

TOURISM ATTRACTION BOARD

FINANCIAL STATEMENTS

31 DECEMBER 2022

Tourism Attraction Board

Financial Statements for the year ended 31 December 2022

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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)*.

We also accept responsibility 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 entity.

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 the act, 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, 2022 and its financial performance, cash flows and changes in net assets/equity for the financial year 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, 2022;
- (b) completely and reliably reflect the financial position as at December 31, 2022 and financial performance for the year ended December 31, 2022, 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 14, 2023

Mr. Patrick Thompson
Director
Tourism Attraction Board
Date: April 14, 2023



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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, 2022, 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, 2022, 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.

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.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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.




Angela Cullen
Acting Auditor General

14 April 2023
Cayman Islands

Tourism Attraction Board
Statement of Financial Position
As at December 31, 2022
(in Cayman Islands dollars)


ASSETS	<u>Note</u>	<u>2022</u>	<u>2021</u>
		\$	\$
Current Assets			
Inventories		71,129	74,835
Accounts Receivables	6	47,194	37,960
Prepaid Expenses		14,632	11,067
Short term investments	5	-	837,822
Cash and Cash Equivalents	4	2,114,630	1,042,930
		<u>2,247,585</u>	<u>2,004,614</u>
Non-Current Assets			
Property, Plant and Equipment	3	9,439,693	9,638,238
TOTAL ASSETS		<u>11,687,278</u>	<u>11,642,852</u>
EQUITY AND LIABILITIES			
Donated Capital	7	11,737,590	11,737,590
Accumulated Deficit		(5,130,814)	(5,216,783)
Revaluation Surplus	4	4,741,149	4,741,149
Equity		<u>11,347,925</u>	<u>11,261,956</u>
Current Liabilities			
Accounts Payable & Accrued Liabilities	8	339,353	380,896
		<u>339,353</u>	<u>380,896</u>
TOTAL EQUITY AND LIABILITIES		<u>11,687,278</u>	<u>11,642,852</u>

Approved on behalf of the Board



Carla Reid
Chairperson

Date: 14 April 2023



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, 2022
(in Cayman Islands dollars)

	<u>Note</u>	<u>2022</u>	<u>2021</u>
		\$	\$
Revenues			
Output Funding	11	1,980,000	2,200,000
Events, Gift Shops, and Other	9	477,875	534,009
Admission Fees	9	353,971	75,605
Total Revenues		<u>2,811,846</u>	<u>2,809,614</u>
Expenses			
Salaries and Benefits	10	1,262,274	1,486,693
Supplies and Consumables		169,589	106,017
Utilities		188,125	163,936
Building and Equipment Maintenance		75,485	63,972
Depreciation	3	394,652	332,205
Administrative Expenses		121,454	69,281
Advertising and Marketing		66,869	38,310
Insurance		78,274	79,056
Professional Fees		50,915	49,431
Operations & Maintenance		164,543	123,731
Nursery Supplies and Grounds		77,963	35,964
Telephone and Communication Costs		27,843	30,872
Rent		-	12
Conference, Subsistence and Official Travel		9,708	1,340
Vehicle Expenses and Mileage		26,003	8,930
Bad Debt write-off		1,543	2,500
Uniform, Training and Education		3,152	3,392
Inventory write-off		394	1,664
Miscellaneous Expense		7,175	3
Total Expenses		<u>2,725,961</u>	<u>2,597,309</u>
Surplus for the year		<u>85,884</u>	<u>212,305</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, 2022
(in Cayman Islands dollars)**

	Note	DONATED CAPITAL	ACCUMULATED DEFICIT	REVALUATION SURPLUS	TOTAL EQUITY
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
Adjustment to Opening Equity		-	(10,369)	-	(10,369)
Surplus 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>
Balance at 31 December 2021		11,737,590	(5,216,783)	4,741,149	11,261,956
Adjustment during the year		-	85	-	85
Surplus for the year		-	85,884	-	85,884
Balance at 31 December 2022		<u>11,737,590</u>	<u>(5,130,814)</u>	<u>4,741,149</u>	<u>11,347,925</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, 2022
(in Cayman Islands dollars)

