



**Youth Training and Employment Partnership
Programme (YTEPP) Limited**

Financial statements

30 September 2015

Youth Training and Employment Partnership Programme (YTEPP) Limited

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YOUTH TRAINING AND EMPLOYMENT PARTNERSHIP PROGRAMME (YTEPP) LIMITED

1-13 MULCHAN SEUCHAN ROAD, CHAGUANAS, 501314, TRINIDAD AND TOBAGO
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6th December, 2016

Management is responsible for the following:

- Preparing and fairly presenting the accompanying financial statements of Youth Training and Employment Partnership Programme (YTEPP) Limited which comprise the statement of financial position as at 30 September 2015, the statements of comprehensive income and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information;
- Ensuring that the company keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the company's assets, detection/prevention of fraud, and the achievement of company operational efficiencies;
- Ensuring that the system of internal controls operated effectively during the reporting period;
- Producing reliable financial reporting that complies with laws and regulations, including the Companies Act; and
- Using reasonable and prudent judgement in the determination of estimates.

In preparing these audited financial statements; management utilized the International Financial Reporting Standards. Where International Financial Reporting Standards presented alternative accounting treatments, management chose those considered most appropriate in the circumstances.

Nothing has come to the attention of management to indicate that the company will not remain a going concern for the next twelve months from the reporting date; or up to the date the accompanying financial statements have been authorized for issue, if later.

Management affirms that it has carried out its responsibilities as outlined above.

Signed

Title: DIRECTOR

Date: 6th Dec 2016

Signed

Title: DIRECTOR

Date: 6th DECEMBER 2016



Auditors' Report

To the shareholders of
Youth Training and Employment Partnership Programme (YTEPP) Limited

Report on the financial statements

We have audited the accompanying financial statements of Youth Training and Employment Partnership Programme (YTEPP) Limited as at 30 September 2015, which comprises the statement of financial position, the statement of comprehensive income, changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

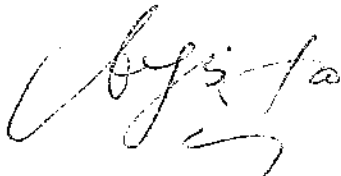
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 Youth Training and Employment Partnership Programme (YTEPP) 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.



Chartered Accountants
Port of Spain
Trinidad, West Indies
6th December, 2016

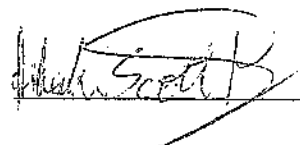
Youth Training and Employment Partnership Programme (YTEPP) Limited

Statement of financial position

| | Notes | As at | |
|-------------------------------------|-------|-------------------|-------------------|
| | | 30 September 2015 | 2014 |
| | | \$ | \$ |
| ASSETS | | | |
| Non-current assets | | | |
| Land and building | 2 | 21,634,417 | 24,656,074 |
| Plant and equipment | 2 | 22,304,085 | 21,239,447 |
| Construction work in progress | 3 | <u>33,993,406</u> | <u>6,067,837</u> |
| | | <u>77,931,908</u> | <u>51,963,358</u> |
| Current assets | | | |
| Inventories | 4 | 461,801 | 550,464 |
| Receivables and prepayments | 5 | 2,221,632 | 2,482,193 |
| Cash at bank | 6 | <u>14,170,227</u> | <u>32,754,333</u> |
| | | <u>16,853,660</u> | <u>35,786,990</u> |
| Total assets | | <u>94,785,568</u> | <u>87,750,348</u> |
| EQUITY AND LIABILITIES | | | |
| Capital | | | |
| Share capital | 7 | <u>646,313</u> | <u>646,313</u> |
| Non-current liabilities | | | |
| Government revenue grants deferred | 8 | 15,940,709 | 4,350,423 |
| Capital grants deferred | 9 | <u>63,770,100</u> | <u>64,507,966</u> |
| | | <u>79,710,809</u> | <u>68,858,389</u> |
| Current liabilities | | | |
| Trade and other payables | 10 | 14,409,609 | 17,038,686 |
| Bank overdraft | 6 | 3,129 | 1,197,047 |
| Corporation tax payable | | <u>15,708</u> | <u>9,913</u> |
| | | <u>14,428,446</u> | <u>18,245,646</u> |
| Total equity and liabilities | | <u>94,785,568</u> | <u>87,750,348</u> |

The accounting policies on pages 7 to 9 and the notes set out on pages 10 to 16 form an integral part of these financial statements. On 6th December 2016, the Board of Directors of Youth Training and Employment Partnership Programme (YTEPP) Limited authorised these financial statements for issue.

