

Audited Financial Statements

**CENTRE FOR TRAINING AND  
INNOVATION**

30 June 2019

# **CENTRE FOR TRAINING AND INNOVATION**

Audited Financial Statements

30 June 2019

## **C O N T E N T S**

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**INDEPENDENT AUDITORS' REPORT****T:** +1 (242) 322-7516  
**F:** +1 (242) 322-7517To the Members of  
**CENTRE FOR TRAINING AND INNOVATION**info@bakertilly.bs  
www.bakertilly.bs***Opinion***

We have audited the accompanying financial statements of Centre for Training and Innovation ("CTI" or "the Company"), which comprise the statement of financial position as at June 30, 2019, and the statements of income and retained funds 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 CTI as at June 30, 2019 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-sized Entities ("IFRS for SMEs").

***Basis for 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 Organization in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our other responsibilities in accordance 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 the financial statements in accordance with IFRS for SMEs and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing CTI's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate CTI or to cease operations, or has no realistic alternative but to do so.

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

To the Members of  
**CENTRE FOR TRAINING AND INNOVATION**

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls 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 CTI's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on CTI's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

To the Members of  
**CENTRE FOR TRAINING AND INNOVATION**

***Auditors' Responsibilities for the Audit of the Financial Statements (continued)***

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

20 August 2021

Nassau, The Bahamas

  
**CHARTERED ACCOUNTANTS**

# CENTRE FOR TRAINING AND INNOVATION

Statement of Financial Position  
(Expressed in Bahamian dollars)

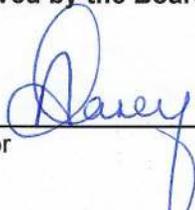
As at 30 June 2019

	Notes	2019 \$	2018 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	316,348	266,056
Accounts and other receivables	6	52,317	47,817
Due from related party	7	-	151,600
		368,665	465,473
<b>NON-CURRENT ASSETS</b>			
Other assets	8	51,825	50,025
Property and equipment, net	9	2,897,373	2,945,648
		2,949,198	2,995,673
<b>TOTAL ASSETS</b>		3,317,863	3,461,146
<b>LIABILITIES AND ACCUMULATED FUNDS</b>			
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and accrued expenses	10	105,411	29,239
Mortgage payable	11	-	300,493
		105,411	329,732
<b>ACCUMULATED FUNDS</b>			
Unrestricted fund		2,579,337	2,781,568
Restricted fund		633,115	349,846
		3,212,452	3,131,414
<b>TOTAL LIABILITIES AND ACCUMULATED FUNDS</b>		3,317,863	3,461,146

## COMMITMENTS

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Approved by the Board of Directors and signed on its behalf by:

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

20 August 2021  
\_\_\_\_\_  
Date

See accompanying notes. Independent Auditors' Report pages 1 through 3.

# CENTRE FOR TRAINING AND INNOVATION

Statement of Income and Retained Funds  
(Expressed in Bahamian dollars)

