

Seafood Industry Development Company Limited

Audited Financial Statements

September 30, 2011



KENNY RAMPERSAD & CO.

CERTIFIED ACCOUNTANTS

Seafood Industry Development Company Limited

Audited Financial Statements

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KENNY RAMPERSAD & CO.
CERTIFIED ACCOUNTANTS

Independent Auditor's Report

To the members of Seafood Industry Development Company Limited

Report on the financial statements

We have audited the financial statements of Seafood Industry Development Company Limited which comprise the Statement of Financial Position as at September 30, 2011, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory notes as stated on pages two (2) to eleven (11).

Management's responsibility for the financial statements

The organisation's management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation 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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards of 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 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 involves assessing the appropriateness of accounting policies and reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of financial statements.

We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Seafood Industry Development Company Limited as at September 30, 2011 and the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards.


Port of Spain
Trinidad & Tobago
January 10, 2012

Seafood Industry Development Company Limited

Statement of Financial Position

		September 30	
	<u>Notes</u>	<u>2011</u>	<u>2010</u>
Assets			
Non-Current Assets			
Property, plant and equipment	2	\$ 3,954,445	\$ 4,182,598
Current Assets			
Receivables and prepayments	4	341,709	149,939
Inventory	11	143,967	267,775
Cash	5	2,914,262	1,816,052
		<u>3,399,939</u>	<u>2,233,766</u>
Total Assets		<u>\$ 7,354,384</u>	<u>\$ 6,416,364</u>
Shareholders' Equity and Liabilities			
Shareholders' Equity			
Share capital	6	\$ 10	\$ 10
Non-Current Liabilities			
Long-term debt	3	180,241	-
Government grants deferred	7	6,536,124	5,674,449
		<u>6,716,365</u>	<u>5,674,449</u>
Current Liabilities			
Payables and accruals	8	565,912	685,752
Current portion of long-term debt	3	72,097	56,153
		<u>638,009</u>	<u>741,905</u>
Total Liabilities		<u>7,354,374</u>	<u>6,416,354</u>
Total Shareholders' Equity and Liabilities		<u>\$ 7,354,384</u>	<u>\$ 6,416,364</u>

On January 10, 2012, the Board of Directors of Seafood Industry Development Company Limited authorised these financial statements for issue.

Director 

Director 

The accounting policies on pages (6) to (7) and the attached notes set out on pages (8) to (11) form an integral part of these financial statements.

Seafood Industry Development Company Limited

Statement of Comprehensive Income

	Notes	Year ended September 30	
		2011	2010
Income			
Cookbook		\$ 55,313	\$ 60,935
Aquaculture		124,500	58,469
Ice facilities		474,742	216,520
		<u>654,555</u>	<u>335,924</u>
Expenditure			
Administrative and operating expenses	12	5,078,828	5,653,025
PSIP expenditure	12	1,565,114	1,345,816
		<u>6,643,942</u>	<u>6,998,841</u>
Operating loss		(5,989,387)	(6,662,917)
Interest		130	361
Other		14,784	2,525
Loss on foreign exchange		(3,147)	(7,710)
Disposal of asset		(47,600)	-
		<u>(6,025,219)</u>	<u>(6,667,741)</u>
Taxation		<u>(4,905)</u>	<u>(6,385)</u>
Net expenditure		(6,030,124)	(6,674,126)
Government grants utilised		<u>6,030,124</u>	<u>6,674,126</u>
Surplus/(Deficit)		<u>\$ -</u>	<u>\$ -</u>

The accounting policies on pages (6) to (7) and the attached notes set out on pages (8) to (11) form an integral part of these financial statements.

Seafood Industry Development Company Limited

Statement of Changes in Equity

Year ended September 30, 2011

	Share Capital	Total 2011
Balance at beginning of year	\$ 10	\$ 10
Surplus for the year	-	-
Balance at end of year	<u>\$ 10</u>	<u>\$ 10</u>

Year ended September 30, 2010

	Share Capital	Total 2010
Balance at beginning of year	\$ 10	\$ 10
Surplus for the year	-	-
Balance at end of year	<u>\$ 10</u>	<u>\$ 10</u>

The accounting policies on pages (6) to (7) and the attached notes set out on pages (8) to (11) form an integral part of these financial statements.

