

Financial Statements of

**DEIGHTON GRIFFITH SECONDARY
SCHOOL**

March 31, 2018

DEIGHTON GRIFFITH SECONDARY SCHOOL

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INDEPENDENT AUDITORS' REPORT

To the Board of Management of Deighton Griffith Secondary School

Opinion

We have audited the financial statements of Deighton Griffith Secondary School (the "School"), which comprise the balance sheet as at March 31, 2018, the statements of revenue and expenses, the statement of changes in consolidated fund and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Deighton Griffith Secondary School as at March 31, 2018 and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the School in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, 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.

In preparing the financial statements, management is responsible for assessing the School's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the School or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the School's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 School's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the School to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Chartered Accountants
Bridgetown, Barbados
October 25, 2018

DELETON GRIFFITH SECONDARY SCHOOL

Balance Sheet

As of March 31, 2018
with comparative figures for 2017

(Expressed in Barbados Dollars)

	<u>Notes</u>	<u>2018</u>	<u>2017</u>
Assets			
Current Assets:			
Cash	4	\$ 702,560	514,900
Accounts receivable		4,681	8,519
VAT receivable		<u>109,998</u>	<u>259,043</u>
Total current assets		817,239	782,462
 Furniture and equipment	 5	 <u>212,912</u>	 <u>268,566</u>
Total Assets		<u>\$ 1,030,151</u>	<u>1,051,028</u>
 Liabilities and Consolidated Fund			
Current Liabilities:			
Accounts payable		\$ 64,582	51,404
Due to Government departments		41,935	35,535
Net deferred grant	6	113,215	140,118
Deferred capital grant	7	<u>140,442</u>	<u>204,984</u>
Total current liabilities		360,174	432,041
 Consolidated Fund		 <u>669,977</u>	 <u>618,987</u>
Total Liabilities and Consolidated Fund		<u>\$ 1,030,151</u>	<u>1,051,028</u>

See accompanying notes to financial statements.

Approved by:

Dr. Dan L. Carter Chairman

Annette R. Sealy Secretary / Treasurer

DEIGHTON GRIFFITH SECONDARY SCHOOL

Statement of Changes in Consolidated Fund

As of March 31, 2018
with comparative figures for 2017

(Expressed in Barbados Dollars)

	General <u>Fund</u>	Text Book Loan Scheme <u>Fund</u>	Petty Fees <u>Fund</u>	Consolidated <u>Fund</u>
Balance at March 31, 2016	\$ 628,359	74,991	(22,480)	680,870
Excess of expenses over revenue for the year	<u>(88,331)</u>	<u>7,396</u>	<u>19,052</u>	<u>(61,883)</u>
Balance at March 31, 2017	540,028	82,387	(3,428)	618,987
Excess of revenue over expenses for the year	<u>38,150</u>	<u>1,988</u>	<u>10,852</u>	<u>50,990</u>
Balance at March 31, 2018	\$ <u><u>578,178</u></u>	<u><u>84,375</u></u>	<u><u>7,424</u></u>	<u><u>669,977</u></u>

See accompanying notes to financial statements.

DEIGHTON GRIFFITH SECONDARY SCHOOL

Statement of Revenue and Expenses - General Account

Year ended March 31, 2018
with comparative figures for 2017

(Expressed in Barbados Dollars)

	Notes	Budget Approved In 2018 Estimates	2018	2017
Revenue:				
Government grant	8	\$ 5,336,138	5,317,143	5,561,896
Amortisation of deferred capital grant		-	64,542	-
Other income - B.O.M		-	3,799	1,806
Tuition fees		-	10,755	10,615
Rental of canteen		-	13,681	13,500
Rental of premises		-	8,300	4,000
		<u>5,336,138</u>	<u>5,418,220</u>	<u>5,591,817</u>
Expenses:				
Assets under construction		-	-	514,679
Assets under construction - Industrial Arts Block	9	-	-	101,378
Boardroom renovation	10	-	-	9,022
Classroom renovation	11	-	43,694	-
Depreciation	5	-	72,927	7,852
Library		2,500	938	887
Maintenance of property		160,205	159,400	151,663
National insurance and levies		369,538	360,856	338,022
Operating expenses	12	48,403	48,373	32,901
Other personal emoluments		1,248,857	1,274,006	1,113,470
Personal emoluments		3,258,409	3,194,007	3,213,442
Professional fees		12,000	12,000	8,500
Rental of property		21,800	18,324	22,661
Supplies and materials		96,146	85,372	61,550
Travel		9,820	9,643	10,543
Utilities		108,460	100,530	93,578
		<u>5,336,138</u>	<u>5,380,070</u>	<u>5,680,148</u>
Excess of revenue over expenses (expenses over revenue)	\$	<u>-</u>	<u>38,150</u>	<u>(88,331)</u>

See accompanying notes to financial statements.

