

**S. HUMPHREY & CO.**  
Chartered Accountants

Fourth Avenue, Belleville  
St. Michael  
Barbados, West Indies.

Tel: 246-436-7260  
Fax: 246-437-3415

E-mail: winsmore@caribsurf.com

*Winsmore S. Humphrey* B.A., F.C.C.A., F.C.A.

## 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 statement of financial position as at March 31, 2011 and the related statements of income and expenditure of the General Fund, Petty Fees Fund, Textbook Loan Scheme Fund, Rental of Property Fund and cash flows for the year then ended, and 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 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.

### *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 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 auditors' 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 auditors 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 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 at March 31, 2011 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

*W. S. Humphrey & Co*

Chartered Accountants  
Bridgetown, Barbados  
November 13, 2012

**The Lester Vaughan School**  
Statement of Financial Position  
As at March 31, 2011

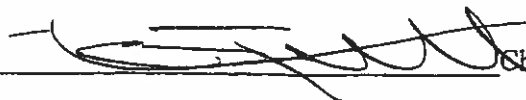
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(expressed in Barbados dollars)

	2011 \$	2010 \$
<b>Assets</b>		
<b>Current assets</b>		
Cash at bank (note 4)	<u>135,845</u>	<u>219,318</u>
<b>Funds</b>		
Consolidated funds (note 6)	<u>135,845</u>	<u>219,318</u>

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

Approved for issue by the Board of Management and signed on their behalf by

  
\_\_\_\_\_  
Chairman

  
\_\_\_\_\_  
Secretary/Treasurer

# The Lester Vaughan School

## Statement of Income and Expenditure – General Fund

For the year ended March 31, 2011

(expressed in Barbados dollars)

	2011	2010
	\$	\$
<b>Income</b>		
Statutory grant	6,181,985	6,077,365
Insurance claim – computers	1,887	-
Interests	262	265
Other income	2,534	6,643
VAT refunds		67,945
	<u>6,186,668</u>	<u>6,152,218</u>
<b>Expenditure</b>		
Salaries – statutory personal emoluments	3,732,756	3,759,847
Salaries and wages – other personal emoluments	1,480,613	1,487,565
National insurance	393,281	376,497
Travel	18,616	15,201
Utilities	125,616	133,646
Rental of property	21,049	17,642
Library	5,214	8,138
Supplies and materials	100,032	72,247
Maintenance of property	135,264	91,847
Operating expenses	78,397	97,004
Property, plant and equipment	26,100	-
Professional services	3,800	7,000
VAT expense	48,136	38,217
Bank charges	1,090	1,086
Withholding tax on interest	31	36
	<u>6,169,995</u>	<u>6,105,973</u>
<b>Surplus (deficit) for the year</b>	<u>16,673</u>	<u>46,245</u>

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

# The Lester Vaughan School

## Statement of Income and Expenditure – Petty Fees Fund

For the year ended March 31, 2011

(expressed in Barbados dollars)

	2011	2010
	\$	\$
<b>Income</b>		
Books	3,708	3,160
Compensation for broken windows	1,143	314
Crests, badges and pins	5,768	2,250
Cricket subscriptions	-	3,050
Donations	13,850	-
Envelopes	3	28
Examination fees	8,260	10,185
Games clothes and uniforms	11,825	12,055
Honorarium of school choir	-	-
Interest	2,540	2,786
Loan repayment	25,350	6,000
Other income	-	-
Over deposits	-	-
Overdrawn wages repayment	-	-
Petty fees	53,510	48,176
Rental of graduation gowns	-	-
School fees	30,805	24,622
Sundry income	281	10
Transportation	1,375	1,375
Unpresented cheques	2,841	2,107
VAT refunds	-	-
	<hr/>	<hr/>
	161,259	116,118

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

# The Lester Vaughan School

## Statement of Income and Expenditure – Petty Fees Fund

For the year ended March 31, 2011

(expressed in Barbados dollars)

