



## **REPORT OF THE AUDITOR GENERAL OF THE REPUBLIC OF TRINIDAD AND TOBAGO ON THE FINANCIAL STATEMENTS OF THE TRINIDAD AND TOBAGO RACING AUTHORITY FOR THE YEAR ENDED JULY 31, 2013**

The accompanying Financial Statements of the Trinidad and Tobago Racing Authority for the year ended July 31, 2013 have been audited. The Statements as set out on pages 1 to 11 comprise a Statement of Financial Position as at July 31, 2013, a Statement of Comprehensive Income, a Statement of Cash Flows, a Statement of Changes in Reserve/Fund for the year ended July 31, 2013, Notes to the Financial Statements referenced A to I including a summary of significant accounting policies and Schedules numbered 1 to 3.

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

2. The Management of the Trinidad and Tobago Racing Authority (the Authority) is responsible for the preparation and fair presentation of these Financial Statements in accordance with International Financial Reporting Standards (IFRS) for Small and Medium-Size Entities (SMEs), 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.

### **AUDITOR'S RESPONSIBILITY**

3. The Auditor General's responsibility is to express an opinion on these financial statements based on the audit. The audit was carried out in accordance with section 116 (3) and (4) of the Constitution of the Republic of Trinidad and Tobago and section 15 (2) of the Trinidad and Tobago Racing Authority Act, Chapter 21:50 and was conducted in accordance with the principles and concepts of International Standards of Supreme Audit Institutions (ISSAIs) which 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.

5. It is my view that the audit evidence obtained is sufficient and appropriate to provide a basis for the qualified audit opinion.

## **BASIS FOR QUALIFIED OPINION**

### **PRESENTATION OF FINANCIAL STATEMENTS**

6. Note B (i) of the financial statements states that the financial statements have been prepared in accordance with the IFRS for SMEs. These financial statements do not fully comply with IFRS for SMEs. Areas of non-compliance are shown below.

#### ***Comparative Information***

- 6.1 Paragraph 3.14 states: *“An entity shall disclose comparative information in respect of the previous comparable period for all amounts presented in the current period’s financial statements. An entity shall include comparative information for narrative and descriptive information when it is relevant to an understanding of the current period’s financial statements.”*

Comparative figures were not shown for some items in the Notes to the Financial Statements.

#### ***Registered Office***

- 6.2 Paragraph 3.24 states: *“An entity shall disclose the following in the notes, the domicile and legal form of the entity, its country of incorporation and the address of its registered office (or principal place of business, if different from the registered office).”*

The domicile and legal form of the entity, its country of incorporation and the address of its registered office were not stated in the Financial Statements.

#### ***Cash in Hand and Bank/ Statement of Cash Flows***

- 6.3 Paragraph 7.20 states: *“An entity shall present the components of cash and cash equivalents and shall present a reconciliation of the amounts presented in the statement of cash flows to the equivalent items presented in the statement of financial position.”*

Cash in Hand and Bank as per the Statement of Financial Position was not in agreement with the items presented as Cash and Cash Equivalents in the Statement of Cash Flows.

The Statement of Cash Flows included prepayments and investments as part of the Cash and Cash Equivalents.

The increase in Cash and Cash Equivalents of \$499,306 shown on the Statement of Cash Flows differed from the increase of \$358,358 shown as Cash in Hand and Bank as per Statement of Financial Position.

### ***Prior Year Adjustments***

6.4 Paragraph 10.23 states: “An entity shall disclose the following about prior period errors:  
(a) *the nature of the prior period error.*

*(b) for each prior period presented, to the extent practicable, the amount of the correction for each financial statement line item affected.*

*(c) to the extent practicable, the amount of the correction at the beginning of the earliest prior period presented.*

*(d) an explanation if it is not practicable to determine the amounts to be disclosed in (b) or (c) above.”*

There were no disclosures for prior period adjustments which were reflected in the Statement of Changes in Reserve/Fund and Statement of Cash Flows.

### ***Change in accounting policy***

6.5 Paragraph 10.14 states: “When a voluntary change in accounting policy has an effect on the current period or any prior period, an entity shall disclose the following:

*(a) the nature of the change in accounting policy*

*(b) the reasons why applying the new accounting policy provides reliable and more relevant information*

*(c) to the extent practicable, the amount of the adjustment for each financial statement line item affected, shown separately:*

*(i) for the current period*

*(ii) for each prior period presented; and*

*(iii) in the aggregate for periods before those presented*

*(d) an explanation if it is impracticable to determine the amounts to be disclosed in (c) above*

The Authority changed its accounting policy during the period under review, with respect to the accounting for depreciation charge. The required disclosures were not made.

