



**Government Human Resource Services  
Company Limited**

**Financial Statements**

**For the year ended 30 September 2015**

# **Government Human Resource Services Company Limited**

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## **Report of the Auditors' to the shareholders of**

### **Government Human Resource Services Company Limited**

We have audited the statement of financial position of Government Human Resource Services Company Limited as at 30 September 2015 and the statement of comprehensive income, statement of cash flows and related notes for the year then ended.

### **Management's responsibility for the financial statements**

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

### **Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 controls 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.

### Opinion

In our opinion the accompanying financial statements present fairly, in all material respects the financial position of Government Human Resource Services Company Limited as at 30 September 2015, its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards.

A handwritten signature in blue ink, appearing to read "Augusto", written over the printed name of the firm.

Chartered Accountants  
Port of Spain  
Trinidad, West Indies  
29 March, 2016

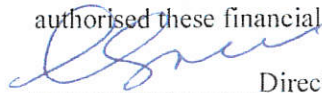
# Government Human Resource Services Company Limited


## Statement of financial position

	Notes	30 September	
		2015 \$	2014 \$
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	<u>1,521,490</u>	<u>1,863,570</u>
<b>Current assets</b>			
Inventories	3	42,790	42,790
Goods in transit		-	101,068
Trade and other receivables	4	2,118,416	1,955,644
Tax recoverable		201,481	222,706
Cash and cash equivalents	5	<u>16,660,569</u>	<u>20,831,155</u>
		<u>19,023,256</u>	<u>23,153,363</u>
<b>Total assets</b>		<u>20,544,746</u>	<u>25,016,933</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital</b>			
Share capital	6	10	10
Retained earnings		<u>6,301,499</u>	<u>4,911,324</u>
		<u>6,301,509</u>	<u>4,911,334</u>
<b>Non-current liabilities</b>			
Deferred tax liability	13	<u>9,691</u>	<u>34,225</u>
<b>Current liabilities</b>			
Deferred government subvention	7	8,365,477	12,894,514
Trade and other payables	8	1,491,052	2,310,704
Tax payable		3,479	4,398
Deferred income	9	<u>4,373,538</u>	<u>4,861,758</u>
		<u>14,233,546</u>	<u>20,071,374</u>
<b>Total liabilities</b>		<u>14,243,237</u>	<u>20,105,599</u>
<b>Total equity and liabilities</b>		<u>20,544,746</u>	<u>25,016,933</u>

The accounting policies on pages 7 to 13 and the notes set out on pages 14 to 19 form an integral part of these financial statements.

On 29 March, 2016 the Board of Directors of Government Human Resource Services Company Limited authorised these financial statements for issue.

  
Director

  
Director

# Government Human Resource Services Company Limited

## Statement of comprehensive income

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	Notes	Year Ended 30 September	
		2015 \$	2014 \$
<b>Revenue</b>	10	2,247,171	2,376,400
<b>Cost of sales</b>		<u>(653,868)</u>	<u>(1,304,861)</u>
<b>Profit from operations</b>		<u>1,593,303</u>	<u>1,071,539</u>
Government subventions utilized		12,761,953	9,732,651
Amortized of capital grant		-	187,332
Other income		9,521	27,200
Interest income		66,711	65,471
Staff costs	11	(8,649,880)	(5,736,775)
Administrative expenses		(4,022,141)	(3,617,202)
Distribution costs	12	(89,928)	(329,954)
Loss on disposal of property, plant and equipment		<u>-</u>	<u>(236,052)</u>
<b>Total other income</b>		<u>76,236</u>	<u>92,671</u>
<b>Profit before taxation</b>		1,669,539	1,164,210
Taxation	14	<u>(279,364)</u>	<u>(250,408)</u>
<b>Profit after taxation</b>		<u>1,390,175</u>	<u>913,802</u>

The accounting policies on pages 7 to 13 and the notes set out on pages 14 to 19 form an integral part of these financial statements.

