



Barbados
Conference
Services Limited



ANNUAL REPORT 2022

OUR VISION

To become the No. 1 choice in the Caribbean for hosting and managing meetings and events with highly skilled, service-oriented personnel, cutting edge technology and a reputation for excellence working as a unified team to ensure financial viability.

OUR MISSION

We are a dynamic management company known for providing world-class meeting and event facilities and for creating, managing and delivering experiences that bring people together in completely enriching and positively unforgettable ways.

OUR VALUES

Integrity: We will interact with customers, staff and suppliers with honesty, reliability, fairness and sincerity.

Customer-focused: We are committed to our customers' goals, and will achieve these in a professional and courteous manner.

Creative solutions: We will use our imagination and dedication to provide creative ideas and solutions to customers' needs.

Eye for detail: Our attention to detail will result in a stress-free experience for our customers.

Experience: Our teams' combined experience, versatility and knowledge are powerful tools in the delivery of excellence.

Unified Team: Our combined divisions allow us to offer a service that truly differentiates us from our competitors.

Employee Development: We encourage a culture that promotes job satisfaction and employee growth through training, new challenges and experience.

BARBADOS CONFERENCE SERVICES LIMITED

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31 March 2022

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BARBADOS CONFERENCE SERVICES LIMITED

Corporate information

31 March 2022

Directors

Dean Straker – Chairman

Alpha Jackman – Deputy Chairman

Nicole Taylor – Ministry of Tourism & International Transport

Rudy Grant – Representative for Barbados Hotel and Tourism Association

Lisa Belle

Ryan Gittens

Corporate Service Provider

Aries Management Services Inc.

Observatory Road

Clapham

St. Michael

Barbados

Registered office

Lloyd Erskine Sandiford Centre

Two Mile Hill

St. Michael

Barbados

Independent auditors

RBCI Chartered Accountants

P.O. Box 5049

Warrens Tower II

St. Michael

BB28000

Barbados

BOARD OF DIRECTORS' REPORT

The Board of Directors of Barbados Conference Services Ltd. is pleased to present the annual report for the year ended March 31, 2022.

Introduction

BCSL was incorporated under the Companies Act, Cap. 308 of the Laws of Barbados on the 10th day of October 1997 and commenced operations on April 1, 1998. BCSL is wholly owned by the Government of Barbados with registered offices at Lloyd Erskine Sandiford Centre (LESC), Two Mile Hill, St. Michael.

The principle activity of the Company is the management of Lloyd Erskine Sandiford Centre as the premier meeting and event facility in the Caribbean, committed to hosting and managing meetings and events with highly skilled, customer focused personnel, cutting edge technology and a reputation for excellence; all working together to ensure financial viability. The Company also offers event management services and technical services for conferences and exhibitions held at other venues locally and, in the case of technical services, regionally.

In addition to the above, perennial income is earned from the long-term rental of the kitchen facilities and over 100,000 square feet of commercial space which is the home of the Ross University School of Medicine (RUSM) since August 2018.

Review of Operations

During FY2021/22, the Company's conference facility operations continued to be negatively impacted by the ongoing global COVID 19 pandemic. During the year, the island was hit by a third wave and a new variant resulting in the continuation of the curfew and severe restrictions on the hosting of meetings and social gatherings. The gradual return to business seen during the period was sporadic due to the uncertainty of the environment and the reluctance of persons to attend in-person meetings. In light of the prevailing pandemic environment, the Company adapted to the "new normal" for meetings by offering the hybrid meeting format and outsourced the service initially. The Company subsequently acquired the equipment to facilitate small to medium-sized meetings and promoted a Hybrid Meeting package. This provided clients with a viable and affordable solution to their concerns and another source of income for the Company.

Similar to the previous year, the majority of the meetings held at LESC were Government organized. However with the hybrid option readily available and the lifting of curfew and easing of restrictions, there was a noticeable return of some cooperate and associations meetings, especially during the latter half of the year. The UNCTAD 15 conference was finally held albeit in Hybrid format after being postponed twice from October 2020. The following two (2) other major events were also successfully hosted at LESC, with the latter being the first in-person conference since 2020.

- Caribbean Export Virtual Expo – September 2021
- UNCTAD 15 Conference (Hybrid) – October 2021
- Police Grand Conference – March 2022

Similar to FY2020/21, BCSL was fortunate to have received full rental income from the RUSM Ltd. throughout the fiscal year which allowed the company to continue to maintain staff levels and meet its operating expenses. During the year, RUSM requested the use of the western meeting room (Flamboyant Room) to adequately accommodate the student enrollment for the September Semester while adhering to the 6ft physical distancing requirement. The request was granted given that with the current restrictions, the return of full Centre bookings was not anticipated until the Fourth Quarter of FY2022. Following the upsurge in December 2022, a subsequent request to continue to utilize the room for a further eight (8) months from January 2022 was granted at an agreed rental fee.

Income from the F&B Operations continued to be negatively impacted by the reduced Centre activity and closure of the University and in turn the Cafeteria for most of the year. During the period April to June, 2021, the fixed Restaurant Rental fee was waived. However, payment restarted from July, 2021 with the gradual return of business and the reopening of Ross University from September 2021 using the blended format.

During the financial year which ended on March 31, 2022, the Company's Gross Revenue Earnings for the year of \$7,366,284 represented an 8% increase over the previous year's earnings of \$6,799,928.