	2011	2010
	\$	\$
<b>Expenditure</b>		
Arts and crafts		-
Bank charges – cheque books	305	202
Books	11,042	17,088
Catering services	11,843	5,004
Crests, badges and pins	9,225	11,262
Donations and contributions	6,539	6,189
Equipment	6,879	
Examination fees	260	14,015
Framing services		-
Games clothes and uniforms	14,250	10,000
Laundry supplies and services	2,090	1,127
Loan advance	52,680	6,000
Maintenance	6,585	
Materials and supplies		-
Medical services		354
Refunds	239	220
Rentals		2,380
Repairs – Tropical Storm Thomas	67,844	
Retirement expenses	5,513	2,900
Security grills		-
Sports equipment	6,395	10,766
Stationery	9,666	
Tournament fees		500
Training and seminars	3,040	400
Transportation	18,746	16,463
Trophies	184	1,472
VAT	1,871	1,871
Wages		1,700
Withholding tax on interest	173	179
	<u>235,369</u>	<u>110,092</u>
<b>(Deficit) surplus for the year</b>	<u>(74,110)</u>	<u>6,026</u>

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

# The Lester Vaughan School

## Statement of Income and Expenditure – Textbook Loan Scheme Fund For the year ended March 31, 2011

(expressed in Barbados dollars)

	2011	2010
	\$	\$
<b>Income</b>		
Fees – damaged/lost books	1,080	1,475
Interest	2,093	2,065
Other income	-	389
Textbook rental fees	69,620	67,385
	<u>72,793</u>	<u>71,314</u>
<b>Expenditure</b>		
Bank charges	-	58
Examination fees	8,080	-
Office supplies	95	456
Textbook purchases	47,724	55,168
Textbook refunds	180	326
Textbook repairs	5,745	3,726
Wages	11,625	8,660
Withholding tax on interest	262	131
	<u>73,711</u>	<u>68,525</u>
<b>(Deficit) surplus for the year</b>	<u>(918)</u>	<u>2,789</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 For the year ended March 31, 2011

(expressed in Barbados dollars)

	2011	2010
	\$	\$
<b>Income</b>		
Concession fees	24,600	14,000
Interest	622	1,542
Other Income	24,715	138
VAT refunds	64,499	-
Vendors' fees	-	8,433
	<u>114,436</u>	<u>24,113</u>
<b>Expenditure</b>		
Advertising Fee	4,811	-
Bank charges	32	58
Cleaning/preparation of facilities	15,573	4,300
Electrical supplies and services	16,106	546
Equipment and materials	18,358	41,213
Other expenses	149	-
Plumbing supplies and services	24,591	2,554
Refunds of caution fees	200	200
Rental of equipment	617	634
Repairs and maintenance	58,915	7,115
Security services	124	1,216
Withholding tax on interest	78	144
	<u>139,554</u>	<u>57,980</u>
<b>Deficit for the year</b>	<u>(25,118)</u>	<u>(33,867)</u>

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

# The Lester Vaughan School

## Statement of Cash Flows

For the year ended March 31, 2011

(expressed in Barbados dollars)

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	2011	2010
	\$	\$
<b>Cash flows from operating activities</b>		
General Fund – surplus	16,673	46,245
Petty Fees Fund – (deficit) surplus	(74,110)	6,026
Textbook Loan Scheme Fund – (deficit) surplus	(918)	2,789
Rental of Property Fund – deficit	(25,118)	(33,867)
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<b>Net (decrease) increase in cash</b>	<b>(83,473)</b>	<b>21,193</b>
<b>Cash - beginning of year</b>	<b>219,318</b>	<b>198,125</b>
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<b>Cash - end of year</b>	<b>135,845</b>	<b>219,318</b>
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The accompanying notes form an integral part of these financial statements.



# **The Lester Vaughan School**

## **Notes to the Financial Statements**

**For the year ended March 31, 2011**

(expressed in Barbados dollars)

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### **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 from 1997.

### **2 Significant accounting policies**

The principle accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

#### **a) 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.

#### **b) Income and expenditure**

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

#### **c) Government grants**

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

#### **d) Property, plant and equipment**

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.

