

Financial Statements

Fresh Milk Art Platform Inc.

December 31, 2016

Fresh Milk Art Platform Inc.

Corporate Information

December 31, 2016

Directors

Annalee D. Davis

Simone Mangal

Natalie A. McGuire

Secretary / Chief Executive Officer

Annalee D. Davis

Registered Office

The Milking Parlour

Walkers Dairy, St George,

Barbados

Bankers

First Caribbean International Bank

Sheraton Branch

Christ Church, Barbados

Registered Company number : 36049

FRESH MILK ART PLATFORM INC.

Statement of Financial Position

As at December 31, 2016

(expressed in Barbados dollars)

| | <u>Notes</u> | <u>2016</u> | <u>2015</u> |
|---|--------------|----------------------|----------------------|
| Assets | | | |
| Current Assets | | | |
| Cash and cash equivalents | 4 | 12,648 | 3,219 |
| Other Assets | | | |
| Security deposit | 5 | 1,000 | 1,000 |
| Inventory, Furniture & Equipment | 6 | 5,636 | 8,320 |
| Total Assets | | <u>19,284</u> | <u>12,539</u> |
| Current Liabilities | | | |
| Accounts payables and accrued liabilities | | 0 | 334 |
| Fund | | | |
| General Fund | | 19,284 | 12,205 |
| Total Fund & Liabilities | | <u>19,284</u> | <u>12,539</u> |

Approved by the Trustees on the day of , 2017

Annalee Davis

Simone Mangal

FRESH MILK ART PLATFORM INC.

Statement of Comprehensive Income and Expenditure For the year ending December 31, 2016

(expressed in Barbados dollars)

| | <u>Notes</u> | <u>2016</u> | <u>2015</u> |
|--------------------------------|--------------|---------------|----------------|
| Revenue | | | |
| Contributions in Kind | 7 | 33,161 | 32,468 |
| Donations | 8 | 20,100 | 8,261 |
| Grant funding | 9 | 3,800 | 26,461 |
| Other Income | 10 | 10,955 | 27,642 |
| Total Revenue | | <u>68,017</u> | <u>94,831</u> |
| Expenditure | | | |
| Salaries and wages | 11 | 32,000 | 44,000 |
| Programe expenses | | 1,080 | 23,019 |
| Artist & Workshop expenses | 12 | 5,674 | 7,738 |
| Rent | | 6,000 | 6,000 |
| Utilities | | 5,904 | 5,167 |
| Miscellaneous expenses | | 1,614 | 2,286 |
| Depreciation | 6 | 2,684 | 2,684 |
| Accounting services | | 2,400 | 2,400 |
| Stationery and office expenses | | 2,015 | 2,296 |
| Travel | | 0 | 1,607 |
| Repairs and maintenance | | 1,250 | 1,164 |
| Bank charges | | 317 | 406 |
| Total Expenditure | | <u>60,937</u> | <u>98,768</u> |
| Net Surplus / (deficit) | | <u>7,079</u> | <u>(3,937)</u> |

FRESH MILK ART PLATFORM INC.

Statement of changes in general fund
For the year ending December 31, 2016
(expressed in Barbados dollars)

| | <u>General Fund</u> |
|------------------------------------|----------------------|
| Balance - July 1, 2012 | 0 |
| Comprehensive surplus | 9,744 |
| Balance - December 31, 2012 | <u>9,744</u> |
| Comprehensive deficit | (489) |
| Balance - December 31, 2013 | <u>9,254</u> |
| Comprehensive surplus | 6,888 |
| Balance - December 31, 2014 | <u>16,142</u> |
| Comprehensive deficit | (3,937) |
| Balance - December 31, 2015 | <u>12,205</u> |
| Comprehensive surplus | 7,079 |
| Balance - December 31, 2016 | <u><u>19,284</u></u> |

FRESH MILK ART PLATFORM INC.

Statement of cash flows

For the year ending December 31, 2016

(expressed in Barbados dollars)

| | <u>Notes</u> | <u>2016</u> | <u>2015</u> |
|--|--------------|----------------------|-----------------------|
| Cash flows from operating activities | | | |
| Net surplus / (deficit) | | 7,079 | (3,937) |
| Adjustments for: | | | |
| Depreciation | | 2,683 | 2,684 |
| Operating surplus before working capital changes | | <u>9,763</u> | <u>(1,253)</u> |
| Increase in accounts payable and accrued liabilities | | (334) | 334 |
| Net cash used in operating activities | | <u>9,429</u> | <u>(919)</u> |
| Cash flows used in investing activities | | | |
| Purchase of inventory, furniture and equipment | | | |
| Increase in security deposit | | 0 | (1,000) |
| Cash flows used in investing activities | | <u>0</u> | <u>(1,000)</u> |
| Cash flows from financing activities | | | |
| | | <u>0</u> | <u>0</u> |
| Net increase / (decrease) in cash and cash equivalents | | 9,429 | (1,919) |
| Cash and cash equivalents - beginning of year | | 3,219 | 0 |
| Cash and cash equivalents - end of year | | <u><u>12,648</u></u> | <u><u>(1,919)</u></u> |
| <u>Cash and cash equivalents comprise of:</u> | | | |
| Cash at bank | | 12,498 | 3,219 |
| Petty cash | | 150 | |
| | | <u>12,648</u> | <u>3,219</u> |

Fresh Milk Art Platform Inc.