Due to the 6ft physical distancing requirements and the trend towards the hybrid format of meetings, the demand for audio visual equipment increased significantly. The additional revenue earned from the rental of audio visual and technical services for meetings held at LESC and other venues locally and regionally increased by 23% over prior year. Additionally, with the easing of travel restrictions, off island rentals recommenced in August with the provision of audio visual equipment/Simultaneous Interpretation System and technical services for a United Nations' meeting held in Dominica.

During the year, given the reduced Centre activity, the company used the downtime to carry out major building maintenance work to complete the following most critical projects:

- Roof and guttering repairs to the roof of the eastern meeting rooms.
- Refurbishment of the remaining wooden surfaces in the western and lower foyers as well as the Flamboyant Meeting Room.

The following projects/procurements are at an advance stage and are expected to be completed by the end of FY2022/23:

- Replacement of carpets in the Frangipani, Poinsettia and Bougainvillea, Marigold, Marigold Annex Meeting Rooms and the Secretariat.
- Upgrade of the Audio Visual Systems throughout the Centre to support the new technological requirements for meetings of the future.
- Refurbishment of moveable partitions in the main conference room.

During the financial year, operational expenses were \$10,216,040, which represented a 5% increase when compared to the previous year's expenses of \$9,703,823. This increase can be attributed to the increased cost of utilities and increased spend on Maintenance of Property, with the latter attributed to ongoing maintenance and repair works to the building. Of note were the expenses associated with the volcanic ash fall clean up, roof and window repairs. Overall expenses, however, were well within budget for the year as a result of the continued stringent focus on cost controls and operating efficiencies implemented by management. This effective management of expenditure has resulted in no significant changes in the Company's loss from operations. The Company's retained earnings now stand at \$5,867,355.

During the period, despite reduced revenues from the operations of the conference facility, BCSL did not require funding from Government to meet other operational expenses. This was possible primarily due to the income from the RUSM Lease which accounted for 83% of Total Revenue Earned for FY2021/22, coupled with the continued employment of cost saving measures to reduce expenses wherever possible.

Sales & Marketing

During the year, in an effort to keep the Centre top of mind, the Company continued to promote LESC via social media postings, Google Ads and the weekly 15 minute in-Studio

radio sessions. In addition to continuing the promotion of the Hybrid Meeting and Small Meeting Packages, several campaigns were created specifically to promote the versatility and readiness of the Centre and the staff to host in-person events while adhering to the COVID protocols. The campaigns ranged from "*Safe Spaces*", "*Together Again*" and "*Meet the Staff*" in anticipation of the return to face to face business to "*LESC Home for the Holidays*", "*COVID Ready Venue*" and "*Game Changer*" using images and content from the LESG Open Day & Showcase, UNCTAD15 and Parliament Opening and Throne Speech inclusive of set ups in progress. The latter campaign highlighted the company's ability to respond to the demand for the greater use of technology, as the new standard meeting requirement and maintain the reputation of being a one-stop-shop for meetings and events.

Short promotional videos were also created from the 5-minute LESG Feature completed during the last quarter of FY2020/21 and posted across all social media platforms, on the Corporate Website and YouTube.

The marketing strategies employed during the period supported the direct sales efforts of the Sales Team to attract new clients and encouraged existing clients to rebook. As such in addition to the conferences, the Centre saw the return of one exhibition and a number of small meetings and special occasion events.

As shown in the table below, the Centre hosted 126 events, 9% less than the 139 events held in the previous year and 66% less FY2019/20. As a result of the continued existence of the prolonged uncertainty of the pandemic and the ongoing stringent protocols prohibiting the hosting of events due to the upsurge of the pandemic, the return to full business operations did not materialize as anticipated. Additionally, the Company's plans to host at least 4 in-house produced events were once again placed on hold.

	FY2021/22	FY2020/21	FY2019/20
No. of Events held at LESG	126	139	376
Conferences/Conventions	2	1	10
Exhibitions/Tradeshows	1	2	13
Meetings	108	119	229
Other Events *	15	17	124

*Other Events included Banquets, Examinations and Temporary Classroom area for RUSM

As shown in Fig.1 below, the Centre was the venue of choice for most Government organized meetings which was the leading market segment, accounting for 47% of the total room revenue earned. In addition, with the short-term rental of the Flamboyant Room and the lifting of restrictions on in-person church services, the Educational Institution and Religious Organization market segments were the next highest contributor to the total room revenue earned, accounting for 17% and 13%, respectively.

Also, as shown below in Fig 2, the leading event segment was Conference which accounted for 30% of the Total Room Revenue, closely followed by Meetings and Church Services/Meetings with 27% and 23%, respectively.

