

# APPENDIX VIII



Financial Statements of

## **DEIGHTON GRIFFITH SECONDARY SCHOOL**

March 31, 2016

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**Table of Contents**

	<b>Page</b>
<b>Auditors' Report to the Board of Management</b>	<b>1</b>
<b>Balance Sheet</b>	<b>2</b>
<b>Statement of Changes in Consolidated Fund</b>	<b>3</b>
<b>Statement of Revenue and Expenses – General Account</b>	<b>4</b>
<b>Statement of Revenue and Expenses – Text Book Loan Scheme</b>	<b>5</b>
<b>Statement of Revenue and Expenses – Petty Fees</b>	<b>6</b>
<b>Statement of Revenue and Expenses – School Improvement Grant</b>	<b>7</b>
<b>Statement of Cash Flows</b>	<b>8</b>
<b>Notes to Financial Statements</b>	<b>9 - 12</b>

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## INDEPENDENT AUDITORS' REPORT

### To the Board of Management of Deighton Griffith Secondary School

We have audited the accompanying financial statements of Deighton Griffith Secondary School, which comprise the balance sheet as at March 31, 2016, the statements of revenue and expenses, the statement of changes in consolidated fund and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

#### **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 and for such internal controls as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's 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 ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 the auditor's 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, the auditor considers 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 policies 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 audit opinion.

#### **Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of Deighton Griffith Secondary School as of March 31, 2016, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Chartered Accountants  
Bridgetown, Barbados  
October 27, 2016

# DEIGHTON GRIFFITH SECONDARY SCHOOL

## Balance Sheet

As of March 31, 2016  
with comparative figures for 2015

(Expressed in Barbados Dollars)

	<u>Notes</u>	<u>2016</u>	<u>2015</u>
<b>Assets</b>			
<b>Current Assets:</b>			
Cash	4	\$ 669,953	508,919
VAT receivable		<u>130,651</u>	<u>167,394</u>
<b>Total current assets</b>		<b>800,604</b>	<b>676,313</b>
Furniture and equipment	5	<u>71,209</u>	<u>83,505</u>
<b>Total Assets</b>		<b>\$ <u>871,813</u></b>	<b><u>759,818</u></b>
<b>Liabilities and Consolidated Fund</b>			
<b>Current Liabilities:</b>			
Accounts payable		\$ 26,033	34,823
Due to Government departments	7	30,200	23,640
Net deferred grant	6	<u>134,710</u>	<u>53,416</u>
<b>Total current liabilities</b>		<b>190,943</b>	<b>111,879</b>
<b>Consolidated Fund</b>		<u>680,870</u>	<u>647,939</u>
<b>Total Liabilities and Consolidated Fund</b>		<b>\$ <u>871,813</u></b>	<b><u>759,818</u></b>

See accompanying notes to financial statements.

Approved by:

Robert (1703) Trotter J.P. Chairman

Annette R Sealy Secretary / Treasurer

## DEIGHTON GRIFFITH SECONDARY SCHOOL

### Statement of Changes in Consolidated Fund

As of March 31, 2016  
with comparative figures for 2015

*(Expressed in Barbados Dollars)*

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	General Fund	Text Book Loan Scheme Fund	Petty Fees Fund	Consolidated Fund
Balance at March 31, 2014	\$ 606,856	64,195	(3,956)	667,095
Excess of revenue over expenses for the year	<u>(7,748)</u>	<u>6,897</u>	<u>(18,305)</u>	<u>(19,156)</u>
Balance at March 31, 2015	599,108	71,092	(22,261)	647,939
Excess of expenses over revenue for the year	<u>29,251</u>	<u>3,899</u>	<u>(219)</u>	<u>32,931</u>
Balance at March 31, 2016	<u>\$ 628,359</u>	<u>74,991</u>	<u>(22,480)</u>	<u>680,870</u>

See accompanying notes to financial statements.

