



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, 1999

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, 1999 have been audited. The Statements comprise a Balance Sheet as at September 30, 1999, an Income Statement for the year ended September 30, 1999 and Notes to the Financial Statements numbered 1 to 19.

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 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:

<u>BALANCES SHEET</u>	
Non Current Assets	\$
Freehold Lands	347,771.98
Development of Housing Sites	5,394,314.58
Current Assets	
Cash and Cash equivalents	8,689,018.68
Receivables	3,382,532.60
Equities And Liabilities	
Capital Grants	(18,082,703.70)
Price Stabilisation Fund	(34,014.64)
YTD Accumulated Expense	(18,601,540.45)
Other Creditors	(906,215.31)
Provision for Bad Debts	(62,918.22)

5.1 Limited accounting records were provided for the verification of certain figures seen on the Income Statement. However the figures shown on the accounting records did not agree with the amounts shown on the Income Statement for the following:

<u>INCOME STATEMENT</u>	
	\$
Subvention	3,988,729.00
Administrative Expenses	708,830.33

DISCLAIMER OF OPINION

6. Because of the significance of the matters described in the Basis for Disclaimer of Opinion at paragraphs 5 and 5.1 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.



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

JR
2018 02 21

**SUGAR INDUSTRY LABOUR
WELFARE COMMITTEE
(SILWC)**

**FINANCIAL STATEMENT
AS AT
September 30, 1999**

SUGAR INDUSTRY LABOUR WELFARE COMMITTEE

Income Statement

For the Twelve Months Ending 30th September 1999

September -1999

YTD

\$TT

INCOME

Interest on Mortgages / Advances		1,781,659.37
Interest on Investment	Note 11	637,329.45
Interest earned Current A/C		65,197.59
Processing Fees		63,896.57
Other Income		64,487.60
Land Premium		21,630.16
Income - Sugar Levies		151,431.42
Subvention		3,988,729.00

TOTAL INCOME

6,774,361.16

EXPENDITURE

Employee Expenses	3,346,960.35
Administrative Expenses	708,830.33
Maintenance	199,411.68
Depreciation	56,303.09
Appropriation of Sugar Levies	151,431.42
Other Expense	500,243.19

TOTAL EXPENDITURE

4,963,180.06

SUGAR INDUSTRY LABOUR WELFARE COMMITTEE

BALANCE SHEET

As at 30th September 1999

	September 1999 \$TT	September 1998 \$TT
ASSETS		
Non Current Assets		
Freehold Lands	347,771.98	347,771.98
Development of Housing Sites	5,394,314.58	5,220,833.75
Property - Forres Park	Note 7	85,500.00
Motor Vehicle	1.00	1.00
New Office Building	Note 6	330,870.46
Furniture and Fixtures	Note 9	161,012.90
Computers and Software	Note 9	143,601.90
Pro Notes	938.00	938.00
SUB TOTAL	6,381,998.43	6,290,529.99
Current Assets		
Mortgages and Advances	35,938,760.61	34,049,761.31
Cash and Cash Equivalents	Note 12	8,161,218.98
Receivables	Note 13	4,141,192.85
Prepayments	10,000.00	10,000.00
SUB TOTAL	48,020,311.89	46,362,173.14
TOTAL ASSETS	54,402,310.32	52,652,703.13

SUGAR INDUSTRY LABOUR WELFARE COMMITTEE

BALANCE SHEET

As at 30th September 1999

September 1999
\$TT

September 1998
\$TT

EQUITIES AND LIABILITIES

Capital and Reserves

Capital Grants	Note 16	(18,082,703.70)	(18,239,687.53)
Sugar Levies		(14,903,737.00)	(14,752,305.58)
Price Stabilisation Fund		(34,014.64)	(34,014.64)
Current Year Accumulated Expense		(1,811,181.10)	(2,296,035.35)
YTD Accumulated Expense		(18,601,540.45)	(16,305,505.10)
SUB TOTAL		(53,433,176.89)	(51,627,548.20)

Current Liabilities

Trade Creditors		0.10	
Other Creditors		(906,215.31)	(962,236.71)
Provisions for Bad Debts	Note 15	(62,918.22)	(62,918.22)
SUB TOTAL		(969,133.43)	(1,025,154.93)

TOTAL LIABILITIES

(54,402,310.32) (52,652,703.13)

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Secretary/Exec. Officer



Chairman

[Signature]

[Signature]

SUGAR INDUSTRY LABOUR WELFARE COMMITTEE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th SEPTEMBER 1999

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. In 1998 the committee changed the Fiscal Year from Jan-Dec to October to September thus creating a short Fiscal Year of nine (9) months.