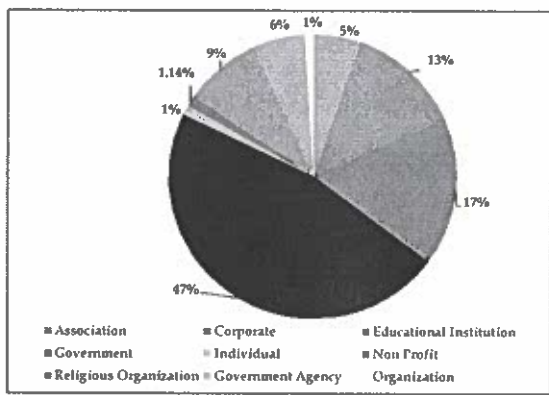


Fig. 1

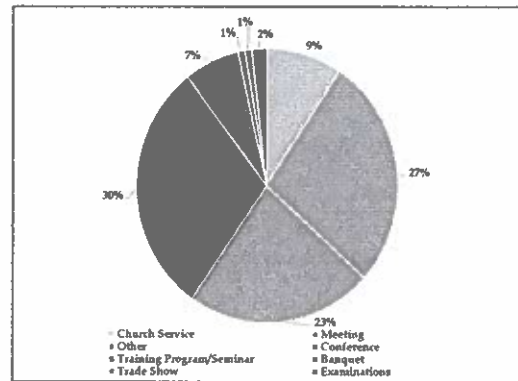


Fig. 2

Human Resources

In keeping with the company’s commitment to maintain a team of highly skilled, customer focused personnel with a reputation for excellence, training was undertaken in areas and across all departments.

Supervisory Management and Occupational, Safety & Health Management Courses offered through BIMAP were undertaken by staff from the Security and Event Departments. In addition, training was organized for the management and supervisory teams on “Conducting Discipline” to strengthen their coaching and mentoring abilities and to ensure that the company remains compliant with the requirements under the Employment Rights Act and the Safety & Health At Work Act.

In light of the prevailing pandemic conditions, there was a strong focus on health and safety training. During the year, in addition to regular staff briefings, BCSL facilitated a Wellness Session for staff given the psychological impact of COVID. A Coronavirus (Covid19) Health & Safety Protocols Handbook was developed and issued to all staff to provide guidelines for daily operations.

Social Responsibility

BCSL honored its social responsibility by way of the support given to the Ministry of Health in the fight against COVID19 through the provision of the Pipe & Drape to create compartments for some of the isolation centres, namely Daryll Jordan, Queen's College and Lester Vaughn Schools. The company also provided the infra structure to create the cubicles at the Testing Facility in Queen's Park.

In addition to the above, the company collaborated with the Ministry of Health to host two (2) Community Vaccination Pop-Ups at LESC as part of the National COVID Vaccination Campaign.

Pension Plan

During FY2021/22, the Company focused on reversing the Solvency Deficit reported in the Triennial Actuarial as at April 01, 2020. In keeping with its Statement of Investment & Goals Policy (SIP&G) submitted to the Financial Services Commission, the Company continued to diversify the investments in the pension plan in an effort to achieve an asset mix of 70% Fix Income and 30% Equity.

During the financial year, additional investments in Equity were made with Sagicor and Fortress to reverse the deficit and significantly changed the asset mix from being predominately Fixed Income to 75% Fix Income and 24% Equity. Management will continue to investigate other investment opportunities to meet its investment goal outlined in the SIP&G.

Health and Safety

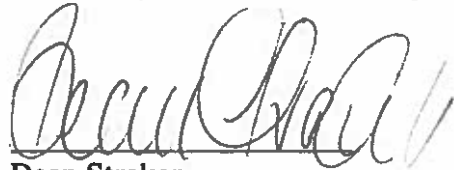
During the year, the Health and Safety Committee (HSC) continued to function in compliance with the Safety and Health at Work Act. The HSC and the Emergency Management Committee joined forces to successfully manage the LESC as an Emergency

Shelter during the passage of Hurricane Elsa in June 2021 and the cleanup of the Ash Fall following the eruption of La Soufriere which took a herculean effort by the LESC Team to clean.

For FY2022/23 we look forward with cautious optimism and remain confident in our stringent protocols which will reinforce the Centre's reputation for safety, flexibility and good customer service. We will continue to focus on delivering a first-class service to clients, establishing successful partnerships and delivering creative, professional and innovative events. As we seek to emerge from the effects of the pandemic over the next year, our focus will be on the following initiatives:

- Continued focus on cost reduction and cash management.
- Diversification of the company's product and service offerings to meet client demands and embrace new and emerging technologies associated with the meetings and events industry.
- Continued upgrade of the conference facilities to maintain a modern, creative and innovative events planning environment.
- Reintroduction of BCSL/LESC to the regional and international markets to attract more MICE business which will increase revenue for the company and will be economically beneficial to the island on a whole.

On behalf of the Board of Directors and management, we commend the staff for their resilience and continued commitment to the Company's values of high quality customer service, a safe and secure environment and creative and innovative solutions throughout this challenging year. We also wish to thank our industry partners, stakeholders and loyal clients for their continued support and commitment during the year and we look forward to working with you over the upcoming year to rebuild and rejuvenate.



Dean Straker
Chairman



Chartered Accountants

RON BANCROFT | Chartered Accountant
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St. Michael, Barbados
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INDEPENDENT AUDITORS' REPORT

To the shareholder of Barbados Conference Services Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Barbados Conference Services Limited**, which comprise the statement of financial position as at 31 March 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) for Small and Medium Sized Entities issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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 IFRSs 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company financial reporting process.

RBCI

Chartered Accountants

Report on the Audit of the Financial Statements

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal 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 Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

RBCI

Chartered Accountants

Other matters

This report is made solely for the information and use of the shareholders of **Barbados Conference Services Limited**. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company's shareholder as a body, for our audit work, for this report, or for the opinion we have formed.



