

The Lester Vaughan School

Financial Statements
Year ended March 31, 2007
(expressed in Barbados dollars)

Index to Financial Statements
Year ended March 31, 2007

	Page
Independent Auditors' Report	1
Balance Sheet	2
Statement of income and expenditure – General fund	3
Statement of income and expenditure – Petty fees fund	4
Statement of income and expenditure – Textbook loan scheme fund	5
Statement of income and expenditure – Rental of property fund	6
Statement of Cash Flows	7
Notes to Financial Statements	8 - 11
Management Information – Statement of budgeted and actual expenditure	12



Skeete, Best & Co. Chartered Accountants
Tudor Bridge, St. Michael
Barbados, W.I.
Tel. (246) 424-6626 Fax. (246) 425-5348
Email: ds.skeetebest@caribsurf.com



INDEPENDENT AUDITORS' REPORT

To the Board of Management of
The Lester Vaughan School

We have audited the accompanying financial statements of The Lester Vaughan School, which comprise the balance sheet as of March 31, 2007, and the statements of income and expenditure and 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. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 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 The Lester Vaughan School as of March 31, 2007, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Skeete, Best & Co

Chartered Accountants

Barbados, W.I.
March 3, 2008

The Lester Vaughan School

Balance Sheet

As of March 31, 2007

(expressed in Barbados dollars)

	2007	2006
	\$	\$
Assets		
Current assets		
Cash at bank (Note 4)	<u>284,837</u>	<u>298,546</u>
Fund Balances		
Consolidated funds (Note 6)	<u>284,837</u>	<u>298,546</u>

The accompanying notes form an integral part of these financial statements.

Approved by the Board of Management on March 3, 2008.

Chairman: _____

Secretary/Treasurer: _____

The Lester Vaughan School
Statement of Income and Expenditure - General Fund
Year ended March 31, 2007
(expressed in Barbados dollars)

	Provision shown in		
	Approved 2007 estimates	2007	2006
	\$	\$	\$
Income			
Statutory grant - current year	5,141,264	5,249,051	4,886,367
VAT Refund	-	-	26,376
Barbados Cricket Association - use of grounds	-	-	10,529
Interest	-	-	4,898
Miscellaneous	-	5,374	614
	<u>5,141,264</u>	<u>5,254,425</u>	<u>4,928,784</u>
Expenditure			
Salaries	3,159,351	3,154,766	3,106,444
- Statutory and personal emoluments	1,165,643	1,278,717	1,129,293
- Other personal emoluments	323,189	325,986	295,043
National Insurance	95,500	134,615	110,090
Maintenance of property	128,958	104,244	99,635
Utilities	95,015	82,834	57,736
Operating expenses	58,000	62,091	48,863
Supplies and materials	-	57,775	43,298
Hurricane shutters	-	42,762	37,643
VAT expense	68,626	36,698	34,585
Plant, equipment and furniture	20,982	20,841	17,709
Travel	11,000	10,961	10,628
Rental of property	8,500	7,125	5,000
Professional fees	6,500	4,225	5,102
Library	-	1,220	1,983
Bank charges	-	389	-
Interest	-	-	-
	<u>5,141,264</u>	<u>5,325,249</u>	<u>5,003,052</u>
Deficit for the year	-	<u>(70,824)</u>	<u>(74,268)</u>

The accompanying notes form an integral part of these financial statements.

The Lester Vaughan School
Statement of Income and Expenditure - Petty fees Fund
Year ended March 31, 2007
(expressed in Barbados dollars)

	2007	2006
	\$	\$
Income		
Continuing education programme	-	41,934
Petty fees	42,135	37,280
Examination fees	14,090	13,853
Miscellaneous	14,385	11,244
Games clothes	19,172	9,994
School fees	9,520	8,120
VAT refund	17,930	4,457
Exercise books	2,450	3,001
Interest	1,838	510
	<u>121,520</u>	<u>130,393</u>
Expenditure		
Continuing education programme - equipment	1,381	41,944
Games clothes	16,450	29,402
Examination fees	15,738	16,573
Exercise books	12,834	-
Crest and badges	10,036	9,225
Transportation	12,667	7,978
Donations and contributions	5,500	-
Sports equipment	5,363	3,326
Miscellaneous	5,438	2,204
Stationery	-	1,581
Music supplies	2,176	1,100
Laundry	400	400
Training and seminars	630	350
Withholding tax	230	215
Refunds	833	120
	<u>89,676</u>	<u>114,418</u>
Surplus for the year	<u>31,844</u>	<u>15,975</u>

The accompanying notes form an integral part of these financial statements.

