

**EDNA MANLEY COLLEGE OF THE VISUAL
AND PERFORMING ARTS
Year ended March 31, 2013
FINANCIAL STATEMENTS**

Smith & Associates
Chartered Accountants
16 Hope Road
Kingston 10

EDNA MANLEY COLLEGE OF THE VISUAL AND PERFORMING ARTS

March 31, 2013

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Smith and Associates

Chartered Accountants

16 Hope Road,
Kingston 10
Jamaica W.I.
Telephone: (876) 754-3562/
908-2474/
908-3210

Fax: (876) 754-5647
email: contact@smithandassociatesjm.com
smithas@cwjamaica.com



June 28, 2016

Independent Auditor's Report

To the Board of Directors
Edna Manley College of the Visual and Performing Arts
1 Arthur Wint Drive
Kingston 5

Report on the Financial Statements

We have audited the accompanying financial statements of Edna Manley College of the Visual and Performing Arts set out on pages 1 to 35 which comprise the statement of financial position as at March 31, 2013, the statement of comprehensive income, statement of changes in reserves and statement of cash flows and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS). 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.

Auditors' 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 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 auditors consider 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 controls. 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.

To the Board of Directors

Edna Manley College of the Visual and Performing Arts

June 28, 2016


Independent auditor's report (Cont'd)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Edna Manley College of the Visual and Performing Arts as at March 31, 2013 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Report on additional requirements of the Financial Administration and Audit Act

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. In our opinion, proper accounting records have been maintained and the financial statements are in agreement with the accounting records, and comply with the requirements of the Financial Administration and Audit Act and the Public Bodies Management and Accountability Act.

A handwritten signature in cursive script that reads "Smith & Associates".

CHARTERED ACCOUNTANTS

1

EDNA MANLEY COLLEGE OF THE VISUAL AND PERFORMING ARTS

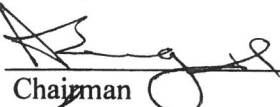
Statement of Financial Position

March 31, 2013

	<u>Notes</u>	<u>2013</u> \$	<u>2012</u> \$
ASSETS			
Non-Current Assets			
Property, plant and equipment	5	<u>189,680,154</u>	<u>182,783,944</u>
Current Assets			
Accounts receivable	6	49,083,189	34,484,715
Short term investments	8	59,737,218	38,838,163
Income tax recoverable		1,048,824	650,110
Cash and cash equivalents	7	<u>42,725,142</u>	<u>53,457,319</u>
		<u>152,594,373</u>	<u>127,430,307</u>
Total Assets		<u><u>342,274,527</u></u>	<u><u>310,214,251</u></u>
RESERVES AND LIABILITIES			
Capital reserves			
Retained earnings		<u>232,127,131</u>	<u>218,317,467</u>
Current Liabilities			
Payable and accruals	9	75,615,518	53,836,594
Deferred income	13	<u>34,531,878</u>	<u>38,060,190</u>
		<u>110,147,396</u>	<u>91,896,784</u>
Total Reserves and Liabilities		<u><u>342,274,527</u></u>	<u><u>310,214,251</u></u>

On behalf of the Board of Directors


Principal


Chairman

June 28 2016
Date

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

EDNA MANLEY COLLEGE OF THE VISUAL AND PERFORMING ARTS

Statement of Comprehensive Income

Year ended March 31, 2013

	<u>Note</u>	<u>2013</u> \$	<u>2012</u> \$
Income:			
Tuition and hostel fees	14	186,005,704	178,972,223
Government of Jamaica Subvention	17	383,729,751	360,477,877
Other Fees	15	1,697,377	860,755
Other income	16	<u>8,998,127</u>	<u>8,498,488</u>
		<u>580,430,959</u>	<u>548,809,343</u>
<u>Expenditure</u>			
Depreciation	5	18,135,594	16,173,274
Staff cost	11	392,962,887	375,101,710
Travel and subsistence		3,913,447	3,263,434
Electricity, telephone and water		64,371,824	45,434,357
Repair and Maintenance		21,835,934	19,978,946
Movement in the provision for doubtful debts and impairment		8,609,795	7,981,904
Other goods and services	18	<u>63,993,616</u>	<u>63,304,772</u>
		<u>573,823,097</u>	<u>531,238,397</u>
Surplus for the year before finance income		<u>6,607,862</u>	<u>17,570,946</u>
Finance Income		7,970,993	1,556,089
Finance cost		<u>(769,191)</u>	<u>(591,699)</u>
Net finance income		<u>7,201,802</u>	<u>964,390</u>
Surplus for the Year		<u>13,809,664</u>	<u>18,535,336</u>

The accompanying notes form an integral part of these financial statements

EDNA MANLEY COLLEGE OF THE VISUAL AND PERFORMING ARTS

Statement of Changes in Reserves

Year ended March 31, 2013

	<u>Retained Earnings Total \$</u>
Balance as at March 31, 2011	199,782,131
Surplus, being total comprehensive income for the year	<u>18,535,336</u>
Balance as at March 31, 2012	218,317,467
Surplus, being total comprehensive income for the year	<u>13,809,664</u>
Balance as at March 31, 2013	<u><u>232,127,131</u></u>