# Government Human Resource Services Company Limited

## Statement of changes in equity

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	<b>Stated Capital</b>	<b>Retained Earnings</b>	<b>Total</b>
	\$	\$	\$
<b>Year ended 30 September 2015</b>			
Balance at 1 October 2014	10	4,911,324	4,911,334
Profit for year ended 30 September 2015	-	<u>1,390,175</u>	<u>1,390,175</u>
Balance at 30 September 2015	<u>10</u>	<u>6,301,499</u>	<u>6,301,509</u>

	<b>Stated Capital</b>	<b>Retained Earnings</b>	<b>Total</b>
	\$	\$	\$
<b>Year ended 30 September 2014</b>			
Balance at 1 October 2013	10	3,997,522	3,997,532
Profit for year ended 30 September 2014	-	<u>913,802</u>	<u>913,802</u>
Balance at 30 September 2014	<u>10</u>	<u>4,911,324</u>	<u>4,911,334</u>

The accounting policies on pages 7 to 13 and the notes set out on pages 14 to 19 form an integral part of these financial statements.

# Government Human Resource Services Company Limited

## Statement of cash flows

	Note	Year Ended 30 September	
		2015 \$	2014 \$
<b>Cash flows from operating activities</b>			
Profit before taxation		1,669,539	1,164,210
Adjustments for items not requiring an outlay of funds:			
Depreciation		548,914	322,678
Interest income		(66,711)	(65,471)
Amortisation of capital grant		-	(187,332)
Loss on disposal of plant and equipment		-	<u>236,052</u>
Operating profit before changes in working capital		2,151,742	1,470,137
Decrease in inventories		-	2,361
(Increase) / decrease in receivables and prepayments		(156,324)	5,120,190
(Decrease) / increase in trade and other payables		(819,652)	596,633
Decrease/ (increase) in goods in transit		101,068	(101,068)
Decrease in deferred subventions		(4,529,037)	(2,742,651)
Decrease in deferred income		<u>(488,220)</u>	<u>(366,147)</u>
Cash used in operating activities		(3,740,423)	3,979,455
Taxation received		31,069	-
Taxation paid		<u>(314,660)</u>	<u>(508,497)</u>
<b>Net cash used in operating activities</b>		<u>(4,024,014)</u>	<u>(3,470,958)</u>
<b>Cash flows used in investing activities</b>			
Purchase of plant and equipment		(206,834)	(1,949,386)
Interest income received		<u>60,262</u>	<u>59,070</u>
<b>Net cash used in investing activities</b>		<u>(146,572)</u>	<u>(1,890,316)</u>
<b>(Decrease)/ increase in cash and cash equivalents</b>		(4,170,586)	1,580,642
<b>Cash and cash equivalents at the beginning of year</b>		<u>20,831,155</u>	<u>19,250,513</u>
<b>Cash and cash equivalents at the end of year</b>	5	<u>16,660,569</u>	<u>20,831,155</u>

The accounting policies on pages 7 to 13 and the notes set out on pages 14 to 19 form an integral part of these financial statements.



# Government Human Resource Services Company Limited

## Accounting policies 30 September 2015

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### **a Basis of preparation**

These financial statements have been prepared under the historical cost convention and are presented in Trinidad and Tobago dollars, which is the functional currency, rounded to the nearest dollar, unless otherwise stated.

### **Statement of compliance**

The financial statements of Government Human Resource Services Limited (the Company) have been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board. The Company had previously prepared the financial statements in accordance with IFRS for SME’s until instructed by the Ministry of Finance and the Economy on August 29, 2014 to adopt full IFRS.

### **Standards, amendment and interpretations which are effective and have been adopted by the Company:**

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning October 1, 2014 that would be expected to have a material impact on the Company.

### **Standards effective after October 1, 2014 that have been early adopted by the Company.**

The company has not early adopted any new standards, interpretations or amendments.

### **Standards, amendments and interpretations issued but not yet effective and not early adopted by the Company (effective 1 January 2015)**

IAS 19 – Employee benefits, regarding defined benefit plans – Amendment (effective for annual periods beginning on or after July 1 2014). These narrow scope amendments apply to contribution from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the counting for contribution that are independent of the number of years of employee service, for example employee contributions that are calculated according to a fixed percentage of salary. This amendment is not relevant to the company since it does not have a defined benefit plan with contributions from employees or third parties.

