

Financial Statements of

**THE BAHAMAS PRIMARY SCHOOL STUDENT OF  
THE YEAR FOUNDATION**

Year ended August 31, 2021

**THE BAHAMAS PRIMARY SCHOOL STUDENT OF THE YEAR FOUNDATION**  
Financial Statements

Year ended August 31, 2021

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of The Bahamas Primary School Student of the Year Foundation

### **Report on the Audit of the Financial Statements**

#### *Opinion*

We have audited the financial statements of The Bahamas Primary School Student of the Year Foundation ("the Foundation"), which comprise the statement of financial position as at August 31, 2021, and the statement of activities, statement of functional expenses and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements presents fairly, in all material respects, the financial position of the Foundation as at August 31, 2021, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-sized Entities ("IFRS for SMEs") and adhere to the applicable recommendations of the Companion Guide for Not-for-profits to the IFRS for SMEs prepared by the Association of Chartered Certified Accountants.

#### *Basis of Opinion*

We conducted our audit in accordance with International Standards on Auditing ("ISA"). 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 the Foundation in accordance with the ethical requirements that are relevant to our audit of financial statements in The Bahamas, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Responsibilities of Management and the Board of Directors for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS for SMEs, 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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

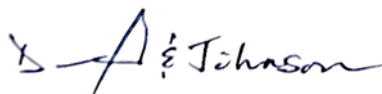
## *Auditors' Responsibilities for the Audit of the Financial Statements*

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 ISA 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 ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk 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 Foundation'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 Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 Foundation 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.

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.



*Nassau, Bahamas  
November 22, 2022*

**THE BAHAMAS PRIMARY SCHOOL STUDENT OF THE YEAR FOUNDATION**  
Statement of Financial Position

August 31, 2021, with corresponding figures for 2020  
(Expressed in Bahamian dollars)

	Note	2021	2020
<b>Assets</b>			
Current assets			
Cash and cash equivalents	4	\$ 110,484	109,844
Donations and grants receivable		15,000	31,299
Prepaid expense		600	600
		\$ 126,084	141,743
<b>Liabilities and Net Assets</b>			
Current liabilities			
Accounts payable and accrued liabilities		\$ 6,270	6,048
Scholarships payable	5	62,123	107,454
Donation received in advance		2,000	-
		70,393	113,502
Net assets			
Unrestricted		52,947	23,497
Restricted		2,744	4,744
		55,691	28,241
		\$ 126,084	141,743

See accompanying notes to financial statements.

These financial statements were approved on behalf of the Board of Directors on November 22, 2022 by the following:

Mrs. Maureen Taylor - Vice President Finance & CFO

Dr. Ricardo Deveaux - President & CEO

**THE BAHAMAS PRIMARY SCHOOL STUDENT OF THE YEAR FOUNDATION**  
Statement of Activities

Year ended August 31, 2021, with corresponding figures for 2020  
(Expressed in Bahamian dollars)

	Note	Unrestricted	Restricted	2021 Total	2020 Total
<b>Income</b>					
Donations - scholarships	7	\$ 155,500	-	155,500	134,000
- sponsorships		19,115	-	19,115	15,374
- gifts in kind - computers and other items	7	8,132	-	8,132	6,000
- computers	7	4,450	-	4,450	5,899
Advertisements - annual publication		105,090	-	105,090	83,568
Sponsorship fee - scholarship	6	7,000	-	7,000	7,000
- Sponsorship	6	8,000	-	8,000	8,000
Grant - Government of The Bahamas		5,000	-	5,000	5,500
Student assessment fees		4,900	-	4,900	5,150
Interest income		12	-	12	7
Net assets released from restrictions		2,000	(2,000)	-	-
		319,199	(2,000)	317,199	270,498
<b>Expenses</b>					
Program service - scholarships		278,920	-	278,920	251,933
General and administrative		10,829	-	10,829	11,012
		289,749	-	289,749	262,945
Change in net assets		29,450	(2,000)	27,450	7,553
Net assets, beginning of year		23,497	4,744	28,241	20,688
Net assets, end of year		\$ 52,947	2,744	55,691	28,241

See accompanying notes to financial statements.