# DEIGHTON GRIFFITH SECONDARY SCHOOL

## Statement of Revenue and Expenses - General Account

Year ended March 31, 2016  
with comparative figures for 2015

(Expressed in Barbados Dollars)

	Notes	Budget Approved In 2016 Estimates	2016	2015
<b>Revenue:</b>				
Government grant	7	\$ 5,307,336	5,033,296	4,956,025
Other income - B.O.M		-	1,020	1,241
Tuition fees		-	16,275	17,317
Rental of canteen		-	13,500	13,500
Rental of premises		-	11,600	9,700
		<u>5,307,336</u>	<u>5,075,691</u>	<u>4,997,783</u>
<b>Expenses:</b>				
Assets under constuction		184,711	61,565	-
Board room renovation	9	-	-	33,417
Depreciation	5	-	13,145	16,090
Library		2,500	863	863
Maintenance of property		123,735	108,899	115,497
National insurance and levies		343,587	330,967	332,671
Operating expenses	8	31,830	30,189	32,799
Other personal emoluments		1,238,396	1,057,198	1,079,972
Personal emoluments		3,184,592	3,257,973	3,216,406
Professional fees		9,000	8,500	8,000
Rental of property		27,800	26,875	25,284
Supplies and materials		38,825	44,329	36,238
Travel		7,200	7,107	6,671
Utilities		115,160	97,830	101,623
		<u>5,307,336</u>	<u>5,046,440</u>	<u>5,005,531</u>
Excess of revenue over expenses (expenses over revenue)	\$	<u>-</u>	<u>29,251</u>	<u>(7,748)</u>

See accompanying notes to financial statements.

# DEIGHTON GRIFFITH SECONDARY SCHOOL

## Statement of Revenue and Expenses - Text Book Loan Scheme

Year ended March 31, 2016  
with comparative figures for 2015

*(Expressed in Barbados Dollars)*

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	<u>2016</u>	<u>2015</u>
<b>Revenue:</b>		
Text book rentals	\$ 55,604	60,230
Other income - Text books	<u>1,085</u>	<u>578</u>
	<u>56,689</u>	<u>60,808</u>
<b>Expenses:</b>		
Depreciation	48,950	50,411
Stipends	3,500	3,500
Other	<u>340</u>	<u>-</u>
	<u>52,790</u>	<u>53,911</u>
Excess of revenue over expenses	<u>\$ 3,899</u>	<u>6,897</u>

*See accompanying notes to financial statements.*

## DEIGHTON GRIFFITH SECONDARY SCHOOL

### Statement of Revenue and Expenses - Petty Fees

Year ended March 31, 2016  
with comparative figures for 2015

*(Expressed in Barbados Dollars)*

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	<u>2016</u>	<u>2015</u>
<b>Revenue:</b>		
Petty fees	\$ 32,997	35,097
Games clothes	2,730	2,790
Other income	4,791	3,643
	<u>40,518</u>	<u>41,530</u>
<b>Expenses:</b>		
Games	7,846	10,720
Stationery and supplies	20,815	27,899
Subscriptions	336	1,425
Transportation	11,410	19,140
Other	330	651
	<u>40,737</u>	<u>59,835</u>
Excess of expenses over revenue	\$ <u>(219)</u>	<u>(18,305)</u>

*See accompanying notes to financial statements.*



# DEIGHTON GRIFFITH SECONDARY SCHOOL

## Statement of Revenue and Expenses - School Improvement Grant

Year ended March 31, 2016  
with comparative figures for 2015

*(Expressed in Barbados Dollars)*

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	<u>2016</u>	<u>2015</u>
<b>Revenue:</b>		
Grant	\$ 7,990	16,192
	<u>7,990</u>	<u>16,192</u>
<b>Expenses:</b>		
Travel	3,040	7,977
Training	4,263	4,740
Other	687	3,475
	<u>7,990</u>	<u>16,192</u>
Excess of revenue over expenses	\$ <u>-</u>	<u>-</u>

*See accompanying notes to financial statements.*

# DEIGHTON GRIFFITH SECONDARY SCHOOL

## Statement of Cash Flows

Year ended March 31, 2016  
with comparative figures for 2015

(Expressed in Barbados Dollars)