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

EDNA MANLEY COLLEGE OF THE VISUAL AND PERFORMING ARTS

Statement of Cash Flows

Year ended March 31, 2013

	<u>2013</u>	<u>2012</u>
	<u>\$</u>	<u>\$</u>
Cash flows from operating activities:		
Surplus for the year	13,809,664	18,535,336
Adjustments to reconcile surplus for the year to net cash provided by operating activities :		
Depreciation	<u>18,135,594</u>	<u>16,173,274</u>
	31,945,258	34,708,610
(Increase)/decrease in current assets		
Accounts receivable	(14,598,474)	(5,204,869)
Income tax recoverable	(398,714)	(276,682)
Increase/ (decrease) in current liabilities		
Payable and accruals	21,778,924	14,798,449
Deferred income	<u>(3,528,312)</u>	<u>1,954,345</u>
Net cash provided by operating activities	<u>35,198,682</u>	<u>45,979,853</u>
Cash flows from investing activity		
Purchase of property, plant and equipment	(25,031,804)	(19,039,594)
Short term investments and deposits	<u>(20,899,055)</u>	<u>8,032,123</u>
Net cash used in investing activity	<u>(45,930,859)</u>	<u>(11,007,471)</u>
Net (decrease)/ increase in cash and cash equivalents	(10,732,177)	34,972,382
Cash and cash equivalents at beginning of the year	<u>53,457,319</u>	<u>18,484,937</u>
Cash and cash equivalents at end of the year	<u>42,725,142</u>	<u>53,457,319</u>

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

EDNA MANLEY COLLEGE OF THE VISUAL AND PERFORMING ARTS

Notes to the financial statements

March 31, 2013

1. Identification

- (a) Edna Manley College of the Visual and Performing Arts is a registered institution of the University Council of Jamaica, with approval to issue baccalaureate degrees in Fine Arts, Arts Education and Music.
- (b) The College was originally established as the Cultural Training Centre under Institute of Jamaica combining the Edna Manley School 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 registered office of the College and its principal place of operation is located at 1 Arthur Wint Drive, Kingston 5, St. Andrew.

The College is exempted 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.

2. Basis of preparation

(a) Statement of Compliance

These financial statements have been prepared in accordance with and comply with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

Standards, interpretations and amendments effective during the current year

No new standards, interpretations and amendments to existing standards which are immediately relevant to the operation of the college have been published that became effective during the current financial year.

EDNA MANLEY COLLEGE OF THE VISUAL AND PERFORMING ARTS

Notes to the financial statements

March 31, 2013

2. Basis of preparation (cont'd)

(a) Statement of compliance (cont'd):

Standards, interpretations and amendments issued but not yet effective

At the date of authorization of these financial statements, certain new standards, amendments and interpretations to existing standards have been issued which were not effective at the date of the statement of financial position, and which the college has not early adopted. The college has assessed the relevance of all such new standards, interpretations and amendments, has determined that the following may be relevant to its operations, and has concluded as follows:

- **IAS 1 (Amendments), 'Financial statements presentation'** (effective for annual periods beginning on or after July 1, 2013). The main change resulting from these amendments is a requirement for entities to group items presented in other comprehensive income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI. The college is assessing the impact that this change will have on the financial statements.
- **IAS 32, (Amendment) 'Financial instruments: Disclosures'** (effective for annual periods beginning on or after January 1, 2014). This amendment updates the application guidance in IAS 32, 'Financial instruments: Presentation', to clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet. The college will apply the amendment from April 1, 2014 but it is not expected to have a significant impact on the college's financial statements.
- **IFRS 7 (Amendment), 'Financial instruments: Disclosures' (effective July 1, 2012).** This amendment clarifies the disclosure requirement by emphasizing the interaction between quantitative and qualitative disclosures and the nature and extent of risks associated with financial instruments. Amendments were also made to quantitative and credit risk disclosures. The adoption of this amendment will result in changes in the presentation of credit risk disclosures.
- **IFRS 7, '(Amendment) 'Financial instruments: Disclosures'** (effective for annual periods beginning on or after January 1, 2013). This amendment reflects the joint IASB and FASB requirements to enhance current offsetting disclosures. These new disclosures are intended to facilitate comparison between those entities that prepare IFRS financial statements and those that prepare US GAAP financial statements. The college will apply the amendments from April 1, 2013 but is not expected to have an impact on the college's financial statements.

EDNA MANLEY COLLEGE OF THE VISUAL AND PERFORMING ARTS

Notes to the financial statements

March 31, 2013

2. Basis of preparation (cont'd)

(a) Statement of compliance (cont'd):

Standards, interpretations and amendments issued but not yet effective

- **IFRS 9, 'Financial instruments'** (effective for annual periods beginning on or after January 1, 2015). This standard on classification and measurement of financial assets and financial liabilities will replace IAS 39, 'Financial instruments: Recognition and measurement'. IFRS 9 has two measurement categories: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is measured at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. For liabilities, the standard retains most of the IAS 39 requirements. These include amortized-cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The college is still assessing the potential impact of IFRS 9 and whether it should adopt the standard prior to the effective date to take advantage of the transitional arrangements which vary depending on the date of initial adoption.
- **IFRS 13, 'Fair value measurement'** (effective for annual periods beginning on or after January 1, 2013). This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRS. The requirements, which are largely aligned between IFRS and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRS or US GAAP. The college will apply the standard from April 1, 2013 and it will result in expanded disclosure in the financial statements.

The college has concluded that all other standards, interpretations and amendments to existing standards which are published but not yet effective are either relevant to its operations but will have no material impact on adoption; or are not relevant to its operations and will therefore have no impact on adoption; or contain inconsequential clarifications that will have no material impact when they come into effect. This includes amendments resulting from the IASB's ongoing improvements project.

EDNA MANLEY COLLEGE OF THE VISUAL AND PERFORMING ARTS**Notes to the financial statements****March 31, 2013****2. Basis of preparation (cont'd)****(b) Basis of Measurement**

The financial statements are presented on the historical cost basis, modified by the inclusion of available for sale securities at fair value.

(c) Functional and presentation currency

The financial statements are presented in Jamaican dollars (J\$) which is the functional currency in which the College conducts the majority of its business activities.

