

**BARBADOS  
NATIONAL INSURANCE BOARD**



**REPORT ON THE AUDIT OF THE ACCOUNTS OF  
THE SUGAR WORKERS' PROVIDENT FUND  
FOR THE YEAR ENDED DECEMBER 31<sup>ST</sup>, 2020**

# SUGAR WORKERS' PROVIDENT FUND

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For the year ended December 31, 2020

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# AUDITOR GENERAL'S OFFICE BARBADOS



## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the National Insurance – Sugar Workers' Provident Fund

### Opinion

I have audited the financial statements of The Sugar Workers' Provident Fund, which comprise the Statement of Financial Position as at 31<sup>st</sup> December 2020, Statement of Changes in Reserves, Statement of Comprehensive Income, and Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements present fairly, in all material respects the financial position of the Sugar Workers' Provident Fund as at 31<sup>st</sup> December 2020 and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

### Responsibility of Management and the Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standards (IFRS), 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 for the Audit of the Financial Statements

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance on whether the financial statements are free of material misstatement.

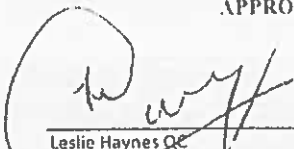
An audit involves performing procedures to obtain audit evidence supporting the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risk of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used as well as evaluating the overall presentation of the financial statements.

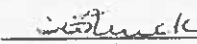
Auditor General  
2<sup>nd</sup> Floor Weymouth Corporate Centre  
20<sup>th</sup> September, 2021


**SUGAR WORKERS' PROVIDENT FUND**  
**Statement of Financial Position**  
**As at December 31, 2020**  
(Expressed in Barbados Dollars)

	Notes	2020 \$	2019 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash & Cash equivalents	4	101,171	38,069
Receivables	5	12,002	10,576
<b>Total Current Assets</b>		<b>113,173</b>	<b>48,645</b>
<b>Non-current assets</b>			
Long-term investments	6	16,604	25,595
<b>Total Non-Current Assets</b>		<b>16,604</b>	<b>25,595</b>
<b>TOTAL ASSETS</b>		<b>129,777</b>	<b>74,240</b>
<b>LIABILITIES AND RESERVES</b>			
<b>Current Liabilities</b>			
Liability to National Insurance	8	64,655	9,775
Other Liabilities	8	4,407	3,776
<b>Total Current Liabilities</b>		<b>69,062</b>	<b>13,551</b>
<b>Reserves</b>			
Fund reserve		60,715	60,689
<b>Total reserves</b>		<b>60,715</b>	<b>60,689</b>
<b>TOTAL LIABILITIES AND RESERVES</b>		<b>129,777</b>	<b>74,240</b>

APPROVED FOR ISSUE BY THE BOARD AND SIGNED ON ITS BEHALF BY:

  
\_\_\_\_\_  
Leslie Haynes QC  
Chairman,  
National Insurance Board

  
\_\_\_\_\_  
Janice Estwick  
Financial Controller  
National Insurance

  
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Jennifer Hunte  
Director (Ag.)  
National Insurance

**SUGAR WORKERS PROVIDENT FUND**  
**Statement of Changes in Reserves**  
**For the year ended December 31, 2020**  
**(Expressed in Barbados Dollars)**

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	<b>Fund balance</b>
	<b>\$</b>
<b>Balance as of January 01, 2019</b>	<b>63,001</b>
Net income/(loss) for the year	(2,312)
<b>Balance as of December 31, 2019</b>	<b><u>60,689</u></b>
Net income/(loss) for the year	26
<b>Balance as of December 31, 2020</b>	<b><u>60,715</u></b>

**SUGAR WORKERS PROVIDENT FUND**  
**Statement of Comprehensive Income**  
**For the year ended December 31, 2020**  
(Expressed in Barbados Dollars)

	Notes	2020	2019
		\$	\$
<b>INCOME</b>			
Contributions Income	3a (i)	7,075	6,491
Interest Impairment Gain		899	1,107
Pension Plan		225	-
<b>Total Income</b>		<b>8,199</b>	<b>7,598</b>
<b>EXPENDITURE</b>			
SWPF Benefit Expense	3a (iii)	3,668	6,206
Administration Expense	3a (iv)	4,005	3,704
Operating Expense - Loss Impairment		500	-
Funeral Grants		-	-
<b>Total Expenditure</b>		<b>8,173</b>	<b>9,910</b>
<b>NET (LOSS) INCOME FOR THE YEAR</b>		<b>26</b>	<b>(2,312)</b>
<b>Fund Reserve at January 1</b>		<b>60,689</b>	<b>63,001</b>
<b>Fund Reserve at December 31</b>		<b>60,715</b>	<b>60,689</b>

