

**The St. Michael School**

Financial statements

**March 31, 2011**

(expressed in Barbados dollars)



**Index to the financial statements**

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<b>Contents</b>	<b>Page</b>
Auditors' report to the Board of Management	1
Statement of financial position	2
Statement of changes in fund balances	3
Statements of income and expenditure	
- General fund	4 - 5
- VAT fund	6
- Petty fees fund	7
- Textbook loan scheme fund	8
- Canteen fund	9
Notes to financial statements	10 - 12

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## **INDEPENDENT AUDITORS' REPORT**

### **To the Board of Management of The St. Michael School**

We have audited the statement of financial position and the related statements of income and expenditure of The St. Michael School's General fund, Petty fees fund, Textbook loan scheme fund, Canteen fund and VAT fund for the year ended March 31, 2011.

The School's Board of Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provision of the Financial Administration and Audit Act. This responsibility includes: designing, implementing and maintaining internal controls 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.

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.

In our opinion, the financial statements present fairly in all material respects, the financial position of the School's General fund, Petty fees fund, Textbook loan scheme fund, Canteen fund and VAT fund for the year ended March 31, 2011 in accordance with the accounting policies set out in Note 1.



Chartered Accountants  
September 7<sup>th</sup>, 2011  
Bridgetown, Barbados

**St. Michael School**  
**Statement of financial position**  
 March 31, 2011

*(expressed in Barbados dollars)*


	2011	2010
<b>Assets</b>		
Cash at bank	<u>80,367</u>	<u>40,886</u>
	<b>\$ 80,367</b>	<b>\$ 40,886</b>
<b>Represented by:</b>		
<b>Fund balances</b>		
General fund	70,123	1,724
Textbook loan scheme fund	4,084	12,294
Petty fees fund	2,376	14,157
Canteen fund	2,027	5,030
VAT fund	<u>1,757</u>	<u>7,681</u>
	<b>\$ 80,367</b>	<b>\$ 40,886</b>

**Approved on September 7<sup>th</sup>, 2011 by the Board of Management.**

Chairman

  
 Sandra Forde

Secretary/Treasurer

  
 Grace Franklyn

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

# The St. Michael School

## Statement of changes in fund balances

For the year ended March 31, 2011

(expressed in Barbados dollars)

	Fund balances						Total
	General	VAT	Petty fees	Text book loan scheme	Canteen		
<b>Balances - April 1, 2009</b>	254	439	1,435	8,708	2,176		13,012
Surplus for the year	1,470	7,242	12,722	3,586	2,854		27,874
<b>Balances - March 31, 2010</b>	1,724	7,681	14,157	12,294	5,030		40,886
Surplus (deficit) for the year	(68,399)	(5,924)	(11,781)	(8,210)	(3,003)		39,481
<b>Balances - March 31, 2011</b>	<b>\$ 70,123</b>	<b>\$ 1,757</b>	<b>\$ 2,376</b>	<b>\$ 4,084</b>	<b>\$ 2,027</b>	<b>\$</b>	<b>\$ 80,367</b>
<b>Fund balances comprise :</b>							
Royal Bank of Canada							
- current accounts	\$ 70,123	\$ 1,757	\$ 2,376	\$ 4,084	\$ 2,027	\$	\$ 80,367

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

# The St. Michael School

## General fund

### Statement of income and expenditure

For the year ended March 31, 2011

(expressed in Barbados dollars)

	Notes	2011	2010
<b>Income</b>			
Statutory grant	2	5,379,603	5,586,957
Other income	3	52,355	38,106
		<u>5,431,958</u>	<u>5,625,063</u>
<b>Expenditure</b>			
Salaries			
- Statutory personal emoluments		3,202,333	3,279,393
- Other personal emoluments		1,159,541	1,116,482
National insurance		315,552	311,553
Travel		6,803	10,253
Utilities	4	149,854	121,659
Rental of property		13,847	14,609
Library		5,616	9,663
Supplies and materials		196,819	199,859
Maintenance of property	5	164,920	181,433
Operating expenses	6	137,861	184,452
Professional fees		10,413	5,175
Property and plant		-	176,775
Machinery and equipment		-	12,287
		<u>5,363,559</u>	<u>5,623,593</u>
<b>Surplus for the year</b>		<u>\$ 68,399</u>	<u>\$ 1,470</u>

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

# The St. Michael School

## General fund

### Statement of budgeted and actual expenditure

For the year ended March 31, 2011

(expressed in Barbados dollars)

