



BARBADOS
TOURISM AUTHORITY

ANNUAL
REPORT
2013-2014

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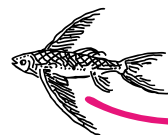


MISSION STATEMENT:

To position Barbados as the premier globally competitive year-round warm-weather destination, contributing to a sustainable quality of life for all Barbadians.

VISION STATEMENT:

[For Barbados] To become the Caribbean's most sought after destination within the next five years, delivering an unparalleled quality and consistent experience that is flavored with Barbadian culture.



SECTION **ONE**





CHAIRMAN'S

MESSAGE

Roseanne Myers

Chairman, BTMI

As At November 2021

2013-2014

Overview

The current Board of September 2021 has faced the challenge that from 2013/14 to 2016/17 required financial statements and audits of Barbados Tourism Marketing Inc (BTMI), Barbados Tourism Product Authority (BTPA), and their predecessor the Barbados Tourism Authority (BTA) had not been completed and presented on a timely basis.

I am pleased to report that we have made tremendous progress in this regard and now present the annual report, financial statements for the year ended 31 August 2014. The retrospective review of management's report show growth in tourism air and cruise arrivals. Marketing strategies and tactics across source markets seemed to have borne fruit during the period. The team at the BTA is to be commended for their execution of plans to drive revenue to the economy and with that, jobs and opportunities.

However, the accompanying financial statements, for the year ended 31 August 2014, have a qualified opinion from our auditors KPMG for the reasons set out in their report. Great effort was made to try to achieve unqualified audit opinions but regrettably the underlying supporting information which the

auditors requested for the year under review could not be located by the organisation's finance team. It is important to note that if adequate supporting information cannot be supplied to the auditors for the samples that they have selected for audit testing, they are required to indicate in their report that the total amount of that particular Balance Sheet or Income Statement item is noted in their report as unsubstantiated.

Given that several years have elapsed since the period covered in the accompanying financial statements, and given the lack of an unqualified opinion by the auditors, we are not in a position to comment or give any assurance on the financial statements beyond what the auditors have stated in their report.

On behalf of the 2021 board, I confirm that significant changes to policies, systems, technology and organisational structure have been made to rectify the shortcomings highlighted in the auditors report for 2016/17 and prior, and to improve the financial management and internal controls. I am pleased to advise that for the financial statements for the most recent years, 2017/18, 2018/19 and 2019/20 we have achieved unqualified reports from the auditors.



CORPORATE TRANSITION

A Proclamation

Whereas by section 10 of the Barbados Tourism Marketing Inc. (Transfer of Marketing and Vesting of Assets) Act, 2014 (Act 2014-3) it is provided that the said Act shall come into operation on a date to be fixed by proclamation:

And whereas it is expedient that the said Act shall come into operation on the 1st day of September, 2014:

Now therefore by virtue of the power and authority in me vested, I hereby appoint the 1st day of September, 2014 as the day on which the said Act shall come into operation.

A Bill entitled

An act to provide for

- a. the transfer of assets and liabilities of the Government of Barbados in relation to the Barbados Tourism Authority to the Barbados Tourism Marketing Inc., a company incorporated under the Companies Act, Cap. 308; and
- b. related matters.

Enacted by the Parliament of Barbados as follows:

Short title

1. This Act may be cited as the Barbados Tourism Marketing Inc. (Transfer of Management and Vesting of Assets) Act, 2014.

Interpretation

2. In this Act, "Authority" means the Barbados Tourism

Authority established by section 3 of the Barbados Tourism Authority Act, Cap. 342; "Company" means the Barbados Tourism Marketing Inc., a company incorporated under the Companies Act, Cap. 308.

Transfer of assets and liabilities

3. (1) All
 - a. assets in relation to the operation of the Authority that are identified in the manner described in the Schedule and were vested in the Authority immediately before 2nd April, 2014;
 - b. commercial liabilities that were incurred by or on behalf of the Authority in relation to the operation of the Authority and were subsisting immediately before 2nd April, 2014; and
 - c. rights to collect and retain fees for the issue or renewal of licenses and for any service performed by the Authority

are transferred to and vested in the Company and, by virtue of this Act and without further assurance, transfer or other formality, are to be held with effect from 2nd April, 2014 by the Company to the same extent and interest and in the same manner as they were vested in or held by the Authority.

(2) All contracts entered into by or on behalf of the Authority pertaining to the marketing of Barbados as a tourism destination before 2nd April, 2014 shall be deemed to have been entered into by or on behalf of the Company from that date.



(3) All

- a. rights, privileges, duties or obligations conferred or imposed upon the Authority; and
- b. powers and remedies as to the taking and resisting of legal proceedings for the ascertaining, perfecting or enforcing of all rights or liabilities vested in the Government

immediately before 2nd April, 2014 shall be deemed to be conferred or imposed on the Company.

Exemption from property transfer tax

4. The Company is exempt from the payment of property transfer tax that is payable on the transfer of the assets of the Authority referred to in section 3(1).

Annual reports and financial statements

5. (1) The Company shall within 3 months of the end of each financial year submit to the Minister the report of the operations of the Company, the audited financial statements and the auditor's report referred to in subsection (2).

(2) The Minister shall, as soon as possible after the end of each financial year and not later than 6 months after the end of that year, lay in Parliament

- a. a report of the operations of the Company during the preceding year including a comparison of the performance of the Company with the corresponding business plan; and
- b. audited financial statements for the preceding year consisting of
 - (i) statements of profit, loss and cash flow;
 - (ii) other statements as may be necessary to show the financial position of the Company and the financial results of the Company's operations during that financial year, including any contingent liabilities of the Company; and
 - (iii) an auditor's report on the financial statements.

Tourism Marketing Plan

6. (1) The Company shall by the 31st March in every year submit a tourism marketing plan to the Minister for approval.

(2) The tourism marketing plan referred to in subsection (1) shall contain

- a. the details of the objectives, strategies and policies of the Company;
- b. a marketing plan; and
- c. any other relevant information which may be required by the Minister.

Business Plan

7. (1) The Company shall, no later than 6 months after the end of each financial year, submit to the Minister a business plan in respect of the ensuing financial year.

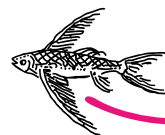
(2) The business plan referred to in subsection (1) shall contain provisions for the implementation of the tourism marketing plan and any other information that the Minister may require.

Pension Plan

8. (1) Any public officer who was employed in a pensionable office within the meaning of the Pensions Act, Cap. 25 and who accepts employment with the Company shall retain all rights in respect of pension, gratuity or other like benefit accruing to that public officer immediately before 2nd April, 2014 and those rights shall be preserved.

(2) The Company shall, within a period of 3 years from 2nd April, 2014, provide for the establishment and maintenance of a pension fund for the benefit of the employees of the Company.

(3) The Company shall, for the purposes of computing pension and other retirement benefits to be paid out of the pension fund referred to in subsection (2), use the date of hire of an employee by the Company as the date for computing such pension and benefits.



BOARD OF DIRECTORS

- Adrian Elcock** - Chairman
- Nicholas Brancker** - Deputy Chairman
- Verla DePeiza** - Member
- Alvin Jemmott** - Member
- Stephen Alleyne** - Member
- Rovel Morris** - Member
- Kevyn Yearwood** - Member
- Cranston Browne** - Representative of the National Cultural Foundation
- Renée Coppin** - Representative of the Intimate Hotels of Barbados
- Patricia Affonso-Dass** - Representative of BHTA
- Levere Richards** - Representative of the Barbados Workers' Union
- Shelley Carrington** - Permanent Secretary, Ministry of Tourism

SENIOR MANAGEMENT

- Urban Cumberbatch** - President and CEO (Ag.)
- Ryan Blackett** - Director, Cruise (Ag.)
- Averil Byer** - Director, Marketing Services
- John Griffith** - Director Finance (exit July 2013)
- Carol-Ann Jordan** - Director, Human Resources
- Angella Phillips** - Director Finance (Ag.)
- Cheryl Carter** - Vice President Marketing (Ag), Canada
- Linda Christian-Clarke** - Vice President (Ag.) Marketing, Caribbean and Latin America
- Petra Roach** - Vice President, Marketing, United Kingdom
- Campbell Rudder** - Vice President, Marketing, USA
- Neville Boxill** - Aviation Consultant

EMPLOYEE DEPARTURES

- | | |
|--|---------------|
| Tiffany Thompson - Marketing & Sales Representative (USA) | May 2013 |
| John Griffith - Director Finance | July 2013 |
| Neval Greenidge - Sales Consultant (Canada) | July 2013 |
| Cedric Nelson - Watchman | August 2013 |
| Byron Cumberbatch - Watchman | August 2013 |
| Sylvan Brandford - Watchman | August 2013 |
| Anderson Sealy - Steelband Player | October 2013 |
| Thomas Felicien - Steelband Player | October 2013 |
| Anthony Mayers - Steelband Player | October 2013 |
| Fello Small - Registry Assistant | November 2013 |
| Luvinia Beckles - Customer Service Advisor | November 2013 |



BOARD OF DIRECTORS

Adrian Elcock - Chairman
Nicholas Brancker - Deputy Chairman
Alvin Jemmott - Member
Kevyn Yearwood - Member
Kashka Haynes - Member
Stephen Alleyne - Member
Levere Richards - Representative of the Barbados Workers' Union
Cranston Browne - Representative of the National Cultural Foundation
Patricia Affonso-Dass - Representative of BHTA
Renée Coppin - Representative of the Intimate Hotels of Barbados
Shelley Carrington - Permanent Secretary, Ministry of Tourism

