

**EMPLOYMENT AND TRAINING  
CORPORATION**

**Report and Financial Statements**

**for the year ended 31 December 2014**

# EMPLOYMENT AND TRAINING CORPORATION

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# EMPLOYMENT AND TRAINING CORPORATION

## Report of the Board of Directors for the year ended 31 December 2014

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### Directors

In accordance with Section 6 subsection (5) of the Employment and Training Services Act, 1990, the Board of Directors shall be appointed for a period of one year and the members of the previous board are eligible for reappointment. The current Board of Directors first took office on 1 April 2014, and was subsequently reconstituted on 24 April 2014.

The following have served on the board of directors of the Corporation during the year under review:

Mr Clyde Caruana B.Com (Hons) Economics, M.A in Economics - Chairperson  
Ms Pauline Miceli B.A. Youth & Community, Dip. in School Admin & Manag - Deputy Chairperson  
Ms Gabriella Calleja M.A. Yth. & Comm. St.  
Mr James Pearsall MSc HR Trg & Perf (Leic)  
Mr Anglu Fenech  
Dr Marie-Elise Agius LL.B, NP, LL.D  
Ms Alexandra Gatt  
Mr David Bonello MSc. In Ed Ld, B. Educ. Hons  
Ms Claudine Cassar BSc Business and Computing; MSc International Marketing; Mphil Innovation  
Mr Josef Bugeja  
Mr Gaetano Tanti  
Mr Joseph Farrugia MA (Marketing) BA (Hons) Econ  
Dr Mario Brincat B.A. (Hons) Public Administration, MSC (Econ) Sociology, Phd Sociology  
Mr Emanuel Darmanin MSc Applied Psychology of Intellectual Disabilities  
Mr Frank V. Farrugia  
Mrs Marie Grech Caruana  
Mr Andrew Triganza-Scott MBA (Maastricht), M.Ed (Melit.), B.Psy.(Hons), PGCE - Board Secretary

Mr Alfred Grixti B.Educ (Hons), DSS (Oxon), M.Sc (Oxon), P.G.D.E.A.M. - Chairperson (resigned on 31 March 2014)  
Mr Philip Rizzo FCCA, FIA, CPA (resigned on 31 March 2014)  
Mr Paul Debono B.Ed.(Hons.), P.G.D.E.A.M (resigned on 31 March 2014)  
Mr Michael Parnis, Dip. in Industrial Relations (resigned on 31 March 2014)

The directors present their report and the audited financial statements for the year ended 31 December 2014.

# **EMPLOYMENT AND TRAINING CORPORATION**

## **Report of the Board of Directors for the year ended 31 December 2014**

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### **Principal activities**

The Employment and Training Corporation ("the Corporation") was set up on 3 August 1990 to provide employment services and to organise training programmes or schemes with the aim of assisting persons to acquire knowledge and skills which will help them in obtaining gainful employment.

The Corporation also maintains a Human Resources Database, which provides the employment record of each person. The database is maintained to supply data on the gainfully occupied population.

The Corporation is also responsible for processing applications for the issue of work permits for non-Maltese nationals and for the collection of income deriving therefrom.

The Employment and Training Corporation functions as Malta's national employment service by keeping a register of job seekers and by engaging in the matching of job vacancies with job seekers; a register of persons in employment is also kept. It engages in the implementation of active measures in the form of employment and training programmes and schemes with the aim of assisting job seekers to find gainful employment. Job search assistance and training is also extended to persons already in employment to contribute towards the upgrading of the skills portfolio of the workforce.

The activities of the Corporation will remain consistent for the foreseeable future.

### **Results**

The Corporation based its expenditure for the year under review on its budgeted expenditure as approved by Parliament.

During the year, the Corporation continued to adopt International Reporting Standards in its presentation of the financial statements. These standards do not allow disclosure of reserve utilization in the income and expenditure account.

The Corporation is reporting an excess of income over expenditure for the year of €572,063 (2013 : excess of expenditure over income of €1,462,956) which when added to the reserves brought forward from previous year amounting €19,187 result in accumulated reserves of €591,250.

