



## **REPORT OF THE AUDITOR GENERAL OF THE REPUBLIC OF TRINIDAD AND TOBAGO ON THE FINANCIAL STATEMENTS OF THE SPORT AND CULTURE FUND FOR THE YEAR ENDED 31 DECEMBER 2007**

The accompanying Financial Statements of the Sport and Culture Fund for the year ended 31 December 2007 have been audited. The Statements comprise a Balance Sheet as at 31 December 2007, a Statement of Income for the year ended 31 December 2007, a Statement of Changes in Equity for the year ended 31 December 2007, a Statement of Cash Flows and Notes to the Financial Statements numbered 1 to 5.

### **MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

2. The management of the Sport and Culture Fund is responsible for the preparation and fair presentation of these Financial Statements in accordance with International Accounting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **AUDITOR'S RESPONSIBILITY**

3. The Auditor General's responsibility is to express an opinion on these Financial Statements based on the audit. The audit which was carried out in accordance with section 116 of the Constitution of the Republic of Trinidad and Tobago and section 15(2) of the Sport and Culture Fund Act, Chapter 40:54 was conducted in accordance with generally accepted Auditing Standards. Those Standards require that ethical requirements be complied with and that the audit be planned and performed to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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. It is my view that the audit evidence obtained is sufficient and appropriate to provide a basis for the comments made at paragraphs 5 to 12 of this report.



## **BALANCE SHEET**

**CASH AT BANK - \$7,641,127.00**

### **Bank Confirmations**

5. Confirmation of bank balances was not produced for the under-mentioned accounts:
- Fixed Deposit held at the First Citizens Bank Limited.
  - Current account held at the First Citizens Bank Limited.

### **AUTHORISED SIGNATORIES TO BANK ACCOUNT**

6. Persons who were members of the Sport and Culture Fund Board of Management were still listed as authorised signatories to the Central Bank account as at 31 December 2007.

### **Maintenance of Records:**

7. A Cash Book and General Ledger account for Accounts Payable and Accruals were not maintained.

### **Accumulated Fund- \$8,711,613.00**

8. The Accumulated Fund figure of \$8,711,613.00 was overstated by the sum of \$1,221,811.30 due to incorrect posting.

### **Interest on Fixed Deposits- \$57,636.00**

9. A Fixed Deposit Certificate valued at \$57,636.00 was not produced.

### **NLCB Transfer Overpayment Payable - \$37,100.00**

10. The National Lotteries Control Board "Transfer Overpayment Payable" account represents an overpayment by the National Lotteries Control Board on 11<sup>th</sup> January 1996. However no adjustment was made to this account.

### **INTERNAL CONTROL**

11. There was no evidence of internal audit checks on the documents examined.

### **OPINION**

12. Except for the comments at paragraphs 5 to 11 above, in my opinion, the Financial Statements as outlined at paragraph one above, present fairly, in all material respects the financial position of the Sport and Culture Fund as at 31 December 2007 and its financial performance and its cash flows for the year ended 31 December 2007 in accordance with International Financial Reporting Standards.



**SUBMISSION OF REPORT**

13. This Report is being submitted to the Speaker of the House of Representatives, the President of the Senate and the Minister of Finance and the Economy in accordance with the requirements of sections 116 and 119 of the Constitution of the Republic of Trinidad and Tobago.

23 JANUARY 2015



*M Ali*

**MAJEED ALI  
ACTING AUDITOR GENERAL**



Accountants &  
business advisors

**SPORT AND CULTURE FUND**

**FINANCIAL STATEMENTS**

**31 DECEMBER 2007**





Accountants &  
business advisors

## SPORT AND CULTURE FUND

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Accountants &  
business advisors

## ACCOUNTANTS' REPORT

### **Sport and Culture Fund – Board of Management**

We have prepared the balance sheet of Sport and Culture Fund as at 31 December 2007 and the statements of income, changes in equity and cash flows for the year then ended from the records of Sport and Culture Fund and from other information supplied to us.

In order to prepare these financial statements we made a review, consisting primarily of enquiry, comparison and discussion of such information.

However, in accordance with the terms of our engagement, we have not performed an audit and consequently do not express an opinion on these financial statements.

**Port-of-Spain  
5 September 2008**

A handwritten signature in blue ink that reads 'PKF'.