 Director

 Director

Youth Training and Employment Partnership Programme (YTEPP) Limited

Statement of comprehensive income

| | Notes | Year Ended 30 September | |
|------------------------------|-------|----------------------------|---------------------|
| | | 2015 \$ | 2014 \$ |
| Revenue | | | |
| Enrolment fees | | 466,539 | 773,755 |
| Direct costs of operations | | (113,095,645) | (116,451,552) |
| Gross loss of operations | | (112,629,106) | (115,677,797) |
| Other operating income | 12 | <u>4,002,944</u> | <u>3,987,350</u> |
| | | (108,626,162) | (111,690,447) |
| Expenses | | | |
| Administrative | | <u>(13,994,295)</u> | <u>(16,584,925)</u> |
| Operating loss | 13 | (122,620,457) | (128,275,372) |
| Net finance (charges)/income | 14 | <u>(12,028)</u> | <u>33,599</u> |
| Loss before taxation | | (122,632,485) | (128,241,773) |
| Taxation charge | | <u>(10,027)</u> | <u>(4,232)</u> |
| Loss after taxation | | (122,642,512) | (128,246,005) |
| Government grants utilized | | <u>122,642,512</u> | <u>128,246,005</u> |
| | | <u>---</u> | <u>---</u> |

The accounting policies on pages 7 to 9 and the notes set out on pages 10 to 16 form an integral part of these financial statements.

Youth Training and Employment Partnership Programme (YTEPP) Limited

Statement of cash flows

| | Note | Year Ended 30 September | |
|---|------|----------------------------|----------------------|
| | | 2015 \$ | 2014 \$ |
| Cash flows from operating activities | | | |
| Operating loss | | (122,620,457) | (128,275,372) |
| Adjustments for items not requiring an outlay of funds: | | | |
| Depreciation | 2 | 4,706,796 | 3,900,402 |
| (gain)/loss on disposal of equipment | | (490,421) | 1,146,494 |
| Non-cash item | 22 | <u>2,232,795</u> | <u>448,856</u> |
| Operating loss before changes in working capital | | (116,171,287) | (122,779,620) |
| Decrease/ (increase) in inventories | | 88,663 | (149,747) |
| Decrease/ (increase) in receivables and prepayments | | 260,561 | (111,933) |
| Decrease in trade and other payables | | <u>(2,629,077)</u> | <u>(27,606,309)</u> |
| Cash used in operations | | (118,451,140) | (150,647,609) |
| Interest paid | | (40,571) | (43,058) |
| Interest received | | 28,547 | 76,657 |
| Taxation | | <u>(4,232)</u> | <u>(3,953)</u> |
| Net cash used in operating activities | | <u>(118,467,396)</u> | <u>(150,617,963)</u> |
| Investing activities | | | |
| Proceeds from disposals of assets | | 816,091 | 100 |
| Purchase of property, plant and equipment | 2, 3 | <u>(31,001,018)</u> | <u>(10,902,931)</u> |
| Net cash used in investing activities | | <u>(30,184,927)</u> | <u>(10,902,831)</u> |
| Financing activities | | | |
| Receipts from government grants | | <u>131,262,134</u> | <u>153,762,495</u> |
| Net cash from financing activities | | <u>131,262,134</u> | <u>153,762,495</u> |
| Decrease in cash and cash equivalents | | (17,390,189) | (7,758,299) |
| Cash and cash equivalents at beginning of year | | <u>31,557,286</u> | <u>39,315,585</u> |
| Cash and cash equivalents at end of year | 6 | <u>14,167,097</u> | <u>31,557,286</u> |

The accounting policies on pages 7 to 9 and the notes set out on pages 10 to 16 form an integral part of these financial statements.

Youth Training and Employment Partnership Programme (YTEPP) Limited
Accounting policies
30 September 2015

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

a Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards and under the historical cost convention.

b Use of estimates

The preparation of financial statements in conformity with the 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.

c Financial instruments

Financial instruments carried on the balance sheet include cash and bank balances, accounts receivable and accounts payable and are stated at their approximate fair values determined in accordance with the policy statements disclosed.

d Property, plant and equipment

Property, plant and equipment are stated at historical cost and are depreciated on the reducing balance basis, at rates estimated to write off the cost of each asset to their residual values over their estimated useful lives as follows:

| | | |
|-----------------------------------|---|----------|
| Buildings | - | 2% |
| Furniture, fittings and equipment | - | 10 - 20% |
| Motor vehicles | - | 25% |

Profits or losses on disposals of property, plant and equipment are determined by comparing proceeds with the carrying amount and are included in operating profit.

