TOURISM ATTRACTION BOARD

FINANCIAL STATEMENTS

June 30, 2011

TOURISM ATTRACTION BOARD

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TAB
Cayman Islands
Tourism Attraction Board

STATEMENT OF RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

These financial statements have been prepared by the Tourism Attraction Board in accordance with the provisions of the *Public Management and Finance Law, (2010 Revision)* and International Financial Reporting Standards.

We accept responsibility for the accuracy and integrity of the financial information in these financial statements and their compliance with the *Public Management and Finance Law, (2010 Revision).*

As signatories below, we are responsible for establishing and maintaining a system of internal controls designed to provide reasonable assurance that the transactions recorded in the financial statements are authorised by law, and properly record the financial transactions of the Tourism Attraction Board. However, there were instances where controls were not adequately established and maintained during the financial year.

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

The financial statements, except for the effects of the probable understated differences to property values and the omission of two bank accounts from the Board's records, fairly present the financial position, financial performance, and cash flows of the Tourism Attraction Board for the year ended 30 June 2011.

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

(a) complete and reliable except for the effects of the probable understated differences to property values;

(b) fairly reflect the financial position as at June 30, 2011 and performance for the financial year ended June 30, 2011; and

(c) may not fully comply with International Financial Reporting Standards under the responsibility of the International Accounting Standards Board.

The Office of the Auditor General conducts an independent audit and expresses an opinion on the accompanying financial statements. The Office of the Auditor General has been provided access to all the

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Cayman Craft Market
Hell
Pirate's Week

information necessary to conduct an audit in accordance with International Standards of Auditing.

Mr. Kirkland Nixon
Chairman
Tourism Attraction Board
Date: FEB 28, 2013

Mr. Gilbert Connolly
Chief Executive Officer
Tourism Attraction Board
Date: FEB 28, 2013

Office of the Auditor General
CAYMAN ISLANDS

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Auditor General's Report

To the Members of the Tourism Attraction Board

I have audit the accompanying consolidated financial statements of the Tourism Attraction Board (the "Board") which comprise the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, statement of segmented operations and a summary of significant accounting policies and other explanatory notes in accordance with provisions of Section 9 (2) of the *Tourism Attraction Board Law, 1996 and* Section 60 (1)(a) of the *Public Management and Finance (Amendment) Law (2011).*

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair representation of these consolidated financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend upon the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis for Qualified Opinion

Cash & Cash Equivalents

Based on the omission of two bank accounts from the Boards records as well as lack of supporting documentation related to these two bank accounts, my verification of cash was limited to the amounts recorded in the records of the Board. As a result, I was unable to opine on the completeness and accuracy of the cash and cash equivalents balance of $1,332,367 at 30 June 2011.

Property, Plant & Equipment and Depreciation

No adjustments were made to the carrying value of the Boards properties at 30 June 2011 to reflect the results of a revaluation conducted subsequent to the yearend. Based on the valuation carried out, the potential understated differences to property values are in excess of $1,000,000. Due to the significant differences noted, property, plant and equipment of $9,323,386 are not fairly stated at 30 June 2011 and I am unable to opine on the accuracy of the associated depreciation expense of $241,772.

Equity

Due to the significant unadjusted balance noted during the current year which exceeds $1,000,000 and impact on the accuracy of equity, the equity balance of $10,055,634 is not fairly stated at 30 June 2011.

Revenue

Due to the lack of adequate controls over revenue transaction noted at Pirates Week and the Botanic Park as well as some revenue transactions not being recorded in the financial statements as a result of the omission of two bank accounts, I do not opine on the completeness and accuracy of gross revenues totalling $683,957 out of the overall revenue balance of $2,792,340 as at 30 June 2011.

Receivables

Based on differences noted of $20,491 in addition to the control issues noted with revenue, I am unable to opine on the accuracy of the receivables balance of $102,207 at 30 June 2011.

Non-compliance with Internal Financial Reporting Standards (IFRS)

- IAS 24 (Related Party Disclosures) – the register of interest submission was incomplete, therefore I was unable to verify the completeness of the related party transactions disclosed at note 10 to the financial statements.

