FEBRUARY 28, 2019

birdsong

FINANCIAL STATEMENTS, SEPTEMBER 30, 2018

TOSHIBA USER

3 St Vincent Street, Tunapuna

HYACINTH SIMMS B.Sc. M.Sc. C.A.

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AUDITOR'S REPORT

The Directors of Birdsong

Report on the Financial Statements

Opinion

We have audited the accompanying fmancial statements of Birdsong (The Company), which comprise the Statement of Financial position as at September 30th 2018, the Statement of operations, scholarship fund operations, retained earnings and scholarship fund balance and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at September 30th, 2018, and its fmancial performance and its cash flows for the year then ended in accordance with International Reporting Standards for Small and Medium -Sized Entities (IFRS for SMEs).

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code Ethics for Professional Accounts (IESBA Code) together with the ethical requirements that are relevant to our audit of the Financial Statements in the Republic of Trinidad and Tobago, and we have fulfilled our other ethical responsibilities in accordance with these requirements and with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a Basis for our opinion.

Responsibilities of Management and those Charged with Governance for the Financial Statements.

Management is responsible for the preparation and fair presentation of these fmancial 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 is necessary to enable the preparation of fmancial statements that are free from material misstatement, whether due to fraud or error.
In preparing the Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease to operations, or has no realistic alternative but to do so. Those with governance are responsible for overseeing the Company's Financial Reporting process.

Auditor's responsibility for the Audit of 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 Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from Fraud or error and are considered material if, individually or in aggregate, they could be reasonably expected to influence the economic decisions of users on the basis of these Financial Statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

1. Identify and access the risks of material misstatements of the Financial Statements whether due to fraud or error, design and perform audit procedure 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 one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. 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 Company's internal control.

3. Evaluate the appropriateness of accounting policies used, and the reasonableness of accounting estimates and related disclosures made by management.

4. 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 Company'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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. 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 fmdings, including any significant deficiencies in internal control that we identify during our audit.

Hyacinth Simms

Tunapuna

February 8th, 2019

CHARTERED ACCOUNTANT

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STATEMENT OF FINANCIAL POSITION

	Notes	As At 30 September 2018	As At 30 September 2017
ASSETS			
Non Current Assets			
Property, Plant & Equipment	**3**	3,038,690	3,188,443
Total Non-Current Assets		**3,038,690**	**3,188,443**
Current Assets			
Cash at Bank and on Hand	**4**	6,176	29,761
Short Term Investments	**4**	214,220	142,890
Receivables	**5**	8,000	140,000
Total Current Assets		**228,396**	**312,651**
Total Assets		**3,267,087**	**3,501,095**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Equity			
Retained Earnings		2,564,793	2,690,197
Scholarship Fund		(450,655)	(326,433)
Total Shareholders' Equity		**2,114,138**	**2,363,764**
Current Liabilities			
Bank Overdraft		-	
Bridging Finance-St Vincent Street Property	**7**	1,080,000	1,080,000
Trade Payables & Accruals	**6**	74,993	57,331
			-
Total Current Liabilities		**1,154,993**	**1,137,331**
Total Liabilities		**1,154,993**	**1,137,331**
Total Liabilities and Shareholders' Equity		**3,269,132**	**3,501,095**

Chairman

Director

birdsong

STATEMENT OF COMPREHENSIVE INCOME-CONSOLIDATED

	Notes	Year Ended 30 September 2018	Year Ended 30 September 2017
Income		-	
Grants & Donations		680,343	968,401
Benefit Concert			-
Other Income		1,331	126,575
		681,674	**1,094,976**
Expenses			
General and Administrative Expenses		733,235	684,200
		733,236	**684,200**
Finance Cost			
Bank Charges		985	1,114
		985	**1,114**
Other Expenses			
Sundry Expenses		9,042	5,795
Depreciation		188,038	201,625
		197,080	**207,420**
Total Expenses	**8**	**931,301**	**892,734**
Net Surplus/(Deficit) Before Tax		**(249,627)**	**202,242**
Taxes	**9**	2,045	-
Net Surplus/(Deficit) After Tax		(251,671)	202,242