The result for the year is arrived after considering Government subvention received amounting to €7,019,000 (2013 : €5,489,755), Corporation expenditure amounting to €7,978,040 (2013 : €8,088,365) and Corporation earned income amounting to €1,531,103 (2013 : €1,135,654).

### **Events after the reporting period**

There were no particular important events affecting the Corporation which occurred since the end of the reporting period.

# EMPLOYMENT AND TRAINING CORPORATION

## Report of the Board of Directors

for the year ended 31 December 2014

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### Responsibilities of the Board of Directors


The Employment and Training Services, Act, 1990 Section 20(1) requires the Corporation to keep proper books of accounts and other records in respect of its operations and to prepare a statement of accounts in respect of each financial year.

The Board of Directors is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Corporation and to enable them to ensure that the financial statements have been properly prepared, in accordance with the requirements of International Financial Reporting Standards as adopted by the EU. They are also responsible for safeguarding the assets of the Corporation and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Auditors

Nexia BT's term of appointment has now expired and the Corporation is now required to commence procedures to select a firm to act as its external auditors for the next three years.

This report was approved and authorised for issue by the Board of Directors on 6 March 2015, and signed on its behalf by:



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**Mr Clyde Caruana**  
Chairperson



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**Ms Pauline Miceli**  
Deputy Chairperson

### Registered address:

Head Office  
Hal Far BBG 3000  
Malta

# EMPLOYMENT AND TRAINING CORPORATION

## Independent Auditors' Report

To the Members of Employment and Training Corporation

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We have audited the accompanying financial statements of Employment and Training Corporation, which comprise the Statement of Affairs as at 31 December 2014, and the Statement of Income and Expenditure, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### Responsibility of the Board of Directors

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the EU. Section 20(1) of the Employment and Training Services Act, 1990 states that the Corporation shall cause to be kept proper books of accounts and other records in respect of its operations and shall cause to be prepared a statement of accounts in respect of each financial year.

### 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 auditor's judgement, 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 auditor considers internal control 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 control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, 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.

# EMPLOYMENT AND TRAINING CORPORATION

## Independent Auditors' Report

To the Members of Employment and Training Corporation

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### Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Employment and Training Corporation as of 31 December 2014 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU, and have been properly prepared in accordance with Section 20(1) of the Employment and Training Services Act, 1990.



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Mr Manuel Castagna

for and on behalf of

**Nexia BT**

**Certified Public Accountants**

**The Penthouse, Suite 2  
Capital Business Centre, Entrance C  
Triq taz-Zwejt  
San Gwann SGN 3000  
Malta**

**Date : 6 March 2015**

# EMPLOYMENT AND TRAINING CORPORATION

## Statement of Income and Expenditure for the year ended 31 December 2014

	Notes	2014 €	2013 €
Subvention from consolidated fund	4	7,019,000	5,489,755
Recurrent expenditure		(7,978,040)	(8,088,365)
Deficit on recurrent expenditure	5	(959,040)	(2,598,610)
Income from employment licences and other services		1,531,103	1,135,654
		<u>572,063</u>	<u>(1,462,956)</u>
<b>European Social Fund projects</b>			
Project finance		1,248,098	1,597,117
Project eligible costs paid	7	(1,248,098)	(1,597,117)
Deferred grants		62,829	68,741
Depreciation on ESF property, plant and equipment		(62,829)	(68,741)
		<u>-</u>	<u>-</u>
Net excess of income over expenditure / (net excess of expenditure over income) for the year		<u>572,063</u>	<u>(1,462,956)</u>

The notes on pages 10 to 21 form an integral part of these financial statements.



