

**The St. Michael School**

**Financial statements**

**March 31, 2010**

**(expressed in Barbados dollars)**



# The St. Michael School



## Index to the financial statements

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## INDEPENDENT AUDITORS' REPORT

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

We have audited the balance sheet 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, 2010.

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, 2010 in accordance with the accounting policies set out in Note 1.



Chartered Accountants  
September 16<sup>th</sup>, 2010  
Bridgetown, Barbados

**The St. Michael School**  
**Statement of financial position**  
March 31, 2010

*(expressed in Barbados dollars)*

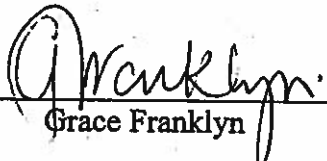
	2010	2009
<b>Assets</b>		
Cash at bank	<u>40,886</u>	<u>13,012</u>
	\$ 40,886	\$ 13,012
<b>Represented by:</b>		
<b>Fund balances</b>		
Petty fees fund	14,157	1,435
Textbook loan scheme fund	12,294	8,708
VAT fund	7,681	439
Canteen fund	5,030	2,176
General fund	<u>1,724</u>	<u>254</u>
	\$ 40,886	\$ 13,012

Approved on September 24<sup>th</sup>, 2010 by the Board of Management.

Chairman

  
\_\_\_\_\_  
Sandra Forde

Secretary/Treasurer

  
\_\_\_\_\_  
Grace Franklyn

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

# St. Michael School

## Statement of changes in fund balances For the year ended March 31, 2010

(expressed in Barbados dollars)

	Fund balances					
	General	VAT	Petty fees	Text book loan scheme	Canteen	Total
<b>Balances - April 1, 2008</b>	(527)	10,476	2,724	13,910	8,505	35,088
Surplus (deficit) for the year	781	(10,037)	(1,289)	(5,202)	(6,329)	(22,076)
<b>Balances - March 31, 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>	<b>\$ 1,724</b>	<b>\$ 7,681</b>	<b>\$ 14,157</b>	<b>\$ 12,294</b>	<b>\$ 5,030</b>	<b>\$ 40,886</b>
<b>Fund balances comprise :</b>						
Royal Bank of Canada	1,724	7,681	14,157	12,294	5,030	40,886
- current accounts	\$ 1,724	\$ 7,681	\$ 14,157	\$ 12,294	\$ 5,030	\$ 40,886

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, 2010

(expressed in Barbados dollars)

	Notes	2010	2009
<b>Income</b>			
Statutory grant	2	5,586,957	4,845,272
Other income	3	38,106	65,545
		<u>5,625,063</u>	<u>4,910,817</u>
<b>Expenditure</b>			
<b>Salaries</b>			
- Statutory personal emoluments		3,279,393	2,875,756
- Other personal emoluments		1,116,482	1,146,827
National insurance		311,553	280,994
Travel		10,253	11,317
Utilities	4	121,659	111,451
Rental of property		14,609	14,058
Library		9,663	2,220
Supplies and materials		199,859	199,465
Maintenance of property	5	181,433	107,861
Operating expenses	6	184,452	155,487
Professional fees		5,175	4,600
Property and plant		176,775	-
Machinery and equipment		12,287	-
		<u>5,623,593</u>	<u>4,910,036</u>
<b>Surplus for the year</b>		<u>\$ 1,470</u>	<u>\$ 781</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, 2010

(expressed in Barbados dollars)

Ministry reference	2010				2009					
	Approved estimate	Use of savings	Total	Actual expenditure	Variance	Approved estimate	Use of savings	Total	Actual expenditure	Variance
Salaries										
- Statutory personal emoluments	101	3,054,415	-	3,054,415	3,279,393	(224,978)	2,731,135	-	2,875,756	(144,621)
- Other personal emoluments	102	1,258,266	-	1,258,266	1,116,482	141,784	1,018,984	-	1,146,827	(127,843)
National insurance	103	291,532	-	291,532	311,553	(20,021)	258,908	-	280,994	(22,086)
Travel	206	13,480	-	13,480	10,253	3,227	13,480	-	11,317	2,163
Utilities	207	132,344	-	132,344	121,659	10,685	123,442	-	111,451	11,991
Rental of property	208	15,483	-	15,483	14,609	874	14,135	-	14,058	77
Library	209	3,000	-	3,000	9,663	(6,663)	8,000	-	2,220	5,780
Supplies and materials	210	204,603	-	204,603	199,859	4,744	208,908	-	199,465	9,443
Maintenance of property	211	130,757	-	130,757	181,433	(50,676)	50,952	-	107,861	(56,909)
Operating expenses	212	162,468	-	162,468	184,452	(21,984)	145,235	-	155,487	(10,252)
Professional fees	226	6,000	-	6,000	5,175	825	5,000	-	4,600	400
Property and plant	751	228,587	-	228,587	176,775	51,812	-	-	-	-
Machinery and equipment	752	12,082	-	12,082	12,287	(205)	-	-	-	-
		\$ 5,513,017	-	\$ 5,513,017	5,623,593	(110,576)	\$ 4,578,179	-	4,910,036	(331,857)

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



# The St. Michael School

YOF fund

## Statement of income and expenditure

For the year ended March 31, 2010

*(expressed in Barbados dollars)*

	2010	2009
<b>Income</b>		
Vat refunds	51,956	40,574
Transfer from canteen fund	-	8,000
	<u>51,956</u>	<u>48,574</u>
<b>Expenditure</b>		
Furniture and fittings	29,323	36,259
Entertainment	8,870	10,199
Special payments	6,000	-
Miscellaneous	491	-
Bank charges	30	83
Labour	-	10,070
Donations	-	2,000
	<u>44,714</u>	<u>58,611</u>
<b>Surplus (deficit) for the year</b>	<u>\$ 7,242</u>	<u>\$ (10,037)</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, 2010

