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Lasting value.*

***Edna Manley College of the Visual
and Performing Arts
Subvention Account
Financial Statement
for the year ended
31st March 2014***

**EDNA MANLEY COLLEGE OF THE VISUAL AND PERFORMING ARTS
GOVERNMENT OF JAMAICA SUBVENTION ACCOUNT
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2014**

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GOVERNMENT OF JAMAICA SUBVENTION ACCOUNT
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2014**

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REPORT OF THE INDEPENDENT AUDITORS
TO THE BOARD OF MANAGEMENT
EDNA MANLEY COLLEGE OF THE VISUAL AND PERFORMING ARTS
GOVERNMENT OF JAMAICA SUBVENTION ACCOUNT

Report on the financial statements

We have audited the accompanying financial statements of Edna Manley College of the Visual and Performing Arts (Government of Jamaica Subvention Account) which comprise the Statement of Financial Position as at 31st March 2014, the statements of income and expenditure, changes in accumulated fund and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

The Management of the College is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards for Small and Medium-Sized Entities (IFRS for SMEs) and for such internal control as management determines it necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 relating to the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including our assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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REPORT OF THE INDEPENDENT AUDITORS
TO THE BOARD OF MANAGEMENT
EDNA MANLEY COLLEGE OF THE VISUAL AND PERFORMING ARTS
SUBVENTION ACCOUNT

Opinion

In our opinion, the financial statements, give a true and fair view of the financial position of Edna Manley College of the Visual and Performing Arts (Government of Jamaica Subvention Account) as at 31st March 2014, and of its financial performance, changes in accumulated fund and cash flows for the year then ended, in accordance with the IFRS for SMEs.

Other Matter

The financial statements of the Edna Manley College of the Visual and Performing Arts (Government of Jamaica Subvention Account) for the year ended 31st March 2013, were audited by another auditor who expressed an unmodified opinion on those statements on 28th June 2016.

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

The engagement partner on the audit resulting in this independent auditors' report is Mr Dawkins Brown.

Crowe Horwath Jamaica



Crowe Horwath Jamaica

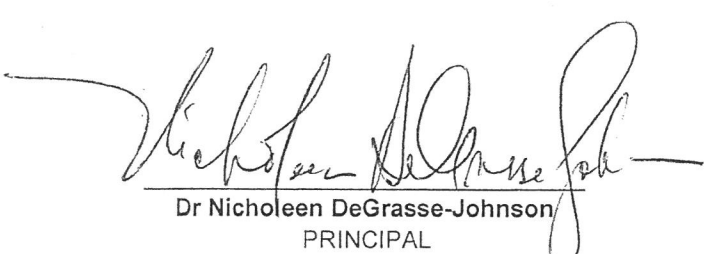
November 30, 2018

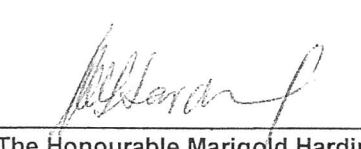
EDNA MANLEY COLLEGE OF THE VISUAL AND PERFORMING ARTS
 GOVERNMENT OF JAMAICA SUBVENTION ACCOUNT
 STATEMENT OF FINANCIAL POSITION
 AS AT 31ST MARCH 2014
 (Expressed in Jamaican Dollars unless otherwise indicated)

	<u>Notes</u>	2014 \$	2013 \$
<u>ASSETS</u>			
Current Assets			
Trade and Other Receivables	5	390,578	-
Cash and Cash Equivalents	6	2,222,496	1,005,000
		<u>2,613,074</u>	<u>1,005,000</u>
Total Assets		<u>2,613,074</u>	<u>1,005,000</u>
<u>EQUITY AND LIABILITIES</u>			
Capital Reserves			
Accumulated Losses		<u>(14,795,104)</u>	<u>(3,442,111)</u>
Current Liabilities			
Trade and Other Payables	7	<u>17,408,178</u>	<u>4,447,111</u>
Total Equity and Liabilities		<u>2,613,074</u>	<u>1,005,000</u>

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

APPROVED FOR ISSUE BY THE BOARD OF MANAGEMENT ON November 30, 2018 AND SIGNED ON
 ITS BEHALF


 Dr Nicholeen DeGrasse-Johnson
 PRINCIPAL


 The Honourable Marigold Harding, CD, JP
 CHAIRMAN

**EDNA MANLEY COLLEGE OF THE VISUAL AND PERFORMING ARTS
GOVERNMENT OF JAMAICA SUBVENTION ACCOUNT
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH 2014**