Notes to the Financial Statements

December 31, 2016

1. Incorporation and principal activity

The Fresh Milk Art Platform Inc. (“the Company”) was incorporated in Barbados as a not-for-profit company registered under the Companies Act 1982 of Barbados, registration number 36049 on July 6, 2012. The Company commenced operations from July 2011 and formally launched its first public event in August 2011.

The Company has no share capital, and is carried on without pecuniary gain to its members. Any surplus is used in furthering its undertakings. Its registered office is situated at The Milking Parlour, St. George, Barbados.

The Company is restricted to :

- (a) Providing an informal platform for discussion and exchange of ideas among contemporary art makers and writers for the advancement of contemporary Caribbean art;
- (b) Providing support to art makers and writers to develop their skills; and
- (c) Accepting charitable donations to be used for the development of contemporary Caribbean art.

2. Summary of significant accounting policies

(a) Basis of preparation

The financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities issued by the International Accounting Standards Board. The financial statements have been prepared on the historical cost basis.

(b) Revenue recognition

Grant income is recognized when the terms of the grant have been fulfilled. Interest income is recognized as earned. There has been no apportionment of revenue between restricted and non-restricted contributions. All other income is recognized when received

(c) Contribution-in-Kind

Volunteers contribute several hours per year to assist the Company in carrying out its service delivery activities. Wherever possible, a fair value of these services has been recognized in the financial statements, especially for major expense items like salaries, rent and accounting services.

Fresh Milk Art Platform Inc.

Notes to the Financial Statements

December 31, 2016

(d) Currency

The financial statements are expressed in Barbados dollars, the primary currency in which the Company operates. Assets and liabilities in denominated in foreign currencies are translated in Barbados dollars at the rates of exchange prevailing at the year end. Transactions are translated at the rate of exchange prevailing at the time of each transaction. Exchange gains and losses are included in the statement of comprehensive income and expenditure.

(e) Taxation

The Company is registered as a benevolent not-for-profit organization with the Barbados Revenue Authority and is not subject to taxation in Barbados

(f) Impairment of assets

At each reporting date, the Company's assets are reviewed to determine whether there is any indication that these assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of the assets is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount and an impairment loss is recognized immediately in the statement of comprehensive income and expenditure.

(g) Inventory, Furniture and Equipment

Inventory (books), furniture and equipment are recorded at cost less accumulated depreciation and any accumulated impairment loss. Depreciation is provided on a straight line basis at a rate sufficient to write off the cost of the assets over their expected useful lives. The annual rates for this purpose are as follows:

| | |
|--------------------|--------|
| Inventory (books) | 10 % |
| Furniture | 20 % |
| Computer equipment | 33.3 % |

Fresh Milk Art Platform Inc.

Notes to the Financial Statements

December 31, 2016

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, management is required to make estimates and assumptions that affect the amounts of assets and liabilities within the financial statements. Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognized in the period in which the estimates are 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 Company reviews the estimated lives of Inventory, furniture and equipment at the end of each reporting period. There have been no changes to the estimates of the useful lives of inventory, furniture and equipment for the current year.

4. Cash and cash equivalents

| <u>Cash and cash equivalents</u> | <u>2016</u> | <u>2015</u> |
|----------------------------------|---------------|--------------|
| FCIB Bank account | 12,498 | 3,219 |
| Petty cash Float | 150 | |
| | <u>12,648</u> | <u>3,219</u> |

5. Security Deposit

This represents a refundable security deposit with First Caribbean Bank to secure a business credit card for Fresh Milk Art Platform Inc.

Fresh Milk Art Platform Inc.

