

Financial Statements of

**NATIONAL HOUSING CORPORATION**

March 31, 2011

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## **NATIONAL HOUSING CORPORATION**

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## Auditors' Report

### To the Board of Directors of National Housing Corporation

We have audited the accompanying financial statements of National Housing Corporation ("the Corporation"), which comprise the statement of financial position as at March 31, 2011, the related statements of comprehensive loss and changes in accumulated deficit and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

#### Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2011, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

#### Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2 to the financial statements which describes that the Corporation has a cumulative deficit of \$70,851,799 as of March 31, 2011, and as of that date, the Corporation's current liabilities exceeded its total current assets by \$196,693,052. These conditions, along with other matters described in Note 2, indicate the existence of a material uncertainty which may cast significant doubt on the Corporation's ability to continue as a going concern.

Chartered Accountants  
Bridgetown, Barbados  
February 6, 2015

# NATIONAL HOUSING CORPORATION

## Statement of Financial Position

As at March 31, 2011  
with comparative figures for 2010

(Expressed in Barbados Dollars)

	Notes	2011	2010 As restated Note 22
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5	\$ 13,559,636	12,570,834
Inventories		196,168	196,168
Accounts receivable, net	6	<u>7,325,207</u>	<u>5,839,258</u>
<b>Total current assets</b>		21,081,011	18,606,260
Loans receivable, net	7	23,018,043	25,820,841
Properties and other developments for resale	8	119,821,537	122,303,460
Property, plant and equipment, net	9	84,961,237	87,504,932
Investment properties, net	10	<u>67,910,984</u>	<u>62,842,046</u>
<b>Total Assets</b>		\$ <u>316,792,812</u>	<u>317,077,539</u>
<b>Liabilities and Accumulated Deficit</b>			
<b>Current Liabilities</b>			
Bank overdraft	5	\$ 10,579,695	10,637,582
Accounts payable and accrued liabilities		66,105,713	60,256,112
Property and lot deposits		23,279,841	23,022,189
Arbitration liability		64,606,951	62,019,634
Housing development bonds	11	50,000,000	-
Current portion of long-term debt	12	<u>3,201,863</u>	<u>2,369,523</u>
<b>Total current liabilities</b>		217,774,063	158,305,040
Housing development bonds	11	-	50,000,000
Long-term debt	12	129,323,262	120,521,450
Deferred funds for ministries projects	13	<u>40,547,286</u>	<u>36,960,258</u>
		169,870,548	207,481,708
<b>Total liabilities</b>		<u>387,644,611</u>	<u>365,786,748</u>
Accumulated deficit		<u>(70,851,799)</u>	<u>(48,709,209)</u>
Commitments	16	-	-
<b>Total Liabilities and Deficit</b>		\$ <u>316,792,812</u>	<u>317,077,539</u>

See accompanying notes to financial statements.

Approved on behalf of the Board:

*Morgan L. Seavers*  
Deputy Chairman

*Regina Hobb*  
Director





# NATIONAL HOUSING CORPORATION

## Statement of Changes in Accumulated Deficit

For the year ended March 31, 2011  
with comparative figures for 2010

*(Expressed in Barbados Dollars)*

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Accumulated deficit at March 31, 2009, as previously reported	\$ (64,751,627)
Prior period adjustment	<u>1,461,843</u>
Accumulated deficit at March 31, 2009; as restated	(63,289,784)
Excess of expenditure over income for the year; as restated	(8,160,831)
Loans repaid by Government	1,279,006
Government contributions	3,000,000
Land vested	<u>18,462,400</u>
Accumulated deficit at March 31, 2010; as restated	(48,709,209)
Excess of expenditure over income for the year	(24,560,590)
Loans repaid by Government	2,025,000
Land vested	<u>393,000</u>
Accumulated deficit at March 31, 2011	\$ <u>(70,851,799)</u>

*See accompanying notes to financial statements.*

# NATIONAL HOUSING CORPORATION

## Statement of Comprehensive Loss

For the year ended March 31, 2011  
with comparative figures for 2010

(Expressed in Barbados Dollars)

	<u>Notes</u>	<u>2011</u>	<u>2010</u> <u>As restated</u> <u>Note 22</u>
<b>Income</b>			
Rental revenue		\$ 7,213,986	5,377,741
Projects for other Ministries		1,005,469	1,232,207
Gain from property and lot sales	14	12,487,629	27,992,433
Gain on sale of rented land		419,807	321,605
Interest on loans and other receivables		1,854,155	2,043,611
Miscellaneous		<u>361,063</u>	<u>4,138,860</u>
		<u>23,342,109</u>	<u>41,106,457</u>
<b>Expenditure</b>			
General and administrative expenses (Appendix A)		16,392,764	17,859,091
Salaries, wages and other allowances		13,878,892	13,127,563
Interest on Housing Development Bonds		(2,123)	2,483,904
National Insurance		1,982,902	1,853,472
Pension expense	15	2,957,058	3,072,855
Depreciation	9, 10	5,247,900	5,232,101
Arbitration Cost		-	17,250
Interest on Arbitration Settlement		2,587,317	2,587,317
Interest on long-term debt		<u>4,978,079</u>	<u>3,153,825</u>
		<u>48,022,789</u>	<u>49,387,378</u>
Excess of expenditure over income before Government grants		(24,680,680)	(8,280,921)
Government grants	13	<u>120,090</u>	<u>120,090</u>
Excess of expenditure over income for the year		\$ <u>(24,560,590)</u>	<u>(8,160,831)</u>

See accompanying notes to financial statements.