Qualified Opinion

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraphs, the financial statements present fairly, in all material respects the financial position of the Tourism Attraction Board as at 30 June 2011 and the results of its operations, statement of equity, and statement of cash flows for the year then ended in accordance with International Financial Reporting Standards.



Alastair Swarbrick, MA (Hons), CPFA
Auditor General

Cayman Islands
March 6, 2013

Tourism Attraction Board
Statement of Financial Position
as at 30 June 2011
(in Cayman Islands dollars)

	Note	2011	2010 Restated	2010 Audited
		$	$	$
ASSETS				
Current Assets				
Inventories		78,438	102,401	102,401
Accounts receivable	5	102,207	93,832	93,832
Prepaid expenses		13,351	29,265	29,264
Cash and cash equivalents		1,332,367	971,556	971,556
		1,526,363	1,197,054	1,197,054
Non-Current Assets				
Property, plant and equipment	4	9,323,386	9,233,688	9,233,688
TOTAL ASSETS		**10,849,749**	**10,430,742**	**10,430,742**
EQUITY AND LIABILITIES				
Donated Capital	6	11,659,172	11,719,029	9,398,388
Accumulated Deficit		(1,603,538)	(2,172,010)	(4,074,527)
Equity		10,055,634	9,547,019	5,323,861
Current Liabilities				
Current portion of Long Term Loan	7	-	-	-
Accounts payable & Accrued Liabilities	9	794,115	883,723	1,522,746
		794,115	883,723	1,522,746
Non-Current Liability				
Long Term Loan	7	-	-	3,584,135
TOTAL EQUITY AND LIABILITIES		**10,849,749**	**10,430,742**	**10,430,742**

Approved on behalf of the Board

Date: FEB - 28 - 2013

Gilbert Connolly
Chief Executive Officer

Patrick Thompson
Financial Controller

The accompanying schedules and notes are an integral part of these financial statements.

Tourism Attraction Board
Statement of Comprehensive Income
for the year ended 30 June 2011
(in Cayman Islands dollars)

	Note	2011	2010 Restated	2010 Audited
		$	$	$
INCOME				
Events, Gift Shop, Café, and Other	8	602,935	508,853	508,853
Cost of Goods Sold		(367,906)	(266,802)	(266,802)
		235,029	242,051	242,051
Admission Fees		349,286	306,102	306,102
Government Subsidy	10	2,208,025	2,169,556	2,169,556
Total Income		**2,792,340**	**2,717,709**	**2,717,709**
EXPENSES				
Salaries and Benefits	12	1,374,942	1,479,461	1,479,461
Other Expenses		21,680	-	-
Loan Interest and Charges	7	-	-	89,523
Depreciation	4	241,772	174,221	174,221
Insurance		119,341	145,495	145,495
Advertising and Marketing		54,490	44,729	44,729
Utilities		209,958	175,592	175,592
Building and Equipment Maintenance		102,573	97,909	97,909
Professional Fees		56,372	56,145	56,145
Rent	11	67,087	74,053	74,053
Telephone and Communications		53,448	54,044	54,044
Nursery Supplies and Ground Maintenance		20,610	29,797	29,797
Administrative Expenses		44,214	41,035	41,035
Operations & Maintenance		57,989	63,949	63,949
Vehicle Expenses		15,805	15,746	15,746
Uniform, Training and Education		2,398	123	123
Conferences, Subsistence and Official Travel		1,743	-	-
Subscriptions and Donations		-	16	16
Bad Debts		15,792	2,927	2,927
Equipment Write-off		-	-	-
Inventory Write-off		1,404	12,211	12,211
Miscellaneous		2,612	20,775	20,775
Total Expenses		**2,464,230**	**2,488,228**	**2,577,751**
Net income for the year		**328,110**	**229,481**	**139,958**

The accompanying schedules and notes are an integral part of these financial statements.