Lester Vaughan School

Statement of Income and Expenditure - Textbook Loan Scheme Fund

Year ended March 31, 2007

(expressed in Barbados dollars)

	2007	2006
	\$	\$
Income		
Textbook rental fees	74,642	70,036
Fees - damaged books	4,296	2,803
Interest	2,747	1,040
	<u>81,685</u>	<u>73,879</u>
Expenditure		
Textbooks	57,884	67,847
Assistants' fees	10,045	14,780
Office supplies	980	1,106
Textbook refunds	229	-
Withholding tax	344	-
Bank charges	179	57
	<u>69,661</u>	<u>83,790</u>
Surplus (deficit) for the year	<u>12,024</u>	<u>(9,911)</u>

The accompanying notes form an integral part of these financial statements.

The Lester Vaughan School

Statement of Income and Expenditure - Rental of Property Fund

Year ended March 31, 2007

(expressed in Barbados dollars)

	2007	2006
	\$	\$
Income		
Vendors' fees	24,678	29,027
VAT refund	60,583	12,699
Concession fees	16,000	12,000
Interest	2,867	1,439
Miscellaneous	500	400
	<u>104,628</u>	<u>55,565</u>
Expenditure		
Repairs and maintenance	83,174	55,106
Cleaning	4,550	4,450
Miscellaneous	600	960
Equipment	1,499	395
Bank charges	-	177
Withholding tax	358	-
Refunds	1,200	-
	<u>91,381</u>	<u>61,088</u>
Surplus (deficit) for the year	<u>13,247</u>	<u>(5,523)</u>

The accompanying notes form an integral part of these financial statements.

The Lester Vaughan School
Statement of Cash Flows
Year ended March 31, 2007
(expressed in Barbados dollars)

	2007	2006
	\$	\$
Cash flows from operating activities		
General Account - Deficit	(70,824)	(74,268)
Petty Fees Account - Surplus	31,844	15,975
Text Book Loan Scheme Account - Surplus (deficit)	12,024	(9,911)
Rental of Property Fund - Surplus (deficit)	13,247	(5,523)
	<hr/>	<hr/>
Net decrease in cash	(13,709)	(73,727)
	<hr/>	<hr/>
Cash - beginning of year	298,546	372,273
	<hr/>	<hr/>
Cash - end of year	284,837	298,546

The accompanying notes form an integral part of these financial statements.

The Lester Vaughan School
Notes to Financial Statements
Year ended March 31, 2007
(expressed in Barbados dollars)

1. Establishment of Board of Management

The Board of Management was established under the Education Act 1981-25, and undertook the responsibilities of administering the School in 1997.

2. Significant accounting policies

Basis of preparation

Except as disclosed below, these financial statements are stated in Barbados dollars and have been prepared in accordance with International Financial Reporting Standards promulgated by the International Accounting Standards Board. They have been prepared under the historical cost convention.

Government grants

The school receives an annual grant from the Government of Barbados to finance both capital and revenue expenditure. The full amount of the grant is taken to income in the year in which it is received.

Income and expenditure

The statements of income and expenditure have been prepared on the cash basis of accounting, therefore they do not reflect the liability for any charges or expenses incurred prior to the year end but settled subsequent to that date. The statements also do not reflect the assets for income due but not received at the year end date. This practice is not in accordance with International Financial Reporting Standards.

Fixed assets

Land and buildings have not been vested in the school and are therefore not reflected in these financial statements. The School is however responsible for the maintenance and upkeep of the property. These costs together with the costs of improvements to the property are reflected in the statement of income and expenditure.

