



HOUSING AUTHORITY OF GRENADA  
PROVIDING QUALITY & AFFORDABLE HOUSING

**FINANCIAL AUDIT**  
**FOR THE YEAR ENDED**  
**31<sup>st</sup> DECEMBER, 2018**

**HOUSING AUTHORITY OF GRENADA**

**Financial Statements**

**For The Year Ended 31 December, 2018**

**W. R. Agostini & Co.**

# HOUSING AUTHORITY OF GRENADA

## Financial Statements

For the year ended 31 December, 2018

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**W. R. AGOSTINI & CO.**  
**CHARTERED CERTIFIED ACCOUNTANTS**

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**Auditors' Report to the Minister of Housing**  
**Re HOUSING AUTHORITY OF GRENADA**

***Opinion***

We have audited the accompanying financial statements of Housing Authority of Grenada which comprise the statement of financial position as at 31 December 2018 and the statement of comprehensive income, statement of changes in equity and statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Authority as at 31 December 2018 and its financial performance and its cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

***Basis for Opinion***

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in Grenada and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Auditors' Report to the Minister of Housing  
Re HOUSING AUTHORITY OF GRENADA

Continued

***Responsibilities of Management and those Charged with Governance for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, 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.

In preparing the financial statements, management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Authority's financial reporting process.

***Auditor's Responsibilities for the Audit of the Financial Statements.***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

St. George's, Grenada.

23 June, 2022.

  
Chartered Certified Accountants.



**HOUSING AUTHORITY OF GRENADA**  
Statement of Financial Position as at 31st. December, 2018  
(With comparative figures for 2017)

<u>ASSETS</u>	<u>Notes</u>	<u>2018</u>	<u>2017</u>
<b>Current Assets</b>			
Cash and cash equivalents	3	\$ 251,066	97,926
Trade and other receivables	4	3,621,855	3,368,207
Inventories	5	<u>2,912,694</u>	<u>2,885,171</u>
<b>Total current assets</b>		<b><u>6,785,615</u></b>	<b><u>6,351,304</u></b>
<b>Non-Current Assets</b>			
Properties on leasesale	6	3,352,231	3,352,231
Mortgage loans	7	403,380	575,893
Work in progress	8	1,411,571	137,512
Land for construction at cost	9	7,322,300	7,352,419
Investment property	10	1,391,066	1,346,061
Property, plant and equipment	11	<u>1,873,118</u>	<u>1,790,915</u>
<b>Total non-current assets</b>		<b><u>15,753,666</u></b>	<b><u>14,555,031</u></b>
<b>Total assets</b>		<b><u>\$22,539,281</u></b>	<b><u>20,906,335</u></b>
<b>Financed By:</b>			
<b><u>LIABILITIES AND EQUITY</u></b>			
<b>Current Liabilities</b>			
Trade and other payables	12	\$ 631,725	432,518
Deposit on land/houses not allocated		1,431,661	445,808
Bank overdraft	3	25,635	16,284
Short-term borrowings	15	<u>86,461</u>	<u>108,899</u>
<b>Total current liabilities</b>		<b><u>2,175,482</u></b>	<b><u>1,003,509</u></b>
<b>Non-current liabilities</b>			
Long-term borrowing	15	624,765	700,121
Installments received on houses on leasesale		1,912,464	1,475,998
Government of Grenada	16	<u>23,167,875</u>	<u>23,167,876</u>
<b>Total non-current liabilities</b>		<b><u>25,705,104</u></b>	<b><u>25,343,995</u></b>
<b>Shareholder's Equity/(Deficit)</b>			
Capital contribution	13	12,600,728	12,600,728
Revaluation reserve		1,944,999	1,944,999
Current account	14	<u>(19,887,032)</u>	<u>(19,986,896)</u>
<b>Net shareholder's deficit</b>		<b><u>(5,341,305)</u></b>	<b><u>(5,441,169)</u></b>
<b>Total liabilities and equity</b>		<b><u>\$22,539,281</u></b>	<b><u>20,906,335</u></b>

See accompanying notes which form an integral part of these financial statements.