SENIOR MANAGEMENT

Urban Cumberbatch - President and CEO (Ag.) (Exit: April)
Ryan Blackett - Director, Cruise (Ag.) (Exit: July)
Averil Byer - Director, Marketing Services (Exit: April)
Carol-Ann Jordan - Director, Human Resources
Angella Phillips - Director Finance (Ag.) (Exit: August)
Cheryl Carter - Vice President Marketing (Ag), Canada
Linda Christian-Clarke - Vice President (Ag.) Marketing, Caribbean and Latin America (Exit: July)
Petra Roach - Vice President, Marketing, United Kingdom
Campbell Rudder - Vice President, Marketing, USA
Neville Boxill - Aviation Consultant

EMPLOYEE DEPARTURES

Dorial Jones - Marketing Executive	April 2014
Valerie Marshall - Marketing Executive	April 2014
Doreen Eastmond - Maid/Messenger	April 2014
Urban Cumberbatch - Senior Vice President	April 2014
Averil Byer - Director Marketing Services	April 2014
Charles Walton - Manager E-Business	April 2014
Marva Harrison - Supervisor	April 2014
Eugene Massiah - Steelband Player	April 2014
Gregory Armstrong - Manager, Sports Tourism	April 2014
Gerald Cozier - Manager, Quality Assurance	April 2014
Angela Wilkinson - Administrative Assistant	April 2014
Maxine Knight - Executive Assistant (New York)	May 2014



EMPLOYEE DEPARTURES CONT'D

Jacqueline Sealy - Secretary (Miami)	May 2014
Susan Dottin - Administrative Assistant (New York)	May 2014
Charles Lunn - Mailroom Clerk (NY)	May 2014
Terrance Chadderton - Mailroom Clerk (NY)	May 2014
John Drakes - Messenger/Driver	May 2014
Constance Reid-Batson - Quality Assurance Officer	May 2014
Denise Marie - Business Development Manager (LA)	July 2014
Bernard Phillips - Manager Planning and Reporting	July 2014
Enid Crookendale - Maid (NY) (Part-time)	July 2014
Donna Coppin-Forde - Manager, Administration (Ag.)	July 2014
Winston Carter - Marketing Executive	July 2014
Kim Thorpe - Communication Specialist	July 2014
Maria Bovell - Marketing Executive	July 2014
Marcelle Bennett - Receptionist (Canada)	July 2014
Colton Cumberbatch - Executive Officer (NY)	July 2014
Beverley Greaves-Headley - Executive Secretary	July 2014
Carloph Jones - Accounting Assistant	July 2014
Ryan Blackett - Director Cruise (Ag)	July 2014
Janelle Belle - Sales and Administrative Assistant (UK)	July 2014
Angella Phillips - Director Finance (Ag)	August 2014
Linda Christian-Clarke - Vice President Caribbean and Latin America (Ag.)	August 2014
Hugh Husbands - Administrative Assistant (Temp)	August 2014
Kirton Busby - Administrative Assistant	August 2014
Tanya Brathwaite - Business Development Manager (UK)	August 2014





VISION STATEMENT:

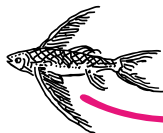
The Vision of the BTMI sees Barbados elevated to the top of its capacity as a globally-competitive, warm weather destination, with tourism sustainably enhancing the quality of life of visitors and Barbadians together.

MISSION STATEMENT:

The BTMI's mission is to develop and apply exceptional marketing capabilities in the process of telling the authentic brand story of Destination Barbados. It further calls for us to galvanize all partners to elevate Barbados' tourism to new heights; while doing so in a fiscally prudent and sustainable manner.

BTMI'S VALUES:

Flexibility, Speed, Results Orientation, Process Driven achieved through our professionalism, passion, customer-centric thinking, innovation and continuous improvement.





EMPLOYEE SUMMARY ON COMMENCEMENT OF BTMI

EMPLOYEE SUMMARY ON COMMENCEMENT OF BTMI				
	REQUIRED	FILLED	VACANT	COMMENTS
CEO	1	0	1	Corp. Comm Specialist, Author, In-house Legal Counsel & Corp. Secretary
Professional	3	0	3	
Executive Summary	1	1	0	
Senior Director	2	1	1	
Department Assistant	2	2	3	
Admin/Personal Assistants	8	5	5	
Directors	10	5	1	Marketing (B'town), Aviation, Cruise, Sports, Finance
Senior Business Development Officer	5	3	7	UK
Business Development Officer	18	11	1	Cruise 1; Sports 1; CLA - 1; USA - 2; UK - 2
Marketing Officers	4	3	1	
Managers	4	3	1	Finance
Business Development Officers (support Services)	9	8	1	Research analyst (Aviation)
Support Services Officers	5	4	2	IT Support, Receptionist
TOTAL	72	46	26	



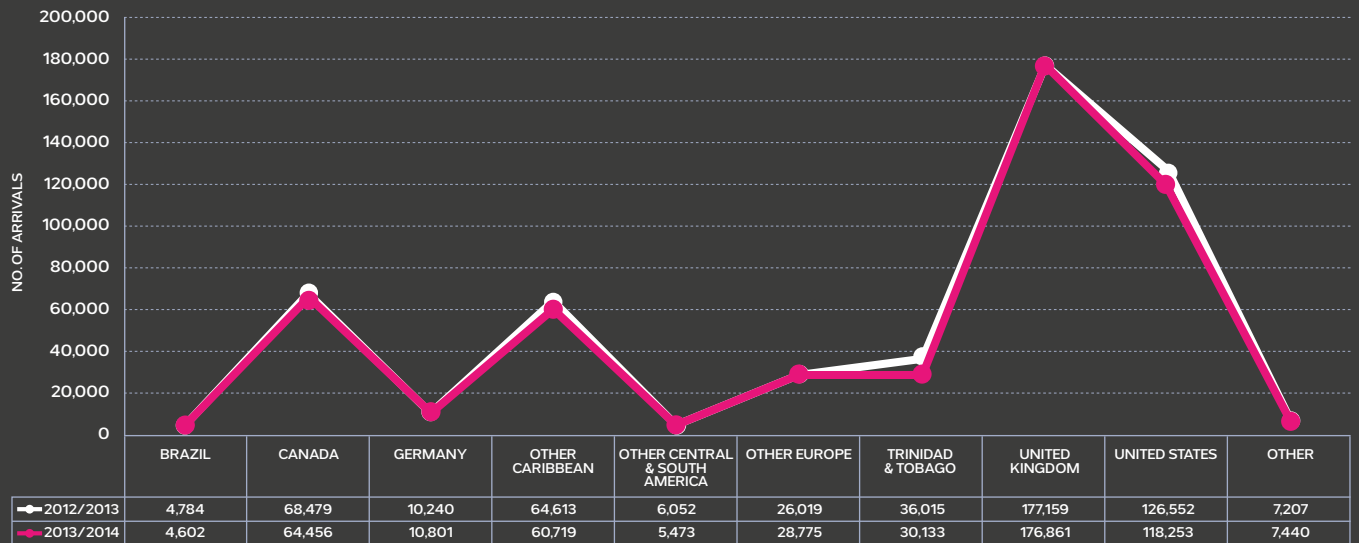
SECTION **TWO**

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PERFORMANCE OF THE TOURISM SECTOR 2013/2014

Stay-over Arrivals



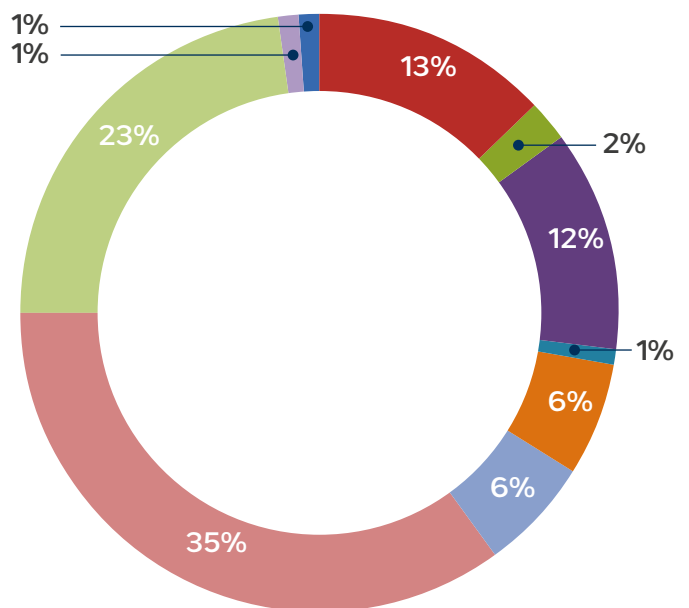
The first nine months of the period April 1, 2013 to March 31, 2014 the industry continued to contract as witnessed in the previous period. In-house statistics have revealed that stay-over visitor arrivals decreased by 19,607 visitors or 3.7 percent, moving from 527,120 during 2012/13 to 507,513 in 2013/14. Following negative performance during the first nine months of the period, there was improvement

in January; however, this was short-lived as arrivals again fell during February and March.

Germany (+5.5%), Other Europe (+10.6%) and the category Other Countries (+3.2%) recorded growth in arrivals; while the remaining markets recorded declines ranging from 3.8% (Brazil) to 16.3% (Trinidad & Tobago).

Market Performance

- Canada: **13%**
- Germany: **2%**
- Other Caribbean: **12%**
- Other Central & South America: **1%**
- Other Europe: **6%**
- Trinidad & Tobago: **6%**
- United Kingdom: **35%**
- United States: **23%**
- Other: **1%**
- Brazil: **1%**



The **United Kingdom** market continued to be the main source of visitor arrivals to Barbados, attracting 176,861 stay-over visitors during the period 2013/14. This however, represented a slight decrease of 298 visitors or 0.16 percent compared to the corresponding period of the previous year. The decline in arrivals from this market was due to the reduction in airlift out of this market and the continuing lacklustre performance of the world economy.