### **3 Commitments**

At the year end, the School had no approved expenditure commitments.

# The Lester Vaughan School

## Notes to the Financial Statements

For the year ended March 31, 2011

(expressed in Barbados dollars)

### 4 Cash at bank

	2011	2010
	\$	\$
General Fund	50,376	33,703
Petty Fees Fund	21,017	95,127
Text Book Loan Scheme Fund	58,978	59,896
Rental of Property Fund	5,474	30,592
	<u>135,845</u>	<u>219,318</u>

The general fund balance is a combination of the chequing account balance \$40,182 and the saving account balance \$10,194.

### 5 Staff costs

	2011	2010
	\$	\$
Statutory Personal Emoluments	3,732,756	3,759,847
Other Personal Emoluments	1,480,613	1,487,565
National Insurance	393,281	376,497
	<u>5,606,650</u>	<u>5,623,919</u>
Average number of employees at the end of year	<u>97</u>	<u>97</u>

# The Lester Vaughan School

## Notes to the Financial Statements

For the year ended March 31, 2011

(expressed in Barbados dollars)

### 6 Consolidated Funds

	General Fund	Petty Fees Fund	Loan Scheme Fund	Textbook Fund	Rental of Property Fund	Consolidated Funds
Balance at March 31, 2009	(12,542)	89,101	57,107	64,459	198,125	
Surplus (deficit) for the year	46,245	6,026	2,789	(33,867)	21,193	
Balance at March 31, 2010	33,703	95,127	59,896	30,592	219,318	
Surplus (deficit) for the year	16,673	(74,110)	(918)	(25,118)	(83,473)	
Balance at March 31, 2011	50,376	21,017	58,978	5,474	135,845	

# **The Lester Vaughan School**

Notes to the Financial Statements

For the year ended March 31, 2011

(expressed in Barbados dollars)

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## **7 Financial Instruments**

### **Fair Value**

The School's financial assets are disclosed in the statement of financial position at their approximate 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**  
**For the year ended March 31, 2011**  
 (expressed in Barbados dollars)

Expenditure Category	Ministry Reference	2011				2010			
		Approved	Actual	Surplus	Deficit	Approved	Actual	Surplus	Deficit
		Estimates \$	Expenditures \$	\$	\$	Estimates \$	Expenditures \$	\$	\$
Salaries and wages									
Statutory personal emoluments	101	3,835,642	3,732,756	102,886	62,260	3,877,963	3,759,847	118,116	51,795
Other personal emoluments	102	1,418,353	1,480,613	-	-	1,435,770	1,487,565	-	-
National insurance	103	388,611	393,281	-	4,670	370,201	376,497	-	6,296
Travel	206	13,200	18,616	-	5,416	13,200	15,201	-	2,001
Utilities	207	119,200	125,616	-	6,416	105,000	133,646	-	28,646
Rental of property	208	23,000	21,049	1,951	-	23,000	17,642	5,358	-
Library	209	5,982	5,214	768	-	8,750	8,138	612	-
Supplies and materials	210	110,858	100,032	10,826	-	115,000	72,247	42,753	-
Maintenance of property	211	128,500	135,264	-	6,764	104,000	91,847	12,153	-
Operating expenses	212	82,160	78,397	3,763	-	105,681	97,004	8,677	-
Property, plant and equipment	625	40,600	26,100	14,500	-	-	-	-	-
Professional services	626	8,500	3,800	4,700	-	8,500	7,000	1,500	-
VAT expenses	NA	-	48,136	-	48,136	-	38,217	-	38,217
Bank charges	NA	-	1,090	-	1,090	-	1,086	-	1,086
Withholding tax on interest	NA	-	31	-	31	-	36	-	36
<b>Totals</b>		<b>6,174,606</b>	<b>6,169,995</b>	<b>139,394</b>	<b>134,783</b>	<b>6,167,065</b>	<b>6,105,973</b>	<b>189,169</b>	<b>128,077</b>