Approved on behalf of the Board:

..... Director

..... Director

## HOUSING AUTHORITY OF GRENADA

Statement of Comprehensive Income  
For the year ended 31st. December, 2018  
(With comparative figures for 2017)

<b>Income</b>	<b>Notes</b>	<b>2018</b>	<b>2017</b>
Interest income	17	\$ 379,344	423,596
Soft loan income		154,719	153,900
Profit on disposal of land		125,368	146,310
Profit on disposal of houses		441,403	243,796
Sale of concrete products		409,434	110,279
Profit on materials sold		<u>145,653</u>	<u>120,346</u>
Total income		1,655,921	1,198,227
Less: General and administrative expenses	18	<u>(2,327,611)</u>	<u>(2,245,213)</u>
		(671,690)	(1,046,986)
Add: Miscellaneous income	19	<u>356,646</u>	<u>234,614</u>
Net profit/(loss) before interest charges		(315,044)	(812,372)
Finance cost	20	<u>(53,240)</u>	<u>(65,716)</u>
Net profit/(loss) for the year		<u>(368,284)</u>	<u>(878,088)</u>
<b>Transfer to Government of Grenada - Current Account</b>		<b>\$ <u>(368,284)</u></b>	<b><u>(878,088)</u></b>

See accompanying notes which form an integral part of these financial statements.

## HOUSING AUTHORITY OF GRENADA

Statement of Changes in Equity  
For the year ended 31 December, 2018  
(With comparative figures for 2017)

	<u>Contributed Capital</u>	<u>Revaluation Reserve</u>	<u>Government Current Account</u>	<u>Total</u>
Balance at 31 December 2016	\$12,000,728	1,944,999	(19,786,841)	(5,841,114)
Loan acquisition	-	-	-	-
Net loss for 2017	-	-	(878,088)	(878,088)
Prior year adjustment	-	-	392,682	392,682
Contribution Dunfermline upgrade	600,000	-	-	600,000
Soft loan client collection	<u>-</u>	<u>-</u>	<u>285,351</u>	<u>285,351</u>
Balance at 31 December 2017	12,600,728	1,944,999	(19,986,896)	(5,441,169)
Net profit for 2018	-	-	(368,284)	(368,284)
Prior year adjustment	-	-	456,015	456,015
Contribution Dunfermline upgrade	-	-	-	-
Soft loan client collection	<u>-</u>	<u>-</u>	<u>12,133</u>	<u>12,133</u>
<b>Balance at 31 December 2018</b>	<b><u>\$12,600,728</u></b>	<b><u>1,944,999</u></b>	<b><u>(19,887,032)</u></b>	<b><u>(5,341,305)</u></b>

See accompanying notes which form an integral part of these financial statements.



# HOUSING AUTHORITY OF GRENADA

## Statement of Cash Flow

For the year ended 31 December, 2018

(With comparative figures for 2017)

<b><u>OPERATING ACTIVITIES</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
Net income/(loss) for the year	\$ (368,284)	(878,088)
Items not requiring the use of funds		
Prior year adjustment	456,015	-
Depreciation - Property, plant & equipment	51,962	36,510
- Investment property	<u>32,235</u>	<u>23,558</u>
	171,928	(818,020)
<b><u>CHANGES IN WORKING CAPITAL</u></b>		
(Increase)/decrease in current assets:		
Trade and other receivables	(253,648)	142,763
Inventories	(27,523)	(190,659)
(Decrease)/increase in current liabilities		
Trade and other payables	<u>199,207</u>	<u>(114,171)</u>
<b>Net cash flow from operating activities</b>	<b><u>89,964</u></b>	<b><u>(980,087)</u></b>
<b><u>CASH FLOW FROM INVESTING ACTIVITIES</u></b>		
Purchase of property, plant & equipment	(134,165)	(13,223)
Purchase of investment property	(77,240)	(356,646)
Mortgage loans	172,513	95,301
Work in progress	(1,274,059)	327,579
(Decrease)/increase in instalments received on leased houses	436,466	327,579
Decrease/(increase) in land for construction at cost	<u>30,119</u>	<u>19,028</u>
<b>Net cash flow from investing activities</b>	<b><u>(846,366)</u></b>	<b><u>415,338</u></b>
<b><u>CASH FLOW FROM FINANCING ACTIVITIES</u></b>		
Funds from soft loan client	12,132	285,351
Repayment of borrowings	(97,794)	(256,665)
Increase/(decrease) in deposits on land/houses	985,853	(253,247)
Increase in Government of Grenada capital account	<u>-</u>	<u>600,000</u>
<b>Net cash flow from financing activities</b>	<b><u>900,191</u></b>	<b><u>375,439</u></b>
Net increase/(decrease) in cash and cash equivalents	143,789	(189,310)
Cash & cash equivalents at beginning of year	<u>81,642</u>	<u>270,952</u>
<b>Cash &amp; cash equivalents at end of year</b>	<b>\$ <u>225,431</u></b>	<b><u>81,642</u></b>
<b>REPRESENTED BY:</b>		
Cash at bank and in hand	\$ 251,066	97,926
<b>Bank overdraft</b>	<u>(25,635)</u>	<u>(16,284)</u>
<b>Net cash and cash equivalents</b>	<b>\$ <u>225,431</u></b>	<b><u>81,642</u></b>