Property, plant and equipment are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount which is the higher of an asset's net selling price and value in use.

e Inventories

Inventories are stated at cost determined using the average basis, less provisions for obsolescence.

Youth Training and Employment Partnership Programme (YTEPP) Limited
Accounting policies (continued)
30 September 2015

f Cash and cash equivalents

Cash and cash equivalents are carried on the balance sheet at cost and comprise cash in hand, cash at bank and funds held in the Unit Trust Corporation's Money Market Fund. Bank overdrafts are included within borrowings in current liabilities on the balance sheet. For the purposes of the cash flow statement, cash and cash equivalents also include the bank overdraft.

g 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 outstanding relating to the original receivable. The amount of the provision is the difference between the carrying amount and the recoverable amount.

h Foreign currency translation

i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The financial statements are presented in Trinidad and Tobago dollars ("TT\$"), which is the company's functional and presentation currency.

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange 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.

i Income taxes

Current tax

Current tax assets and liabilities for the current and prior period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date. The principal temporary differences arise from depreciation on property, plant and equipment and tax losses carried forward. Deferred tax assets relating to the carry forward of unused tax losses are recognized to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilized.

Youth Training and Employment Partnership Programme (YTEPP) Limited
Accounting policies (continued)
30 September 2015

j Income taxes (continued)

Deferred tax

Deferred income taxes are provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used to determine deferred income tax.

Under this method, a provision is made for deferred income taxes on the revaluation of certain non-current assets and, in relation to an acquisition, on the difference between the fair values of the net asset acquired and their tax bases.

k Revenue recognition

Enrolment fees are recognized on a cash received basis.

Other revenues earned by the company are recognized on the following bases:

Sponsorship funding and donations – on a cash received basis

Interest income – on an effective yield basis

l Pensions

The company pays contributions to a defined contribution pension scheme. A defined contribution pension scheme is a plan in which the company pays fixed contributions into a separate fund. Once the contributions have been paid, the company has no further payment obligations. The regular pension contributions are included in staff costs in the period in which they are due.

m 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 will be required to settle the obligation and a reliable estimate of the amount can be made.

n Impairment of financial assets

The company assesses at each balance sheet date whether there is any objective evidence that a financial asset is impaired. A financial asset is impaired when the carrying amount is greater than the recoverable amount and there is objective evidence of impairment.

o Comparatives

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

Youth Training and Employment Partnership Programme (YTEPP) Limited
Notes to the financial statements
30 September 2015

1 Incorporation and Principal Business Activity

The company is incorporated and domiciled in the Republic of Trinidad and Tobago. The address of the company's registered office is 1-13 Mulchan Seuchan Road, Chaguanas. The principal activity of the company is to provide persons between the ages of 15 and 60 years with the necessary skills through training, to become employable or self-employed.