(d) Use of estimates and judgments

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of, and disclosures related to, assets, liabilities, contingent assets and contingent liabilities at the statement of financial position date and the income and expenses for the year ended.

The estimates and associated assumptions are based on historical experience and/or various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual amounts could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions 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.

The significant areas where key assumptions concerning the future, and other sources of estimation uncertainty, at the statement of financial position date that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year, are as follows:

EDNA MANLEY COLLEGE OF THE VISUAL AND PERFORMING ARTS**Notes to the financial statements****March 31, 2013****2. Basis of preparation (cont'd)****(d) Use of estimates and judgments (cont'd)****(i) Allowance for losses**

In determining amounts recorded for allowance for losses in the financial statements, management makes judgments regarding indicators of impairment, that is, whether there are indicators that suggest there may be a measurable decrease in the estimated future cash flows from accounts receivable and other financial assets, for example, repayment default and adverse economic conditions. Management also makes estimates of the likely estimated future cash flows from impaired financial assets, including the net realizable value of underlying collateral, as well as the timing of such cash flows. The adequacy of the allowance depends on the accuracy of these judgments and estimates.

(ii) Determining fair values

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of other generally accepted valuation techniques. Considerable judgment is required in interpreting market data to arrive at estimates for fair values. Consequently, the estimates of fair value arrived at may be significantly different from the actual price of the instrument in an arm's length transaction.

It is reasonably possible that outcomes within the next financial year that are different from these assumptions could require a material adjustment to the carrying amount reflected in the financial statements.

The preparation of the financial statements in accordance with IFRS also assumes that the College will continue in operational existence for the foreseeable future. This means, inter alia, that the statement of financial position and the statement of income and expenses assume no intention or necessity to liquidate the College or curtail the scale of its operations. This is commonly referred to as the going concern basis. The Board and Management believe that preparation of the financial statements on the going concern basis continues to be appropriate.

EDNA MANLEY COLLEGE OF THE VISUAL AND PERFORMING ARTS

Notes to the Financial Statements

March 31, 2013

3. Significant accounting policies

(a) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Property, plant and equipment are depreciated on the straight-line basis at annual rates estimated to write off the cost of the assets over their expected useful lives. The depreciation rates are as follows:

Building Improvements	2.5%
Equipment	10%
Furniture and fixtures	10%
Computers	10%
Motor vehicle	20%

Plant and Equipment are reviewed periodically for impairment. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Gains and losses on disposal of furniture and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit. Repairs and renewals are charged to the statement of comprehensive income when the expenditure is incurred.

(b) Fair value of financial instruments

Amounts reflected for receivables, payables, cash and cash equivalents approximate to their fair value.

(c) Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, current and savings account balances.

(d) Comparative information

Where necessary, comparative figures have been reclassified to conform with changes in presentation in the current year.

EDNA MANLEY COLLEGE OF THE VISUAL AND PERFORMING ARTS**Notes to the Financial Statements****March 31, 2013****3. Significant accounting policies (Cont'd)****(e) Foreign currency translation**

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated at the foreign exchange rate ruling at the statement of financial position date. Foreign exchange differences arising on translations are recognized in the profit and loss account. Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated at the foreign exchange rate ruling at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to the reporting currency at the foreign exchange rates ruling at the dates that the values were determined.

(f) Investments

(i) Investments are classified as loans and receivable if they are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than, mainly:

- Those, if any, that the College intends to sell immediately or in the near term, and those that the College, upon initial recognition, designates as at fair value through surplus or deficit; and
- Those that the College, upon initial recognition, designates as available for sale. Loans and receivables are carried at amortized cost.

(ii) Investments are classified as available-for-sale financial assets if they are non-derivative financial assets that are designated as available for sale or are not financial assets at fair value through surplus or deficit.

Available-for sale financial assets are carried at fair value, with gains or losses arising from changes in fair value being included in investment revaluation reserve.

The fair value of available- for-sale investments is based on their quoted market bid price, if any, at the statement of financial position date, without any deduction for transaction costs. Where quoted market price is not available, fair value is estimated using a generally accepted alternative method, such as discounted cash flow.

EDNA MANLEY COLLEGE OF THE VISUAL AND PERFORMING ARTS**Notes to the Financial Statements****March 31, 2013****3. Significant accounting policies (Cont'd)****(g) Revenue recognition**

Government contributions are recognized when received or deemed received. They are deemed received if and when the Ministry of Finance, instead of giving cash, gives a binding written commitment to the College to settle certain of the College's obligations – e.g., statutory payroll-related obligations to the Revenue Authorities.

Tuition and hostel fees are deferred when initially recorded at the start of the academic year. They are recognized as revenue evenly over the rest of the year, reflecting the assumed manner of delivery of relevant services to students.

Interest income is recognized in the income statement for all interest earning instruments on the accrual basis using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset (or, where appropriate, a shorter period) to the carrying amount of the financial asset. The effective interest rate is established on initial recognition of the financial asset or liability and is not revised subsequently.

When interest-earning financial assets are impaired, they are written down to their recoverable amounts and interest income is thereafter recognized based on the rate of interest that was used to discount the future cash flows for the purpose of measuring the recoverable amount.

(h) Resale agreement

Resale agreements are short-term transactions whereby an entity buys securities and simultaneously agrees to resell them on a specified date and at a specified price.

Although the security is delivered to the "buyer" at the time of the transaction, title is not actually transferred unless the counterparty fails to repurchase the securities on the date specified. Resale agreements are accounted for as short-term collateralised lending.

The difference between the sale and repurchase considerations is recognised on an accrual basis over the period of the transaction and is included in interest income.

EDNA MANLEY COLLEGE OF THE VISUAL AND PERFORMING ARTS**Notes to the Financial Statements****March 31, 2013****3. Significant accounting policies (Cont'd)****(I) Impairment****(i) Financial assets**

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows from that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value.

