by the auditor with the CCGI. The auditors confirmed their independence in writing stating that based on their own internal due diligence no staff member or partner has any private or business relation with the CCGI, its employees or directors.

### **5.7 Code of ethics**

Integrity in the conduct of all affairs of the Institute is key to the success of the Institute and the board is committed to upholding the highest ethical values.

The Board's Code of Conduct is part of the Policy Manual, GP-7.

The Operations are also proscribed by the board. This commitment is made public and there is a system of implementation, and the CEO is asked systematically to report on compliance with the policies agreed to by the Board.

All members, including the CEO and Directors, also sign a code of conduct as members of the CCGI and this Code is publicly available on our website.

### **5.8 Conflicts of Interest**

In adherence with the Institutes Bye-Laws [Section 5.10] and statutory requirements on disclosure of directors' interests, as well as the Board's own policies, members of the Board who have an interest in proposals or transactions being considered by the Board, including where such interests arise through related parties such as close family members or business partners, are required to declare their interests and excuse themselves from the meeting without deliberating or voting on the proposed transactions. Declarations of interest are reflected in the minutes of all Board and Committee meetings.

Further provisions in relation to conflicts of interest can also be found in the Board Policy Manual under Governance Policies, Section GP-7 Board Members Code of Conduct. Whenever there was an issue where the board had to decide on an issue about which a member has an unavoidable conflict of interest, that member shall absent herself or himself without comment not only from the vote but also from the deliberation. For example, for most of the time period under consideration Murphy Clarke Financial and Syntegra Change Architects

donated the space and infrastructure out of which CCGI operated – but in the latter part of the reporting period, when the CCGI had become financially more stable, Murphy Clarke Financial, who holds the lease of the premises offered CCGI to sub-lease. Murphy Clarke Financial Director Clarke, and Syntegra Change Architects Director Kravatzky absented themselves and did not take part in deliberations or vote. The Board was also presented with comparative pricing statistics so as to assure itself that the terms offered to CCGI were lower than average market rates for comparable properties.

### 5.9 Nomination and Election of Directors

The Board is satisfied that the current board composition has the appropriate skills, experience, and capabilities, to meet the challenges and make use of the opportunities faced by the Institute.

The Board regularly reviews its own composition with respect to size, diversity, professional competencies, and the anticipated needs of the Institute in the coming years (see for example the Table 1: Director Competency Matrix).

In November 2013, the board constituted the Nominations and Elections Committee, to establish the rules and procedures for the nomination and election of Directors in accordance with the Bylaws [Section 4.03].

The Committee was mandated for the purposes of the AGM to consider such or any candidates for election to the board of directors and to make recommendations for any vacancies having regard inter alia to the nominee's competence, experience, diversity, independence and risk exposure. Members are not bound by the recommendations of the Committee.

The Committee members were:

- (a) Ronnie Bissessar, Chairman;
- (b) Nigel Romano;
- (c) Sandra Glasgow;
- (d) Reshma Bissessar; and
- (e) Alex Kjorven.

In evaluating nominees for Directorship, the Committee considered, inter alia, the Institute's operations principally with respect to:

- developing its strategic direction;
- increasing its revenues and the allocation of resources;
- ensuring proper oversight and accountability; and
- increasing its impact in support of its mission.

The Committee also considered the Institute’s short and medium term priorities which include:

- i. the establishment of its director education programme;
- ii. the support of its members and the development of chapters in the Caribbean; and
- iii. membership engagement through committees

In making its recommendation, the Committee used a formal decision analytic process taking into consideration various criteria including:

- board and committee experience;
- understanding of international corporate governance trends;
- experience with corporate governance education and/or director training and certification;
- experience in strategic planning;
- experience in fundraising;
- experience with education and continuing professional development programmes;
- experience with membership organisations and chapter systems;

- working experience in different countries and exposure to different business and organisational cultures;
- knowledge of sector specific corporate governance issues;
- experience with developing and/or contributing to the establishment of corporate governance codes or other codes of practice or industry specific standards, rules or regulations;
- knowledge of financial management;
- knowledge of financial markets;
- experience in accounting and audit; and
- experience in commercial law.

In addition to the competencies listed above, the Committee also considered the following factors:

- diversity being gender balance, diversity of skills and regional representation;
- independence in order to reduce the exposure to conflicts of interest; and
- risk exposure through political or reputation risks.

The Chairman met personally for the purpose of induction with all elected Directors to review topics falling under the following headings:

- **Foundations**
  - Objectives listed in Articles of Incorporation
  - Bye-Laws – specific items to be aware of
- **Approach to our own Governance**
  - Policy Governance as developed by John Carver
  - “Robert’s Rules of Order” for Board meeting process
  - Overview of “Board Policy Manual”
- **Operations**
  - Overview
  - Immediate Challenges
- **Board**
  - Operations
  - Practicalities
- **Next Steps**

Table 2: Director Competency Matrix

		Experience on Corporate Boards	Investment (Financial Markets)	Fundraising	International Trends in Corporate Governance	Financial Markets	Caribbean Corporate Law	Accountancy and Audit	Strategic Planning	Caribbean countries (focus is on the 20 Countries that form part of CARICOM)	State Owned Enterprises	Closely Held Companies (including Family Business)	Listed and Regulated Companies	Corporate Governance Education	Corporate Governance Codes and Guidelines	Sector specific Corporate Governance	Chapter system experience	Workshops in Caribbean	working in membership org committees
1	Reshma Bissessar			X					X		X	X		X				X	
2	Ronnie Bissessar	X	X	X		X	X				X		X	X	X	X	X	X	X
3	Dennis Brown	X		X				X				X							
4	Sharon Christopher	X					X				X		X	X		X			
5	Leslie Clarke		X	X		X		X	X		X	X	X			X		X	
6	Axel Kravatzky	X			X				X		X		X	X	X		X	X	X
7	Alex Kjørven		X	X				X				X			X		X		X
8	Annette Rahael	X		X				X	X			X				X	X	X	X
9	Nigel Romano	X	X	X		X		X	X		X	X	X	X					
10	Marlon Yarde	X	X		X	X		X	X			X	X		X				
11	Alex Kjørven		X	X				X				X			X		X		X

### **5.10 Information and Professional Development**

In preparation for each regular meeting of the Board, the Directors receive detailed financial and other monitoring reports specified by the board so as to allow them to effectively monitor the performance of the Institute.