27 June 2022
Bridgetown, Barbados

BARBADOS CONFERENCE SERVICES LIMITED

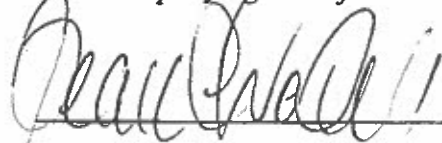
Statement of financial position

For the year ended 31 March 2022

(expressed in Barbados dollars)

	Notes	2022 \$	2021 \$
Assets			
Current assets			
Cash on hand		1,200	1,200
Cash at bank		2,113,463	2,556,197
Trade and other receivables	3	389,365	55,286
Prepayments		142,589	324,927
		<u>2,646,617</u>	<u>2,937,610</u>
Property, plant and equipment	4	<u>50,928,370</u>	<u>54,281,665</u>
Total assets		<u>53,574,987</u>	<u>57,219,275</u>
Liabilities			
Current liabilities			
Accounts payable	5	334,186	404,659
Advance deposits		608,357	581,043
Deferred government grant	7	519,792	817,026
		<u>1,462,335</u>	<u>1,802,728</u>
Long term liabilities			
Security deposits		548,869	548,869
Pension plan liability	6	253,954	993,706
Deferred government grant	7	1,468,802	1,988,594
		<u>2,271,625</u>	<u>3,531,169</u>
Equity			
Stated capital	9	43,973,672	43,973,672
Retained earnings		7,911,706	9,895,745
Net (loss)/profit for the year		(2,044,351)	(1,984,039)
Total equity		<u>49,841,027</u>	<u>51,885,378</u>
Total liabilities and equity		<u>53,574,987</u>	<u>57,219,275</u>

The accompanying notes form an integral part of these financial statements.



Chairman

Dean Straker



Director

Nicole Taylor

BARBADOS CONFERENCE SERVICES LIMITED

Statement of comprehensive income

For the year ended 31 March 2022

(expressed in Barbados dollars)

	Notes	2022 \$	2021 \$
Revenue			
Rental income – Ross University	12	4,743,000	4,650,000
Food and beverage		342,861	258,194
Service charge income – Ross University	12	1,419,726	1,340,399
Room rental		426,920	258,153
Other income		433,777	293,182
		<u>7,366,284</u>	<u>6,799,928</u>
Costs and expenses			
Depreciation	4	3,918,209	3,857,774
Salaries and wages		2,306,638	2,398,790
Food and beverage	5	291,396	234,435
Service charge expense – Ross University	12	1,419,726	1,081,757
Supplies and services		668,060	726,410
Utilities		658,976	441,588
Repairs and maintenance		476,520	326,209
Commission on lease		32,292	129,167
Pension plan	6	159,926	181,788
Marketing		75,072	135,053
Insurance		79,192	76,669
Directors' fees		44,400	46,000
Professional fees		63,130	43,300
Loan and other interest expense		-	1,718
Corporation tax expense		22,503	18,291
Bad debts, net		-	4,874
		<u>10,216,040</u>	<u>9,703,823</u>
Loss from operations		(2,849,756)	(2,903,895)
Government grant	7	817,026	1,126,945
Gain on disposal of assets		150	200
Net (loss)/profit for the year		<u>(2,032,580)</u>	<u>(1,776,750)</u>
Other comprehensive (loss)/profit not to be reclassified to statement of income:			
Net (loss)/profit for year before pension		(2,032,580)	(1,776,750)
Remeasurement loss on defined benefit plan, net of tax	6	(11,771)	(207,289)
Total comprehensive (loss)/profit for the year		<u>(2,044,351)</u>	<u>(1,984,039)</u>

BARBADOS CONFERENCE SERVICES LIMITED

Statement of changes in equity

For the year ended 31 March 2022

(expressed in Barbados dollars)

	Stated capital	Retained earnings	Total
	\$	\$	\$
Balances – 31 March 2020	43,973,672	9,895,745	53,869,417
Total comprehensive loss	-	(1,984,039)	(1,984,039)
Balances – 31 March 2021	43,973,672	7,911,706	51,885,378
Total comprehensive loss	-	(2,044,351)	(2,044,351)
Balances – 31 March 2022	43,973,672	5,867,355	49,841,027

The accompanying notes form an integral part of these financial statements.

BARBADOS CONFERENCE SERVICES LIMITED

Statement of cash flows

For the year ended 31 March 2022

(expressed in Barbados dollars)

	2022	2021
	\$	\$
Operating Activities		
Net loss for the year	(2,032,580)	(1,776,750)
<i>Adjustments for:</i>		
Depreciation	3,918,209	3,857,774
Interest expense	-	1,718
Pension plan expense	159,926	181,788
Government grant	(817,026)	(1,126,945)
	<u>1,228,529</u>	<u>1,137,585</u>
Trade and other receivables	(334,079)	58,808
Prepayments	182,338	520,649
Advance deposits	27,314	(35,141)
Accounts payable	(70,473)	(384,459)
	<u>1,033,629</u>	<u>1,297,442</u>
Interest paid	-	(1,718)
Pension plan contributions paid	(911,449)	(500,000)
<i>Net cash from operating activities</i>	<u>122,180</u>	<u>795,724</u>
Investing Activities		
Purchase of property, plant and equipment	(564,914)	(732,368)
<i>Net cash used in investing activities</i>	<u>(564,914)</u>	<u>(732,368)</u>
Financing Activities		
Repayment of loans	-	(1,216,074)
<i>Net cash from financing activities</i>	<u>-</u>	<u>(1,216,074)</u>
Net change in cash and cash equivalents	(442,734)	(1,152,718)
Cash and cash equivalents – beginning of year	2,557,397	3,710,115
Cash and cash equivalents – end of year	<u>2,114,663</u>	<u>2,557,397</u>
Cash on hand	1,200	1,200
Cash at bank	2,113,463	2,556,197
	<u>2,114,663</u>	<u>2,557,397</u>