Tourism Attraction Board
Statement of Changes in Equity
for the year ended 30 June 2011
(in Cayman Islands dollars)

	DONATED CAPITAL	ACCUMULATED DEFICIT	TOTAL EQUITY
Balance at 30 June 2009	**11,723,839**	**(4,222,252)**	**7,501,587**
Capital adjustment during the year	(2,325,451)		(2,325,451)
Adjustment to Opening Equity		7,767	7,767
Net Income for the year	-	139,958	139,958
Balance at 30 June 2010 (Audited)	**9,398,388**	**(4,074,527)**	**5,323,861**
Adjustments to restate prior year balance	2,320,641	1,902,517	4,223,158
Balance at 30 June 2010 (Restated)	**11,719,029**	**(2,172,010)**	**9,547,019**
Capital received during the year	-	-	-
Adjustment to Opening Equity	(59,857)	240,362	180,505
Net Income for the year	-	328,110	328,110
Balance at 30 June 2011	**11,659,172**	**(1,603,538)**	**10,055,634**

The accompanying schedule and notes are an integral part of these financial statements.

Tourism Attraction Board
Statement of Cash Flows
for the year ended 30 June 2011
(in Cayman Islands dollars)

	2011	2010 Restated	2010 Audited
CASH FLOWS FROM OPERATING ACTIVITIES	$	$	$
Net Income for the year after government subsidy	**328,110**	**229,481**	**139,958**
Add adjustments to reconcile net income to net cash from operating activities			
Depreciation	241,772	174,221	174,221
Charges on Disposal	-	-	-
Operating Income before working capital changes	**569,882**	**403,702**	**314,179**
Changes in working capital balances			
Decrease/(Increase) in inventories	23,963	11,985	11,985
Decrease/(Increase) in accounts receivable	(8,375)	183,512	183,512
Decreas)/(Increase) in prepaid expenses	15,914	(5,665)	(5,665)
(Decrease)/Increase in accounts payable and accrued liabilities	(89,608)	72,471	711,494
Net cash from operating activities	**511,776**	**666,005**	**1,215,506**
CASH FLOWS FROM INVESTING ACTIVITY			
Purchase of fixed assets	(331,470)	(199,008)	(199,008)
Disposal of assets	-	-	-
Net Cash used in investing activity	**(331,470)**	**(199,008)**	**(199,008)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Adjustment to Capital Donated by Government	(59,857)	(4,810)	(2,325,451)
Adjustment to Loan Principal repaid during the year	-	(1,897,707)	1,686,428
Adjustment to Retained Earnings	240,362	1,820,761	7,767
Net cash provided by financing activities	**180,505**	**(81,756)**	**(631,256)**
Net increase/(decrease) in cash and cash equivalents	360,811	385,241	385,241
Cash and cash equivalents at beginning of year	971,556	586,315	586,315
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	**1,332,367**	**971,556**	**971,556**

The accompanying schedule and notes are an integral part of these financial statements.

Tourism Attraction Board
Statement of Segmented Operations
as at 30 June 2011
(In Cayman Islands dollars)

Balance Sheet

	CCM	HELL	PSJ	QEIIBP	PWF	TAB	Consol A/E	CONSOL
	2011	2011	2011	2011	2011	2011		2011
ASSETS	$	$	$	$	$	$		$
Non-Current Assets								
Property, Furniture and Equipment	168,579	2,524	6,981,417	2,128,042	25,699	17,125		9,323,386
	-	-	-	-	-	-		-
Current Assets								
Inventories	-	-	9,099	15,287	54,052	-		78,438
Trade and Other Receivables	984	7,624	48,043	28,162	9,613	7,781		102,207
Prepayments	40	-	-	5,636	5,078	2,597		13,351
Due from Related Party	(139,510)	(2,582)	16,380	(58,316)	857	183,171		-
Cash and Cash Equivalents	3,067	15,749	163,012	220,277	152,025	778,237		1,332,367
	(135,419)	20,791	236,735	211,046	221,424	971,786		1,526,363
TOTAL ASSETS	33,160	23,315	7,218,151	2,339,088	247,124	988,911		10,849,749
CAPITAL AND LIABILITIES								
Capital and Deficit								
Donated Capital	110,000	-	8,637,639	2,712,726	-	198,807		11,659,172
Accumulated Deficit	(88,960)	20,906	(1,639,360)	(475,786)	219,239	360,423		(1,603,538)
	21,040	20,906	6,998,279	2,236,940	219,239	559,230		10,055,634
Non-Current Liability								
Long Term Loan	-	-	-	-	-	-		-
	-	-	-	-	-	-		-
Current Liabilities								
Current Portion of Long Term Loan	-	-	-	-	-	-		-
Accounts Payable and Accruals	12,120	2,409	219,872	102,148	27,885	429,681		794,115
Deferred Revenue	-	-	-	-	-	-		-
TOTAL CAPITAL AND LIABILITIES	33,160	23,315	7,218,151	2,339,088	247,124	988,911		10,849,749