Individually significant assets are tested for impairment on an individual basis. Student receivables are assessed individually for impairment.

All impairment losses are recognized in surplus or deficit. Any cumulative loss in respect of an available-for-sale financial asset recognized previously in equity is transferred to surplus or deficit.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortised cost and available-for-sale financial assets that are equity securities, the reversal is recognized directly in equity.

(ii) Non-financial assets

The carrying amounts of the College's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in surplus or deficit.

EDNA MANLEY COLLEGE OF THE VISUAL AND PERFORMING ARTS

Notes to the Financial Statements

March 31, 2013

3. Significant accounting policies (Cont'd)

(I) Impairment (Cont'd)

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses recognized in prior periods are assessed at each reporting date for any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(j) Tuition and hostel fee

Tuition and hostel fees are accounted for on an accruals basis.

(k) Related party balances and transactions:

A party is related to the College if:

(i) Directly, or indirectly through one or more intermediaries, the party:

- (1) Controls, is controlled by, or is under common control with, the College (this includes parents, subsidiaries and fellow subsidiaries);
- (2) Has an interest in the College that gives it significant influence over the College; or
- (3) Has joint control over the College;

(ii) The party is an associate (as defined in IAS 28, *Investments in Associates*) of the College;

(iii) The party is a joint venture in which the College is a venture (see IAS 31, *Interests in Joint Ventures*);

(iv) The party is a member of the key management personnel of the College;

EDNA MANLEY COLLEGE OF THE VISUAL AND PERFORMING ARTS

Notes to the Financial Statements

March 31, 2013

3. Significant accounting policies (Cont'd)

(k) Related party balances and transactions (cont'd):

A party is related to the College if (cont'd):

- (v) The party is a close member of the family of any individual referred to in (i) or (ii);
- (vi) The party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- (vii) The party is a post-employment benefit plan for the benefit of employees of the College, or of any entity that is a related party of the College.

4. Financial Risk Management and Financial Instruments

The College has exposure to the following financial risks from the use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk)
- Operational risk

Risk Management Framework

The following note presents details about the College's exposure to each of the above risks and the College's objectives, policies and procedures for measuring risk.

The Board of Directors has overall responsibility for the establishment and oversight of the College's financial risk management framework. The College's risk management policies are established to identify and analyze the risks faced by the College. These include the setting of appropriate risk limits and controls, monitoring of risks and adherence to established limits.

EDNA MANLEY COLLEGE OF THE VISUAL AND PERFORMING ARTS

Notes to the Financial Statements

March 31, 2013

4. Financial Risk Management and Financial Instruments (cont'd)

Risk Management Framework (cont'd)

The Board of Directors through the Finance and Audit Committee is responsible for developing and monitoring the College's financial risk management policies. These committees report regularly to the Board of Directors on their activities.

The Audit Committee oversees how management monitors, and is in compliance with the Edna Manley College of the Visual and Performing Arts Scheme Order, 1999 as it relates to its policies and procedures, and the adequacy of the risk management framework in relation to risks faced by the College. The Audit Committee is assisted in its mandate by the College's Internal Audit Department, which undertakes periodic reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Credit risk is the risk of financial loss to the College if counterparty fails to meet its contractual obligations. The College's key areas of exposure to credit risk include:

- Cash and cash equivalents.
- Short term investment.
- Amounts due from students.

The nature of the College's exposure to credit risk and its objectives, policies and processes for managing credit risk have not changed significantly from the prior period.

Exposure to Credit Risk

The following table sets out the financial assets that are exposed to credit risk and the maximum amount of the exposure:

	Maximum Exposure	
	<u>2013</u>	<u>2012</u>
	\$	\$
Accounts receivable	49,083,189	34,484,715
Short term investments	59,737,218	38,838,163
Income tax recoverable	1,048,824	650,110
Cash and cash equivalents	<u>42,725,142</u>	<u>53,457,319</u>
	<u>152,594,373</u>	<u>127,430,307</u>

EDNA MANLEY COLLEGE OF THE VISUAL AND PERFORMING ARTS**Notes to the Financial Statements****March 31, 2013****4. Financial Risk Management and Financial Instruments (cont'd)****Concentration of credit risk**

The following table summarises the concentration of credit risk by sector and location:

2013

	<u>Cash and Cash equivalents</u>	<u>Accounts receivable</u>	<u>Investments</u>	<u>Income tax recoverable</u>	<u>Total</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Concentration by sector					
Students	-	45,952,658	-	-	45,952,658
Financial institutions	42,725,142	-	59,737,218	-	102,462,360
Staff	-	-	-	-	-
Other	-	3,130,531	-	1,048,824	4,179,355
Total	<u>42,725,142</u>	<u>49,083,189</u>	<u>59,737,218</u>	<u>1,048,824</u>	<u>152,594,373</u>

2012

	<u>Cash and Cash equivalents</u>	<u>Accounts receivable</u>	<u>Investments</u>	<u>Income tax recoverable</u>	<u>Total</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Concentration by sector					
Students	-	30,765,846	-	-	30,765,846
Financial institutions	53,457,319	-	38,838,163	-	92,295,482
Staff	-	650,821	-	-	650,821
Other	-	3,068,048	-	650,110	3,718,158
Total	<u>53,457,319</u>	<u>34,484,715</u>	<u>38,838,163</u>	<u>650,110</u>	<u>127,430,307</u>

EDNA MANLEY COLLEGE OF THE VISUAL AND PERFORMING ARTS**Notes to the Financial Statements****March 31, 2013****4. Financial Risk Management and Financial Instruments (cont'd)****MANAGEMENT OF CREDIT RISK (cont'd)****Concentration of credit risk (cont'd)****Management of credit risk relating to different types of financial assets****(a) Investment securities, resale agreements and cash and cash equivalents:**

The College has:

- Placed limits on its exposure to a single counterparty by limiting the amount that may be placed with any one intermediary. It invests only in high quality corporate bonds and government issued debt;
- Set minimum requirements that all intermediaries must meet. These requirements are established and enforced by the College's Finance and Audit Committee. The credit ratings and payment histories of intermediaries are monitored and assessed on a regular basis.