BARBADOS CONFERENCE SERVICES LIMITED

Notes to the financial statements

For the year ended 31 March 2022

(expressed in Barbados dollars)

1. Incorporation and principal activities

The Company was incorporated in Barbados under the Companies Act on 10 April 1997 and commenced operations on 1 April 1998. It is authorised to issue an unlimited number of common shares without par value. The sole shareholder is the Government of Barbados.

The principal activities of the Company are the operation of conference services at Lloyd Erskine Sandiford Centre.

2. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. The policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

Basis of preparing the financial statements

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) for small and medium-sized entities (IFRS for SMEs) as issued by the International Accounting Standards Board (IASB). The financial statements comply with both these reporting frameworks because at the time of their preparation, all applicable IFRSs issued by the IASB had been adopted. In addition, the financial statements have been prepared in accordance with the requirements of the Barbados Companies Act. The financial statements have been prepared under the historical cost convention.

Adoption of new and revised IFRSs

During the current year, the Company adopted all the new and revised IFRSs and International Accounting Standards (IAS) which were relevant to its operations and were effective for accounting periods commencing on 1 April 2021. At the date of authorisation of these financial statements, some Standards were in issue but not yet effective. The Board of Directors expects that the adoption of these Standards in future periods will not have a material effect on the financial statements of the Company.

Standards issued but not yet effective

During the year, there were several standards and interpretations issued, but not yet effective, up to the date of issuance of the Company's financial statements. The Company has not adopted any of these standards and does not expect any significant impact on its operating activities when these standards become effective.

BARBADOS CONFERENCE SERVICES LIMITED

Notes to the financial statements

For the year ended 31 March 2022

(expressed in Barbados dollars)

2. Significant accounting policies (continued)

Trade receivables

Trade receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost, using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held on call with banks with a maturity of less than or equal to ninety (90) days and bank overdrafts. On the statement of financial position, bank overdrafts are included in borrowings in current liabilities.

Property, plant and equipment

Property, plant and equipment are recorded at cost, net of accumulated depreciation and any recognised impairment loss. Depreciation is provided using the straight-line method at rates based on the estimated useful life of each asset. The gain or loss on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of income.

The annual depreciation rates used are:

Property under construction	- 0%
Buildings	- 4%
Motor Vehicle	- 20%
Equipment	- 10% - 33%
Furniture and fixtures	- 10% - 20%
Leasehold improvements	- 10% - 20%

Impairment of assets

At each balance sheet date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

BARBADOS CONFERENCE SERVICES LIMITED

Notes to the financial statements

For the year ended 31 March 2022

(expressed in Barbados dollars)

2. Significant accounting policies (continued)

Retirement benefits

The Company operates a defined benefit pension plan. Employees who joined the plan prior to April 1, 2020 are not required to contribute to the plan. Employees who joined the plan on or after April 1, 2020 are required to make contributions to the plan at the rate of 3% of pensionable earnings up to the NIS Insured maximum earnings level plus 5% of any pensionable earnings in excess. The Company's rate of contribution is determined by an independent actuary.

The cost of providing benefits is determined using the projected unit credit method based on recommendations of entirely the independent qualified actuary at each reporting date.

Re-measurements, comprising actuarial gains and losses, the effect of the asset ceiling, excluding net interest (not applicable to the Company) and the return on plan assets (excluding net interest), are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Pension costs are recognised in the income statement over the estimated service lives of the employees and the pension obligation is measured as the present value of the estimated future cash flows using interest rates of Government securities which have terms to maturity approximating the terms of the related liability. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation under 'cost and expenses in the statement of profit or loss (by function):

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements
- Net interest expense or income

BARBADOS CONFERENCE SERVICES LIMITED

Notes to the financial statements

For the year ended 31 March 2022

(expressed in Barbados dollars)

2. Significant accounting policies (continued)

Government grants

Government grants which are received for operating expenses are recognised as income in the period necessary to match them with the related costs which they are intended to fund. Government grants related to the purchase, construction or otherwise acquisition of non-current assets are deferred and recognised as income on a systematic basis over the useful lives of the assets concerned. The nature, extent and duration of Government grants are dependent upon an annual assessment by the Government of Barbados.

Revenue and advance deposits

Revenue is recognised when the service is provided and measured at the fair value of the consideration received or receivable. Revenue from the sale of goods is recognised when the Company has transferred to the buyer the significant risk and rewards of ownership of the goods. Interest income is accrued on a time basis, by reference to the principal outstanding and the applicable interest rate. Funds received before the service is provided are recorded as advance deposits on the statement of financial position.

Taxation

The taxation charge in the statement of income comprises current and deferred taxation. Current taxation is provided on the basis of the income before taxation for financial reporting purposes, adjusted for income and expense items which are not assessable or deductible for tax purposes. Deferred taxation is provided under the liability method in respect of significant temporary differences arising from differences between the carrying amount of an asset and liability for financial reporting purposes and the amount used for income tax purposes. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable income will be available against which temporary differences can be utilised.