Notes to the Financial Statements

December 31, 2016

6. Inventory, furniture and equipment

| 2015 | Inventory | Furniture | Equipment | Total |
|--|------------------|------------------|------------------|---------------|
| <u>Cost</u> | | | | |
| Beginning of year | 7,942 | 3,550 | 3,576 | 15,068 |
| Additions | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Balance, end of year | <u>7,942</u> | <u>3,550</u> | <u>3,576</u> | <u>15,068</u> |
| <u>Accumulated Depreciation</u> | | | | |
| Beginning of year | 1,464 | 1,420 | 1,180 | 4,064 |
| Charge for year | <u>794</u> | <u>710</u> | <u>1,180</u> | <u>2,684</u> |
| Balance, end of year | <u>2,258</u> | <u>2,130</u> | <u>2,360</u> | <u>6,748</u> |
| Net Book Value | | | | |
| Beginning of year | <u>6,478</u> | <u>2,130</u> | <u>2,396</u> | <u>11,004</u> |
| Net Book Value | | | | |
| End of year | <u>5,684</u> | <u>1,420</u> | <u>1,216</u> | <u>8,320</u> |

| 2016 | Inventory | Furniture | Equipment | Total |
|--|------------------|------------------|------------------|---------------|
| <u>Cost</u> | | | | |
| Beginning of year | 7,942 | 3,550 | 3,576 | 15,068 |
| Additions | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Balance, end of year | <u>7,942</u> | <u>3,550</u> | <u>3,576</u> | <u>15,068</u> |
| <u>Accumulated Depreciation</u> | | | | |
| Beginning of year | 2,258 | 2,130 | 2,360 | 6,748 |
| Charge for year | <u>794</u> | <u>710</u> | <u>1,180</u> | <u>2,684</u> |
| Balance, end of year | <u>3,053</u> | <u>2,840</u> | <u>3,540</u> | <u>9,433</u> |
| Net Book Value | | | | |
| Beginning of year | <u>5,684</u> | <u>1,420</u> | <u>1,216</u> | <u>8,320</u> |
| Net Book Value | | | | |
| End of year | <u>4,890</u> | <u>710</u> | <u>36</u> | <u>5,636</u> |

Fresh Milk Art Platform Inc.

Notes to the Financial Statements

December 31, 2016

7. Contributions in Kind

| <u>Contributions in Kind</u> | <u>2016</u> | <u>2015</u> |
|---------------------------------------|---------------|---------------|
| Managing office Programme development | 9,300 | 9,300 |
| Professional Services | 12,000 | 12,000 |
| Rent | 2,400 | 2,400 |
| Utilities | 6,000 | 6,000 |
| | 3,461 | 2,768 |
| | <u>33,161</u> | <u>32,468</u> |

8. Donations

| <u>Donations</u> | <u>2016</u> | <u>2014</u> |
|-------------------------|---------------|--------------|
| Donations - Individuals | 12,600 | 8,261 |
| Donations - Corporate | 7,500 | 0 |
| | <u>20,100</u> | <u>8,261</u> |

9. Grant funding

| <u>Grant funding</u> | <u>2016</u> | <u>2015</u> |
|------------------------------|--------------|---------------|
| Grant funding - Restricted | 3,800 | 26,461 |
| Grant funding - Unrestricted | 0 | 0 |
| | <u>3,800</u> | <u>26,461</u> |

Fresh Milk Art Platform Inc.

Notes to the Financial Statements

December 31, 2016

10. Other income

| <u>Other income</u> | <u>2016</u> | <u>2015</u> |
|------------------------------|---------------|---------------|
| Residency Fees | 9,705 | 22,084 |
| Programme fee income | 1,000 | 3,045 |
| Fresh Stop Project income | 0 | 1,800 |
| Merchandise sale | 250 | 713 |
| | <u>10,955</u> | <u>27,642</u> |

11. Salaries and wages

| <u>Salaries and wages</u> | <u>2016</u> | <u>2015</u> |
|---------------------------|---------------|---------------|
| Salaries | 12,000 | 24,000 |
| Wages and casual | 20,000 | 20,000 |
| | <u>32,000</u> | <u>44,000</u> |

12. Artists and workshop expenses

| <u>Artist and workshop expenses</u> | <u>2016</u> | <u>2015</u> |
|-------------------------------------|--------------|--------------|
| Artists expenses - residency | 4,060 | 4,039 |
| Artists expenses - general | 1,614 | 2,488 |
| Workshop expenses - general | 0 | 835 |
| Workshop expenses - meals | 0 | 376 |
| | <u>5,674</u> | <u>7,738</u> |

Fresh Milk Art Platform Inc.

Notes to the Financial Statements

December 31, 2016

13. Related Party Transactions

| <u>Related Party Transactions</u> | <u>2016</u> | <u>2015</u> |
|--|-------------|-------------|
| The following transactions were carried out with related parties : | | |
| Barbara Davies - Rent of premises | 6,000 | 6,000 |
| AnnaLee Davies - Salary | 12,000 | 24,000 |

14. Key Management Compensation

| <u>Key Management Compensation</u> | <u>2016</u> | <u>2015</u> |
|--|---------------|---------------|
| AnnaLee Davies - Programme Development | 12,000 | 24,000 |
| Katherine Kennedy - Office Management | 20,000 | 20,000 |
| | <u>32,000</u> | <u>44,000</u> |