Tourism Attraction Board
Statement of Segmented Operations
as at 30 June 2011
(In Cayman Islands dollars)

Statement of Income and Expenditure

	CCM	HELL	PSJ	QEIIBP	PWF	TAB	Consol AJE	CONSOL
	2011	2011	2011	2011	2011	2011		2011
	$	$	$	$	$	$		$
INCOME								
Gift Shop, Café, Events, Bar and Other	835	-	100,244	149,070	328,416	5,452		584,017
Management Fees	-	-	-	-	-	440,605	(440,605)	-
Rental Income	-	18,000	-	-	-	-		18,000
Cost of Goods Sold	-	-	(45,249)	(32,325)	(290,332)	-		(367,906)
	835	18,000	54,995	116,745	38,084	446,057	(440,605)	234,111
Admission Fees	-	-	112,245	237,041	-	-		349,286
Total Income	835	18,000	167,240	353,786	38,084	446,057	(440,605)	583,397
EXPENSES								
Salaries and Benefits	67,828	-	464,325	463,064	139,021	240,704		1,374,942
Depreciation	8,143	56	154,456	66,256	7,732	5,129		241,772
Loan Interest and Charges	-	-	-	-	-	-		-
Management Fees	18,000	11,000	193,187	150,509	67,909	-	(440,605)	-
Insurance	2,608	-	92,881	23,456	263	133		119,341
Utilities	7,940	956	70,406	115,962	9,739	4,955		209,958
Operations & Maintenance	-	1,434	36,823	15,553	3,381	798		57,989
Building and Equipment Maintenance	5,310	33,787	34,744	26,353	2,379	-		102,573
Advertising and Marketing	-	-	7,788	5,575	5,351	35,776		54,490
Professional Fees	2,562	2,142	13,100	11,848	13,384	13,336		56,372
Administrative Expenses	423	82	12,241	7,720	10,643	13,105		44,214
Telephone and Communication Costs	2,821	-	16,484	16,039	5,765	12,339		53,448
Nursery Supplies and Grounds	-	-	1,154	19,456	-	-		20,610
Vehicle Expenses and Mileage	-	-	6,866	8,939	-	-		15,805
Bad Debt	-	-	-	-	15,792	-		15,792
Conference, Subsistence and Official Travel	-	-	-	1,743	-	-		1,743
Subscription and Donation	-	-	-	-	-	-		-
Uniform, Training and Education	-	-	1,500	898	-	-		2,398
Equipment Write-off	-	-	-	-	-	-		-
Inventory write-off	-	-	-	-	1,404	-		1,404
Miscellaneous Expense	-	-	55	1,567	-	990		2,612
Subsidy Expense	-	-	-	-	-	2,208,025	(2,208,025)	-
Other Expense	-	-	-	21,680	-	-		21,680
Other (Income)	-	-	(601)	(4)	(12)	(301)		(918)
Rent	36	-	-	-	41,851	25,200		67,087
Total Expenses	115,671	49,457	1,105,409	956,614	324,602	2,560,189		2,453,312
Net profit/(loss) for the year before Gov't Subsidy	(114,836)	(31,457)	(938,169)	(602,828)	(286,518)	(2,114,132)		(1,879,915)
Government Subsidy	115,000	35,000	965,934	752,545	339,546	2,208,025	(2,208,025)	2,208,025
Net loss for the year after Government Subsidy	164	3,543	27,765	149,717	53,028	93,893		328,110

1. BACKGROUND INFORMATION

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

The Tourism Attraction Board also manages Pirates Week Festival, Hell and the Cayman Craft Market. The Pirates Week Festival is an annual event organized by the Pirates Week Committee. Since 1995, part of the activities of the Committee in connection with the Festival had been conducted through the Pirates Week Festival Limited (the "Company"), a Cayman Islands limited liability company. However, during 1998 a decision was taken not to use the Company for this purpose in future. The Company was struck off the Register of Companies in 2001. The assets and liabilities of the Company were transferred to the Festival and the Company was duly terminated. During 2001, "Pirates Week" was registered as a trademark with the Trade Mark Association.