Additions to and disposals of fixed assets are reflected only in the statement of income and expenditure. This is not in accordance with International Financial Reporting Standards (IFRS), which require that fixed assets be capitalized and depreciated over the estimated useful life of the relevant assets.

3. Commitments

At the year end the School had no approved expenditure commitment.

The Lester Vaughan School
Notes to Financial Statements
Year ended March 31, 2007
 (expressed in Barbados dollars)

4. Cash

	2007	2006
	\$	\$
General fund	95,951	166,77
Text Book Loan Scheme fund	51,639	39,61
Rental of Property fund	76,930	63,68
Petty Fees fund	60,317	28,47
	<u>284,837</u>	<u>298,54</u>

5. Staff costs

	2007	2006
	\$	\$
Statutory and personal emoluments	3,154,766	3,106,444
Other personal emoluments	1,278,717	1,129,293
National Insurance	325,986	295,043
	<u>4,759,469</u>	<u>4,530,780</u>
Average number of employees at year end	<u>96</u>	<u>94</u>

The Lester Vaughan School
Notes to Financial Statements
Year ended March 31, 2007
(expressed in Barbados dollars)

6. Consolidated Funds

	General Fund \$	Text Book Loan Scheme Fund \$	Rental of Property Fund	Petty Fees Account Fund \$	Consolidated Funds \$
Balance at March 31, 2005	281,261	49,526	28,988	12,498	372,273
Funds transferred - refuse bin	(40,218)	-	40,218	-	-
Surplus (deficit) for the year	(74,268)	(9,911)	(5,523)	15,975	(73,727)
Balance at March 31, 2006	166,775	39,615	63,683	28,473	298,546
Surplus (deficit) for the year	(70,824)	12,024	13,247	31,844	(13,709)
Balance at March 31, 2007	95,951	51,639	76,930	60,317	284,837

7. Financial instruments

Fair value

The School's financial assets are disclosed in the balance sheet at their approximate fair value.

Interest risk

The School is not exposed to any significant interest rate risk.

Credit risk

The School is not exposed to any significant concentration of credit risk.

The Lester Vaughan School

Management Information - Statement of Budgeted and Actual Expenditure

Year ended March 31, 2007

(expressed in Barbados dollars)

Category	Ministry Reference	2007			2006				
		Approved Estimate \$	Actual Expenditure \$	Savings \$	Deficit \$	Approved Estimate \$	Actual Expenditure \$	Savings \$	Deficit \$
Salaries									
- Statutory personal emoluments	101	3,159,351	3,154,766	4,585		3,137,269	3,106,444	30,825	
- Other personal emoluments	102	1,165,643	1,278,717		113,074	1,026,296	1,129,293		102,997
National insurance	103	323,189	325,986		2,797	282,450	295,043		12,593
Travel	206	20,982	20,841	141		17,988	17,709	279	
Utilities	207	128,958	104,244	24,714		123,772	99,635	24,137	
Rental of property	208	11,000	10,961	39		11,000	10,628	372	
Library	209	6,500	4,225	2,275		6,500	5,102	1,398	
Supplies and materials	210	58,000	62,091		4,091	61,000	48,863	12,137	
Maintenance of property	211	95,500	134,615		39,115	170,000	110,090	59,910	
Operating expenses	212	95,015	82,834	12,181		105,000	57,736	47,264	
Structures	623	-	57,775		57,775	-	43,298		43,298
Plant, equipment and furniture	625	68,626	36,698	31,928		8,500	34,585	3,500	26,085
Professional fees	626	8,500	7,125	1,375		8,500	5,000		
Bank charges		-	1,220		1,220	-	1,983		1,983
Interest		-	389		389	-	-		
Funds transferred to rental of property fund for refuse bin		-	-			-	40,218		40,218
Value added tax		-	42,762		42,762	-	37,643		37,643
		5,141,264	5,325,249	77,238	261,223	4,958,275	5,043,270	179,822	264,817