**ACCOUNTANTS & BUSINESS ADVISORS**

## SPORT AND CULTURE FUND

## BALANCE SHEET

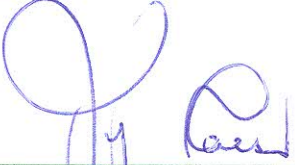
ASSETS

|                                     | <u>Notes</u> | <u>31 December</u>         |                             |
|-------------------------------------|--------------|----------------------------|-----------------------------|
|                                     |              | <u>2007</u>                | <u>2006</u>                 |
| <b>Assets:</b>                      |              |                            |                             |
| Cash at bank                        | 3            | \$ 7,641,127               | \$ 8,889,909                |
| Accounts receivable and prepayments | 4            | <u>1,266,583</u>           | <u>1,265,743</u>            |
| <b>Total Assets</b>                 |              | <b><u>\$ 8,907,710</u></b> | <b><u>\$ 10,155,652</u></b> |

LIABILITIES AND EQUITY

|                                     |   |                            |                             |
|-------------------------------------|---|----------------------------|-----------------------------|
| <b>Liabilities:</b>                 |   |                            |                             |
| Overdrawn business account          | 5 | \$ 85,445                  | \$ -                        |
| Accounts payable and accruals       | 6 | <u>110,652</u>             | <u>130,652</u>              |
|                                     |   | 196,097                    | 130,652                     |
| <b>Equity:</b>                      |   |                            |                             |
| Accumulated Fund                    |   | <u>8,711,613</u>           | <u>10,025,000</u>           |
| <b>Total Liabilities and Equity</b> |   | <b><u>\$ 8,907,710</u></b> | <b><u>\$ 10,155,652</u></b> |

On behalf of the Board:


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 Chairman


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 Secretary/Board Member



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

## SPORT AND CULTURE FUND

## STATEMENT OF INCOME

|  | For the year ended<br>31 December |                            |
|--|-----------------------------------|----------------------------|
|  | <u>2007</u>                       | <u>2006</u>                |
| <b>Income:</b>   |                                   |                            |
| Surplus from Instant Lottery                           | \$ 4,180,207                      | \$ 1,785,000               |
| Interest on fixed deposit at First Citizens Bank       | 57,636                            | 46,731                     |
| Interest on business account                           | <u>267</u>                        | <u>95</u>                  |
| Total income   | <u>4,238,110</u>                  | <u>1,831,826</u>           |
| <b>Expenditure:</b>                                    |                                   |                            |
| Audit fees   | 3,000                             | 3,000                      |
| Accounting fees  | 11,500                            | 11,500                     |
| Bank charges   | 1,051                             | 135                        |
| Grants to sporting and cultural groups and individuals | <u>5,535,946</u>                  | <u>2,467,920</u>           |
| Total expenditure                                      | <u>5,551,497</u>                  | <u>2,482,555</u>           |
| Deficit for the year                                   | <u><b>\$ (1,313,387)</b></u>      | <u><b>\$ (650,729)</b></u> |

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



**SPORT AND CULTURE FUND**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2007**

|                                | <b>Accumulated<br/>Fund</b> |
|--------------------------------|-----------------------------|
| Balance as at 1 January 2006   | \$ 10,675,729               |
| Deficit for the year           | <u>(650,729)</u>            |
| Balance as at 1 January 2007   | 10,025,000                  |
| Deficit for the year           | <u>(1,313,387)</u>          |
| Balance as at 31 December 2007 | <b><u>\$ 8,711,613</u></b>  |