The second highest producer of business was the USA market which provided 118,253 arrivals. This market witnessed a decline of 6.6%.

The decline in arrivals from the US market was a result of:

- The cancellation of flights originating out of Dallas/Fort Worth in August 2012.
- A reduction in capacity in the American Airlines New York service. From July 1, 2013, smaller equipment was used – B737, which yielded 150 seats, instead of the B757 previously used, which yielded 188 seats.
- JetBlue reduced its capacity by operating five (5) weekly flights, instead of its daily service which operated from September 10- November 20, the previous year.
- Flight cancellations due to the harsh winter.

The Caribbean market, the third largest supplier of overall business contributed 90,852 arrivals;

a decline of 9.7% or 9,776 fewer arrivals when compared to 2012/13.

Trinidad & Tobago was the top producing country from this market with 30,133 arrivals; however, arrivals continued to decline as in the previous period. There was a decline of 16.3% or 5,882 fewer arrivals.

There was also a decline in arrivals from Other Caribbean, as arrivals fell from 64,613 during the period 2012/13 to 60,719 during 2013/2014. The Caribbean market underperformed due to:

- The lack of competitive airfares.
- Reduced capacity by Caribbean Airlines and LIAT.
- REDjet suspended its services with effect from March 16, 2013.

The Canadian market contributed 13% of business with a total of 64,456 arrivals during the period under review; however, there was a 5.9% decline in arrivals when compared with the previous period. Like the US, the challenge encountered in this market was capacity reduction which influenced its performance. Air Transat charter service was not in operation; West Jet service was reduced from five to four flights a week; and there was a change to smaller equipment on the Air Canada Toronto service.



The European market was the only market that recorded growth during this period. With steady growth, the market provided 8% of the overall visitor arrivals as Barbados received a total of 39,576 visitors from Europe; an increase of 9.1%.

Arrivals from Germany totalled 10,801; an increase in arrivals of 5.5% or 561 more visitors when compared to 2012/13.

There was also positive growth in arrivals out of Other Europe; arrivals rose by 10.6%, moving from 26,019 arrivals in 2012/13 to 28,775 arrivals in 2013/14. The TUI charter winter service weekly out of Stockholm and alternate weeks out of Helsinki and Copenhagen (via Stockholm) made a significant

contribution of arrivals from Other Europe. The carrier operated twelve weekly rotations alternating between Stockholm and Helsinki. Visitors from each destination remained on island for 14 days as each city was served on a 2-week rotation.

The developing market, South and Central America, continues to account for 2% of the arrivals to Barbados. With 10,075 visitors overall, arrivals from this market fell by 7%. Brazil was the major contributor from this market recording 4,602 arrivals; however, these arrivals fell by 3.8% when compared with the corresponding period of 2013/14. There was also a decline in arrivals of 9.6% in arrivals from the Other Central & South America countries; some 5,473 arrivals were recorded.

Visitor Expenditure

AVERAGE DAILY EXPENDITURE

Estimated average daily expenditure during the year 2013 was US\$173.57, US\$18.63 more when compared to US\$154.94 during 2012. By market, visitors spent between US\$159.59 (CARICOM) and

US\$207.61 (other countries category) per day while in Barbados. The average daily spend increased in all of the markets ranging from US\$9.90 (United States) to US\$37.13 (CARICOM).

ESTIMATED VISITOR EXPENDITURE JANUARY TO DECEMBER 2013 VS 2012								
	AVG DAILY SPEND				TOTAL EXPENDITURE			
	2012	2013	AB CHG	% CHG	2012	2013	AB CHG	% CHG
United States	153.46	163.36	9.90	6.5	187,508,848	180,712,727	-6,796,122	-3.6
Canada	148.00	163.23	15.23	10.3	124,544,586	126,494,783	1,950,197	1.6
United Kingdom	166.76	182.61	15.85	9.5	347,298,334	362,898,125	15,599,791	4.5
Other Europe	170.02	193.83	23.81	14.0	66,110,248	83,825,665	17,715,417	26.8
CARICOM	122.46	159.59	37.13	30.3	106,905,969	124,362,949	17,456,980	16.3
Brazil	-	190.09	190.09	0	0	1,563,889	1,563,889	0.0
Other	186.93	207.61	20.68	11.1	41,746,174	37,636,444	-4,109,730	-9.8
Total	154.94	173.57	18.63	12.0	874,114,159	917,494,581	43,380,423	5.0

ESTIMATED TOTAL EXPENDITURE

Total expenditure by stay-over visitors during 2012 was estimated at US\$917 million; an increase of 5.0% or US\$43 million when compared to 2013.

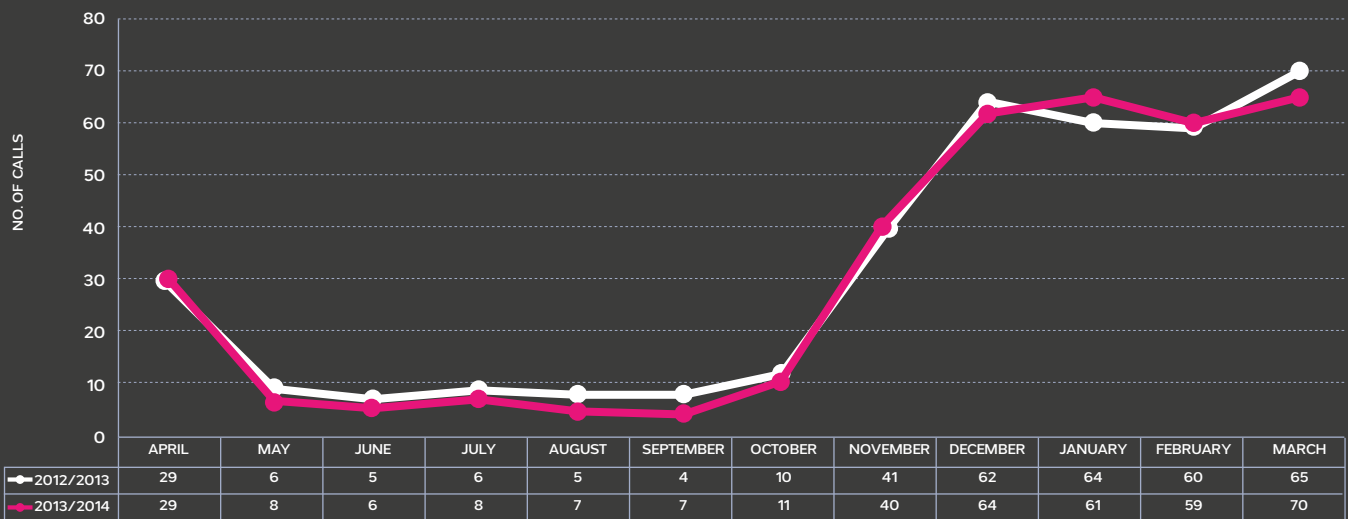


Cruise Arrivals

During the period April to March 2012/13, cruise passenger arrivals recorded a significant decline, falling from 596,214 during 2011/12 to 533,512 during

2012/13. This represented an actual change of 62,702 (10.5%) fewer passengers than 2012/13.

CRUISE ARRIVALS				
	2012/13	2013/14	ABS CHG	% CHG
April	51,067	45817	-5250	-10.3
May	16,853	19983	3130	18.6
June	13,038	18658	5620	43.1
July	13,256	24868	11612	87.6
August	15,895	21170	5275	33.2
September	11,781	19182	7401	62.8
October	25,726	26433	707	2.7
November	60,015	63997	3982	6.6
December	74,990	79264	4274	5.7
January	93,132	83944	-9188	-9.9
February	74,833	77867	3034	4.1
March	82,926	69333	-13593	-16.4
Total	533,512	567520	34008	6.4



The number of cruise ship calls to Barbados was reduced by 41 ship calls to 357, an 8.4% decline. The number of calls for the year peaked in March with 65 ships. The next busiest month was January (64) followed by December (62).



Airlift

UNITED STATES

Seat capacity out of the United States decreased by 7.5% or 19,566 seats.

American Airlines continued to operate a twice daily service out of Miami its principle hub for Latin American, the Caribbean and the East Coast of the United States. These morning and afternoon services contributed 137,768 seats during April 1, 2013 to March 31, 2014.

Capacity out of New York during the period under review, declined by 19,170 seats. The carrier switched from the 188 seat B757 to a 150 seat B737 aircraft on a daily basis, a reduction of 38 seats per rotation or 20% or 266 seats with effect from June 12, 2013. This aircraft continued to operate on a daily basis until August 22, 2013 when it will switch to a 5 times weekly service before reverting to a daily service on November 15, 2013. The carrier then continued to offer a daily service through January 15, 2014 were the service was discontinued.

JetBlue lessened the impact of the loss of the AANY service by using larger equipment during December 19, 2013 to March 31, 2014 and additional services on January 7 and 8, 2014. However, capacity only expanded by 4,350 seats as the airline changed its operation from the weekly service to 5 days a week during the periods April 23 to May 15, May 29 to June 19 and September 10 to November 20. In addition, there were cancellations on 3 January 2014 (American Airlines), 5, 7, 21 January, 2014 (JetBlue) due to snow storms in the US.

US Airways service provided 5,762 seats, a decrease of 506 seats when compared to 2012/13. The service did not operate during the period August 18 to December 21.