DEIGHTON GRIFFITH SECONDARY SCHOOL

Statement of Revenue and Expenses - Text Book Loan Scheme

Year ended March 31, 2018
with comparative figures for 2017

(Expressed in Barbados Dollars)

	<u>2018</u>	<u>2017</u>
Revenue:		
Text book rentals	\$ 64,335	61,420
Other income - Text books	400	2,541
	<u>64,735</u>	<u>63,961</u>
Expenses:		
Depreciation	53,681	50,065
Stipends	6,400	6,100
Other	2,666	400
	<u>62,747</u>	<u>56,565</u>
Excess of revenue over expenses	\$ <u>1,988</u>	<u>7,396</u>

See accompanying notes to financial statements.

DEIG' 'TON GRIFFITH SECONDARY SCHOOL

Statement of Revenue and Expenses - Petty Fees

Year ended March 31, 2018
with comparative figures for 2017

(Expressed in Barbados Dollars)

	<u>2018</u>	<u>2017</u>
Revenue:		
Petty fees	\$ 48,857	36,104
Games clothes	3,256	9,465
Other income	500	8,749
	<u>52,613</u>	<u>54,318</u>
Expenses:		
Games	15,354	12,340
Stationery and supplies	17,627	12,018
Transportation	7,685	10,508
Other	1,095	400
	<u>41,761</u>	<u>35,266</u>
Excess of revenue over expenses	<u>\$ 10,852</u>	<u>19,052</u>

See accompanying notes to financial statements.

DEIGHTON GRIFFITH SECONDARY SCHOOL

Statement of Revenue and Expenses - School Improvement Grant

Year ended March 31, 2018
with comparative figures for 2017

(Expressed in Barbados Dollars)

	<u>2018</u>	<u>2017</u>
Revenue:		
Grant	\$ -	29,450
	<u>-</u>	<u>29,450</u>
Expenses:		
Equipment	-	15,750
Supplies	-	11,819
Travel	-	-
Training	-	-
Other	-	1,881
	<u>-</u>	<u>29,450</u>
Excess of revenue over expenses	\$ -	-

See accompanying notes to financial statements.

DEIG' TON GRIFFITH SECONDARY SCHOOL

Statement of Cash Flows

Year ended March 31, 2018
with comparative figures for 2017

(Expressed in Barbados Dollars)

	<u>2018</u>	<u>2017</u>
Cash Flows from Operating Activities		
Excess of revenue over expenses (expenses over revenue) - General Fund	\$ 38,150	(88,331)
Excess of revenue over expenses - Text Book Loan Fund	1,988	7,396
Excess of revenue over expenses - Petty Fees Fund	<u>10,852</u>	<u>19,052</u>
Excess of revenue over expenses (expenses over revenue)	50,990	(61,883)
Adjustment for:		
Amortisation of deferred capital grant	(64,542)	-
Depreciation	<u>126,608</u>	<u>57,917</u>
Excess of revenue over expenses (expenses over revenue) before working capital changes:		
Decrease (increase) in accounts receivable	113,056	(3,966)
Decrease (increase) in VAT receivable	3,838	(8,519)
Increase in accounts payable	149,045	(128,392)
Increase in due to government departments	13,178	25,371
(Decrease) increase in net deferred grant	6,400	5,335
	<u>(26,903)</u>	<u>5,408</u>
Net cash from (used in) operating activities	<u>258,614</u>	<u>(104,763)</u>
Cash Flows from Investing Activities		
Purchase of furniture & fittings	<u>(70,954)</u>	<u>(50,290)</u>
Net cash used in investing activities	<u>(70,954)</u>	<u>(50,290)</u>
Increase (decrease) in cash during the year	187,660	(155,053)
Cash, beginning of year	<u>514,900</u>	<u>669,953</u>
Cash, end of year	\$ <u><u>702,560</u></u>	<u><u>514,900</u></u>

See accompanying notes to financial statements.

DEIGHTON GRIFFITH SECONDARY SCHOOL

Notes to the Financial Statements

March 31, 2018

(Expressed in Barbados Dollars)

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 25, 2018.

(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, 2018.

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.

Donated assets

The carrying value of assets donated to the School is amortised on a systematic and rational basis over the useful lives of the assets to which it relates.

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

DEIG' 'TON GRIFFITH SECONDARY SCHOOL

Notes to the Financial Statements

March 31, 2018

(Expressed in Barbados Dollars)

3. Significant Accounting Policies,...continued

(c) Cash

Cash comprises cash in hand, cash at bank and deposits in transit. Deposits in transit are amounts that are approved for release of funds by the Government of Barbados but not yet deposited in the School's bank account.