Year ended 30 June 2019

	Notes	Unrestricted fund		Restricted fund		Total funds	
		2019	2018	2019	2018	2019	2018
		\$	\$	\$	\$	\$	\$
<b>INCOME</b>							
Donations	7	1,283,325	2,065,821	486,148	175,871	1,769,473	2,241,692
Tuition and fees		25,822	64,170	-	-	25,822	64,170
Other income	5, 8	116,116	124,746	-	-	116,116	124,746
<b>Total Income</b>		<b>1,425,263</b>	<b>2,254,737</b>	<b>486,148</b>	<b>175,871</b>	<b>1,911,411</b>	<b>2,430,608</b>
<b>EXPENSES</b>							
Salaries and wages	13	848,805	910,232	-	-	848,805	910,232
Others		12,397	20,400	202,879	81,274	215,276	101,674
Office expense, supplies and postage		142,930	101,904	-	-	142,930	101,904
Projects		130,274	42,998	-	-	130,274	42,998
Professional fees		111,858	60,547	-	-	111,858	60,547
School expense		103,651	44,779	-	-	103,651	44,779
Depreciation	9	56,639	56,338	-	-	56,639	56,338
Contractual services		54,165	52,483	-	-	54,165	52,483
Repairs and maintenance		49,537	39,815	-	-	49,537	39,815
Utilities		48,099	42,624	-	-	48,099	42,624
Insurance		15,146	14,404	-	-	15,146	14,404
Advertisement and marketing		13,963	4,173	-	-	13,963	4,173
Travel		11,594	15,546	-	-	11,594	15,546
Rent		10,250	-	-	-	10,250	-
Interest	11	7,884	27,118	-	-	7,884	27,118
Impairment loss on vehicle	9	7,591	-	-	-	7,591	-
Seminars and training		1,969	4,356	-	-	1,969	4,356
Charitable contributions		742	48,520	-	-	742	48,520
Loss on disposal of vehicle	9	-	6,264	-	-	-	6,264
<b>Total Expenses</b>		<b>1,627,494</b>	<b>1,492,501</b>	<b>202,879</b>	<b>81,274</b>	<b>1,830,373</b>	<b>1,573,775</b>
<b>(DEFICIT) SURPLUS OF INCOME OVER EXPENSES</b>	12	<b>( 202,231)</b>	<b>762,236</b>	<b>283,269</b>	<b>94,597</b>	<b>81,038</b>	<b>856,833</b>
<b>ACCUMULATED FUND BALANCE, Beginning of the year</b>		<b>2,781,568</b>	<b>2,019,332</b>	<b>349,846</b>	<b>255,249</b>	<b>3,131,414</b>	<b>2,274,581</b>
<b>ACCUMULATED FUND BALANCE, End of the year</b>		<b>2,579,337</b>	<b>2,781,568</b>	<b>633,115</b>	<b>349,846</b>	<b>3,212,452</b>	<b>3,131,414</b>

See accompanying notes. Independent Auditors' Report pages 1 through 3.

# CENTRE FOR TRAINING AND INNOVATION

Statement of Cash Flows  
(Expressed in Bahamian dollars)

Year ended 30 June 2019

	Notes	2019 \$	2018 \$
<b>CASH AND CASH EQUIVALENTS PROVIDED BY / (USED IN):</b>			
<b>OPERATING ACTIVITIES</b>			
Surplus of income over expenses		81,038	856,833
Adjustment for non-cash item:			
Interest income	5	( 24)	( 72)
Depreciation	9	56,639	56,338
Interest expense	11	7,884	27,118
Impairment loss	9	7,591	-
Loss on disposal of vehicle	9	-	6,264
Changes in operating assets and liabilities:			
Increase in accounts and other receivables		( 4,500)	( 47,444)
Decrease / (increase) in due from related party		151,600	(151,600)
Increase in accounts payable and accrued expenses		76,672	3,049
Interest received	5	24	72
Interest paid	11	( 7,884)	( 27,118)
Net cash provided by operating activities		369,040	723,440
<b>INVESTING ACTIVITIES</b>			
Purchases of property and equipment	9	( 16,455)	(106,115)
Proceeds from disposal of property and equipment		-	200
Increase in other assets		( 1,800)	( 49,900)
Net cash used in investing activities		( 18,255)	(155,815)
<b>FINANCING ACTIVITY</b>			
Decrease in mortgage payable		(300,493)	(384,054)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS DURING THE YEAR</b>			
		50,292	183,571
Cash and cash equivalents, beginning of the year		266,056	82,485
<b>CASH AND CASH EQUIVALENTS, END OF THE YEAR</b>			
		316,348	266,056

See accompanying notes. Independent Auditors' Report pages 1 through 3.

# CENTRE FOR TRAINING AND INNOVATION

Notes to Financial Statements

30 June 2019

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## 1. GENERAL INFORMATION AND NATURE OF OPERATIONS

The Centre for Training and Innovation (“CTI” or the “Company”) was incorporated on 4 May 2016, in the Commonwealth of The Bahamas as a company limited by guarantee. Therefore, CTI has no authorized capital but is limited by guarantee whereby each member has agreed that in the event of the Company’s winding up and its liabilities exceed its assets to contribute up to ten dollars (\$10) each. The One Eleuthera Foundation (“OEF”), a related party, was appointed as a Founding Member. At June 30, 2019, CTI had four (4) members (2018: 4).

CTI program provides tertiary level educational and vocational training to students on Eleuthera providing personal and social skill developments whilst instilling a spirit of independence, innovation and community development, and accommodates the needs of the labor market through its programs and courses.

