

TOURISM ATTRACTION BOARD

FINANCIAL STATEMENTS

31 DECEMBER 2021

Tourism Attraction Board

Financial Statements for the year ended 31 December 2021

Table of Contents

	Page
Statement of Responsibility for the Financial Statements	1
Auditor General's Report	2-3
Statement of Financial Position	4
Statement of Financial Performance	5
Statement of Changes in Equity	6
Cash Flow Statement	7
Statement of Segmented Operations - Financial Position	8
Statement of Segmented Operations - Financial Performance	9
Statement of Comparison of Budget and Actual Amounts - Financial Position	10
Statement of Comparison of Budget and Actual Amounts - Financial Performance	11
Reconciliation of Ownership Agreement and Forecast Statement of Financial Performance	12
Notes to the Financial Statements	13-24



Pedro Castle Historic Site
BOX 305, Pedro Castle Road, Savannah
Grand Cayman, KY1-1501

STATEMENT OF RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

These financial statements have been prepared by the Tourism Attraction Board in accordance with the provisions of the *Public Management and Finance Act, (2020 Revision)*.

We accept responsibility for the accuracy and integrity of the financial information in these financial statements and their compliance with the *Public Management and Finance Act, (2020 Revision)*.

As Chairperson and Director, we are responsible for establishing and maintaining a system of internal controls designed to provide reasonable assurance that the transactions recorded in the financial statements are authorised by law, and properly record the financial transactions of the Tourism Attraction Board.

As Chairperson and Director, we are responsible for the preparation of the Tourism Attraction Board financial statements and for the judgements made in them.

The financial statements fairly present the financial position of the Tourism Attraction Board as at December 31, 2021 and its financial performance, cash flows and changes in net assets/equity for the financial period then ended.

To the best of our knowledge we represent that these financial statements:

- (a) completely and reliably reflect the financial transactions of the Tourism Attraction Board for the year ended December 31, 2021;
- (b) completely and reliably reflect the financial position as at December 31, 2021 and financial performance for the year ended December 31, 2021, and
- (c) Comply with International Public Sector Accounting Standards as set out by the International Public Sector Accounting Standards Board under the responsibility of the International Federation of Accountants. Where guidance is not available, the financial statements comply with International Financial Reporting Standards (IFRS) Accounting Standards issued by the IFRS Board and the International Accounting Standards Board.

The Office of the Auditor General conducts an independent audit and expresses an opinion on the accompanying financial statements. The Office of the Auditor General has been provided access to all the information necessary to conduct an audit in accordance with International Standards of Auditing.

Mrs. Carla Reid
Chairperson
Tourism Attraction Board
Date: April 30, 2022

Mr. Patrick Thompson
Director
Tourism Attraction Board
Date: April 30, 2022

AUDITOR GENERAL'S REPORT

To the Board of Directors of the Tourism Attraction Board

Opinion

I have audited the accompanying financial statements of the Tourism Attraction Board (the "Board") which comprise the statement of financial position as at December 31, 2021, and the statement of financial performance, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of accounting policies as set out on pages 13 to 24.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSASs).

Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Board in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)*, together with the ethical requirements that are relevant to my audit of the financial statements in the Cayman Islands, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

As outlined in note 20 of the financial statements, Cabinet authorised additional funding of \$440,000 for the Board under Section 11(5) of the Public Management and Finance Act (2020 Revision). A supplementary Appropriation Bill for the funding was not introduced in Parliament by 31 March 2022 as required by Section 11(6) of the PMFA. My opinion is not qualified with respect to this matter.

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 International Public Sector Accounting Standards 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 the Board'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 the Board or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Board's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 auditor's report that includes my 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 ISAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 control.
- Obtain an understanding of internal control 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 the Board's internal control.
- 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 the Board's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Board to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I have undertaken the audit in accordance with the provisions of Section 60 (1) (a) of the *Public Management and Finance Act (2020 Revision)*. I 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 control that I identify during my audit.



Sue Winspear, CPFA
Auditor General

30 April 2022
Cayman Islands

Tourism Attraction Board
Statement of Financial Position
As at December 31, 2021
(in Cayman Islands dollars)

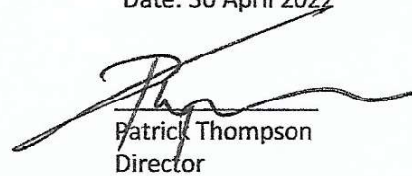
ASSETS	<u>Note</u>	<u>2021</u>	<u>2020</u>
		\$	\$
Current Assets			
Inventories		74,835	66,777
Accounts Receivables	6	37,960	31,287
Prepaid Expenses		11,067	14,177
Short term investments	5	837,822	837,473
Cash and Cash Equivalents	4	<u>1,042,930</u>	<u>816,369</u>
		2,004,614	1,766,083
Non-Current Assets			
Property, Plant and Equipment	3	<u>9,638,238</u>	<u>5,203,387</u>
TOTAL ASSETS		<u>11,642,852</u>	<u>6,969,470</u>
EQUITY AND LIABILITIES			
Donated Capital	7	11,737,590	11,737,590
Accumulated Deficit		(5,216,783)	(5,418,719)
Revaluation Surplus		<u>4,741,149</u>	<u>320,784</u>
Equity		11,261,956	6,639,655
Current Liabilities			
Accounts Payable & Accrued Liabilities	8	<u>380,896</u>	<u>329,815</u>
		380,896	329,815
TOTAL EQUITY AND LIABILITIES		<u>11,642,852</u>	<u>6,969,470</u>

Approved on behalf of the Board



Carla Reid
Chairperson

Date: 30 April 2022



Patrick Thompson
Director

The accompanying schedules and notes on page 8 - 24 are an integral part of these financial statements.