STATEMENT OF COMPREHENSIVE INCOME-FOUNDATION

	Notes	Year Ended 30 September 2018	Year Ended 30 September 2017
Income		-	
Grants & Donations		598,455	843,306
Other Income		1,331	126,575
		599,786	**969,881**
Expenses			
General and Administrative Expenses		725,190	735,852
		725,190	**735,852**
Net Surplus/(Deficit) for the year		**(125,404)**	**234,029**

	Notes	Year Ended 30 September 2018	Year Ended 30 September 2017
Income			
Benefit Concert		-	12,800
Less-Concert Expense		-	(37,900)
		-	**(25,100)**
Grants & Donations		**81,888**	**11,161**
		81,888	**(13,939)**
Expenses-Student Support			
Scholarship		206,110	260,769
Bank Charges			319
		206,110	**261,088**
Net Surplus/(Deficit) for the year		**(124,222)**	**(275,027)**

	Foundation	Scholarship Fund	Total
Balance as at 30 September 2017	2,690,197	(326,433)	2,363,764
Net Surplus/Deficit for the year	(125,404)	(124,222)	(249,626)
Balance as at 30 September 2018	2,564,793	(450,655)	2,114,138

	Foundation	Scholarship Fund	Total
Balance as at 30 September 2016	2,456,168	(294,646)	2,161,522
Net Surplus/Deficit for the year	234,029	(31,787)	202,242
Balance as at 30 September 2017	2,690,197	(326,433)	2,363,764

The accounting policies on pages 7-10 and the notes on pages 11-12 form an integral part of these financial statements.

	Notes	Year Ended 30 September 2018	Year Ended 30 September 2017
Operating Activities			
Profit before Taxation		**(249,626)**	**202,242**
Adjustment to reconcile profit to net cash from operating activities:			
Depreciation		188,039	201,625
(Increase)/Decrease in Trade Receivables & Prepayments		-	-
(Increase)/Decrease in Other Receivables		132,000	(19,100)
(Increase)/Decrease in Other Current Asset		-	-
Increase/(Decrease) in Trade Payables & Accruals		15,618	(81,024)
Increase/(Decrease) in Deferred Tax Liability		-	-
Net change in operating assets and liabilities		**86,031**	**303,743**
Taxation Paid		-	-
Net cash inflow from operating activities		**86,031**	**303,744**
Investing Activities			
Purchase of Fixed Assets	3	(38,285)	(1,764,451)
Net cash (outflow)/inflow from investing activities		**(38,285)**	**(1,764,451)**
Financing Activities			
Increase/(Decrease) Loan	7	-	1,080,000
Increase/(Decrease) Share Capital		-	
Increase/(Decrease) Share Premium		-	
Net cash (outflow)/inflow from financing activities		-	1,080,000
Increase in Cash and Cash Equivalents		**47,746**	**(380,708)**
Cash and Cash Equivalents			
At start of year		172,651	553,359
At end of year		**220,396**	**172,651**
Represented By			
Cash / Bank Overdraft	4	**220,396**	**172,651**

1 Incorporation and Type of Business

The company was founded in the Republic of Trinidad and Tobago in 1973 and was incorporated as a not-for-profit organisation in 2005 . Its principal activities are promoting education , music & social relations via steelband and other related instruments . Its registered office is situated at #3 Saint Vincent Street Tunapuna.

2 Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below:

a Reporting Currency

Items included in the financial statements of the company are measured using the currency that best reflects the economic substance of the underlying events and the circumstances relevant to the company - the functional currency. These financial statements are prepared in Trinidad & Tobago dollars.

b Basis of preparation

These financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-Sized Entities. They are prepared under the historical cost basis. The existence of material items covered by these standards are disclosed. No account has been taken for the effects of inflation.

c Revenue recognition and measurement

Revenue from supply of services is recognised when the service is delivered and title has passed. Revenue is measured at the fair value of the consideration received or receivable, net of discounts and sales-related taxes collected on behalf of the government of Trinidad and Tobago.

d Inventory

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the FIFO method. Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses.

e Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

f Finance costs

Interest expense and other borrowing costs are charged to the Statement of Comprehensive Income as incurred. Interest expense is recognised on the basis of the effective interest method.

g Tangible non current assets

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Comprehensive Income during the financial period in which they are incurred. Depreciation is on a reducing balance basis at rates estimated to write off the depreciable amounts of the assets over their estimated useful lives:

Computer	33.30%
Fixtures & Fittings	10.00%
Motor Vehicle	20.00%
Office Equipment	20.00%
Music Equipment	10.00%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each Statement of Financial Position date. Leashold improvemens are amortised over the remaining term of the lease.