Related parties

Two parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decision. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals, Government departments, statutory corporations or corporate entities.

Foreign currencies

Transactions originating in foreign currencies are recorded in Barbados dollars at the exchange rates ruling at the dates of the transactions. Assets and liabilities denominated in foreign currencies are translated at the exchange rates at the reporting date.

BARBADOS CONFERENCE SERVICES LIMITED

Notes to the financial statements

For the year ended 31 March 2022

(expressed in Barbados dollars)

2. Significant accounting policies (continued)

Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of that asset and, therefore, should be capitalised. Other borrowing costs are recognised as an expense. Where funds are borrowed specifically, costs eligible for capitalisation are the actual costs incurred less any income earned on the temporary investment of such borrowing. Capitalisation should commence when expenditures are being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use of sale or sale in progress (may include some activities prior to commencement of physical production). Capitalisation should cease when substantially all of the activities necessary to prepare the asset for its intended use or sale are complete.

Financial liabilities and equity instruments

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings and payables. All financial liabilities are recognised initially at fair value. In the case of loans and borrowings and payables, these are recognised net of directly attributable transaction costs. The Company's financial liabilities comprise trade and other payables, loans and borrowings, including bank overdrafts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as loan interest expense in the statement of comprehensive income.

This category generally applies to interest-bearing loans and borrowings.

BARBADOS CONFERENCE SERVICES LIMITED

Notes to the financial statements

For the year ended 31 March 2022

(expressed in Barbados dollars)

2. Significant accounting policies (continued)

Financial liabilities and equity instruments (continued)

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income.

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received net of direct issue costs.

Ordinary shares are classified as equity.

Impairment of assets

At each reporting date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case, the impairment loss is treated as a revaluation decrease.

BARBADOS CONFERENCE SERVICES LIMITED

Notes to the financial statements

For the year ended 31 March 2022

(expressed in Barbados dollars)

2. Significant accounting policies (continued)

Significant accounting judgments, estimates and assumptions

In the application of the Company's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods. The key estimates are described below:

Pension plan asset

The cost of the defined benefit pension plan and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, management considers the interest rates of Government bonds with at least an 'AA' rating or above. The underlying bonds are further reviewed for quality.

The mortality rate is based on the 1994 Uninsured Pensioner Mortality Table at 2018 using Industry Projection Scale AA. Future salary increases and pension increases are based on expected future inflation rates.

Further details about pension obligations are given in Note 6.

BARBADOS CONFERENCE SERVICES LIMITED

Notes to the financial statements

For the year ended 31 March 2022

(expressed in Barbados dollars)

2. Significant accounting policies (continued)

Estimates and judgment (continued)

Impairment losses on loans and advances

The Company reviews its trade and other receivables at each reporting date to assess whether an impairment loss should be recorded in the income statement. In particular, management's judgement is required in the estimation of the amount and timing of future cash flows when determining the impairment loss. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance.

3. Trade and other receivables

	2022	2021
	\$	\$
Related parties trade receivables	59,569	22,231
Other trade receivables	106,202	33,055
	<hr/>	<hr/>
Other receivables	165,771	55,286
	223,594	-
	<hr/>	<hr/>
	389,365	55,286
	<hr/>	<hr/>

In determining the recoverability of trade and other receivables, the Company considers any change in the credit quality of the trade receivable from the date the credit was granted, up to the reporting date. The provision for doubtful debt represents any change in carrying value of receivables due to irrecoverability.

BARBADOS CONFERENCE SERVICES LIMITED

Notes to the financial statements

For the year ended 31 March 2022

(expressed in Barbados dollars)

4. Property, plant and equipment

FOR THE YEAR ENDED 31 MARCH 2022

	Building Project	Leasehold Improvements	Equipment	Motor Vehicles	Furniture and Fixtures	Totals
April 1, 2021	60,798,131	9,317,157	6,697,512	59,323	268,840	77,140,963
Additions		278,466	286,448		-	564,914
Disposals		(140,070)	(24,489)			(164,559)
March 31, 2022	60,798,131	9,455,553	6,959,471	59,323	268,840	77,541,318
Depreciation						
April 1, 2021	12,695,985	3,669,266	6,211,367	13,842	268,838	22,859,298
Additions	2,911,692	789,737	204,915	11,865		3,918,209
Disposals		(140,070)	(24,489)			(164,559)
March 31, 2022	15,607,677	4,318,933	6,391,793	25,707	268,838	26,612,948
Net Book Value						
March 31, 2022	45,190,454	5,136,620	567,678	33,616	2	50,928,370
April 1, 2021	48,102,146	5,647,891	486,145	45,481	2	54,281,665

FOR THE YEAR ENDED 31 MARCH 2021

	Building Project	Leasehold Improvements	Equipment	Motor Vehicles	Furniture and Fixtures	Totals
April 1, 2020	60,798,131	8,830,129	6,539,947	59,323	268,840	76,496,370
Additions		487,028	245,340	-	-	732,368
Disposals			(87,775)			(87,775)
March 31, 2021	60,798,131	9,317,157	6,697,512	59,323	268,840	77,140,963
Depreciation						
April 1, 2020	9,784,293	2,905,330	6,128,861	1,977	268,838	19,089,299
Additions	2,911,692	763,936	170,281	11,865		3,857,774
Disposals			(87,775)			(87,775)
March 31, 2021	12,695,985	3,669,266	6,211,367	13,842	268,838	22,859,298
Net Book Value						
March 31, 2021	48,102,146	5,647,891	486,145	45,481	2	54,281,665
April 1, 2020	51,013,838	5,924,799	411,086	57,346	2	57,407,071

See Note 8 regarding assets pledged as security and vested with the company.

