

**The St. Michael School**

**Financial statements**

**March 31, 2009**

**(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, 2009.

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, 2009 in accordance with the accounting policies set out in Note 1.



Chartered Accountants  
September 16<sup>th</sup>, 2009  
Bridgetown, Barbados

# The St. Michael School

## Balance sheet

March 31, 2009

*(expressed in Barbados dollars)*

|                           | 2009             | 2008             |
|---------------------------|------------------|------------------|
| <b>Assets</b>             |                  |                  |
| Cash at bank              | 13,012           | 35,088           |
|                           | <u>\$ 13,012</u> | <u>\$ 35,088</u> |
| <b>Represented by:</b>    |                  |                  |
| <b>Fund balances</b>      |                  |                  |
| Textbook loan scheme fund | 8,708            | 13,910           |
| Canteen fund              | 2,176            | 8,505            |
| Petty fees                | 1,435            | 2,724            |
| VAT fund                  | 439              | 10,476           |
| General fund              | 254              | (527)            |
|                           | <u>\$ 13,012</u> | <u>\$ 35,088</u> |

Approved on September 16<sup>th</sup>, 2009 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, 2009**

*(expressed in Barbados dollars)*

|                                  | Fund balances |               |                 |                       |                 |                  |  |
|----------------------------------|---------------|---------------|-----------------|-----------------------|-----------------|------------------|--|
|                                  | General       | VAT           | Petty fees      | Text book loan scheme | Canteen         | Total            |  |
| <b>Balances - April 1, 2007</b>  | 100,756       | 2,011         | 24,603          | 484                   | 6,545           | 134,399          |  |
| Surplus (deficit) for the year   | (101,283)     | 8,465         | (21,879)        | 13,426                | 1,960           | (99,311)         |  |
| <b>Balances - March 31, 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> | <b>\$ 254</b> | <b>\$ 439</b> | <b>\$ 1,435</b> | <b>\$ 8,708</b>       | <b>\$ 2,176</b> | <b>\$ 13,012</b> |  |
| <b>Fund balances comprise :</b>  |               |               |                 |                       |                 |                  |  |
| Royal Bank of Canada             | 254           | 439           | 1,435           | 8,708                 | 2,176           | 13,012           |  |
| - current accounts               | <b>\$ 254</b> | <b>\$ 439</b> | <b>\$ 1,435</b> | <b>\$ 8,708</b>       | <b>\$ 2,176</b> | <b>\$ 13,012</b> |  |

*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, 2009

*(expressed in Barbados dollars)*

|                                       | Notes | 2009             | 2008                |
|---------------------------------------|-------|------------------|---------------------|
| <b>Income</b>                         |       |                  |                     |
| Statutory grant                       | 2     | 4,845,272        | 4,744,644           |
| Other income                          | 3     | 65,545           | 25,278              |
|                                       |       | <u>4,910,817</u> | <u>4,769,922</u>    |
| <b>Expenditure</b>                    |       |                  |                     |
| <b>Salaries</b>                       |       |                  |                     |
| - Statutory personal emoluments       |       | 2,875,756        | 2,948,525           |
| - Other personal emoluments           |       | 1,146,827        | 1,039,057           |
| National insurance                    |       | 280,994          | 267,306             |
| Operating expenses                    | 6     | 155,487          | 233,974             |
| Utilities                             | 4     | 111,451          | 110,796             |
| Supplies and materials                |       | 199,465          | 53,970              |
| Maintenance of property               | 5     | 107,861          | 103,734             |
| Plant, equipment and furniture        |       | -                | 90,261              |
| Rental of property                    |       | 14,058           | 8,749               |
| Travel                                |       | 11,317           | 7,842               |
| Professional fees                     |       | 4,600            | 5,980               |
| Library                               |       | 2,220            | 1,011               |
|                                       |       | <u>4,910,036</u> | <u>4,871,205</u>    |
| <b>Surplus (deficit) for the year</b> |       | <u>\$ 781</u>    | <u>\$ (101,283)</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, 2009