# NATIONAL HOUSING CORPORATION

## Statement of Cash Flows

Year ended March 31, 2011  
with comparative figures for 2010

(Expressed in Barbados Dollars)

	Notes	2011	2010 <u>As restated</u> <u>Note 22</u>
<b>Cash flows from operating activities:</b>			
Excess of expenditure over income for the year		\$ (24,560,590)	(8,160,831)
Add (deduct) items not involving cash:			
Bad debt		477,879	-
Depreciation	9, 10	5,247,900	5,232,101
Impaired loans		985,882	-
Amortization of grants		(120,090)	(120,090)
Interest income		(1,854,155)	(2,043,611)
Interest expense		8,227,853	8,889,626
Gain from sale of rented land		(419,807)	(321,605)
Gain from sale of properties and developments for resale		<u>(12,487,629)</u>	<u>(27,992,433)</u>
Operational loss before working capital changes		(24,502,757)	(24,516,843)
Increase in accounts receivable		(1,963,827)	(307,850)
Increase in accounts payable and accrued liabilities		6,626,724	2,278,508
Increase in arbitration liability		2,587,317	2,587,317
Increase (decrease) in property and lot deposits		257,652	(4,915,106)
Decrease (increase) in loans receivable		<u>1,816,915</u>	<u>(1,012,089)</u>
Cash used in operations		(15,177,976)	(25,886,063)
Interest received		1,854,155	2,043,611
Interest paid		<u>(9,004,976)</u>	<u>(9,080,722)</u>
<b>Net cash used in operating activities</b>		<u>(22,328,797)</u>	<u>(32,923,174)</u>
<b>Cash flows from investing activities:</b>			
Increase in properties and other developments for resale		(6,685,811)	(38,056,796)
Proceeds from sale of property and lot development		21,655,363	33,846,393
Proceeds from sale of rented land		419,807	321,605
Purchase of property, plant and equipment	9	(214,871)	(672,088)
Increase in investment properties	10	<u>(7,558,272)</u>	<u>(12,379,306)</u>
<b>Net cash from (used in) investing activities</b>		<u>7,616,216</u>	<u>(16,940,192)</u>
<b>Cash flows from financing activities:</b>			
Increase in deferred funds for ministries projects		3,587,028	8,768,989
Proceeds from issuance of long term debt		12,299,631	19,037,936
Repayment of long term debt		(1,415,479)	(1,119,522)
Increase in grant aid		1,168,000	21,491,406
Government grant		<u>120,090</u>	<u>120,090</u>
<b>Net cash from financing activities</b>		<u>15,759,270</u>	<u>48,298,899</u>
Increase (decrease) in cash and cash equivalents during the year		1,046,689	(1,564,467)
Cash and cash equivalents, beginning of year		<u>1,933,252</u>	<u>3,497,719</u>
Cash and cash equivalents, end of year		\$ <u>2,979,941</u>	<u>1,933,252</u>
<b>Cash and cash equivalents comprise:</b>			
Cash	5	\$ 13,559,636	12,570,834
Bank overdraft	5	<u>(10,579,695)</u>	<u>(10,637,582)</u>
		\$ <u>2,979,941</u>	<u>1,933,252</u>

See accompanying notes to financial statements.

# NATIONAL HOUSING CORPORATION

## Notes to Financial Statements

March 31, 2011

*(Expressed in Barbados Dollars)*

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### 1. General

The National Housing Corporation (the "Corporation") is a statutory Corporation which was established by the Housing Act, CAP 226, of the laws of Barbados. This Act consolidated and revised the laws relating to housing. The Corporation is responsible for managing the development of areas designated as development areas, and for related purposes.

The office of the Corporation is located at Country Road, St. Michael, Barbados.

The financial statements were approved by the Board of Directors on February 6, 2015.

### 2. Going Concern

These financial statements are prepared on a going concern basis which contemplates the realization of assets and the discharge of liabilities in the normal course of business. At March 31, 2011, the Corporation has a cumulative deficit of \$70,851,799 (2010 as restated: \$48,709,209). Its current liabilities exceeded its current assets by \$196,693,052 (2010 as restated: \$139,698,780).

The Corporation is economically dependent on the Government of Barbados for financial support, in order to meet its operating and capital commitments. The going concern assumption is contingent on the continued financial support of Government.

### 3. Basis of Preparation

#### (a) *Statement of Compliance*

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") and its interpretations adopted by the International Accounting Standards Board (IASB).

#### (b) *Basis of Measurement*

These financial statements are prepared on the historical cost basis.

#### (c) *Functional and Presentation Currency*

The financial statements are presented in Barbados dollars, which is the Corporation's functional currency. All financial information presented in Barbados dollars has been rounded to the nearest dollar.

#### (d) *Use of Estimates and Judgments*

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.



# NATIONAL HOUSING CORPORATION

## Notes to Financial Statements

March 31, 2011

*(Expressed in Barbados Dollars)*

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### 3. Basis of Preparation, continued

#### (d) *Use of Estimates and Judgments, continued*

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

Note 10 - Investment properties (Rental units)

Note 17 – Fair value of financial instruments

#### (e) *Changes in Accounting Policies*

As of April 1, 2010, there were no significant changes to the Corporation's accounting policies.

### 4. Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

#### (a) *Financial Instruments*

##### *Non-derivative financial instruments*

Non-derivative financial instruments comprise cash and cash equivalents, accounts receivable, loans receivable, loans and borrowings, accounts payable and accrued liabilities, property and lot deposits, arbitration liability and Housing Development bonds.

Non-derivative financial instruments are recognized at fair value through profit or loss, plus any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as detailed below:

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents comprise cash balances and deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand form an integral part of the Corporation's cash management and are included as a component of cash and cash equivalents in the statement of cash flows.

Other non-derivative financial instruments are measured at amortized cost using the effective interest method less any impairment losses.

# NATIONAL HOUSING CORPORATION

Notes to Financial Statements

March 31, 2011

(Expressed in Barbados Dollars)

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## 4. Significant Accounting Policies, Continued

### (b) Property, Plant and Equipment

#### *Recognition and measurement*

Property, plant and equipment are recorded at cost, less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self constructed assets include the cost of materials and direct labour, and any other costs directly attributable to bringing the assets to a working condition for their intended use.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized within the statement of comprehensive income (loss).

#### *Depreciation*

Depreciation is calculated over the depreciable amount, which is the cost of an asset less its residual value. Depreciation is recognized in the statement of comprehensive income (loss) on a straight line basis over the estimated useful lives of each part of an item of property, plant and equipment. Assets are depreciated from the date of purchase in the year of acquisition. Land is not depreciated.