# EMPLOYMENT AND TRAINING CORPORATION

## Statement of Affairs at 31 December 2014

	Notes	2014 €	2013 €
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	8	82,610	69,161
Property, plant and equipment	9	1,685,171	1,623,860
Property, plant and equipment ESF projects	10	674,622	736,881
		<u>2,442,403</u>	<u>2,429,902</u>
<b>Current assets</b>			
Inventories	11	26,275	27,704
Receivables	12	689,862	850,119
Cash at bank and in hand	13	1,216,669	610,330
		<u>1,932,806</u>	<u>1,488,153</u>
<b>Total assets</b>		<u>4,375,209</u>	<u>3,918,055</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Endowment capital	14	582,343	582,343
Accumulated reserves		591,250	19,187
<b>Total equity</b>		<u>1,173,593</u>	<u>601,530</u>
<b>Non-current liabilities</b>			
Deferred grants	15	611,793	674,110
<b>Current liabilities</b>			
Deferred grants	15	62,829	62,771
Payables	16	2,526,994	2,579,644
		<u>2,589,823</u>	<u>2,642,415</u>
<b>Total liabilities</b>		<u>3,201,616</u>	<u>3,316,525</u>
<b>Total equity and liabilities</b>		<u>4,375,209</u>	<u>3,918,055</u>

The financial statements were approved and authorised for issue by the Board of Directors on 6 March 2015, and signed on its behalf by:



Mr Clyde Caruana  
Chairperson



Ms Pauline Miceli  
Deputy Chairperson

The notes on pages 10 to 21 form an integral part of these financial statements.

# EMPLOYMENT AND TRAINING CORPORATION

## Statement of Changes in Equity for the year ended 31 December 2014

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	Endowment capital €	Accumulated reserves €	Total €
At 1 January 2013	582,343	1,482,143	2,064,486
Excess of expenditure over income for the year	-	(1,462,956)	(1,462,956)
At 31 December 2013	582,343	19,187	601,530
Excess of income over expenditure for the year	-	572,063	572,063
At 31 December 2014	582,343	591,250	1,173,593

## EMPLOYMENT AND TRAINING CORPORATION

### Statement of Cash Flows

for the year ended 31 December 2014

	2014	2013
	€	€
<b>Cash flows from operating activities</b>		
Deficit on recurrent expenditure	(959,040)	(2,598,610)
Adjustments for:		
Depreciation	335,280	302,518
Amortisation	40,470	26,991
(Gain)/loss on disposal of property, plant and equipment	(4,161)	296
	<u>(587,451)</u>	<u>(2,268,805)</u>
Working capital changes:		
Movement in inventories	1,429	1,886
Movement in receivables	160,257	809,387
Movement in payables	(114,909)	(243,377)
Cash flows from operations	(540,674)	(1,700,909)
Income received	1,531,103	1,135,654
Net cash flows from operating activities	<u>990,429</u>	<u>(565,255)</u>
<b>Cash flows from investing activities</b>		
Acquisition of intangible assets	(53,919)	(60,720)
Acquisition of property, plant and equipment	(337,841)	(521,045)
Proceeds from disposal of property, plant and equipment	7,670	-
Net cash flows from investing activities	<u>(384,090)</u>	<u>(581,765)</u>
<b>Cash flows from financing activities</b>		
Net cash flows from financing activities	-	-
<b>Movement in cash and cash equivalents</b>	<u>606,339</u>	<u>(1,147,020)</u>
<b>Reconciliation of net cash flow to movement in net funds</b>		
Movement in cash and cash equivalents	606,339	(1,147,020)
Cash and cash equivalents at start of year	610,330	1,757,350
Cash and cash equivalents at end of year	<u>1,216,669</u>	<u>610,330</u>
<b>Cash and cash equivalents</b>		
Cash at bank and in hand	<u>1,216,669</u>	<u>610,330</u>

# EMPLOYMENT AND TRAINING CORPORATION

## Notes to the Financial Statements for the year ended 31 December 2014

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### 1. General information

The Employment and Training Corporation was set up on 3 August 1990 through the Employment and Training Services Act, 1990. Its registered office is at Head Office, Hal Far BBG 3000, Malta.