(expressed in Barbados dollars)

| Ministry reference                  | 2009              |                |           |                    | 2008      |                   |                |           |                    |           |
|-------------------------------------|-------------------|----------------|-----------|--------------------|-----------|-------------------|----------------|-----------|--------------------|-----------|
|                                     | Approved estimate | Use of savings | Total     | Actual expenditure | Variance  | Approved estimate | Use of savings | Total     | Actual expenditure | Variance  |
| Salaries                            |                   |                |           |                    |           |                   |                |           |                    |           |
| - Statutory personal emoluments 101 | 2,731,135         | -              | 2,731,135 | 2,875,756          | (144,621) | 2,643,883         | -              | 2,643,883 | 2,948,525          | (304,642) |
| - Other personal emoluments 102     | 1,018,984         | -              | 1,018,984 | 1,146,827          | (127,843) | 1,055,013         | -              | 1,055,013 | 1,039,057          | 15,956    |
| National insurance 103              | 258,908           | -              | 258,908   | 280,994            | (22,086)  | 259,719           | -              | 259,719   | 267,306            | (7,587)   |
| Travel 206                          | 13,480            | -              | 13,480    | 11,317             | 2,163     | 13,180            | -              | 13,180    | 7,842              | 5,338     |
| Utilities 207                       | 123,442           | -              | 123,442   | 111,451            | 11,991    | 117,837           | -              | 117,837   | 110,796            | 7,041     |
| Rental of property 208              | 14,135            | -              | 14,135    | 14,058             | 77        | 9,241             | -              | 9,241     | 8,749              | 492       |
| Library 209                         | 8,000             | -              | 8,000     | 2,220              | 5,780     | 2,650             | -              | 2,650     | 1,011              | 1,639     |
| Supplies and materials 210          | 208,908           | -              | 208,908   | 199,465            | 9,443     | 58,624            | -              | 58,624    | 53,970             | 4,654     |
| Maintenance of property 211         | 50,952            | -              | 50,952    | 107,861            | (56,909)  | 98,400            | -              | 98,400    | 103,734            | (5,334)   |
| Operating expenses 212              | 145,235           | -              | 145,235   | 155,487            | (10,252)  | 117,428           | 19,056         | 136,484   | 233,974            | (97,490)  |
| Plant, furniture and equipment 625  | -                 | -              | -         | -                  | -         | 81,841            | 1,199          | 83,040    | 90,261             | (7,221)   |
| Professional fees 626               | 5,000             | -              | 5,000     | 4,600              | 400       | 5,000             | -              | 5,000     | 5,980              | (980)     |
|                                     | \$ 4,578,179      | -              | 4,578,179 | 4,910,036          | (331,857) | \$ 4,462,816      | 20,255         | 4,483,071 | 4,871,205          | (388,134) |

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, 2009

*(expressed in Barbados dollars)*

|                                       | <b>2009</b>               | <b>2008</b>            |
|---------------------------------------|---------------------------|------------------------|
| <b>Income</b>                         |                           |                        |
| Vat refunds                           | <b>40,574</b>             | 43,615                 |
| Transfer from canteen fund            | <b>8,000</b>              | -                      |
|                                       | <u><b>48,574</b></u>      | <u>43,615</u>          |
| <b>Expenditure</b>                    |                           |                        |
| Furniture and fittings                | <b>36,259</b>             | 30,919                 |
| Entertainment                         | <b>10,199</b>             | -                      |
| Labour                                | <b>10,070</b>             | 4,200                  |
| Donations                             | <b>2,000</b>              | -                      |
| Bank charges                          | <b>83</b>                 | 31                     |
|                                       | <u><b>58,611</b></u>      | <u>35,150</u>          |
| <b>(Deficit) surplus for the year</b> | <u><b>\$ (10,037)</b></u> | <u><b>\$ 8,465</b></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, 2009