At Board meetings the CEO also presented an update on all aspects and operational updates.

The Board's policies are explicit about the importance of professional development of Directors and Board has sought to integrate CG development sessions into regular board meetings as well as more extended sessions. During the year Directors of CCGI also participated in external professional development sessions on corporate governance.

### **5.11 Board evaluation**

The board has made the evaluation of its own performance against its policies and standards a regular agenda item for its meetings during the course of the year. There was no formal evaluation of the Board or its members during the course of the year.

The Nominations and Elections Committee has been charged to develop a recommendation for how to extend the systematic board evaluation process for the coming year, including by independent parties.

### **5.12 Board Committees**

The following Committees were operational during the reporting period. At the Board's twelfth meeting (BOD12) the Board decided to establish a "Board Education Committee" to lead the work with respect to the CCGI Education Programme, but this committee was not staffed and did not become operational during the period that this report covers.

#### **5.12.1 Membership Committee**

The Membership Committee is a standing committee established by the Board in accordance with Section 6.09 of the Bye-Laws and had the following mandate:

A. Product: (a) attend to all matters concerning membership of the CCGI, as outlined in the Bye-Laws; (b) review the criteria applicable to the various categories of membership of the CCGI and, when considered appropriate, recommend changes;

B. Authority: (a) review all incoming applications for membership and DETERMINE whether the applicant will be admitted subject to payment of the applicable fees; (b) RECOMMEND to the Board the annual subscriptions payable by the various grades of membership for the ensuing year; consider nominations received for the election of Fellows of the CCGI and make an appropriate RECOMMENDATION to the Board; determining the appropriate disciplinary actions required, including, but not limited to, suspension or termination of membership for members found to be in violation of the Terms & Conditions of membership

C. Members: Leslie Clarke (Chair), Nigel Romano, Alex Kjorven (CEO), and Reshma Bissessar (Board Secretary).

The Committee held two meetings during the period. The committee considers and approved applications for membership using electronic means.

#### 5.12.2 Audit Committee

Audit Committee was established at BOD12 and had the following mandate:

A. Product: (a) annual specification of scope of audit prior to outside audit consistent with board monitoring policy; (b) assessment of auditor independence; (c) confirmation of integrity of audit product following completion of audit; choice of auditor for shareholder consideration;

B. Authority: to direct work of outside auditors, to use management time as needed for administrative support, and to direct work of outside counsel hired by the board for matter's related to the audit. For all activities including audit, use of no more than TTD60,000 in direct charges and use of no more than fifty person-hours of staff time per annum.

C. Members: Dennis Brown, Leslie Clarke (Chair), Nigel Romano (co-opted member), Marlon Yarde

The committee has met via conference on two (2) occasions during the reporting period and has decided on matters concerning the selection of the auditors (Baker Tilly Montano Ramcharitar) by written consent.

#### Business conducted

- develop and recommend to the Board the terms of reference for Audit Committee
- approved RFP for auditor appointment evaluation and selection of auditor
- approved draft financial statements to recommend approval by the Board
- reviewed accounting policies, financial risks and compliance with accounting standards
- liaised with external auditors

The Board adopted the audited financial statements following the unreserved recommendation by the Audit committee to do so.

#### 5.12.3 Nomination & Elections Committee

The Nominations and Elections Committee was established by the board at its eleventh meeting (BOD11) in accordance with the Bylaws [Sections 4.03 and 6.09]. The committee was mandated by the board to establish and oversee the nominations and elections process for the Election of Directors at the first Annual General Meeting held on January 24, 2014. The specific functions of the Committee are outlined in the Committee's Terms of Reference.

This committee was chaired by an incumbent director not standing for election in accordance with the Committee's Terms of Reference. The Committee comprised 4 other persons including the Chief Executive Officer, 2 other Directors not standing for election and one Member.

Four meetings were held via teleconference to:

- Develop and recommend to the Board the Terms of Reference for the Committee
- Establish the process and criteria for nominations to the Board
- Consider all nominees and recommend candidates for election to the Board
- Establish the process for election of Directors

Further details on the committee and its work were provided in Section 5.9.

## 5.13 Board

### 5.13.1 Composition

The Bye-laws of CCGI state that Directors may serve a maximum of 2 terms of three years each [Section 4.04a].

The Bye-Laws of the Institute also specify [Section 4.04b] that approximately one third of the Directors retire every year with a view to balance and refresh the board, while retaining experience. The Chairman works with the Nominations and Elections committee to evaluate and monitor the appropriateness of the composition of the board. The retirement schedule of Directors is thoroughly examined in consultation with all Directors individually and collectively.

Bye-Laws also stipulate that a mandatory retirement of 3 Directors of the initial board (Directors present from the very beginning of the Institute) [Section 4.04b].

The following constitute the Initial board:

1. Reshma Bissessar
2. Ronnie Bissessar
3. Leslie Clarke
4. Axel Kravatzky
5. Annette Rahael
6. Nigel Romano

Directors Reshma Bissessar and Ronnie Bissessar are not related to one-another.

Since the initial registration of the Institute and the subsequent starting of operations in January 2013, the Board has been joined by:

1. Dennis Brown
2. Sharon Christopher
3. Marlon Yarde

Together with the initial board members, this group formed the 'first' board of CCGI.

All Directors of the first board, in accordance with statutory requirements, were up for election at the first AGM.

Following a careful and transparent decision analytic review, led by the Chairman, of the Board composition, the anticipated priorities, needs of the Institute, the phase of development of the organization, and in adherence to the provisions of CCGI's Bye-Laws, the following Directors did not offer themselves for election, though they may serve a second term in the future:

1. Reshma Bissessar
2. Ronnie Bissessar
3. Nigel Romano

In accordance with the Institute's Bye-Laws, the CEO is a member of the Board ex officio with no voting rights. The CEO is the only executive member of the Board. All other board members are non-executive and considered independent according to the definition of the TTCGC2013 as none have a material interest in either the CCGI or any of its significant suppliers or customers. The fact that the Directors are members of the

CCGI (as the bye-laws stipulate), this is not considered an impediment to independence because individual membership does not confer representation nor can it result in the effective control or significant influence of the board.

The Chairman of the Board is a non-executive, independent Director.