## THE BAHAMAS PRIMARY SCHOOL STUDENT OF THE YEAR FOUNDATION

### Statement of Functional Expenses

Year ended August 31, 2021, with corresponding figures for 2020

(Expressed in Bahamian dollars)

	Program service - scholarships	General and administrative	2021 Total	2020 Total
Scholarships	\$ 162,500	-	162,500	141,000
Printing - annual publication	72,574	-	72,574	61,878
- other	5,399	-	5,399	5,772
Awards - gifts in kind - computers and other items	8,132	-	8,132	6,000
- computers	4,936	-	4,936	8,558
- trophies and medals	4,526	-	4,526	6,113
Graphics	6,835	-	6,835	7,502
Photography and videography	4,880	-	4,880	4,050
Miscellaneous	-	3,121	3,121	3,582
Travel - students	1,835	-	1,835	5,889
- other	-	511	511	225
Telephone	-	2,288	2,288	2,129
Website	2,272	-	2,272	2,200
Professional fees	-	2,250	2,250	2,250
Bad debt	2,000	-	2,000	-
Rental - awards ceremony venue	1,700	-	1,700	2,000
Bank charges	-	1,271	1,271	928
T-shirts - nominees	1,003	-	1,003	1,251
Catering - awards ceremony and meetings	328	500	828	950
Office expense	-	888	888	668
	\$ 278,920	10,829	289,749	262,945

See accompanying notes to financial statements.

**THE BAHAMAS PRIMARY SCHOOL STUDENT OF THE YEAR FOUNDATION**  
Statement of Cash Flows

Year ended August 31, 2021, with corresponding figures for 2020  
(Expressed in Bahamian dollars)

	2021	2020
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 27,450	7,553
Cash provided by operations before changes in operating assets and liabilities	27,450	7,553
Decrease/(increase) in donations and grants receivable	16,299	(21,799)
Increase in prepaid expense	-	(600)
Increase in accounts payable and accrued liabilities	222	3,423
(Decrease)/increase in scholarships payable	(45,331)	70,160
Increase in donation received in advance	2,000	-
Net cash provided by operating activities	640	58,737
Net increase in cash and cash equivalents	640	58,737
Cash and cash equivalents, beginning of year	109,844	51,107
Cash and cash equivalents, end of year	\$ 110,484	109,844

See accompanying notes to financial statements.



# THE BAHAMAS PRIMARY SCHOOL STUDENT OF THE YEAR FOUNDATION

Notes to Financial Statements

Year ended August 31, 2021

(Expressed in Bahamian dollars)

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## 1. General information

The Bahamas Primary School Student of the Year Foundation ("the Foundation"), a non-profit company limited by guarantee and without share capital, was incorporated under the Companies Act, 1992 of the Commonwealth of The Bahamas on February 28, 2005. The Foundation provides scholarships and awards to outstanding 6<sup>th</sup> grade primary school students through the Bahamas Primary School Student of the Year Awards Program in partnership with The Nassau, Bahamas Pan-Hellenic Council. The Foundation is supported primarily through donor contributions, grants and sale of advertisement space in its annual publication.

The Foundation is registered with the Registrar General in accordance with Section 7 of the Non-Profit Organizations Act, 2019, effective January 28, 2021 and the National Accreditation and Equivalency Council of The Bahamas.

The registered office of the Foundation is situated at the offices of Williams Law Chambers, Olde Towne Mall, Sandyport, West Bay St., Nassau, Bahamas.

## 2. Basis of preparation

### *a) Statement of compliance*

These financial statements have been prepared in accordance with International Financial Reporting Standards for Small and Medium-sized Entities ("IFRS for SMEs") and adhere to the applicable recommendations of the Companion Guide for Not-for-profits to the IFRS for SMEs prepared by the Association of Chartered Certified Accountants.

### *b) Basis of measurement*

These financial statements have been prepared under the historical cost convention.

### *c) Functional and presentation currency*

These financial statements are presented in Bahamian dollars, the Foundation's functional and reporting currency. The Bahamian dollar is the currency of the country where the Foundation is domiciled and is the primary operating currency.

### *d) Use of estimates and judgments*

The preparation of financial statements in conformity with IFRS for SMEs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

# THE BAHAMAS PRIMARY SCHOOL STUDENT OF THE YEAR FOUNDATION

Notes to Financial Statements

Year ended August 31, 2021

(Expressed in Bahamian dollars)

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## 2. Basis of preparation *(continued)*

### *d) Use of estimates and judgements (continued)*

The areas involving a higher degree of judgment/complexity in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are disclosed in notes 3 f), 8 and 9.

## 3. Significant accounting policies

The following is a summary of the significant accounting policies which have been applied consistently by the Foundation in preparing these financial statements:

### *a) Financial instruments*

#### *Classification*

Financial instruments include financial assets and financial liabilities. Financial assets that are classified as amortized cost include cash and cash equivalents. Financial liabilities that are not at fair value through profit or loss include accounts payable and accrued liabilities.

#### *Recognition*

The Foundation recognizes financial instruments initially at the trade date, which is the date when it becomes a party to the contractual provisions of the instruments.