Tourism Attraction Board
Statement of Financial Performance
For the Year Ended December 31, 2021
(in Cayman Islands dollars)

	<u>Note</u>	<u>2021</u>	<u>2020</u>
		\$	\$
Revenues			
Output Funding	11	2,200,000	1,760,000
Events, Gift Shops, and Other	9	534,009	375,639
Admission Fees	9	75,605	236,750
Total Revenues		<u>2,809,614</u>	<u>2,372,389</u>
Expenses			
Salaries and Benefits	10	1,486,693	1,669,061
Supplies and Consumables		106,017	143,314
Utilities		163,936	151,047
Building and Equipment Maintenance		63,972	58,987
Depreciation	3	332,205	148,543
Administrative Expenses		69,281	57,309
Advertising and Marketing		38,310	32,019
Insurance		79,056	80,818
Professional Fees		49,431	50,000
Operations & Maintenance		123,731	61,669
Nursery Supplies and Grounds		35,964	14,294
Telephone and Communication Costs		30,872	31,959
Rent		12	12
Conference, Subsistence and Official Travel		1,340	720
Vehicle Expenses and Mileage		8,930	5,450
Bad Debt		2,500	6,572
Uniform, Training and Education		3,392	2,157
Inventory write-off		1,664	477
Miscellaneous Expense		3	120
Total Expenses		<u>2,597,309</u>	<u>2,514,528</u>
Surplus / (Loss) for the year		<u>212,305</u>	<u>(142,139)</u>

The accompanying schedules and notes on page 8 - 24 are an integral part of these financial statements.

**Tourism Attraction Board
Statement of Changes in Equity
For the Year Ended December 31, 2021
(in Cayman Islands dollars)**

	Note	DONATED CAPITAL	ACCUMULATED DEFICIT	REVALUATION SURPLUS	TOTAL EQUITY
Balance at 31 December 2019		11,737,590	(5,297,854)	320,784	6,760,520
Adjustment during the year		-	(1,102)	-	(1,102)
Transfer of Pirate Weeks Office		-	9,803		9,803
Adjustment to Opening Equity		-	12,573	-	12,573
Surplus / (Loss) for the year		-	(142,139)	-	(142,139)
Balance at 31 December 2020		<u>11,737,590</u>	<u>(5,418,719)</u>	<u>320,784</u>	<u>6,639,655</u>
Balance at 31 December 2020		11,737,590	(5,418,719)	320,784	6,639,655
Adjustment during the year		-		4,420,365	4,420,365
Prior Year adjustment		-	(10,369)	-	(10,369)
Surplus / (Loss) for the year		-	212,305	-	212,305
Balance at 31 December 2021		<u>11,737,590</u>	<u>(5,216,783)</u>	<u>4,741,149</u>	<u>11,261,956</u>

The accompanying schedules and notes on page 8 - 24 are an integral part of these financial statements.

Tourism Attraction Board
Cash Flow Statement
For the Year Ended December 31, 2021
(in Cayman Islands dollars)

	<u>2021</u>	<u>2020</u>
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus / (Loss) for the year after government subsidy	212,305	(142,139)
Add adjustments to reconcile net income to net cash from operating activities		
Depreciation	332,205	148,543
Bad debts	2,500	6,572
Inventory Write-off	1,665	477
Other income	(349)	-
Operating Income before working capital changes	548,326	13,453
Changes in working capital balances		
Decrease / (Increase) in inventories	(9,722)	6,239
Decrease / (Increase) in accounts receivable	(9,173)	105,066
(Increase) / Decrease in prepaid expenses	3,110	(14,177)
(Decrease)/Increase in accounts payable and accrued liabilities	51,081	(159,266)
Net cash flows from operating activities	<u>583,622</u>	<u>(48,685)</u>
CASH FLOWS FROM INVESTING ACTIVITY		
Purchase of fixed assets	(346,691)	(296,835)
Net cash flows used in investing activities	<u>(346,691)</u>	<u>(296,835)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Restricted Funds	-	-
Adjustment to Retained Earnings	(10,369)	17,081
Net cash flows used in / from financing activities	<u>(10,369)</u>	<u>17,081</u>
Net increase / (decrease) in cash and cash equivalents	226,562	(328,439)
Cash and cash equivalents at beginning of year	<u>816,369</u>	<u>1,144,808</u>
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	<u><u>1,042,931</u></u>	<u><u>816,369</u></u>

The accompanying schedules and notes on page 8 - 24 are an integral part of these financial statements.

