

GUYANA CHESS FEDERATION INC.
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2019



Nizam Ali & Company

Chartered Accountants

215 'C' Camp Street
North Cummingsburg
Georgetown

Tel: (592)-227-8825
Tele/Fax: (592)-225-7085
E-mail: admin@nizamali.net

INDEPENDENT AUDITOR'S REPORT

To the members of Guyana Chess Federation Inc.
Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Guyana Federation Inc., which comprise the statement of financial position as at December 31, 2019, and the statement of profit or loss and other comprehensive income and statement of cash flows for the period of October 31, 2019 to December 31, 2019 and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the company as at December 31, 2019, and of its financial performance and its cash flows for the period of October 31, 2019 to December 31, 2019 and notes in accordance with International Financial Reporting Standards for Small and Medium-Sized Entities (IFRSs for SMEs)

Emphasis of Matter

Without qualifying our opinion, we draw attention to note 1.1, which explains that the company's ability to continue as a going concern is dependent on ongoing contributions and donations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Guyana, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Going Concern

The company's financial statements have been prepared using the going concern basis of accounting. The use of this basis of accounting is appropriate unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. As part of our audit of the financial statements, we have concluded that management's use of the going concern basis of accounting in the preparation of the company's financial statements is appropriate.

Responsibilities of Management and Those Charged with Governance for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they can reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Auditor's Responsibilities for the Audit of the Financial Statements, continued

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.


We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We are also required to provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period.

Report on Other Legal and Regulatory Requirements

The financial statements comply with the requirements of the Companies Act 1991.


Chartered Accountants
Georgetown, Guyana

November 29, 2021

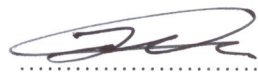
Guyana Chess Federation Inc.
Statement of Financial Position
As at December 31, 2019
(Expressed in Guyana dollars)

	Notes	<u>2019</u> <u>\$</u>
ASSETS		
Non-Current Assets		
Equipment	3	193,333
Total non-current assets		<u>193,333</u>
Current Assets		
Related party	4	2,042,836
Cash on hand		7,226
Total current assets		<u>2,050,062</u>
Total Assets		<u>2,243,395</u>
Equity		
General fund	1.1	2,779,840
Deficit		(536,445)
Total Equity		<u>2,243,395</u>

The accompanying notes form an integral part of these financial statements.



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 President



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 Treasurer/ Director

Guyana Chess Federation Inc.
Statement of Income and Expenditure
For the period of October 31, 2019 to December 31, 2019
(Expressed in Guyana dollars)

		<u>2019</u>
		<u>\$</u>
Income:		
Sponsorship	2	320,000
Deduct		
Expenditure:		
Admin expense		25,000
Advertisement		23,256
Freight		69,312
Meals		4,320
Professional Fees		75,000
Rental		85,000
Sponsorship		165,350
Travelling		50,540
Trophies/Prizes		352,000
Depreciation		6,667
		856,445
Deficit		(536,445)

The accompanying notes form an integral part of these financial statements.

Guyana Chess Federation Inc.
Statement of Cash Flows
For the period of October 31, 2019 to December 31, 2019
(Expressed in Guyana dollars)

	2019 \$
Cash flows from operating activities	
Deficit	(536,445)
Adjustment for depreciation	6,667
<i>Net cashflow used in operating activities</i>	<u>(529,778)</u>
Cash flow from investing activities	
Purchase of equipment	(200,000)
<i>Net cash flow used in investing activities</i>	<u>(200,000)</u>
Cash flow from financing activities	
Due from related party	(2,042,836)
Net cash from financing activities	2,779,840
<i>Net Increase in cash and cash equivalent</i>	<u>737,004</u>
Cash and cash equivalent - October 31	7,226
Cash and cash equivalent - December 31	<u><u>7,226</u></u>
Comprised of:	
Cash on hand	7,226
	<u><u>7,226</u></u>

1.1 Incorporation

Guyana Chess Federation Inc. was incorporated on October 31, 2019 under the Companies Act 1991 as a Non-profit organisation without share capital. Guyana Chess Federation Inc is the successor to Guyana Chess Federation. The net assets of Guyana Chess Federation were transferred to Guyana Chess Federation Inc. and treated as a General Fund.

These financial statements have been prepared on a going concern basis, under which the company is assumed to be able to realise its assets and discharge its liabilities in the normal course of operations. The company's ability to continue as a going concern is dependent on ongoing contributions and donations. The financial statements do not reflect adjustments that would be necessary if the going concern assumption was not appropriate.

1.2 Significant accounting policies

(a) Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards for Small and Medium Sized Entities (IFRS for SME's) issued by the International Accounting Standards Board. They are presented in Guyana Dollars, which is the functional currency.

These financial statements have been prepared under the historical cost convention. The preparation of financial statements in conformity with IFRS for SMEs requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

The estimates and underlying assumptions are reviewed by on an ongoing basis. Revisions to accounting estimates are recognised in the period in which these estimates are revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

These financial statements were authorised for issue by the Board of Directors on November 29, 2021.

(b) New and revised standards and interpretations

New standards, interpretations and amendments to standards in the year are not expected to have a significant impact on the company's accounting policies.

(c) Financial instruments

Financial assets and liabilities are recognised on the Company's statement of financial position when the company becomes a party to the contractual provisions of the instruments. Financial instruments carried on the statement of financial comprises of cash resources.

1.2 Significant accounting policies, continued

(d) Cash on hand

Cash on hand is held for the purpose of meeting short-term cash commitments rather than investment or other purposes.

(e) Foreign currency transactions.

Foreign currency transactions completed during the year are translated at the prevailing cambio rates of exchange at the date of each transaction. At the reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at the reporting date. Gains or losses arising on retranslation are included in the statement of income and expenditure.

(f) Equipment

Equipment is depreciated on the straight line method at the rate of 20% per annum.

(g) Expense recognition

Expenses are recognised on an accrual basis.

(h) Taxation

Management is of the opinion that the company would be entitled to exemptions from Corporation tax and Property tax under section 13 (e) of the Corporation tax Act chapter 81:03.

2. Income

Income is recognised on the cash basis, and comprises of the following:

Sponsorship	\$ 320,000
	<hr/> 320,000 <hr/>

Guyana Chess Federation Inc.
Notes to Financial Statements
December 31, 2019
(Expressed in Guyana dollars)

3. Equipment

	Office Equipment	<u>2019</u>	Total
<u>Cost</u>	<u>\$</u>		<u>\$</u>
At January 1	-		-
Additions	200,000		200,000
At December 31	<u>200,000</u>		<u>200,000</u>
 <u>Accumulated depreciation</u>			
At January 1	-		-
Charges for the year	6,667		6,667
At December 31	<u>6,667</u>		<u>6,667</u>
Net Book Value	<u>193,333</u>		<u>193,333</u>

Guyana Chess Federation Inc.
Notes to Financial Statements
December 31, 2019
(Expressed in Guyana dollars)

4. Related Party

The Guyana Chess Federation Inc. have not yet established a bank account. All funds are held in the name of Guyana Chess Federation (the predecessor entity). The amount of \$2,042,836 represents the balance held in bank accounts in the name of Guyana Chess Federation on behalf of the Company

5. Financial instruments

The Company's financial instruments comprise of cash and related party balance.

(i) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its payment obligations associated with its financial liabilities when they fall due. Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and availability of funds through an adequate amount of committed credit facilities.

(ii) Fair values

The fair values of cash and related party balance are not materially different from their carrying amounts.