As of the end of 2013, the Board comprised of the following Directors:



**Reshma Bissessar - Director and Secretary**

Age: 42

Number of years as a Board Member: 1

Reshma is a Director and Organizational Consultant at Syntegra Change Architects Limited. Reshma's consulting focus is on the management of strategic change, with particular emphasis on supporting senior executives and first line managers to lead and facilitate change. More recently, Reshma's focus has been on Corporate Governance issues, particularly on the Board's role in developing good corporate governance practices and the role of Directors as change agents. Reshma holds a BSc. from the University of the West Indies and a Masters from Tufts University, Boston, MA. USA. She is also certified as a Trainer in Corporate Governance Board Leadership by the World Bank/ International Finance Corporation and the Global Corporate Governance Forum.

**Other Directorships:** N/A



**Ronnie Bissessar - Director**

Age: 50

Number of years as a Board Member: 1

Ronnie is an Attorney-at-Law of the Supreme Court of Judicature of the Republic of Trinidad and Tobago. He was Called to the Bar in the United Kingdom on 21st November, 1989 as a Barrister-at-Law of the Honourable Society of Lincoln's Inn and on 02nd July 1993 was Admitted to Practice in Trinidad and Tobago. Ronnie holds an LLB from the University of London, a Legal Education Certificate from the Hugh Wooding Law School and a B.Sc from the University of the West Indies.

**Other Directorships:** Prestige Past Students' Foundation; Rotary Club of San Fernando South; Senior Council Member of the Law Association of Trinidad and Tobago; Director of Lawgivers Limited; Director of Dental Designs Limited



**Dennis Brown - Director**

Age: 63

Number of years as a Board Member: 1

Dennis is a professional accountant and serves as a financial consultant. He serves as a member of the International Standards on Accounting and Reporting (ISAR) Consultative Group of the United Nations Conference on Trade and Development (UNCTAD) and is also a Council member of the Institute of Chartered Accountants of Jamaica (ICAJ) where he serves as Treasurer. He is also a Fellow of the Association of Chartered Certified Accountants (ACCA), and a Fellow of the Institute of Chartered Accountants of Jamaica (ICAJ). Dennis holds an MBA (Finance) from the University of the West Indies.

**Other Directorships: N/A**



**Sharon Christopher - Director**

Number of years as a Board Member: 1

Sharon is the Deputy Chief Executive Officer – Corporate Administration of the First Citizens Group and has extensive executive management experience in the financial services sector. She received her LLB from the University of the West Indies and her LLM from the London School of Economics and Political Science (University of London). She also holds a Legal Education Certificate Hugh Wooding Law School. Ms. Christopher is also a holder of an accredited director designation issued by Institute of Chartered Secretaries and Administrators, London.

**Other Directorships: St. Lucia Electricity Services Limited; Board of Light and Power Holdings Limited (Barbados); Energy Chamber of Trinidad & Tobago; First Citizens Trustee Services Limited; First Citizens (St. Lucia) Limited; First Citizens Financial Services (St. Lucia) Limited ;First Citizens Investment Services Limited (FCIS); First Citizens Brokerage and Advisory Limited ;First Citizens Investment Services (Barbados) Limited; First Citizens Bank (Barbados) Limited; First Citizens Costa Rica SA**



**Leslie Clarke - Director**

Age: 42

Number of years as a Board Member: 1

Leslie is a co-founder of the investment firm Murphy Clarke Financial Ltd where he also serves as the Managing Director. Prior to this, Leslie held senior positions within Trinidad & Tobago's Financial Sector, including Scotiabank and Merchant Bank, RBC Royal Bank (formerly RBTT) and Sagcor Merchant Limited. He has worked on various pension and segregated plans, including multinationals, Investment Committees and NGO's and has successfully navigated through financial crises with the use of asset allocation models and active portfolio management. Leslie holds a BComm (Finance) from St. Mary's University, Halifax, N.S. Canada

**Other Directorships:** The Investment Platform; Stone Services Ltd.; Securities Dealers Association of Trinidad and Tobago; Trinidad Building and Loan Association



**Alex Kjørven – Chief Executive Officer**

Age: 30

Number of years as a Board Member: 1

Alex served as the Chief Executive Officer of the Caribbean Corporate Governance Institute until March 2014. Previously based in Canada, Alex held various management and consulting roles in organizations such as Venture Deli Management Services Inc., Enterprising Non-profits Toronto, ACCESS Community Capital Fund (ACCESS), MaRS Discovery District and KPMG LLP. Alex is a Chartered Accountant and is dedicated toward creating solutions that combine business with Social impact. She guest lectures at the University of Toronto's Faculty of Applied Science & Engineering on the topic of social entrepreneurship and holds a BComm from Rotman Commerce, University of Toronto, Ontario Canada.

**Other Directorships:** N/A



**Axel Kravatzky - Chairman**

Age: 45

Number of years as a Board Member: 1

Axel is the Principal Consultant at Syntegra Change Architects Limited. He brings a strong multi-disciplinary approach with expertise in Corporate Governance, Change Management, Leadership Development, and Coaching. Axel holds a BSc, MSc. and PhD from the London School of Economics and is certified as a Trainer in Corporate Governance Board Leadership by the Global Corporate Governance Forum (World Bank/International Finance Corporation). He also has extensive training in various areas of Business Ethics and Risk Management, is a member of the International Corporate Governance Network (ICGN), has published in the field of corporate governance and has presented on the topic of Corporate Governance at the local, regional and international level.

**Other Directorships:** United World Colleges International; UWC Trinidad & Tobago; Techno-Pipe Solutions Limited ; Fieldfare International Ecological Development PLC; MurphyClarke Financial Ltd; Reinsurance Company of Trinidad and Tobago (TRINRE)



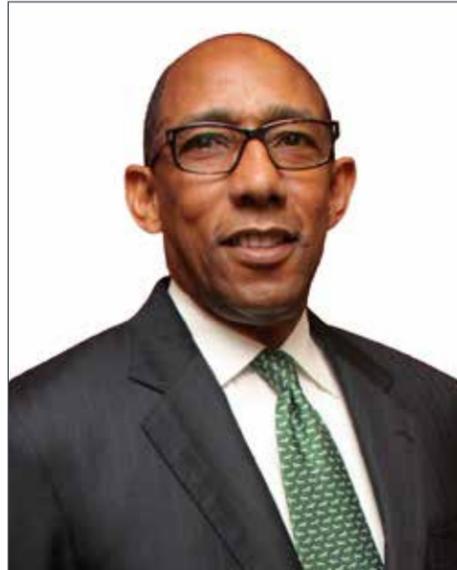
**Annette Rahael - Director**

Age: 59

Number of years as a Board Member: 1

Annette is a Family Business Advisor and advises families in business on strategies and structures to ensure that their business is meeting the professional standards required to compete successfully. Annette holds an Ed.D from the George Washington University, an Executive MBA from the Institute of Business, UWI (now Lok Jack GSB), a B.Sc. - Education from Florida Atlantic University and a BSc. Biology/ Chemistry from the American University of Beirut, Lebanon. She is also a Fellow of the Family Firm Institute and carries the designation ACFBA-Advanced Certificate in Family Business Advising.