	<u>2016</u>	<u>2015</u>
<b>Cash Flows from Operating Activities</b>		
Excess of revenue over expenses (expenses over revenue) - General Fund	\$ 29,251	(7,748)
Excess of revenue over expenses - Text Book Loan Fund	3,899	6,897
Excess of expenses over revenue - Petty Fees Fund	<u>(219)</u>	<u>(18,305)</u>
Excess of revenue over expenses (expenses over revenue)	32,931	(19,156)
Adjustment for:		
Depreciation	<u>62,095</u>	<u>66,501</u>
Excess of revenue over expenses before working capital changes:	95,026	47,345
Decrease (increase) in VAT receivable	36,743	(50,675)
(Decrease) increase in accounts payable and accruals	(8,790)	22,023
Increase in due to government departments	6,560	9,680
Increase (decrease) in net deferred grant	<u>81,294</u>	<u>(5,849)</u>
<b>Net cash from operating activities</b>	<u>210,833</u>	<u>22,524</u>
<b>Cash Flows from Investing Activities</b>		
Purchase of text books	(49,799)	(50,105)
Purchase of furniture and fittings	<u>-</u>	<u>(7,562)</u>
<b>Net cash used in investing activities</b>	<u>(49,799)</u>	<u>(57,667)</u>
Increase (decrease) in cash during the year	161,034	(35,143)
Cash, beginning of year	<u>508,919</u>	<u>544,062</u>
Cash, end of year	<u>\$ 669,953</u>	<u>508,919</u>

See accompanying notes to financial statements.

# DEIGHTON GRIFFITH SECONDARY SCHOOL

## Notes to the Financial Statements

March 31, 2016

*(Expressed in Barbados Dollars)*

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### 1. Establishment and Principal Activity

The Board of Management was established under the Education Act 1981-25, and undertook the responsibilities of administering the School on September 12, 1991.

The Deighton Griffith Secondary School is located at Kingsland, Christ Church.

### 2. Basis of Presentation

These financial statements were approved by the Board of Management on October 27, 2016.

#### (a) *Basis of Measurement*

The financial statements are prepared in accordance with International Financial Reporting Standards promulgated by the International Accounting Standards Board. They are prepared under the historical cost convention.

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

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

#### (c) *Period of Reporting*

These financial statements represent the performance, the financial and cash flow position of the Deighton Griffith Secondary School for the year ended March 31, 2016.

### 3. Significant Accounting Policies

The accounting policies adopted by Deighton Griffith Secondary School are as follows:

#### (a) *Revenue Recognition*

##### Government Grant

The School receives an annual grant from the Government of Barbados to finance both capital and recurrent expenditure. The grant income is recognised to the extent that it is matched with the related costs incurred which it is intended to cover in the year.

##### Other Revenue

Other revenue is recognised when earned.

#### (b) *Furniture and Equipment*

Furniture and equipment are recorded at cost less accumulated depreciation and impairment losses. Depreciation is calculated on the straight-line basis to write off the costs of furniture and fittings, equipment and library books over their estimated useful lives as follows:

Furniture and fittings	10 years
Computer equipment	5 years
Library books	3 years
Text books	3 years

# DEIGHTON GRIFFITH SECONDARY SCHOOL

## Notes to the Financial Statements

March 31, 2016

(Expressed in Barbados Dollars)

### 4. Cash

	<u>2016</u>	<u>2015</u>
Cash in hand	\$ 500	500
Cash at bank	669,453	508,419
	<u>\$ 669,953</u>	<u>508,919</u>

