



Ministerial Statement

by

Lt. Col. the Hon. David A. Burch, OBE (Mil), ED, JP, MP

Minister of Public Works

The Bermuda Land Development Company Limited

September 15th 2017

Mr. Speaker, I rise today to inform Members of this House, and the public, about the state of affairs that was discovered at the **Bermuda Land Development Company Limited (BLDC)** upon assuming office.

Mr. Speaker, this is a part of my duty that I do not enjoy, but as **you** will be aware all Government departments and entities must report to this House, whether through their Ministers – or by the tabling of annual audited financial statements.

In fact, it is our responsibility as Ministers to report to this place.

Mr. Speaker, because this House has oversight of all Government expenditure and because the then Government was so *'gung ho'* on following every item of previous Government expenditure, I was more than a little surprised to discover that under their watch, there is a Government entity that has not met the requirements of the Companies Act 1981.

Mr. Speaker, the entity about which I speak, is the Bermuda Land Development Company. The Company, I have been informed, has audited financials for the year 2011; but these financials have not been submitted because there has been no Annual General Meeting (AGM) since 2011.

Mr. Speaker, you will know that there are 2 shareholders of the Company, the Ministers of Finance and Public Works and I can report that the share transfer from the former ministers to the current ones went smoothly. Sadly, that is all that has gone smoothly.

The last audited accounts tabled at an AGM are the audited accounts for the year ending **March 31, 2009**. The auditing of the **2010** and **2011** accounts have only **recently** been completed by the Office of the Auditor General. Management of the BLDC has since 2011 requested the auditing process be sped up, even offering to pay additional costs to have the audits outsourced, without success.

To be clear – this statement is in no way criticism of the Board or staff of the BLDC – who in the face of complete irresponsibility by their shareholders tried as best they could to comply with the law.

Mr. Speaker, upon learning of this situation – in consultation with the other shareholder, the Minister of Finance – we inquired of the remedy to this situation and were advised that a sanction is required from the Registrar of Companies for those years in which there are no audited financial statements.

Such a sanction was applied for and the Registrar of Companies saw fit on August 24th to confer such an Order - contingent upon the said General Meeting being held and a copy of the Minutes being filed with the Registrar within 3 months.

I do not know what the Registrar of Companies thinks of this matter, but I do know that the oversight provided by the then Government was not oversight at all.

Mr. Speaker, I can confirm that the current shareholders will, with a sense of urgency, take the necessary steps to bring the company fully in compliance with the Company's Act in accordance with the sanction granted from the Registrar of Companies.

Mr. Speaker, this is a serious breach of financial regulations and I am astounded by the lack of oversight by the previous shareholders but **Mr. Speaker**, I am equally astounded at the inaction of the Office of the Auditor General – who many will recall quite doggedly went after this Party when we were previously in government but have acted doubly reckless in this regard by not conducting audits over 5 years and then incredibly refusing to allow the Company to seek redress from an outside auditing firm. I trust the Parliamentary oversight committee of this office will conduct a full investigation.

Thank you, **Mr. Speaker**.