Gains and losses on disposal of fixed assets are determined by reference to their carrying amounts and are taken into account in determining the net income for the year.

h Impairment of Assets

At each reporting date, property, plant and equipment are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

Similarly, at each reporting date, inventories are assessed for impairment by comparing the carrying amount of each item of inventory (or group of similar items) with its selling price less costs to complete and sell. If an item of inventory (or group of similar items) is impaired, its carrying amount is reduced to selling price less costs to complete and sell, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount (selling price less costs to complete and sell, in the case of inventories), but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (group of related assets) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

i Financial Instruments

Financial assets and financial liabilities are recognised on the company's Statement of Financial Position when the company becomes a party to the contractual provisions of the instrument.

Accounts receivable- Trade

Most sales are made on the basis of normal credit terms, and the receivables do not bear interest. At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in profit or loss.

Trade payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Trade balances denominated in a foreign currency are translated into the functional currency using the exchange rate at the reporting date. Foreign exchange gains or losses are included in other Statement of Comprehensive Income.

Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks and bank overdrafts. In the Statement of Financial Position bank overdrafts are included in current liabilities.

Borrowings

Borrowings are recognised as the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost.

Share capital

Common shares are classified as equity.

Lease commitments

Leases, including hire purchase contracts, are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased assets to the company. Assets obtained under hire purchase, and classified as finance leases, are capitalised in the Statement of Financial Position and are depreciated over their estimated useful lives or the lease term, whichever is the shorter. The interest element of these obligations is charged to the Statement of Comprehensive Income over the relevant period. The capital element of the future payments is treated as a liability. Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease.

j Current and Deferred Income Tax

Current tax liabilities and assets for the period are measured at the amount expected to be paid or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantively enacted, by the Statement of Financial Position date.

Deferred income tax is provided in full, using the liability method, on timing differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the Statement of Financial Position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets relating to the carry forward of unused tax lossess are recognised to the extent it is probable that sufficient taxable profits will be available against which the unused tax lossess can be utilised. The net carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. Deferred tax assets are measured at the highest amount that, on the basis of current or estimated future taxable profit, is more likely than not to be recovered.

k Foreign Currency Translation

Transactions in a currency other than the functional currency (“foreign currency”) are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income statement. Non-monetary items that are measured in terms of historial cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Currency translation differences on non-monetary items, such as equity investments held at fair value through profit or loss, are reported as part of the fair value gain or loss. Currency translation differences on non- monetary items, such as equity investments classified as available-for-sale financial assets, are included in the fair value reserve within equity.

l Financial risk management

(i) Financial risk factors

The company is exposed to interest rate risk, credit risk, liquidity risk, operational and compliance risk, and reputation risk arising from the financial instruments that it holds. The risk management policies employed by the company to manage these risks are discussed below:

Interest rate risk

This is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The company's income and operating cash flows are substantially independent of changes in market interest rates as the company's interest bearing assets are not material in terms of income generated. The company is exposed to interest rate risk in terms of its current bank deposits. Borrowings, at fixed rates, exposes the company to fair value interest rate risk. The company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly. Borrowings, at variable rates, exposes the company to cash flow interest rate risk.

Credit risk

This arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the Statement of Financial Position date.There are policies in place to ensure that sales and services are made to customers with an appropriate credit history and for monitoring on a continuous basis the aging profile of its receivables. Cash balances are held with high credit quality financial institutions and the company has policies to limit the amount of exposure to any financial institution.

1 Financial risk management (continued)

(i) Financial risk factors

Liquidity risk

This is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The company has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of credit facilities.

Currency risk

This is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not in the company's measurement currency.The company's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

Operational risk

This derives from the deficiencies relating to the company's information technology and control systems as well as the risk of human error and natural disasters. The company's systems are evaluated, maintained and upgraded continuously.