**SUGAR WORKERS PROVIDENT FUND**  
**Statement of Cash Flows**  
**For the year ended December 31, 2020**  
(Expressed in Barbados Dollars)

	2020	2019
	\$	\$
<b>Cash Flows from Operating activities</b>		
Net (loss) income for the period	26	(2,312)
<b>Adjustments for:</b>		
Impairment	(899)	(1,107)
	(873)	(3,419)
(Increase) Decrease in receivables	(1,425)	(5,902)
Increase (Decrease) in payables	55,511	(1,431)
<b>Net cash from (used in) operating activities</b>	<b>53,213</b>	<b>(10,752)</b>
<b>Cash Flows from Investing activities</b>		
Redemption of long term investments	9,889	7,417
<b>Net cash from (used in) investing activities</b>	<b>9,889</b>	<b>7,417</b>
<b>Net change in cash and cash equivalents</b>	<b>63,102</b>	<b>(3,335)</b>
<b>Cash and cash equivalents at January 1</b>	<b>38,069</b>	<b>41,404</b>
<b>Cash and cash equivalents at December 31</b>	<b>101,171</b>	<b>38,069</b>

2B) debt restructure

restructuring, the Sugar Workers' Account recognised an Impairment gain of \$899

view to the following risks from its use of financial instruments:

information about the Fund's exposure to each of the above risks, the Fund's policies for measuring and managing risk, and the Fund's management of reserves.

framework The Board has overall responsibility for the establishment and oversight of the Fund's risk management policies

management policies are established to identify and analyse the risks faced by the Fund, to implement controls, and to monitor risks and adherence to limits. Risk management policies and procedures also reflect changes in market conditions and services offered.

of financial loss to the Fund if a contributor or counterparty to a financial instrument becomes insolvent, liquidates, and arises principally from investments and accounts receivable.

credit risk The maximum credit exposure of the financial assets represents the maximum credit exposure.

credit risk management The Board has responsibility for the management of credit risk and this includes:

credit policies covering collateral requirements, credit assessment, documentary and legal requirements and statutory requirements.

credit authorisation structure for the approval of investments.

credit assessment including assessing all credit exposures in excess of designated limits committed to new investments.

collateral requirements for securities for which the Fund determines that it is probable that it will be unable to receive the cash or other financial asset due according to the contractual terms of the security agreement(s).

liquidity risk The risk that the Fund will encounter difficulty in meeting the obligations associated with its investments settled by delivering cash or another financial asset. The Fund's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation.

ident Fund Board up until 5 p.m. on 3 November, 1969. The Board proclaimed on December 20, 1969 that the Sugar Workers' Provident Fund may be

the law;

International Financial Reporting Standards (IFRS) as presented in these financial

the Fund's functional currency. All amounts are stated in US dollars to the nearest dollar.

requires management to make adjustments, other than those involving changes in accounting estimates, that affect (1) the reported amounts for the reporting date and the income and expense for the period ending in the next financial year. The adjustments are reviewed on an ongoing basis. The adjustments are revised if the revision affects the reported amounts for the reporting date and the period. The adjustments affect both current and future periods.

management Company, usually in the form of contributions are recorded on the balance sheet. Contributions from the amounts accrued. Investment income is recognised in the income statement using the cost method.



7. Financial Instruments (cont'd)

(d) Market risk

Market risk is the risk that changes in market prices, such as interest rates, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's / issuer's credit standing) will affect the Fund's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimising the return.

Fair value of financial instruments

The fair values of cash at bank, term deposits, interest receivable short term investments, accounts payable and accrued expenses are not materially different from the carrying amounts.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

8. Accounts Payable

	December 31, 2020	December 31, 2019
	\$	\$
Liability to National Insurance Fund (NIF)	64,655	9,775
Other Liabilities	4,407	3,776
	<u>69,062</u>	<u>13,551</u>

The Liability to NIF represents the Sugar Workers' Provident Fund's indebtedness to the National Insurance Fund, in respect of Audit fees and pensions and deposits. Other Liabilities include pensions as well as amounts due to Severance and Unemployment.

9. Contingencies

As at the statement of financial position date, there are no known contingencies.

10. Related Party Transactions

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

During the period under review the Sugar Workers' Provident Fund invested in financial instruments issued by the Government of Barbados as follows:

	2020	2019
Balance at beginning of year	25,595	31,905
Investments during the year	-	-
Maturities during the year	(9,890)	(7,417)
Interest during the year	-	-
Impairment during the year	899	1,107
Balance at end of year	<u>16,604</u>	<u>25,595</u>