(b) Receivables from students:

The College's receivables comprise amounts due from students – in some cases; this is based on a signed agreement between the students and the College to pay on account over a specified period, prior to their sitting final examinations for the end of the semester.

The management of the risk in student receivables and the policies governing them are the responsibility of the College's management. The balances are analyzed into the following groups: Receivables past-due but not impaired (Receivable from Students, Student Loan Bureau and Scholarship donors) and receivables past due and impaired.

An assessment of each group of debtors is done and the credit risk relating to each evaluated. Specific actions are taken according to debtor group and the identified risk.

EDNA MANLEY COLLEGE OF THE VISUAL AND PERFORMING ARTS

Notes to the Financial Statements

March 31, 2013

4. Financial Risk Management and Financial Instruments (cont'd)

MANAGEMENT OF CREDIT RISK (cont'd)

Management of credit risk relating to different types of financial assets (cont'd)

(c) Other financial assets

Other financial assets are comprised primarily of loans receivable from staff, of which there are two types: study loan and staff loans.

Study loans to employees are repaid through salary deductions.

A staff loan is maximized at the equivalent of one month's salary and must be repaid within twelve months. Neither type of loans is supported by collateral as the risk of default is considered low.

Credit quality of receivables

The policy of the College is to provide for 100% of receivables that are over 365 days old. Accounts receivable are the only financial assets with significant amounts which are past due. Accounts receivable are deemed past due when the payments are not received on the contractual payment dates.

The credit quality of the College's accounts receivable is summarised as follows:

	<u>2013</u>		<u>2012</u>	
	<u>Gross</u>	<u>Impaired</u>	<u>Gross</u>	<u>Impaired</u>
	\$	\$	\$	\$
Receivable past due but not impaired:				
under 12 months	45,952,658	-	30,765,846	-
Receivable past due and impaired:				
under 12 months	13,265,911	13,265,911	NIL	-
12 Months and over	<u>45,149,629</u>	<u>45,149,629</u>	<u>35,614,232</u>	<u>35,614,232</u>
Total tuition and hostel fees receivable	104,368,198	58,415,540	66,380,078	35,614,232
Advances	-	-	650,821	-
Other	<u>5,318,200</u>	<u>2,187,669</u>	<u>3,068,048</u>	-
Total receivables	<u>109,686,398</u>	<u>60,603,209</u>	<u>70,098,947</u>	<u>35,614,232</u>

EDNA MANLEY COLLEGE OF THE VISUAL AND PERFORMING ARTS**Notes to the Financial Statements****March 31, 2013****4. Financial Risk Management and Financial Instruments (cont'd)****MANAGEMENT OF CREDIT RISK (cont'd)****LIQUIDITY RISK**

Liquidity risk is the risk that the College will encounter difficulty in meeting its financial obligations as they fall due. The College is exposed to daily calls on its available cash resources, mainly for administrative costs. Liquidity problems may arise from a number of areas, such as late arrival of subventions from Government and late or non payment of fees by students.

The nature of the College's exposure to liquidity risk and its objectives, policies and processes for managing liquidity risk have not changed significantly from prior year.

The College's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to its reputation.

Consequently, the College invests in marketable securities that can be readily realized as its obligations fall due, and in the event of reasonably foreseeable abnormal circumstances.

The College does not have any overdraft facilities or any committed lines of credit.

The College's liquidity risk management process, as carried out by the principal and monitored by the Board of Directors, includes:

- (i) Monitoring future cash flows and liquidity on a daily basis. This incorporates an assessment of expected cash flows and the availability of high grade collateral which could be used to secure funding if required.
- (ii) Maintaining a portfolio of highly marketable and diverse assets that can easily be liquidated as protection against any unforeseen interruption to cash flow.
- (iii) Optimizing cash returns on investment.

EDNA MANLEY COLLEGE OF THE VISUAL AND PERFORMING ARTS

Notes to the Financial Statements

March 31, 2013

4. Financial Risk Management and Financial Instruments (Cont'd)

LIQUIDITY RISK (Cont'd)

(v) Managing the concentration and profile of debt maturities.

Financial liabilities cash flows

The tables below summarize the maturity profile of the College's financial liabilities at 31 March based on contractual undiscounted payments.

	<u>2013</u>		
	<u>Within 1 Month</u>	<u>2 to 12 Months</u>	<u>Carrying amount</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>
As at March 2013:			
Liabilities:			
Payable and accruals	39,273,970	36,341,548	75,615,518
Deferred income	<u>17,265,939</u>	<u>17,265,939</u>	<u>34,531,878</u>
	<u>56,539,909</u>	<u>53,607,487</u>	<u>110,147,396</u>

	<u>2012</u>		
	<u>Within 1 Month</u>	<u>2 to 12 Months</u>	<u>Carrying amount</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>
As at March 2012:			
Liabilities:			
Payable and accruals	17,739,115	36,097,479	53,836,594
Deferred income	<u>19,030,095</u>	<u>19,030,095</u>	<u>38,060,190</u>
	<u>36,769,210</u>	<u>55,127,574</u>	<u>91,896,784</u>

Assets available to cover financial liabilities include cash and short term investments.