See accompanying notes which form an integral part of these financial statements.

**HOUSING AUTHORITY OF GRENADA**  
Notes to Financial Statements  
For the year ended 31 December, 2018

**1. INCORPORATION AND PRINCIPAL ACTIVITY**

The Authority was established by People's Law No. 38 of 1981 for the purpose of acquiring all the assets, rights and obligations of the following bodies:

- (a) Housing Authority of Grenada, established under the Housing Authority of Grenada Act of 1974.
- (b) Government Housing Loans Board established by virtue of the Government Housing Loans Ordinance, 1959.
- (c) The Department of the Ministry of Housing known as the Housing Authority of Grenada.

Accordingly, the Authority is engaged primarily in developing and constructing low cost houses in certain "designated" urban and rural areas for sale or lease, with option to purchase or on mortgage, to families of low income. The Authority is also empowered to make loans to persons for the purpose of acquiring or improving housing accommodation or discharging encumbrances and charges.

**2. SIGNIFICANT ACCOUNTING POLICIES**

(a) Basis of Accounting:

These financial statements have been prepared in accordance with the historical cost convention, as modified by the revaluation of land and buildings and in compliance with International Financial Reporting Standards.

(b) Estimates:

Preparation of financial statements in conformity with International Financial Reporting Standards requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

(c) Foreign Currencies:

The Eastern Caribbean Dollar is the functional currency of measurement and presentation of the Authority's financial statements. Foreign currency transactions during the year have been recorded at the rates of exchange ruling at the dates of the transactions. Monetary amounts receivable or payable at the year end in foreign currencies are translated to the functional currency at the rates of exchange ruling at that date. Profits or losses on translation of monetary items are reflected in comprehensive income.

Monetary items are units of currency held and assets and liabilities to be received or paid in a fixed or determinable number of units of currency.



# HOUSING AUTHORITY OF GRENADA

Notes to Financial Statements

For the year ended 31 December, 2018

(Cont.)

## 2. SIGNIFICANT ACCOUNTING POLICIES - Continued

### (c) Foreign Currencies: Continued.

Non-monetary items carried at historical cost are reported using the exchange rate at the date of the transaction. Other non-monetary items which are carried at fair value are reported at the exchange rate that existed when the fair values were determined. When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is also recognized in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is also recognized in profit or loss.

Other comprehensive income comprises items of income and expense that are not recognized in profit or loss but rather in equity, such as changes in appraisal surplus, remeasurements on defined employee benefit plans, etc.

### (d) Financial Instruments:

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. A financial asset is a contractual right to receive cash in the future, while a financial liability is a contractual obligation to deliver cash in the future.

A financial asset or a financial liability is recognised when the Authority becomes a party to the contractual provisions of the instrument and in the case of a financial asset when control over the asset is transferred to the Authority. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Financial instruments carried on the statement of financial position include cash and bank balances, accounts receivable, trade deposits, mortgage loans, trade payables, installments received on houses on lease sale, amounts due to the Government of Grenada and long term loans. Financial assets and liabilities are carried at amounts which approximate their fair values at the statement of financial position date. Fair value is defined as the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

### (e) Revenue Recognition:

Revenue from the sale of goods is recognised when all significant risks and rewards have been passed to the buyer, along with effective control over the goods sold. In the case of services, revenue is recognised when the outcome of a transaction can be estimated reliably, taking into consideration the probability of economic benefits flowing to the Authority, the stage of completion of the transaction at the year end and the costs incurred on and to complete the transaction. Revenue is accounted for on the accrual basis.

(f) Other significant accounting policies adopted are disclosed in the appropriate notes below. Where changes have been made in presentation comparative figures have been restated.