The annual depreciation rates are as follows:

Buildings	-	2.5%
Furniture and equipment	-	10% and 20% respectively according to the category of assets
Motor vehicles	-	20%
Computer equipment and software	-	20%

Depreciation methods, useful lives and residual values are reviewed periodically and adjusted if appropriate.

Motor vehicle expenses are allocated as follows:

- (i) to the statement of comprehensive income (loss) in respect of those vehicles used for administrative purposes, and
- (ii) to projects on a pro-rata basis in respect of all other vehicles.

### (c) Investment Properties (Rental Units)

Investment properties are held to earn rental income. These properties are not for sale in the ordinary course of business and they are not used for administrative purposes. Investment properties are measured at cost less accumulated depreciation and impairment losses. The annual depreciation rate is as follows:

Investment properties	2.5%
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# NATIONAL HOUSING CORPORATION

Notes to Financial Statements

March 31, 2011

(Expressed in Barbados Dollars)

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## 4. Significant Accounting Policies, continued

### (d) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost is based on the weighted average method. The net realizable value is the estimated selling price in the ordinary course of business less the estimated selling expenses.

### (e) Properties and Other Developments for Resale

Properties and other developments for resale are recorded at cost, less impairment losses. These are non-current assets that are expected to be recovered primarily through sale.

### (f) Impairment

The recoverability of assets is based on factors such as future asset utilization, current market value, business climate and the future undiscounted cash flows expected to result from the use of the related assets. The Corporation's policy is to record an impairment loss in the period when it is determined that the carrying amount of the assets will not be recoverable. At that time, the carrying amount is written down to fair market value.

### (g) Employee Benefits - Defined Contribution Plan

The Corporation contributes to a defined contribution pension plan as defined by the Pensions Regulations, 1947. This plan is non-contributory. Contributions are made only by the Corporation and are charged against income as they are incurred.

### (h) Provisions

A provision is recognized if, as a result of a past event, the Corporation has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and the risk specific to the liability.

### (i) Revenue

The Corporation has several different revenue streams during the ordinary course of business. Rental income is earned on a monthly basis from the rental of housing units and other properties. The Corporation earns land rent on a quarterly basis.

Revenue from property and lot sales is recognized when the legal title is transferred to the purchaser. Revenue from the sale of rented land is recognized when the purchase agreement has been signed. Revenue from other ministries represents funding received from other Government agencies toward the completion of specific tasks/assignments.

Interest received is earned at rates of 6% and 9% on the General Workers' Loans III (see finance income at note 4(k)).

Miscellaneous income would include any other revenue earned by the Corporation but not specifically assigned to another revenue category.

# NATIONAL HOUSING CORPORATION

## Notes to Financial Statements

March 31, 2011

(Expressed in Barbados Dollars)

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### 4. Significant Accounting Policies, continued

(j) *Government Grants*

Government grants are recognized initially as deferred income at fair value when there is reasonable assurance that they will be received and the Corporation will comply with the conditions associated with the grant. Grants that compensate the Corporation for expenses incurred are recognized in the statement of comprehensive income (loss) as other income on a systematic basis in the same period in which the expenses are recognized. Grants that compensate the Corporation for the cost of the assets are recognized in the statement of comprehensive income (loss) on a systematic basis over the useful life of the asset.

(k) *Finance Income and Finance Costs*

Interest income is recognized as it accrues in the statement of comprehensive income (loss) using the effective interest methods (see also interest revenue at note 4 (i)).

Finance expenses comprise of interest expense incurred on loans payable and overdraft account. These charges are shown in the statement of comprehensive income (loss) in the period in which they occurred.

(l) *Corporation Taxes*

The Corporation is exempted from the payment of taxes on its income.

(m) *New Standards and Interpretations not yet Adopted*

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended March 31, 2011 and have not been applied in preparing these financial statements. None of these will have an effect on the financial statements of the Corporation.

### 5. Cash and Cash Equivalents

Cash and cash equivalents comprise:

	<u>2011</u>	<u>2010</u>
Cash	\$ 13,559,636	12,570,834
Bank overdraft	<u>(10,579,695)</u>	<u>(10,637,582)</u>
	\$ <u>2,979,941</u>	<u>1,933,252</u>

The Corporation has an overdraft facility with the Barbados National Bank of \$10,000,000 (2010: \$10,000,000) which was overdrawn by a further \$579,695 (2010: \$637,582). This overdraft facility is secured by a letter of comfort from the Government of Barbados in a similar amount. The excess overdraft was unsecured.



# NATIONAL HOUSING CORPORATION

## Notes to Financial Statements

March 31, 2011

*(Expressed in Barbados Dollars)*

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### 6. Accounts Receivable, net

This balance comprises:

	<u>2011</u>	<u>2010</u>
Rent receivable	\$ 7,679,041	7,230,480
Miscellaneous debtors	5,321,344	5,382,902
Sale of land	1,169,778	1,221,828
Staff loans	550,174	676,108
Credit card receipts	4,516	3,154
Sale of real property	<u>(75,966)</u>	<u>(109,214)</u>
	14,648,887	14,405,258
Less: Allowance for doubtful accounts	<u>(7,323,680)</u>	<u>(8,566,000)</u>
	\$ <u>7,325,207</u>	<u>5,839,258</u>

Miscellaneous debtors relate mainly to sums expended on projects which are expected to be reimbursed from various Government ministries and departments.

### 7. Loans Receivable, net

This balance comprises:

	<u>2011</u>	<u>2010</u>
General Workers' Loans III	\$ 28,440,915	30,257,831
Less: Allowance for doubtful accounts	<u>(5,422,872)</u>	<u>(4,436,990)</u>
	\$ <u>23,018,043</u>	<u>25,820,841</u>

Interest is charged at 6% and 9% (2010: 6% and 9%) to the General Workers' Loan III.