The registered office of CTI is located at 3 Bayside Executive Park, West Bay Street and Blake Road, P.O. Box N-4875 Nassau, The Bahamas. CTI’s business office is located at Mingo Drive and Queens Highway, Rock Sound, Eleuthera.

## 2. STATEMENT OF COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Company’s financial statements are presented in accordance with International Financial Reporting Standards for Small and Medium-sized Entities (“IFRS for SMEs”) as issued by the International Accounting Standards Board (“IASB”), and prepared under the historical cost convention and are presented in Bahamian dollars, the Company’s functional currency. The Board of Directors determined that IFRS for SMEs is the appropriate financial reporting standard rather than full IFRS because the Company’s activities are fairly simple and limited in scope and do not encompass the wide array of business activities that is contemplated by full IFRS.

## 3. NEW AND REVISED STANDARDS OR INTERPRETATIONS

The IASB has not made amendments to the IFRS for SME’s during the year.

## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied, unless otherwise stated.

### Management’s use of judgments and estimates

The Company uses accounting estimates and assumptions in the preparation of these financial statements. Although these estimates are based on management’s best knowledge of current events and transactions, actual results may ultimately differ from those estimates. The effect of any changes in estimates will be recorded in the Company’s financial statements when determinable.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

# CENTRE FOR TRAINING AND INNOVATION

Notes to Financial Statements

30 June 2019

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## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Management's use of judgments and estimates (continued)

The following presents a summary of these significant estimates and judgments:

#### Estimates

##### *Estimation of useful lives of property and equipment*

Useful lives of property and equipment are estimated based on the period over which these assets are expected to be available for use.

#### Judgments

##### *Operating lease commitments - Company as lessee*

Management exercises judgment in determining whether substantially all the significant risks and rewards of ownership of the leased assets are transferred to the Company. Lease contracts, which transfer to the Company substantially all the significant risks and rewards incidental to ownership of the leased items, are classified as finance leases. Otherwise, they are considered as operating leases.

The Company entered into an agreement with a partner organization to lease a classroom space for one of its programs, and determined, based on an evaluation of the terms and conditions of the arrangement, that the lessor retains all the significant risks and rewards of ownership of the property and therefore accounts for the contract as an operating lease.

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

Cash and cash equivalents are comprised of depository accounts with banks, other financial institutions and cash on hand which are subject to an insignificant risk of change in value.

##### **Accounts and other receivables and other assets**

Accounts and other receivables and other assets are recognized initially at the transaction price. They are subsequently measured at amortized cost using the effective interest method, less provision for doubtful debts. A provision for doubtful debts 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 financial asset.

##### **Property and equipment, net**

Property and equipment are tangible assets like land, buildings, machinery and equipment, vehicles and construction in progress. Land is stated at cost and not depreciated. When acquiring land, certain costs are ordinary and necessary and are capitalized and part of the total cost of the real property. These costs include the cost of the land, title fees, legal fees, survey costs, and zoning fees. Also included are site preparation costs like grading and draining, or the cost to raze an old structure. All of these costs may be considered ordinary and necessary to get the land ready for its intended use.

# CENTRE FOR TRAINING AND INNOVATION

Notes to Financial Statements

30 June 2019

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## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Property and equipment, net (continued)

Buildings, machinery and equipment and vehicles are initially recorded at cost less depreciation in the statement of financial position. All costs associated with the purchase or construction shall be considered, including ancillary costs such as freight and transportation charges, site preparation expenditures, installation charges, professional fees, and legal costs directly attributable to asset acquisition.

Where an item of property, and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Repair costs for property and equipment will be subject to capitalization when the repair extends the useful life of the related asset. The cost is recorded as an increase to the appropriate asset account.

CTI capitalizes all expenditure on property and equipment with a cost greater than or equal to \$2,500 and a useful life of at least three (3) years, unless otherwise stipulated by a grant. When an asset is purchased through a grant, the grant's capitalization rules apply. CTI will conduct a regular inventory of its property and equipment and maintain a central list which includes date of purchase, registration numbers, warranty information, original cost, and the assets' estimated useful lives.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the statement of income and retained funds.

