



THE SECOND REPORT OF THE AUDITOR GENERAL OF THE REPUBLIC OF TRINIDAD AND TOBAGO ON THE FINANCIAL STATEMENTS OF THE SUGAR INDUSTRY LABOUR WELFARE COMMITTEE FOR THE YEAR ENDED SEPTEMBER 30, 2002

The First Report of the Auditor General on the Non-receipt of Financial Statements of the Sugar Industry Labour Welfare Committee for the years ended September 30, 1998 to 2003 was signed by the Auditor General on 24th August, 2004 and submitted to the Speaker of the House of Representatives and the President of the Senate for laying in the House of Representatives and the Senate respectively and to the Minister of Finance.

2. Section 12 of the Sugar Industry (Labour Welfare Fund) Regulations requires the Auditor General to audit the accounts of the Committee. The accompanying Financial Statements of the Sugar Industry Labour Welfare Committee for the year ended September 30, 2002 have been audited. The Statements comprise a Balance Sheet as at September 30, 2002, an Income and Expenditure Statement for the year ended September 30, 2002, and Notes to the Financial Statements numbered 1 to 14.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

3. The management of the Sugar Industry Labour Welfare Committee is responsible for the preparation and fair presentation of these Financial Statements in accordance with generally accepted accounting principles 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

4. The Auditor General's responsibility is to express an opinion on these Financial Statements based on conducting the audit in accordance with generally accepted auditing standards. Because of the matters described in the Basis for Disclaimer of Opinion paragraph, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

BASIS FOR DISCLAIMER OF OPINION

SOURCE DOCUMENTS AND SUBSIDIARY RECORDS

5. Source documents, schedules, and subsidiary records necessary for the verification of key balances on the financial statements were not produced for audit examination as shown below:

BALANCES SHEET

Non Current Assets	\$
Freehold Lands	347,771.98
Development of Housing Sites	14,617,561.97
Current Assets	
Mortgages and Advances	43,895,729.83
Cash and Cash Equivalents	15,684,368.62
Receivables	2,957,808.66
Equities and Liabilities	
Capital Grants	(18,980,747.52)
Sugar Levies	(15,368,060.46)
Price Stabilisation Fund	(34,014.64)
Current Year Accumulated Expense	(6,499,653.17)
YTD Accumulated Expense	(37,552,570.46)
Current Liabilities	
Other Creditors	(347,752.53)
Provision for Bad Debts	(62,918.22)

INCOME STATEMENT

Income	
Interest on Mortgages/Advances	2,257,006.18
Interest on Investment	116,135.89
Interest earned Current A/C	110,560.39
Processing Fees	49,254.69
Income from Land Sale	695,893.08
Income – Sugar Levies	142,064.73
Expenditure	
Employee Expenses	4,138,271.45
Appropriation of Sugar Levies	142,064.73



DISCLAIMER OF OPINION

6. Because of the significance of the matters described in the Basis for Disclaimer of Opinion at paragraph 5 above, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on the financial statements of the Sugar Industry Labour Welfare Committee for the year ended September 30, 2002.

SUBMISSION OF REPORT

7. 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.

21st February, 2018
PORT OF SPAIN




MAJEED ALI
AUDITOR GENERAL

JK
2018 02 21

SUGAR INDUSTRY LABOUR

WELFARE COMMITTEE

(SILWC)

FINANCIAL STATEMENT

AS AT

SEPTEMBER 30 2002

Sugar Industry Labour Welfare Committee

BALANCE SHEET

As at 30th September, 2002

September 30th, 2002
\$TT

September 30th, 2001
\$TT

ASSETS

Non Current Assets

Freehold Lands		347,771.98	347,771.98
Development of Housing Sites		14,617,561.97	13,613,715.32
Motor Vehicle		100,814.33	126,017.67
New Office Building	Note 6	629,205.00	629,205.00
Furniture and Fixtures	Note 7	432,417.57	375,593.34
Computers and Software	Note 7	179,101.04	207,310.49

SUB TOTAL

16,306,871.89

15,299,613.80

Current Assets

Mortgages and Advances		43,895,729.83	41,834,946.85
Cash and Cash Equivalents		15,684,368.62	12,691,510.12
Receivables		2,957,808.66	2,567,517.77
Pro Notes		938.00	938.00

