



**AUDIT
OFFICE**
BVI GOVERNMENT

BVI RECREATION TRUST
Financial Statements
For The Year Ended 31 December 2005



15 December 2009

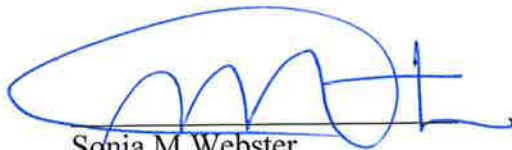
Restriction of Scope

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.

In addition, we were unable to receive sufficient information for a payment of \$9,000.00 appearing in the records of the Trust as a Building Expense. The name of the payee was not recorded and the cancelled cheque could not be located for verification purposes.

Opinion

In our opinion, except for the effects of such adjustments, as might have been determined necessary had we received the statements/information discussed in the two foregoing paragraphs, the financial statements for the year ended 31 December 2005, reflect in all material respects, the financial position of the BVI Recreation Trust as at 31 December 2005 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 2005

	<u>Notes</u>	<u>2005</u> US\$	<u>2004</u> US\$
<u>ASSETS</u>			
Current Assets			
Cash at Bank	4	101,087.08	38,195.85
Advance	5	18,722.37	-
Fixed Assets			
Equipment	7	<u>15,648.45</u>	<u>360.00</u>
		<u>135,457.90</u>	<u>38,555.85</u>
 <u>LIABILITIES AND FUND BALANCE</u>			
Fund Balance	3	<u>135,457.90</u>	<u>38,555.85</u>
		<u>135,457.90</u>	<u>38,555.85</u>



Chairman



Treasurer

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

BVI RECREATION TRUST

Statement of Cash Flows

For the Year Ended 31 December 2005

	<u>Notes</u>	<u>2005</u> US\$
CASH FLOW FROM OPERATING ACTIVITIES		
Surplus for the year		96,902.05
Adjustment for Depreciation		<u>2,136.49</u>
Net Cash Flows from Operating Activities		99,038.54
<hr/>		
Purchase of Fixed Assets		(17,424.94)
Amount Advanced for Fixed Assets Purchase		<u>(18,722.37)</u>
NET INCREASE FROM CASH EQUIVALENTS		62,891.23
CASH AND CASH EQUIVALENTS		
Cash at Beginning of the Year		38,195.85
Cash at End of the Year		<u><u>101,087.08</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 2005

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. All amounts are stated in United States Currency.
- ii. **Fixed Assets** – The land and building administered by the Trust are the property of the Government of the Virgin Islands. Therefore the substantial amount expended each year on maintenance and improvements of these assets is 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 subsequent statements.

BVI RECREATION TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2005

4. **Cash Balance**

The Cash Balance disclosed in the financial statements is represented by an account held at Scotia Bank. Another inactive account (mentioned in note 3. above) was maintained by the Trust's previous Board. No information was provided on the status of that account.

5. **Advance**

The Trust advanced an amount of \$18,722.37 for the purchase of office furniture which was not received during 2005. This amount represents 50% of the total cost of the furniture.

6. **Government Grant**

The Government provides an annual subvention to the Trust to assist with operating expenses. During 2005 the amount granted was \$603,000.

7. **Fixed Assets**

Assets as of 31 December 2005 consist of:

	<u>Office Equipment</u>	<u>Recreation Equipment</u>	<u>Total</u>
Cost/Valuation	\$	\$	\$
At 31 December 2004	-	400.00	400.00
Additions	2,400.00	15,024.94	17,424.94
Disposals	-	-	-
At 31 December 2005	<u>2,400.00</u>	<u>15,424.94</u>	<u>17,824.94</u>
Accumulated Depreciation			
At 31 December 2004	-	40.00	40.00
Depreciation Charge for 2005	240.00	1,896.49	2,136.49
Written Off on Disposal	-	-	-
At 31 December 2005	<u>240.00</u>	<u>1,936.49</u>	<u>2,176.49</u>
Net Book Value			
At 31 December 2005	<u>2,160.00</u>	<u>13,488.45</u>	<u>15,648.45</u>

8. **Electricity**

Electricity expenses recorded on the statements represent the amounts actually paid during the year rather than the accrued amounts. At 31 December 2005, the unpaid electricity charges for the Trust were \$111,329.32.

BVI RECREATION TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2005

9. Old Trust Bills

During the year, information was received from the former Treasurer of the Trust indicating that some of the contract workers had been underpaid in 2003. These obligations were addressed in the 2005 financial year and payments were issued in the amounts indicated below:

OLD TRUST BILLS	\$
Austin Todman	4,000.00
Dagg Samuels	3,000.00
Jeremiah Frett	3,000.00
Glenford Maduro	3,833.34
Melvin Scatliffe	1,500.00
Lionel Smith	800.00
	<u>16,133.34</u>

10. 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.

11. Other Expenses

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