Ministry reference	2011				2010						
	Approved estimate	Use of savings	Total	Actual expenditure	Variance	Approved estimate	Use of savings	Total	Actual expenditure	Variance	
Salaries											
- Statutory personal emoluments	101	3,077,993	-	3,077,993	3,202,333	(124,340)	3,054,415	-	3,054,415	3,279,393	(224,978)
- Other personal emoluments	102	1,361,421	-	1,361,421	1,159,541	201,880	1,258,266	-	1,258,266	1,116,482	141,784
National insurance	103	300,918	-	300,918	315,552	(14,634)	291,532	-	291,532	311,553	(20,021)
Travel	206	13,000	-	13,000	6,803	6,197	13,480	-	13,480	10,253	3,227
Utilities	207	123,442	-	123,442	149,854	(26,412)	132,344	-	132,344	121,659	10,685
Rental of property	208	14,135	-	14,135	13,847	288	15,483	-	15,483	14,609	874
Library	209	5,000	-	5,000	5,616	(616)	3,000	-	3,000	9,663	(6,663)
Supplies and materials	210	145,438	-	145,438	196,819	(51,381)	204,603	-	204,603	199,859	4,744
Maintenance of property	211	94,040	-	94,040	164,920	(70,880)	130,757	-	130,757	181,433	(50,676)
Operating expenses	212	131,295	-	131,295	137,861	(6,566)	162,468	-	162,468	184,452	(21,984)
Professional fees	226	6,000	-	6,000	10,413	(4,413)	6,000	-	6,000	5,175	825
Property and plant	751	-	-	-	-	-	228,587	-	228,587	176,775	51,812
Machinery and equipment	752	6,000	-	6,000	-	6,000	12,082	-	12,082	12,287	(205)
Furniture and fixtures	753	25,032	-	25,032	-	25,032	-	-	-	-	-
Assets under construction	785	250,000	-	250,000	-	250,000	-	-	-	-	-
		\$ 5,553,714	-	5,553,714	5,363,559	190,155	\$ 5,513,017	-	5,513,017	5,623,593	(110,576)

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



# The St. Michael School

## VAT fund

### Statement of income and expenditure

For the year ended March 31, 2011

*(expressed in Barbados dollars)*

	2011	2010
<b>Income</b>		
Vat refunds	<u>22,085</u>	<u>51,956</u>
<b>Expenditure</b>		
Repairs and maintenance	17,837	-
Furniture and fittings	7,411	29,323
Special payments	1,500	6,000
Entertainment	1,200	8,870
Bank charges	61	30
Miscellaneous	-	491
	<u>28,009</u>	<u>44,714</u>
<b>(Deficit) surplus for the year</b>	<u>\$ (5,924)</u>	<u>\$ 7,242</u>

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

**THE ST. MICHAEL SCHOOL**  
**Petty fees fund**  
**Statement of income and expenditure**  
For the year ended March 31, 2011

*(expressed in Barbados dollars)*

	2011	2010
<b>Income</b>		
Petty fees	35,015	40,029
Sale of games uniforms	14,820	16,847
Examination fees	14,275	14,876
Donations for speech day	11,780	10,655
Sale of music books and school crests	11,316	11,494
Other income	5,859	5,840
Transfer from general fund	-	9,137
	<u>93,065</u>	<u>108,878</u>
<b>Expenditure</b>		
Games supplies and equipment	41,668	20,138
Stationery	26,678	27,330
Examination fees	14,545	15,180
Prizes for speech day	14,395	10,692
School crest, epaulettes and badges	3,114	2,878
Refunds	1,712	440
Trophies and incentives	1,490	17,718
Incidentals	1,118	1,568
Bank charges	126	212
	<u>104,846</u>	<u>96,156</u>
<b>(Deficit) surplus for the year</b>	<u>\$ (11,781)</u>	<u>\$ 12,722</u>

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

**The St. Michael School**  
**Textbook loan scheme fund**  
**Statement of income and expenditure**  
For the year ended March 31, 2011

*(expressed in Barbados dollars)*

	2011	2010
<b>Income</b>		
Rental fees	63,450	62,800
Refund on damages	5,719	2,858
Sale of advance books	5,000	-
Refund from general fund	-	4,461
	<b>74,169</b>	<b>70,119</b>
<b>Expenditure</b>		
Textbooks	71,282	55,926
Assistants' fees	6,145	7,460
Supervisors' fees	2,200	2,400
Refunds	1,825	156
Stationery	777	488
Bank charges	150	103
	<b>82,379</b>	<b>66,533</b>
<b>(Deficit) surplus for the year</b>	<b>\$ (8,210)</b>	<b>\$ 3,586</b>