(Expressed in Jamaican Dollars unless otherwise indicated)

	<u>Notes</u>	2014 \$	2013 \$
INCOME:	8		
Government of Jamaica Grants			
Subvention		391,327,713	383,729,751
Other Income		710	-
Total Income		391,328,423	383,729,751
EXPENDITURE:			
Administrative and Other Expenses	9	402,646,724	391,377,572
		<u>402,646,724</u>	<u>391,377,572</u>
Net Deficit before Bank Charges & Interest		(11,318,301)	(7,647,821)
Bank Charges and Interest		34,692	61,018
Net Deficit or the Year		(11,352,993)	(7,708,839)

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

EDNA MANLEY COLLEGE OF THE VISUAL AND PERFORMING ARTS
GOVERNMENT OF JAMAICA SUBVENTION ACCOUNT
STATEMENT OF CHANGES IN ACCUMULATED FUND
FOR THE YEAR ENDED 31ST MARCH 2014
 (Expressed in Jamaican Dollars unless otherwise indicated)

	Accumulated Losses
	\$
Balance at 31st March 2012	4,266,728
Net Deficit for the year	<u>(7,708,839)</u>
Balance at 31st March 2013	(3,442,111)
Net Deficit for the year	<u>(11,352,993)</u>
Balance at 31st March 2014	<u>(14,795,104)</u>

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

EDNA MANLEY COLLEGE OF THE VISUAL AND PERFORMING ARTS
GOVERNMENT OF JAMAICA SUBVENTION ACCOUNT
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31ST MARCH 2014
(Expressed in Jamaican Dollars unless otherwise indicated)

	2014 \$	2013 \$
Cash Flows from Operating Activities:		
Net Deficit for the year	(11,352,993)	(7,708,839)
Adjustment to Equity	<u>-</u>	<u>-</u>
	(11,352,993)	(7,708,839)
Increase/(Decrease) in Current Assets		
Trade and Other Receivables	(390,578)	742,863
Increase/(Decrease) in Current Liabilities		
Trade and Other Payables	<u>12,961,067</u>	<u>1,265,299</u>
Net Cash Provided by Operations	<u>12,570,489</u>	<u>2,008,162</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	1,217,496	(5,700,677)
Cash and Cash Equivalents at beginning of year	<u>1,005,000</u>	<u>6,705,677</u>
Cash and Cash Equivalents at end of year	<u><u>2,222,496</u></u>	<u><u>1,005,000</u></u>

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

EDNA MANLEY COLLEGE OF THE VISUAL AND PERFORMING ARTS
GOVERNMENT OF JAMAICA SUBVENTION ACCOUNT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2014

(Expressed in Jamaican Dollars unless otherwise indicated)

1. Identification:

Subvention Account

Edna Manley College of the Visual and Performing Arts "The College" is a registered institution of the University Council of Jamaica, with approval to issue baccalaureate degrees in Fine Arts, Arts Education and Music. The registered office of the College and its principal place of operation is located at 1 Arthur Wint Drive, Kingston 5, St. Andrew.

The College was originally established as the Cultural Training Centre under Institute of Jamaica combining the Edna Manley College of the Visual Arts, the Jamaica School of Music, the Jamaica School of Drama and the Jamaica School of Dance. With effect from March 29, 1995, the College was transferred to the Ministry of Education, registered as a third stage public educational institution under the Education Act, and renamed the Edna Manley College of the Visual and Performing Arts. The administration of the College is regulated under the "Edna Manley College of the Visual and Performing Arts Scheme 1999". The primary functions of the College are teaching and research. The College is primarily financed by subventions from the Government of Jamaica.

The College is exempt from Income Tax and Transfer Tax, Import Duties and General Consumption Tax on imported items. Under the General Consumption Tax Act the College is zero rated.

These financial statements are presented in Jamaican Dollars which is the functional currency of college.

2. Statement of Compliance and Basis of Preparation:

The financial statements have been prepared in accordance with and have been prepared under the historical cost convention and comply with IFRS for SMEs.

