

Appendix II

BARBADOS ACCREDITATION COUNCIL

FINANCIAL STATEMENTS

For the year ended 31 March 2021

BARBADOS ACCREDITATION COUNCIL

Financial statements

For the year ended 31 March 2021

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INDEPENDENT AUDITORS' REPORT

To the Directors of Barbados Accreditation Council

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Barbados Accreditation Council, which comprise the statement of financial position as at 31 March 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period 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 the Council as at 31 March 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) for Small and Medium Sized Entities as issued by the International Accounting Standards Board (IASB).

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 Council 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Council's financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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 Council'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 Council or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Council'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 judgement 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 Council'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 Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 Council 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.

RBCI

Chartered Accountants

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.

Other matters

This report is made solely to the directors of **Barbados Accreditation Council**. Our audit work has been undertaken so that we might state to the Council's directors those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Barbados Accreditation Council and its directors for our audit work, for this report or for the opinion we have formed. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come.

A handwritten signature in black ink, appearing to read 'RBCI', with a horizontal line underneath.

19 August 2021
Bridgetown, Barbados

BARBADOS ACCREDITATION COUNCIL

Statement of financial position

As of 31 March 2021

	Notes	2021 \$	2020 \$
Assets			
Current Assets			
Cash at bank		1,503,996	975,769
Accounts receivable		10,941	3,094
Prepaid expenses	6	82,585	82,585
		<u>1,597,522</u>	<u>1,061,448</u>
Property, plant and equipment	3	<u>92,457</u>	<u>62,635</u>
		<u>1,689,979</u>	<u>1,124,083</u>
Liabilities and general fund			
Liabilities			
Accounts payable	4	117,964	26,363
Deferred revenue			-
		<u>117,964</u>	<u>26,363</u>
General fund		<u>1,572,015</u>	<u>1,097,720</u>
		<u>1,689,979</u>	<u>1,124,083</u>

The accompanying notes form an integral part of these financial statements

Approved by the Council.



Council Member



Executive Director

BARBADOS ACCREDITATION COUNCIL

Statement of comprehensive income

For the year ended 31 March 2021

	Notes	2021 \$	2020 \$
Revenue			
Subvention revenue		2,464,755	2,103,566
Revenue from operations		46,141	127,069
		<u>2,510,896</u>	<u>2,230,635</u>
Other Income			
Gain on Sale of Fixed Assets		<u>6,000</u>	<u>-</u>
Expenditure			
Salaries and wages		884,817	967,994
Gratuities		252,604	294,474
Rental of property		376,683	332,950
Conferences, seminars and training		28,322	44,446
General expenses	5	35,779	109,447
National insurance		89,980	84,988
Depreciation	3	13,678	13,022
Supplies and materials		81,686	53,640
Consultancy		115,600	114,079
Legal fees		3,000	3,000
Maintenance and insurance		42,760	26,132
Utilities, net		78,007	88,982
Advertising and promotion		10,897	14,228
Subscriptions		18,656	18,414
Honorarium and stipends		7,360	4,175
Travel		2,772	6,472
		<u>2,042,601</u>	<u>2,176,443</u>
Surplus for the year		<u>474,295</u>	<u>54,192</u>

The accompanying notes form an integral part of these financial statements

BARBADOS ACCREDITATION COUNCIL

Statement of changes in general fund

For the year ended 31 March 2021

	\$
Balances – end of the year 2019	1,043,528
Surplus for the year	54,192
Balances – end of the year 2020	1,097,720
Surplus for the year	474,295
Balances – end of the year 2021	1,572,015