## HOUSING AUTHORITY OF GRENADA

Notes to Financial Statements  
For the year ended 31 December 2018  
(Cont.)

### 3. CASH AND CASH EQUIVALENTS

	<u>2018</u>	<u>2017</u>
Bank overdraft	\$ (25,635)	(16,284)
Cash on hand and at bank	<u>251,066</u>	<u>97,926</u>
<b>Net cash and cash equivalents</b>	<b>\$ <u>225,431</u></b>	<b><u>81,642</u></b>

Cash and cash equivalents comprise of cash on hand and at bank. Bank overdraft is included as a component of cash and cash equivalents for the purpose of the cash flow statement. Bank overdraft is shown in current liabilities on the statement of financial position.

### 4. TRADE AND OTHER RECEIVABLES

	<u>2018</u>	<u>2017</u>
Soft loan debtors	\$2,676,272	2,794,200
House debtor (Net)	8,429	8,429
Material debtors (Net)	480,351	158,130
Sundry debtors (Net)	127,767	127,767
Other debtors	292,726	232,441
Prepayments	<u>36,310</u>	<u>47,240</u>
<b>Total</b>	<b>\$<u>3,621,855</u></b>	<b><u>3,368,207</u></b>

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one (1) year or less they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortized cost using the effective interest rate method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Authority will not be able to collect all amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor and default or delinquency in payment are considered indicators that the trade receivable is impaired.

### 5. INVENTORIES

	<u>2018</u>	<u>2017</u>
Stores	\$ 341,918	310,583
Concrete products	120,510	124,322
Dunfermline houses	<u>2,450,266</u>	<u>2,450,266</u>
<b>Total inventories</b>	<b>\$<u>2,912,694</u></b>	<b><u>2,885,171</u></b>

Inventories are valued at the lower of cost and net realisable value. In general, cost is determined on the first in, first out basis. The net realisable value is the price at which stock can be realised in the ordinary course of business. Work in progress and finished goods include attributable production overheads based upon the normal level of activity.

# HOUSING AUTHORITY OF GRENADA

Notes to Financial Statements  
For the year ended 31 December 2018

<b>6. <u>PROPERTIES ON LEASE SALE</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
<b>(a) Urban Working Class Scheme</b>		
River Road Housing Scheme, St. George		
- Construction cost of two (2) small houses	\$ 33,694	33,694
- Value of land utilized	<u>16,734</u>	<u>16,734</u>
	50,428	50,428
Less: Provision for capital loss on sale	<u>21,004</u>	<u>21,004</u>
Lease sale price of houses	<u>29,424</u>	<u>29,424</u>
<b>(b) Prefab 1</b>		
Corinth Housing Scheme, St. David		
- Construction cost of one (1) house	49,340	49,340
- Value of land used	<u>2,302</u>	<u>2,302</u>
	51,642	51,642
Less: Provision for capital loss on sale	<u>20,090</u>	<u>20,090</u>
Lease sale price of houses	<u>31,552</u>	<u>31,552</u>
<b>(c) Pilot Project</b>		
Grand Anse Housing Scheme, St. George		
- Construction cost of twelve (12) houses	716,090	716,090
- Value of land utilized	<u>44,121</u>	<u>44,121</u>
	760,211	760,211
Less: Provision for capital loss on sale	<u>305,050</u>	<u>305,050</u>
Lease sale price of houses	<u>455,161</u>	<u>455,161</u>
<b>(d) Model House and Miscellaneous Houses</b>		
Corinth Housing Scheme, St. David		
- Construction cost of three (3) houses	32,966	32,966
- Value of land utilized	<u>6,269</u>	<u>6,269</u>
	39,235	39,235
Less: Provision for capital loss on sale	<u>1,851</u>	<u>1,851</u>
Lease sale price of houses	<u>37,384</u>	<u>37,384</u>
<b>(e) Prefab 2</b>		
Corinth Housing Scheme, St. David		
- Construction cost of two (2) houses	118,002	118,002
- Value of land utilized	<u>6,110</u>	<u>6,110</u>
	124,112	124,112
Less: Provision for capital loss on sale	<u>64,112</u>	<u>64,112</u>
Lease sale price of houses	<u>60,000</u>	<u>60,000</u>

Continued.