### ***Transition to the IFRS for SMEs***

- 6.6 Paragraph 35.12 states: “An entity shall explain how the transition from its previous financial reporting framework to this IFRS affected its reported financial position, financial performance and cash flows.”

Also, paragraph 35.13 states: “To comply with the paragraph 35.12, an entity’s first financial statements prepared using this IFRS shall include:

(a) a description of the nature of each change in accounting policy.

(b) reconciliations of its equity determined in accordance with its previous financial reporting framework to its equity determined in accordance with this IFRS for both of the following dates:

(i) the date of transition to this IFRS, and

(ii) the end of the latest period presented in the entity’s most recent annual financial statements determined in accordance with its previous financial reporting framework.

(c) a reconciliation of the profit or loss determined in accordance with its previous financial reporting framework for the latest period in the entity’s most recent annual financial statements to its profit or loss determined in accordance with this IFRS for the same period.”

Paragraph 35.15 states: “If an entity did not present financial statements for previous periods, it shall disclose that fact in its first financial statements that conform to this IFRS.”

During the period under review, the Authority moved from full IFRS to IFRS for SMEs. The required disclosures for this change were not made.

### ***Disclosure of accounting policies for financial instruments***

- 6.7 Paragraph 11.40 states in part thereof: “an entity shall disclose, in the summary of significant accounting policies, the measurement basis (or bases) used for financial instruments and the other accounting policies used for financial instruments that are relevant to an understanding of the financial statements.”

The required disclosures for financial assets and financial liabilities were not made.

***Date of authorisation for issue***

6.8 Paragraph 32.9 states: *“An entity shall disclose the date when the financial statements were authorised for issue and who gave that authorisation. If the entity’s owners or others have the power to amend the financial statements after issue, the entity shall disclose that fact.”*

The required disclosures were not made.

**JOCKEY BENEVOLENT FUND**

**\$1,942,205**

7.1 Note G of the Financial Statements states that the Jockey Benevolent Fund composes of race day fines imposed on jockeys, trainers and grooms, deposits and interests. These funds are used for disbursements to jockeys, trainers, grooms and racing industry personnel in the events of accidents and other mishaps.

7.2 Contrary to Note G Audit noted that fines and disbursements were deposited and withdrawn from the Authority’s business chequing account and were accounted for under the Statement of Comprehensive Income and not the Jockey Benevolent Fund.

**STATEMENT OF CHANGES IN RESERVES/FUND**

8.1 Note G to the Financial Statements also states that the inflows and outflows to this Fund are not recorded as part of income and expenditure of the Trinidad and Tobago Racing Authority.

8.2 Audit noted that the Statement of Changes in Reserves/Fund did not reflect the inflows and outflows of the Fund.

**QUALIFIED OPINION**

9. In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion at paragraphs 6 to 8.2 above, the financial statements present fairly, in all material respects, the financial position of the Trinidad and Tobago Racing Authority as at July 31, 2013 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) for Small and Medium-Size Entities (SMEs).

**SUBMISSION OF REPORT**

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



**18<sup>TH</sup> JANUARY 2024  
PORT OF SPAIN**

*Jaiwantie Ramdass*  
**JAIWANTIE RAMDASS  
AUDITOR GENERAL**

**TRINIDAD & TOBAGO RACING AUTHORITY**

**Financial Statements**

**July 31, 2013**

# TRINIDAD & TOBAGO RACING AUTHORITY

July 31, 2013

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**TRINIDAD & TOBAGO RACING AUTHORITY**  
**STATEMENT OF FINANCIAL POSITION**  
**July 31, 2013**

	Notes	As At July 31, 2013 \$	As At July 31, 2012 \$
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Fixed Assets	C	53,827	44,847
Investments	D	2,107,406	1,966,232
<b>Total Non-Current Assets</b>		<b>2,161,233</b>	<b>2,011,079</b>
<b>Current Assets</b>			
Cash in Hand & Bank	E	561,940	203,582
Prepayments		826	1,053
Sundry Debtors	SCH 3	685,743	306,728
Stamps		264	921
<b>Total Current Assets</b>		<b>1,248,773</b>	<b>512,284</b>
<b>Total Assets</b>		<b>3,410,006</b>	<b>2,523,363</b>
<b>RESERVES AND LIABILITIES</b>			
<b>Financed by:</b>			
Accumulated Reserves		778,890	346,153
Jockey Benevolent Fund	G	1,942,205	1,816,038
<b>Accumulated Reserves</b>		<b>2,721,095</b>	<b>2,162,191</b>
<b>Current Liabilities</b>			
Sundry Creditors	SCH 3	100,444	89,582
Accruals	SCH 3	557,717	240,840
Stallion Stakes	F	30,750	30,750
<b>Total Current Liabilities</b>		<b>688,911</b>	<b>361,172</b>
<b>Total Reserves &amp; Liabilities</b>		<b>3,410,006</b>	<b>2,523,363</b>

The notes on pages 5 to 11 form an integral part of these financial statements.