# NATIONAL HOUSING CORPORATION

Notes to Financial Statements

March 31, 2011

*(Expressed in Barbados Dollars)*

## 8. Properties and Other Development for Resale

This amount comprises completed and incomplete projects.

	<u>2011</u>	<u>2010</u>
<b>Completed Projects</b>		
Cost brought forward beginning of year	\$ 29,193,596	18,235,386
Expenditure for the year	3,629,746	11,424,101
Cost of sales for the year	<u>(176,815)</u>	<u>(465,891)</u>
Cost carried forward end of year	<u>32,646,527</u>	<u>29,193,596</u>
<b>Incomplete Projects</b>		
Cost brought forward beginning of year	27,681,678	28,977,690
Expenditure for the year	5,396,330	4,079,081
Cost of sales for the year	<u>(5,776,726)</u>	<u>(5,375,093)</u>
Cost carried forward end of year	<u>27,301,282</u>	<u>27,681,678</u>
Total completed and incomplete projects	59,947,809	56,875,274
Land under development and held for future development	<u>48,138,828</u>	<u>47,745,828</u>
	<u>108,086,637</u>	<u>104,621,102</u>
<b>Primary Homes</b>		
<b>Incomplete</b>		
Cost brought forward beginning of year	17,147,841	13,604,120
Expenditure for the year	540,197	3,556,697
Cost of sales for the year	<u>(6,497,846)</u>	<u>(12,976)</u>
Cost carried forward end of year	<u>11,190,192</u>	<u>17,147,841</u>
	119,276,829	121,768,943
500 Lots Programme	<u>544,708</u>	<u>534,517</u>
	\$ <u>119,821,537</u>	<u>122,303,460</u>

# NATIONAL HOUSING CORPORATION

Notes to Financial Statements

March 31, 2011

(Expressed in Barbados Dollars)

9. Property, Plant and Equipment, net	Warrens Building	Office Building	Furniture & Equipment	Motor Vehicles	Computer Equipment & Software	Library	Total
<b>Cost</b>							
Balance at April 1, 2009	\$ 68,571,429	25,047,442	4,720,037	2,380,719	2,641,189	-	103,360,816
Additions	-	224,013	296,534	116,852	34,689	-	672,088
Transfers and adjustment	-	-	-	-	-	-	-
Balance at March 31, 2010	<u>68,571,429</u>	<u>25,271,455</u>	<u>5,016,571</u>	<u>2,497,571</u>	<u>2,675,878</u>	<u>-</u>	<u>104,032,904</u>
Balance at April 1, 2010	68,571,429	25,271,455	5,016,571	2,497,571	2,675,878	-	104,032,904
Additions	-	32,148	156,129	-	26,594	-	214,871
Transfers and adjustment	-	-	-	-	-	-	-
Balance at March 31, 2011	<u>68,571,429</u>	<u>25,303,603</u>	<u>5,172,700</u>	<u>2,497,571</u>	<u>2,702,472</u>	<u>-</u>	<u>104,247,775</u>
<b>Accumulated Depreciation</b>							
Balance at April 1, 2009	1,714,286	3,706,458	3,875,717	2,048,021	2,440,723	-	13,785,205
Depreciation for year	1,714,286	633,459	170,033	140,203	84,786	-	2,742,767
Disposals	-	-	-	-	-	-	-
Balance at March 31, 2010	<u>3,428,572</u>	<u>4,339,917</u>	<u>4,045,750</u>	<u>2,188,224</u>	<u>2,525,509</u>	<u>-</u>	<u>16,527,972</u>
Balance at April 1, 2010	3,428,572	4,339,917	4,045,750	2,188,224	2,525,509	-	16,527,972
Depreciation for year	1,714,286	633,459	180,504	140,212	90,105	-	2,758,566
Disposals	-	-	-	-	-	-	-
Balance at March 31, 2011	<u>5,142,858</u>	<u>4,973,376</u>	<u>4,226,254</u>	<u>2,328,436</u>	<u>2,615,614</u>	<u>-</u>	<u>19,286,538</u>
<b>Net Book Value</b>							
At March 31, 2011	\$ <u>63,428,571</u>	<u>20,330,227</u>	<u>946,446</u>	<u>169,135</u>	<u>86,858</u>	<u>-</u>	<u>84,961,237</u>
At March 31, 2010	\$ <u>65,142,857</u>	<u>20,931,538</u>	<u>970,821</u>	<u>309,347</u>	<u>150,369</u>	<u>-</u>	<u>87,504,932</u>

# NATIONAL HOUSING CORPORATION

## Notes to Financial Statements

March 31, 2011

*(Expressed in Barbados Dollars)*

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### 9. Property, Plant and Equipment – Net, continued

The Government has agreed to sell the Building at Warrens for \$60,000,000 and this sale is being negotiated, hence the book value is being amortized to match the agreed selling price.

The Corporation has introduced a programme for the divestiture of the rental units based on predetermined criteria. There has been no de-recognition of investment properties since certain risks of ownership have been retained by the Corporation. No further rental income has been derived from the units which were conveyed to the previous tenants under the 20 Year Divestiture programme however the Corporation still covers the maintenance costs related to the properties.

### 10. Investment Properties (Rental Units), net

This amount comprises:

	<u>2011</u>	<u>2010</u>
Balance, beginning of year	\$ 62,842,046	52,952,074
Additions	7,715,806	12,379,306
Cost of Sales	(157,534)	-
Depreciation charge	<u>(2,489,334)</u>	<u>(2,489,334)</u>
Balance, end of year	\$ <u>67,910,984</u>	<u>62,842,046</u>

### 11. Housing Development Bonds

Housing Development Bonds were issued in the amounts of \$30,000,000 at 7.5% and \$20,000,000 at 7.75% in September 1997 and November 1998 respectively. These bonds were repayable during August 2009 and August 2010 respectively, with each having a two (2) year moratorium, which effectively extended the repayment date at the option of the Corporation. These bonds were fully guaranteed by the Government of Barbados. The bonds were settled at maturity by the Government of Barbados on behalf of the Corporation. The principal remains repayable to the Government and it is non-interest bearing debt.