# Government Human Resource Services Company Limited

## Accounting policies (continued) 30 September 2015

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### a Basis of preparation (continued)

#### **Standards, amendments and interpretations issued but not yet effective and not early adopted by the Company.**

Annual improvements 2010-2012 – (effective for annual period beginning on or after July 1 2014 and applicable to the Company from October 1 2014). These amendments include:

- IFRS 2- Share Based Payment
- IFRS 3- Business Combinations
- IFRS 8- Operating Segments
- IAS 16- Property Plant and Equipment
- IAS 38- Intangible Assets
- IAS 24- Related Party Disclosures

The improvements are not expected to significantly impact the financial statement of the company.

Annual improvements 2011-2013 – (effective for annual period beginning on or after July 1 2014 and applicable to the Company from October 1 2014). These amendments include:

- IFRS 3- Business Combinations
- IFRS 13- Fair Value Measurement
- IAS 40- Investment Property

The improvements are not expected to significantly impact the financial statement of the company.

# Government Human Resource Services Company Limited

## Accounting policies (continued) 30 September 2015

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### Summary of significant accounting policies:

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except for the change in accounting policy explained in note 16.

#### **b Property, plant and equipment**

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing assets to a working condition for their intended use, the costs of dismantling and removing items and restoring the site on which they are located, and capitalized borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalized as part of the equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

The gain or loss on disposal of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment, and is recognized net within other income/ other expenses in profit or loss. When revalued assets are sold, any related amount included in the revaluation reserve is transferred to retained earnings.

The cost of replacing a component of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognized. The costs of the day-to-day servicing property, plant and equipment are recognized in profit or loss as incurred.

Depreciation is based on cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is calculated using the straight line basis over the estimated useful lives of each item of property, plant and equipment at the following rates:

Leasehold improvement	-	10%
Computer equipment	-	33.3%
Office furniture and fixtures	-	25%
Motor vehicles	-	25%

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if necessary.

# Government Human Resource Services Company Limited

## Accounting policies (continued) 30 September 2015

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### Summary of significant accounting policies (continued):

#### **c Inventories**

Inventories are stated at the lower of cost and net realizable value. Cost is calculated using the first-in, first-out (FIFO) method and comprises of purchase price, import duties and other taxes (other than those subsequently recoverable by the entity from the taxing authorities), transport, handling and other cost directly attributable to the acquisition of finished goods, materials and services. Trade discounts, rebates and other similar items are deducted in determined the cost of purchase.

#### **d Trade receivables**

Trade receivables are carried at original invoice amount less provision made for impairment of these receivables. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due, according to the original terms of the receivables. The amount of the provision is the difference between the carrying amount and the recoverable amount.

#### **e Cash and cash equivalents**

Cash and cash equivalents comprises of cash in hand, cash at bank and other short term highly liquid investments with original maturities of three months or less from the date of acquisition and are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

#### **f Trade payables**

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less. Trade payables are recognised at fair value.

#### **g Operating leases**

Payments under operating leases are recognised in profit or loss on a straight line basis over the term of the lease. Lease incentives are recognised in the statement of comprehensive income as an integral part of the total lease expense.

#### **h Revenue recognition**

Unconditional grants related to the ongoing operations of the Company are recognised in the statement of comprehensive income as revenue when the grant becomes receivable.

Subventions that compensate the Company for expenses incurred are recognised as revenue in the statement of comprehensive income on a systematic basis in the same periods in which the expenses are incurred.

# Government Human Resource Services Company Limited

## Accounting policies (continued)

30 September 2015

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### Summary of significant accounting policies (continued):

#### **i Revenue recognition (continued)**

Subventions that compensate the Company for the cost of an asset are recognised in the statement of comprehensive income as revenue on a systematic basis over the life of the asset.

All other revenue is recorded on an accruals basis.

#### **j Foreign currency translation**

Transactions in foreign currencies are translated to the respective functional currency of the Company at exchange rates at the dates of transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognized in profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments or a financial liability designated as a hedge of the net investment in a foreign operation.

#### **k Provisions**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The unwinding of the finance cost is recognised as a finance cost.

#### **l Impairment**

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income.

# Government Human Resource Services Company Limited

## Accounting policies (continued) 30 September 2015

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### Summary of significant accounting policies (continued):

#### **l Impairment (continued)**

The recoverable amount of other assets is the greater of their net selling price and value in use. 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. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

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 amortisation, if no impairment loss has been changed.