Tourism Attraction Board
Statement of Segmented Operations
As at December 31, 2021
(in Cayman Islands dollars)

Statement of Financial Position	CCM	HELL	PSJ	QEIBP	TAB	CONSOL
	2021	2021	2021	2021	2021	2021
	\$	\$	\$	\$	\$	\$
ASSETS						
Non-Current Assets						
Property, Furniture and Equipment	9,211	5,304	6,736,567	2,870,613	16,543	9,638,238
Current Assets						
Inventories	-	-	28,796	46,039	-	74,835
Trade and Other Receivables	(100)	(50)	10,648	782	26,680	37,960
Prepayments	-	-	-	4,923	6,144	11,067
Interagency Transactions	(47,342)	54,824	698,032	(502,999)	(202,515)	-
Investments	-	-	-	837,822	-	837,822
Cash and Cash Equivalents	7,181	7,888	446,531	46,125	535,205	1,042,930
	<u>(40,261)</u>	<u>62,662</u>	<u>1,184,007</u>	<u>432,692</u>	<u>365,514</u>	<u>2,004,614</u>
TOTAL ASSETS	<u>(31,050)</u>	<u>67,966</u>	<u>7,920,574</u>	<u>3,303,305</u>	<u>382,057</u>	<u>11,642,852</u>
CAPITAL AND LIABILITIES						
Capital and Deficit						
Donated Capital	110,000	-	8,617,330	2,811,454	198,806	11,737,590
Accumulated Deficit	(152,225)	66,566	(4,410,995)	(756,800)	36,671	(5,216,783)
Revaluation Surplus	-	-	3,635,183	1,105,966	-	4,741,149
	<u>(42,225)</u>	<u>66,566</u>	<u>7,841,518</u>	<u>3,160,620</u>	<u>235,477</u>	<u>11,261,956</u>
Current Liabilities						
Accounts Payable and Accruals	11,175	1,400	79,056	142,685	146,580	380,896
TOTAL CAPITAL AND LIABILITIES	<u>(31,050)</u>	<u>67,966</u>	<u>7,920,574</u>	<u>3,303,305</u>	<u>382,057</u>	<u>11,642,852</u>

Tourism Attraction Board
Statement of Segmented Operations
For the Year Ended December 31, 2021
(in Cayman Islands dollars)

Statement of Financial Performance	CCM	HELL	PSJ	QEIIBP	TAB	CONSOL
	2021	2021	2021	2021	2021	2021
	\$	\$	\$	\$	\$	\$
INCOME						
Gift Shop, Events and Other	100	-	144,019	349,766	40,124	534,009
Rental Income	-	-	-	-	-	-
Admission Fees	-	-	20,221	55,384	-	75,605
Total Income	100	-	164,240	405,150	40,124	609,614
EXPENSES						
Salaries and Benefits	58,087	-	505,082	595,584	327,940	1,486,693
Supplies and Consumables	-	-	30,230	75,787	-	106,017
Depreciation	2,054	441	169,849	151,589	8,272	332,205
Management Fees	28,207	7,736	194,055	206,791	(436,789)	-
Insurance	138	-	65,228	13,463	227	79,056
Utilities	3,576	467	67,371	92,366	156	163,936
Operations & Maintenance	-	605	99,400	23,463	263	123,731
Building and Equipment Maintenance	397	4,074	31,588	27,696	217	63,972
Advertising and Marketing	-	435	635	2,849	34,391	38,310
Professional Fees	2,685	767	16,875	13,423	15,681	49,431
Administrative Expenses	186	185	13,489	32,541	22,880	69,281
Telephone and Communication Costs	2,097	2,208	12,070	9,935	4,562	30,872
Nursery Supplies and Grounds	-	-	8,599	27,365	-	35,964
Vehicle Expenses and Mileage	-	-	1,129	6,835	966	8,930
Bad Debt	2,500	-	-	-	-	2,500
Conference, Subsistence and Official Travel	-	-	-	-	1,340	1,340
Uniform, Training and Education	-	-	2,879	513	-	3,392
Inventory write-off	-	-	545	1,119	-	1,664
Miscellaneous Expense	-	-	-	-	3	3
Rent	12	-	-	-	-	12
Total Expenses	99,939	16,918	1,219,024	1,281,319	(19,891)	2,597,309
Deficit for the year before Government Subsidy	(99,839)	(16,918)	(1,054,784)	(876,169)	60,015	(1,987,695)
Government Output Funding	140,000	40,000	980,000	1,040,000	-	2,200,000
Surplus for the year after Government Subsidy	40,161	23,082	(74,784)	163,831	60,015	212,305

Tourism Attraction Board
Statement of Comparison of Budget and Actual Amounts
Statement of Financial Position
As at December 31, 2021
(in Cayman Islands dollars)

ASSETS	<u>Note</u>	<u>Actual</u> \$	<u>Budget</u> \$	<u>Variance</u> \$
Current Assets				
Inventories	20a	74,835	40,000	34,835
Accounts receivable	20b	37,960	82,500	(44,540)
Prepaid expenses		11,067	7,500	3,567
Investments		837,822	837,822	-
Cash and cash equivalents	20c	1,042,930	1,241,352	(198,422)
		<u>2,004,614</u>	<u>2,209,174</u>	<u>(204,560)</u>
Non-Current Assets				
Property, plant and equipment	3, 20d	9,638,238	4,818,720	4,819,518
TOTAL ASSETS		<u>11,642,852</u>	<u>7,027,894</u>	<u>4,614,958</u>
EQUITY AND LIABILITIES				
Donated capital	7	11,737,590	11,737,590	-
Accumulated deficit	20e	(5,216,783)	(5,159,530)	(57,253)
Revaluation Surplus		4,741,149	320,784	4,420,365
Equity		<u>11,261,956</u>	<u>6,898,844</u>	<u>4,363,112</u>
Current Liabilities				
Accounts payable and accrued liabilities	20f	380,896	129,050	251,846
		<u>380,896</u>	<u>129,050</u>	<u>251,846</u>
TOTAL EQUITY AND LIABILITIES		<u>11,642,852</u>	<u>7,027,894</u>	<u>4,614,958</u>

