

Audited Financial Statements

**CENTRE FOR TRAINING AND  
INNOVATION**

30 June 2020

# **CENTRE FOR TRAINING AND INNOVATION**

Audited Financial Statements

30 June 2020

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

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	<b>Page</b>
Independent Auditors' Report	1-3
Statement of Financial Position	4
Statement of Income and Accumulated Funds	5
Statement of Cash Flows	6
Notes to Financial Statements	7-16

**INDEPENDENT AUDITORS' REPORT**To 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 30 June 2020, and the statements of income and accumulated 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 30 June 2020 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 Company 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 Company 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.

4 October 2021

Nassau, The Bahamas



**CHARTERED ACCOUNTANTS**

# CENTRE FOR TRAINING AND INNOVATION

Statement of Financial Position  
(Expressed in Bahamian dollars)

As at 30 June 2020

	Notes	2020 \$	2019 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	200,718	316,348
Accounts and other receivables	6	44,782	52,317
		245,500	368,665
<b>NON-CURRENT ASSETS</b>			
Other asset	7	50,025	51,825
Property and equipment, net	8	3,023,473	2,897,373
		3,073,498	2,949,198
<b>TOTAL ASSETS</b>		3,318,998	3,317,863
<b>LIABILITIES AND ACCUMULATED FUNDS</b>			
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and accrued expenses	9	91,385	105,411
Other liabilities		7,224	-
		98,609	105,411
<b>ACCUMULATED FUNDS</b>			
Unrestricted fund		2,344,114	2,579,337
Restricted funds		876,275	633,115
		3,220,389	3,212,452
<b>TOTAL LIABILITIES AND ACCUMULATED FUNDS</b>		3,318,998	3,317,863

## COMMITMENTS

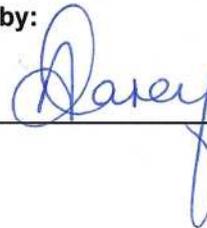
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Approved by the Board of Directors and signed on its behalf by:

Director



Director



4 October 2021

Date

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

# CENTRE FOR TRAINING AND INNOVATION

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

Year ended 30 June 2020

	Notes	Unrestricted fund		Restricted funds		Total funds	
		2020 \$	2019 \$	2020 \$	2019 \$	2020 \$	2019 \$
<b>INCOME</b>							
Donations	11	1,292,714	1,283,325	540,759	486,148	1,833,473	1,769,473
Tuition and fees		69,139	25,822	-	-	69,139	25,822
Other income	5, 7	527,206	116,116	-	-	527,206	116,116
<b>Total Income</b>		<b>1,889,059</b>	<b>1,425,263</b>	<b>540,759</b>	<b>486,148</b>	<b>2,429,818</b>	<b>1,911,411</b>
<b>EXPENSES</b>							
Salaries and wages	12	1,329,045	848,805	-	-	1,329,045	848,805
Others		10,148	12,397	297,599	202,879	307,747	215,276
Office expense, supplies and postage		257,011	142,930	-	-	257,011	142,930
Contractual services		209,704	54,165	-	-	209,704	54,165
Professional fees		64,263	111,858	-	-	64,263	111,858
Depreciation	8	57,554	56,639	-	-	57,554	56,639
Utilities		47,528	48,099	-	-	47,528	48,099
Repairs and maintenance		41,637	49,537	-	-	41,637	49,537
Projects		36,891	130,274	-	-	36,891	130,274
Insurance		18,933	15,146	-	-	18,933	15,146
Seminars and training		15,865	1,969	-	-	15,865	1,969
Rent	13	11,950	10,250	-	-	11,950	10,250
School expense		7,430	103,651	-	-	7,430	103,651
Travel		7,430	11,594	-	-	7,430	11,594
Charitable contributions		4,977	742	-	-	4,977	742
Advertisement and marketing		3,916	13,963	-	-	3,916	13,963
Interest	10	-	7,884	-	-	-	7,884
Impairment loss on vehicle	8	-	7,591	-	-	-	7,591
<b>Total Expenses</b>		<b>2,124,282</b>	<b>1,627,494</b>	<b>297,599</b>	<b>202,879</b>	<b>2,421,881</b>	<b>1,830,373</b>
<b>SURPLUS (DEFICIT) OF INCOME OVER EXPENSES</b>	11	<b>( 235,223)</b>	<b>( 202,231)</b>	<b>243,160</b>	<b>283,269</b>	<b>7,937</b>	<b>81,038</b>
<b>ACCUMULATED FUNDS, Beginning 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>
<b>ACCUMULATED FUNDS, End of the year</b>		<b>2,344,114</b>	<b>2,579,337</b>	<b>876,275</b>	<b>633,115</b>	<b>3,220,389</b>	<b>3,212,452</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 2020