  
Tyrone Kowlessar  
Board Member



  
Pabtrie Ali  
Accountant II

**TRINIDAD & TOBAGO RACING AUTHORITY**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**July 31, 2013**

	Notes/ Schedule	Year Ended July 31 2013	Year Ended July 31 2012
		\$	\$
<b>Income</b>	1	3,555,073	3,797,252
<b>Less: Expenses:</b>			
Personnel Expenditure	2	1,007,452	1,464,695
Goods & Services	2	1,776,900	2,621,076
Current Transfers & Subsidies	2	298,477	236,835
<b>Total Expenses</b>		<u>3,082,829</u>	<u>4,322,606</u>
<b>Operating Surplus/(Deficit) before Depreciation &amp; Finance Costs</b>		472,244	(525,354)
Finance Costs		(5,271)	(7,519)
<b>Operating Surplus/(Deficit) before Depreciation</b>		<u>466,973</u>	<u>(532,873)</u>
Depreciation	C	23,103	22,938
<b>Operating Surplus/(Deficit)</b>		<u><u>443,870</u></u>	<u><u>(555,811)</u></u>

The notes on pages 5 to 11 form an integral part of these financial statements.

# TRINIDAD & TOBAGO RACING AUTHORITY

## STATEMENT OF CHANGES IN RESERVES / FUND

July 31, 2013

	Accumulated Reserves	Jockey Benevolent Fund	Total
	\$	\$	\$
<b>Year ended July 31 2013</b>			
Balance at beginning of year	346,153	1,816,038	2,162,191
Surplus	443,870	126,167	570,037
Prior Year Adjustment	(11,133)		(11,133)
	-		-
			-
			-
<b>Balance at the end of year</b>	<b>778,890</b>	<b>1,942,205</b>	<b>2,721,095</b>
<b>Year ended July 31 2012</b>			
Balance at beginning of year	901,965	1,706,457	2,608,422
Deficit for the Year	(555,812)		(555,812)
Fines & Interest		135,014	135,014
Disbursement		(25,433)	(25,433)
		-	-
			-
<b>Balance at the end of year</b>	<b>346,153</b>	<b>1,816,038</b>	<b>2,162,191</b>

The notes on pages 5 to 11 form an integral part of these financial statements.

**TRINIDAD & TOBAGO RACING AUTHORITY**  
**STATEMENT OF CASH FLOWS**  
**July 31, 2013**

	<u>Year Ended July 31 2013</u>	<u>Year Ended July 31 2012</u>
<b>Operating Activities</b>		
Operating Surplus	<u>443,870</u>	<u>(555,812)</u>
<i>Adjustment to reconcile profit to net cash from operating activities:</i>		
Depreciation	23,103	22,938
Prior Year Adjustment	(11,133)	
Interest Income	<u>(15,007)</u>	<u>(235)</u>
Cash Flow before change in operating assets & Liabilities	440,833	(533,109)
<b>Changes in operating assets and Liabilities :</b>		
(Increase)/Decrease in Sundry Debtors	(379,015)	554,253
(Increase)/Decrease in Stamps	657	486
Increase/(Decrease) in Sundry Creditors	10,862	5,498
Increase/(Decrease) in Accruals	<u>316,878</u>	<u>10,196</u>
Net cash inflow from operating activities	<u>390,215</u>	<u>37,324</u>
<b>Investing Activities</b>		
Purchase of Fixed Assets	(32,083)	(1,595)
Interest Income	<u>15,007</u>	<u>235</u>
Net cash (outflow)/inflow from investing activities	<u>(17,076)</u>	<u>(1,360)</u>
<b>Financing Activities</b>		
Increase in Jockey Benevolent Fund	<u>126,167</u>	<u>109,581</u>
Net cash (outflow)/inflow from financing activities	<u>126,167</u>	<u>109,581</u>
<b>Increase in Cash and Cash Equivalents</b>	<b>499,306</b>	<b>145,545</b>
<b>Cash and Cash Equivalents</b>		
At start of year	2,170,866	2,025,321
At end of year	<u>2,670,172</u>	<u>2,170,866</u>
<b>Represented By</b>		
Investments	2,107,406	1,966,232
Prepayments	826	1,053
Cash in Bank	561,940	202,081
Cash in Hand	<u>1,500</u>	<u>1,500</u>
	<u>2,670,172</u>	<u>2,170,866</u>

**NOTE A - INCORPORATION AND PRINCIPAL ACTIVITY**

The Authority is incorporated in the Laws of the Republic of Trinidad and Tobago under Act 45 of the 1976 and Amended Act 31 of 1989 now CH:21:50. Its principal activity is the Regulation and Control of the Racing Industry through the registration of race horses, dogs, etc., the issue of licenses and permits, the establishment of training schemes for jockeys, stable lads and other racing personnel, the administration and enforcement of rules and resolution of disputes which arise out of the Rules of Racing.