#### *Measurement*

Financial instruments are measured initially at fair value plus or minus, in the case of a financial instruments not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instruments. Transaction costs on financial instruments at fair value through profit or loss are expensed immediately, while on other financial instruments they are amortized.

Subsequent to initial recognition, financial instruments not at fair value through profit or loss are carried at amortized cost using the effective interest method, less in the case of financial assets, impairment losses, if any.

#### *Derecognition*

The Foundation derecognizes a financial asset when it loses control over the contractual rights that comprise that asset. This occurs when the rights are realized, expire or are surrendered.

The Foundation derecognizes a financial liability when the obligation specified in the contract is discharged, cancelled or expired.

# THE BAHAMAS PRIMARY SCHOOL STUDENT OF THE YEAR FOUNDATION

Notes to Financial Statements

Year ended August 31, 2021

(Expressed in Bahamian dollars)

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## 3. Significant accounting policies *(continued)*

### *b) Cash and cash equivalents*

Cash and cash equivalents comprise cash held with bank. The Foundation considers all highly liquid financial assets with original maturity of three months or less from the date of acquisition to be cash equivalents.

### *c) Donations and grants receivable*

Donations and grants receivable represents income that are not the result of a contractual arrangement and to which the Foundation is entitled, and where it is probable that the economic benefits will be received and the economic benefits can be measured reliably.

The Foundation uses the allowance method to determine uncollectible donations and grants receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. At August 31, 2021, the allowance for uncollected donations and grants receivable was \$Nil (2020 - \$Nil).

### *d) Income*

#### *Donations and grants*

The Foundation follows the deferral method of accounting for donation and grant income. Donations and grants are reported, for accounting purposes, based on the existence or absence of donor-imposed restrictions. Restricted donation and grant income are recognized in the year in which the related expenses are incurred. Unrestricted donation and grant income are recognized as income when received or receivable. See also note 3 c).

#### *Gifts in kind*

Donated goods, consumed immediately, are measured and recorded at their fair value at the time of their receipt with an equivalent amount recognized as an expense in the statement of activities and statement of functional expenses.

#### *Advertisement, sponsorship fee, student assessment fees and interest income*

All other lines of income are recognized, in the statement of activities, on the accrual basis of accounting.

#### *Contributed services*

The Foundation has no paid employees. All personnel are involved in its operations on a part-time volunteer basis. The Foundation does not account for volunteer services as it has assessed that the fair value of such services cannot be readily measured. Accordingly, no amounts are recognized in the financial statements for volunteer services.

# THE BAHAMAS PRIMARY SCHOOL STUDENT OF THE YEAR FOUNDATION

## Notes to Financial Statements

Year ended August 31, 2021

(Expressed in Bahamian dollars)

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### 3. Significant accounting policies *(continued)*

#### *e) Expenses*

See note 5 for discussion of scholarships expense. All other expenses are recognized, in the statement of functional expenses, on the accrual basis of accounting.

#### *f) Impairment*

Assets are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any such indication exists, the asset's recoverable amount is estimated. Provisions are established by charges against income or expenses and are maintained at a level considered by management to be adequate to provide for potential losses.

#### *g) Related parties*

A related party is defined as a person or entity that is related to the entity that is preparing its financial statements ("reporting entity").

- a) A person or a close member of that person's family is related to a reporting entity if that person:
  - i) has control or joint control over the reporting entity;
  - ii) has significant influence over the reporting entity; or
  - iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- b) An entity is related to a reporting entity if any of the following conditions applies:
  - i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - iii) Both entities are joint ventures of the same third party.
  - iv) One entity is a joint venture of a third party and the other entity is an associate of the third entity.
  - v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity.
  - vi) The entity is controlled, or jointly controlled by a person identified in a).
  - vii) A person identified in a) i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- c) A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

# THE BAHAMAS PRIMARY SCHOOL STUDENT OF THE YEAR FOUNDATION

Notes to Financial Statements

Year ended August 31, 2021

(Expressed in Bahamian dollars)

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### 3. Significant accounting policies (continued)

#### *h) New standards and interpretations not yet adopted*

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after September 1, 2020, and have not been applied in preparing these financial statements. None of these is expected to have a significant impact on the financial statements of the Foundation.

### 4. Cash and cash equivalents

Cash and cash equivalents comprise the following:

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	2021	2020
Cash held with bank - Royal Bank of Canada:		
Scholarship account	\$ 56,185	90,660
Operating account	28,143	(1,082)
Savings account	26,156	20,266
	\$ 110,484	109,844

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### 5. Scholarships payable

Scholarships payable at August 31, 2021 totaling \$62,123 (2020 - \$107,454) comprise unpaid scholarship obligations resulting from unconditional commitments made to individual beneficiaries, on a non-contractual basis. Scholarships are recorded as payable when the scholarships have been granted and the recipients have met all the requirements and obligations. The Foundation cannot realistically withdraw from the commitments and so it is unlikely to have a realistic alternative but to meet the obligations.