#### **m Taxation**

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or subsequently enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or subsequently enacted at the reporting date.

Deferred tax asset and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

#### **n Comparatives**

Where necessary, comparative figures have been adjusted to conform with changes in the presentation in the current year. These changes have no effect on the net profit of the prior year.

# Government Human Resource Services Company Limited

## Accounting policies (continued)

30 September 2015

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### Summary of significant accounting estimate and judgement:

The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

#### **o Income taxes**

The company is subjected to taxation and judgement is applied in the interpretation of relevant laws and the estimation of the provision for income tax. Where the final tax assessment is different from the amount that was initially recorded, such differences will impact the income tax provision and results in the period in which it was made.

Deferred tax asset are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax asset to be recognized, based upon the timing and the level of future taxable profit together with future tax planning strategies.

#### **p Property, plant and equipment**

Management exercises judgement in determining whether cost incurred can accrue sufficient future economic benefit of the company to enable the value to be treated as capital expense. Further judgement is used upon annual review of the residual values and useful lives of all capital items to determine unnecessary adjustments to carrying value.

#### **q Provision of bad debts**

Management reviews its trade receivables at each reporting date to establish if there is objective evidence that they will be unable to collect outstanding amounts due. Judgement is required when determining the level of allowance and is based on assumptions about a number of factors and the actual results may differ, resulting in future changes to the allowance.



# Government Human Resource Services Company Limited

## Notes to the financial statements 30 September 2015

### 1 Incorporation and Principal Business Activity

Government Human Resource Services Company Limited was incorporated and domiciled in the Republic of Trinidad and Tobago on October 20, 2006. The Registered office of the Company was Level 2, 6-6A Saddle Road, Maraval until November 2013, when the Company relocated to #16 Mulchan Seuchan Road, Chaguanas. Commercial operations commenced in January 2007.

The principal activity of the Company is the provision of human resource services.

### 2 Property, plant and equipment

	Leasehold Improvements \$	Computer equipment \$	Office furniture & fixtures \$	Motor vehicles \$	Total \$
<b>Year ended 30 September 2014</b>					
Opening net book amount	246,947	193,655	32,312	-	472,914
Additions	476,654	329,950	479,418	663,364	1,949,386
Disposals	(236,052)	-	-	-	(236,052)
Depreciation charge	(46,187)	(99,214)	(61,625)	(115,652)	(322,678)
Closing net book amount	<u>441,362</u>	<u>424,391</u>	<u>450,105</u>	<u>547,712</u>	<u>1,863,570</u>
<b>At 30 September 2014</b>					
Cost	476,654	1,106,706	989,977	663,364	3,236,701
Accumulated depreciation	<u>(35,292)</u>	<u>(682,315)</u>	<u>(539,872)</u>	<u>(115,652)</u>	<u>(1,373,131)</u>
Net book amount	<u>441,362</u>	<u>424,391</u>	<u>450,105</u>	<u>547,712</u>	<u>1,863,570</u>
<b>Year ended 30 September 2015</b>					
Opening net book amount	441,362	424,391	450,105	547,712	1,863,570
Additions	16,256	67,369	123,209	-	206,834
Depreciation charge	<u>(47,859)</u>	<u>(191,684)</u>	<u>(143,531)</u>	<u>(165,840)</u>	<u>(548,914)</u>
Closing net book amount	<u>409,759</u>	<u>300,076</u>	<u>429,783</u>	<u>381,872</u>	<u>1,521,490</u>
<b>At 30 September 2015</b>					
Cost	492,910	1,174,075	1,113,186	663,364	3,443,535
Accumulated depreciation	<u>(83,151)</u>	<u>(873,999)</u>	<u>(683,403)</u>	<u>(281,492)</u>	<u>(1,922,045)</u>
Net book amount	<u>409,759</u>	<u>300,076</u>	<u>429,783</u>	<u>381,872</u>	<u>1,521,490</u>



# Government Human Resource Services Company Limited

## Notes to the financial statements (continued) 30 September 2015

3	<b>Inventories</b>	<b>2015</b>	<b>2014</b>
		\$	\$
	Inventories held for use	<u>42,790</u>	<u>42,790</u>
	As at 30 September, there were no impairments of inventory.		
4	<b>Trade and other receivables</b>	<b>2015</b>	<b>2014</b>
		\$	\$
	Trade receivables	1,258,307	1,316,394
	Less: allowance for doubtful debts	<u>(385)</u>	<u>(385)</u>
	Net trade receivables	1,257,922	1,316,009
	Prepaid expenses	400,933	416,333
	VAT recoverable	473,280	214,337
	VAT payable	(21,172)	-
	Other receivables	<u>7,453</u>	<u>8,965</u>
		<u>2,118,416</u>	<u>1,955,644</u>

Trade receivables are non-interest bearing and are due upon receipt of invoice or 30 day terms.