	<u>2022</u>	<u>2021</u>
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus for the year after government subsidy	85,884	212,305
Add adjustments to reconcile net income to net cash from operating activities		
Depreciation	394,652	332,205
Bad debts	1,543	2,500
Inventory Write-off	394	1,664
Other income		(349)
Operating Income before working capital changes	482,473	548,326
Changes in working capital balances		
Decrease / (Increase) in inventories	3,312	(9,722)
Decrease / (Increase) in accounts receivable	(10,777)	(9,173)
(Increase) / Decrease in prepaid expenses	(3,564)	3,110
(Increase) / Decrease in short term investments	837,822	-
(Decrease)/Increase in accounts payable and accrued liabilities	(41,543)	51,081
Net cash from operating activities	<u>1,267,723</u>	<u>583,621</u>
CASH FLOWS FROM INVESTING ACTIVITY		
Purchase of fixed assets	(196,109)	(346,691)
Net Cash used in investing activities	<u>(196,109)</u>	<u>(346,691)</u>
CASH FLOWS USED FINANCING ACTIVITIES		
Restricted Funds	-	-
Adjustment to Retained Earnings	85	(10,369)
Net cash provided by financing activities	<u>85</u>	<u>(10,369)</u>
Net decrease in cash and cash equivalents	1,071,699	226,561
Cash and cash equivalents at beginning of year	<u>1,042,930</u>	<u>816,369</u>
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	<u><u>2,114,630</u></u>	<u><u>1,042,930</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, 2022
(in Cayman Islands dollars)

Statement of Financial Position	CCM	HELL	PSJ	QEIIBP	TAB	CONSOL
	2022	2022	2022	2022	2022	2022
	\$	\$	\$	\$	\$	\$
ASSETS						
Non-Current Assets						
Property, Furniture and Equipment	6,389	-	6,532,304	2,895,346	5,654	9,439,693
Current Assets						
Inventories			34,765	36,364	-	71,129
Trade and Other Receivables	(50)	2,201	17,771	3,439	23,833	47,194
Prepayments	-	-	-	6,427	8,205	14,632
Interagency Transactions	27,571	73,116	771,987	(672,362)	(200,311)	-
Cash and Cash Equivalents	24,521	14,862	481,068	1,000,377	593,803	2,114,630
	<u>52,042</u>	<u>90,179</u>	<u>1,305,590</u>	<u>374,245</u>	<u>425,530</u>	<u>2,247,585</u>
TOTAL ASSETS	<u>58,431</u>	<u>90,179</u>	<u>7,837,893</u>	<u>3,269,591</u>	<u>431,184</u>	<u>11,687,278</u>
CAPITAL AND LIABILITIES						
Capital and Deficit						
Donated Capital	110,000	-	8,617,330	2,811,454	198,806	11,737,590
Accumulated Deficit	(52,654)	88,498	(4,476,980)	(766,301)	76,622	(5,130,815)
Revaluation Surplus	-	-	3,635,183	1,105,966	-	4,741,149
	<u>57,346</u>	<u>88,498</u>	<u>7,775,533</u>	<u>3,151,119</u>	<u>275,428</u>	<u>11,347,925</u>
Current Liabilities						
Accounts Payable and Accruals	1,084	1,681	62,361	118,472	155,755	339,353
TOTAL CAPITAL AND LIABILITIES	<u>58,431</u>	<u>90,179</u>	<u>7,837,893</u>	<u>3,269,591</u>	<u>431,184</u>	<u>11,687,278</u>

Tourism Attraction Board
Statement of Segmented Operations
For the Year Ended December 31, 2022
(in Cayman Islands dollars)