**Other Directorships:** Aerogas Processors Ltd; Isko Enterprises Ltd.



**Nigel Romano - Director**

Number of years as a Board Member: 1  
Age: 59

Reshma is a Director and Organizational Consultant at Syntegra Change Architects Limited. Reshma's consulting focus is on the management of strategic change, with particular emphasis on supporting senior executives and first line managers to lead and facilitate change. More recently, Reshma's focus has been on Corporate Governance issues, particularly on the Board's role in developing good corporate governance practices and the role of Directors as change agents. Reshma holds a BSc. from the University of the West Indies and a Masters from Tufts University, Boston, MA. USA. She is also certified as a Trainer in Corporate Governance Board Leadership by the World Bank/ International Finance Corporation and the Global Corporate Governance Forum.

Other Directorships: N/A



**Marlon Yarde - Director**

Age: 49  
Number of years as a Board Member: 1

Marlon is the General Manager and Corporate Secretary of the Barbados Stock Exchange Inc. (BSE) and the Barbados Central Securities Depository Inc. (BCSDI). An Accountant by profession, he is a member of the Certified General Accountants Association of Canada and the Caribbean as well as a member of the Institute of Chartered Accountants of Barbados. Mr. Yarde became a Fellow of the Institute of Chartered Accountants of Barbados in October 2006. He became a Fellow of the Certified General Accountants Association of Canada in June 2009 and also holds a LL.B from the University of Huddersfield in the UK.

Other Directorships: N/A

## 6 TTCGC Application and CG Disclosure Summary

The following presents a comparison of the UNCTAD/ISAR Disclosure Benchmark with the requirements of T&T Law and those of the Trinidad and Tobago Corporate Governance Code 2013.

The CCGI is committed to as much transparency as possible in its reporting and it should be, at a minimum, fully compliant with the disclosure items listed in both recommendation and guidance of the TTCGC.”

**Table 3: TTCGC Application Summary**

	Applied	Partial	Reference	Comment
<b>Principle One: Establish a Framework for Effective Governance</b>				
1.1 The Board should establish and make publicly available a clear outline of its roles and responsibilities, including any formal delegations to Management.	x			Policy Manual is public on website
1.2 The chairperson of the Board should be a non-executive Director and preferably an independent Director. Where the chairperson of the Board is not an independent non-executive Director, the Board should appoint a lead independent Director.	x		5.13	Non-executive and independent Chair
1.3 The Board should demonstrate ethical leadership, which includes commitment to high ethical standards and responsible decision-making.	x			Explicit in Policy Manual
1.4 The Board should ensure that it is supplied with information in a timely manner, in a form and of a quality appropriate to enable it to discharge its duties effectively.	x		5.5	Policy Manual establishes the Board standard and requirement
1.5 The Board should take into account the legitimate interests and expectations of all stakeholders. There should be active co-operation between corporations and stakeholders in creating wealth, employment, and the sustainability of financially sound enterprises.	x			Included in Ends statement in Policy Manual

	Applied	Partial	Reference	Comment
<b>Principle Two: Strengthen the Composition and Performance of Board and Committees</b>				
2.1 The Board should appoint a sufficient number of independent Directors capable of exercising unbiased judgment, particularly in tasks where there is a potential for conflicts of interest.	x		5.13	
2.2 Directors should be selected and appointed through rigorous and formal processes designed to give the Board a balance of independence and diversity of skills, knowledge, experience, perspectives and gender among Directors so that the Board works effectively.	x		5.9	Requisite decision analytic process
2.3 A Committee with a majority of independent non-executive Directors, should lead the Board's nomination process and make recommendations to the Board.	x		5.9	None of the directors who offered themselves for re-election were on committee
2.4 All Directors should receive induction training upon joining the Board and should regularly update and refresh their skills and knowledge.		x	5.9	Induction process is practiced, continued education is informal and non-systematic. Provision is made in Policy Manual to budget for item but finances were too unpredictable to enable agreement thus far.
2.5 The Board should undertake a rigorous, transparent and formal annual evaluation of its own performance and that of its committees and of the individual Directors.		x	5.1	Informal in 2013, formal evaluation is being prepared and will be conducted in 2014
2.6 The Board should ensure that the remuneration of Directors and senior management is transparent, fair and reasonable.	x		5.3	

	Applied	Partial	Reference	Comment
<b>Principle Three: Reinforce Loyalty and Independence</b>				
3.1 The Board should undertake an assessment of its independence on an annual basis and disclose in the annual report each non-executive Director it considers to be independent.	x		5.13	
3.2 All Directors should be candidates for re-election, at intervals of no more than three years, subject to continued satisfactory performance.	x		5.9, 5.11 & 5.13	Maximum of two 3-year terms.
3.3 Members of the Board and Senior Management should disclose to the Board whether they, directly or indirectly or on behalf of third parties, have a material interest in any transaction or matter directly affecting the company.	x		5.8	So far only verbal declarations. Written annual declaration system under preparation. Third party related transaction conducted in accordance with GP-7 of Policy Manual.
3.4 Directors should demonstrate the capacity to commit the time needed to be fully effective in their roles.	x		5.1	Meetings and committee attendance are proxy indicators
<b>Principle Four: Foster Accountability</b>				
4.1 The Board should promote accurate, timely and balanced disclosure of all material matters concerning the company.	x		7	
4.2 Directors should state in the annual report their responsibility towards the integrity of the financial reports. This includes a statement from Directors that these reports comply with applicable financial reporting standards and present a true and fair view of the financial affairs of the company.	x		7	
4.3 The Board should, on an annual basis, report to shareholders and stakeholders on the external auditor's involvement in non-audit work and fees paid to auditors. This disclosure should differentiate between fees for audit work and fees for non-audit work.	x		5.6	
4.4 The Board should, on an annual basis, verify that the company has appropriate processes that identify and manage potential and relevant risks.	x		5.5	
4.5 Each company should establish an Audit Committee of the Board with responsibilities that include, but are not limited to:	x		5.12.2	
a. Recommending the appointment of external auditors;	x			GP-9 in Policy Manual
b. Assessing the suitability and independence of external auditors;	x			GP-9 in Policy Manual
c. Overseeing all aspects of the company-audit firm relationship;	x			GP-9 in Policy Manual