- a) **Basis of Preparation**

The financial statements are prepared using the historical cost 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.

(7) PROPERTY – FORRES PARK

Property at Forres Park represents Land and Building purchased by the Committee in 1990 at lot # 75 Forres Park Housing Settlement.

(8) RENTED TEMPORARY HEAD OFFICE

Head Office Rented from the National Housing Authority on which capital expenditure has been incurred.

(9) FIXED ASSET SCHEDULE (DEPRECIATION ASSET)

ASSET GROUP	COST	ACCUMULATED DEPRECIATION To 30/9/1998	DEPRECIATION To 30/9/1999	NET BOOK VALUE
Capital Expenditure on rented Premises	\$141,165.40	\$141,162.40	\$0.00	\$3.00
Furniture & Office Equipment	\$535,994.90	\$337,184.30	\$26,345.94	\$172,464.66
Computer Software	\$84,646.33	\$33,329.14	\$8,811.96	\$44,505.18
Computer Hardware	\$147,164.98	\$34,887.22	\$21,145.19	\$91,132.57
Motor Vehicle	\$24,899.40	\$24,898.40		\$1.00
TOTAL	\$933,871.01	\$569,461.46	\$56,303.1	\$308,106.41

(10) MORTGAGES & ADVANCES

Advances are stated at principal outstanding.

Arrears of principal, interest and insurance for the year
Ended 30th September, 1999 amounted to \$870,570.69

(11) INTEREST INCOME

1	ROYAL BANK		\$ 419,570.25
2	SCOTIA BANK		\$ 125,922.59
3	UNIT TRUST		\$ -
4	REPUBLIC BANK		\$ 11,603.87
5	ROYTRIN INCOME AND GROWTH		\$ 27,205.81
6	ROYTRIN MMF		\$ 53,026.93

(12) CASH AND CASH EQUIVALENTS

	1999	1998
140/9 COA	\$2,119,296.99	\$1,091,475.97
Republic Bank A/C 1	\$-137,972.24	\$339,467.69
Republic Bank A/C 2 COA	\$228,880.53	\$32,362.01
Republic Bank A/C 2 DHS	\$0	\$5,982.45
Unit Trust Investment	\$26.25	\$3,359,384.94
Royal Bank Investment	\$2,826,047.74	\$1,800,000.00
Republic Bank Investment	\$868,107.87	\$496.11
Roytrin Mutual Funds	\$1,474,044.27	\$1,474,044.27
Scotia Bank Investment	\$1,648,371.1	\$58,005.54
TOTAL	\$8,689,018.68	\$8,161,218.98

(13) RECEIVABLES

	1999	1998
Interest Receivable - Mortgages	\$613,254.29	\$532,065.30
Lot Rent Receivable	\$177,277.59	\$177,338.38
Water Rates Receivables	\$7,621.38	\$8070.94
Sale of Land Receivables	\$152,409.68	\$215,513.83
Insurance Receivables	\$257,186.31	\$260151.16
House Rates Receivables	\$53,589.43	\$49,621.94
Land Premium Receivables	\$533,646.91	\$643,597.46
Sundry Debtors - Caroni Sugar Levy	\$619,919.52	\$468,488.1
Sundry Debtors - Others	\$0	\$15763.58
Sundry Debtors - Schedules	\$967,627.49	\$1,767,520.91
Sundry Debtors - Comptroller of Accounts	\$0	\$3,061.25
TOTAL	\$3,382,532.60	\$4,141,192.85

(14) OTHER CREDITORS

(15) PROVISION FOR BAD DEBTS

	1999	1998
Provision for Bad Debts Mortgage	\$58,282.15	\$58,282.15
Provision for Bad Debts Interest	\$4,636.07	\$4,636.07
TOTAL	\$62,918.22	\$62,918.22

(16) CAPITAL GRANTS

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

	1999	1998
a. Loan Fund	\$12,071,412.00	\$12,071,412.00
b. Development of Housing Sites	\$5,554,037.60	\$5,554,037.60
c. Head Office Building	\$84,628.40	\$84,628.40
d. New Permanent Head Office	\$224,245.31	\$224,245.31
e. Computers	\$91,132.57	\$122,215.69
f. Furniture & Equipment	\$172,464.66	\$144,649.53
g. Software	\$44,505.18	\$45,903.19
TOTAL	\$18,082,703.70	\$17,853,823.31

An adjustment to introduce Capital Grants for Fixed assets accounting as per Schedule was introduced.

(17) 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 1999 the sum of \$151,431.42 was receivable from Caroni (1975) Ltd.

(19) CREDIT BALANCES IN MORTGAGES AND ADVANCES

	1999	1998
1) Credit Balances	\$331,288.97	\$189,084.81

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.