CANADA

The seat capacity from this market fell from 100,443 seats during 2012/13 to 91,532 seats during the period under review.

Air Canada continued to provide a daily service out of Toronto during the summer and into the winter 2013 season. Capacity through the summer period remained flat when compared with 2012/13 with the operation of a daily 120 seat A319 aircraft. However, there was an increase in capacity for the winter period.

Capacity out of Montreal remained unchanged as the airline once again reintroduced a twice weekly service using its A319 aircraft.

WestJet operated 4 days a week out of Toronto during the summer and continued throughout the winter period, as opposed to 5 days a week during the previous year. This resulted in a loss in capacity of 6,120 seats.

Air Transat, which introduced a winter programme in 2011 out of Toronto and which also operated during the winter 2012 season decided not to reintroduce the programme during the winter 2013 season. The programme was badly affected by not being able to achieve the right price vs. quality mix in its contracted room stock since the closure of the Almond properties. This led to a loss of 3,213 seats.

UNITED KINGDOM

Capacity out of the United Kingdom market decreased by 1,856 to a total of 271,654 seats. This decline is predominantly due to a reduction in Virgin Atlantic's capacity due to the use of smaller equipment from May 1, 2013.

British Airways continued to operate a daily B777 service with 226 seats in a four class configuration for the summer 2013 season and return to a 10 times weekly service with the same aircraft from November 1, 2013, continuing for the remainder of the winter 2013/14 season.

Virgin Atlantic continued daily operations this summer but introduced its A330, a smaller aircraft to the Barbados route operating 6 days a week



with a B747 every Thursday. All of the flights were dedicated to Barbados as opposed to the previous summer when 4 flights a week were shared with other Caribbean destinations. The A330 aircraft has 266 seats and the B747 has 450 seats. In total capacity during the summer was reduced by 20%. During the winter season the carrier utilized the A330 aircraft 4 days a week and the B747 3 days a week. As a result total capacity fell by 5.2%.

As in the previous period, the carrier continued to operate 2 weekly services with the B747 aircraft out of Manchester.

A new Thomas Cook service out of Manchester commenced on November 10, 2013 with a weekly service. The service was increased to twice weekly from December 8. This new service added more capacity out of Manchester and 6,915 seats to the overall capacity.

EUROPE

Capacity out of Europe declined by 13.1% or 3,864 seats.

Condor operated a twice weekly service out of Frankfurt providing 270 seats per week for the entire winter season.

TUI Nordic completed its third year of operation in which it doubled its capacity from 2,610 seats to 7,830 seats. During winter 2013 season the carrier operated 16 weekly rotations with a weekly Stockholm operation shared on alternating weeks with Helsinki and Copenhagen.

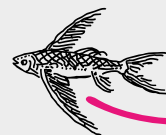
LATIN AMERICA

GOL continued to operate a weekly service out of Sao Paulo, Brazil providing 170 seats per week.



FULLY LICENSED PROPERTIES 2013

HOTELS	NO OF BEDROOMS	APARTMENTS	NO OF BEDROOMS	GUESTHOUSES	NO OF BEDROOMS
Accra Beach Hotel & Resort	228	Adulo	16	Bayfield House	10
All Seasons Resort-Europa	48	Angler	12	Croton Inn	7
Amaryllis Beach Resort	145	Annjenn	8	Crystal Waters	11
Atlantis	12	Anthurium Suites	12	Dolphin Inn	8
Blue Horizon	67	Battaleys Mews	66	Holders House	8
Blue Orchids	36	Beach View	82	Kingsland Palace	11
Bougainvillea Beach Resort	144	Carib Blue	18	Lone Star Motel	4
Butterfly	96	Chateau Blanc	17	Merriville	7
Casa Grande Airport Hotel & Resort	62	Cotton Beach	7	Palm Paradise	6
Cobblers Cove	42	Cumbers Tropical	11	Rio Guest House	9
Coconut Court	111	Faithville	4	Sea-U Guest House	9
Colony Club	96	Gentle Breeze	8	Shonlan Inn & Apartments	13
Coral Mist	35	Healthy Horizons	11	Winchelsea	4
Coral Sands Beach Resort	31	Inchcape Seaside Investment	16		
Couples Barbados	280	Khrysann Apartments		- Kingsland	3
Courtyard by Marriott	118	Khrysann Apartments		- Providence	3
Crane Resort & Residences	274	Legend Garden Condos	10		
Crystal Cove	88	Magic Isle Beach	50		
Divi Southwinds Beach Resort	128	Maresol Beach	21		
Fairmont Royal Pavilion	75	Melrose Beach	14		
Golden Sands Apartment Hotel	27	Meridian Inn	17		
Island Inn	24	Miami Beach	18		
Little Arches	10	Mirabelle	7		
Little Good Harbour	38	Mistle Cove	28		
Mango Bay	67	Monteray	26		
Ocean 15	22	Nautilus Beach	15		
Palm Garden	27	Paradise Villas	22		
Palms Resort/Travellers Palm	16	Plum Tree Club	46		
Pirates Inn	23	Port St. Charles	119		
Rostrevor Apartment Hotel	85	Roman Beach	11		
Royal Westmoreland	103	Rosebank	12		
Sandpiper	50	Round Rock	13		
Sandy Lane	128	Salt Ash	9		
Silver Point Villa	61	Santa Neta	4		
South Beach Resort	49	Santosha Barbados	6		
South Gap	34	Sea Foam Haciendas	24		
Southern Palms Beach Club	90	Southern Surf Beach	18		
Sugar Cane Club	47	St. James Luxury	17		
Tamarind	104	Summer Hayes	8		
The Club Barbados Resort & Spa	160	Sun N' Sea	3		
The House	34	Sunisland Holiday Apartments	10		
The Soco	24	Sunset Sands	4		
Time Out Hotel	75	Tropical Splendour Eversley	5		
Tropical Winds Apartment Hotel	24				
Turtle Beach Resort	161				
Waves Barbados	70				
Worthing Court Apartment Hotel	24				
Yellow Bird Hotel	20				
TOTAL 48	3713	43	831	13	107



FULLY LICENSED PROPERTIES 2014

HOTELS	NO OF BEDROOMS	APARTMENTS	NO OF BEDROOMS	GUESTHOUSES	NO OF BEDROOMS
Accra Beach Hotel & Resort	228	Adulo	16	Bayfield House	10
All Seasons Resort-Europa	48	Annjenn	8	Croton Inn	7
Atlantis	12	Beach View	83	Crystal Waters	15
Barbados Beach Club	110	Carib Blue	18	Dolphin Inn	8
Blue Horizon	67	Carvette	7	Dover Woods	4
Blue Orchids Beach	36	Chateau Blanc	18	Holders House	6
Bougainvillea Beach Resort	144	Cherry Tree	9	Hythe Villa	3
Butterfly Beach	96	Coastal View	5	Kingsland Palace	11
Casa Grande	62	Cotton Beach	7	Lone Star	7
Cobblers Cove	42	Cumbers	11	Merryville	8
Coconut Court	119	Faithville	4	Palm Paradise	7
Colony Club	96	Four Aces	13	Rio	9
Coral Mist	35	Gentle Breeze	8	Sea-U	9
Coral Reef Club	93	Golden View	21	Shonlan	13
Coral Sands Beach Resort	31	Halcyon Palm	25	Villa Ifracombe	6
Courtyard by Marriott	118	Healthy Horizons	11	Walsh's	3
Crane Resort & Residences	270	Inchcape Seaside Investments	16		
Crystal Cove	88	Jendal Villa	5		
Discovery Bay	84	Khrysann Apartments - Kingsland	3		
Divi Southwinds Beach Resort	145	Khrysann Apartments - Providence	3		
Dover Beach	59	Legend Garden Condos	10		
Fairmont Royal Pavilion	75	Lindale	7		
Golden Sands Apartment Hotel	27	Little Bay	10		
Hilton	350	Magic Isle	50		
House (The)	34	Maresol	21		
Infinity	75	Melrose	14		
Island Inn	24	Meridian Inn	17		
Little Arches	10	Miami Beach	18		
Little Good Harbour	38	Mirabelle	7		
Mango Bay	67	Monteray	26		
Ocean 15	23	Nautilus	15		
Ocean Two	92	The Nook	11		
Palms Resort	16	Ocean Bliss	14		
Pirates Inn	23	Paradise Villas	22		
Radisson Aquatica	117	Plum Tree Club	46		
Rostrevor	85	Port St. Charles	119		
Sandals Barbados (formerly Couples)	280	Regent	14		
Sandpiper	50	Roman Beach	11		
Sandy Lane	128	Rosebank	12		
Savannah	92	Round Rock	13		
Sea Breeze	80	Salt Ash	9		
Settlers Beach	42	Sandy Bliss	11		
South Beach Resort	49	Santa Neta	4		
South Gap	34	Santosha Barbados	10		
Southern Palms Beach Club	90	Sea Foam Haciendas	24		
Sugar Cane Club	47	Shades	12		
Sunbay	109	Southern Surf	18		
Tamarind	104	St. James Luxury	17		
The Club	157	Sun N' Sea	3		
The Soco	24	Sunisland	10		
Time Out	75	Sunset Sands	4		
Turtle Beach Resort	161	The Terraces	6		
Waves Barbados	70	Tropical Sunset Beach Resort	5		
Worthing Court Apartment Hotel	24	White Sands	17		
Yellow Bird Hotel	20				
TOTAL 55	4675	54	898	16	126



PERFORMANCE OF THE TOURISM SECTOR 2014

Overview

For the period under review, April 2014 through to August 24th, 2014, the sector saw a marginal increase when compared with the previous year. Stayover visitors increased by 0.1%, with most of

the major markets recording decreases during this period, with the United Kingdom and Europe being the exception.