Tourism Attraction Board
Statement of Comparison of Budget and Actual Amounts
Financial Performance
For the Year Ended December 31, 2021
(in Cayman Islands dollars)

	<u>Note</u>	<u>2021</u>	<u>Budget</u>	<u>Variance</u>
		\$	\$	\$
Revenues				
Events, Gift Shops, and Other	20g	534,009	445,000	89,009
Admission Fees	20g	75,605	150,000	(74,395)
Output Funding	20n	2,200,000	2,200,000	-
Total Revenues		2,809,614	2,795,000	14,614
Expenses				
Salaries and Benefits	20h	1,486,693	1,560,000	(73,307)
Supplies and Consumables	20i	106,017	103,500	2,517
Utilities	20j	163,936	171,000	(7,064)
Building and Equipment Maintenance	20k	63,972	70,000	(6,028)
Depreciation		332,205	352,000	(19,795)
Administrative Expenses	20l	69,281	75,000	(5,719)
Advertising and Marketing	20m	38,310	45,000	(6,690)
Insurance		79,056	80,488	(1,432)
Professional Fees		49,431	51,500	(2,069)
Operations & Maintenance		123,731	128,000	(4,269)
Nursery Supplies and Grounds		35,964	50,000	(14,036)
Telephone and Communication Costs		30,872	35,000	(4,128)
Rent		12	12	-
Conference, Subsistence and Official Travel		1,340	1,500	(160)
Vehicle Expenses and Mileage		8,930	10,000	(1,070)
Bad Debt		2,500	5,000	(2,500)
Uniform, Training and Education		3,392	4,000	(608)
Inventory write-off		1,664	2,000	(336)
Miscellaneous Expense		3	2,000	(1,997)
Total Expenses		2,597,309	2,746,000	(148,691)
Surplus for the period		212,305	49,000	163,305

Tourism Attraction Board
Reconciliation of Ownership Agreement and Forecast Statement of
Financial Performance
For the Year Ended December 31, 2021
(in Cayman Islands dollars)

	Approved Budget 2021 \$	Financial Statements 2021 \$
<i>Ownership agreement:</i>		
Sale of goods and services	2,795,000	-
Salaries and Benefits	(1,513,500)	
Supplies and consumables	(1,114,500)	-
Depreciation	(118,000)	
Impairment of inventory		-
<i>Statement of financial performance:</i>		
Events, Gift Shop, and Other	-	445,000
Admission Fees	-	150,000
Government Subsidy	-	2,200,000
Salaries and Benefits		(1,560,000)
Supplies and Consumables	-	(103,500)
Depreciation	-	(352,000)
Insurance	-	(80,488)
Utilities	-	(171,000)
Operations & Maintenance	-	(128,000)
Building and Equipment Maintenance	-	(70,000)
Advertising and Marketing	-	(45,000)
Professional Fees	-	(51,500)
Administrative Expenses	-	(75,000)
Telephone and Communication Costs	-	(35,000)
Nursery Supplies and Grounds	-	(50,000)
Vehicle Expenses and Mileage	-	(10,000)
Bad Debt	-	(5,000)
Conference, Subsistence and Official Travel	-	(1,500)
Uniform, Training and Education	-	(4,000)
Inventory write-off	-	(2,000)
Miscellaneous Expense	-	(2,000)
Rent	-	(12)
Surplus or (Deficit) for the period	49,000	49,000

Tourism Attraction Board
Notes to the Financial Statements
For the Year Ended December 31, 2021
(Stated in Cayman Islands Dollars)

1. BACKGROUND INFORMATION

The Tourism Attraction Board (TAB) was established under the Tourism Attraction Board Act, 1996 (*Act 17 of 1996*) on 25 November 1996. The primary function of the TAB is the general and financial management of Pedro St. James as a building of historic interest and a heritage site for visitors, and of such other land and buildings as may be vested in it or placed under its management, in accordance with the general policies of the Government. The Queen Elizabeth II Botanic Park is a conservation effort of both the Cayman Islands Government and the National Trust for the Cayman Islands and was the second site placed under the management of the TAB. The TAB also manages the Hell Attraction and the Cayman Craft Market.

The TAB Office is located at Pedro St. James National Historic Site, Pedro Castle Road, Savannah, Grand Cayman, Cayman Islands.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the TAB are stated in Cayman Islands Dollars. A summary of the significant accounting and reporting policies used in preparing these statements are as follows:

(a) Basis of Preparation

In compliance with the Public Management and Finance Act (2020 Revision) these financial statements, for the year ended December 31, 2021, have been prepared in accordance with International Public Sector Accounting Standards (IPSAS), on an accrual basis. For periods up to and including June 30, 2013, the TAB prepared its financial statements in accordance with International Financial Reporting Standards (IFRS).