Capital projects will be capitalized as "construction in progress" until completed. Costs to be capitalized include direct costs, such as labor, materials, and transportation and indirect costs such as engineering and construction management. Construction in progress relates to assets not yet placed in service. In addition, preliminary planning, professional fees and other costs which are, or are anticipated to be, associated with acquiring and developing the project are also capitalized in construction in progress. In the event alternative schemes are implemented, aborted construction in progress costs will be expensed. No depreciation is charged on construction in progress, as there is no consumption of the economic benefit until the asset reaches practical completion.

Donated assets and capitalized donated leases are recorded at their estimated fair values at the date of donation.

Depreciation and amortization are computed on a straight-line basis using the assets' estimated useful lives as follows:

	Years
Buildings	20 - 50 years
Machinery and equipment	10 - 25 years
Vehicles	3 - 6 years
Small and large appliances	2 years

# CENTRE FOR TRAINING AND INNOVATION

Notes to Financial Statements

30 June 2019

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## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Property and equipment, net (continued)

When assets are retired or otherwise disposed of, the costs and related accumulated depreciation are removed from the accounts and any resulting gain or loss is credited or charged to operations.

### Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the Company. All other leases are classified as operating leases.

Rights to assets held under finance leases are recognized as assets of the Company at the fair value of the leased property (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in statement of income and retained funds. Assets held under finance leases are included in property, plant and equipment, and depreciated and assessed for impairment losses in the same way as owned assets.

Rentals payable or paid under operating leases are charged to statement of income and retained funds on a straight-line basis over the term of the relevant lease.

### Impairment of non-financial assets

An assessment is made at each reporting date to determine whether there is any indication of impairment of any assets. If any such indication exists, the asset's recoverable amount is estimated. An asset's recoverable amount is computed as the higher of the asset's value in use or its net selling price. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

An assessment is made at each reporting date to determine whether there is any indication of impairment of any assets. If any such indication exists, the asset's recoverable amount is estimated. An asset's recoverable amount is computed as the higher of the asset's value in use or its net selling price.

An impairment loss is recognized only if the carrying amount of an asset exceeds its recoverable amount.

An impairment loss is charged to operations in the period in which it arises unless the asset is carried at a revalued amount in which case the impairment is charged to the revaluation increment of the said asset.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset, however, not to an amount higher than the carrying amount that would have been determined (net of any depreciation).

# CENTRE FOR TRAINING AND INNOVATION

Notes to Financial Statements

30 June 2019

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## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### **Impairment of non-financial assets (continued)**

A reversal of an impairment loss is credited to current operations.

### **Accounts payable and accrued expenses**

Accounts payable and accrued expenses are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

### **Restricted funds**

Restricted funds are donations and gifts received by the Company for a specific program. The receipt and expenditure of restricted funds are reported in the statement of income and retained funds except the expenditure of restricted funds to purchase capital assets. The receipt of such funds is reported as income and once the capital assets are acquired an amount equal to the cost of the capital assets is transferred from the Accumulated Fund - Restricted to the Accumulated Fund - Unrestricted.

### **Unrestricted fund**

The unrestricted fund comprises donations and gifts received by the Company upon which donors have not imposed any restrictions on their expenditure.

### **Income**

Income arises mainly from donations and gifts.

Income is recognized to the extent that it is probable that the economic benefits will flow to the Company and the income can be reliably measured. The following specific recognition criteria must also be met before income is recognized:

#### ***Donations and gifts***

Donation and gifts income are recognized upon cash receipt from the respective donors throughout the period.

#### **Expenses**

Expenses are recognized in the statement of income and retained funds upon utilization of the service or at the date of their origin.

#### ***Other income and expenses***

Other income and expenses are recorded on the accrual basis.

# CENTRE FOR TRAINING AND INNOVATION

Notes to Financial Statements

30 June 2019

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## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Income Taxes and Value Added Tax

There are no income taxes imposed on the Company in the Commonwealth of The Bahamas. On 1 January 2015, the Value Added Tax (VAT) Act came into force and essentially all goods and services in The Bahamas became subject to VAT at the rate of 7.5%. The Company as a not-for-profit entity, is not considered assessable to VAT on its revenue but is subject to VAT on the purchase of goods and services. Effective 1 July 2018, the regular VAT rate increased from 7.5% to 12%.