STAY-OVER ARRIVALS BY MAJOR MARKETS					
MAJOR MARKETS	2013	2014	AB CHG	% CHG	% SHARE
United States	51,909	50,823	-1,086	-2.1	26.0
Canada	20,275	19,776	-499	-2.5	10.1
United Kingdom	61,807	66,783	4,976	8.1	34.1
Germany	2,504	2,822	318	12.7	1.4
Other Europe	7,679	7,691	12	0.2	3.9
Trinidad & Tobago	15,545	14,272	-1,273	-8.2	7.3
Other Caribbean	29,096	26,639	-2,457	-8.4	13.6
Brazil	1,801	1,791	-10	-0.6	0.9
Other Central & South America	2,258	2,085	-173	-7.7	1.1
Other	2,712	3,101	389	14.3	1.6
Total	195,586	195,783	197	0.1	100.0

Market Performance

The **United Kingdom** was on trend, emerging once again as the top producer during this period, accounting for 34.1% of business and recording 66,783 visitors to the destination. This represented an 8.1% increase compared with the same period for 2013.

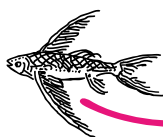
The second highest producer of business was the **United States** (26%). This source market registered 50,823 visitors but saw a 2.1% fall off in traffic.

Approximately 21% of the overall visitor count came from the **Caribbean** region. **Trinidad and Tobago** accounted for 7.3% of the business to Barbados, whilst the Other Caribbean territories contributed 13.6% of business. This market however, recorded declines of 8.2% and 8.4% respectively.

The **Canadian** market contributed 10.1% of business, with a total of 19,776 visitors during the period under review.

Europe recorded a 5.3% share of all visitors during this period. Europe's top performing country **Germany** provided 1.4% of traffic, and the **Other European** countries, 3.9%. Although one of the smaller contributors, growth was seen, with increases of 12.7% and 0.2% respectively.

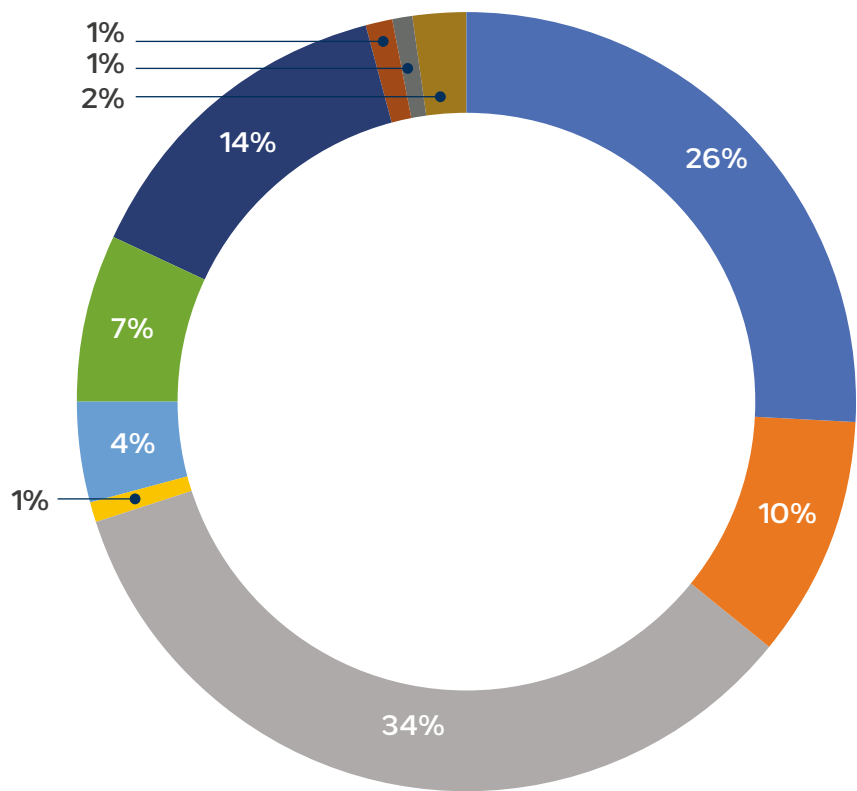
As a new and emerging market, **Other Central and South America** contributed a mere 2%. Brazil continues to outperform the other countries within this region but recorded a 0.6% decline when compared with the same period, of the previous year.



Market Share

March 2014 - 24th August, 2014

- United States: **26%**
- Canada: **10%**
- United Kingdom: **34%**
- Germany: **1%**
- Other Europe: **4%**
- Trinidad & Tobago: **7%**
- Other Caribbean: **14%**
- Brazil: **1%**
- Other Central & South America: **1%**
- Other: **2%**



Cruise Arrivals

For the reporting period April 2014 through to August 24th, 2014, the Bridgetown Port welcomed 140,913 cruise passengers. This represented an increase of 8% when compared with the

corresponding period of 2013. The months of April (16.1%), May (23.2%), July (10.1%) all recorded growth, whilst June and August recorded declines of 6.5% and 13.7% respectively.

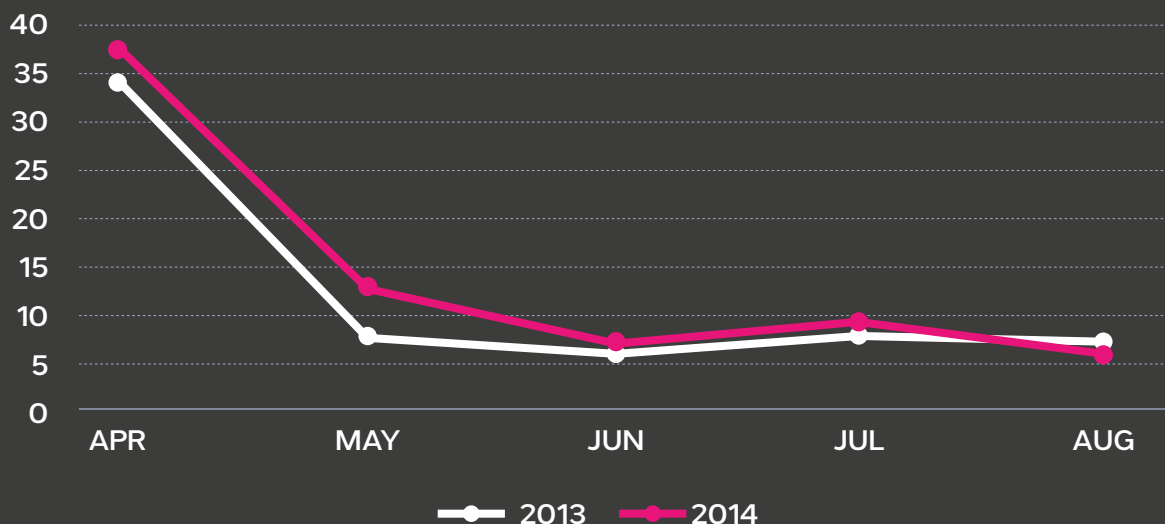
CRUISE ARRIVALS				
	2013	2014	AB CHG	% CHG
April	45,817	53,205	7,388	16.1
May	19,983	24,614	4,631	23.2
June	18,658	17,440	-1,218	-6.5
July	24,868	27,385	2,517	10.1
August	21,170	18,269	-2,901	-13.7
Total	130,496	140,913	10,417	0.8

There was an increase in cruise calls for the period under review compared with the previous period of 2013. From April 2014 through to August 24th, 2014,

seventy-two (72) cruise calls were registered, a 14.3% increase over the corresponding months of 2013.



Cruise Calls



Airlift

UNITED KINGDOM

The major carriers from this source market were Virgin Atlantic, British Airways and Thomas Cook. During the reporting period, seat capacity increased by 2.1% compared with April through to the 24th of August 2013.

Virgin Atlantic's Gatwick service accounted for 46% of the overall seats from this market. The British Airways service arriving from the same gateway contributed 22.3% of capacity, whilst the Virgin Manchester and Thomas Cook services added 10% and 5.2% to the total capacity.

UNITED STATES

Air capacity from this market fell off by 6.2% during the period under review. American Airlines accounted for 56.6% of the overall seats, whilst Jet Blue contributed 40%. The US Airways service from Charlotte added to the overall seat count, offering 3.4% during this period.

Of note is American Airlines ceasing operations of its service from the New York gateway during the month of January which negatively impacted the overall seat and visitor count.

CANADA

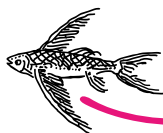
For the reporting period, 33,488 seats were allocated to Barbados from both Air Canada and WestJet. These carriers accounted for 64.7% and 35.3% of capacity from this market. Seat capacity fell off by 2.2% during this period.

EUROPE

The months under review saw 3,375 seats originating from the European market. This market saw an increase of 8.7% in capacity when compared with the corresponding period for 2013. The major airline Condor operated a once weekly service to Barbados during the period.

CENTRAL & SOUTH AMERICA

GOL was the lone carrier operating a direct service from this region, during the reporting period. GOL recorded a flat performance when compared with the previous year, with total seats of 9,256.



FINANCIAL **STATEMENTS**

BARBADOS TOURISM AUTHORITY | August 31, 2014

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KPMG

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INDEPENDENT AUDITORS' REPORT

To the Government and Members of Barbados Tourism Authority

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We were engaged to audit the financial statements of Barbados Tourism Authority (the "Authority"), which comprise the statement of financial position as August 31, 2014, the statements of revenue and expenditure, deficit and cash flows for the seventeen-month period then ended, and notes, comprising significant accounting policies and other explanatory information.