Seafood Industry Development Company Limited

Statement of Cash Flows

	Year ended September 30	
	2011	2010
Cash From/(Used In) Operations		
Surplus	\$ -	\$ -
Charges to income not affecting cash:		
Depreciation	567,512	566,749
Disposal of asset	47,600	-
	<u>615,112</u>	<u>566,749</u>
Changes in non-cash components of working capital:		
Receivables and prepayments	(192,294)	(69,381)
Inventory	123,807	(59,046)
Payables and accruals	(134,840)	(452,772)
	<u>411,785</u>	<u>(14,450)</u>
Cash From/(Used In) Investing Activities		
Additions to property, plant and equipment	(187,489)	(2,339,926)
Sale of Vehicle	117,500	-
	<u>(69,989)</u>	<u>(2,339,926)</u>
Cash From/(Used In) Financing Activities		
Loans paid	(120,784)	(118,806)
Deferred income	877,198	(619,125)
Deferred expenditure	-	1,534,906
	<u>756,414</u>	<u>796,975</u>
Net increase in cash and cash equivalents	1,098,210	(1,557,401)
Cash and cash equivalents		
At beginning of year	1,816,052	3,373,453
At end of year	<u>\$ 2,914,262</u>	<u>\$ 1,816,052</u>
Represented By:		
Cash	<u>\$ 2,914,262</u>	<u>\$ 1,816,052</u>

The accounting policies on pages (6) to (7) and the attached notes set out on pages (8) to (11) form an integral part of these financial statements.

Seafood Industry Development Company Limited

Notes to Financial Statements

September 30, 2011

The principal accounting policies adopted in the preparation of these financial statements are set out below:

a) Basis of preparation

These financial statements have been prepared on the historical cost basis of accounting and accordingly, no provision has been made to account for the effects of inflation or changing prices.

b) Property, plant and equipment

Property, plant and equipment are stated at cost less depreciation provided for on the reducing balance basis at rates estimated to write off the cost of each asset to their residual values over their estimated useful lives as follows:

Motor vehicles	- 25	%
Computer equipment	- 20	%
Furniture and fixtures	- 20	%
Office equipment	- 10	%

c) Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost and comprise cash in hand and cash at bank.

d) Government grants

Grants from the Government of Trinidad and Tobago are recognized at their fair values where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions.

Grants relating to costs associated with a future period are deferred and are included in non-current liabilities. They will be recognized in the statement of comprehensive income over the period necessary to match them with the net expenditure of the year which they are intended to compensate. Unutilised grants are deferred to be matched against future costs of the same nature to be incurred for which the grant was intended.

Seafood Industry Development Company Limited

Notes to Financial Statements

September 30, 2011

e) Trade receivables

Trade receivables are carried at original invoice amount less provision made for impairment of these receivables. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the carrying amount and the receivable amount.

f) Revenue recognition

Revenue is recognized on the accrual basis.

g) Project expenditure

Expenditure for completed projects is written off within the accounting period in which they are incurred. Expenditure relating to uncompleted projects started during the period is deferred to be written off in the period in which they are completed.

Seafood Industry Development Company Limited

Notes to Financial Statements

September 30, 2011

1) Incorporation and Principal Activity

The Company was incorporated in the Republic of Trinidad and Tobago on March 31st, 2006 as an agency under the Ministry of Trade and Industry. Its purpose is that of modernizing the seafood sector by moving it to sustainability, profitability and international competitiveness in the shortest possible time as well as assist with the empowerment and unification of the coastal fishing communities.

2) Property, plant and equipment

	Other Equipment	Computer Equipment	Furniture & Fixtures	Motor Vehicles	Leasehold Improv.	2,011	2010
Cost/Valuation							
At beginning of year	\$ 3,740,200	\$ 429,787	\$ 370,957	\$ 669,514	\$ 495,890	\$ 5,706,348	\$ 3,366,421
Additions	59,100	24,137	16,035	405,187		504,458	2,339,927
Disposals	-	-	-	(380,897)		(380,897)	-
At the end of year	3,799,300	453,923	386,992	693,804	495,890	5,829,909	5,706,348
Depreciation							
At the beginning of year	640,601	219,297	177,078	437,184	49,589	1,523,750	957,000
Charge for the year	315,870	46,925	41,983	118,104	44,630	567,512	566,749
Disposals	-	-	-	(215,798)		(215,798)	-
At the end of year	956,471	266,222	219,061	339,491	94,219	1,875,464	1,523,750
Net book value at end of year	\$ 2,842,829	\$ 187,701	\$ 167,931	\$ 354,313	\$ 401,671	\$ 3,954,445	\$ 4,182,598

3) Long-Term Debt

	Current Portion	Long-term Portion	Total 2011	Total 2010
First Caribbean International Banking & Financial Corporation Limited	<u>\$ 72,097</u>	<u>\$ 180,241</u>	<u>\$ 252,338</u>	<u>\$ 56,153</u>

This represents the finance lease used to acquire a motor vehicle. It bears interest at a rate of 23.22% and is repayable over four (4) years.