EDNA MANLEY COLLEGE OF THE VISUAL AND PERFORMING ARTS**Notes to the Financial Statements****March 31, 2013****4. Financial Risk Management and Financial Instruments (Cont'd)****MANAGEMENT OF MARKET RISKS**

Market risk is the risk that changes in market prices, due to fluctuations in interest rates, foreign exchange rates and equity prices will affect the value of the College's holding of financial assets and liabilities, and/or its income.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on assets. The nature of the College's exposure to market risk and its objectives, policies and processes for managing market risk have not changed significantly from the prior period.

The College manages its market risk by adhering to the investment policies established by the Board of Directors. The Finance and Audit Committee monitors the investment portfolio against these policies and reports to the Board of Directors on a regular basis.

The management of each of the three major components of market risk and the exposure of the College at the reporting date to each major risk is addressed below:

Interest rate risk

Interest rate risk is the risk of loss from fluctuations in the future cash flows or fair values of financial instruments because of change in market interest rates. Variable rate instruments expose the College to cash flow interest rate risk, whereas fixed rate instruments expose the College to fair value interest rate risk. The College manages its interest rate risk by matching, where possible, the duration and profile of financial assets and liabilities to minimize the impact of interest rate movements where there are mismatches.

Interest-bearing financial assets include both long and short-term investments, which have been contracted at fixed and floating interest rates for the duration of the term.

The nature of the College's exposure to interest rate risk and its objectives, policies and processes for managing interest rate risk have not changed significantly from the prior period.

EDNA MANLEY COLLEGE OF THE VISUAL AND PERFORMING ARTS**Notes to the Financial Statements****March 31, 2013****4. Financial Risk Management and Financial Instruments (Cont'd)****MANAGEMENT OF MARKET RISKS (CONT'D)****Interest rate risk (Cont'd)**

At the reporting date the profile of the College's interest-bearing instruments were as follows:

	<u>Carrying amount 2013 \$</u>	<u>Carrying amount 2012 \$</u>
Financial assets		
Fixed rate instruments	59,737,218	38,838,163
Variable rate instruments	<u>NIL</u>	<u>NIL</u>
Financial liabilities	<u>NIL</u>	<u>NIL</u>

Cash flow sensitivity analysis for variable rate instruments

The College did not have any variable rate financial instruments as at March 31, 2013. Interest rate risk would have no impact on the fixed rate instruments.

The following table summarizes the interest rate gap and cumulative interest rate gap of the College, analyzing its assets and liabilities into periodic interest rate movements:

EDNA MANLEY COLLEGE OF THE VISUAL AND PERFORMING ARTS

Notes to the Financial Statements

March 31, 2013

4. Financial Risk Management and Financial Instruments (Cont'd)

MANAGEMENT OF MARKET RISKS (CONT'D)

(ii) Interest rate risk (Cont'd)

	<u>2013</u>			
	<u>Within 1</u>	<u>1 to 3</u>	<u>Non-rate</u>	<u>Total</u>
	<u>month</u>	<u>months</u>	<u>sensitive</u>	
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
<u>ASSETS:</u>				
Short term investments	59,737,218	-	-	59,737,218
Cash and cash equivalents	-	-	42,725,142	42,725,142
Accounts receivable	-	-	49,083,189	49,083,189
Income tax recoverable	-	-	1,048,824	1,048,824
Property, plant and equipment	-	-	189,680,154	189,680,154
Total Assets	59,737,218	-	282,537,309	342,274,527
	<u>2013</u>			
	<u>Within 1</u>	<u>1 to 3</u>	<u>Non-rate</u>	<u>Total</u>
	<u>month</u>	<u>months</u>	<u>sensitive</u>	
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
<u>LIABILITIES:</u>				
Deferred income	-	-	34,531,878	34,531,878
Payable and accruals	-	-	75,615,518	75,615,518
Total Liabilities	-	-	110,147,396	110,147,396
Net interest rate gap	59,737,218	-	172,389,913	232,127,131
Cumulative gap	59,737,218	59,737,218	232,127,131	-

EDNA MANLEY COLLEGE OF THE VISUAL AND PERFORMING ARTS**Notes to the Financial Statements****March 31, 2013****4. Financial Risk Management and Financial Instruments (Cont'd)****MANAGEMENT OF MARKET RISKS (CONT'D)*****(ii) Interest rate risk (Cont'd)***

	<u>2012</u>			
	<u>Within 1 month</u>	<u>1 to 3 months</u>	<u>Non-rate sensitive</u>	<u>Total</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
<u>ASSETS:</u>				
Short term investments	24,283,070	14,555,093	-	38,838,163
Cash and cash equivalents	-	-	53,457,319	53,457,319
Accounts receivables	-	-	34,484,715	34,484,715
Income tax recoverable	-	-	650,110	650,110
Property, plant and equipment	-	-	182,783,944	182,783,944
Total Assets	<u>24,283,070</u>	<u>14,555,093</u>	<u>271,376,088</u>	<u>310,214,251</u>

	<u>2012</u>			
	<u>Within 1 month</u>	<u>1 to 3 months</u>	<u>Non-rate sensitive</u>	<u>Total</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
<u>LIABILITIES:</u>				
Deferred income	-	-	38,060,190	38,060,190
Payable and accruals	-	-	53,836,594	53,836,594
Total Liabilities	<u>-</u>	<u>-</u>	<u>91,896,784</u>	<u>91,896,784</u>
Net interest rate gap	24,283,070	14,555,093	179,479,304	218,317,467
Cumulative gap	<u>24,283,070</u>	<u>38,838,163</u>	<u>218,317,467</u>	<u>- -</u>

EDNA MANLEY COLLEGE OF THE VISUAL AND PERFORMING ARTS

Notes to the Financial Statements

March 31, 2013

4. Financial Risk Management and Financial Instruments (Cont'd)

MANAGEMENT OF MARKET RISKS (Cont'd)

(ii) Interest rate risk (Cont'd)

At the reporting date, the interest rate profile of the College's interest-bearing financial instruments was:

	<u>2013</u>	<u>2012</u>
	\$	\$
Fixed rate financial assets:		
Short term investments	59,737,218	38,838,163

The College does not account for any fixed rate financial asset and liability at fair value through profit or loss and therefore a change in interest rates at the statement of financial position date would not affect profit or loss or equity. The College has no variable rate financial instrument at the statement of financial position date.