	Applied	Partial	Reference	Comment
d. Monitoring and reviewing the effectiveness of the internal audit function;		x	5.1; 5.12.2	We have full extensive internal monitoring procedures and do not think that it is necessary make this a responsibility of the Audit Committee in CCGI at this point.
e. Promoting integrity in financial reporting	x			GP-9 in Policy Manual
4.6 Boards should report annually to shareholders on how the company is implementing the Corporate Governance Principles and explain any significant departure from Recommendations supporting each Principle.	x			This is our first year
<b>Principle Five: Strengthen Relationships with Shareholders</b>				
5.1 The Board should facilitate the exercise of ownership rights by all shareholder groups, including minority or foreign shareholders and institutional investors.	x		5.12.3	We only have members and we encourage participation by all, including remote, through Nominations & Elections Committee
5.2 The Board should ensure that shareholders have the opportunity to engage with the company and participate effectively in annual and special meetings.	x		5.12.3	
5.3 During the annual and special meetings, the Board should facilitate questioning of external auditors and Senior Management by shareholders, as moderated by the chairperson.		x		In order to comply with the law we had to call AGM before audited accounts were finalized. Members approved unanimously to receive unaudited accounts at the AGM and that audited accounts could be presented at a later stage once process complete.

**Table 4: Corporate Governance Disclosure Summary**

UNCTAD / ISAR Disclosure Benchmark Financial Transparency	T&T Laws & Regulations	TTCGC 2013	Comments and/or Section in which disclosure can be found
1. Financial and operating results	CA155; TTSE 600(4), 600(7), 601(2);	R 4.5	4 & 7
2. Critical accounting estimates	-	-	7
3. Impact of alternative accounting decisions	-	-	7
4. Company objectives		R 1.1 G 4.1	1 & 4 for accomplishments & Ends presented in Policy Manual, Section 1.04 of Bye-Laws
5. Nature, type and elements of related-party transactions	CA 93(6)	G 3.3, 4.1	7
6. Board's responsibilities regarding financial communications		R 4.2	5.1, 7
7. Decision making process for approving related-party transactions	-	-	5.8, GP-7 of Policy Manual
8. Rules and procedures governing extraordinary transactions			There are no explicit provisions for extraordinary transactions such as merger or dissolution at present. The Articles regarding Members' and Directors' meetings in Bye-Laws provide guidance for how to proceed.
Ownership Structure and Exercise of Control Rights	T&T Laws & Regulations	TTCGC 2013	Comments and/or Section in which disclosure can be found
9. Ownership structure	-	G 4.1	5
10. Availability and accessibility of meeting agenda	CA 113(1)	G 5.2	5.4
11. Changes in shareholdings	-	-	We do not have shareholders but our membership developments are described in 4.1
12. Control structure	-	-	5
13. Control rights	-	G 5.1	All members have an equal vote, Bye-Laws 2.08 & Article III.
14. Process for holding annual general meetings	-	G 5.2	Bye-Laws section 3.01
15. Control and corresponding equity stake	-	-	All members have an equal vote. No organization or sponsor holds any voting power.

16. Rules and procedures governing the acquisition of corporate control in capital markets	-	-	Does not apply
17. Anti-Takeover measures	-	-	Does not apply
<b>Board and Management Structure and Process</b>	<b>T&amp;T Laws &amp; Regulations</b>	<b>TTCGC 2013</b>	<b>Comments and/or Section in which disclosure can be found</b>
18. Composition of the board of directors		R 3.1	5.13.1
19. Material interests of senior executives and board members	TTSE 601(2)	R 3.1 G 3.3	5.2 and 5.3
20. Checks and balances mechanisms		R 4.1, 4.6 G 1.3	5.1 and described in full in Policy Manual
21. Risk management objectives, system and activities	-	G 4.4	5.5 and described in full in Policy Manual EL & BMD Policies.
22. Governance structures, such as committees and other mechanisms to prevent conflicts of interest		R 1.1, 2.1, 4.6 G 3.3, 2.1, 4.1	5.12 and further elaboration in Policy Manual GP-8 & GP-9
23. Qualifications and biographical information on board members	-	G 3.2, 4.1	5.13
24. Composition and function of governance structures		R 1.1, 4.6 G 4.1	5, Policy Manual GP Policies
25. Duration of directors' contracts	-	G 3.2	5.13
26. Types and number of outside board and management positions	-	G 3.4, 4.1	5.13
27. Role and functions of the board of directors		R 1.1	5.1, Policy Manual GP Policies
28. Existence of succession plan for senior executives and board members	-	-	Policy manual EL-6
29. Independence of the board of directors		R 3.1 G 4.1	5.2, 5.13
30. Existence of procedures for addressing conflicts of interest among board members	-	G 1.3, 3.3	5.8
31. Determination and composition of directors' remuneration		R 2.6 G 4.1	5.3 (No remuneration)