Statement of Financial Performance						
	CCM	HELL	PSJ	QEIBP	TAB	CONSOL
	2022	2022	2022	2022	2022	2022
	\$	\$	\$	\$	\$	\$
INCOME						
Gift Shop, Events and Other	940	-	201,970	246,964	17,501	467,375
Rental Income	-	10,500	-	-	-	10,500
Admission Fees	-	-	126,285	227,687	-	353,971
Total Income	940	10,500	328,254	474,650	17,501	831,846
EXPENSES						
Salaries and Benefits	560	-	455,043	573,651	233,019	1,262,274
Supplies and Consumables	-	-	67,166	102,424	-	169,589
Depreciation	2,822	5,304	250,491	125,146	10,889	394,652
Management Fees	28,000	8,000	190,000	170,000	(396,000)	-
Insurance	290	-	51,509	25,332	1,143	78,274
Utilities	151	620	85,933	101,327	94	188,125
Operations & Maintenance	6,063	889	139,344	18,247	-	164,543
Building and Equipment Maintenance	-	9,746	30,660	33,424	1,656	75,485
Advertising and Marketing	639	336	1,321	1,739	62,835	66,869
Professional Fees	2,983	852	18,750	13,423	14,907	50,915
Administrative Expenses	3,097	798	24,861	64,207	28,491	121,454
Telephone and Communication Costs	435	2,024	10,020	11,237	4,128	27,843
Nursery Supplies and Grounds	-	-	15,838	62,125	-	77,963
Vehicle Expenses and Mileage	-	-	3,249	21,163	1,591	26,003
Bad Debt	(250)	-	435	1,358	-	1,543
Conference, Subsistence and Official Travel	-	-	-	2,086	7,622	9,708
Uniform, Training and Education	-	-	2,098	1,055	-	3,152
Inventory write-off	-	-	(728)	1,122	-	394
Miscellaneous Expense	-	-	-	-	7,175	7,175
Total Expenses	44,789	28,568	1,345,989	1,329,066	(22,450)	2,725,961
Deficit for the year before Government Subsidy	(43,849)	(18,068)	(1,017,735)	(854,415)	39,951	(1,894,116)
Government Output Funding	140,000	40,000	950,000	850,000	-	1,980,000
Surplus for the year after Government Subsidy	96,151	21,932	(67,735)	(4,415)	39,951	85,884

Tourism Attraction Board
Statement of Comparison of Budget and Actual Amounts
Statement of Financial Position
As at December 31, 2022
(in Cayman Islands dollars)

ASSETS	<u>Note</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
		\$	\$	\$
Current Assets				
Inventories		71,129	75,000	(3,871)
Accounts receivable	19c	47,194	34,713	12,481
Prepaid expenses		14,632	15,000	(368)
Cash and cash equivalents	19a	<u>2,114,630</u>	<u>1,671,482</u>	<u>443,148</u>
		2,247,585	1,796,195	451,390
Non-Current Assets				
Property, plant and equipment	3, 19c	<u>9,439,693</u>	<u>5,264,685</u>	<u>4,175,008</u>
TOTAL ASSETS		<u>11,687,278</u>	<u>7,060,880</u>	<u>4,626,398</u>
EQUITY AND LIABILITIES				
Donated capital	7	11,737,590	11,957,590	(220,000)
Accumulated deficit	19d	(5,130,814)	(5,518,719)	387,905
Revaluation Surplus		<u>4,741,149</u>	<u>320,784</u>	<u>4,420,365</u>
Equity		11,347,926	6,759,655	4,588,271
Current Liabilities				
Accounts payable and accrued liabilities	19e	<u>339,353</u>	<u>301,225</u>	<u>38,128</u>
		339,353	301,225	38,128
TOTAL EQUITY AND LIABILITIES		<u>11,687,279</u>	<u>7,060,880</u>	<u>4,626,399</u>

Tourism Attraction Board
Statement of Comparison of Budget and Actual Amounts
Financial Performance
For the Year Ended December 31, 2022
(in Cayman Islands dollars)

	<u>Note</u>	<u>2022</u>	<u>Budget</u>	<u>Variance</u>
		\$		
Revenues				
Events, Gift Shops, and Other	19f	477,875	320,000	157,875
Admission Fees	19f	353,971	75,000	278,971
Output Funding		1,980,000	1,980,000	-
Total Revenues		2,811,846	2,375,000	436,846
Expenses				
Salaries and Benefits	19g	1,262,274	1,579,000	(316,726)
Supplies and Consumables	19h	169,589	90,000	79,589
Utilities	19i	188,125	135,000	53,125
Building and Equipment Maintenance	19k	75,485	50,000	25,485
Depreciation	19j	394,652	155,000	239,652
Administrative Expenses	19m	121,454	90,000	31,454
Advertising and Marketing	19n	66,869	50,000	16,869
Insurance		78,274	80,000	(1,726)
Professional Fees		50,915	45,000	5,915
Operations & Maintenance	19l	164,543	120,000	44,543
Nursery Supplies and Grounds	19l	77,963	20,000	57,963
Telephone and Communication Costs		27,843	30,000	(2,157)
Conference, Subsistence and Official Travel		9,708	5,000	4,708
Vehicle Expenses and Mileage		26,003	20,000	6,003
Bad Debt		1,543		1,543
Uniform, Training and Education		3,152	3,500	(348)
Inventory write-off		394	1,400	(1,006)
Miscellaneous Expense		7,175	1,100	6,075
Total Expenses		2,725,961	2,475,000	250,961
Surplus for the period		85,884	(100,000)	185,884