Currency risk

Currency risk is the risk that the market value of, or cash flows from financial instruments will vary because of exchange rate fluctuations.

The College is exposed to foreign currency risk primarily on investments, student fees receivable and purchases that are denominated in currencies other than the Jamaican dollar. The principal foreign currencies giving rise to currency risk for the College is the Canadian and United States dollars.

At the balance sheet date, the College's exposure to foreign currency risk was as follows:

	<u>2013</u>	<u>2012</u>
	<u>US\$</u>	<u>US\$</u>
Foreign currency asset:		
Accounts receivable	112,967	59,453
Cash and cash equivalents	145,384	165,391
Short term investments	319,164	165,910
Foreign currency liability	(41,993)	(55,084)
Net foreign currency assets	<u>535,522</u>	<u>335,670</u>

EDNA MANLEY COLLEGE OF THE VISUAL AND PERFORMING ARTS

Notes to the Financial Statements

March 31, 2013

4. Financial Risk Management and Financial Instruments (Cont'd)

MANAGEMENT OF MARKET RISKS (Cont'd)

Currency risk (Cont'd)

The rates of exchange of the Jamaican dollar were as follows:

	<u>United States</u>
March 31, 2013	97.94
March 31, 2012	86.93

In accordance with the accounting policies applied consistently, exchange gains and losses are recognized in the income statement when incurred.

Sensitivity analysis

A 10% (2012: 10%) strengthening in the value of the United States dollar against the Jamaican dollar would have resulted in an increase in surplus for the year of \$5,244,634 (2012: \$2,917,979). This analysis assumes that all other variables, in particular interest rates, remain constant.

Alternatively a weakening of 1% (2012: 1%) in the value of United States dollar against the Jamaican dollar would have resulted in a decrease in surplus for the year of \$524,491 (2012: \$291,798). This analysis assumes all other variables remain constant.

Management monitors the mix of debt and investment securities in the College's investment portfolio. The primary goal of the College's investment strategy is to maximize return on investment while managing risk so as to minimize potential adverse effects on the College's operations.

Fair value of financial instruments

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

Where quoted market prices are not available, the fair values of these instruments have been determined using a generally accepted alternative method.

EDNA MANLEY COLLEGE OF THE VISUAL AND PERFORMING ARTS

Notes to the Financial Statements

March 31, 2013

4. Financial Risk Management and Financial Instruments (Cont'd)

MANAGEMENT OF MARKET RISKS (Cont'd)

Fair value of financial instruments (Cont'd)

The following methods and assumptions were used to estimate the fair value of each class of financial instrument which was material to the financial statements:

<u>Financial asset/liability</u>	<u>Method</u>
Cash and cash equivalents, due from related parties, accounts receivable and current liabilities	Fair values assumed to be carrying value because of the relatively short-term nature of the instruments.
Investments:	
Fixed Deposits	Assumed to be carrying value because of their short-term nature.
Resale agreements	Discounting of future cash flows using balance sheet date yield of securities with similar risk; for short duration instruments the market yield would likely be equal to the contracted rate.

Fair value hierarchy

IFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. These two types of inputs have created the following fair value hierarchy:

EDNA MANLEY COLLEGE OF THE VISUAL AND PERFORMING ARTS**Notes to the Financial Statements****March 31, 2013****4. Financial Risk Management and Financial Instruments (Cont'd)****MANAGEMENT OF MARKET RISKS (CONT'D)****Fair value of financial instruments (Cont'd)****Fair value hierarchy (cont'd)**

Level 1 – Quoted prices in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.

Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly. The source of the input parameter for the Jamaica Sovereign yield curve is various local brokers.

Level 3 – Inputs for the asset or liability that is not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available.

The College does not have any financial instrument in the categories listed above as at March 31, 2013

EDNA MANLEY COLLEGE OF THE VISUAL AND PERFORMING ARTS**Notes to the Financial Statements****March 31, 2013****4. Financial Risk Management and Financial Instruments (Cont'd)****OPERATIONAL RISK**

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the College's processes, personnel, technology and infrastructure, and from external factors other than financial risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior.

The College's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to its reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to identify operational risk is assigned to the Finance and Audit Committee. This responsibility is supported by overall requirements for the management of operational risk in the following areas:

- Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified.
- Requirements for the appropriate segregation of duties, including the independent authorisation of transactions.
- Requirements for the reconciliation and monitoring of transactions.
- Compliance with regulatory and other legal requirements.
- Documentation of controls and procedures.
- Requirements for the reporting of operational losses and proposed remedial action.
- Development of contingency plans.
- Training and professional development.
- Ethical and business standards.
- Risk mitigation, including insurance where this is effective.