(expressed in Barbados dollars)

	2010	2009
<b>Income</b>		
Petty fees	40,029	35,310
Sale of games uniforms	16,847	7,656
Examination fees	14,876	14,404
Sale of music books and school crests	11,494	11,279
Donations for speech day	10,655	13,913
Transfer from general fund	9,137	-
Other income	5,840	3,141
Transfer from textbook loan scheme	-	5,000
	<u>108,878</u>	<u>90,703</u>
<b>Expenditure</b>		
Stationery	27,330	35,496
Games supplies and equipment	20,138	15,980
Trophies and incentives	17,718	4,103
Examination fees	15,180	14,500
Prizes for speech day	10,692	14,674
School crest, epaulettes and badges	2,878	2,897
Incidentals	1,568	3,985
Refunds	440	213
Bank charges	212	144
	<u>96,156</u>	<u>91,992</u>
<b>Surplus (deficit) for the year</b>	<b>\$ 12,722</b>	<b>\$ (1,289)</b>

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, 2010

*(expressed in Barbados dollars)*

	2010	2009
<b>Income</b>		
Rental fees	62,800	62,557
Refund from general fund	4,461	-
Refund on damages	2,858	3,023
	<u>70,119</u>	<u>65,580</u>
<b>Expenditure</b>		
Textbooks	55,926	52,919
Assistants' fees	7,460	4,525
Supervisors' fees	2,400	1,000
Stationery	488	-
Refunds	156	225
Bank charges	103	113
Transfer to general fund	-	7,000
Transfer to stationery fund	-	5,000
	<u>66,533</u>	<u>70,782</u>
<b>Surplus (deficit) for the year</b>	<u>\$ 3,586</u>	<u>\$ (5,202)</u>

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

**The St. Michael School**  
**C. Ateen fund**  
**Statement of income and expenditure**  
**For the year ended March 31, 2010**

*(expressed in Barbados dollars)*

	2010	2009
<b>Income</b>		
Concession fees	<u>8,000</u>	<u>18,100</u>
	<u>8,000</u>	<u>18,100</u>
<b>Expenditure</b>		
Miscellaneous	2,605	5,071
Refund to stationery account	1,550	749
Use of utilities/facilities	900	5,571
Bank charges	91	81
Transfer to VAT account	-	8,000
General maintenance	-	2,657
Equipment	<u>-</u>	<u>2,300</u>
	<u>5,146</u>	<u>24,429</u>
<b>Surplus (deficit) for the year</b>	<u>\$ 2,854</u>	<u>\$ (6,329)</u>

# The St. Michael School

## Notes to the financial statements

March 31, 2010

(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	3,197,515	-	3,197,515	3,054,415	143,100
102	986,887	107,732	1,094,619	1,258,266	(163,647)
103	293,028	11,113	304,141	291,532	12,609
206	7,311	13,480	20,791	13,480	7,311
211	-	130,757	130,757	130,757	-
316	74,567	535,980	610,547	535,980	74,567
751	-	228,587	228,587	228,587	-
	4,559,308	1,027,649	5,586,957	5,513,017	73,940

**The St. Michael School**  
**Notes to the financial statements**  
March 31, 2010

*(expressed in Barbados dollars)*

**3. Other income - general fund**

	<b>2010</b>	<b>2009</b>
Tuition fees	24,240	18,020
Incidentals	9,991	41,825
Use of premises	3,875	5,700
	<u>\$ 38,106</u>	<u>\$ 65,545</u>

**4. Utilities - general fund**

	<b>2010</b>	<b>2009</b>
Electricity	75,609	68,328
Telephone	31,228	30,817
Water	13,863	11,211
Gas	959	1,095
	<u>\$ 121,659</u>	<u>\$ 111,451</u>

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

	<b>2010</b>	<b>2009</b>
Maintenance	90,389	34,776
Building	49,080	43,637
Equipment	29,784	357
Insurance	11,921	12,413
Furniture	259	16,514
Tools and implements	-	164
	<u>\$ 181,433</u>	<u>\$ 107,861</u>

**St. Michael School**  
**Notes to the financial statements**  
March 31, 2010

(expressed in Barbados dollars)

**6. Operating expenses**

	<b>2010</b>	<b>2009</b>
<b>Departmental expenses</b>		
Music instructor	28,668	28,668
Cricket instructor	27,617	34,898
Music	3,187	2,604
Industrial arts	1,418	1,737
Information technology	1,156	-
Foreign languages	549	-
General studies	350	55
Guidance	332	1,609
English	-	150
	<u>63,277</u>	<u>69,721</u>
<b>Other operating expenses</b>		
Transportation	27,615	25,705
General	19,494	10,604
Hospitality	15,873	-
Remuneration for board members	14,867	10,786
Training	14,461	11,413
Prizes	10,834	8,101
Uniforms	8,584	8,858
Printing, posting and advertising	5,502	1,806
Special payments	2,718	6,372
Bank charges	1,227	2,121
	<u>121,175</u>	<u>85,766</u>
<b>Total operating expenses</b>	<u>\$ 184,452</u>	<u>\$ 155,487</u>

*(expressed in Barbados dollars)*

**7. Financial statement classification**

During the current financial year, the School reclassified the expenses in the General Fund in accordance with the revised chart of accounts issued by the Ministry of Education. The effect of the change in financial statement classification has been disclosed in the statement of income and expenditure and the statement of budgeted and actual expenditure by way of the reclassification of property and plant and machinery and equipment which were previously recorded under supplies and materials.