The Tourism Attraction Board Office is located at Suite 203 Crighton Building, Crewe Road George Town, P.O. Box 317837 S.M.B.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Tourism Attraction Board are stated in Cayman Islands Dollars. These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). A summary of the significant accounting and reporting policies used in preparing these statements are as follows: -

(a) Basis of Accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), on an accrual basis under the historical cost convention. No account is taken of the effects of inflation.

(b) Use of Estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from these estimates.

(c) Depreciation

Property, plant and equipment are recorded at cost and depreciated using the straight-line method. The following rates estimated to write off the cost of the assets over their expected useful lives are shown below:-

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Visitors' Centre	2.0%
Multimedia, Furniture and Fixtures	12.5%
Motor Vehicles	20.0%
Start-up Costs and Computer Equipment	33.3%

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

(d) Foreign Currency Translation

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

(e) Inventory

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

(f) Pensions and Other Post-retirement Benefits

In accordance with the Cayman Islands National Pensions Law, the Tourism Attraction Board joined a defined contribution pension plan. The employer and employees began monthly contributions at a rate of 5%. The employer's contributions are recognized as employee benefit expenses when they are due. Prepaid contributions are recognized as an asset to the extent that the cash refund or a reduction in the future payments is available.

A defined contribution plan is a pension plan under which the Tourism Attraction Board pays fixed contribution into a separate entity (British Caymanian). The Tourism Attraction Board has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Defined pension scheme contributions are charged to the Statement of Comprehensive Income based on a set contribution rate. The total amount recognised as pension expense as at 30 June 2011 was $46,681 and (2010 - $51,800). There was an average of 38 employees at Tourism Attraction Board during the year ended 30 June 2011 (2010 - 40 employees).

(g) Borrowing Cost

A portion of the interest charges on the loan received for the restoration of the Pedro Castle heritage site has been capitalised.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

The amount used for capitalisation was determined based on the terms of the loan agreement which requires that the actual interest be calculated and a portion as determined by the Caribbean Development Bank is capitalised and added to the total loan outstanding. There was nil interest capitalised during the years ended 30 June 2011 and 30 June 2010.

All interest and other costs incurred in connection with borrowings and leasing for the Queen Elizabeth II Botanic Park and Pirates Week Festival, respectively, are expensed as incurred and recognized in the Statement of Comprehensive Income using the effective interest rate method.

(h) Revenue Recognition

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

(i) Government Grants

Grants that compensate the Tourism Attraction Board for expenses incurred are recognised as revenue in the Statement of Comprehensive Income on a systematic basis in the same period in which the expenses are incurred.

(j) Trade Receivables

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

(k) Cash and Cash Equivalents

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

3. CHANGE IN POLICY

In November 2012, the Honourable Financial Secretary wrote to the Auditor General advising that the Government wished to change its accounting policy as it relates to the funds expended for the improvement of the Pedro St. James Heritage project. The change included a transfer of the "Loans Receivable" amount on the books of the Core Government to the "Net Worth in the Tourism Attraction Board" account. It further included a transfer of the "Long Term Loan" balance shown on the books of the Tourism Attraction Board to the "Donated Capital" account.