*(expressed in Barbados dollars)*

|                                       | 2009              | 2008               |
|---------------------------------------|-------------------|--------------------|
| <b>Income</b>                         |                   |                    |
| Petty fees                            | 35,310            | 36,616             |
| Examination fees                      | 14,404            | 14,084             |
| Donations for speech day              | 13,913            | 10,313             |
| Sale of music books and school crests | 11,279            | 4,642              |
| Sale of games uniforms                | 7,656             | 9,912              |
| Transfer from textbook loan scheme    | 5,000             | -                  |
| Other income                          | 3,141             | 9,571              |
|                                       | <u>90,703</u>     | <u>85,138</u>      |
| <b>Expenditure</b>                    |                   |                    |
| Stationery                            | 35,496            | 32,019             |
| Games supplies and equipment          | 15,980            | 17,519             |
| Prizes for speech day                 | 14,674            | 7,914              |
| Examination fees                      | 14,500            | 14,264             |
| Trophies and incentives               | 4,103             | 11,796             |
| Incidentals                           | 3,985             | 3,604              |
| School crest, epaulettes and badges   | 2,897             | 10,693             |
| Refunds                               | 213               | 45                 |
| Bank charges                          | 144               | 163                |
| Transfer to general fund              | -                 | 9,000              |
|                                       | <u>91,992</u>     | <u>107,017</u>     |
| <b>Deficit for the year</b>           | <u>\$ (1,289)</u> | <u>\$ (21,879)</u> |

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

# The St. Michael School

Textbook loan scheme

## Statement of income and expenditure

For the year ended March 31, 2009

*(expressed in Barbados dollars)*

|                                       | 2009              | 2008             |
|---------------------------------------|-------------------|------------------|
| <b>Income</b>                         |                   |                  |
| Rental fees                           | 62,557            | 62,775           |
| Refund on damages                     | 3,023             | 2,381            |
|                                       | <u>65,580</u>     | <u>65,156</u>    |
| <b>Expenditure</b>                    |                   |                  |
| Textbooks                             | 52,919            | 47,000           |
| Transfer to general fund              | 7,000             | -                |
| Transfer to stationery fund           | 5,000             | -                |
| Assistants' fees                      | 4,525             | 3,260            |
| Supervisors' fees                     | 1,000             | 1,000            |
| Refunds                               | 225               | 235              |
| Bank charges                          | 113               | 92               |
| Stationery                            | -                 | 143              |
|                                       | <u>70,782</u>     | <u>51,730</u>    |
| <b>(Deficit) surplus for the year</b> | <b>\$ (5,202)</b> | <b>\$ 13,426</b> |

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

# The St. Michael School

uteen fund

## Statement of income and expenditure

For the year ended March 31, 2009

*(expressed in Barbados dollars)*

|                                       | 2009              | 2008            |
|---------------------------------------|-------------------|-----------------|
| <b>Income</b>                         |                   |                 |
| Concession fees                       | 18,100            | 13,400          |
| Refund                                | -                 | 1,000           |
|                                       | <u>18,100</u>     | <u>14,400</u>   |
| <b>Expenditure</b>                    |                   |                 |
| Transfer to VAT account               | 8,000             | -               |
| Use of utilities                      | 5,571             | 2,400           |
| Miscellaneous                         | 5,071             | 7,879           |
| General maintenance                   | 2,657             | 500             |
| Equipment                             | 2,300             | -               |
| Refund to stationery account          | 749               | -               |
| Bank charges                          | 81                | 111             |
| Advertising                           | -                 | 1,550           |
|                                       | <u>24,429</u>     | <u>12,440</u>   |
| <b>(Deficit) surplus for the year</b> | <u>\$ (6,329)</u> | <u>\$ 1,960</u> |