### Related party transactions

Transactions between related parties are based on terms similar to those offered to nonrelated parties. Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions and the parties are subject to common control or common significant influence.

### Post-reporting date events

Post-reporting date events that provide additional information about the Organization's position at the reporting date (adjusting event) are reflected in the financial statements. Post-reporting date events that are not adjusting events, if any, are disclosed when material to the financial statements.

## 5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at 30 June 2019 are comprised of the following:

	2019	2018
	\$	\$
RBC Royal Bank (Bahamas) Limited - current	289,714	249,775
One Eleuthera Cooperative Credit Union Limited - savings	14,570	6,166
RBC Royal Bank (Bahamas) Limited - fixed deposit	10,000	10,000
Cash on hand	2,064	115
<b>Total cash at banks and on hand</b>	<b>316,348</b>	<b>266,056</b>

The current account with RBC Royal Bank (Bahamas) Limited is non-interest bearing. The RBC Royal Bank (Bahamas) Limited - fixed deposit is held as security for the Company's credit card facility and is non-interest bearing.

During the year, the savings account with One Eleuthera Cooperative Credit Union Limited (OECCUL), a related party, earns interest at 0.5% annually (2018: 0.5%). Interest income earned and received from the savings account during the year amounted to \$24 (2018: \$72), which is presented as other income in the Company's Statement of Income and Retained Funds.

# CENTRE FOR TRAINING AND INNOVATION

Notes to Financial Statements

30 June 2019

## 6. ACCOUNTS AND OTHER RECEIVABLES

Accounts and other receivables as at 30 June 2019 are comprised of the following:

	2019	2018
	\$	\$
Harbour island project receivable	27,300	-
Vocational/ technical receivables	7,900	17,280
Professional/ academic receivables	6,440	5,520
Hotel receivables	5,054	12,778
Hospitality receivables	3,459	6,920
Culinary receivables	1,283	3,867
Others	881	1,452
	52,317	47,817

The Company's accounts and other receivables have been reviewed by management for indicators of impairment. Certain accounts if found to be impaired were identified and an impairment loss will be recorded. Management estimated that there were no impairment losses during the year.

## 7. DUE FROM RELATED PARTY

On 22 June 2018, OEF was appointed as a founding member of the Company.

During the year, CTI earned unrestricted donations of \$1,283,325 (2018: \$2,065,821), of which \$350,000 was donated directly by OEF and \$933,325 were donations from other donors received through OEF. As at 30 June 2019, there was no receivable from OEF (2018: \$151,600).

## 8. OTHER ASSETS

As at 30 June 2019, other assets amounted to \$51,825 (2018: \$50,025), of which \$50,025 represents investment in member shares with OECCUL and are recorded at cost.

During the year, the Company earned and received dividends on these shares amounting to \$35 (2018: \$42) and are recognized in the Statement of Income and Retained Funds as other income.

# CENTRE FOR TRAINING AND INNOVATION

Notes to Financial Statements

30 June 2019

## 9. PROPERTY AND EQUIPMENT, net

Property and equipment, net, as at 30 June 2019 are comprised of the following:

	Land	Buildings	Machinery & Equipment	Vehicles	Small & Large Appliances	Construction in Progress	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Cost:</b>							
Balance at 30 June 2017	986,228	1,289,332	49,968	18,414	8,875	595,830	2,948,647
Additions during the year	-	-	21,427	29,500	52,951	2,237	106,115
Disposals during the year	-	-	-	(11,864)	-	-	( 11,864)
Reclassifications	-	598,067	-	-	-	(598,067)	-
Balance at 30 June 2018	986,228	1,887,399	71,395	36,050	61,826	-	3,042,898
Additions during the year	-	-	16,455	-	-	-	16,455
Disposals during the year	-	-	-	( 6,550)	-	-	( 6,550)
Balance at 30 June 2019	986,228	1,887,399	87,850	29,500	61,826	-	3,052,803
<b>Accumulated depreciation and impairment:</b>							
Balance at 30 June 2017	-	( 29,822)	( 6,716)	( 9,328)	( 446)	-	( 46,312)
Depreciation for the year	-	( 40,253)	( 5,554)	( 4,506)	( 6,025)	-	( 56,338)
Disposals during the year	-	-	-	5,400	-	-	5,400
Balance at 30 June 2018	-	( 70,075)	( 12,270)	( 8,434)	( 6,471)	-	( 97,250)
Depreciation for the year	-	( 40,253)	( 6,069)	( 4,292)	( 6,025)	-	( 56,639)
Disposals during the year	-	-	-	6,050	-	-	6,050
Impairment loss during the year	-	-	-	( 7,591)	-	-	( 7,591)
Balance at 30 June 2019	-	( 110,328)	( 18,339)	(14,267)	(12,496)	-	( 155,430)
<b>Net carrying values:</b>							
At 30 June 2019	986,228	1,777,071	69,511	15,233	49,330	-	2,897,373
At 30 June 2018	986,228	1,817,324	59,125	27,616	55,355	-	2,945,648