### 2. Accounting policies

#### *Accounting convention and basis of preparation*

These financial statements are presented using the Euro, being the currency that reflects the economic substance of the underlying events and circumstances relevant to the Corporation. They are prepared under the historical cost convention as modified by the fair valuation convention where required by International Financial Reporting Standards, in accordance with the provisions of the Section 20(1) of the Employment and Training Services Act, 1990, and the requirements of International Financial Reporting Standards as adopted by the EU. The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The preparation of financial statements in conformity with International Financial Reporting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies (see Note 3 - Critical accounting estimates and judgements).

#### *Intangible assets*

Intangible assets are initially recorded at cost. They are subsequently stated at cost less accumulated amortisation and impairment losses.

Amortisation is provided at rates intended to write down the cost of the assets over their expected useful lives. The annual rates used, which are consistent with those applied in the previous year, are as follows:

Computer software - 25% Straight Line

#### *Property, plant and equipment*

Property, plant and equipment invoiced are initially recorded at cost and subsequently stated at cost less accumulated depreciation and impairment losses.

Property, plant and equipment are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Gains or losses arising from derecognition represent the difference between the net disposal proceeds, if any, and the carrying amount, and are included in the Statement of Income and Expenditure in the period of derecognition.

Depreciation is provided on invoiced property, plant and equipment only at the rates intended to write down the cost of the assets over their expected useful lives. The annual rates used, which are consistent with those applied in the previous year, are as follows:

Improvements - 4% Straight Line  
Motor vehicles - 20% Straight Line  
Computer and office equipment - 10 - 25% Straight Line  
Furniture and fittings - 10% Straight Line

# EMPLOYMENT AND TRAINING CORPORATION

## Notes to the Financial Statements for the year ended 31 December 2014

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### *Financial assets*

Loans and receivables are stated at fair value, net of any impairment. A provision for impairment of loans and receivables is established where there is objective evidence that the company will not be able to collect all amounts due according to the original terms of payment. Loans and receivables are considered for impairment on a case by case basis and any provision is based on the directors' assessment of the amount recoverable on each receivable. Any change in value of loans and receivables is recognised in the Statement of Income and Expenditure.

### *Inventories*

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

### *Financial liabilities*

The company's financial liabilities include trade and other payables, which are measured at amortised cost using the effective interest rate method.

Financial liabilities are recognised when the company becomes a party to the contractual agreements of the instrument. Any changes in fair value are reported in the Statement of Income and Expenditure.

Interest-related charges are recognised as an expense in the period in which they are incurred.

### *Endowment capital*

The endowment capital is classified as equity.

### *Impairment*

The carrying amounts of the company's assets, are reviewed annually to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of the asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the Statement of Income and Expenditure.

An impairment loss is reversed if there has been a change in the estimate used to determine the recoverable amount.

### *Leasing*

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

### *Income tax*

Section 22 of the Employment and Training Services Act, 1990, exempts the Corporation from any liability for the payment of Income Tax.

### *Foreign currencies*

The financial statements are presented in Euro, being both the Corporation's functional and presentation currency. Transactions denominated in foreign currencies are translated into Euro at the rates of exchange in operation on the dates of the transactions. Monetary assets and liabilities expressed in foreign currencies are translated into Euro at the rates of exchange prevailing at the date of the Statement of Affairs. Translation differences are dealt with through the Statement of Income and Expenditure in the period in which they arise.

# EMPLOYMENT AND TRAINING CORPORATION

## Notes to the Financial Statements for the year ended 31 December 2014

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### *Revenue*

Income from subvention voted to the Corporation from the Consolidated Fund is accrued for in accordance with the Corporation's approved budget for the year.

European Social Fund reimbursements are accounted for in the period in which the related expense is recognised.

Deferred Grants in relation to Property, plant and equipment co-financed by the European Union are released to the Income Statement yearly in amounts equivalent to the depreciation charged on these Assets.

Bank interest and other income (including income from employment licences) are recognised on accrual basis.

### *Provisions for expenditure on projects and employment and training initiatives*

Expenditure on projects and employment and training initiatives include funds committed by way of a provision in the financial statements.

### *Cash and cash equivalents*

Cash and cash equivalents consist of cash in hand and balances with banks.