We do not express an opinion on the accompanying financial statements of the Company. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

We were unable to satisfy ourselves with the completeness and accuracy of accounts payable and accrued liabilities. At the time of our report management had not located the support for selected balances. We were unable to confirm or verify by alternative means accounts payable and accrued liabilities included in the statement of financial position at a total amount of \$22,465,390 as at August 31, 2014.

We were unable to satisfy ourselves with the completeness and accuracy of selected expenses. At the time of our report management had not located the support for selected expenses. We were unable to confirm or verify by alternative means selected expenses included in the statement of revenue and expenditure for the seventeen-month period August 31, 2014.

As a result of these matters, we were unable to determine whether any adjustments might have been found necessary in respect of recorded or unrecorded accounts payable and accrued liabilities and selected expenses and the elements making up the statements of revenue and expenditure, changes in deficit and cash flows.



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INDEPENDENT AUDITORS' REPORT

To the Government and Members of Barbados Tourism Marketing Inc. (continued)

Report on the Audit of the Financial Statements (continued)

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS 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 Authority'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 Authority or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Authority's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the Authority's financial statements in accordance with International Standards on Auditing and to issue an auditors' report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in Barbados, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The purpose of this report and restrictions on its use by persons other than the Authority's members, as a body

This report is made solely to the Authority's members, as a body. Our audit work has been undertaken so that we might state to the Authority's members 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 Authority and the Authority's members as a body, for our audit work, for this report, or for the opinion we have formed.

Chartered Accountants
Bridgetown, Barbados
September 30, 2021



Statement of Financial Position

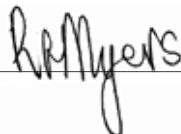
As at August 31, 2014
with figures for March 31, 2013

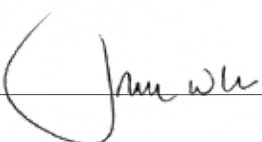
(EXPRESSED IN BARBADOS DOLLARS)

	Notes	2014	2013
Assets			
Current assets			
Cash and cash equivalents		\$ 8,040,618	9,550,967
Accounts receivable		-	18,526,222
Prepaid expenses		-	324,985
Total current assets		<u>8,040,618</u>	<u>28,402,174</u>
Staff loans, net	6	181,040	402,157
Plant and equipment	9	<u>401,141</u>	<u>363,780</u>
Total assets		<u>\$ 8,622,799</u>	<u>29,168,111</u>
Liabilities and Surplus			
Current liabilities			
Accounts payable and accrued liabilities		\$ 22,465,390	32,134,002
Loans payable	13	<u>3,192,836</u>	<u>4,496,947</u>
Total current liabilities		<u>25,658,226</u>	<u>36,630,949</u>
Loans payable	13	18,380,274	23,578,947
Deferred capital grants	8	401,141	1,013,115
Deficit		<u>(35,816,842)</u>	<u>(32,054,900)</u>
Total liabilities and deficiency		<u>\$ 8,622,799</u>	<u>29,168,111</u>

See accompanying notes to the financial statements.

Approved on behalf of the Board:

 Chairman

 Director



Statement of Deficit

For the 17 month period ended August 31, 2014
 With figures for March 31, 2013

(EXPRESSED IN BARBADOS DOLLARS)

	Notes	2014	2013
Deficit beginning of year	1	\$ (32,054,900)	(46,407,784)
Excess of (expenditure over revenue) revenue over expenditure		(3,761,942)	14,352,884
Deficit end of year		\$ <u>(35,816,842)</u>	<u>(32,054,900)</u>

See accompanying notes to the financial statements.



Statement of Revenue and Expenditure

For the 17 month period August 31, 2014
with figures for March 31, 2013

(EXPRESSED IN BARBADOS DOLLARS)

	Notes	2014	2013
Revenue			
Government grant	7	\$ 123,728,687	94,200,000
Hotel registration fees		81,996	74,473
Interest		28,970	28,778
		<u>123,839,653</u>	<u>94,303,251</u>
Expenditure			
Promotions		27,636,454	13,292,025
Marketing		26,425,747	17,174,560
Intragovernmental write off	14	17,953,621	-
Salaries and allowances		17,671,213	12,186,234
Contributions and sponsorship		12,146,073	6,724,265
Airline revenue guarantee		11,892,654	20,466,851
Public relations		6,046,040	3,823,575
Operational expenses		4,964,534	4,783,816
Interest expense	13	3,142,740	1,553,729
Depreciation		201,393	145,231
Bad debt		151,038	-
Loss on disposal of fixed assets		8,318	-
Bank charges		7,731	6,168
Foreign exchange (gains)/losses		<u>(33,989)</u>	<u>(33,140)</u>
		128,213,569	80,123,314
Amortisation of capital grants	8	<u>(611,974)</u>	<u>(172,947)</u>
		<u>127,601,595</u>	<u>79,950,367</u>
Excess of (expenditure over revenue) revenue over expenditure		\$ <u>(3,761,942)</u>	<u>14,352,884</u>

See accompanying notes to the financial statements.



Statement of Cash Flows

For the 17 month period ended August 31, 2014
with figures for March 31, 2013

(EXPRESSED IN BARBADOS DOLLARS)

	Notes	2014	2013
Cash Flows from Operating Activities			
Excess of (expenditure over revenue) revenue over expenditure		\$ (3,761,942)	14,352,884
Items not affecting working capital:			
Depreciation	9	201,393	145,231
Amortisation of capital grants		(611,974)	(172,947)
Intragovernmental write off		17,953,621	-
Bad debt		151,038	-
Loss on disposal of fixed assets		8,318	-
Interest income		(28,970)	(28,778)
Interest expense	13	3,142,740	1,553,729
Operating income before working capital changes		17,054,224	15,850,119
Decrease (increase) in accounts receivable		421,563	(3,193,846)
Decrease in staff loans		221,117	225,477
Decrease (increase) in prepaid expenses		324,985	(63,578)
Decrease in accounts payable and accrued liabilities		(9,668,612)	(6,217,518)
Net cash from operating activities		<u>8,353,279</u>	<u>6,600,654</u>
Cash flows from investing activities			
Additions to plant and equipment	9	(247,072)	(157,409)
Interest received		28,970	28,778
Net cash used in investing activities		<u>(218,102)</u>	<u>(128,631)</u>
Cash flows from financing activities			
Loan repayments	13	(6,502,785)	(2,162,418)
Capital grant	7	-	264,000
Interest paid	13	(3,142,740)	(249,618)
Net cash used in financing activities		<u>(9,645,525)</u>	<u>(2,148,036)</u>
Net (decrease) increase in cash		<u>(1,510,349)</u>	<u>4,323,987</u>
Cash and cash equivalents – beginning of period (year)		<u>9,550,967</u>	<u>5,226,980</u>
Cash and cash equivalents– end of period (year)		<u>\$ 8,040,618</u>	<u>9,550,967</u>

See accompanying notes to the financial statements.



Notes to the Financial Statements

For the 17 month period ended August 31, 2014

(EXPRESSED IN BARBADOS DOLLARS)

1. Reporting Entity

The Barbados Tourism Authority (the "Authority") is an organization domiciled in Barbados. The Barbados Tourism Authority was first established as the Barbados Board of Tourism under the Barbados Board of Tourism Act 1933-1 which provided for the establishment of a Board of Tourism. Further to this, the Barbados Tourism Authority Act 1955-15 came into operation on November 1, 1995 and replaced the previous Act. Under the terms of the Act, the duties of the Authority are to promote, assist and facilitate the efficient development of tourism and to design and implement suitable marketing strategies for the effective promotion of the tourism industry.

The registered office of the Authority is located at 2nd Floor One Barbados Place, Warrens, St. Michael, Barbados.

The financial statements were approved by the Board of Directors on September 30, 2021.

2. Corporate Restructuring

During 2014, the Government of Barbados took the decision to dissolve the Barbados Tourism Authority and create two new business entities being the Barbados Tourism Marketing Inc. (BTMI) and the Barbados Tourism Product Authority (BTPA).

The BTMI would be established as a wholly government-owned limited liability company operating under the Companies Act, Cap 308 with the sole responsibility for the marketing of Barbados' tourism.

The BTPA would be charged with the responsibility to maintain Barbados' competitiveness in the global tourism market by planning and coordinating continuous improvement in the quality of Barbados' tourism products and services.

With effect from September 1, 2014, 100% of the assets and liabilities of the Authority were vested in BTMI under the Barbados Tourism Marketing Inc (Transfer of Management and Vesting of Assets), Act 2014 as follows:

Current Assets

Cash and cash equivalents	\$ 8,040,618
Staff loans, net	<u>181,040</u>

8,221,658

Current Liabilities

Accounts payable and accrued liabilities	(22,465,390)
Loan payable	<u>(3,192,836)</u>

Working capital deficiency	(17,436,568)
----------------------------	--------------

Non-current assets and liabilities

Plant and equipment	404,141
Loan payable	(18,380,274)
Deferred capital grants	<u>(401,141)</u>

Net liabilities	\$ <u>(35,816,842)</u>
------------------------	-------------------------------



Notes to the Financial Statements (continued)

For the 17 month period ended August 31, 2014

(EXPRESSED IN BARBADOS DOLLARS)

3. Basis of Preparation

(a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis.

(c) Functional and presentation currency

These financial statements are presented in Barbados dollars, which is the Authority's functional currency.

(d) Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

4. Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these statements.

(a) Foreign currency

Transactions in foreign currencies are translated to the functional currency of the Authority using average exchange rates. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the average exchange rate at that date. Foreign currency differences arising on retranslation are recognized in the statement of revenue and expenditure.