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

**Canteen fund**

**Statement of income and expenditure**

For the year ended March 31, 2011

*(expressed in Barbados dollars)*

	2011	2010
<b>Income</b>		
Concession fees	<u>16,000</u>	<u>8,000</u>
<b>Expenditure</b>		
Transfer to general fund	10,350	-
Hospitality	4,516	-
General maintenance	2,471	-
Refund to stationery account	787	1,550
Miscellaneous	645	2,605
Bank charges	234	91
Use of utilities/facilities	-	900
	<u>19,003</u>	<u>5,146</u>
<b>(Deficit) surplus for the year</b>	<u>\$ (3,003)</u>	<u>\$ 2,854</u>

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

(expressed in Barbados dollars)

## 1. Significant accounting policies

### Basis of preparation

The financial statements of the school are prepared on the cash basis of accounting, consequently they do not reflect the liability for any charges or expenses incurred prior to the year end but settled subsequent to that date. Income due but not received at the year end date is not reflected as an asset on this basis. This is in accordance with the requirements of the Financial Administration and Audit Act 1971 (FAAA). The cash basis however does not conform with International Financial Reporting Standards (IFRS) which requires the financial statements to be prepared on an accrual basis.

### 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.

### 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 only reflected in the statement of income and expenditure. This is not in accordance with IFRS, which requires that fixed assets be capitalised and depreciated over the estimated useful life of the relevant assets.

## 2. Statutory grant

Code	Computerised salaries	Receipts	Total	Estimates	Difference
101	3,128,152	-	3,128,152	3,077,993	50,159
102	999,527	130,889	1,130,416	1,361,421	(231,005)
103	298,830	12,332	311,162	300,918	10,244
206	7,323	12,987	20,310	13,000	7,310
226	-	11,500	11,500	-	11,500
316	74,181	507,850	582,031	519,350	62,681
752	-	6,000	6,000	6,000	-
753	-	25,032	25,032	25,032	-
785	-	165,000	165,000	250,000	(85,000)
	4,508,013	871,590	5,379,603	5,553,714	(174,111)

**THE ST. MICHAEL SCHOOL**  
**Notes to the financial statements**  
 March 31, 2011



*(expressed in Barbados dollars)*

**3. Other income - general fund**

	<b>2011</b>	<b>2010</b>
Tuition fees	26,890	24,240
Transfer from canteen fund	10,350	-
Incidentals	9,540	9,991
Use of premises	5,575	3,875
	<u>\$ 52,355</u>	<u>\$ 38,106</u>

**4. Utilities - general fund**

	<b>2011</b>	<b>2010</b>
Electricity	97,453	75,609
Telephone	35,416	31,228
Water	15,257	13,863
Gas	1,728	959
	<u>\$ 149,854</u>	<u>\$ 121,659</u>

**5. Maintenance of property - general fund**

	<b>2011</b>	<b>2010</b>
Building	61,053	49,080
Maintenance	49,909	90,389
Equipment	30,093	29,784
Insurance	21,666	11,921
Furniture	2,199	259
	<u>\$ 164,920</u>	<u>\$ 181,433</u>

**The St. Michael School****Notes to the financial statements**

March 31, 2011

*(expressed in Barbados dollars)***6. Operating expenses**

	<b>2011</b>	<b>2010</b>
<b>Departmental expenses</b>		
Cricket instructor	29,705	27,617
Music instructor	28,457	28,668
Music	2,760	3,187
Industrial arts	1,122	1,418
Guidance	419	332
Information technology	84	1,156
Foreign languages	-	549
General studies	-	350
	<u>62,547</u>	<u>63,277</u>
<b>Other operating expenses</b>		
Remuneration for board members	17,570	14,867
General	13,728	19,494
Transportation	13,523	27,615
Prizes	8,691	10,834
Uniforms	6,417	8,584
Printing, posting and advertising	5,697	5,502
Training	4,524	14,461
Hospitality	3,722	15,873
Bank charges	1,142	1,227
Special payments	300	2,718
	<u>75,314</u>	<u>121,175</u>
<b>Total operating expenses</b>	<u>\$ 137,861</u>	<u>\$ 184,452</u>