The continued existence of the TAB is contingent on the ongoing support from the Government. As management considers that this support will be ongoing and there are no indications that suggest otherwise, management considers the preparation of the financial statements under the going concern assumption to be appropriate.

The measurement is based on applied historical cost convention, adjusted for revaluations of certain assets. No account is taken of the effects of inflation.

(b) Reporting of Budget to Actual

With the increased focus on stewardship, service delivery and budget management in the public sector, IPSAS requires a comparison of actual financial performance of an entity with the approved budget of the entity, where the budget is publicly available.

Heritage Assets

IPSAS 17 Property, Plant and Equipment provides optional recognition of heritage assets. Assets are described as heritage assets because of their cultural, environmental, natural, scientific, technological or artistic significance. Heritage assets include historical buildings, and monuments, conservation areas, and nature reserves, works of art and artefacts. Heritage assets do not have a carrying value.

Tourism Attraction Board
Notes to the Financial Statements
For the Year Ended December 31, 2021
(Stated in Cayman Islands Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Exchange Transactions and Non-Exchange Transactions

Non-exchange transactions are those transactions where an entity either receives from another entity without directly giving approximate equal value in exchange or gives value to an entity without directly receiving approximately equal value in exchange. IPSAS provides principles to guide the measurement of recognition of non-exchange transactions, whereas IFRS is generally silent on the matter. Government grants received are considered to be non-exchange transactions.

(c) Use of Estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during year. Actual results could differ from these estimates, the impact of which would be recorded in future periods.

(d) New and revised standards and interpretations that are not yet effective:

Certain new accounting standards have been published that are not mandatory for the 31 December 2021 reporting period and have not been early adopted by the TAB. The TAB's assessments of the impact of these new standards are set out below.

IPSAS 41, Financial Instruments was issued in August 2018 and shall be applied for financial statements covering periods beginning on or after 1 January 2023. IPSAS 41 establishes new requirements for classifying, recognizing and measuring financial instruments to replace those in IPSAS 29, Financial Instruments: Recognition and Measurement. It is anticipated that IPSAS 41 will not have a significant impact on the TAB's financial statements. This will be assessed more fully closer to the effective date of adoption.

IPSAS 42, Social Benefits was issued in December 2018 and shall be applied for financial statements covering periods beginning on or after 1 January 2023. IPSAS 42 defines social benefits and determines when expenses and liabilities for social benefits are recognized and how they are measured. It is anticipated that IPSAS 42 will not have an impact on the TAB's financial statements, but this will be assessed more fully closer to the effective date of adoption.

(e) Property, Plant & Equipment

Land, Buildings and External Works are stated at revalued cost less accumulated depreciation and impairment losses, with the exception of Heritage Assets. Other categories of Property, Plant and Equipment are stated at historical cost. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the statement of financial performance. Property, plant and equipment are depreciated using the straight-line method. The following rates estimated to write off the cost of the assets over their expected useful lives are shown below:

Tourism Attraction Board
Notes to the Financial Statements
For the Year Ended December 31, 2021
(Stated in Cayman Islands Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Buildings	1.25 - 2.0%
Multimedia, Furniture and Fixtures	12.5%
Motor Vehicles	20.0%
Start-up Costs and Computer Equipment	33.3%

The capital costs of the Great House, Period Furnishings and the Botanical Gardens have not been depreciated since these will be maintained in perpetuity. These assets are considered Heritage Assets. All future expenditures on these assets will be expensed in the year that these costs are incurred.

(f) Foreign Currency Translation

Assets and liabilities denominated in currencies other than the Cayman Islands Dollar are translated at exchange rates in effect at the date of the Statement of Financial Position. Revenue and expense transactions denominated in currencies other than Cayman Islands Dollar are translated at exchange rates at the time of those transactions. Gains and losses on exchange are taken to the Statement of Financial Performance.

(g) Inventory

Inventory is valued at the lower of cost and net realisable value on a first-in, first-out method. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

(h) Pensions and Other Post-Retirement Benefits

In accordance with the Cayman Islands National Pensions Act, the TAB joined a defined contribution pension plan. The employer and employees have monthly contributions at a rate of 6%. The employer's contributions are recognized as employee benefit expenses when they are due. Prepaid contributions are recognized as an asset to the extent that the cash refund or a reduction in the future payments is available.

A defined contribution plan is a pension plan under which the TAB pays fixed contribution into the Public Service Pension Board of Cayman Islands. The TAB has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

(i) Borrowing Costs

Borrowing costs are capitalised against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalised over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalisation ceases when construction of the asset is complete. Further borrowing costs are charged to the Statement of Financial Performance.

(j) Revenue Recognition

Revenue comprises the fair value of the consideration, received or receivable for the sale of goods or services in the ordinary course of the TAB's activities. Revenue is shown net of returns and discounts. Income is recognised upon delivery of goods and customer acceptance, or on the performance of services.

Tourism Attraction Board
Notes to the Financial Statements
For the Year Ended December 31, 2021
(Stated in Cayman Islands Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Government Grants

Grants that compensate the TAB for expenses incurred are recognised as revenue in the Statement of Financial Performance on a systematic basis in the same period in which the expenses are incurred.

(l) Expenses

Expenses are recognised in the accounting period in which they are incurred.