Tourism Attraction Board
Reconciliation of Ownership Agreement and Forecast Statement of
Financial Performance
For the Year Ended December 31, 2022
(in Cayman Islands dollars)

	Approved Budget 2022 \$	Financial Statements 2022 \$
<i>Ownership agreement:</i>		
Sale of goods and services	2,305,000	-
Donations	70,000	-
Salaries and Benefits	(1,579,000)	-
Supplies and consumables	(741,000)	-
Depreciation	(155,000)	-
<i>Statement of financial performance:</i>		
Events, Gift Shop, and Other	-	320,000
Admission Fees	-	75,000
Government Subsidy	-	1,980,000
Salaries and Benefits	-	(1,579,000)
Supplies and Consumables	-	(90,000)
Depreciation	-	(155,000)
Insurance	-	(80,000)
Utilities	-	(135,000)
Operations & Maintenance	-	(120,000)
Building and Equipment Maintenance	-	(50,000)
Advertising and Marketing	-	(50,000)
Professional Fees	-	(45,000)
Administrative Expenses	-	(90,000)
Telephone and Communication Costs	-	(30,000)
Nursery Supplies and Grounds	-	(20,000)
Vehicle Expenses and Mileage	-	(20,000)
Conference, Subsistence and Official Travel	-	(5,000)
Uniform, Training and Education	-	(3,500)
Inventory write-off	-	(1,400)
Miscellaneous Expense	-	(1,100)
Surplus or (Deficit) for the period	(100,000)	(100,000)

Tourism Attraction Board
Notes to the Financial Statements
For the Year Ended December 31, 2022
(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, 2022, 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, 2022
(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 2022 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 for the next financial year end.

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. This will be assessed more fully for the next financial year end.

IPSAS 43, Leases was issued in January 2022 and shall be applied for financial statements covering periods beginning on or after 1 January 2025. IPSAS 43 sets out recognition, measurement, presentation and disclosure requirements for leases. IPSAS 43 introduces a right-of-use model that replaces the risk and rewards incidental to ownership model IPSAS13. It is anticipated that IPSAS 43 will not have a significant impact on the entity's financial statements. This will be assessed more fully for the next financial year end.

IPSAS 44, Non-current assets held for sale issued In January 2022 and shall be applied for financial statements covering periods beginning on or after 1 January 2025. IPSAS 44 defines non-current assets held for sale and determines the accounting, presentation and disclosure of the discontinued operations. It is anticipated that IPSAS 44 will not have an impact on the entity's financial statements, but this will be assessed more fully closer to the effective date of adoption.

Tourism Attraction Board
Notes to the Financial Statements
For the Year Ended December 31, 2022
(Stated in Cayman Islands Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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:

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.

Tourism Attraction Board
Notes to the Financial Statements
For the Year Ended December 31, 2022
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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

(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.

Tourism Attraction Board
Notes to the Financial Statements
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(Stated in Cayman Islands Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

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, 2022 and 2021, 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.

Tourism Attraction Board
Notes to the Financial Statements
For the Year Ended December 31, 2022
(Stated in Cayman Islands Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 2022 and 2023 Ownership Agreement and approved by the Board and Parliament.