### 6. Sponsorship fee

The Foundation entered into a Sponsorship Agreement (“the Agreement”), effective April 9, 2019, with a local telecommunications operator whereby the operator will be the exclusive Corporate Sponsor, as set out in the Agreement, of the Bahamas Primary School Student of the Year Awards Program for an initial period of five years, with option for renewal. In consideration of the rights granted by the Foundation to the Corporate Sponsor, the Foundation will be paid \$15,000 per annum (scholarship - \$7,000 and sponsorship - \$8,000). The sponsorship fee is payable in accordance with Schedule I of the Agreement.

### 7. Transactions with related parties

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	2021	2020
<i>Transactions with directors</i>		
Income:		
Donations - scholarships	\$ 11,000	9,500
- gifts in kind - computers and other items	1,160	-
- computers	500	1,300

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# THE BAHAMAS PRIMARY SCHOOL STUDENT OF THE YEAR FOUNDATION

Notes to Financial Statements

Year ended August 31, 2021

(Expressed in Bahamian dollars)

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## 8. Financial instruments and associated risks

The Board of Directors have established a risk management framework whose primary objective is to protect the Foundation from events that hinder the sustainable achievement of the Foundation's performance objectives.

There are a number of risks inherent in the Foundation's business that the board has identified and manages on an ongoing basis. Among those risks, the more significant are market, credit and liquidity. In accordance with IFRS 7 *Financial Instruments: Disclosures*, the Foundation presents qualitative information about its exposure to risk and the objectives, policies and processes for measuring and managing these risks. Further quantitative disclosures are included throughout this note.

### a) *Market risk*

Market risk is the risk that future changes in market conditions such as foreign exchange rates and interest rates will affect the Foundation's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

### **Currency risk**

The Foundation is not party to financial instruments nor enters into transactions denominated in currencies other than its functional currency or US dollars, which has a fixed exchange rate with the Bahamian dollar of 1:1. Consequently, the Foundation is not exposed to currency risks as all of its assets and liabilities are denominated in Bahamian dollars.

### **Interest rate risk**

Interest rate risk refers to the risk of loss due to the adverse movements in interest rates. The Foundation's exposure to interest rate risk arises from cash held with bank - savings account and therefore has minimal exposure to interest rate risk.

### b) *Credit risk*

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Foundation.

The Foundation's maximum exposure to credit risk is as follows:

	2021	2020
Cash held with bank	\$ 110,484	109,844

Cash held with bank is deposited with a regulated financial institution. Accordingly, management considers this to bear minimal credit risk.

# THE BAHAMAS PRIMARY SCHOOL STUDENT OF THE YEAR FOUNDATION

Notes to Financial Statements

Year ended August 31, 2021

(Expressed in Bahamian dollars)

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## 8. Financial instruments and associated risks *(continued)*

### *c) Liquidity risk*

Liquidity risk is the risk that the Foundation will not be able to meet its financial obligations as they fall due. The Foundation's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities and other commitments when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Foundation's reputation.

Contractual cash flows for accounts payable and accrued liabilities is equal to its carrying amount and are due within 3 months or less.

## 9. Fair values of financial instruments

The carrying values of financial assets and liabilities are considered to approximate their fair values due to their immediate or short-term maturity.

The fair values of cash and cash equivalents and accounts payable and accrued liabilities are not considered to be materially different from their carrying values due to their short-term nature.

## 10. Capital management

The Foundation is not subject to externally imposed capital or reserve requirements.

The Foundation manages its capital to ensure that it will be able to fulfill its mission and continue as a going concern while maximizing the return to its stakeholders through the optimization of its resources.

There were no changes in the Foundation's approach to capital management during the year.

## 11. Uncertainty

In March 2020, the World Health Organization declared coronavirus disease ("COVID-19") a global pandemic. Local and world governments are encouraging self-isolation and social distancing to curtail the spread of COVID-19 by mandating the temporary shut-down of business in many sectors and imposing limitations on travel and the size and duration of group gatherings. Most sectors are experiencing disruption to business operations, which has created uncertainty regarding future economic performances globally, and may feel further impacts related to delayed government stimulus plans. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and additional government actions to mitigate them. Accordingly, while management expects this matter to impact the Foundation's operating results, the related financial impact and duration cannot be reasonably estimated.