(m) Operating Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Operating lease payments are recognised as an expense on a straight-line basis over the lease term, where this is representative of the pattern of benefits to be derived from the leased property. Where incentives are received under an operating lease, the expenses are recognised on a straight-line basis over the lease term. Lease incentives received are recognised evenly over the term of the lease as a reduction in rental expense.

(n) Accounts Receivables

Trade receivables are recognised initially at fair value and subsequently measured at cost less provisions for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the TAB will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquencies in payments (more than 180 days overdue) are considered indicators that the account receivables is impaired.

(o) Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents includes cash in hand and cash deposits with original maturities of three months or less. All cash and cash equivalents are held at commercial banks in the Cayman Islands.

(p) Financial assets and liabilities

Classification

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset, or to exchange financial instruments with another enterprise under conditions that are potentially favourable or an equity instrument of another enterprise. A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable.

Recognition

The TAB recognises financial assets and liabilities on the date it becomes a party to the contractual provisions of the instrument. From this date, any gains and losses arising from changes in financial liabilities measured at amortised cost are recognised in the statement of financial performance.

Financial assets comprise cash and cash equivalents, short term investments and accounts receivable. Financial liabilities comprise accounts payable and accrued liabilities. Management determines the classification of its financial assets and liabilities at initial recognition.

Tourism Attraction Board
Notes to the Financial Statements
For the Year Ended December 31, 2021
(Stated in Cayman Islands Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement

Financial instruments are measured initially at cost, including transaction costs. For financial assets acquired, cost is the fair value of the consideration given, while for financial liabilities cost is the fair value of consideration received.

Offsetting

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when the TAB has a legally enforceable right to set off the recognised amounts and the transactions are intended to be settled on a net basis. At December 31, 2021 and 2020, there were no assets or liabilities reported on a net basis.

Impairment

A financial asset is impaired if there is objective evidence indicating that one or more events have had a negative effect on the estimated future cash flows of that asset. The amount of the impairment loss for assets carried at amortised cost is calculated as the difference between the asset's carrying amount and the present value of expected future cash flows discounted at the financial instrument's original effective interest rate. All impairment losses are recognised in the statement of financial performance.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the TAB has transferred all the risks and rewards of ownership. A financial liability is derecognised when it is discharged, cancelled or expires.

Fair value

The fair value of financial instruments approximates their carrying value principally due to the short-term nature of such instruments.

(q) Budget amounts

The budget amounts for the financial year are presented in the 2021 Ownership Agreement and approved by the Board and Legislative Assembly.

Tourism Attraction Board
Notes to the Financial Statements
For the Year Ended December 31, 2021
(Stated in Cayman Islands Dollars)

3. PROPERTY, PLANT AND EQUIPMENT

Description	Land	Buildings & External Works	Multimedia, Furniture & Fixtures, Other	Motor Vehicles	Computers	Start-up Costs	Total
	\$	\$	\$	\$	\$	\$	\$
Cost:							
At 31 December 2020	1,324,000	4,280,337	653,231	160,072	105,099	214,838	6,737,577
Additions	-	294,277	34,914	17,500	-	-	346,691
Disposals	-	-	(6,620)	-	-	-	(6,620)
Revaluations (Net)	1,776,000	2,156,559	-	-	-	-	3,932,559
At 31 December 2021	3,100,000	6,731,173	681,525	177,572	105,099	214,838	11,010,207
Accumulated Depreciation:							
At 31 December 2020	-	497,546	600,895	118,858	102,053	214,838	1,534,190
Charge for Year	-	299,601	12,043	18,967	1,594	-	332,205
Disposal	-	-	(6,620)	-	-	-	(6,620)
Revaluations (Net)	-	(487,806)	-	-	-	-	(487,806)
At 31 December 2021	-	309,341	606,318	137,825	103,647	214,838	1,371,969
Net Book Value:							
At 31 December 2021	3,100,000	6,421,832	75,207	39,747	1,452	-	9,638,238
At 31 December 2020	1,324,000	3,782,791	52,336	41,214	3,046	-	5,203,387

The cost of land purchased for Pedro St. James is included in Property, Plant, and Equipment. The land at the Queen Elizabeth II Botanic Park (Park) is owned 50% each by the Crown and the National Trust of the Cayman Islands. Prior to the official opening of the Park, the National Trust for the Cayman Islands contributed volunteer labour and funding to assist in the development of the Park. These cash and non-cash expenditures have not been included in the financial statements since the donations were made prior to the establishment of the TAB.

Revaluation

Property was revalued as at January 2021, by an independent professional firm, JEC Property Consultants Quantity Surveyors located in Grand Cayman, and is stated at revalued amounts. The process commenced in September 2021 and a decision was made to use the report for the 2021 financial period. The Botanical Gardens, the Great House and Period Furnishing are classified as Heritage Assets and do not have a carrying value. The next revaluation is expected to take place next 5 years.

Tourism Attraction Board
Notes to the Financial Statements
For the Year Ended December 31, 2021
(Stated in Cayman Islands Dollars)

4. CASH AND CASH EQUIVALENTS

	2021	2020
	<u>\$</u>	<u>\$</u>
Current Account	<u>1,042,930</u>	<u>816,369</u>
Total	<u>1,042,930</u>	<u>816,369</u>

The accounts are non-interest bearing.