## 3. Critical accounting estimates and judgements

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

In the opinion of the directors, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS1 (revised).

## 4. Subvention from consolidated fund

The Corporation is entitled to a yearly subvention from the Government of Malta. The subvention from consolidated fund was allocated as follows:

	2014	2013
	€	€
Subvention underpaid to the Corporation in 2013 but paid in 2014	660,000	-
Amount voted to the Corporation under recurrent vote 16 item 6163	8,300,000	6,330,000
Less amount deducted after budget reviews by Ministry of Finance	(1,941,000)	(840,245)
Current year subvention	<u>7,019,000</u>	<u>5,489,755</u>

# EMPLOYMENT AND TRAINING CORPORATION

## Notes to the Financial Statements for the year ended 31 December 2014

### 5. Deficit on recurrent expenditure

	2014	2013
	€	€
Deficit on recurrent expenditure is stated after charging:		
Staff costs	Note 5,205,611	4,901,286
Directors' fees	62,121	70,460
Amortisation	40,470	26,991
Deprcciation	272,451	233,777
Loss on disposal of property, plant and equipment	-	296
Auditors' remuneration	3,894	5,372
	<u>          </u>	<u>          </u>
and after crediting:		
Gain on disposal of property, plant and equipment	4,161	-
	<u>          </u>	<u>          </u>

#### *Staff costs*

	2014	2013
	€	€
Wages and salaries (including directors' fees and excluding the amount included in European Social Fund projects' costs)	5,267,732	4,971,746
	<u>          </u>	<u>          </u>

	2014	2013
<b>Number of employees</b>		
The average monthly numbers of employees		
Directors	16	12
Employees	276	242
	<u>          </u>	<u>          </u>
	292	254
	<u>          </u>	<u>          </u>

### 6. Income tax

No income taxation has been provided in these financial statements in view of the Corporation's status granted by Section 22 of the Employment and Training Services Act, 1990, which exempts the Corporation from any income tax liability.

# EMPLOYMENT AND TRAINING CORPORATION

## Notes to the Financial Statements for the year ended 31 December 2014

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### 7. European Social Fund projects' costs

The Corporation has been beneficiary for projects funded under European Social Fund Cohesion Policy, 2007-13. Funding for these projects is provided by the European Union (85%) and the Maltese Government (15%). It is to be noted that in co-ordination and with the approval of the Managing Authority payment for projects under the indicated programming period have been made beyond 2013.

The disbursements on these projects are detailed below :

	2014	2013
	€	€
Employability programme	682,989	1,190,546
Youth employment programme	-	57,948
Employment in the Social Economy	50,922	88,209
Employment Support for Persons with Disabilities	114,430	31,064
Enhancing Employability through Training (EET)	349,227	229,350
Integrating TCNs in Maltese Society	48,854	-
Creation and Translation of Publications aimed to assist Third Country Nationals wishing to reside and work in Malta	1,676	-
	<u>1,248,098</u>	<u>1,597,117</u>
Salaries included in above eligible project costs disbursed	<u>301,373</u>	<u>277,472</u>



# EMPLOYMENT AND TRAINING CORPORATION

## Notes to the Financial Statements for the year ended 31 December 2014

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### 8. Intangible assets

	Computer software €
<b>Cost</b>	
At 1 January 2013	47,243
Additions	60,720
At 31 December 2013	<u>107,963</u>
At 1 January 2014	107,963
Additions	53,919
At 31 December 2014	<u>161,882</u>
<b>Amortisation</b>	
Charge for the year	26,991
At 31 December 2013	<u>38,802</u>
At 1 January 2014	38,802
Charge for the year	40,470
At 31 December 2014	<u>79,272</u>
<b>Net book value</b>	
At 31 December 2014	<u><u>82,610</u></u>
At 31 December 2013	<u><u>69,161</u></u>
At 31 December 2012	<u><u>35,432</u></u>