2 Property, plant and equipment

| | Land, building & leasehold property \$ | Equipment \$ | Furniture & fixtures \$ | Motor vehicles \$ | Total \$ |
|-------------------------------------|--|---------------------|----------------------------------|-------------------------|---------------------|
| Year ended 30 September 2014 | | | | | |
| Opening net book amount | 24,718,756 | 14,068,101 | 6,147,835 | 869,332 | 45,804,024 |
| Additions | 602,704 | 2,000,446 | 748,973 | 1,786,370 | 5,138,493 |
| Disposals | -- | (862,514) | (284,080) | -- | (1,146,594) |
| Depreciation charge | (665,386) | (2,211,245) | (628,870) | (394,901) | (3,900,402) |
| Closing net book amount | <u>24,656,074</u> | <u>12,994,788</u> | <u>5,983,858</u> | <u>2,260,801</u> | <u>45,895,521</u> |
| At 30 September 2014 | | | | | |
| Cost | 27,952,256 | 29,639,667 | 10,477,389 | 5,334,262 | 73,403,574 |
| Accumulated depreciation | <u>(3,296,182)</u> | <u>(16,644,879)</u> | <u>(4,493,531)</u> | <u>(3,073,461)</u> | <u>(27,508,053)</u> |
| Net book amount | <u>24,656,074</u> | <u>12,994,788</u> | <u>5,983,858</u> | <u>2,260,801</u> | <u>45,895,521</u> |
| Year ended 30 September 2015 | | | | | |
| Opening net book amount | 24,656,074 | 12,994,788 | 5,983,858 | 2,260,801 | 45,895,521 |
| Additions | (2,410,012) | 1,624,629 | 545,386 | 3,315,446 | 3,075,449 |
| Transfers | -- | 48,305 | 3,807 | -- | 52,112 |
| Disposals | -- | (150,881) | (24,793) | (202,110) | (377,784) |
| Depreciation charge | (611,645) | (2,152,889) | (624,102) | (1,318,160) | (4,706,796) |
| Closing net book amount | <u>21,634,417</u> | <u>12,363,952</u> | <u>5,884,156</u> | <u>4,055,977</u> | <u>43,938,502</u> |
| At 30 September 2015 | | | | | |
| Cost | 25,542,245 | 30,568,230 | 11,010,739 | 7,108,051 | 74,229,265 |
| Accumulated depreciation | <u>(3,907,828)</u> | <u>(18,204,278)</u> | <u>(5,126,583)</u> | <u>(3,052,074)</u> | <u>(30,290,763)</u> |
| Net book amount | <u>21,634,417</u> | <u>12,363,952</u> | <u>5,884,156</u> | <u>4,055,977</u> | <u>43,938,502</u> |

Youth Training and Employment Partnership Programme (YTEPP) Limited
Notes to the financial statements (continued)
30 September 2015

3 Construction work in progress

| | 2015 \$ | 2014 \$ |
|--------------------------|-------------------|------------------|
| Balance brought forward | 6,067,837 | 303,399 |
| Expenses during the year | <u>27,925,569</u> | <u>5,764,438</u> |
| | <u>33,993,406</u> | <u>6,067,837</u> |

4 Inventories

| | | |
|----------------------------------|------------------|--------------------|
| Inventories at cost | 1,436,451 | 1,653,011 |
| Provision for obsolete inventory | <u>(974,650)</u> | <u>(1,102,547)</u> |
| | <u>461,801</u> | <u>550,464</u> |

5 Receivables and prepayments

| | | |
|------------------------------------|------------------|------------------|
| Prepayments and deposits | 1,735,558 | 1,605,505 |
| Trade receivables | 769,103 | 558,900 |
| Employee loans and advances | 341,081 | 523,651 |
| Other receivables | <u>53,970</u> | <u>472,217</u> |
| | 2,899,712 | 3,160,273 |
| Less: Provision for doubtful debts | <u>(678,080)</u> | <u>(678,080)</u> |
| | <u>2,221,632</u> | <u>2,482,193</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 | 298 | -- | -- | 4 | -- | 294 |
| 2014 | 559 | -- | 262 | -- | -- | 297 |

Youth Training and Employment Partnership Programme (YTEPP) Limited
Notes to the financial statements (continued)
30 September 2015

6 Cash at bank

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

| | 2015 | 2014 |
|-------------------|-------------------|--------------------|
| | \$ | \$ |
| Cash at bank | 11,484,580 | 26,999,815 |
| Money Market Fund | 2,645,514 | 5,713,336 |
| Cash in hand | <u>40,132</u> | <u>41,182</u> |
| Cash at bank | 14,170,226 | 32,754,333 |
| Bank Overdraft | <u>(3,129)</u> | <u>(1,197,047)</u> |
| Cash at bank | <u>14,167,097</u> | <u>31,557,286</u> |

7 Share capital

Authorised:

| | | |
|---|------------------|------------------|
| Unlimited number of ordinary shares of no par value | <u>Unlimited</u> | <u>Unlimited</u> |
| Issued and fully paid: | | |
| 646,313 ordinary shares of no par value | <u>646,313</u> | <u>646,313</u> |

8 Government revenue grants deferred

| | | |
|--|----------------------|----------------------|
| Balance as at 1 October, 2014 | 4,350,423 | 8,215,572 |
| Grants received from Government of Trinidad and Tobago | 132,000,000 | 123,932,000 |
| Adjustment to trade and other payables | 2,232,798 | -- |
| Amounts utilized during the year | <u>(122,642,512)</u> | <u>(127,797,149)</u> |
| Balance as at 30 September, 2015 | <u>15,940,709</u> | <u>4,350,423</u> |