The Company recognized a loss on disposal of vehicle amounting to Nil during the year (2018: \$6,264).

During the year, the Company recognized an impairment loss on its vehicle amounting to \$7,591 (2018: Nil) due to the total damage brought about by an accident.

# CENTRE FOR TRAINING AND INNOVATION

Notes to Financial Statements

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## 10. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses as at 30 June 2019 consist of the following:

	2019	2018
	\$	\$
Accounts payable	87,845	6,739
Accrued expenses	17,566	22,500
	105,411	29,239

## 11. MORTGAGE PAYABLE

On 17 May 2016, the Rock Sound Plantation Company Limited ("the Seller") conveyed to CTI land and buildings known as the Rock Sound Club, Rock Sound Nursery, Rock Sound Field, the office and house on the island of Eleuthera for a total purchase price of \$2,050,000. Of this amount \$1,000,000 was payable at the closing and the Seller gave a mortgage of \$1,050,000 to CTI. The mortgage bears interest at 5% per annum and requires CTI to make quarterly payments of \$102,793 (principal and interest) commencing 1 June 2016 and expiring on 28 February 2019.

On 15 February 2019, the mortgage payable to the Seller was fully settled. The Company's mortgage payable balance amounted to \$300,493 as at 30 June 2018.

Movements in mortgage payable during the year are as follows:

	2019	2018
	\$	\$
Balance, beginning of the year	300,493	684,547
Less: Repayments	(300,493)	(384,054)
Balance, end of the year	-	300,493
Less: Non-current portion	-	-
Current portion of mortgage payable	-	300,493

Interest expense incurred and paid by the Company during the year amounted to \$7,884 (2018: \$27,118).

## 12. RESTRICTED FUND

During the year, CTI received donations in the amount of \$486,148 to assist with its restricted programs (2018: \$175,871).

During the year, the Company's surplus of income over expenses for restricted fund amounted to 283,269 (2018: \$94,597).

## 13. OTHER RELATED PARTY TRANSACTIONS

Other related party transactions are comprised of the following:

		2019	2018
	Related party	\$	\$
<b>Transactions</b>			
Salaries and wages	Key management personnel	136,000	136,000

# CENTRE FOR TRAINING AND INNOVATION

Notes to Financial Statements

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## 14. LEASE COMMITMENT

### Operating Lease

During the year, CTI utilizes rooms at The South Eleuthera Mission for classrooms as well as the provision of a private office for student counseling for a charge of \$50 per class session/room. The Company incurred rent expense amounting to \$10,250 during the year (2018: Nil).

There is no future minimum lease payments as the lease charge is on a per use basis.

## 15. POST-REPORTING DATE EVENTS

The Company evaluated the impact of all post-reporting date events from 1 July 2019 and up to 20 August 2021, the date of authorization of these financial statements that require adjustments or disclosure in the financial statements.

On 11 March 2020, The World Health Organization declared the outbreak of the Novel Coronavirus 2019 (COVID-19), a pandemic. The Company has not experienced an immediate impact to its operations. Also, it is unclear what impact the global recession will have on the Company's operations and strategic direction, however, given the nature of its business, and the fact that many of its clients are outside the tourism sector which has been most hard hit as a result of COVID-19, lends encouragement to the Company's outlook. The situation nonetheless is dynamic, therefore the extent and duration of the impact of these current conditions on the Company's operations remain uncertain and depend largely on future developments that cannot be accurately predicted or measured at this time.

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