4. Cash

	<u>2018</u>	<u>2017</u>
Cash in hand	\$ 500	500
Cash at bank	641,727	413,620
Deposits in transit	60,333	100,780
	<u>\$ 702,560</u>	<u>514,900</u>

5. Furniture and Equipment

	Furniture and Fittings	Computer Equipment	Library Books	Text Books	Total
Cost					
At March 31, 2016	\$ 850,101	218,997	69,708	567,392	1,706,198
Additions	16,196	188,788	-	50,290	255,274
At March 31, 2017	866,297	407,785	69,708	617,682	1,961,472
Additions	10,000	-	-	60,954	70,954
At March 31, 2018	<u>\$ 876,297</u>	<u>407,785</u>	<u>69,708</u>	<u>678,636</u>	<u>2,032,426</u>
Accumulated Depreciation					
At March 31, 2016	828,803	218,997	69,708	517,481	1,634,989
Charge for the year	7,852	-	-	50,065	57,917
At March 31, 2017	836,655	218,997	69,708	567,546	1,692,906
Charge for the year	10,004	62,923	-	53,681	126,608
At March 31, 2018	<u>\$ 846,659</u>	<u>281,920</u>	<u>69,708</u>	<u>621,227</u>	<u>1,819,514</u>
Net Book Value					
At March 31, 2016	<u>\$ 29,642</u>	<u>188,788</u>	<u>-</u>	<u>50,136</u>	<u>268,566</u>
At March 31, 2017	<u>\$ 29,642</u>	<u>188,788</u>	<u>-</u>	<u>50,136</u>	<u>268,566</u>
At March 31, 2018	<u>\$ 29,638</u>	<u>125,865</u>	<u>-</u>	<u>57,409</u>	<u>212,912</u>

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

DEIGHTON GRIFFITH SECONDARY SCHOOL

Notes to the Financial Statements

March 31, 2018

(Expressed in Barbados Dollars)

5. Furniture and Equipment,...continued

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.

During March 2017 the School received a donation of ninety (90) desktop computers, fifteen (15) laptop computers, one hundred and ninety-six (196) tablets, one hundred and forty (140) chairs, and one hundred and forty (140) desks. The carrying value of the assets donated as at March 31, 2017 is \$140,442 (2016 - \$204,984)

6. Net Deferred Grant

Net deferred grant comprises:

	<u>2018</u>	<u>2017</u>
(i) Government grant	\$ 106,847	133,750
(ii) School improvement grant	<u>6,368</u>	<u>6,368</u>
	<u>\$ 113,215</u>	<u>140,118</u>

(i) Government Grant

At March 31, 2018 \$60,333 (2017 - \$100,780) of deferred government grant represents amounts that were approved for release of funds by the Government of Barbados but are not yet deposited in the School's bank account (see note 4).

(ii) School Improvement Grant

In February 2016, 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, 2018 the School had utilised \$53,932 (2017 - \$53,932) of the grant funding.

7. Deferred Capital Grant

Deferred capital grant comprises:

	<u>2018</u>	<u>2017</u>
	\$ <u>140,442</u>	<u>204,984</u>

The deferred capital grant of \$140,442 (2017 - \$204,984) represents the carrying value of the donated assets as at March 31, 2018 (see note 5).

DEIC' TON GRIFFITH SECONDARY SCHOOL

Notes to the Financial Statements

March 31, 2018

(Expressed in Barbados Dollars)

8. Sources of Grant Funding

	<u>2018</u>	<u>2017</u>
Payments made on behalf the School - staff salaries and wages	\$ 4,830,908	4,671,441
Grant payments - Assets under construction	-	514,679
Grant payments - Other charges	432,541	375,776
Capital grants	<u>53,694</u>	<u>-</u>
	<u>\$ 5,317,143</u>	<u>5,561,896</u>

9. Assets Under Construction - Industrial Arts Block

During the year ended March 31, 2012 the School was granted permission for the use of two hundred and forty-three thousand, five hundred and fifty-six (\$243,556) dollars from its accumulated savings to fund the cost of works on the Industrial Arts Block.

As of March 31, 2018 the construction pertaining to the Industrial Arts Block renovation work was formally completed at a cost of \$101,378 (2017 - \$101,378).

10. 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, 2018 the total cost incurred on the extension of the Boardroom was \$49,999 (2017 - \$49,999).

11. Classroom Renovations

During the year ended March 31, 2017 the School was granted permission by Ministry of Finance for the use of \$180,000 for the creation of additional classroom space on the eastern block of the premises.

As of March 31, 2018 the total cost incurred on the classroom renovations was \$43,694 (2017 - \$Nil).

12. Operating Expenses

	<u>2018</u>	<u>2017</u>
Advertising	\$ 4,381	1,330
Board member's fees	9,800	9,480
Board members' refreshments	7,055	4,412
Conferences	4,000	-
Other expenses	7,535	7,571
Prizes and prize day expenses	4,670	5,998
Protective clothing and covering	3,586	-
Training and Teachers' Professional Day	5,377	2,206
Uniforms	<u>1,969</u>	<u>1,904</u>
	<u>\$ 48,373</u>	<u>32,901</u>