# HOUSING AUTHORITY OF GRENADA

Notes to Financial Statements  
For the year ended 31 December 2018

<b>6. PROPERTIES ON LEASE SALE - Continued</b>	<b>2018</b>	<b>2017</b>
<b>(f) NIS Project 3</b>		
Corinth Housing Scheme, St. David		
- Construction of one (1) house	86,139	86,139
- Construction of one (1) house	<u>59,866</u>	<u>59,866</u>
	146,005	146,005
Value of land utilized	<u>36,337</u>	<u>36,337</u>
	<u>182,342</u>	<u>182,342</u>
<b>(g) Corinth VIF Houses</b>		
Corinth Housing Scheme, St. David		
- Construction of one (1) house	63,680	63,680
- Value of land utilized	<u>2,905</u>	<u>2,905</u>
	<u>66,585</u>	<u>66,585</u>
<b>(h) Dunfermline Houses</b>		
Dunfermline Housing Scheme, St. Andrew		
- 13 houses @ \$84,712.50	1,101,263	1,101,263
- 12 houses @ \$65,100.00	781,200	781,200
- 7 houses @ \$86,760.00	<u>607,320</u>	<u>607,320</u>
	2,489,783	2,489,783
<b>Total properties on Lease Sale</b>	<b><u>\$3,352,231</u></b>	<b><u>3,352,231</u></b>
<b>7. MORTGAGE LOANS</b>	<b>2018</b>	<b>2017</b>
Mortgage debtors	\$555,628	728,142
Less: Provision for doubtful debts	<u>(152,248)</u>	<u>(152,249)</u>
<b>Total</b>	<b><u>\$403,380</u></b>	<b><u>575,893</u></b>
<b>8. WORK IN PROGRESS</b>		
House construction	\$1,341,397	67,338
Diamond property	<u>70,174</u>	<u>70,174</u>
<b>Total</b>	<b><u>\$1,411,571</u></b>	<b><u>137,512</u></b>



## HOUSING AUTHORITY OF GRENADA

Notes to Financial Statements  
For the year ended 31 December 2018

### 9. LAND FOR CONSTRUCTION

	<u>2018</u>	<u>2017</u>
Diamond	\$ 588,266	588,265
Plains	70,891	70,891
Hope	331,172	334,983
River Road	3,139	3,139
Telescope	10,290	10,290
Bonair	9,620	9,620
Grand Anse (UWCH)	57,235	57,235
Corinth	677,140	677,140
Carriacou	435,600	435,600
Beausejour	113,976	113,976
Frequente - RIDGE	1,269,188	1,269,188
Dunfermline	2,703,075	2,729,384
Frequente - Demonstration village	211,129	211,129
La Calome - St. David's	<u>841,579</u>	<u>841,579</u>
<b>Total</b>	<b><u>\$7,322,300</u></b>	<b><u>7,352,419</u></b>

### 10. INVESTMENT PROPERTY

	<u>2018</u>	<u>2017</u>
Apartment building - at cost	\$1,611,761	1,534,521
Less: Accumulated depreciation	<u>(220,695)</u>	<u>(188,460)</u>
<b>Net book value at 31 December</b>	<b><u>\$1,391,066</u></b>	<b><u>1,346,061</u></b>