9 Capital grants deferred

| | | |
|--|--------------------|--------------------|
| Balance as at 1 October, 2014 | 64,507,966 | 34,677,471 |
| Grants received from Government of Trinidad and Tobago | 1,500,000 | 32,535,000 |
| Amounts utilized during the year | <u>(2,237,866)</u> | <u>(2,704,505)</u> |
| Balance as at 30 September, 2015 | <u>63,770,100</u> | <u>64,507,966</u> |

Youth Training and Employment Partnership Programme (YTEPP) Limited
Notes to the financial statements (continued)
30 September 2015

| | | | |
|----|---|-------------------|-------------------|
| 10 | Trade and other payables | 2015 | 2014 |
| | | \$ | \$ |
| | Due to Ministry of Science, Technology & Tertiary Education | 7,363,886 | 7,651,886 |
| | Trade payables | 4,203,046 | 3,161,019 |
| | Payroll | 1,482,056 | 3,156,748 |
| | Accrued liabilities | <u>1,360,621</u> | <u>3,069,033</u> |
| | | <u>14,409,609</u> | <u>17,038,686</u> |

Trade and other payables are non – interest bearing.

11 Maturity profile

At 30 September the maturity profile of the company's financial liabilities are as follows:

| 2015 | Less than 3 months | 3-12 months | Total |
|---|-----------------------|-------------------|-------------------|
| Due to Ministry of Science, Technology & Tertiary Education | -- | 7,363,886 | 7,363,886 |
| Trade payables | 3,487,606 | 715,440 | 4,203,046 |
| Payroll | 904,024 | 578,032 | 1,482,056 |
| Accrued liabilities | <u>847,400</u> | <u>513,221</u> | <u>1,360,621</u> |
| | <u>5,239,030</u> | <u>9,170,579</u> | <u>14,409,609</u> |
| | | | |
| 2014 | Less than 3 months | 3-12 months | Total |
| Due to Ministry of Science, Technology & Tertiary Education | -- | 7,651,886 | 7,651,886 |
| Trade payables | 1,875,989 | 1,285,030 | 3,161,019 |
| Payroll | 2,456,325 | 700,423 | 3,156,748 |
| Accrued liabilities | <u>2,509,602</u> | <u>559,431</u> | <u>3,069,033</u> |
| | <u>6,841,916</u> | <u>10,196,770</u> | <u>17,038,686</u> |

| | | | |
|----|--|------------------|------------------|
| 12 | Other operating income | 2015 | 2014 |
| | Amortisation of government capital grants (note 8) | 2,237,866 | 2,704,505 |
| | Sundry income | <u>1,765,078</u> | <u>1,282,845</u> |
| | | <u>4,002,944</u> | <u>3,987,350</u> |

Youth Training and Employment Partnership Programme (YTEPP) Limited
Notes to the financial statements (continued)
30 September 2015

| 13 | Operating loss | 2015 | 2014 |
|----|---|-------------------|-------------------|
| | | \$ | \$ |
| | The company's operating loss includes the following items: | | |
| | Staff costs (note 14) | 56,221,065 | 58,180,732 |
| | Rental of properties | 10,864,593 | 10,307,470 |
| | Security | 6,647,167 | 6,838,533 |
| | Cost of inventories recognized as expense (Included in 'Direct costs of operations') | 2,988,466 | 2,278,878 |
| | Depreciation | 4,706,796 | 3,900,402 |
| | Repairs and maintenance | 2,218,847 | 2,036,918 |
| | Directors' fees and expenses | 720,000 | 711,000 |
| 14 | Net finance income | | |
| | Interest expense: | | |
| | - bank charges | (40,571) | (43,058) |
| | - Interest income earned | 28,543 | 76,657 |
| | | <u>(12,028)</u> | <u>33,599</u> |
| 15 | Taxation | | |
| | Business levy | 6,669 | 2,791 |
| | Green fund levy | 3,358 | 1,441 |
| | Total taxation credit for the year | <u>10,027</u> | <u>4,232</u> |
| 16 | Staff costs | | |
| | Wages and salaries | 49,869,304 | 51,200,812 |
| | Social security costs | 4,290,653 | 4,987,392 |
| | Pension contributions | 2,061,108 | 1,992,528 |
| | | <u>56,221,065</u> | <u>58,180,732</u> |

At 30 September 2015, the company had 1,365 employees (2014 - 710).