# EMPLOYMENT AND TRAINING CORPORATION

## Notes to the Financial Statements for the year ended 31 December 2014

### 9. Property, plant and equipment

	Improve- ments €	Motor vehicles €	Computer and office equipment €	Furniture and fittings €	Total €
<b>Cost</b>					
At 1 January 2013	1,630,111	127,736	2,350,038	543,382	4,651,267
Additions	236,509	-	236,566	36,190	509,265
Write-offs	-	-	(71,918)	-	(71,918)
At 31 December 2013	<u>1,866,620</u>	<u>127,736</u>	<u>2,514,686</u>	<u>579,572</u>	<u>5,088,614</u>
At 1 January 2014	1,866,620	127,736	2,514,686	579,572	5,088,614
Additions	89,586	16,274	197,318	34,093	337,271
Disposals	-	(75,004)	(39,837)	(5,333)	(120,174)
At 31 December 2014	<u>1,956,206</u>	<u>69,006</u>	<u>2,672,167</u>	<u>608,332</u>	<u>5,305,711</u>
<b>Depreciation</b>					
At 1 January 2013	680,008	85,856	2,107,955	428,780	3,302,599
Charge for the year	74,663	10,470	124,529	24,115	233,777
On write-offs	-	-	(71,622)	-	(71,622)
At 31 December 2013	<u>754,671</u>	<u>96,326</u>	<u>2,160,862</u>	<u>452,895</u>	<u>3,464,754</u>
At 1 January 2014	754,671	96,326	2,160,862	452,895	3,464,754
Charge for the year	78,251	13,725	154,843	25,632	272,451
On disposals	-	(75,004)	(37,087)	(4,574)	(116,665)
At 31 December 2014	<u>832,922</u>	<u>35,047</u>	<u>2,278,618</u>	<u>473,953</u>	<u>3,620,540</u>
<b>Net book value</b>					
At 31 December 2014	<u>1,123,284</u>	<u>33,959</u>	<u>393,549</u>	<u>134,379</u>	<u>1,685,171</u>
At 31 December 2013	<u>1,111,949</u>	<u>31,410</u>	<u>353,824</u>	<u>126,677</u>	<u>1,623,860</u>
At 31 December 2012	<u>950,103</u>	<u>41,880</u>	<u>242,083</u>	<u>114,602</u>	<u>1,348,668</u>

## EMPLOYMENT AND TRAINING CORPORATION

Notes to the Financial Statements  
for the year ended 31 December 2014

### 10. Property, plant and equipment ESF projects

	Improve- ments €	Computer and office equipment €	Furniture and fittings €	Total €
<b>Cost</b>				
At 1 January 2013	800,623	269,311	63,797	1,133,731
Additions	-	11,780	-	11,780
At 31 December 2013	<u>800,623</u>	<u>281,091</u>	<u>63,797</u>	<u>1,145,511</u>
At 1 January 2014	800,623	281,091	63,797	1,145,511
Additions	-	570	-	570
At 31 December 2014	<u>800,623</u>	<u>281,661</u>	<u>63,797</u>	<u>1,146,081</u>
<b>Depreciation</b>				
At 1 January 2013	156,336	152,660	30,893	339,889
Charge for the year	32,025	30,336	6,380	68,741
At 31 December 2013	<u>188,361</u>	<u>182,996</u>	<u>37,273</u>	<u>408,630</u>
At 1 January 2014	188,361	182,996	37,273	408,630
Charge for the year	32,025	24,424	6,380	62,829
At 31 December 2014	<u>220,386</u>	<u>207,420</u>	<u>43,653</u>	<u>471,459</u>
<b>Net book value</b>				
At 31 December 2014	<u>580,237</u>	<u>74,241</u>	<u>20,144</u>	<u>674,622</u>
At 31 December 2013	<u>612,262</u>	<u>98,095</u>	<u>26,524</u>	<u>736,881</u>
At 31 December 2012	<u>644,287</u>	<u>116,651</u>	<u>32,904</u>	<u>793,842</u>

Since 2007, the Corporation has been beneficiary for nine projects involving Property, plant and equipment funded under European Social Fund Cohesion Policy 2007-2013 and under the European Regional Development Fund (ERDF) for the total amount of €1,146,081. It is to be noted that in co-ordination and with the approval of the Managing Authority payment for projects under the European Social Fund cohesion policy have been made beyond 2013. Funding for these projects is provided by the European Union (85%) and the Maltese Government (15%).

