



**AUDIT
OFFICE**
BVI GOVERNMENT

BVI RECREATION TRUST
Financial Statements
For The Year Ended 31 December 2004



15 December 2009

BVI RECREATION TRUST
Statements of Account

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GOVERNMENT OF THE VIRGIN ISLANDS OFFICE OF THE AUDITOR GENERAL

PO Box 174, Road Town, Tortola, Virgin Islands
Telephone: (284) 468-4144, Facsimile: (284) 468-4148

To: The Board of the BVI Recreation Trust
Road Town, Tortola, British Virgin Islands

AUDIT CERTIFICATE

We have examined the accompanying financial statements of the BVI Recreation Trust which comprise of the Balance Sheet and Statement of Revenue, Expenses and Fund Balance for the year ending 31 December 2004 and the related notes.

Management's Responsibility

Management is responsible for the preparation and fair presentation of the Trust's financial statements in accordance with International Financial Reporting Standards. This responsibility includes, designing implementing and maintaining internal controls 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

Our Responsibility is to express an opinion on these financial statements based on our audit. We have conducted our audit in accordance with international standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable, assurance about whether the financial statements are free of material misstatement, whether due to fraud or error.

Scope

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 misstatements of the financial statements, whether due to fraud or error. In making these risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

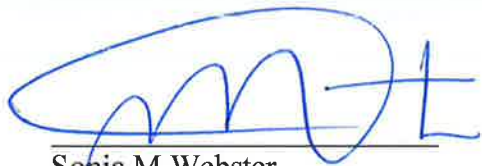
Except as discussed in the following paragraph, we believe that the audit evidence obtained is sufficient to provide a reasonable basis for our opinion on the financial statements.

Restriction of Scope

The financial statements and supporting records for the years 2002 and 2003 have not been submitted for audit examination. The Trust is known to have been in operation during this period and to have received Government Grant in the amount of \$923,000.00 to cover operating costs. Affected by this restriction of scope are items in the financial statements which should reflect brought forward balances such as assets, liabilities and the fund balance.

Opinion

In our opinion, except for the effects of such adjustments, as might have been determined necessary had we received the 2002 and 2003 statements of account, the financial statements referred to above, reflect in all material respects, the financial position of the BVI Recreation Trust as at 31 December 2004 and its financial performance for the year then ended.



Sonia M Webster
Auditor General

15 December 2009

BVI RECREATION TRUST

BALANCE SHEET

As At 31 December 2004

	<u>Notes</u>	<u>2004</u> US\$
<u>ASSETS</u>		
Current Assets		
Cash at Bank	4	38,195.85
Fixed Assets		
Equipment	6	<u>360.00</u>
		<u>38,555.85</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
Fund Balance	3	<u>38,555.85</u>
		<u>38,555.85</u>


Chairman


Treasurer

The accompanying notes form an integral part of these financial statements.

BVI RECREATION TRUST

Statement of Revenue Expenditure and Fund Balance

For the Year Ended 31 December 2004

	<u>Notes</u>	<u>2004</u> US\$
<u>REVENUE</u>		
Government Grant	5	266,389.60
Other Receipts		5,000.00
Total Revenue		<u>271,389.60</u>
<u>EXPENSES</u>		
Bank Charges		301.06
Cleaning of Facilities		15,570.00
Cleaning Supplies		7,525.11
Electrical Upgrade and Repairs		23,020.00
Depreciation	6	40.00
Electricity	7	49,968.21
Lease Property		1,500.00
Property Improvement		40,934.02
Salaries and Wages	8	74,035.82
Security		2,016.00
Social Security	8	4,796.38
Trucking and Backhoe Service		12,735.00
Water		140.00
Other Expenses	9	252.15
Total Expenditure		<u>232,833.75</u>
Operating Surplus		<u>38,555.85</u>
Fund Balance at Beginning of Year	3	<u>0.00</u>
Fund Balance at End of Year		<u><u>38,555.85</u></u>

The accompanying notes form an integral part of these financial statements.

BVI RECREATION TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2004

1. Organisation

The BVI Recreation Trust (the Trust) is a corporate body established under the Recreation Trust Act, Cap. 278 of the laws of the Virgin Islands. The Trust is charged with the responsibility of acquiring, administering and maintaining recreational grounds and facilities to meet the continuing needs of the BVI community. The Trust is funded primarily through contributions from the Government of the Virgin Islands which contributed 98% of its revenue in 2004. The activities of the Trust are administered by a board, which consists of a Chairman, Treasurer, Secretary and members.

2. Significant Accounting Policy

- i. **Basis of Preparation** – The accompanying financial statements were prepared on a modified cash basis of accounting. Accordingly, revenue is recognized when cash is received and expenditure recognized when cash is paid.
- ii. **Fixed Assets** – The assets administered by the Trust are the property of the Government of the Virgin Islands. Therefore the substantial amounts expended each year on the maintenance and improvements of these assets are not capitalized but expensed in the statement of Revenue and Expenditure.
- iii. **Cash At Banks** – This represents unrestricted cash.
- iv. **Leases** – Lease payments are classified as operating expenses where a significant portion of the risks and rewards of ownership are retained by the lessor. Payments made under such leases are expensed in the Statement of Revenue and Expenditure.

3. Non Submission of 2002 and 2003 Statements of Accounts

The financial statements and supporting records for the years 2002 and 2003 were not submitted for audit examination. During that two year period the Trust, which was administered by its previously appointed Board, received Government funds of \$923,000.00. These funds have not been accounted for.

Affected by this restriction are the statement items which should reflect brought forward balances such as assets, liabilities, the fund balance and the cash flow statement. Efforts are continuing to elicit submission of the accounts and documents required for this period. After these are received adjustments may be required to the 2004 statements. Notes 4 and 5 below are also relevant.

BVI RECREATION TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2004

4. **Cash Balance**

The Cash Balance disclosed in the financial statements is represented by a bank account held at Scotia Bank. Another inactive account (mentioned in note 3. above) was maintained by the Trust's previous Board. Sufficient information was not provided on the status of that account.

5. **Government Grant**

These financial statements disclose an amount of \$266,389.60 as Government Grant in 2004. This amount does not include additional funds of \$38,610.40 that were issued by the Government to cover an overdrawn account at Banco Popular left behind by the Trust's previous board. This brought the Government's total contribution to the BVI Recreation Trust in 2004 to \$305,000.00.

6. **Fixed Assets**

<u>Fixed Assets</u>	<u>Years</u>	<u>At Cost</u>	<u>Depreciation</u> <u>2004</u>	<u>Depreciated</u> <u>Value</u>
Equipment	5	<u>400.00</u>	<u>40.00</u>	<u>360.00</u>
		<u>400.00</u>	<u>40.00</u>	<u>360.00</u>

7. **Electricity**

Electricity expenses recorded on the statements represent the amounts actually paid during the year rather than the accrued amounts. At 31 December 2004, the unpaid electricity charges for the Trust were \$66,814.98.

8. **Payroll Related Expenses**

- i. **Salaries and Wages** - This primarily refers to payments made to unregularised employees for custodial and maintenance services provided at the various recreation facilities and grounds.
- ii. **Personal Income Tax** - Contrary to the provisions of the Income Tax Ordinance, no tax deductions were made from the employees' salaries during the year. Consequently, none was paid to the Inland Revenue Department.

9. **Other Expenses**

Other expenses include minor unclassified miscellaneous expenses incurred during the year.