## HOUSING AUTHORITY OF GRENADA

Notes to Financial Statements

For the year ended 31 December 2018

### 11. PROPERTY, PLANT & EQUIPMENT

	<u>Leasehold Improvement</u>	<u>Buildings</u>	<u>Land</u>	<u>Motor Vehicles</u>	<u>Plant &amp; Equipment</u>	<u>Furniture &amp; Fixtures</u>	<u>Total</u>
<b><u>Cost or Valuation</u></b>							
<b>At 31 December 2016</b>	\$ -	705,886	1,267,960	482,207	1,106,633	380,378	3,943,064
Additions	-	-	-	-	-	13,223	13,223
Disposals	-	-	-	-	-	-	-
<b>At 31 December 2017</b>	-	705,886	1,267,960	482,207	1,106,633	393,601	3,956,287
Additions	26,004	-	-	-	45,000	63,161	134,165
Disposals	-	-	-	-	-	-	-
<b>At 31 December 2018</b>	<b><u>26,004</u></b>	<b><u>705,886</u></b>	<b><u>1,267,960</u></b>	<b><u>482,207</u></b>	<b><u>1,151,633</u></b>	<b><u>456,762</u></b>	<b><u>4,090,452</u></b>
<b><u>Accumulated Depreciation</u></b>							
<b>At 31 December 2016</b>	-	252,500	-	455,799	1,106,628	313,935	2,128,862
Depreciation charge	-	12,900	-	6,599	-	17,011	36,510
Eliminated on disposals	-	-	-	-	-	-	-
<b>At 31 December 2017</b>	-	265,400	-	462,398	1,106,628	330,946	2,165,372
Depreciation charge	5,201	12,900	-	6,599	4,500	22,762	51,962
Eliminated on disposals	-	-	-	-	-	-	-
<b>At 31 December 2018</b>	<b><u>5,201</u></b>	<b><u>278,300</u></b>	<b><u>-</u></b>	<b><u>468,997</u></b>	<b><u>1,111,128</u></b>	<b><u>353,708</u></b>	<b><u>2,217,334</u></b>
<b><u>Carrying Amount</u></b>							
<b>At 31 December 2018</b>	<b><u>\$20,803</u></b>	<b><u>427,586</u></b>	<b><u>1,267,960</u></b>	<b><u>13,210</u></b>	<b><u>40,505</u></b>	<b><u>103,054</u></b>	<b><u>1,873,118</u></b>
<b>At 31 December 2017</b>	<b><u>\$ -</u></b>	<b><u>440,486</u></b>	<b><u>1,267,960</u></b>	<b><u>19,809</u></b>	<b><u>5</u></b>	<b><u>62,655</u></b>	<b><u>1,790,915</u></b>



## HOUSING AUTHORITY OF GRENADA

### Notes to Financial Statements

For the year ended 31 December, 2018

#### 11. PROPERTY, PLANT & EQUIPMENT - Continued

Property, plant and equipment are stated at historical cost except for the properties at Marine Villa and Sandino, which are stated at 2001 valuation. Depreciation is provided on all depreciable assets on the straight line basis, at rates sufficient to write off the cost or valuation of the assets over the period of their estimated useful lives. Maintenance and repairs are charged to comprehensive income whilst the cost of improvements are capitalised. The cost of property, plant and equipment sold, retired or otherwise disposed of and the accumulated depreciation thereon are eliminated from the accounts and the resulting gain or loss reflected in comprehensive income. The annual rates used in providing for depreciation are as follows:

Buildings	2%
Motor vehicles	20%
Furniture, fixtures and equipment	10% - 20%
Plant and equipment	10% - 25%

#### 12. TRADE AND OTHER PAYABLES

	<u>2018</u>	<u>2017</u>
Trade payables	\$314,582	312,450
Accruals	310,643	113,568
Security deposits	<u>6,500</u>	<u>6,500</u>
<b>Total</b>	<b><u>\$631,725</u></b>	<b><u>432,518</u></b>

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one (1) year, if not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortized cost using the effective interest rate method.

#### 13. GOVERNMENT OF GRENADA - CAPITAL CONTRIBUTION

	<u>2018</u>	<u>2017</u>
Balance at 1 <sup>st</sup> January	\$26,639,613	26,039,613
Add: NIS Loan acquisition	-	-
Soft Loan transfer	-	-
Dunfermline upgrade	<u>-</u>	<u>600,000</u>
	26,639,613	26,639,613
Less: Capital loss - Dunfermline Project	<u>14,038,885</u>	<u>14,038,885</u>
<b>Balance at 31<sup>st</sup> December</b>	<b><u>\$12,600,728</u></b>	<b><u>12,600,728</u></b>



# HOUSING AUTHORITY OF GRENADA

Notes to Financial Statements  
For the year ended 31 December, 2018  
(Cont.)

<b>14. GOVERNMENT OF GRENADA - CURRENT ACCOUNT</b>	<b>2018</b>	<b>2017</b>
Balance brought forward	\$(19,986,896)	(19,786,841)
Profit/(Loss) for the year	(368,284)	(878,088)
Soft loan client funds	12,133	285,351
Prior year adjustment	<u>456,015</u>	<u>392,682</u>
<b>Due by Government of Grenada at 31 December 2018</b>	<b><u>\$(19,887,032)</u></b>	<b><u>(19,986,896)</u></b>
<b>15. BORROWINGS</b>	<b>2018</b>	<b>2017</b>
<b>Long-term</b>		
(a) National Insurance Scheme - Loan	699,829	760,344
(b) RBTT Bank Grenada Limited	<u>11,397</u>	<u>48,676</u>
	711,226	809,020
Less current portion	<u>(86,461)</u>	<u>(108,899)</u>
Net long term	<u>624,765</u>	<u>700,121</u>
<b>Short-term</b>		
Borrowings - Current portion:		
National Insurance Scheme		
- Loan	75,064	60,223
RBTT Bank Grenada Limited	<u>11,397</u>	<u>48,676</u>
Total short term	<u>86,461</u>	<u>108,899</u>
<b>Total borrowings</b>	<b><u>\$711,226</u></b>	<b><u>809,020</u></b>