EDNA MANLEY COLLEGE OF THE VISUAL AND PERFORMING ARTS

Notes to the Financial Statements

March 31, 2013

6. Accounts receivable	<u>2013</u>	<u>2012</u>
	\$	\$
Students receivable	104,368,198	66,380,078
Advances	-	650,821
Other receivable and prepayment	<u>5,318,200</u>	<u>3,068,048</u>
	109,686,398	70,098,947
Less Provision for doubtful debts	(45,149,629)	(35,614,232)
Additional Provision for impairment	<u>(15,453,580)</u>	<u>-</u>
	<u>49,083,189</u>	<u>34,484,715</u>
 7. Cash and cash equivalents	 <u>2013</u>	 <u>2012</u>
	\$	\$
General	11,040,192	14,974,577
Subvention	1,005,000	6,705,677
Hostel	112,351	286,380
Miscellaneous	10,117,136	6,552,287
Special needs	700,600	700,600
Dance and Child International	573,052	311,178
Dance and Child International (US\$ account)	2,983,971	3,282,685
Ohio State University	79,704	554,881
Ohio State University (US\$ account)	182,853	182,853
Savings	227,102	166,206
General (US\$ account)	11,292,211	10,845,290
Other	160,365	169,177
Continuing Education	<u>4,250,605</u>	<u>8,725,528</u>
	<u>42,725,142</u>	<u>53,457,319</u>
 8. Short term investments	 <u>2013</u>	 <u>2012</u>
	\$	\$
Scotia Investments Jamaica Limited	22,688,668	10,061,968
National Commercial Bank	17,813,610	16,246,138
Jamaica Money Market Brokers	<u>19,234,940</u>	<u>12,530,057</u>
	<u>59,737,218</u>	<u>38,838,163</u>

EDNA MANLEY COLLEGE OF THE VISUAL AND PERFORMING ARTS**Notes to the Financial Statements****March 31, 2013**

9. Payable and accruals	<u>2013</u>	<u>2012</u>
	\$	\$
Payroll liabilities	10,006,699	9,366,790
Refunds due to students	13,842,556	13,655,356
Accrued expenses	30,781,829	6,058,309
Audit fee payable	1,928,316	1,708,616
Accrued staff costs	15,236,567	18,715,926
Dance and Child International	3,556,994	3,593,863
Ohio State College	<u>262,557</u>	<u>737,734</u>
	<u>75,615,518</u>	<u>53,836,594</u>
10. Disclosure of expenses/(income)		
Surplus for the year is stated after charging/(crediting):		
	<u>2013</u>	<u>2012</u>
	\$	\$
Government subventions	(383,729,751)	(360,477,877)
Auditor's remuneration	906,000	906,000
Depreciation	<u>18,135,594</u>	<u>16,173,274</u>
11. Staff cost		
	<u>2013</u>	<u>2012</u>
	\$	\$
Salaries and wages	376,640,513	358,712,867
Statutory contributions	16,095,974	14,829,751
Other	<u>226,400</u>	<u>1,559,092</u>
	<u>392,962,887</u>	<u>375,101,710</u>

At the end of the year, the College had 316 (2012: 307) employees.

EDNA MANLEY COLLEGE OF THE VISUAL AND PERFORMING ARTS**Notes to the Financial Statements****March 31, 2013****12. Related parties**

The statement of Comprehensive income includes expenses with related parties incurred in the ordinary course of business. The compensation paid or payable to the key management for employee services is shown below:

	<u>2013</u>	<u>2012</u>
	<u>\$</u>	<u>\$</u>
Short term employee benefit included in staff cost (note 11)		
Key management personnel:		
Principal and Vice Principals	14,437,950	14,422,950
Finance Director	<u>2,283,207</u>	<u>2,283,207</u>

13. Deferred income

This represents the unearned portion of tuition and hostel fees at year end (note 3 (g)).

	<u>2013</u>	<u>2012</u>
	<u>\$</u>	<u>\$</u>
14. Income		
Tuition fees	176,648,667	163,717,358
Hostel fees	<u>9,357,037</u>	<u>15,254,865</u>
	<u>186,005,704</u>	<u>178,972,223</u>

	<u>2013</u>	<u>2012</u>
	<u>\$</u>	<u>\$</u>
15. Other fees		
Application and registration fees	1,367,750	426,878
Graduation fees	<u>329,627</u>	<u>433,877</u>
	<u>1,697,377</u>	<u>860,755</u>
	<u>2013</u>	<u>2012</u>
	<u>\$</u>	<u>\$</u>

16. Other income

Rental	3,897,600	-
Donations and sponsorship	733,229	4,603,683
Other	3,835,060	2,491,468
Proceeds of Plays and Production	<u>532,238</u>	<u>1,403,337</u>
	<u>8,998,127</u>	<u>8,498,488</u>

EDNA MANLEY COLLEGE OF THE VISUAL AND PERFORMING ARTS**Notes to the Financial Statements****March 31, 2013****17. 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 used to fund personnel 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.

	<u>2013</u>	<u>2012</u>
	<u>\$</u>	<u>\$</u>
18. Other Goods and Services		
Examination	1,693,664	768,420
Advertising and promotion	4,121,360	3,315,252
Audit and accounting	2,469,720	1,001,000
Production and exhibition	2,800,766	2,125,732
Graduation	3,024,268	2,583,604
Cleaning and sanitation	3,902,084	205,936
Medical expense	363,364	210,732
Domestic supplies	66,230	2,440,239
Custom fees	46,328	588,411
Professional fees	1,360,565	782,637
Motor vehicle expense	951,198	899,101
Board meeting expense	86,250	238,100
Special events	2,859,434	3,367,863
Postage and delivery	228,501	116,740
Printing	1,440,534	1,434,652
Stationery	6,442,938	6,636,104
Cooking gas	447,390	1,399,186
Security	14,813,670	14,448,647
Subscription	1,495,153	594,328
Textbook and reference	2,163,289	2,192,871
Miscellaneous	749,407	743,440
Royalties	-	81,578
Insurance	1,123,420	967,400
Student services	4,783,331	5,865,033
Accreditation fees	1,750,575	2,374,332
Staff training	3,694,840	5,444,690
Rental	1,009,537	2,333,799
Donations	105,800	144,945
	<u>63,993,616</u>	<u>63,304,772</u>