3. PROPERTY, PLANT AND EQUIPMENT

Description	Land	Buildings & External Works	Multimedia, Furniture & Fixtures, Other	Motor Vehicles	Computers	Total
	\$	\$	\$	\$	\$	\$
Cost:						
At 31 December 2021	3,100,000	6,731,173	681,525	177,572	105,099	10,795,369
Additions	-	178,239	15,140	-	2,728	196,107
Disposals	-	-	-	-	-	-
Revaluations (Net)	-	-	-	-	-	-
At 31 December 2022	3,100,000	6,909,412	696,665	177,572	107,827	10,991,476
Accumulated Depreciation:						
At 31 December 2021	-	309,341	606,318	137,825	103,647	1,157,131
Charge for Year	-	350,667	18,640	22,290	3,055	394,652
Disposal	-	-	-	-	-	-
Revaluations (Net)	-	-	-	-	-	-
At 31 December 2022	-	660,008	624,958	160,115	106,702	1,551,783
Net Book Value:						
At 31 December 2022	3,100,000	6,249,403	71,707	17,457	1,125	9,439,693
At 31 December 2021	3,100,000	6,421,832	75,207	39,747	1,452	9,638,238

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.

Tourism Attraction Board
Notes to the Financial Statements
For the Year Ended December 31, 2022
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3. PROPERTY, PLANT AND EQUIPMENT (continued)

Land, Building and External works were 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 in 2026.

4. CASH AND CASH EQUIVALENTS

	2022	2021
	<u>\$</u>	<u>\$</u>
Current Account	2,114,630	1,042,930
Total	<u>2,114,630</u>	<u>1,042,930</u>

The accounts are non-interest bearing.

5. SHORT TERM INVESTMENTS

	2022	2021
	<u>\$</u>	<u>\$</u>
Term Deposit	-	837,822
Total	<u>-</u>	<u>837,822</u>

In the prior year the term deposit had a maturity of twelve months from the date of placement with an interest of 0.10%. The term deposit position matured in 2022.

6. ACCOUNTS AND OTHER RECEIVABLES

	2022	2021
	<u>\$</u>	<u>\$</u>
Account Receivables	77,782	67,005
Less Provision for Bad Debts	(30,588)	(29,045)
Total	<u>47,194</u>	<u>37,960</u>
	<u>\$</u>	<u>\$</u>
Opening Balance of Provision for Bad Debts	29,045	26,545
Movement for the year	1,543	2,500
Balance as at 31 December 2022	<u>30,588</u>	<u>29,045</u>

Tourism Attraction Board
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6. ACCOUNTS AND OTHER RECEIVABLES (continued)

	2022	2021
	\$	\$
Current	17,205	11,970
Past due 31 – 60 days	9,077	410
Past due 61 – 120 days	14,700	-
Past due 121 – 180 days	3,758	6,021
Total	44,740	18,401

Aging of receivables net of provision for doubtful debts

7. DONATED CAPITAL

There was no equity injection in 2022.

8. ACCOUNTS PAYABLE & ACCRUED LIABILITIES

	2022	2021
	\$	\$
Accounts Payable	182,863	239,480
Audit Fee Accrual	61,048	41,008
Payroll Liabilities	53,421	81,809
Unearned Revenue	22,859	14,326
Blue Iguana Recovery Payable	19,162	4,273
Total	339,353	380,896

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

	2022	2021
	\$	\$
Events	93,074	94,647
Gift Shop	274,024	97,750
Donations and Other	110,777	341,612
Total Events, Gift Shop, Donation and Other	477,875	534,009
Admission Fees	353,971	75,605
Total	831,846	609,614

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
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10. SALARIES & BENEFITS

	2022	2021
	\$	\$
Salaries & Wages	1,124,746	1,337,822
Health Insurance	62,512	63,341
Pension Contributions	60,887	68,506
Other	14,129	17,024
Total	1,262,274	1,486,693

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. In June 2022, a total of \$23,630, the liability related to the salary expense accrual for the period June 2019 to June 2022, was paid to all staff. At that time the TAB transitioned from its own salary scale to the CIG Salary scale.

11. RELATED PARTY TRANSACTIONS

For the year ended December 31, 2022, the Cayman Islands Government’s subsidy to the TAB’s heritage sites was \$1,980,000 (2021: \$2,200,000). 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, 2022, 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, 2022 was \$45,000 (2021: \$45,000).

The TAB also depends on legal advice from the Cayman Islands Legal Department. During the years ended December 31, 2022 and December 31, 2021, 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 2022 was \$144K (2021: \$135K). There has been no loan made to key management personnel or close family members in 2022. TAB Board Members are not compensated.