National Insurance Scheme loan bear interest at the rate of 7% per annum. The loan is repayable over a period of ten (10) years in (120) monthly installments of \$9,321.69 being principal and interest.

RBTT Bank loan bears interest at the rate of 6.5% per annum and is repayable over a twenty (20) year period which commenced on 31<sup>st</sup> January, 1999.

The NIS loan is secured by a first legal mortgage over the freehold property at Marine Villa, St. George's; 42,262 sq. ft. of land with building and all appurtenances thereof and first fixed charge of plant machinery, fixtures and equipment situated at Sandino Complex.

The RBTT loan is guaranteed by the Government of Grenada.

# HOUSING AUTHORITY OF GRENADA

## Notes to Financial Statements

For the year ended 31 December, 2018

(Cont.)

<b>16. <u>DUE TO GOVERNMENT OF GRENADA</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
Dunfermline Project - Loan repayable	\$21,096,291	21,096,291
Deposits and sales - Beausejour houses	<u>2,071,584</u>	<u>2,071,585</u>
<b>Total</b>	<b><u>\$23,167,875</u></b>	<b><u>23,167,876</u></b>
<b>17. <u>INTEREST INCOME</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
Corinth - Prefab 1	\$ 3,897	3,957
Pilot project	16,508	19,906
VIF interest	9,836	10,425
Mortgage interest	48,250	63,654
Miscellaneous house interest	-	680
Dunfermline lease interest	104,309	112,411
Other	<u>196,544</u>	<u>212,563</u>
<b>Total</b>	<b><u>\$379,344</u></b>	<b><u>423,596</u></b>
<b>18. <u>GENERAL AND ADMINISTRATIVE EXPENSES</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
Salaries and wages - office	\$ 795,328	682,702
Telephone & internet	67,893	55,093
National Insurance contribution - office	60,505	58,865
Housing Scheme - maintenance	151,953	237,303
Depreciation	84,197	60,068
Motor vehicle expenses	91,856	86,391
Stationery and office supplies	56,944	53,548
Sandino site expenses	143,713	185,609
Lease rent	48,485	97,750
Audit and accountancy fees	27,487	33,628
Legal and professional fees	8,858	11,702
Directors fees	23,950	26,817
Other expenses (note 21)	700,208	626,225
Other staff cost	64,382	28,280
Property tax	-	1,232
Travel & accommodation	<u>1,852</u>	<u>-</u>
<b>Total</b>	<b><u>\$2,327,611</u></b>	<b><u>2,245,213</u></b>



# HOUSING AUTHORITY OF GRENADA

## Notes to Financial Statements

For the year ended 31st. December, 2018

(Cont.)

<b>19. MISCELLANEOUS INCOME</b>	<b>2018</b>	<b>2017</b>
Insurance recovered	\$115,227	115,131
Bad debts recovered	1,030	-
Other	53,714	11,493
Rent	<u>186,675</u>	<u>107,990</u>
<b>Total</b>	<b><u>\$356,646</u></b>	<b><u>234,614</u></b>
<b>20. FINANCE COST</b>	<b>2018</b>	<b>2017</b>
Interest on borrowings	<u>\$53,240</u>	<u>65,716</u>
<b>21. OTHER EXPENSES</b>	<b>2018</b>	<b>2017</b>
Advertising	\$101,006	39,428
Donations	105	-
Office and equipment maintenance	22,963	20,081
Wages	284,855	282,307
Insurance	188,640	207,744
Water	-	1,550
Electricity	-	700
Survey fees	28,600	2,430
Staff uniforms	19,355	29,507
Miscellaneous	4,857	840
Entertainment	9,588	6,402
Discounts	6,235	-
Dunfermline expenses	20,487	13,754
Commission	13,517	-
La Calome expenses	<u>-</u>	<u>21,482</u>
<b>Total</b>	<b><u>\$700,208</u></b>	<b><u>626,225</u></b>