BARBADOS CONFERENCE SERVICES LIMITED

Notes to the financial statements

For the year ended 31 March 2022

(expressed in Barbados dollars)

5. Accounts payable

	2022	2021
	\$	\$
Trade payables	139,071	209,328
Related parties trade payables	7,513	3,731
Other	187,602	191,600
	<u>334,186</u>	<u>404,659</u>

The Company has contracted with a single supplier for the provision of food and beverage services at Lloyd Erskine Sandiford Centre. As of 31 March 2022, trade payables included 22,913 (2021 – 11,433) due to the supplier and purchases for the year amounted to \$291,396 (2021 - \$234,435).

BARBADOS CONFERENCE SERVICES LIMITED

Notes to the financial statements

For the year ended 31 March 2022

(expressed in Barbados dollars)

6. Pension plan obligation

The Company's defined benefit pension plan was established effective November 1, 2012. Previously, Members of this Plan participated in the Statutory Corporation Pension Fund ("SCPF") which was established effective January 1, 1990. The Company contributes the full cost of the plan on behalf of Employees who joined the plan prior to April 1, 2020 at rates determined periodically by independent actuaries (currently 7.24%) of covered payroll. These members are not required to make contributions to the Plan, however, additional Voluntary Contributions are allowed.

This plan is governed by the Occupational Pension Benefits Act of Barbados (OPBA), which requires final salary payments to be the highest of:

- the commuted value of vested benefits accrued in respect of the employment of the member
- the actuarial present value of the vested benefits accrued in respect of the employment of the member; and
- the value of the contributions the member was required to make under the pension plan, plus earnings thereon to the date of payment.

The level of benefits provided depends on the member's length of service and salary at retirement age. The fund has the legal form of a foundation and it is governed by the Board of Trustees, which consists of five (5) persons in number. The Trustees are appointed by the Company, of whom there must be two (2) directors of the Company, two (2) managers and one (1) representative of the Members of the Plan. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the investment strategy.

Each year, the Board of Trustees reviews the level of funding in the pension plan as required by the OPBA. Such a review includes the asset-liability matching strategy and investment risk management policy. This includes employing the use of annuities and longevity swaps to manage the risks. Generally, it aims to achieve a satisfactory long-term rate of return, consistent with acceptable risks and prudent management.

IFRIC 14

The triennial valuation report made as at April 1, 2020 and issued on October 6, 2020 showed the following results as at April 01, 2020:

Solvency Deficit – The current deficit of the Plan on a solvency basis is (\$1,011,819) The Company's Special Payments to fund this deficit per annum over 5 years is as follows: Yr1-\$529,372, Yr2-\$254,190 & Yr3-Yr5-\$95,076.

BARBADOS CONFERENCE SERVICES LIMITED

Notes to the financial statements

For the year ended 31 March 2022

(expressed in Barbados dollars)

6. Pension plan obligation (continued)

Going Concern Unfunded Liability – the current unfunded liability of the Plan on a going concern basis is (\$433,302). After making the Special Payments to fund the solvency deficit over the next 5 years, the Company would have fully funded the going concern unfunded liability.

Since the pension asset is adjusted to the consumer price index, the pension plan is exposed to Barbados' inflation, interest rate risks and changes in the life expectancy for pensioners. As the plan assets include significant investments in quoted equity shares the Company is also exposed to equity market risk arising in the manufacturing and consumer products sector. Changes in the fair value of the defined benefit obligation and plan assets are as follows:

	2022	2021
	\$	\$
<u>Benefit obligation</u>		
At the beginning of the year	2,672,179	2,467,058
Current service cost	104,970	102,324
Interest costs	211,412	212,149
Employee Contributions	966	-
Actuarial (gains) losses	45,222	(265,401)
Benefit payments	(100,443)	(23,951)
Benefit obligation at end of year	<u>2,934,306</u>	<u>2,672,179</u>
<u>Plan assets at fair value</u>		
At the beginning of the year	2,931,125	2,397,700
Actual return on plan assets	97,853	62,676
Employer contributions (including direct benefit payment)	911,449	500,000
Employee Contributions	966	-
Benefit payments	(100,443)	(23,951)
Administration & other Plan Investment Management cost	(4,900)	(5,300)
	<u>3,836,050</u>	<u>2,931,125</u>

The amounts recognised in the statement of financial position are set out below:

	2022	2021
	\$	\$
Statement of financial position reconciliation		
At the beginning of the year	(993,706)	(1,104,629)
Net periodic benefit cost	(159,926)	(181,788)
Employer contributions	911,449	500,000
Effect of statement of other comprehensive income	(11,771)	(207,289)
Statement of financial position at the end of the year	<u>(253,954)</u>	<u>(993,706)</u>

BARBADOS CONFERENCE SERVICES LIMITED

Notes to the financial statements

For the year ended 31 March 2022

(expressed in Barbados dollars)