12. COMMITMENTS

As at 31 December 2022, the TAB had no commitments, as such there has been no provision made in the financial statements as at 31 December 2022.

Tourism Attraction Board
Notes to the Financial Statements
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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 2022.

15. CONTINGENT LIABILITY TO THE CAYMAN ISLAND GOVERNMENT

Section 36(1) of the PAA requires public authorities to pay an annual capital charge for the use of equity invested by the Government in the authority. The capital charge is set by the Minister of Finance after consultation with the public authority’s board. There is no capital charge payable in 2022 (2021: \$0) because the rate for the 2022 financial year was set at 0%. Going forward, the Authority may be required to pay a capital charge in accordance with the PAA.

The Authority is required to comply with the Public Authorities Act, 2020, (the “PAA”). Amongst other matters, Section 39(2) of the PAA requires that where a public authority has surplus cash reserves for a period of more than ninety days, the surplus shall be paid to core government unless otherwise directed by Cabinet, after written consultation with the Board. On 28 March 2023, Cabinet approved the exemption of public authorities from paying over surplus cash reserves.

Section 39(3) of PAA also requires that a public authority pay dividends in accordance with the formulae established by the Minister of Financial Services & Commerce (the “Ministry”) after written consultation with the Board, unless otherwise directed by Cabinet. For all years through 2021, the Ministry has advised the Authority that it will not be required to pay a dividend out of its surplus because its operations are not self-sustaining.

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Notes to the Financial Statements
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15. CONTINGENT LIABILITY TO THE CAYMAN ISLAND GOVERNMENT

The Ministry has not notified the Authority about a dividend payment for 2022. The payment conditions are the same to those in prior years and, therefore, the

Authority has not made a provision for a dividend payment. Going forward, the Authority may be required to pay a dividend in accordance with Government's policy for the payment of annual dividends unless the Authority continues to satisfy the exemption criteria noted under the policy.

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.

17. 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.

18. 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.

19. EXPLANATIONS OF MAJOR VARIANCE AGAINST BUDGET

The approved funding received under section 11(5) of the Public Management Finance Act (2020) Revision, was \$220,000 less than the amount approved in 2021 (excludes supplementary appropriation).

The following major budget variations occurred between the 2022 Actuals and the 2022 Budget:

Statement of Financial Position

- a) Cash and cash equivalents were over the budget by \$443K due to more sales than anticipated due to the lifting of Covid-19 restrictions. In addition the maturity of the term deposit of \$837.8k.
- b) Account receivable was \$12K more than budget due to post Covid 19 increase in sales.
- c) Property, Plant and Equipment was \$4.1M over budget due to approximately \$4.4M in Revaluation Gains in 2021 and continuous development of Botanic Park's Children's Garden.
- d) Accumulated surplus showed a positive variance to budget of \$388K which is a directly related to income for the year resulting from the re-opening of the border.

Tourism Attraction Board
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Statement of Financial Position (continued)

- e) Accounts Payable and Accrued Liabilities were \$38K 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.
- f) Revenue from the Admissions, Events, Gift Shops, and other categories was more than the budgeted amount by approximately \$437K. This is due to increase activities resulting from the lifting of most of the Covid-19 restrictions and the re-opening of the border.
- g) Salaries and Benefits were under budget by \$317k mainly due to number of unfilled keys positions during the year.
- h) Supplies and Consumables which represents the COGS category (under IPSAS reporting) was over budget by approximately \$80k due to better than expected sales. (See note h) above.
- i) Utilities were over budget by \$53K due to an increase in activities and rate increase during the year.
- j) Depreciation has increased by \$239 over 2021 because budgetary allocation was set on pre-revaluation cost.
- k) Building and equipment maintenance is over budget by \$25K which could be attributed to post Covid-19 inflation.
- l) Operation & Maintenance and Nursery Supplies and Grounds exceeded budget by \$44k and \$58k respectively due to increase activities resulting from the re-opening of the border and inflation.
- m) Administrative Expenses is over budget by \$31K due to cost related to post Covid 19 increase in activities and inflation.
- n) Advertising and Marketing is over the Budgeted amount by \$17K due to increased post-covid-19 advertising and Marketing cost and activities.