The accompanying notes form an integral part of these financial statements

BARBADOS ACCREDITATION COUNCIL

Statement of cash flows

For the year ended 31 March 2021

	2021	2020
	\$	\$
Cash flows from operating activities		
Surplus for the year	474,295	54,192
<i>Adjustments for:</i>		
Depreciation	13,678	13,022
Gain on sale of fixed assets	(6,000)	-
Operating income before working capital changes	481,973	67,214
Changes in non-cash working capital accounts:		
Change in accounts receivable	(7,847)	7,101
Change in prepaid expenses	-	(55,259)
Change in deferred revenue	-	(4,906)
Change in accounts payable	91,601	(75,090)
<i>Net cash (used in) from operating activities</i>	<u>565,727</u>	<u>(60,940)</u>
Cash flows from investing activities		
Adjustment to cost	-	6,101
Purchase of fixed assets	(43,500)	-
Proceeds from sale of fixed assets	6,000	-
<i>Net cash (used in) from investing activities</i>	<u>(37,500)</u>	<u>6,101</u>
Net change in cash at bank	528,227	(54,839)
Cash at bank – beginning of year	975,769	1,030,608
Cash at bank – end of year	<u>1,503,996</u>	<u>975,769</u>

The accompanying notes form an integral part of these financial statements

BARBADOS ACCREDITATION COUNCIL

Notes to the financial statements

For the year ended 31 March 2021

1. Organisation and principal activities

The Barbados Accreditation Council (the "Council") is a statutory corporation enacted by the Parliament of Barbados on 28 June 2004 and is governed by the Barbados Accreditation Council Act 2004-11.

The main operating activities of the Council are:

Firstly, the registration and re-registration of institutions offering post-secondary or tertiary education and programmes of study, the accreditation and re-accreditation of programmes and institutions in Barbados and related functions, such as recognition and equivalency of local and foreign-based qualifications, articulation and conferral of institutional titles; and

Secondly, the granting of Certificates of Recognition of CARICOM Skills Qualification to applicants who satisfy the requirements for recognition as skilled CARICOM nationals and examining and verifying of certificates of Recognition of Caribbean Community Skills granted to community nationals by Member States.

Statement of compliance:

These financial statements have been prepared in accordance with International Financial Reporting Standards.

Adoption of new and revised standards

In the current year, the Council has adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("the ISAB") and the International Financial Reporting Interpretations Committee ("the IFRIC") of the IASB if relevant to its operations and effective for accounting periods beginning on 1 April 2020. The adoption of these new and revised Standards and Interpretations has not significantly affected the amounts reported for the current year.

Standards issued but not yet effective

During the year, there were several standards and interpretations issued, but not yet effective, up to the date of issuance of the Council's financial statements. The Council has not adopted any of these standards and does not expect any significant impact on its operating activities when these standards become effective.

BARBADOS ACCREDITATION COUNCIL

Notes to the financial statements

For the year ended 31 March 2021

2. Significant accounting policies and adoption of standards

Significant accounting policies adopted by the Council are as follows:

Basis of accounting

The financial statements have been prepared in accordance with the historical cost convention and are expressed in Barbados dollars. The preparation of the financial statements in conformity with IFRS requires the use of certain accounting estimates. It also requires management to exercise its judgment in the process of applying the Council's accounting policies.

Revenue recognition

Subvention revenue is recognized on a cash basis. The revenue from operations is generated when services are provided.

Foreign currencies

Transactions originating in foreign currencies are recorded in Barbados dollars at the exchange rates ruling at the dates of the transactions. Assets and liabilities denominated in foreign currencies are translated at the exchange rates at the balance sheet date.

Related parties

Two parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individual or corporate entities.

BARBADOS ACCREDITATION COUNCIL

Notes to the financial statements

For the year ended 31 March 2021

2. Significant accounting policies and adoption of standards (continued)

Depreciation

Property, plant and equipment are originally recorded at cost less accumulated depreciation and any accumulated losses. Depreciation is applied on the straight-line basis to write off the cost of the assets over their estimated useful lives at the following annual rates:

Furniture and fixtures	33%
Computers	25%
Vehicle	14%
Software	25%
Printer	20%
Air condition units	33%

Loans and receivables

Loans and receivables are measured at amortized cost using the effective interest method, less any impairment. The financial assets of the entity which are designated as loans and receivables are all short term in nature and recognition of interest is immaterial. The significant categories of loans and receivables of the Council include accounts receivable.