3. Significant Accounting Policies:

i) Use of Estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and revenue and expenses during the reporting period. Actual results could differ from those estimates.

ii) Basis of Income Recognition

The subvention is recognized on the basis of amount received and accounted for on a cash basis.

iii) Basis of Expense Recognition

Transactions in the detailed receipt and expenditure schedule are recognized on a cash basis. Otherwise, transactions are recognized on the accruals basis. Accruals comprise the liability for employee statutory contribution, elective payroll deductions, and payroll taxes at the reporting date.

4. Government of Jamaica Subvention

The major source of funding for the operation of the College is by Subvention from the Ministry of Education. The subvention is applicable to personal emoluments, payroll taxes and other expenditures specifically approved by the Ministry. The amount of subvention is determined by the Ministry of Education based on budgets submitted by the College.

EDNA MANLEY COLLEGE OF THE VISUAL AND PERFORMING ARTS
GOVERNMENT OF JAMAICA SUBVENTION ACCOUNT
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31ST MARCH 2014
(Expressed in Jamaican Dollars unless otherwise indicated)

5. Trade and Other Receivables

	2014	2013
	\$	\$
Advances	<u>390,578</u>	<u>-</u>

6. Cash and Cash Equivalents

	2014	2013
	\$	\$
Current Account	<u>2,222,496</u>	<u>1,005,000</u>

7. Trade and Other Payables

	2014	2013
	\$	\$
Accounts Payable	5,957,987	2,049,695
Statutory Liabilities	455,245	2,397,416
Other Payables	75,283	-
Intercompany - Central AIA	<u>10,919,663</u>	<u>-</u>
	<u>17,408,178</u>	<u>4,447,111</u>

8. Revenue

This represents amounts received from the Ministry of Education it is accounted for on a cash basis and used for payment of salaries, wages and operational costs.

9. Administrative and Other Expenses

	2014	2013
	\$	\$
Salaries and Wages - Academic and Administrative Staff	308,756,574	285,743,477
Salaries and Wages - Ancillary Staff	18,890,389	17,616,936
Salaries and Wages - Academic - Part Time	48,738,331	58,903,073
National Housing Trust	10,745,629	10,317,944
National Insurance Scheme	5,957,527	4,948,268
Security	1,177,760	1,075,714
Utilities	8,370,502	11,177,573
Audit and Accounting	-	1,428,720
Miscellaneous	2,498	165,867
Stationery and Office Supplies	<u>7,514</u>	<u>-</u>
	<u>402,646,724</u>	<u>391,377,572</u>

EDNA MANLEY COLLEGE OF THE VISUAL AND PERFORMING ARTS
GOVERNMENT OF JAMAICA SUBVENTION ACCOUNT
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31ST MARCH 2014
(Expressed in Jamaican Dollars unless otherwise indicated)

10. Financial Instruments

A financial instrument is a contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. For the purpose of the financial statements, financial assets have been determined to include trade and other receivables and cash and cash equivalents. Financial liabilities have been determined to include trade and other payables.

(a) *Interest Rate Risk:*

Interest rate risks arise where the value of a financial instrument fluctuates due to changes in market interest rates. The College's Subvention Account is not exposed to interest rate risk.

(b) *Credit Risk:*

Credit risk is the risk that a party to a financial instrument will fail to discharge an obligation and cause the other party to incur financial loss. The College's Subvention Account faces no credit risk as its revenue is received from the Government of Jamaica.

(c) *Foreign Currency Risk:*

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The College's Subvention Account is not directly exposed to foreign currency risks.

(d) *Liquidity Risk:*

Liquidity risk is the risk that the entity will encounter difficulty in raising funds to meet commitments associated with financial instruments.

The Subvention Account faced liquidity risk at 31st March 2014 as current liabilities exceeded current assets by \$14,795,104 (2013: \$3,442,111).

(e) *Fund Management*

The College's objectives when managing funds are to safeguard the College's ability to continue as a going concern.

There were no changes to the College's approach to Funds management during the year.

The College's Funds comprises:

	2014	2013
	\$	\$
Accumulated Losses	<u>(14,795,104)</u>	<u>(3,442,111)</u>

11. Fair Value:

Fair value amounts represent estimates of the arm's length consideration that would be currently agreed between knowledgeable, willing parties who are under no compulsion to act and is best evidenced by a quoted market price if one exists.

The carrying value of each class of financial instrument approximates to fair value because of their short term nature.

12. Taxation

The College is exempt from income tax under the Income Tax Act of Jamaica.