5. SHORT TERM INVESTMENTS

	2021	2020
	<u>\$</u>	<u>\$</u>
Term Deposit	<u>837,822</u>	<u>837,473</u>
Total	<u>837,822</u>	<u>837,473</u>

The term deposit has a maturity of twelve months from the date of placement with an interest of 0.10% (2020 – 0.10%).

6. ACCOUNTS AND OTHER RECEIVABLES

	2021	2020
	<u>\$</u>	<u>\$</u>
Account Receivables	<u>67,005</u>	<u>57,832</u>
Less Provision for Bad Debts	<u>(29,045)</u>	<u>(26,545)</u>
Total	<u>37,960</u>	<u>31,287</u>
	\$	\$
Opening Balance of Provision for Bad Debts	26,545	31,228
Movement for the year	<u>2,500</u>	<u>(4,683)</u>
Balance as at 31 December 2021	<u>29,045</u>	<u>26,545</u>

Aging of Receivables net of Provision for Doubtful Debt

	\$	\$
Current	11,970	12,369
Past due 31 – 60 days	410	1,373
Past due 61 – 90 days	-	1,663
Past due 121 – 180 days	<u>6,021</u>	<u>7,873</u>
Total	<u>18,401</u>	<u>23,278</u>

Tourism Attraction Board
Notes to the Financial Statements
For the Year Ended December 31, 2021
(Stated in Cayman Islands Dollars)

7. DONATED CAPITAL

There was no equity injection in 2021.

8. ACCOUNTS PAYABLE & ACCRUED LIABILITIES

	2021	2020
	\$	\$
Accounts Payable	239,480	202,939
Audit Fee Accrual	41,008	50,000
Payroll Liabilities	81,809	68,243
Unearned Revenue	14,326	7,089
Blue Iguana Recovery Payable	4,273	1,544
Total	380,896	329,815

Accounts payables and accrued liabilities are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received. The amounts are discounted where the effect of the time value of money is material. Accounts payable includes invoices received from suppliers not yet settled.

9. REVENUE

	2021	2020
	\$	\$
Events	94,647	55,379
Gift Shop	97,750	118,297
Donations and Other	341,612	201,963
Total Events, Gift Shop, Donation and Other	534,009	375,639
Admission Fees	75,605	236,750
Total	609,614	612,389

Income from the Gift Shop represents the price of goods sold net of discounts, while income from Admission Fees represent the price of services rendered net of discounts. Donations and Other includes donations from donors, plant sales at the Botanic Park, and Rent from the Hell Attraction

Tourism Attraction Board
Notes to the Financial Statements
For the Year Ended December 31, 2021
(Stated in Cayman Islands Dollars)

10. SALARIES & BENEFITS

	2021	2020
	\$	\$
Salaries & Wages	1,337,822	1,490,638
Health Insurance	63,341	70,268
Pension Contributions	68,506	79,194
Other	17,024	28,961
Total	1,486,693	1,669,061

The *Public Authorities Act, 2020 Section 47 - Terms and conditions and remuneration of staff*, requires all Statutory Authorities and Government Companies to comply with its requirements to standardise salaries and benefits by June 1, 2019. As at year end the associated expense was accrued for thirty-one (31) months and totaled approximately \$43,000.

11. RELATED PARTY TRANSACTIONS

For the year ended December 31, 2021, the Cayman Islands Government's subsidy to the TAB's heritage sites was \$2,200,000 (2020: \$1,760,000). To continue as going a concern, the TAB will require annual assistance from the Government for the foreseeable future.

The TAB also relies on the Cayman Islands Government to provide or arrange long-term finance for capital development projects. For the year ended December 31, 2021, TAB did not make use of any long term finance arrangements.

Insurance coverage for assets of the historic sites managed under the TAB is provided through the Cayman Islands Government.

The office of the Auditor General has a statutory responsibility for the financial audit of the TAB. The audit fee incurred for the year ended December 31, 2021 was \$45,000 (2020: \$50,000).

The TAB also depends on legal advice from the Cayman Islands Legal Department. During the years ended December 31, 2021 and December 31, 2020, the Cayman Islands Legal Department did not charge any legal fees to the TAB.

Key Management Personnel

There is one (1) full-time equivalent personnel considered at the senior management level. The total remuneration includes: regular salary, allowances and pension contributions. Total remuneration for this individual in 2021 was \$135K (2020: \$135K). There has been no loan made to key management personnel or close family members in 2021. There is no compensation given to the TAB Board Members.

12. COMMITMENTS

As at 31 December 2021, the TAB had no commitments, as such there has been no provision made in the financial statements as at 31 December 2021.

Tourism Attraction Board
Notes to the Financial Statements
For the Year Ended December 31, 2021
(Stated in Cayman Islands Dollars)

13. FINANCIAL INSTRUMENTS

Fair Values

The methods and assumptions used to estimate the fair value of each class of financial instruments for which it is practical to estimate a value are as follows:

i) Short-term financial assets and liabilities

The carrying value of these assets and liabilities is a reasonable estimate of their fair value because of the short maturity of these instruments. Short-term financial assets comprise cash, accounts receivable, and prepayments. Short-term financial liabilities comprise accounts payable, accrued expenses and deferred revenue.

ii) Long-term financial assets and liabilities

The carrying value of the long – term liabilities approximates their fair value.