# EMPLOYMENT AND TRAINING CORPORATION

## Notes to the Financial Statements

for the year ended 31 December 2014

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### 11. Inventories

	2014	2013
	€	€
Stationery and consumables	<u>26,275</u>	<u>27,704</u>

### 12. Receivables

	2014	2013
	€	€
Amounts owed by Government departments and parastatal bodies	300,509	684,756
Other receivables	<u>335,764</u>	<u>116,787</u>
Financial assets	636,273	801,543
Prepayments	<u>53,589</u>	<u>48,576</u>
	<u>689,862</u>	<u>850,119</u>

### 13. Cash at bank and in hand

As at year-end, the Corporation did not have any restrictions on its cash at bank and in hand.

### 14. Endowment capital

In accordance with section 19(1) of the Employment and Training Services Act, 1990, the endowment capital of the Corporation is €582,343.

## EMPLOYMENT AND TRAINING CORPORATION

Notes to the Financial Statements  
for the year ended 31 December 2014

15. Deferred grants	ESF 3.59 Nista	ESF 3.1114 ESEP	ESF 3.113 ESPD	ESF 3.60 YEP	ESF 2.4 EP	ERDF 08	ERDF 045	ESF 2.65 TAF	ESF 3.64 EAP	Total
	€	€	€	€	€	€	€	€	€	€
<b>Cost</b>										
At 1 January 2013	914	2,391	-	3,925	7,713	590,809	512,693	8,846	6,440	1,133,731
Additions	-	-	1,490	10,290	-	-	-	-	-	11,780
At 31 December 2013	914	2,391	1,490	14,215	7,713	590,809	512,693	8,846	6,440	1,145,511
At 1 January 2014	914	2,391	1,490	14,215	7,713	590,809	512,693	8,846	6,440	1,145,511
Additions	-	-	570	-	-	-	-	-	-	570
At 31 December 2014	914	2,391	2,060	14,215	7,713	590,809	512,693	8,846	6,440	1,146,081
<b>Depreciation</b>										
At 1 January 2013	914	500	-	2,853	5,367	207,728	112,473	5,811	4,243	339,889
Charge for the year	-	500	372	3,554	391	30,818	32,234	506	366	68,741
At 31 December 2013	914	1,000	372	6,407	5,758	238,546	144,707	6,317	4,609	408,630
At 1 January 2014	914	1,000	372	6,407	5,758	238,546	144,707	6,317	4,609	408,630
Charge for the year	-	500	430	2,618	391	30,818	27,200	506	366	62,829
At 31 December 2014	914	1,500	802	9,025	6,149	269,364	171,907	6,823	4,975	471,459
<b>Net book value</b>										
At 31 December 2014	-	891	1,258	5,190	1,564	321,445	340,786	2,023	1,465	674,622
At 31 December 2013	-	1,391	1,118	7,808	1,955	352,263	367,986	2,529	1,831	736,881
At 31 December 2012	-	1,891	-	1,072	2,346	383,081	400,220	3,035	2,197	793,842

# EMPLOYMENT AND TRAINING CORPORATION

## Notes to the Financial Statements for the year ended 31 December 2014

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### *Deferred grants*

Since 2007, the Corporation has been beneficiary for nine projects involving Property, plant and equipment funded under European Social Fund Cohesion Policy 2007-2013 and under the European Regional Development Fund (ERDF) for the total amount of €1,146,081. It is to be noted that in co-ordination and with the approval of the Managing Authority payment for projects under the European Social Fund Cohesion Policy have been made beyond 2013. Funding for these projects is provided by the European Union (85%) and the Maltese Government (15%). The grants received are being deferred and released to income statement yearly over the useful lives of the assets.