	Notes	2020 \$	2019 \$
<b>CASH AND CASH EQUIVALENTS PROVIDED BY (USED IN):</b>			
<b>OPERATING ACTIVITIES</b>			
Surplus of income over expenses		7,937	81,038
Adjustment for non-cash items:			
Interest income	5	( 76)	( 24)
Dividend income	7	( 61)	( 35)
Depreciation	8	57,554	56,639
Gain on sale of vehicle	8	( 939)	-
Interest expense	10	-	7,884
Impairment loss	8	-	7,591
Changes in operating assets and liabilities:			
Decrease/(Increase) in accounts and other receivables		7,535	( 4,500)
Decrease in due from related party		-	151,600
(Decrease)/Increase in accounts payable and accrued expenses		( 14,026)	76,672
Increase in other liabilities		7,224	-
Interest received	5	76	24
Dividend received	7	61	35
Interest paid	10	-	( 7,884)
Net cash provided by operating activities		65,285	369,040
<b>INVESTING ACTIVITIES</b>			
Purchases of property and equipment	8	(183,655)	( 16,455)
Proceeds from disposal of property and equipment	8	940	-
Decrease/(Increase) in other asset	8	1,800	( 1,800)
Net cash used in investing activities		(180,915)	( 18,255)
<b>FINANCING ACTIVITY</b>			
Decrease in mortgage payable		-	(300,493)
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS DURING THE YEAR</b>		(115,630)	50,292
Cash and cash equivalents, beginning of the year		316,348	266,056
<b>CASH AND CASH EQUIVALENTS, END OF THE YEAR</b>		200,718	316,348

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

# CENTRE FOR TRAINING AND INNOVATION

Notes to Financial Statements

30 June 2020

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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 one of its Founding Members. At 30 June 2020, CTI had four (4) founding members (2019: 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 2020

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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 asset**

Accounts and other receivables and Other asset 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 2020

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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 accumulated 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 2020

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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 accumulated 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 accumulated 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 2020

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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 or social purpose. The receipt and expenditure of restricted funds are reported in the statement of income and accumulated 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 accumulated 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 2020

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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 Company'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 2020 are comprised of the following:

	2020	2019
	\$	\$
RBC Royal Bank (Bahamas) Limited - current	167,748	289,714
One Eleuthera Cooperative Credit Union Limited - savings	22,620	14,570
RBC Royal Bank (Bahamas) Limited - fixed deposit	10,000	10,000
Cash on hand	350	2,064
	<u>200,718</u>	<u>316,348</u>

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 (2019: 0.5%). Interest income earned and received from the savings account during the year amounted to \$76 (2019: \$24), which is presented as other income in the Company's Statement of Income and Accumulated Funds.

# CENTRE FOR TRAINING AND INNOVATION

Notes to Financial Statements

30 June 2020

## 6. ACCOUNTS AND OTHER RECEIVABLES

Accounts and other receivables as at 30 June 2020 are comprised of the following:

	2020	2019
	\$	\$
Hospitality receivables	25,620	3,459
Services rendered receivables	9,260	857
Hotel receivables	3,041	5,054
Vocational/ technical receivables	2,640	7,900
Culinary receivables	2,356	1,283
Others	1,139	24
Professional/ academic receivables	726	6,440
Harbour Island project receivable	-	27,300
	44,782	52,317

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. OTHER ASSET

As at 30 June 2020, other asset amounted to \$50,025 (2019: \$51,825), which comprises an investment in member shares with OECCUL amounting to \$50,025 and is recorded at cost.

During the year, the Company earned and received dividends on these shares amounting to \$61 (2019: \$35) and are recognized in the Statement of Income and Accumulated Funds as other income.