# NATIONAL HOUSING CORPORATION

Notes to Financial Statements

March 31, 2011

(Expressed in Barbados Dollars)

## 12. Long-Term Debt

	<u>2011</u>	<u>2010</u> <u>As restated</u> <u>Note 22</u>
a) Barbados National Bank Inc. loan - \$9,000,000	\$ 6,038,158	6,593,201
b) Barbados National Bank Inc. loan - \$13,000,000	7,383,844	7,859,661
c) National Insurance Board - \$10,000,000	-	1,250,000
d) Housing Credit Fund - \$2,000,000	231,748	616,368
e) Barbados National Bank Inc. loan – Commercial loan	4,678,207	4,621,502
f) Government of Barbados – Warrens Loan	79,074,359	79,074,359
g) Ministry of Finance - Terrace units	5,767,796	5,767,796
h) Barbados National Bank Inc. – French Village	1,638,012	1,328,401
i) Barbados National Bank Inc. – Marchfield	2,781,749	2,542,728
j) Barbados National Bank Inc. - Work Hall	4,215,440	4,199,779
k) Barbados National Bank Inc. – Drax Hall	4,848,205	4,604,257
l) Barbados National Bank Inc. – Four Hill	3,873,020	3,873,020
m) Loan - CLICO Re Constant	1,994,587	559,901
n) Loan - CIBC FirstCaribbean International Bank – Country Park	<u>10,000,000</u>	<u>-</u>
	132,525,125	122,890,973
Less current portion	<u>(3,201,863)</u>	<u>(2,369,523)</u>
	\$ <u>129,323,262</u>	<u>120,521,450</u>

(a) *Barbados National Bank Inc. (BNB)*

This loan represents the first part of a \$22,000,000 loan received from Barbados National Bank Inc. in November 1998. Security is in the form of a first legal mortgage over the National Housing Corporation's complex at Country Road, stamped to cover \$9,000,000.

The loan is due in 2018, with a moratorium period of two years. Interest is due during the period of the moratorium. The loan balance of \$6,038,158 (2010: \$6,593,201) bears interest at the rate of 8.95% (2010- 8.95%) and is payable in monthly installments of \$92,624 over a period of 20 years.

# NATIONAL HOUSING CORPORATION

## Notes to Financial Statements

March 31, 2011

*(Expressed in Barbados Dollars)*

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### 12. Long-Term Debt, continued

*(b) Barbados National Bank Inc. (BNB)*

In December 2000, the Corporation negotiated a further \$13,000,000 term loan for a total of \$22,000,000 described in (a) above. Security is based on an up-stamping of the first legal mortgage to cover the additional \$13,000,000 to give a total stamped cover amount of \$22,000,000. Additional security is in the form of commercial property at Country Road and an assignment of comprehensive insurance over the property for its full value.

The loan is due in 2020 and is repayable over 20 years at a monthly installment of \$96,721, following a one year moratorium on principal payments. Interest is to be charged on the outstanding balance at a rate of 0.5% above the Bank's prime rate. The effective rate is currently 9.7% (2010: 8.95%) per annum.

*(c) National Insurance Board (NIB)*

The loan comprised of two (2) disbursements of \$5,000,000 each for a total of \$10,000,000 received by the Corporation. Funds were received during April and July 2000 with repayments due in 2010. The principal sum was repaid in equal installments of \$1,250,000 which commenced on the third year of entering the agreement and was due on April 6<sup>th</sup> of that year. Interest of 8.75% was due semi-annually on June 30 and December 31 of each year. The loan was settled during this financial year.

Security for both loans was in the form of a Letter of Comfort from the Government of Barbados.

*(d) Housing Credit Fund*

In April 2005, the Corporation borrowed \$2,000,000 at 5% interest from the Housing Credit Fund to increase the capital available to the General Workers Loan Scheme. The principal sum shall be repaid in equal installments of \$76,924. This loan matures in 2011.

*(e) Barbados National Bank Inc. – Commercial loan*

This is a demand loan and was acquired to develop property at various locations for resale. It is repayable from the sale proceeds for the said properties. Interest is charged at a rate of 10.2% (2010 – 10.2%) per annum and the loan is secured by the Government's letter of comfort.

The security is based on the lodgement of the title deeds over the properties being developed.

*(f) Government of Barbados - Warrens*

The Government of Barbados repaid Barbados National Bank Inc. the sum of \$76,574,359, representing the loan to fund the construction of Warrens Building as well as the capitalized interest of the said loan. This was a voluntary act of the Government of Barbados with no conditions being attached. As at the year end, there were no fixed terms of repayment.

In addition, in November 2008 the Government paid Barrack Construction \$2,500,000 as partial settlement against the arbitration settlement awarded. The 2010 figures have been restated to reflect this non-interest bearing loan.

# NATIONAL HOUSING CORPORATION

Notes to Financial Statements

March 31, 2011

*(Expressed in Barbados Dollars)*

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## 12. Long-Term Debt, continued

*(g) Ministry of Finance – Terrace Units*

The Corporation obtained a loan of \$5,500,000 from Barbados National Bank Inc. to facilitate the changing of the asbestos roofs on our Terrace Units. The Government of Barbados settled this loan plus outstanding interest by way of a loan to the Corporation. This was a voluntary act of Government with no conditions being attached. As at the year end, there were no fixed terms of repayment.

*(h) Barbados National Bank Inc. Loan – French Village*

This loan was negotiated to construct houses at French Village, St. Peter. These loans are secured by a Government of Barbados guarantee. Interest is charged at 10.20% (2010 – 10.20%) per annum. The loan will be repaid from the sales proceeds from the above development.

*(i) Barbados National Bank Inc. Loan – Marchfield*

This loan was negotiated to construct houses at Marchfield, St. Philip. These loans are secured by a Government of Barbados guarantee. Interest is charged at 10.20% (2010 – 10.20%) per annum. The loan will be repaid from the sales proceeds from the above development.