Youth Training and Employment Partnership Programme (YTEPP) Limited

Notes to the financial statements (continued)

30 September 2015

17 Related party transactions

The company's key management compensation earned total remuneration of \$688,500 (2014 - \$871,455) and directors' fees and costs totalled \$720,000 (2014 - \$711,000).

18 Capital reserves

This relates to 2 parcels of land situated in Valencia given to YTEPP by the Government for the construction of a training centre:

| | 2015 | 2014 |
|------------------------|----------------|----------------|
| | \$ | \$ |
| 1 parcel -21,000 sq ft | 495,000 | 495,000 |
| 1 parcel -17,227 sq ft | <u>405,000</u> | <u>405,000</u> |
| | <u>900,000</u> | <u>900,000</u> |

19 Capital commitments

Total capital commitments as at 30th September 2015 pertaining to contracts not yet completed are as follows:

| | |
|----------------------|---------------------|
| Total contract costs | 30,263,901 |
| Total payments | <u>(27,014,074)</u> |
| | <u>3,249,827</u> |

20 Leases

The company was engaged in eight (8) leases as at the financial year end. The future aggregate minimum lease payments of operating leases are as follows:

| | \$ | \$ | \$ | \$ |
|---------------------|-----------|------------|--------------|------------|
| | 12 months | 1-5 years | Over 5 years | Total |
| September 30th 2015 | 9,085,155 | 14,260,155 | -- | 23,345,310 |
| September 30th 2014 | 7,426,684 | 9,305,056 | -- | 16,731,740 |

21 Transactions undertaken on behalf of the Ministry of Science, Technology & Tertiary Education (MSTTE)

YTEPP Limited processed the payment of stipends of \$18,268,320 for On the Job Trainees (OJT's) on behalf of the Ministry of Science, Technology & Tertiary Education (MSTTE) during the financial year 2012. This was discontinued in December 2011.

As at September 2015, there was an amount due to MSTTE of \$7,363,886.

Youth Training and Employment Partnership Programme (YTEPP) Limited

Notes to the financial statements (continued)

30 September 2015

22 Prior period adjustment

The adjustment is due to the clearing of un-reconciled items in the payables subledger relating to prior period expenses. This had no effect on the statement of comprehensive income however; it did lead to an adjustment in retained earnings.

Youth Training and Employment Partnership Programme (YTEPP) Limited

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

| 1 | Direct costs of operations | 2015 | 2014 |
|---|--|--------------------|--------------------|
| | | \$ | \$ |
| | Salaries and wages | 56,221,065 | 58,180,732 |
| | Stipends | 19,654,582 | 22,531,702 |
| | Rent | 10,864,593 | 10,307,470 |
| | Security | 6,647,167 | 6,838,533 |
| | Depreciation | 4,706,796 | 3,900,402 |
| | Utilities and telephone | 3,342,461 | 3,224,417 |
| | Materials and inventories consumed | 2,988,476 | 2,278,878 |
| | Repairs and maintenance | 2,218,847 | 2,036,918 |
| | Travelling | 1,796,059 | 2,139,764 |
| | Insurance | 1,616,603 | 1,505,833 |
| | Advertising and promotion | 1,006,923 | 1,523,876 |
| | Meetings, conferences & workshops | 852,480 | 574,632 |
| | Validators' fees | 517,200 | 615,325 |
| | Motor vehicle costs | 468,316 | 503,191 |
| | Graduation expenses | 183,465 | 278,629 |
| | Bad debts | 10,632 | 11,250 |
| | | <u>113,095,645</u> | <u>116,451,552</u> |
| 2 | Administrative expenses | | |
| | Legal, professional & consultancy fees | 9,580,877 | 10,738,855 |
| | Office expenses | 1,267,982 | 1,474,397 |
| | Printing and stationery | 810,114 | 655,179 |
| | Entertainment | 796,003 | 1,263,349 |
| | Directors' fees and expenses | 720,000 | 711,000 |
| | Staff benefits | 385,185 | 265,320 |
| | Accounting and audit fees | 137,000 | 160,000 |
| | Loss on disposals | 120,992 | 1,146,494 |
| | Computer costs | 69,553 | 74,472 |
| | Subscriptions | 62,689 | 41,609 |
| | Donations | 43,900 | 54,250 |
| | | <u>13,994,295</u> | <u>16,584,925</u> |