32. Availability of advisorship facility for board members or board committees	-	-	Policy Manual GP-10
33. Performance evaluation process for board members	-	G 2.5	5.11
34. Professional development and training activities for board members	-	-	5.10
35. Compensation policy for senior executives departing the firm as a result of a merger or acquisition	-	-	No applicable
<b>Auditing</b>	<b>T&amp;T Laws &amp; Regulations</b>	<b>TTCGC 2013</b>	<b>Comments and/or Section in which disclosure can be found</b>
36. Internal control systems	-	G 4.4	5.5
37. Process for appointment of external auditors	-	-	5.12.2
38. Process for interaction with internal auditors	-	-	We do not have internal auditors as we had a staff of 1 or 2 during the year.
39. Scope of work and responsibilities for internal auditors	-	-	Not specified because no internal auditors.
40. Process for interaction with external auditors	-	-	5.12.2
41. Duration of current external auditors	-	-	5.6
42. Board confidence in the independence and integrity of external auditors	-	G 4.3	7
43. Rotation of external auditors	-	-	No rotation yet because we are in first year.
44. External auditors' involvement in non-audit work and fees paid to auditors	-	R 4.3	5.6 (none)
<b>Corporate Responsibility and Compliance</b>	<b>T&amp;T Laws &amp; Regulations</b>	<b>TTCGC 2013</b>	<b>Comments and/or Section in which disclosure can be found</b>
45. Policy and performance in connection with environmental and social responsibility	-	G 1.5	Policy Manual EL1-3.
46. Impact of environmental and social responsibility policies on sustainable development	-	-	Not yet done (particularly with regard to the environment).
47. Mechanisms protecting the rights of other stakeholders	-	G 1.5, 5.2	Policy Manual EL1&2.
48. A Code of Ethics for company employees	-	G 1.3	Only CCGI Member Code of Conduct and Board Code so far.
49. A Code of Ethics for the board and waivers to the ethics code	-	G 1.3	5.7, Policy Manual GP-7
50. Policy on "whistle blower" protection	-	G 1.3	Membership Terms and Condition and Code of Conduct
51. Existence of employee elected director(s) on the board	-	-	Not applicable as not part of the Bye Laws.

R = [Recommendation of T&T Corporate Governance Code 2013 \(TTCGC\)](#)

G = [Guidance of T&T Corporate Governance Code 2013 \(TTCGC\)](#)

CA = [Companies Act Chapter 81:01, No.35 of 1995](#)

TTSE = [Republic of Trinidad & Tobago Stock Exchange Rules](#)

UNCTAD /ISAR Disclosure Benchmark: United Nations Conference on Trade & Development (2006), [Guidance on Good Practices in Corporate Disclosure](#), New York and Geneva.

For a detailed discussion of the [Corporate Governance Disclosure Regime in T&T](#) refer to the case study of the same name by Syntegra Change Architects Ltd of 2011.

## 7 Audited Financial Statements

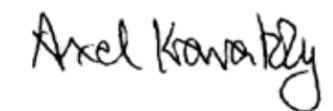
The Board of Directors of the Caribbean Corporate Governance Institute strongly values the duties and responsibilities in accordance with good corporate governance principles. The Board of Directors is responsible for the financial statements of the Company and its subsidiaries including financial information presented in the annual report and the annual financial statements for the year ended December 31, 2013 which are prepared according to IFRS accounting standard.

The Board of Directors has selected and consistently followed an appropriate accounting policy. The aforementioned financial statements are prepared using careful judgment and the best estimation. In addition, important information is adequately disclosed in the Notes to the Financial Statements. The financial statements have been examined by an independent external auditor and the auditor has expressed an unqualified opinion. Therefore, the financial statements accurately and transparently reflect the Company's financial status and operating performance in the past year and can be used for the benefit of shareholders and investors.

The Board of Directors has appointed the Audit Committee, which comprises of independent directors to review the quality of the financial reports and to evaluate the internal control system, risk management system, and various systems to support effective financial

documentation to ensure that accounting records are correct, complete, timely and able to prevent fraud or materially irregular operations.

The Audit Committee's opinion is presented in the Audit Committee's Report which is a part of this annual report. The Board of Directors believes that the Institute's overall internal control system is able to create credibility and reliability for the financial statements for the period ended December 2013.



Axel Kravatzky, PhD  
Chairman



Leslie Clarke  
Director, Chair of Audit Committee

# Audited Financial Statements

(Expressed in Trinidad and Tobago Dollars)

CARIBBEAN CORPORATE GOVERNANCE INSTITUTE

December 31, 2013

## AUDITED FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION	4
STATEMENT OF COMPREHENSIVE INCOME	5
STATEMENT OF CHANGES IN FUND BALANCES	6
STATEMENT OF CASH FLOWS	7
NOTES TO FINANCIAL STATEMENTS	8-17

The Members  
Caribbean Corporate Governance Institute  
#14 Alcazar Street  
PORT-OF-SPAIN

## INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of Caribbean Corporate Governance Institute, which comprise the statement of financial position as at December 31, 2013 and statement of comprehensive income, statement of changes in fund balances, statement of cash flows for the eighteen (18) month period then ended and a summary of significant accounting policies and other explanatory notes as set out on pages 3 to 14.

### Management responsibility for the financial statements

The Management is responsible for the preparation and the fair presentation of these financial statements in accordance with International Financial Reporting Standards for Small and Medium-Sized Entities. This responsibility includes: designing, implementing and maintaining internal controls 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.

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 Caribbean Corporate Governance Institute as at December 31, 2013 and of its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards for Small and Medium-Sized Entities.



March 26, 2014  
PORT-OF-SPAIN

## CARIBBEAN CORPORATE GOVERNANCE INSTITUTE

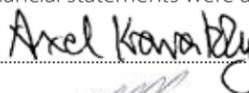
### STATEMENT OF FINANCIAL POSITION

(Expressed in Trinidad and Tobago Dollars)

As at December 31  
2013

ASSETS		Notes	
<b>CURRENT ASSETS</b>			
Cash in hand and at bank	C	\$	92,791
Accounts receivable			45,660
Other receivables and prepayments			12,379
<b>TOTAL CURRENT ASSETS</b>			150,830
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable			10,350
Accruals			25,000
Deferred income	D		42,568
Due to directors	E		25,040
Due to related party	E		9,181
Taxation payable			1,306
<b>TOTAL CURRENT LIABILITIES</b>			113,445
<b>NON-CURRENT LIABILITIES</b>		Notes	
Due to directors	E	\$	40,000
<b>TOTAL NON-CURRENT LIABILITIES</b>			40,000
<b>FUND BALANCE</b>		Notes	
Accumulated deficit			(2,615)
<b>TOTAL FUNDS AND LIABILITIES</b>			\$ 150,830

These financial statements were approved and authorised for issue by the Board of Directors on March 26, 2014 and signed on its behalf by:

Director  Axel Kravatzky

Director  Leslie Clarke

The accompanying notes to the accounts, on pages 8 to 17 form an integral part of these financial statements.