(b) Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments comprise cash and cash equivalents, accounts receivable, staff loans, accounts payable and accrued liabilities and loan payable.

Cash and cash equivalents comprise cash balances and term deposits with original maturities of three months or less.

Non-derivative financial instruments are recognized initially at fair value.



Notes to the Financial Statements (continued)

For the 17 month period ended August 31, 2014

(EXPRESSED IN BARBADOS DOLLARS)

4. Significant Accounting Policies (continued)

(c) Plant and equipment

Recognition and measurement

Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalized as part of the equipment.

When parts of an item of plant and equipment have different useful lives they are accounted for as separate items (major) components of plant and equipment.

Gains or losses on disposal of an item of plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognized net in the statement of revenue and expenditure.

Subsequent costs

The cost of replacing part of an item of plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Authority and its cost can be measured reliably. The cost of the day-to-day servicing of plant and equipment is recognized in the statement of revenue and expenditure as incurred.

Depreciation

Depreciation is recognized in the statement of revenue and expenditure on a straight-line basis over the estimated useful lives of each item in property and equipment. The annual rates are: -

Equipment	10%, 12.5%, 20%
Furniture, fixtures and fittings	5%, 10%, 12.5%, 20%
Motor vehicles	20%
Improvements to buildings	100%

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

(d) Impairment

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.



Notes to the Financial Statements (continued)

For the 17 month period ended August 31, 2014

(EXPRESSED IN BARBADOS DOLLARS)

4. Significant Accounting Policies (continued)

(d) Impairment, continued

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognized in the statement of revenue and expenditure. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized.

Non-financial assets

The carrying amounts of the Authority's non-financial assets are reviewed at each reporting date, to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognized if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the statement of revenue and expenditure.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation if no impairment loss had been recognized.

(e) Employee benefits

Termination benefits

Termination benefits are recognized as an expense when the Authority is demonstrably committed without realistic possibility of withdrawal, to a formal plan to terminate employment before the normal retirement date. Termination benefits for voluntary redundancies are recognized if the Authority has made an offer encouraging voluntary redundancy and it is probable that the offer will be accepted and the number of acceptances can be estimated reliably.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

(f) Government grants

Revenue grants received from Government are taken to income in the accounting period in which the related expenditure is incurred.

Grants relating to plant and equipment are deferred and amortized at the same rate as the depreciation on the plant and equipment to which they relate.



Notes to the Financial Statements (continued)

For the 17 month period ended August 31, 2014

(EXPRESSED IN BARBADOS DOLLARS)

4. Significant Accounting Policies (continued)

(g) Revenue recognition

Revenue is recognized on an accrual basis.

(h) Brochures

The cost of brochures and other promotional literature are expensed in the year of purchase.

(i) New standards and interpretations not yet adopted

Below is a list of standards and interpretations in issue at August 31, 2014 that are effective for subsequent periods.

- IFRS 7 – Disclosures: Offsetting Financial Assets and Financial Liabilities (effective for annual periods beginning on or after January 1, 2014)
- IFRS 10 – Consolidated Financial Statements (effective for annual periods beginning on or after January 1, 2014)
- IFRS 11 – Joint Arrangements (effective for annual periods beginning on or after January 1, 2014)
- IFRS 12 – Disclosure of Interests in Other Entities (effective for annual periods beginning on or after January 1, 2014)
- IFRS 13 – Fair Value Measurement (effective for annual periods beginning on or after January 1, 2014)
- IAS 19 – Employee Benefits [Amended 2011] (effective for annual periods beginning on or after January 1, 2014)
- IAS 27 – Separate Financial Statements [2011] (effective for annual periods beginning on or after January 1, 2014)
- IAS 28 – Investments in Associates and Joint Ventures [2011] (effective for annual periods beginning on or after January 1, 2014)

(i) New standards and interpretations not yet adopted, continued

- IAS 32 – Offsetting Financial Assets and Financial Liabilities [Amendments to IAS 32] (effective for annual periods beginning on or after January 1, 2014)
- IFRS 9 – Financial Instruments (effective for annual periods beginning on or after January 1, 2019)
- IFRS 16 – Leases (effective for annual periods beginning on or after January 1, 2019)

The Authority does not believe that the adoption of these standards will have a material financial impact on the financial statements in the period of initial adoption.



Notes to the Financial Statements (continued)

For the 17 month period ended August 31, 2014

(EXPRESSED IN BARBADOS DOLLARS)

5. Financial Risk Management

The Authority has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Authority's exposure to each of the above risks, the Authority's objectives, policies and processes for measuring and managing risk, and the Authority's management of capital. (Also see note 12)

The Board of Directors has overall responsibility for the establishment and oversight of the Authority's risk management framework.

The Authority's risk management policies are established to identify and analyze the risks faced by the Authority, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Authority's activities.

Credit risk

Credit risk is the risk of financial loss to the Authority if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Authority's receivables from employees and other Government institutions.

Liquidity risk

Liquidity risk is the risk that the Authority will not be able to meet its financial obligations as they fall due. The Authority's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Authority's reputation.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Authority's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.



Notes to the Financial Statements (continued)

For the 17 month period ended August 31, 2014

(EXPRESSED IN BARBADOS DOLLARS)

6. Staff Loans, net

	2014	2013
Staff Loans	\$ 199,531	420,648
Less: allowance for doubtful accounts	(18,491)	(18,491)
	<u>\$ 181,040</u>	<u>402,157</u>

7. Government Grant

	2014	2013
Total grant for the year	\$ 123,728,687	94,464,000
Grant for capital expenditure (note 8)	-	(264,000)
	<u>\$ 123,728,687</u>	<u>94,200,000</u>

8. Deferred Capital Grants

	2014	2013
Grants received		
Balance – beginning of year	\$ 9,356,292	9,092,292
Capital grants received during the period (year) (note 7)	-	264,000
	<u>9,356,292</u>	<u>9,356,292</u>
Accumulated amortisation		
Balance – beginning of period (year)	8,343,177	8,170,230
Amortisation for the period (year)	611,974	172,947
	<u>8,955,151</u>	<u>8,343,177</u>
Net balance deferred		
Beginning of period (year)	\$ 1,013,115	922,062
End of period (year)	<u>\$ 401,141</u>	<u>1,013,115</u>



Notes to the Financial Statements (continued)

For the 17 month period ended August 31, 2014

(EXPRESSED IN BARBADOS DOLLARS)

9. Property, Plant and Equipment

		Equipment	Furniture & Fittings	Motor Vehicles	Improvements to Buildings	Total
Cost						
Balance at April 1, 2012	\$	4,745,713	1,693,567	105,555	3,552,694	10,097,529
Additions		14,914	142,495	-	-	157,409
Disposals		-	-	-	-	-
Balance at March 31, 2013	\$	4,760,627	1,836,062	105,555	3,552,694	10,254,938
Balance at April 1, 2013	\$	4,760,627	1,836,062	105,555	3,552,694	10,254,938
Additions		72,498	18,760	155,814	-	247,072
Disposals		-	-	-	(3,552,694)	(3,552,694)
Balance at August 31, 2014	\$	4,833,125	1,854,822	261,369	-	6,949,316
Accumulated Depreciation						
Balance at April 1, 2012	\$	4,554,659	1,554,172	99,780	3,537,316	9,745,927
Charge for the year		111,199	26,484	1,747	5,801	145,231
Disposals		-	-	-	-	-
Balance at March 31, 2013	\$	4,665,858	1,580,656	101,527	3,543,117	9,891,158
Balance at April 1, 2013	\$	4,665,858	1,580,656	101,527	3,543,117	9,891,158
Charge for the period		121,456	40,919	37,759	1,259	201,393
Disposals		-	-	-	(3,544,376)	(3,544,376)
Balance at August 31, 2014	\$	4,787,314	1,621,575	139,286	-	6,548,175
Carrying Amounts						
March 31, 2013	\$	94,769	255,406	4,028	9,577	363,780
April 1, 2013	\$	94,769	255,406	4,028	9,577	363,780
August 31, 2014	\$	45,811	233,247	122,083	-	401,141



Notes to the Financial Statements (continued)

For the 17 month period ended August 31, 2014

(EXPRESSED IN BARBADOS DOLLARS)

10. Related Party Transactions

The following related party transactions occurred during the period/year:

Key management personnel compensation is as follows:

		2014	2013
Board of Directors	\$	78,228	50,700
Senior Management	\$	1,918,869	1,304,125

11. Taxation

Under the terms of the Barbados Tourism Authority Act, the Authority is not liable for the payment of any income tax or other tax in respect of its income, revenue or receipts, or any part thereof under any law in force in Barbados.

12. Financial Instruments

Financial assets of the Authority include cash and cash equivalents, accounts receivable, and staff loans. Financial liabilities include accounts payable and accrued liabilities and loans payable.

Exposure to credit, market and liquidity risks arises in the normal course of the Authority's business.

(a) Credit risk

Credit risk arises from the possibility that counterparties may default on their obligations to the Authority. The amount of the Authority's maximum exposure to credit risk is indicated in the carrying amounts of its financial assets. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying value of each financial asset at the reporting date.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

		2014	2013
Accounts receivable, net	\$	-	18,526,222
Staff loans, net		181,040	402,157
	\$	<u>181,040</u>	<u>18,928,379</u>

As at August 31, 2014, \$Nil (2013: \$18,526,222) represents grants receivable from Government and has been due for less than a year.



Notes to the Financial Statements (continued)

For the 17 month period ended August 31, 2014

(EXPRESSED IN BARBADOS DOLLARS)

12. Financial Instruments, continued

(a) Credit risk, continued

There was no movement in the allowance for impairment in respect of receivables and staff loans.