Credit Risk

The entity offers its services to customers primarily in the Cayman Islands. Credit risk arises from the possibility that customers and counterparties may default on their obligations to the entity. The amount of the entity's maximum exposure to credit risk is indicated by the carrying amount of its financial assets. The entity performs on-going credit reviews on its customers and counterparties and provisions are set aside against amounts deemed irrecoverable.

14. CONTINGENT LIABILITIES

There were no legal actions or claims made against the TAB and its subsidiaries for the year ended 31 December 2021.

15. LIABILITY TO THE CAYMAN ISLAND GOVERNMENT

Under Section 39(2) of the Public Authority Act (2020 Revision), any surplus cash exceeding three month's reserve should be paid over to core government, unless directed otherwise by Cabinet. Cabinet exempted the Public Authorities from paying over cash reserves as at 31 December 2021.

Under Section 39(3) of the Public Authority Act (2020 Revision), the Authority is required to pay dividends in accordance with the formula established by the Minister of Finance.

Based on the formula, no dividend is due to the government for the financial year ended 31 December 2021.

16. TAXATION

Under the governing laws of the Cayman Islands, there is no income, sales or other taxes payable by the TAB. The Board is not liable for taxation in any other jurisdiction.

Tourism Attraction Board
Notes to the Financial Statements
For the Year Ended December 31, 2021
(Stated in Cayman Islands Dollars)

17. IMPACT OF COVID-19

The Tourism sector has been and will continue to be affected by the Coronavirus COVID-19 pandemic for the 2021 fiscal period and beyond. Management has therefore implemented systems and measures to mitigate the risks associated with the potential revenue loss. The marketing strategy has been tweaked to target the local market and additional offerings have been introduced at each site. With the introduction of the COVID-19 vaccines in 2021 and the loosening of travel restrictions nearer to the end of the year, we expect to see an increase in the volume of customers in the 2022 fiscal period.

Management does not intend to liquidate the entity or discontinue operations. The sites are of great historic, cultural and heritage value to the Cayman Islands and are expected to be preserved and maintained by the government in perpetuity.

There are no existing commitments that our vendors or suppliers will be unable to fulfil. There are no contracts that will need to be cancelled or changed.

18. SUBSEQUENT EVENTS

There has been no material events, either adjusting or non-adjusting, favourable or unfavourable, which would have impacted upon the statements, have been incurred between the reporting date and the date on which the financial statements were authorized for issue.

19. SEGMENT REPORTING

Segment reporting is presented in a format which represents the various entities as the segments that make up the TAB. The TAB managed entities have been consolidated for presentation purposes. These include Pedro St. James, the Queen Elizabeth II Botanic Park, Cayman Craft Market and the Hell Geological Site.

20. EXPLANATIONS OF MAJOR VARIANCE AGAINST BUDGET

Cabinet authorised additional funding of \$440,000 for the Board under section 11 (5) of the Public Management Finance Act (2020) Revision. A supplementary Appropriation Bill for the funding was not introduced in Parliament by 31 March 2022, as required by section 11 (6) of the PMFA.

The following major budget variations occurred between the 2021 Actuals and the 2021 Budget:

Statement of Financial Position

- a) Inventory was more than budget by \$35K due to purchase of additional inventory in anticipation of border reopening nearer to the end of the year. However, there were less sales than anticipated.
- b) Accounts Receivable was \$44K less than budget due less sales due to the impact of Covid-19 Pandemic and higher amounts uncollected at end of 2021 vs 2020.
- c) Cash and cash equivalents were less than the budget by \$198K due to less sales than anticipated due to the continued impact of Covid-19 Pandemic.

Tourism Attraction Board
Notes to the Financial Statements
For the Year Ended December 31, 2021
(Stated in Cayman Islands Dollars)

20. EXPLANATIONS OF MAJOR VARIANCE AGAINST BUDGET (continued)

- d) Property, Plant and Equipment was \$4.8M over budget due to approximately \$4.4M in Revaluation Gains and continuous development of Botanic Park's Children's Garden.
- e) Accumulated deficit showed a negative variance to budget of \$57K due to a less than anticipated income for the year due to slower border reopening and tourist visits.
- f) Accounts Payable and Accrued Liabilities were \$252K more than budget due to increased expenses and major bills near to the end of the year were not paid until subsequent to year end.

Statement of Financial Performance

- g) Revenue from the Admissions, Events, Gift Shops, and Other categories more than the budgeted amount by approximately \$15K. The border reopening and introduction of the covid 19 vaccines brought about better than expected sales.
- h) Salaries and Benefits were under budget by \$73K mainly due to less time worked by some employees during the year and redundancies at beginning of the year.
- i) Supplies and Consumables which represents the COGS category (under IPSAS reporting) was over budget by approximately \$2.5K due to better than expected sales. See note g) above.
- j) Utilities were under budget by \$7K due to less activities during the year. In addition, the Botanic Park was closed for two months of the year.
- k) Building and equipment maintenance is under budget by \$6K due to less repairs in value during the year vs prior year.
- l) Administrative Expenses is under budget by \$6K due to better management of spending during the year.
- m) Advertising and Marketing under budget by \$7K due to continued concentration of marketing to the locals and holding off advertising internationally.
- n) The original budget for Output Funding was \$1,760,000. An additional \$440K was approved by Cabinet resulting in the final budget of \$2,200,000 for the year.