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

**The St. Michael School**  
**Notes to the financial statements**  
 March 31, 2009

*(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**

| <b>Code</b> | <b>Computerised salaries</b> | <b>Receipts</b> | <b>Total</b>     | <b>Estimates</b> | <b>Difference</b> |
|-------------|------------------------------|-----------------|------------------|------------------|-------------------|
| 101         | 2,865,603                    | -               | 2,865,603        | 2,731,135        | 134,468           |
| 102         | 955,205                      | 170,609         | 1,125,814        | 1,018,984        | 106,830           |
| 103         | 262,349                      | 13,879          | 276,228          | 258,908          | 17,320            |
| 206         | 6,600                        | 12,357          | 18,957           | 13,480           | 5,477             |
| 316         | 1,875                        | 556,795         | 558,670          | 555,672          | 2,998             |
|             | <b>4,091,632</b>             | <b>753,640</b>  | <b>4,845,272</b> | <b>4,578,179</b> | <b>267,093</b>    |

# The St. Michael School

## Notes to the financial statements

March 31, 2009

(expressed in Barbados dollars)

### 3. Other income - general fund

|                 | 2009             | 2008             |
|-----------------|------------------|------------------|
| Incidentals     | 41,825           | 2,688            |
| Tuition fees    | 18,020           | 18,390           |
| Use of premises | 5,700            | 4,200            |
|                 | <u>\$ 65,545</u> | <u>\$ 25,278</u> |

### 4. Utilities - general fund

|             | 2009              | 2008              |
|-------------|-------------------|-------------------|
| Electricity | 68,328            | 49,627            |
| Telephone   | 30,817            | 31,073            |
| Water       | 11,211            | 29,069            |
| Gas         | 1,095             | 1,027             |
|             | <u>\$ 111,451</u> | <u>\$ 110,796</u> |

### 5. Maintenance of property - general fund

|                      | 2009              | 2008              |
|----------------------|-------------------|-------------------|
| Building             | 43,637            | 18,800            |
| Maintenance          | 34,776            | -                 |
| Furniture            | 16,514            | 3,705             |
| Insurance            | 12,413            | 11,396            |
| Equipment            | 357               | 59,510            |
| Tools and implements | 164               | -                 |
| Upkeep of grounds    | -                 | 10,323            |
|                      | <u>\$ 107,861</u> | <u>\$ 103,734</u> |

**The St. Michael School**  
**Notes to the financial statements**  
 March 31, 2009

*(expressed in Barbados dollars)*

**6. Operating expenses**

|                                   | <b>2009</b>       | <b>2008</b>       |
|-----------------------------------|-------------------|-------------------|
| <b>Departmental expenses</b>      |                   |                   |
| Cricket instructor                | 34,898            | 33,155            |
| Music instructor                  | 28,668            | 27,266            |
| Music                             | 2,604             | 3,602             |
| Industrial arts                   | 1,737             | 1,387             |
| Guidance                          | 1,609             | 251               |
| English                           | 150               | 89                |
| General studies                   | 55                | 60                |
| Physical education                | -                 | 20,542            |
| General science                   | -                 | 5,883             |
| Art and craft                     | -                 | 5,407             |
| Business and computer studies     | -                 | 4,022             |
| Home economics                    | -                 | 3,967             |
| Needle craft                      | -                 | 409               |
|                                   | <u>69,721</u>     | <u>106,040</u>    |
| <b>Other operating expenses</b>   |                   |                   |
| Transportation                    | 25,705            | 15,990            |
| Training                          | 11,413            | 20,931            |
| Remuneration for board members    | 10,786            | 18,183            |
| General                           | 10,604            | 7,937             |
| Uniforms                          | 8,858             | 6,807             |
| Prizes                            | 8,101             | 9,708             |
| Special payments                  | 6,372             | -                 |
| Bank charges                      | 2,121             | -                 |
| Printing, posting and advertising | 1,806             | 2,931             |
| Cleaning                          | -                 | 44,520            |
| Subscriptions                     | -                 | 927               |
|                                   | <u>85,766</u>     | <u>127,935</u>    |
| <b>Total operating expenses</b>   | <u>\$ 155,487</u> | <u>\$ 233,974</u> |

# **The St. Michael School**

## **Notes to the financial statements**

March 31, 2009

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*(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 plant, equipment and furniture to supplies and materials.