## CARIBBEAN CORPORATE GOVERNANCE INSTITUTE

### STATEMENT OF COMPREHENSIVE INCOME

(Expressed in Trinidad and Tobago Dollars)

		18 month period ended December 31, 2013	
<b>INCOME</b>	<b>Notes</b>		
Sponsorship grants	F	\$	440,165
Membership fees			104,900
Publications			5,200
			550,265
Events costs	G		(145,374)
			<b>GROSS SURPLUS</b> 404,891
<b>LESS: EXPENSES</b>			
Administrative and general expenses			401,271
Bank charges			4,929
			406,200
			<b>OPERATING DEFICIT</b> (1,309)
Taxation	I		(1,306)
			<b>NET DEFICIT</b> \$ (2,615)

The accompanying notes to the accounts, on pages 8 to 17 form an integral part of these financial statements.

## CARIBBEAN CORPORATE GOVERNANCE INSTITUTE

### STATEMENT OF CHANGES IN FUND BALANCES

(Expressed in Trinidad and Tobago Dollars)

	Accumulated Deficit	Total
<b>Eighteen month Period ended December 31, 2013</b>		
Net deficit	\$ (2,615)	\$ (2,615)
Balance at end of period	\$ (2,615)	\$ (2,615)

The accompanying notes to the accounts, on pages 8 to 17 form an integral part of these financial statements.

## CARIBBEAN CORPORATE GOVERNANCE INSTITUTE

### STATEMENT OF CASH FLOWS

(Expressed in Trinidad and Tobago Dollars)

18 month period ended  
December 31,  
2013

OPERATING ACTIVITIES	
Net deficit	\$ (1,309)
Changes to operating assets and liabilities:	
Increase in trade receivables	(45,660)
Increase in other receivables and prepayments	(12,379)
Increase in accruals	25,000
Increase in due to Directors	25,040
Increase in trade payables	10,350
Increase in deferred income	42,568
Increase in due to related party	9,181
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<b>52,791</b>
FINANCING ACTIVITIES	
Advances from directors	40,000
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<b>40,000</b>
<b>INCREASE IN CASH</b>	<b>92,791</b>
Cash and cash equivalents at beginning of period	-
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>\$ 92,791</b>
Represented by:	
Cash in hand and at bank	92,791
	<b>\$ 92,791</b>

The accompanying notes to the accounts, on pages 8 to 17 form an integral part of these financial statements.

## CARIBBEAN CORPORATE GOVERNANCE INSTITUTE

### NOTES TO FINANCIAL STATEMENTS

(Expressed in Trinidad and Tobago Dollars)

December 31, 2013

#### NOTE A – INCORPORATION AND PRINCIPAL ACTIVITY

Caribbean Corporate Governance Institute is a limited liability company incorporated as a non-profit organization on July 26, 2012 and domiciled in the Republic of Trinidad and Tobago. The address of its registered office is #14 Alcazar Street, Port-of-Spain. The principal activity of the company is advancing corporate governance practice across the Caribbean.

#### NOTE B – SIGNIFICANT ACCOUNTING POLICIES

- i. Basis of Preparation – These financial statements have been prepared in accordance with the International Financial Reporting Standards for Small and Medium-Sized Entities issued by the International Accounting Standards Board. They are prepared on the historical cost basis and presented in Trinidad and Tobago dollars.

The preparation of financial statements in conformity with International Financial Reporting Standards for Small and Medium-Sized Entities requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies.

- ii. Cash and Cash Equivalents – Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less.
- iii. Accounts Receivable – Accounts receivable includes membership fees and amounts due from sponsors. At the end of each reporting period the carrying amounts of accounts and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised in the income statement.

## CARIBBEAN CORPORATE GOVERNANCE INSTITUTE

### NOTES TO FINANCIAL STATEMENTS – (Continued)

(Expressed in Trinidad and Tobago Dollars)

December 31, 2013

#### NOTE B – SIGNIFICANT ACCOUNTING POLICIES – (Continued)

- iv. Accounts payable – Accounts payable are obligations on the basis of normal credit terms and do not bear interest. Accounts payables denominated in a foreign currency are translated into Trinidad and Tobago dollars using the exchange rate at the reporting date. Foreign exchange gains or losses are included in other income or other expenses.
- v. Revenue Recognition – Membership fees recognised when the application for Membership has been approved by the CCGI Membership Committee. All other revenue is recognised when delivery is made or service is provided. Sponsorship and event income is recognised on a receipt basis.
- vi. Foreign Currency – Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transactions: gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in the income statement. Such balances are translated at year-end exchange rates.

#### NOTE C – CASH AND RESTRICTED CASH

As at December 31, 2013, the Caribbean Corporate Governance Institute held restricted funds of \$ 14,080 designated for use against expenses related to the Trinidad and Tobago Corporate Governance Code. In 2013, the source of these restricted funds came from Code sponsorship or bulk sales of the Code booklets.

Use of these restricted funds are guided by Memorandum of Understanding, being developed between the three partners of the Code; the Trinidad & Tobago Chamber of Industry & Commerce, the Trinidad & Tobago Stock Exchange and the Caribbean Corporate Governance Institute.

## CARIBBEAN CORPORATE GOVERNANCE INSTITUTE

### NOTES TO FINANCIAL STATEMENTS – (Continued)

(Expressed in Trinidad and Tobago Dollars)

December 31, 2013

	18 month period ended December 31, 2013
<b>NOTE C – CASH AND RESTRICTED CASH</b>	
Restricted funds	\$ 14,080
Unrestricted funds	78,711
	<u>92,791</u>
<b>NOTE D – DEFERRED INCOME</b>	
Publications	\$ 5,200
Restricted grants/sponsorship – Note F	164,964
	<u>170,164</u>
Less: Cost incurred	
Event costs – Trinidad and Tobago Code	(86,148)
Other general expenses	(41,448)
	<u>42,568</u>
<b>DEFERRED INCOME</b>	<u>42,568</u>

## CARIBBEAN CORPORATE GOVERNANCE INSTITUTE

### NOTES TO FINANCIAL STATEMENTS – (Continued)

(Expressed in Trinidad and Tobago Dollars)

December 31, 2013

#### NOTE E – DUE TO DIRECTORS AND RELATED PARTY

	Short-term	Long-term	Total
<b>Due to directors</b>			
Ronnie Bissessar	\$ 5,000	\$ 8,000	\$ 13,000
Leslie Clarke	5,000	8,000	13,000
Axel Kravatzky	5,000	8,000	13,000
Annette Rahael	5,000	8,000	13,000
Nigel Romano	5,000	8,000	13,000
Reshma Bissessar	40	-	40
	<u>\$ 25,040</u>	<u>\$ 40,000</u>	<u>\$ 65,040</u>

At the Board Meeting held on October 3, 2012 it was resolved that each Director would contribute \$ 8,000 towards the start-up expenses of the Caribbean Corporate Governance Institute.