*(j) Barbados National Bank Inc. Loan – Work Hall*

This loan was negotiated to construct houses at Work Hall, St. Philip. These loans are secured by a Government of Barbados guarantee. Interest is charged at 10.20% (2010 – 10.20%) per annum. The loan will be repaid from the sales proceeds from the above development.

*(k) Barbados National Bank Inc. Loan – Drax Hall*

This loan was negotiated to construct houses at Drax Hall, St. George. These loans are secured by a Government of Barbados guarantee. Interest is charged at 10.20% (2010 – 10.20%) per annum. The loan will be repaid from the sales proceeds from the above development.

*(l) Barbados National Bank Inc. Loan – Four Hill*

This loan was negotiated to construct houses at Four Hill, St Peter. These loans are secured by a Government of Barbados guarantee. Interest is charged at 10.20% (2010 – 10.20%) per annum. The loan will be repaid from the sales proceeds from the above development.

*(m) Loan - Clico Re Constant*

This loan was negotiated with Colonial Life Insurance Company (CLICO) for the development of lands and construction of houses at Constant, St. George. This loan will be repaid from the sales proceeds of the development. Interest is accrued at 7% (2010 – 7%) per annum. The outstanding balance includes accrued interest of \$93,170 (2010: \$11,451).

*(n) Loan - CIBC FirstCaribbean International Bank*

The Corporation negotiated a \$40,000,000 loan to undertake construction projects at various locations. This loan is to be drawn down in 4 tranches of \$10,000,000 each. The first tranche was drawn down during the financial year 2011. Interest is charged at 7% per annum. Repayment is based on the sales proceeds from the projects. This loan is secured by a Government of Barbados guarantee.

# NATIONAL HOUSING CORPORATION

Notes to Financial Statements

March 31, 2011

(Expressed in Barbados Dollars)

## 13. Deferred Funds for Ministries Projects

Deferred funds for Ministries projects comprise the following:

	<u>2011</u>	<u>2010</u>
<b>Capital works:</b>		
Capital Vote	\$ 1,907,093	1,982,094
Maynards	<u>1,123,530</u>	<u>1,168,620</u>
	<u>3,030,623</u>	<u>3,150,714</u>
<b>Projects for other Ministries:</b>		
Electrical Upgrade	8,282,574	8,282,574
Airport Expansion Project	3,635,373	494,990
Private Tenancies Program	514,656	-
Ministry of Housing, Lands & Rural Development - HIV Funds	407,748	407,748
Rock Hall	335,000	335,000
Sandy Point	250,000	250,000
Ministry of Housing, Lands & Rural Development – Emmerton - Barbarees relocation	52,080	-
Cottage and Groves	<u>32,652</u>	<u>32,652</u>
	<u>13,510,083</u>	<u>9,802,964</u>
Sinking Fund	<u>24,006,580</u>	<u>24,006,580</u>
	\$ <u>40,547,286</u>	<u>36,960,258</u>

The amortization of funds received for deferred Ministries' projects totaling \$120,090 (2010: \$120,090) in the amounts of \$75,000 for Capital Vote and \$45,090 for Maynards are recorded annually.

The Sinking Fund represents funds received from the Government of Barbados to assist in meeting the redemption of the Housing Development Bonds. The Corporation was also required to contribute to this fund but due to financial constraints was unable to do so.

During the year, the Corporation received \$nil (2010: \$3,549,998) from the Government of Barbados to support the establishment of the sinking fund.

## 14. Gain from Property and Lot Sales

	<u>2011</u>	<u>2010</u>
Sales	\$ 25,096,550	33,846,393
Cost of sales	<u>(12,608,921)</u>	<u>(5,853,960)</u>
Gain	\$ <u>12,487,629</u>	<u>27,992,433</u>

## 15. Pensions

The Corporation maintains a non-contributory defined contribution pension plan for all established employees. During the year, the pension expense of the Corporation amounted to \$2,957,058 (2010: \$3,072,855).



# NATIONAL HOUSING CORPORATION

Notes to Financial Statements

March 31, 2011

*(Expressed in Barbados Dollars)*

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## 16. Commitments and Contingencies

### **Commitments**

At year end, the Corporation was committed in respect of signed contracts for site development, construction of houses and road works at various sites in the amount of approximately \$14,432,425 (2010: \$7,836,401).

### **Contingencies**

- a. During the normal course of business, the Corporation may be subject to legal action being brought against it by litigants. Management considers that any liability from these actions for which provision has not been made will not be material.
- b. Hafeez Karamath Limited entered into a joint venture agreement with the Corporation to carry out infrastructural works at Deanestown Heights, St. James for the sum of \$6,009,450. Hafeez Karamath Limited obtained a loan from CIBC FirstCaribbean International Bank in order to carry out the infrastructural works and assigned its rights under the contract to CIBC FirstCaribbean International Bank.

CIBC FirstCaribbean International Bank has filed a suit against the Corporation for the sums due to Hafeez Karamath Limited to recover the amounts due to CIBC FirstCaribbean International Bank from Hafeez Karamath Limited. The Corporation has made an accrual for \$6,009,450 at March 31, 2011 (2010: \$6,009,450).

## 17. Fair Value of Financial Instruments

Financial assets of the Corporation include cash and cash equivalents, accounts receivable and loans receivable. Financial liabilities include bank overdraft, accounts payable and accrued liabilities, property and lot deposits, arbitration liability, long-term debt and Housing Development Bonds.

Fair values have been determined for measurement and for disclosure purposes. The fair values of cash and cash equivalents, accounts receivable, loans receivable, bank overdraft, accounts payable and accrued liabilities, property and lot deposits, arbitration liability, long-term debt and Housing Development Bonds are not materially different from their carrying amounts.

Loans receivable and Housing Development Bonds are not transacted within organized financial markets and as such a reasonable estimate of fair market value could not be made. Additional information pertinent to the terms and conditions of loans receivable and Housing Development Bonds are disclosed in notes 7 and 11 respectively.

Fair value estimates are made at a specific point in time, based on market conditions and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates. Non-financial instruments are excluded from fair value disclosure. Thus, the total fair value amounts cannot be aggregated to determine the underlying economic value of the Corporation.