		2014	2013
Balance at April 1	\$	18,491	18,491
Impairment loss recognized		-	-
Balance at end of period/year	\$	18,491	18,491

(b) Foreign currency risk

The Authority is exposed to foreign currency risk on purchases that are denominated in a currency other than its functional currency. The currencies giving rise to this risk are primarily Pounds Sterling (GBP) and Canadian Dollars (CAD). The Authority does not take any specific measures to mitigate against this risk. At the reporting date, there were no significant concentrations of foreign currency risk.

(c) Fair value

The fair values of cash and cash equivalents, accounts receivable, staff loans, accounts payable and accrued liabilities and loan payable are not materially different from their carrying amounts. The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position are as follows:

		2014		2013	
		Carrying Amounts	Fair Value	Carrying Amounts	Fair Value
Cash and cash equivalents	\$	8,040,618	8,040,618	9,550,967	9,550,967
Accounts receivable		-	-	18,526,222	18,526,222
Staff loans, net		181,040	181,040	402,157	402,157
Accounts payable and accrued liabilities		22,465,390	22,465,390	32,134,002	32,134,002
Loan payable		21,573,110	21,573,110	28,075,894	28,075,894

Fair value estimates are made at a specific point in time, based on market conditions and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates. All non-financial instruments such as deferred revenue are excluded from fair value disclosure. Thus, the total fair value amounts cannot be aggregated to determine the underlying economic value of the Authority.



Notes to the Financial Statements (continued)

For the 17 month period ended August 31, 2014

(EXPRESSED IN BARBADOS DOLLARS)

12. Financial Instruments, continued

(d) Liquidity risks

The following are the contractual maturities of financial liabilities:

Non-derivative financial liabilities

March 31, 2014

	Carrying Amount	Contractual Cash flows	6 months or Less	6 to 12 Months	1 to 2 Years	2 to 5 Years	More than 5 years
Accounts payable and accrued liabilities	22,465,390	(22,465,390)	(22,465,390)	-	-	-	-
Loans payable	21,573,110	(33,329,672)	(2,173,561)	(2,162,798)	(4,293,198)	(8,338,293)	(16,361,822)

March 31, 2015

	Carrying Amount	Contractual Cash flows	6 months or Less	6 to 12 Months	1 to 2 Years	2 to 5 Years	More than 5 years
Accounts payable and accrued liabilities	32,134,002	(32,134,002)	(32,134,002)	-	-	-	-
Loans payable	28,075,894	(43,799,540)	(4,715,947)	(2,107,725)	(4,215,450)	(11,555,455)	(21,204,963)



Notes to the Financial Statements (continued)

For the 17 month period ended August 31, 2014

(EXPRESSED IN BARBADOS DOLLARS)

13. Loans Payable

On March 9, 2006 the Cabinet of Barbados authorized the following:

- (i) The Authority to act on behalf of the Government of Barbados to conclude negotiations with a cruise line company to ensure that the most effective option was chosen to secure cruise ship accommodation for the matches of the International Cricket Council Cricket World Cup 2007.
- (ii) The Ministry of Finance to issue a form of guarantee and/or payment acceptable to the cruise line company to secure the vessel for Barbados; and
- (iii) The procurement of the use of cruise ship facilities and services under Rule 137A of the Financial Administration and Audit Act Cap 5.

As a result of the Cabinet's decision, the Authority entered into an agreement with the Carnival Cruise Lines, owners of the Carnival Destiny, to lease the Carnival Destiny for an amount of US\$14,068,000 in order to supplement on-land accommodation for International Cricket Council World Cup 2007.

Under the terms of the lease agreement, the Authority was required to issue two irrevocable bank standby letters of credit in the amount of US\$14,068,000, for the cruise hire and US\$804,000 for onboard target revenue.

In order to comply with the terms of the lease agreement, on May 19, 2006, the Authority entered into an agreement with the Bank of Nova Scotia to provide standby letters of credit in the amount of \$14,772,000 to Carnival Cruise Lines. The financial guarantees covered the charter hire cost of US\$13,968,000 (the lease amount of US\$14,068,000 less initial deposit of US\$100,000) and the potential loss of on-board revenue calculated at US\$804,000. The letters of credit were secured by a letter of comfort from the Government of Barbados.

The Carnival Cruise Lines made drawdowns of US\$4,589,384 on January 11, 2007, US\$4,689,383 on February 9, 2007, and on May 2, 2007 on the standby letter of credit, to meet the contractual obligations due to Carnival Cruise lines for the lease of the vessel.



Notes to the Financial Statements (continued)

For the 17 month period ended August 31, 2014

(EXPRESSED IN BARBADOS DOLLARS)

13. Loans Payable, continued

	2014	2013
Carnival Loan	\$ 9,771,783	11,934,201
National Insurance loan	18,355,014	18,304,111
Repayment during the year	<u>(6,553,687)</u>	<u>(2,162,418)</u>
	21,573,110	28,075,894
Current portion	<u>(3,192,836)</u>	<u>(4,496,947)</u>
	<u>\$ 18,380,274</u>	<u>23,578,947</u>

(d) Liquidity risks

Interest on the Bank of Nova Scotia (BNS) loan is charged at a rate of 2.24125%. This loan is not expected to be settled within 12 months after the date of the statement of financial position.

Interest expense of \$266,177 (2013: \$249,618) was charged on the BNS loan during the period/ year.

(b) NIS Loan

The proceeds of the loan was BDS\$17 million and was issued by the National Insurance Board in August 2011. This loan was to assist in the provision of working capital and is guaranteed by a letter of comfort from the Government of Barbados. The interest rate of the loan is 7.75% fixed with semi-annual payments every February and August 1st over the life of the loan. The maturity date of the loan is August 1, 2031.

Interest expense of \$2,876,563 (2013: \$1,304,111) was charged on the NIS loan during the period/year.



Notes to the Financial Statements (continued)

For the 17 month period ended August 31, 2014

(EXPRESSED IN BARBADOS DOLLARS)

14. Intragovernmental Write Off

In a letter dated January 31, 2019 issued by the Ministry of Finance, Economic Affairs and Investment, instructions were given to State Owned Enterprises and public bodies to write off all intragovernmental debt prior to September 1, 2018. Such debt includes budgetary transfers which had not been paid at that date.

The following table summarizes the details of the amounts in the write off account:

Government Grant Receivable	\$ 21,337,965
Reversal of Accounts Receivable – Ministry of Tourism	(\$3,304,300)
Deferred Capital Grant Write off	(\$80,043)
TOTAL	\$ 17,953,621

15. Subsequent Events

(a) Formation of New Entities

Following the Government of Barbados' decision to dissolve the Barbados Tourism Authority and create two new business entities, effective September 1st 2014, the BTMI was established as a wholly government owned limited liability company operating under the Companies Act, Cap 308 with the sole responsibility for the marketing of Barbados' tourism. The BTPA was also created and charged with the responsibility to maintain Barbados' competitiveness in the global tourism market by planning and coordinating continuous improvement in the quality of Barbados' tourism products and services.

During 2019, the Cabinet of Barbados mandated the Board of the Barbados Tourism Marketing Inc. (BTMI) to execute the process of transfer of the operations and functions of the Barbados Tourism Product Authority (BTPA) to the BTMI. The transfer of functions of the BTPA into BTMI became effective March 25, 2019.

The transfer included all functions except the regulatory and licensing function conferred by the BTPA Act upon the BTPA, which therefore could not be executed by BTMI as a private Company under the Companies Act Cap. 308.

(b) NIS Loan

During 2019, as a consequence of the acceptance of the Government of Barbados' Domestic Debt Exchange Offer, the facility previously held by Barbados Tourism Marketing Inc. at the National Insurance Board has been exchanged for new Government of Barbados securities which will be serviced by the government. These securities are valued at \$7,464,519.



Notes to the Financial Statements (continued)

For the 17 month period ended August 31, 2014

(EXPRESSED IN BARBADOS DOLLARS)

15. Subsequent Events, continued

(c) Intragovernmental Debt Write-off

By Memo Ref 5741/00 Vol.1, the Ministry of Finance, Economic Affairs and Investment (MOFEI) instructed State Owned Enterprises and other public bodies to ensure that all claims on other state owned enterprises and other public sector bodies prior to September 1, 2018 be written off (including tax refunds and budgetary transfers which have not been made).

In addition, any amounts owed to other public sector bodies (including the Barbados Revenue Authority) incurred prior to September 1, 2018 should be been written off. These write-offs should have taken place with effect as of December 31, 2018 for bookkeeping purposes.

The purpose of these write-offs, which are part of the Barbados Economic Recovery and Transformation program, is to:

- rationalise intragovernmental relationships;
- ensure that the public sector's accounting for assets and liabilities is true and fair;
- place Barbados's public debt firmly on a sustainable footing.

16. Comparatives

The figures for the current represent revenue and expenditure for a 17 month period compared to 12 months for the prior year.

Certain figures in the financial statements for the prior year have been reclassified to conform to the current year's presentation.

17. COVID - 19

On March 11, 2020, the World Health Organization declared the COVID-19 outbreak to be a pandemic, in recognition of its rapid spread across the globe. Management continues to consider the impact of the pandemic.

The full extent of the impact of the COVID-19 outbreak on the financial performance of the Company will depend on future developments, including the duration and spread of the outbreak, related advisories and restrictions and its impact on the overall economy, all of which are highly uncertain and cannot be predicted.

There will be a rapid fall in the visitor arrivals that BTMI aims to bolster through its marketing initiatives. The virtual collapse in tourism—which accounts for 40 percent of economic activity—will significantly depress Barbados' economic activity in 2021.











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