A subsequent resolution was passed on January 3, 2013 whereby all Board Directors agreed to contribute an additional \$ 5,000 to be repaid by the end of 2014. Reshma Bissessar became a Director subsequently.

As of December 31, 2013, total amount owing to Directors is \$ 65,040.

**Due to related party**

Related parties are those companies which share common directorship with Caribbean Corporate Governance Institute. These balances arose out of the ordinary course of business and short-term cash advances. This balance is unsecured and bears no fixed terms of repayment. The nature of the transaction pertains to start up costs provided by Syntegra Change Architects Limited.

	<u>2013</u>
Syntegra Change Architects Limited	\$ <u>9,181</u>

## CARIBBEAN CORPORATE GOVERNANCE INSTITUTE

### NOTES TO FINANCIAL STATEMENTS – (Continued)

(Expressed in Trinidad and Tobago Dollars)

December 31, 2013

18 month period  
December 31,  
2013

#### NOTE F GRANTS AND SPONSORSHIP

Seven sponsorship grants were received during 2013:

PricewaterhouseCoopers	\$ 60,000
The Trinidad Chamber of Industry & Commerce	35,035
The Trinidad and Tobago Stock Exchange	35,000
First Citizens Bank Limited	187,734
	317,769

Restricted Grants:

Neal & Massy Holdings Limited	64,099
Ernst & Young	62,405
West Indian Tobacco Company Limited	38,460
	164,964

Total grants received	482,733
Less: Unused restricted grants (deferred)	(42,568)
	\$ 440,165

18 month period  
December 31,  
2013

#### NOTE G – EVENT COSTS

Online Registration	\$ 9,675
Food	3,744
Materials	19,776
Venue cost	105,296
Speaker cost	6,883
	145,374

## CARIBBEAN CORPORATE GOVERNANCE INSTITUTE

### NOTES TO FINANCIAL STATEMENTS – (Continued)

(Expressed in Trinidad and Tobago Dollars)

December 31, 2013

	18 month period December 31, 2013
<b>NOTE H – STAFF COSTS</b>	
	2013
Salaries	\$ 126,100
National insurance	6,149
	<u>\$ 132,249</u>
Number of persons employed	2
	18 month period December 31, 2013

### NOTE I – TAXATION

Corporation tax expense	\$ 756
Green fund levy expense	550
Taxation expense	<u>\$ 1,306</u>
<b>Reconciliation between tax expense and the product of accounting profit multiplied by the applicable tax rate:</b>	
Net loss before taxation	\$ (1,309)
Tax at the rate of 25%	\$ (327)
Tax effect of income not chargeable and expenses that are not deductible in determining taxable profits	1,083
Green fund levy	<u>550</u>
Current year taxation expense	<u>\$ 1,306</u>

No provision was made for deferred taxation.

## **CARIBBEAN CORPORATE GOVERNANCE INSTITUTE**

### **NOTES TO FINANCIAL STATEMENTS – (Continued)**

(Expressed in Trinidad and Tobago Dollars)

December 31, 2013

#### **NOTE J – REVENUES AND MEMBERSHIP**

The Caribbean Corporate Governance Institute began accepting members starting January 2013. As of December 31, 2013 the Institute had a total of 93 approved members from five different Caribbean states. Gross revenue related to Membership fees in 2013 was \$104,900.

In October 2013, the Caribbean Corporate Governance Institute entered into a two-year sponsorship agreement with First Citizens Bank Limited, whereby the Bank became the Institute's first Founding Sponsor, with a commitment to contribute US\$ 30,000 per year for two years. The first installment received in October 2013 translated to TT\$ 187,734.

Sponsorship and event income is recognised on a receipt basis.

#### **NOTE K – COMMITMENTS UNDER OPERATING LEASES**

The institute occupies office space and parking under an operating lease. The lease is for part of a building located at #14 Alcazar Street, Port-of-Spain. This agreement was made with Murphy Clarke Financial Limited for eleven months and the monthly rent is \$3,800. This agreement was effective from November, 2013.

**NOTE G – EVENT COSTS**

	<u>2013</u>
Minimum lease payments under operating leases recognised as an expense during the year	\$ 756
	<u>2013</u>
At year end, the company has outstanding commitments under non-cancellable operating leases that fall due as follows:	
Within one year	\$ 34,200
Later than one year but within five years	-
	<u>\$ 34,200</u>

**NOTE L – FINANCIAL INSTRUMENTS**

A financial instrument is a contract that gives rise to a financial asset of one entity and a liability or equity instrument of another entity.

(i) Credit risk

The company has no significant concentration of credit risk.

(ii) Fair values

The carrying amounts of short term financial assets and liabilities comprising cash in hand and at bank, accounts receivables, prepayments, accounts payable and accruals are a reasonable estimate of their par values because of the short maturity of these instruments.

## CARIBBEAN CORPORATE GOVERNANCE INSTITUTE

### ADMINISTRATIVE AND GENERAL EXPENSES

(Expressed in Trinidad and Tobago Dollars)

	18 month period ended December 31 2013
Audit and accounting fees	\$ 32,500
Salaries	126,100
Recruiting	18,754
National insurance	6,149
Marketing & membership	57,081
Travel and entertainment	8,925
Office expenses	35,809
General expenses	2,436
Legal and professional fees	85,940
Penalty and interest	2,102
Stationery and printing	557
Telephone	5,018
Rent	7,600
Discount allowed	12,300
	<hr/> \$ 401,271 <hr/>



Caribbean Corporate Governance Institute  
14 Alcazar Street  
Port of Spain  
Trinidad and Tobago  
T +1 (868) 221-8707  
[www.caribbeangovernance.org](http://www.caribbeangovernance.org)