Compliance risk

This is the risk of financial loss, including fines and penalties, which arise from non-compliance with laws and regulations from the state. The risk is limited to a significant extent by the monitoring controls applied by the company.

Reputation risk

The risk of loss of reputation arising from the negative publicity relating to the company (whether true or not) may result in a reduction in its clientele, reduction in revenue and legal. cases against the company. The company applies procedures to minimize this risk.

3 Plant and Equipment

	Computer & office Equipment	Fixture & Fittings	Property & Building Improvements-UWI	Office Furniture	Music & Band Equipment	Motor Vehicle	Property on St Vincent Street	Total
	$	$	$	$	$	$		$
Year ended 30 September 2018								
Opening net book value	-	4,773	65,956	-	1,500,749	-	1,616,966	3,188,444
Additions	-	-	-	-	38,285	-	-	38,285
Depreciation	-	(477)	(1,319)	-	(153,903)	-	(32,339)	(188,039)
Closing net book value	**-**	**4,296**	**64,637**	**-**	**1,385,131**	**-**	**1,584,627**	**3,038,690**
At 30 September 2018								
Cost	-	5,303	67,302	-	1,886,408	-	1,649,965	3,608,978
Accumulated Depreciation	-	(1,007)	(2,665)	-	(501,277)	-	(65,338)	(570,288)
Net book value	**-**	**4,296**	**64,637**	**-**	**1,385,131**	**-**	**1,584,627**	**3,038,690**

Plant and Equipment

	Computer & office Equipment	Fixture & Fittings	Property & Building Improvements-UWI	Office Furniture	Music & Band Equipment	Motor Vehicle	Property on St Vincent Street	Total
	$	$	$	$	$	$		$
Year ended 30 September 2017						0		
Opening net book value	-	-	-	-	1,625,618	-		1,625,618
Additions	-	5,303	67,302	-	41,881	-	1,649,965	1,764,451
Depreciation	-	(530)	(1,346)	-	(166,750)	-	(32,999)	(201,625)
Closing net book value	**-**	**4,773**	**65,956**	**-**	**1,500,749**	**-**	**1,616,966**	**3,188,444**
At 30 September 2017								
Cost		5,303	67,302		1,848,123		1,649,965	3,570,693
Accumulated Depreciation		(530)	(1,346)		(347,374)		(32,999)	(382,249)
Net book value	**-**	**4,773**	**65,956**	**-**	**1,500,749**	**-**	**1,616,966**	**3,188,444**

	2018	2017
	$	$
4 Cash & Cash Equivalents		
TTBLA	211,842	140,550
RBL-Foundation ($TTD)	6,087	10,258
RBL-Scholarship ($TTD)	89	19,504
UTC	2,378	2,340
	220,396	**172,652**
5 Trade Receivables & Prepayments		
Trade Receivables	-	15,000
Trade Receivables-Other	8,000	125,000
	8,000	**140,000**
6 Trade Payable & Accruals		
Trade Payables-Other	**74,993**	**57,331**
	74,993	**57,331**
7 Borrowings		
Bridging Finance-St Vincent Street Property	**1,080,000**	**1,080,000**
	1,080,000	**1,080,000**

	2018	2017
	$	$

8 **General and Administrative Expenses**

	2018	2017
Saturday Programme	107,700	75,533.00
PC Repairs	4,500	450.00
Christmas Concert		18,216
Exam Fees	16,253	31,370
Logistic Support & Supplies		12,900
After School Music Program	187,274	221,349
Summer Camp	118,603	94,108
Summer Camp Closing Concert	52,663	18,600
Maintenance-Instruments	9,800	10,646
Maintenance-Premises	11,383	20,068
Postage & Stationery	3,900	8,436
Communications(Internet, Phone & Cable)	4,249	-
Misc	10,842	5,795
Bank charges	985	1,114
Scholarship-Tuition & Travel Expense	206,110	156,524
Accounting & Auditing	9,000	16,000
Depreciation	188,038	201625
Total	931,301	892,735

9 **Taxes**

	2018	2017
Green Fund Levy	2,045	-
	2,045	-