### 5. Furniture and Equipment

	<b>Furniture and Fittings</b>	<b>Computer Equipment</b>	<b>Library Books</b>	<b>Text Books</b>	<b>Total</b>
<b>Cost</b>					
At March 31, 2014	\$ 842,539	218,997	69,708	467,488	1,598,732
Additions	<u>7,562</u>	<u>-</u>	<u>-</u>	<u>50,105</u>	<u>57,667</u>
At March 31, 2015	850,101	218,997	69,708	517,593	1,656,399
Additions	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,799</u>	<u>49,799</u>
At March 31, 2016	<u>\$ 850,101</u>	<u>218,997</u>	<u>69,708</u>	<u>567,392</u>	<u>1,706,198</u>
<b>Accumulated Depreciation</b>					
At March 31, 2014	799,568	218,997	69,708	418,120	1,506,393
Charge for the year	<u>16,090</u>	<u>-</u>	<u>-</u>	<u>50,411</u>	<u>66,501</u>
At March 31, 2015	815,658	218,997	69,708	468,531	1,572,894
Charge for the year	<u>13,145</u>	<u>-</u>	<u>-</u>	<u>48,950</u>	<u>62,095</u>
At March 31, 2016	<u>\$ 828,803</u>	<u>218,997</u>	<u>69,708</u>	<u>517,481</u>	<u>1,634,989</u>
<b>Net Book Value</b>					
At March 31, 2014	<u>\$ 42,971</u>	<u>-</u>	<u>-</u>	<u>49,368</u>	<u>92,339</u>
At March 31, 2015	<u>34,443</u>	<u>-</u>	<u>-</u>	<u>49,062</u>	<u>83,505</u>
At March 31, 2016	<u>\$ 21,298</u>	<u>-</u>	<u>-</u>	<u>48,911</u>	<u>71,209</u>

Plant and equipment reflects only those assets acquired since the Board assumed responsibility for the administration of the School on September 12, 1991.

Land and buildings have not yet been vested in the School, and therefore are not reflected in these financial statements. The School is however responsible for the maintenance and upkeep of the property. Such costs are reflected in current operations. All land and buildings are owned by the Government of Barbados.

# DEIGHTON GRIFFITH SECONDARY SCHOOL

Notes to the Financial Statements

March 31, 2016

(Expressed in Barbados Dollars)

## 6. Net Deferred Grant

Net deferred grant comprises:

	<u>2016</u>	<u>2015</u>
Government grant	\$ 98,892	9,608
School improvement grant	<u>35,818</u>	<u>43,808</u>
	<u>\$ 134,710</u>	<u>53,416</u>

### *School Improvement Grant*

In February 2015, the School received a \$60,000 grant from the Inter-American Development Bank under the "Skills for the Future Project". The objective of the Project is to create an education and training system better aligned with the needs of the economy and the private sector, so as to improve the school to work transition.

As of March 31, 2016 the School had utilised \$24,182 (2015 - \$16,192) of the grant funding.

## 7. Sources of Grant Funding

Grant funding of the approved annual expenditure of \$5,033,296 (2015 - \$5,051,098) is provided through a number of sources as follows:

	<u>2016</u>	<u>2015</u>
Payments made on behalf the School - staff salaries and wages	\$ 4,639,724	4,622,587
Grant payments	<u>393,572</u>	<u>333,438</u>
	<u>\$ 5,033,296</u>	<u>4,956,025</u>

## 8. Operating Expenses

	<u>2016</u>	<u>2015</u>
Advertising	\$ 639	1,188
Board member's fees	9,240	10,640
Board members' refreshments	4,819	2,265
Other expenses	8,006	11,162
Prizes and prize day expenses	5,295	5,852
Training and Teachers' Professional Day	1,000	1,500
Uniforms	<u>1,190</u>	<u>192</u>
	<u>\$ 30,189</u>	<u>32,799</u>

# DEIGHTON GRIFFITH SECONDARY SCHOOL

Notes to the Financial Statements

March 31, 2016

*(Expressed in Barbados Dollars)*

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## **9. Board Room Renovation**

On October 6, 2008 permission was granted by the Ministry of Education and Human Resource Development for the use of fifty thousand (\$50,000) dollars from savings in order to cover the cost of the construction of an extension to the School's Board Room and Secretary/Treasurer's Office.

As of March 31, 2016 the cost incurred on the extension of the Board Room was \$40,977 (2015 - \$40,977).

## **10 Subsequent Events**

At the end of the 2015/2016 school year, the School commenced the renovation of its Industrial Arts Block. The renovation work is expected to be completed by November 2016 with a total estimated cost to completion of \$812,984. As of March 31, 2016 the School had incurred and reported \$61,565 as Assets Under Construction for professional services rendered in connection with the design and other preliminary work associated with the renovations.