As at 30 September, the ageing analysis of trade receivables is as follows:

	Total \$'000	Neither past due nor impaired \$'000	<30 days \$'000	Past due but not impaired		
				30-60 days \$'000	60-90 days \$'000	>90 days \$'000
2015	1,258	-	633	105	236	284
2014	1,316	-	1,156	-	138	22

5	<b>Cash and cash equivalents</b>	<b>2015</b>	<b>2014</b>
		\$	\$

For the purposes of the cash flow statement, cash and cash equivalents consist of:

Cash at bank	7,224,189	11,461,327
Unit Trust Corporation	7,219,891	7,154,334
Open call deposit	2,214,615	2,213,509
Cash at hand	<u>1,874</u>	<u>1,985</u>
	<u>16,660,569</u>	<u>20,831,155</u>

# Government Human Resource Services Company Limited

## Notes to the financial statements (continued) 30 September 2015

6	<b>Stated capital</b>	<b>2015</b> \$	<b>2014</b> \$
	Authorised:		
	Unlimited number of ordinary shares of no par value	<u>Unlimited</u>	<u>Unlimited</u>
	Issued and fully paid:		
	10 ordinary shares of no par value	<u>10</u>	<u>10</u>

7	<b>Deferred government subventions</b>	<b>2015</b> \$	<b>2014</b> \$
	Balance at October 1	12,894,514	15,637,165
	Subventions received	8,232,916	6,990,000
	Subventions utilised	<u>(12,761,953)</u>	<u>(9,732,651)</u>
	Balance as at September 30	<u>8,365,477</u>	<u>12,894,514</u>

The deferred government subvention related to the portion of subventions received from the Ministry of Finance during the year, for which the related expenditure has not yet been incurred.

8	<b>Trade and other payables</b>	<b>2015</b> \$	<b>2014</b> \$
	Accrued expenses	1,440,633	1,420,988
	Trade payables	29,291	797,933
	Tender Performance Deposits-Procurement	17,084	--
	Other payables	<u>4,044</u>	<u>91,783</u>
		<u>1,491,052</u>	<u>2,310,704</u>

Trade and other payables are non – interest bearing.

### 9 **Deferred income**

The deferred income relates to cash received in advance, for which services have not yet been performed.

# Government Human Resource Services Company Limited

## Notes to the financial statements (continued) 30 September 2015

10	<b>Revenue</b>	<b>2015</b>	<b>2014</b>
		\$	\$
	Recruitment and selection	1,105,427	950,795
	Training design and delivery	1,023,429	214,996
	Assessment and development	82,035	257,678
	Customised human resource solution	36,280	753,182
	Consultancy sourcing	<u>-</u>	<u>199,749</u>
		<u>2,247,171</u>	<u>2,376,400</u>

11	<b>Staff costs</b>	<b>2015</b>	<b>2014</b>
		\$	\$
	Contract employment	6,454,691	4,124,709
	Gratuity and severance	1,021,705	639,532
	Remuneration to board members	459,900	482,648
	Employer NIS contribution	295,402	209,579
	Training	359,374	139,660
	Vacation expense	(21,456)	79,332
	Cellular allowance	61,464	44,856
	Health insurance	<u>18,800</u>	<u>16,459</u>
		<u>8,649,880</u>	<u>5,736,775</u>

At 30 September 2015, the company had 40 employees (2014 - 40).

12	<b>Distribution costs</b>	<b>2015</b>	<b>2014</b>
		\$	\$
	Promotional publicity, printing	<u>89,928</u>	<u>329,954</u>

## Government Human Resource Services Company Limited

### Notes to the financial statements (continued) 30 September 2015

#### 13 Deferred tax liability

Deferred income taxes are calculated in full on temporary differences under the liability method using a principal tax rate of 25%.