### 16. Payables

	2014	2013
	€	€
Payables	1,126,771	1,161,405
Accruals and provisions	1,400,223	1,418,239
	<u>2,526,994</u>	<u>2,579,644</u>

### 17. Commitments

	2014	2013
	€	€
Purchase of property, plant and equipment	4,195	173,137
Employment and training initiatives	80,039	13,442
Recurrent expenditure	-	6,579
	<u>84,234</u>	<u>193,158</u>

Committed expenditure is represented by commitments to purchase property, plant and equipment, employment and training initiatives and recurrent expenditure.

# EMPLOYMENT AND TRAINING CORPORATION

Notes to the Financial Statements  
for the year ended 31 December 2014

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## 18. Contingent liabilities

	2014	2013
	€	€
Contingent liabilities in relation to ESF projects	-	465,709
	<u>-</u>	<u>465,709</u>
	<u>-</u>	<u>465,709</u>

Contingent liabilities disclosed in 2013 were claims and additional administrative fees relating to ESF projects which may have to be incurred by the Corporation. These have been provided for during 2014.

## 19. Ultimate controlling party

The equity of the Corporation is held entirely by the Government of Malta.

# EMPLOYMENT AND TRAINING CORPORATION

## Detailed Statement of Income and Expenditure for the year ended 31 December 2014

	2014	2013
	€	€
<b>Subvention from consolidated fund</b>	7,019,000	5,489,755
Recurrent expenditure	(7,978,040)	(8,088,365)
<b>Deficit on recurrent expenditure</b>	(959,040)	(2,598,610)
<b>Income from employment licences and other services</b>		
Rental income	8,933	8,933
Bank interest	2,884	3,946
Income from training services	6,294	3,782
Income from employment licences	1,360,446	1,065,092
Other income	152,546	53,901
	<u>1,531,103</u>	<u>1,135,654</u>
	572,063	(1,462,956)
<b>European Social Fund projects</b>		
Project finance	1,248,098	1,597,117
Project eligible costs paid	(1,248,098)	(1,597,117)
Deferred income	62,829	68,741
Depreciation on ESF projects property, plant and equipment	(62,829)	(68,741)
	<u>-</u>	<u>-</u>
<b>Net excess of income over expenditure / (net excess of expenditure over income) for the year</b>	<u>572,063</u>	<u>(1,462,956)</u>

This page does not form part of the statutory financial statements.



## EMPLOYMENT AND TRAINING CORPORATION

### Recurrent Expenditure

for the year ended 31 December 2014

	2014	2013
	€	€
<b>Operational expenditure</b>		
Employment and training initiatives	494,756	1,354,677
BPA training grants	-	35,022
Research	-	2,832
EU projects related expenditure	332,657	188,105
	<u>827,413</u>	<u>1,580,636</u>
<b>Administrative expenditure</b>		
Salaries	5,205,611	4,901,286
Directors' remuneration	62,121	70,460
Staff training	69,419	36,528
Childcare expenses	41,803	37,254
Telework expenses	6,247	5,005
Uniforms	8,057	4,641
Rent payable	99,094	102,232
Licences and permits	8,687	8,361
Insurance	56,549	40,592
Water and electricity	102,790	106,277
Cleaning	71,369	81,815
Repairs and maintenance	177,180	146,070
Office supplies	120,769	89,302
Marketing and advertising	127,294	39,811
Postage and telecommunications	192,724	175,898
Security	23,855	22,339
Medical expenses	2,583	3,407
Transport expenses	210,959	216,042
Travelling and accomodation	75,339	44,793
Legal and professional	145,183	83,934
Audit	3,894	5,372
Bank charges	986	1,131
Staff welfare	20,151	17,866
General expenses	9,203	6,249
Amortisation	40,470	26,991
Depreciation	272,451	233,777
(Gain)/loss on disposal of PPE	(4,161)	296
	<u>7,150,627</u>	<u>6,507,729</u>
<b>Total recurrent expenditure</b>	<u><u>7,978,040</u></u>	<u><u>8,088,365</u></u>

This page does not form part of the statutory financial statements.