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

**SPORT AND CULTURE FUND**  
**STATEMENT OF CASH FLOWS**

|   | For the year ended<br>31 December |                            |
|---|-----------------------------------|----------------------------|
|   | <u>2007</u>                       | <u>2006</u>                |
| <b>Operating Activities:</b>                      |                                   |                            |
| Deficit for the year                              | \$ (1,313,387)                    | \$ (650,729)               |
| Adjustment for changes in working capital:        |                                   |                            |
| Net change in accounts receivable and prepayments | (840)                             | (70)                       |
| Net change in accounts payable and accruals       | <u>(20,000)</u>                   | <u>14,500</u>              |
| Net cash used in Operating Activities             | <u>(1,334,227)</u>                | <u>(636,299)</u>           |
| Net change in cash balances                       | (1,334,227)                       | (636,299)                  |
| Cash balances, beginning of year                  | <u>8,889,909</u>                  | <u>9,526,208</u>           |
| Cash balances, end of year                        | <u><b>\$ 7,555,682</b></u>        | <u><b>\$ 8,889,909</b></u> |
| <b>Represented by:</b>                            |                                   |                            |
| Cash at bank                                      | \$ 7,641,127                      | \$ 8,889,909               |
| Overdrawn business account                        | <u>(85,445)</u>                   | <u>-</u>                   |
|   | <u><b>\$ 7,555,682</b></u>        | <u><b>\$ 8,889,909</b></u> |

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



**SPORT AND CULTURE FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2007**

**1. Incorporation and Principal Activity:**

The Sport and Culture Fund was incorporated in the Republic of Trinidad and Tobago in 1988 via Act No. 31 of 1988. The principal activity of the Fund is to facilitate the provision of sporting and cultural activities in the Republic of Trinidad and Tobago by providing grants and loans to deserving individuals, groups and organisations. The objective of the Fund is to nurture and develop human and technical resource capabilities in sport and culture, while encouraging self-reliance of groups, associations and individuals undertaking related activities.

**2. Significant Accounting Policies:**

**(a) Basis of preparation -**

These financial statements have been prepared under the historical cost convention and no account has taken of the effects of inflation. These financial statements have been prepared in accordance with International Financial Reporting Standards approved in The Republic of Trinidad and Tobago.

**(b) Accounts receivable -**

Accounts receivable are carried at anticipated realisable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year end. Bad debts are written off during the year in which they are identified.

**(c) Provisions -**

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

**(d) Surplus from Instant Lottery -**

This is the Fund's main source of income and represents the surplus from instant lottery games deposited into the Fund's Central Bank Account by the National Lotteries Control Board. Surplus from Instant Lottery is recorded on a cash basis.

**(e) Financial instruments -**

Financial instruments carried on the balance sheet include bank balances.

**(f) Comparative information -**

Where necessary, comparative amounts have been adjusted to conform with changes in presentation in the current year.

**SPORT AND CULTURE FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2007**

**3. Cash at Bank:**

|  | <b>31 December</b>         |                            |
|--|----------------------------|----------------------------|
|  | <b><u>2007</u></b>         | <b><u>2006</u></b>         |
| First Citizens Bank Limited – Business Account | \$ -                       | \$ 81,071                  |
| Central Bank Account                           | 6,096,887                  | 7,321,394                  |
| First Citizens Bank Limited – Fixed deposit    | <u>1,544,240</u>           | <u>1,487,444</u>           |
|  | <b><u>\$ 7,641,127</u></b> | <b><u>\$ 8,889,909</u></b> |

**4. Accounts Receivable and Prepayments:**

|   | <b>31 December</b>         |                            |
|---|----------------------------|----------------------------|
|   | <b><u>2007</u></b>         | <b><u>2006</u></b>         |
| Loans   | \$ 41,715                  | \$ 41,715                  |
| Interest receivable                           | 3,057                      | 2,217                      |
| Short posting of surplus from Instant Lottery | <u>1,221,811</u>           | <u>1,221,811</u>           |
|   | <b><u>\$ 1,266,583</u></b> | <b><u>\$ 1,265,743</u></b> |

**5. Overdrawn Business Account:**

This balance represents a business account held at First Citizens Bank Limited.

**6. Accounts Payable and Accruals:**

|                                   | <b>31 December</b>       |                          |
|-----------------------------------|--------------------------|--------------------------|
|                                   | <b><u>2007</u></b>       | <b><u>2006</u></b>       |
| Stale-dated cheques               | \$ 8,000                 | \$ 8,000                 |
| Audit fees payable                | 54,000                   | 51,000                   |
| Accounting fees payable           | 11,500                   | 34,500                   |
| NLCB transfer overpayment payable | 37,100                   | 37,100                   |
| Irreconcilable adjustment         | <u>52</u>                | <u>52</u>                |
|                                   | <b><u>\$ 110,652</u></b> | <b><u>\$ 130,652</u></b> |