**NOTE B - SIGNIFICANT ACCOUNTING POLICIES**

(i) Basis of Preparation - These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) for Small and Medium-Size Entities issued by the International Accounting Standard Board (IASB). 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 (IFRS) for Small and Medium- Sized Entities requires the use of certain critical estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies.

(ii) Revenue and Expenses Recognition - These are based on the accruals concept

(iii) Fixed Assets and Depreciation - Fixed assets are stated at costs less accumulated depreciation on the straight line basis as follows:

Computer and Accessories	25% per annum
Office Equipment	20% per annum
Furniture and Fixtures	20% per annum
Veterinary Equipment	20% per annum
Jockey School Furnishing	20% per annum
Motor Vehicle	20% per annum

**TRINIDAD & TOBAGO RACING AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS- Continued**

**July 31 2013**

**NOTE C- FIXED ASSETS**

	<b>Computer &amp; Accessories</b>	<b>Office Equipment</b>	<b>Furniture &amp; Fixtures</b>	<b>Veterinary Equipment</b>	<b>Jockey School Furnishings</b>	<b>Motor Vehicle</b>	<b>NBV 2013</b>	<b>NBV 2012</b>
	\$		\$			\$	\$	\$
<b>Costs</b>								
At Beginning of Year	125,782	4,829	128,511	95,755	10,038	47,000	411,915	410,320
Additions		32,083					32,083	1,595
At end of Year	125,782	36,912	128,511	95,755	10,038	47,000	443,998	411,915
<b>Accumulated Depreciation</b>								
At Beginning of Year	121,649	4,799	123,197	60,395	10,038	46,990	367,068	344,130
Current Year Charge	2,031	6,417	2,875	11,780			23,103	22,938
At end of Year	123,680	11,216	126,072	72,175	10,038	46,990	390,171	367,068
Net book value	2,102	25,696	2,439	23,580	-	10	53,827	44,847

**TRINIDAD & TOBAGO RACING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS- Continued**  
**July 31 2013**

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**NOTE D - INVESTMENTS**

First Citizens' Bank Ltd - Certificate #1110694	165,202
T&T Unit Trust Corporation- First Unit Scheme	1,942,205
	<u>2,107,406</u>

**NOTE E - CASH IN HAND AND BANK**

RBC Royal Bank Limited - Multiplier Account	141,166
First Citizens Bank Ltd - Current Account	420,544
Cash on Hand	230
	<u>561,940</u>

**NOTE F - STALLION STAKES**

Stallion Nomination Fees and Subscription	30,750
	<u>30,750</u>

**NOTE G - JOCKEY BENEVOLENT FUND**

This fund composes of the following:

Race Day fines imposed on jockeys, trainers and grooms  
**Deposits and interest at the T&T Units Trust and First Citizens Bank (Fixed Deposit)**

Funds are used for disbursement to jockeys, trainers, grooms and racing industry personnel in the event of accidents and other mishaps

The inflows and outflows to this fund are not recorded as part of Income and expenditure of the TTRA.

# TRINIDAD & TOBAGO RACING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS- Continued

July 31 2013

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### NOTE H - BETTING LEVY BOARD SUBVENTION:

In accordance with section 12 (2) (b) of the Betting Levy Board Act Chapter 21:53, the Betting Levy Board is required to apply part of the monies collected by it to meet the administrative expenses of the Racing Authority under the Racing Authority Act Chapter 21:50 on the basis of a budget prepared by the Authority, in consultation with the Board and where there is a dispute regarding the said budget, an appeal can be made to the Minister

### NOTE I - GOODS AND SERVICES

(i) Consulting and Other contracted services.

Race Days in 2013 decreased to forty-three (43) compared to forty (46) in 2012

(ii) Stewards Training

The Authority despite its limited resources continued with its Apprentice Jockeys' Training Programme on a day school basis and during the course of the last twelve (12) months issued a licence to one new apprentice jockey.