Impairment of loans and receivables

Loans and receivables are assessed for indications of impairment at each balance sheet date. Loans and receivables are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the loans and receivables, the estimated future cash flows of the investment have been impacted.

Financial liabilities

Financial liabilities of the Council are classified as "other financial liabilities". Other financial liabilities are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Accounts payable represents the only significant other financial liability of the Council.

The financial liabilities of the Council are all short term in nature and the recognition of interest expense is immaterial.

BARBADOS ACCREDITATION COUNCIL

Notes to the financial statements

For the year ended 31 March 2021

2. Significant accounting policies and adoption of standards (continued)

Accounts payable are stated at their nominal values.

Intangible assets

Intangible assets are measured at cost net of amortization on a straight-line basis at a rate of 25% per annum. Intangible assets comprise of Council's website development costs.

Cost	Amortization	Net Book Value
\$	\$	\$
1,000,000	(1,000,000)	-

Critical accounting judgments and key sources of estimation uncertainty

The Council makes estimates and assumptions that affect the reported amounts of assets and liabilities within the financial statements. Estimates and judgments are continually evaluated and on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

In the application of the Council's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are readily apparent from other sources. The estimates and liabilities are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

Other than in the establishment of routine provision against accounts receivable, depreciation of property, plant and equipment, and amortization of intangible assets, there are no estimates or judgments which are required in applying policies which may have a material impact on the Council's reported assets, liabilities, revenue and expenses.

BARBADOS ACCREDITATION COUNCIL

Notes to the financial statements

For the year ended 31 March 2021

3. Property, plant and equipment

	Cost \$	Accumulated depreciation \$	Net book value \$
Furniture & fixtures			
Balances - 1 April	122,835	122,835	-
Balances - 31 March	122,835	122,835	-
Computers			
Balances - 1 April	108,799	108,799	-
Additions	3,500	-	3,500
Depreciation	-	656	(656)
Balances - 31 March	112,299	109,455	2,844
Printer			
Balances - 1 April	46,112	46,112	-
Additions	40,000	-	40,000
Balances - 31 March	86,112	46,112	40,000
Software			
Balances - 1 April	74,234	60,532	13,702
Depreciation	-	5,056	(5,056)
Balances - 31 March	74,234	65,588	8,646
Property and Plant: Air-condition Units			
Balances - 1 April	29,988	29,988	-
Balances - 31 March	29,988	29,988	-

BARBADOS ACCREDITATION COUNCIL

Notes to the financial statements

For the year ended 31 March 2021

3. Property, plant and equipment (continued)

Motor vehicles

Balances - 1 April	111,769	62,836	48,933
Disposals	(54,870)	(54,870)	-
Deprcciation	-	7,966	(7,966)
Balances - 31 March	56,899	15,932	40,967
Summary			
Balances - 1 April	493,737	431,102	62,635
Additions	43,500	-	43,500
Disposals	(54,870)	(54,870)	-
Deprcciation	-	13,678	(13,678)
Balances - 31 March	482,367	389,910	92,457

During the year proceeds from sale of assets were \$6,000.

4. Accounts payable

The average credit period on payables is 30 days. No interest is charged on accounts payable if this average credit period is maintained. Thereafter interest may be charged at a rate determined by the supplier. The Council has financial risk management policies to ensure that payables are paid in a reasonable time frame.

5. General expenses

	2021	2020
	\$	\$
Public relations	15,185	71,048
Other operating expenses	17,643	30,339
Publication of News letter	350	3,080
Bank charges	2,076	1,878
Uniforms	-	1,562
Refreshments	465	1,186
Conveyance of mail	-	251
Commissions credit card	60	103
	<u>35,779</u>	<u>109,447</u>

BARBADOS ACCREDITATION COUNCIL

Notes to the financial statements

For the year ended 31 March 2021

6. Prepaid expenses

This balance represents the Council's rent deposits for the office space utilized.