SUB TOTAL

62,538,845.11

57,094,912.74

TOTAL ASSETS

78,845,717.00

72,394,526.54

Sugar Industry Labour Welfare Committee

BALANCE SHEET

As at 30th September, 2002

		September 30th, 2002	September 30th, 2001
		\$TT	\$TT
EQUITIES AND LIABILITIES			
Capital and Reserves			
Capital Grants	Note 11	(18,980,747.52)	(18,977,336.08)
Sugar Levies		(15,368,060.46)	(15,225,995.73)
Price Stabilisation Fund		(34,014.64)	(34,014.64)
Current Year Accumulated Expense		(6,499,653.17)	(5,916,945.11)
YTD Accumulated Expense		(37,552,570.46)	(31,635,625.35)
SUB TOTAL		(78,435,046.25)	(71,789,916.91)
Current Liabilities			
Other Creditors	Note 10	(347,752.53)	(541,691.41)
Provisions for Bad Debts		(62,918.22)	(62,918.22)
SUB TOTAL		(410,670.75)	(604,609.63)
TOTAL LIABILITIES		(78,845,717.00)	(72,394,526.54)



Secretary/Exec. Officer

Lydia M. Brown

Accounting Executive 1

Elvina

Sugar Industry Labour Welfare Committee

Income and Expenditure Statement

	September 30th -2002	September 30th -2001
	YTD	YTD
	\$TT	\$TT
INCOME		
Interest on Mortgages / Advances	2,257,006.18	2,064,017.31
Interest on Investment	116,135.89	967,743.83
Interest earned Current A/C	110,560.39	155,148.59
Processing Fees	49,254.69	64,380.00
Other Income	133,771.49	107,995.64
Land Premium	21,612.07	93,909.77
Income from Land Sale	695,893.08	25,000.00
Income - Sugar Levies	142,064.73	163,326.28
Subvention	6,424,549.05	7,805,455.62
TOTAL INCOME	9,950,847.57	11,446,977.04

EXPENDITURE

Employee Expenses	4,138,271.45	3,776,188.23
Administrative Expenses	1,069,029.50	1,181,065.16
Maintenance	836,827.54	302,714.48
Depreciation	129,853.61	106,737.78
Appropriation of Sugar Levies	142,064.73	163,326.28
Other Expense	2,450.00	
TOTAL EXPENDITURE	6,318,496.83	5,530,031.93

SUGAR INDUSTRY LABOUR WELFARE COMMITTEE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30th SEPTEMBER 2002

INCORPORATION AND BUSINESS ACTIVITIES

1. **The Sugar Industry Labour Welfare Committee was incorporated in the Republic of Trinidad & Tobago by Ordinance No. 12 of 1948.**

Its principle activities are as follows:-

- **Provision of secured housing loans**
- **Development of Infrastructure of housing settlements**
- **Maintenance of related housing settlements**

2. **SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies are based on generally accepted accounting principles.

a) Basis of Preparation

The financial statements are prepared using the historical cost accrual convention.

b) Freehold Land and Development of Housing Sites

Freehold land is purchased by the Committee for development over time. Funds have been provided by Central Government for some land purchases, and infrastructural development of housing sites.

It has been a policy of the Committee and a condition of the contract with the Borrowers that all lots distributed should be conveyed in full, free from all encumbrances to the borrowers upon the expiration of the **twenty (20) years Lease (there are cases where lots have been conveyed before the normal expiry date). A land rent is collected for the duration of the period.**

A Cabinet decision made in 1985 has changed the terms and condition in respect to land distributed by the Committee in order to be consistent with other lands distributed by the State for housing purposes. Lots distributed after **22nd April, 1986 would attract a **thirty (30) years Lease**.**

No provision has been made to remove the cost of settlement where the **twenty (20) years period of the lease to borrowers has expired. In many cases the legal formality has not yet taken place, although the right exists.**

A policy is being established to quantify the write off of these expired settlements.

c) **Fixed Assets and Depreciation**

Fixed Assets are recorded at Cost and includes improvement. The cost of maintenance and repairs are charged to expenses. Upon disposal of items the cost and related Accumulated depreciation are removed from the respective accounts and the gain or loss, if any, is reflected in the earnings of the year.

Depreciation has been provided to write off the assets over the estimated useful life. Depreciation is not provided on freehold land

The Committee's policy on the depreciation of the following assets is to write off the book value on a straight line basis. A proportionate charge is made in the year of purchase except where the asset is purchased in the latter half of the year, in which case a pro-rata basis is applied. Assets that are still existing at the end of its estimated useful life have been left with a \$1.00 balance to signify their existence.