6. Pension plan obligation (continued)

The amounts recognised in the statement of other comprehensive income are as follows:

	2022	2021
	\$	\$
(Gain) loss from change in demographic assumptions	(65,518)	(134,101)
(Gain) loss from experience	(110,740)	(131,300)
Expected return on plan assets	258,436	204,269
Actual return on plan assets	(97,852)	(62,676)
Effect of IFRIC 14	(194,035)	331,097
Statement of other comprehensive income at end of year	11,771	207,289

	2022	2021
	\$	\$
Current Service Cost	104,970	102,324
Interest cost	211,412	212,149
Expected returns on plan assets	(258,437)	(204,269)
Administration & other non-plan investment management fees	4,900	5,300
Interest on effect of asset ceiling	97,081	66,284
Net periodic benefit cost at end of year	159,926	181,788

A quantitative sensitivity analysis for significant assumptions as at 31 March 2022 are shown below:

Change in Assumption	Benefit Obligation
Base IAS 19 Results	\$2,934,306
Reduce discount rate by 1% PA	\$3,365,676
Increase discount rate by 1% PA	\$2,584,918
Reduce salary increase by 0.5% PA	\$2,829,040
Increase salary increase by 0.5% PA	\$3,046,003
Increase average expectancy by 1 year	\$3,098,101

BARBADOS CONFERENCE SERVICES LIMITED

Notes to the financial statements

For the year ended 31 March 2022

(expressed in Barbados dollars)

6. Pension plan obligation (continued)

Summary of actuarial assumptions used for accounting purposes were as follows:

	2022	2021
Discount rate	8.25%	7.75%
Future promotional salary increases	2.00%	2.00%
Future inflationary salary increases	3.00%	3.00%
Future increases in the NIS ceiling for earnings	3.50%	3.50%
Future increases to pensions	1.25%	0.75%
Termination of active members	5% below age 30 grading to 1% at age 50	5% below age 30 grading to 1% at age 50
Early retirement	5% of eligible members	5% of eligible members

7. Deferred Government grant

	2022	2021
	\$	\$
Balances – beginning of year	2,805,620	3,932,565
Transfer to income:		
Expenses	-	-
Capital	(817,026)	(1,126,945)
	(817,026)	(1,126,945)
Balances – end of year	1,988,594	2,805,620

The current portion of the deferred government grant is \$519,792 (2021 - \$817,026). The long-term portion of the deferred government grant is \$1,468,802 (2021 - \$1,988,594).

The \$817,026 (2021 - \$1,126,945) represents amortized government grant income.

BARBADOS CONFERENCE SERVICES LIMITED

Notes to the financial statements

For the year ended 31 March 2022

(expressed in Barbados dollars)

8. Related party transactions

In addition to the transactions disclosed in Note 4, the shareholder and the Barbados Tourism Investment Corporation have provided certain fixed assets including the Lloyd Erskine Sandiford Centre, plus certain furniture and fixtures for use in the Company's operations. The furniture and fixtures were vested in the Company for use, but any disposal proceeds are to be paid into the Government Consolidated Fund. Accordingly, these financial statements do not necessarily reflect the conditions that would have occurred if the Company had operated as an unrelated entity.

During the year, the Company incurred \$560,465 (2021 - \$533,402) for services provided by related parties and sales to related parties amounted to \$744,018 (2021 - \$490,290).

During the year the Company's property insurance was paid by a related party and repayment of this debt has been waived by the related party. The amount of \$199,725 (2021 - \$115,738) is included in other income.

9. Stated Capital

The Company is authorised to issue an unlimited number of shares without nominal or par value of one class designated as common shares.

	2022	2021
	\$	\$
Issued – 43,973,672 common shares	<u>43,973,672</u>	<u>43,973,672</u>

10. Tax losses

Corporation income tax is calculated at 5.5% (2021 - 5.5%) of taxable income for the year. As at 31 March 2022, the Company has tax losses which are available to offset against future taxable income.

BARBADOS CONFERENCE SERVICES LIMITED

Notes to the financial statements

For the year ended 31 March 2022

(expressed in Barbados dollars)

11. Management personnel compensation

During the year, the Company incurred \$568,131 (2021 - \$562,078) for services provided by key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

12. RUSM (Barbados) Inc. - Ross University

The revenues and expenses for Ross University are as follows:

	2022	2021
	\$	\$
RUSM Barbados Inc.		
Rental income	4,743,000	4,650,000
Service charge income	1,419,726	1,340,399
Service charge expense	(1,419,726)	(1,081,757)
Net service charge	-	258,642
Total income	4,743,000	4,908,642
Revenue commitments under operating lease		
Within one year	4,789,500	4,743,000
Less than one year but no later than five years	11,271,292	16,060,792
Later than five years	-	-
	16,060,792	20,803,792

BARBADOS CONFERENCE SERVICES LIMITED

Notes to the financial statements

For the year ended 31 March 2022

(expressed in Barbados dollars)

13. Overdraft Facility

The company also has an overdraft facility with The Republic Bank (Barbados) Limited which is unsecured to a limit of \$300,000 with an interest rate of 7.7% per annum at the reporting date. The overdraft facility was not used during the financial year.

14. Contingencies and commitments

Certain individuals have initiated legal proceedings against the Company for various reasons. These legal proceedings are ongoing, and the amounts of the claims are not expected by management to be significant to the overall financial statements.