# NATIONAL HOUSING CORPORATION

Notes to Financial Statements

March 31, 2011

(Expressed in Barbados Dollars)

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## 18. Financial Risk Management

The Corporation has exposure to the following risk from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

### ***Risk Management Framework***

The Senior Management team has overall responsibility for the establishment and oversight of the Corporation's risk management framework, for monitoring the Corporation's risk management policies. The management team periodically reports to the Board of Directors on its activities.

### ***Credit Risk***

Credit risk is the risk of financial loss to the Corporation if a customer or counterparty to financial instrument fails to meet its contractual obligations, and arises principally from the Corporation's cash and cash equivalents, accounts receivable and loans receivable.

The Corporation has no significant concentration of credit risk attached to accounts receivable as the Corporation has a large and diverse customer base, with no significant balances arising from any single economic or business sector, or any single entity or group of customers.

The Corporation has policies in place to ensure that sales are made to customers with an appropriate credit rating. Accounts receivable and loans receivable are shown net of allowance for impairment for doubtful debts. Allowances for impaired accounts receivable are recognized based on an estimate of amounts that would be irrecoverable, determined by taking into consideration past default experience, current economic conditions and expected receipts and recoveries once impaired.

Cash and cash equivalents are held with substantial financial institutions, which present minimal risk of default.

### ***Exposure to credit risk***

The carrying amount of the financial assets represents the maximum credit exposure. The maximum credit exposure at the reporting date was:

	<u>2011</u>	<u>2010</u>
Cash and cash equivalents	\$ 13,559,636	12,570,834
Accounts receivable, net	7,325,207	5,839,258
Loans receivable, net	<u>23,018,043</u>	<u>25,820,841</u>
	\$ <u>43,902,886</u>	<u>44,230,933</u>

# NATIONAL HOUSING CORPORATION

## Notes to Financial Statements

March 31, 2011

(Expressed in Barbados Dollars)

### 18. Financial Risk Management, continued

#### *Impairment losses*

The aging of accounts receivable at the reporting date was:

	Gross <u>2011</u>	Impairment <u>2011</u>	Gross <u>2010</u>	Impairment <u>2010</u>
Past due 0 – 30 days	\$ 2,428,761	-	2,419,735	-
Past due 31 – 60 days	78,715	-	89,595	-
Past due 61 – 120 days	195,498	-	227,996	-
More than 120 days	<u>11,945,913</u>	<u>(7,323,680)</u>	<u>11,667,932</u>	<u>(8,566,000)</u>
	<u>\$ 14,648,887</u>	<u>(7,323,680)</u>	<u>14,405,258</u>	<u>(8,566,000)</u>

The aging of loans receivable at the reporting date was:

	Gross <u>2011</u>	Impairment <u>2011</u>	Gross <u>2010</u>	Impairment <u>2010</u>
Not past due	\$ 19,660,721	-	22,707,520	-
Past due 0 – 30 days	1,936,756	-	1,590,513	-
Past due 31 – 60 days	886,898	-	1,055,565	-
Past due 61 – 120 days	966,204	(432,536)	669,232	(201,989)
More than 120 days	<u>4,990,336</u>	<u>(4,990,336)</u>	<u>4,235,001</u>	<u>(4,235,001)</u>
	<u>\$ 28,440,915</u>	<u>(5,422,872)</u>	<u>30,257,831</u>	<u>(4,436,990)</u>

The movement in the allowance for impairment in respect of accounts receivable and loans receivable during the year was as follows:

	<u>2011</u>	<u>2010</u>
<i><u>Provision for accounts receivable</u></i>		
Balance as at April 1	\$ 8,566,000	8,297,740
Impairment loss recognised	<u>(1,242,320)</u>	<u>268,260</u>
Balance as at March 31	<u>\$ 7,323,680</u>	<u>8,566,000</u>
<i><u>Provision for loans receivable</u></i>		
Balance as at April 1	\$ 4,436,990	4,436,990
Impairment loss recognised	<u>985,882</u>	<u>-</u>
Balance as at March 31	<u>\$ 5,422,872</u>	<u>4,436,990</u>

# NATIONAL HOUSING CORPORATION

## Notes to Financial Statements

March 31, 2011

(Expressed in Barbados Dollars)

### 18. Financial Risk Management, continued

#### **Liquidity Risk**

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the availability of funding through an adequate amount of committed credit facilities.

The management of the Corporation aims at maintaining flexibility in funding by monitoring budgeting commitments and by monitoring the timing of its cash flows.

The Corporation's liquidity risk is minimal since as discussed in note 2, the Corporation is economically dependent on the Government for its financing.

#### *Exposure to liquidity risk*

#### **March 31, 2011**

	<u>Carrying Amount</u>	<u>Contractual Cash Flows</u>	<u>6 Months or Less</u>	<u>Up to 1 Year</u>	<u>1 to 5 Years</u>	<u>Over 5 Years</u>
<b>Non-derivative financial Liability</b>						
Bank overdraft	\$ 10,579,695	10,745,213	-	10,745,213	-	-
Accounts payable and accrued liabilities	66,105,713	66,105,713	31,264,763	2,553,056	14,711,739	17,576,155
Property and lot deposits	23,279,841	23,279,841	-	-	-	23,279,841
Arbitration liability	64,606,951	64,606,951	64,606,951	-	-	-
Housing development bonds	50,000,000	50,000,000	-	-	-	50,000,000
Long-term debt	132,525,125	143,128,027	4,481,924	4,753,407	45,233,461	88,659,235

#### **March 31, 2010 (As restated Note 22)**

	<u>Carrying Amount</u>	<u>Contractual Cash Flows</u>	<u>6 Months or Less</u>	<u>Up to 1 Year</u>	<u>1 to 5 Years</u>	<u>Over 5 Years</u>
<b>Non-derivative financial Liability</b>						
Bank overdraft	\$ 10,637,582	11,604,546	-	11,604,546	-	-
Accounts payable and accrued liabilities	60,256,112	60,256,112	16,572,672	2,463,127	26,009,212	15,211,101
Property and lot deposits	23,022,189	23,022,189	-	-	-	23,022,189
Arbitration liability	62,019,634	62,019,634	62,019,634	-	-	-
Housing development bonds	50,000,000	50,000,000	50,000,000	-	-	-
Long-term debt	122,890,973	137,394,470	2,276,191	3,993,927	40,124,155	91,000,197

# NATIONAL HOUSING CORPORATION

Notes to Financial Statements

March 31, 2011

*(Expressed in Barbados Dollars)*

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## 18. Financial Risk Management, continued

### Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Corporation's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk. The Corporation's main exposure to market risk arises from the Barbados National Bank Inc. ("the Bank") \$13,000,000 loan which as disclosed in note 12, is charged interest on the outstanding balance at a rate which is 0.5% above the Bank's prime rate.