Notes to Financial Statements

September 30, 2011

4) Receivables and prepayments

	2011	2010
Due from Ministry of Trade & Industry	\$ 10	\$ 10
Prepayments	80,055	76,408
Other receivables	261,645	73,521
	<u>\$ 341,709</u>	<u>\$ 149,939</u>

5) Cash and cash equivalents

	2011	2010
Cash at bank	\$ 2,910,262	\$ 1,813,052
Cash in hand	4,000	3,000
	<u>\$ 2,914,262</u>	<u>\$ 1,816,052</u>

6) Share capital

The company is authorized to issue an unlimited number of ordinary shares. As at September 30, 2011 ten (10) shares were issued.

7) Capital grants deferred

	Recurrent Expenditure	PSIP Expenditure	2011	2010
Grants deferred at the beginning of year	\$ 2,186,991	\$ 3,487,457	\$ 5,674,449	\$ 6,293,574
Grants received during the year	5,136,800	1,755,000	6,891,800	6,055,000
Expenditure for the year	(4,763,351)	(1,266,772)	(6,030,124)	(6,674,126)
Grants deferred at the end of year	<u>\$ 2,560,440</u>	<u>\$ 3,975,684</u>	<u>\$ 6,536,124</u>	<u>\$ 5,674,449</u>

Seafood Industry Development Company Limited

Notes to Financial Statements

September 30, 2011

8) Payables and accruals

	2011	2010
Trade payables	\$ 39,504	\$ 141,660
Accruals	526,408	544,092
	<u>\$ 565,912</u>	<u>\$ 685,752</u>

9) Operating loss

The company's operating loss includes the following items:

	2011	2010
	\$	\$
Wages and salaries	2,622,638	2,908,963
Depreciation	269,171	252,959
Repairs and maintenance	100,109	158,104
Directors' fees and expenses	445,874	416,911
Legal and professional fees	71,269	104,800

10) Related party transactions

The company's Chief Executive Officer earned total remuneration of \$486,300. Directors' fees and costs totaled \$445,874.

11) Inventory

The costs to produce the cookbooks have been capitalized and are written off simultaneously with the sale of the books.

	2011	2010
Cookbooks	\$ 140,292	\$ 180,507
Fish food	3,675	87,268
	<u>\$ 143,967</u>	<u>\$ 267,775</u>

Seafood Industry Development Company Limited

Notes to the Financial Statements

September 30, 2011

12) Administrative and operating and PSIP Expenses

	Administrative and operating		Year ended September 30	
	PSIP		2011	2010
Advertising	68,502	45,997	114,499	82,000
Aquaculture - IMA	111,381	-	111,381	62,902
- Green Water	74,991	-	74,991	275,506
Audit fees	-	15,000	15,000	10,925
Bank charges	-	2,600	2,600	3,999
Board meetings	-	42,654	42,654	41,311
Cookbooks	-	32,894	32,894	26,446
Depreciation	298,342	269,171	567,512	566,749
Donations	-	6,250	6,250	-
Dues and subscriptions	-	7,318	7,318	9,203
Electricity	147,112	34,692	181,804	190,408
Finance charges	-	27,264	27,264	19,398
Grants - TTUF	-	-	-	43,017
- WIFA	25,450	-	25,450	110,000
Insurance	14,762	75,416	90,178	55,491
Legal and professional fees	310,064	71,269	381,332	139,750
Marketing	51,111	12,111	63,222	64,233
Meetings and seminars	17,355	44,804	62,159	29,323
Miscellaneous	120	1,239	1,359	4,417
National insurance	-	106,693	106,693	114,793
Office supplies	800	51,615	52,415	47,489
Rent - Building	-	637,500	637,500	560,000
- Equipment	-	98,443	98,443	80,199
- Other	-	-	-	1,950
Repairs and maintenance - building	11,167	24,321	35,488	48,053
- equipment	29,815	39,236	69,051	106,136
- general	22,548	22,310	44,857	38,978
- vehicles	-	25,242	25,242	31,601
Research	3,500	-	3,500	7,152
Salaries, wages and staff benefits	64,974	3,052,680	3,117,653	3,284,563
Security	225,758	125,194	350,952	253,984
Site preparation	609	-	609	23,656
Stationery, printing and postage	42,781	61,216	103,996	128,890
Telephone	-	80,755	80,755	186,520
Toco & Sea Lots ice facility supplies	47,575	-	47,575	48,490
Training	(6,500)	-	(6,500)	59,156
Transportation	2,900	20,500	23,400	19,615
Travel	-	44,444	44,444	222,538
	<u>\$ 1,565,114</u>	<u>\$ 5,078,828</u>	<u>\$ 6,643,942</u>	<u>\$ 6,998,841</u>