The movement on the deferred income tax account is as follows:

<i>On accelerated capital allowances</i>	2015 \$	2014 \$
At 1 October	34,225	(42,554)
(Credit)/charge to income statement	(24,534)	76,779
At 30 September - Deferred tax liability	<u>9,691</u>	<u>34,225</u>

#### 14 Taxation

	2015 \$	2014 \$
Corporation tax	288,234	161,238
Green fund levy	16,144	13,489
Deferred taxation (note 13)	(24,534)	76,780
Prior year adjustment	<u>(480)</u>	<u>(1,099)</u>
Total taxation charge for the year	<u>279,364</u>	<u>250,408</u>

The company's effective tax rate differs from the statutory rate of 25% as a result of the following:

Profit before tax	1,669,539	1,164,210
Corporation tax calculated at a rate of 25%	417,385	291,053
Effects of:		
Allowances	(3,302,906)	(2,561,376)
Expenses not allowable for tax	3,190,433	2,420,981
Income not allowable for tax	(16,678)	10,580
Green fund levy	16,144	13,489
Deferred taxation	(24,534)	76,780
Prior year adjustment	<u>(480)</u>	<u>(1,099)</u>
	<u>279,364</u>	<u>250,408</u>

# Government Human Resource Services Company Limited

Notes to the financial statements (continued)  
30 September 2015

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15	<b>Operating leases</b>	<b>2015</b>	<b>2014</b>
		\$	\$
	Non cancellable operating lease rentals are payable as follows:		
	Less than one year	1,260,000	1,260,000
	Between one and five years	<u>5,040,000</u>	<u>5,040,000</u>
		<u>6,300,000</u>	<u>6,300,000</u>

During the year, \$1,260,000 (2014: \$1,295,750) was recognised as an expense in the statement of comprehensive income in respect of the operating lease.

## 16 **Related parties**

### *Key management personnel*

Key management personnel receive compensation in the form of the short-term employee benefits.

Key management personnel received compensation of \$ 1,934,300 (2014: \$1,819,127) for the year. Total remuneration which is included on contract employment and remuneration to board members expenses relates to salaries and allowances to directors and executive management of the company.

# Government Human Resource Services Company Limited

## Schedules to the financial statements For the year ended 30 September 2015

1	<b>Cost of sales</b>	<b>2015</b>	<b>2014</b>
		\$	\$
	Training design and delivery	452,032	12,581
	Recruitment and selection	139,795	158,345
	Assessment and development	62,041	258,108
	Customised human resource solution	--	676,078
	Consultancy sourcing	<u>--</u>	<u>199,749</u>
		<u>653,868</u>	<u>1,304,861</u>
2	<b>Administrative expenses</b>	<b>2015</b>	<b>2014</b>
		\$	\$
	Rent	1,260,000	1,295,750
	Other contracted services	666,076	622,223
	Depreciation	548,914	322,678
	Security services	266,058	294,165
	Information technology expenses	377,511	185,496
	Telephone expense	110,550	103,565
	Repairs and maintenance	103,191	211,117
	Electricity expenses	101,982	97,426
	Subsistence	100,023	65,542
	Office stationery and supplies	84,646	71,772
	Insurances	78,763	70,339
	Parking expense	75,904	22,338
	Legal expenses	65,935	47,936
	General cleaning supplies	30,317	31,407
	Cabinet approved bodies	30,160	25,252
	Maintenance of vehicles	27,109	17,752
	Internal recruitment	21,691	25,372
	Internet expenses	18,179	16,478
	Gas expense	17,307	12,860
	Tender expense	9,626	31,346
	Bank charges and interest	8,235	5,731
	Project and external meetings	5,204	1,590
	Books and periodicals	4,224	4,929
	Membership	3,812	6,869
	Staff entertainment, gifts and awards	3,254	3,255
	Rental of equipment	3,252	3,094
	Penalties and interest	218	-
	Janitorial services	-	15,960
	Human resource expenses	-	2,361
	Miscellaneous	<u>-</u>	<u>2,599</u>
		<u>4,022,141</u>	<u>3,617,202</u>