## 19. Arbitration Settlement

In the case National Housing Corporation vs. Barrack Construction Limited, the arbitrator ruled in favour of Barrack Construction awarding the sum of thirty-four million, four hundred and ninety thousand, five hundred and eighteen dollars (\$34,490,518), with interest being accrued at a rate of ten percent (10%) from the time the matter was sent to arbitration (July 2002), until the date of Judgment (September 2006) and thereafter, at a rate of eight percent (8%). In addition, the arbitrator also awarded cost in the amount of six thousand, one hundred and fifty-eight thousand two hundred dollars (\$6,158,200) with interest being accrued at a rate of eight percent (8%) commencing September 2006. The High Court confirmed the decision of the Arbitrator. An amount of \$2,500,000 was paid to Barrack Construction on November 14, 2008 by the Government of Barbados on behalf of the Corporation and on August 18, 2014 \$5,000,000 was paid to Barrack Construction Limited as part of the settlement.

Total interest accrued from the date the matter was sent to arbitration to March 31, 2011 equals \$13,748,714 (2010 as restated: \$11,161,397). The total amount payable at March 31, 2011 amounted to \$64,606,951 (2010 as restated: \$62,019,634).

## 20. Related Party Transactions and Balances

The Corporation considers related party transactions to be those with common shareholders, management or directors.

Transactions with key management personnel relate to compensation for services rendered. Key management comprised senior officers of the Corporation.

### Key management compensation

	<u>2011</u>	<u>2010</u>
Salaries and short-term employment benefits	\$ 2,568,763	2,333,583
Statutory contributions	<u>478,319</u>	<u>463,248</u>
	\$ <u>3,047,082</u>	<u>2,796,831</u>

# NATIONAL HOUSING CORPORATION

## Notes to Financial Statements

March 31, 2011

(Expressed in Barbados Dollars)

### 20. Related Party Transactions and Balances, continued

	<u>2011</u>	<u>2010</u>
Directors' emoluments	\$ <u>34,401</u>	<u>40,051</u>

Existing transactions and balances are as follows:

	<u>Notes</u>	<u>2011</u>	<u>2010</u> <u>As restated</u> <u>Note 22</u>
Repayment of Bonds Government of Barbados	11	\$ 50,000,000	50,000,000
Investments by Government		2,418,000	22,741,406
Loan (Warrens Building)	12	79,074,359	79,074,359
Loan (Asbestos Roofs)	12	5,767,796	5,767,796
Loan (Housing Credit Fund)	12	<u>231,748</u>	<u>616,368</u>
		\$ <u>137,491,903</u>	<u>158,199,929</u>

### 21. Leases

In 2005, the Corporation leased 104.951 square meters of land situated at Deanestown Heights, St. James to Hafeez Karamath Limited at an annual rate of \$2,000 for five years.

The future minimum lease payments under this non-cancellable lease were as follows:

	<u>2011</u>	<u>2010</u>
Less than one year	\$ <u>-</u>	<u>2,000</u>

# NATIONAL HOUSING CORPORATION

Notes to Financial Statements

March 31, 2011

(Expressed in Barbados Dollars)

## 22. Prior Period Adjustment

The restatement of the prior year's financial statements resulted from the incorrect computation of interest expense and an unrecorded payment regarding the arbitration liability in the previous years. The effect of these prior period adjustments on the financial statements is as follows:

	Excess of Expenditure over Income for the year	Accumulated Deficit	Long Term Debt	Arbitration Interest Expense	Arbitration Liability
Balance as March 31, 2010, as previously stated	\$ 8,825,411	50,835,632	118,021,450	3,251,897	66,646,057
Adjustment for interest expense on arbitration	(664,580)	(2,126,423)	-	(664,580)	(2,126,423)
Adjustment for loan received from Government of Barbados	-	-	2,500,000	-	(2,500,000)
Balance as at March 31, 2010, as restated	\$ <u>8,160,831</u>	<u>48,709,209</u>	<u>120,521,450</u>	<u>2,587,317</u>	<u>62,019,634</u>



**NATIONAL HOUSING CORPORATION**

General and Administrative Expenses

March 31, 2011

*(Expressed in Barbados Dollars)*

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	<u>2011</u>	<u>2010</u>
Repairs and maintenance – rental units	\$ 8,021,601	8,104,454
Repairs and maintenance – buildings, vehicles and equipment	3,524,889	3,147,411
Utilities	1,173,405	1,216,527
Bad debts	1,463,761	1,353,115
Insurance	489,528	419,828
Travel	461,458	443,977
Bank charges	243,002	700,775
Professional fees	235,031	747,000
Miscellaneous	230,419	760,951
Printing and stationery	141,659	153,237
Compensation	100,333	425,437
Contingent vote	82,671	177,984
Advertising	80,128	133,624
Surveying expenses	59,297	288
Training	45,780	11,110
Board and subcommittee fees	34,401	40,051
Legal fees	5,401	20,700
Commission	<u>-</u>	<u>2,622</u>
<b>General and Administrative Expenses</b>	<b>\$ <u>16,392,764</u></b>	<b><u>17,859,091</u></b>





## NATIONAL HOUSING CORPORATION

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