# CENTRE FOR TRAINING AND INNOVATION

Notes to Financial Statements

30 June 2020

## 8. PROPERTY AND EQUIPMENT, net

Property and equipment, net, as at 30 June 2020 are comprised of the following:

	Land	Buildings	Machinery & Equipment	Vehicles	Small & Large Appliances	Total
	\$	\$	\$	\$	\$	\$
<b>Cost:</b>						
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
Additions during the year	-	183,655	-	-	-	183,655
Disposals during the year	-	-	-	(12,000)	-	( 12,000)
Balance at 30 June 2020	986,228	2,071,054	87,850	17,500	61,826	3,224,458
<b>Accumulated depreciation and impairment:</b>						
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)
Impairment loss during the year	-	-	-	( 7,591)	-	( 7,591)
Disposals during the year	-	-	-	6,050	-	6,050
Balance at 30 June 2019	-	( 110,328)	( 18,339)	(14,267)	(12,496)	( 155,430)
Depreciation for the year	-	( 40,753)	( 6,809)	( 3,967)	( 6,025)	( 57,554)
Disposals during the year	-	-	-	11,999	-	11,999
Balance at 30 June 2020	-	( 151,081)	( 25,148)	( 6,235)	(18,521)	( 200,985)
<b>Net carrying values:</b>						
At 30 June 2020	986,228	1,919,973	62,702	11,265	43,305	3,023,473
At 30 June 2019	986,228	1,777,071	69,511	15,233	49,330	2,897,373

In 2019, the Company recognized an impairment loss on its vehicle amounting to \$7,591 due to the total damage brought about by an accident. During the year, the Company sold the fully impaired vehicle for \$940 and recognized a gain on sale amounting to \$939 and presented as part of other income in the statement of income and accumulated funds.

# CENTRE FOR TRAINING AND INNOVATION

Notes to Financial Statements

30 June 2020

## 9. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses as at 30 June 2020 consist of the following:

	2020	2019
	\$	\$
Accounts payable	91,385	87,845
Accrued expenses	-	17,566
	91,385	105,411

## 10. 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.

Movements in mortgage payable during the year are as follows:

	2020	2019
	\$	\$
Balance, beginning of the year	-	300,493
Less: Repayments	-	(300,493)
Balance, end of the year	-	-

Interest expense incurred and paid by the Company during the year amounted to Nil (2019: \$7,884).

## 11. RESTRICTED FUNDS

During the year, CTI received donations in the amount of \$540,759 to assist with its restricted programs (2019: \$486,148).

During the year, the Company's surplus of income over expenses for restricted funds amounted to \$243,160 (2019: \$283,269).

## 12. OTHER RELATED PARTY TRANSACTIONS

Other related party transactions are comprised of the following:

		2020	2019
	Related party	\$	\$
<b>Transactions</b>			
Salaries and wages	Key management personnel	179,233	136,000

# CENTRE FOR TRAINING AND INNOVATION

Notes to Financial Statements

30 June 2020

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## 13. LEASE COMMITMENT

### Operating Lease

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. During the year, the Company incurred rent expense amounting to \$11,950 (2019: \$10,250).

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

## 14. IMPACT OF COVID-19 PANDEMIC

In March 2020, The World Health Organization declared the outbreak of the Novel Coronavirus 2019 (“COVID-19”), a pandemic. The Bahamas Government attempted to mitigate COVID-19 spread by implementing lockdowns, ceasing intra-island travel, closure of certain types of businesses; limiting other business activities and only allowing essential businesses to operate. These measures brought significant uncertainty which resulted in Management deciding to close the “Tea Room” Restaurant indefinitely and downsizing the Company’s Hotel business staff, some 39% of the staff was laid off. As of 30 June 2021, 41%, of the referenced staff members have been rehired.

In April 2020, majority of the senior staff donated 50% of their April monthly salaries to establish an Employee Assistance Program. The program was set up to assist with the needs of the staff members that were laid off. These needs included but were not limited to emotional, family, financial and health support. The request was made via the Human Resources department and approved by the CEO. The program was funded by CTI’s staff donations of \$11,542 and the remaining \$10,167 by OEF’s staff donations giving a total of \$21,708.

## 15. POST-REPORTING DATE EVENTS

The Company evaluated the impact of all post-reporting date events from 1 July 2020 and up to 4 October 2021, the date of authorization of these financial statements that require adjustments or disclosure in the financial statements.

CTI and OEF have entered into a joint project to construct a one-acre state-of-the-art CRAVO Cooling House (“CCH”) on land owned by CTI. The project is being carried out in three phases: construction, outfitting, and operations. It is estimated that CCH will cost between \$2.5 and \$3 million when fully operational. It is expected that CCH will greatly enhance CTI’s agricultural output in terms of quality, quantity, crop variety and availability. The project commenced in September 2020, construction began in April 2021 and is scheduled to be completed in December 2021.

Independent Auditors’ Report pages 1 through 3.