One (1) Accredited Stewards attended their continuing Education courses in March 2013 which is necessary to retain his Accreditation. The panel of Accredited Stewards stands at four (4)

(iii) Directigen Equine Influenza Test

A swab test introduced in December 2006 used to determine Equine Influenza in horses with the objective of reducing the quarantine period for imported horses from 21 days to 10 days. This exercise is carried out by the Authority in the process of its regulatory function and the cost is met by the Owners of each horse. (No Value added Tax is charged).

(iii) Microchips

Radio Frequency Identification Devices (RFID) or Microchips are an additional means of identification. While it does not replace other conventional means such as markings or photographs, it provides a simple and reliable confirmatory method of identification which was done by use of a scanner(Reader)  
The introduction of Microchips will afford the Industry a quick and reliable means of identifying horses on race days.

(iii) Fees

The Authority was involved in two legal matters which concluded in 2010. Both of these were application by suspended trainers for leave to apply for Judicial Review and they were ruled in the Authority's favor with costs being awarded in both matters. The costs awarded by the court are still outstanding.



# TRINIDAD & TOBAGO RACING AUTHORITY

## SCHEDULE -1

July 31 2013

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	2013	2012
	\$	\$
<b>Income</b>		
Betting Levy Board Subvention	3,290,969	3,551,638
Fees & Registration	55,860	69,370
Miscellaneous	54,627	27,574
Lasix	132,700	134,710
Endoscopic	150	
Directigen Flu Kits (Reimbursable)	250	
Interest	1,517	235
DNA Testing	14,999	13,850
Micro Chips	4,000	
	<u>3,555,073</u>	<u>3,797,377</u>

# TRINIDAD & TOBAGO RACING AUTHORITY

## SCHEDULE -2

July 31 2013

Expenses		2013
		\$
<b><u>Personnel Expenditure</u></b>		
Salaries & Cola		699,499
Allowances		30,209
Contribution to National Insurance		47,395
Remuneration to Board Members		230,349
	Total	<u>1,007,452</u>
<b><u>Goods &amp; Services</u></b>		
Travel -Local		47,975
Travel -Overseas		29,094
Office Stationery and Supplies		11,417
Repairs & Maintenance		35,030
<b><u>Consulting &amp; Other Contracting Services</u></b>		
Urine Sample Tests- Horses	702,322	
Veterinary Services	393,387	
Contracted Services	4,100	
Lasix	42,402	
Consultancy	108,000	
DNA	43,063	
Directigen Equine Inflenza Tests	<u>7,361</u>	1,300,634
<b><u>Training</u></b>		
Apprentice Jockey School	152,314	
Stewards	<u>37,071</u>	189,385
<b><u>Expenses</u></b>		
Advertising		15,455
Insurance		3,419
Subsription to publication		3,837
Meals & Entertainment		14,793
postage & Stamps		657
Others		11,800
Legal & Professional Fees		88,403
Audit Fees		<u>25,000</u>
	Total	<u>1,776,900</u>
<b><u>Current Transfers and Subsidies</u></b>		
Pensions		69,531
Racing Confederation		28,351
Benevolent fund		<u>200,595</u>
	Total	<u>298,477</u>

# TRINIDAD & TOBAGO RACING AUTHORITY

## SCHEDULE -1

July 31 2013

### SUNDRY DEBTORS

	Current	Over 90 Days	Total
Commissioner Value Added Tax		247,087	249,835
BLB outstanding subvention			239,258
Lasix Fees			14,900
Directigen reimbursement			500
Rodney Hasranah		6,500.00	6,500
Wade Romero		33,000.00	33,000
FCB Ltd	2,574		2,574
Loans			139,176
	<b>\$ 2,574</b>	<b>\$ 286,587</b>	<b>\$ 685,743</b>

### SUNDRY CREDITORS

	Current	Over 90 Days	Total
Barbados Turf Club		20,848	20,847.76
David Loregnard		7.87	7.87
Vat			11,391.97
Apprentice Jockey School (Seabiscuit)		39,862	39,862.22
Suspense		28,335	28,258.67
National Insurance			75.84
	<b>\$ -</b>	<b>\$ 89,053.32</b>	<b>\$ 100,444</b>

### ACCURALS

Audit Fees -(2005/2006- 2011/2012)	125,000
Audit Fees 2013	25,000
Remuneration to Board Member- R.Ramsaran)	35,117
Pollonais Blanc	5,163
Pollonais Blanc	75,300
Racing Confederacion	28,330
R & J Security	2,500
Lab Fees(Feb, Mar, Apr & May)	171,798
Lab Fees (Jun & July 2013)	89,510
	<b>\$ -</b>
	<b>\$ -</b>
	<b>\$ 557,717</b>