Current Rates of Depreciation Are:

- | | |
|----------------------|-----------------|
| a. Electrical Items | 20% per annum |
| b. Motor Vehicles | 20% per annum |
| c. Computer Hardware | 20% per annum |
| d. Computer Software | 20% per annum |
| e. Other Items | 10% per annum |
| f. Work in Progress | No Depreciation |

Capital Expenditure on rented premises is depreciated using the straight line method at the rate of **10% per annum** on assets held at the end of the year. The rate was originally intended to cover the expected Occupancy period of the building.

d) **Bad Debts**

Provision has been made for doubtful debts.

The provision made in these financial statements is based upon prudent analysis of the value existence of the security. At present all delinquent loans are under review by the Committee (via a constituted Sub-Committee). An ongoing investigative exercise is in progress.

e) **Capital Grants**

A depreciable asset purchased with a government capital grant is amortized in the same manner as the asset is depreciated. The amortization is taken as income in the Revenue Account. Depreciation Appropriation from **Accumulated Fund** (per Ministry of Finance and the Economy F: 22/8/43 dated 23rd July, 1969).

(3) **DEVELOPMENT OF HOUSING SITES**

This represents accumulated expenditure on infrastructural development of settlements owned by the Committee. No write off was effected in the 1999 accounts.

(4) **FREEHOLD LAND**

This represents land purchased by the Committee for development and distribution to borrowers.

(5) **RENTED PROPERTY- LAND AND BUILDING**

This property was vacated in 1987 and an agreement was reached with **Caroni 1975 Ltd** to exchange same for one acre of land situated at Camden Couva. The amount of **\$81,625.15** has now been included under Capital Expenditure on the New Head Office Building.

(6) **NEW OFFICE BUILDING**

This represents note 5 above, plus expenditure on soil tests and preliminary consultancy fees in respect of the construction of a new office building. Total Expenditure to Date is **\$644,205.46**

(7) FIXED ASSET SCHEDULE

ASSET GROUP	COST	ACCUMULATED DEPRECIATION To 30/9/2001	DEPRECIATION To 30/9/2002	NET BOOK VALUE
Capital Expenditure on rented Premises	\$141,165.40	\$141,162.40	\$0.00	\$3.00
Furniture & Office Equipment	\$945,126.70	\$450,597.29	\$62,111.84	\$432,417.57
Computer Software	\$98,121.33	\$59,472.61	\$7,729.74	\$30,918.87
Computer Hardware	\$306,125.98	\$123,135.21	\$34,808.70	\$148,182.07
Motor Vehicle	\$151,099.4	\$25,203.33	\$25,203.33	\$100,814.33
TOTAL	\$1,641,638.81	\$799,449.25	\$129,853.61	\$712,335.94

(8) MORTGAGES & ADVANCES

Advances are stated at principal outstanding.

Arrears of principal, interest and insurance for the year
Ended 30th September, 2002 amounted to \$1,440,548.36

(9) CASH AT BANK

This sum represented by balances held as of 30th Sept are as follow:-

	2002 \$	2001 \$
Republic Bank A/C # 1	223,919.41	243,359.77
Republic Bank A/C # 2	1,212,058.98	445,759.10
TOTAL	1,435,978.39	689,118.87

(10) CURRENT LIABILITIES

See Schedule 11

(11) CAPITAL GRANTS

Capital Grants have been received from Central Government for purposes as follows:

	2002	2001
a. Development of Housing sites (See note 2(b) and (3))	\$5,473,537.60	\$5,473,537.60
b. Loan Fund	\$12,071,412.00	\$12,071,412.00
c. Head Office Building	\$84,628.40	\$84,628.40
d. New Permanent Head Office	\$224,245.31	\$224,245.31
TOTAL	\$17,853,823.31	\$17,853,823.31

(12) SUGAR LEVY

This represents a levy on sugar manufacturers equivalent to two dollars and forty cents (\$2.40) for every ton of sugar manufactured and exported, as laid down in "The Sugar Industry Labour Welfare Ordinance No. 12 of 1948".

For the year 2002 the sum of \$136,110.57 was receivable from Caroni (1975) Ltd.

(13) GOVERNMENT GRANT – COST OF ADMINISTRATION

Funding is provided by the Central Government to meet certain administration Expenses.

Unutilized amounts are refunded annually.

(14) CREDIT BALANCES IN MORTGAGES AND ADVANCES

	2002	2001
1) Credit Balances	\$311,375.41	\$280,082.44

Credit Balances represent the following:

- (a) Overpayment on loans paid off and balances b/f from previous year(s)
- (b) Existing loans with overpayments on current year installments
- (c) Loans which have been closed during the accounting period and remain with credit balances.