4. PROPERTY, FURNITURE AND EQUIPMENT

Description	Land	Botanical Gardens Great House Period Furnishings	Visitors' Centre/Buildings	Multimedia Furniture & Fixtures	Motor Vehicles	Computers	Start-up Costs	Total
	$	$	$	$	$	$	$	$
Cost:								
At 30 June 2010	1,003,216	2,149,500	7,094,799	1,044,770	106,532	98,384	214,838	11,712,039
Additions	-	-	182,235	95,682	12,663	40,890	-	331,470
Disposals	-	-	-	-	-	-	-	-
At 30 June 2011	1,003,216	2,149,500	7,277,034	1,140,452	119,195	139,274	214,838	12,043,509
Accumulated Depreciation:								
At 30 June 2010	-	-	1,520,288	595,427	62,417	85,381	214,838	2,478,351
harge for Year	-	-	164,842	48,073	19,625	9,232	-	241,772
Charge on Disposal	-	-	-	-	-	-	-	-
At 30 June 2011	-	-	1,685,130	643,500	82,042	94,613	214,838	2,720,123
Net Book Value:								
At 30 June 2011	1,003,216	2,149,500	5,591,904	496,952	37,153	44,661	-	9,323,386
At 30 June 2010	1,003,216	2,149,500	5,574,511	449,343	44,115	13,003	-	9,233,688

The cost of land purchased for Pedro St. James is included in fixed assets. The land at the Queen Elizabeth II Botanic Park (Park) is owned 50% each by the Park and the National Trust of the Cayman Islands. The value of this land is not known and therefore not included in these financial statements. Prior to the official opening of the Park, the National Trust for the Cayman Islands contributed volunteer labour and funding to assist in the development of the Park. These cash and non-cash expenditures have not been included in the financial statements since the donations were made prior to the establishment of the Tourism Attraction Board.

5. TRADE AND OTHER RECEIVABLES

	2011 $	2010 $
Trade & Other Receivables	147,177	138,803
Less Provision for Bad Debts	44,970	44,971
Total	**102,207**	**93,832**

6. DONATED CAPITAL

There were no Capital donations for the year ended 30 June 2011.

7. LONG TERM LOAN

Caribbean Development Bank

On 27th August 1996, the Cayman Islands Government obtained a loan of CI$4,474,160 (US$5,369,720) from the Caribbean Development Bank (CDB) for the Pedro St. James Heritage Project which is owned and managed by the Tourism Attraction Board (TAB).

Historically the proceeds from the loan have been treated as a Debt (Long Term Loan) by the TAB with the relevant interest being charged to the Statement of Comprehensive Income. Based on a directive issued by the Financial Secretary on the treatment of this item, the TAB has reversed all the related interest expense and transferred the initial loan proceeds to Donated Capital.

The respective items in the Statement of Financial Position and the Statement of Comprehensive Income have been restated for the year ended 30 June 2010 to reflect the net adjustments as follows:

Long Term Loan	3,584,135	
Accounts Payable & Accrued Liabilities	639,023	
Accumulated Deficit		1,812,994
Donated Capital		2,320,641
Loan Interest and Charges		89,523

The net adjustments for the year ended 30 June 2011 are as follows:

Donated Capital	59,858	
Loan Interest and Charges		59,858

As of the year ended 30 June 2011 the Long Term Loan account has been removed from these financials. The proceeds from the CDB loan has been recorded as Donated Capital as a result of the above mentioned directive and therefore the full liability rests with the Cayman Islands Government.

8. INCOME

	2011 $	2010 $
Events	38,193	40,313
Gift Shop	188,966	187,821
Café	-	-
Other	375,776	280,719
Total Events, Gift Shop, Café and Other	602,935	508,853
Admission Fees	349,286	306,102
Total	**952,221**	**814,955**

Income for the Gift Shop, Café and Bar represents the invoice price of goods sold net of discounts, while income for Admissions (Theatre), Events, and Other represents the invoice price of services rendered net of discounts.

Other income includes sponsorship received for the national festival as well as proceeds from plant sales at the Botanic Park.

9. ACCOUNTS PAYABLE & ACCRUED LIABILITIES

	2011 $	Restated 2010 $	Audited 2010 $
Accounts Payable	623,704	661,606	661,606
Audit/Accounting Fee Accrual	98,391	177,394	177,394
Accrued Expenses	8,835	10,765	10,765
Payroll Liabilities	44,472	32,448	32,448
Loan Interest Payable	-	-	639,023
Unearned Revenue	16,818	1,510	1,510
Blue Iguana Recovery Payable	1,895	-	-
Total	**794,115**	**883,723**	**1,522,746**

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

10. RELATED PARTY TRANSACTIONS

In the year ended 30 June 2011 the Cayman Islands Government's subsidy to the Tourism Attraction Board's heritage sites was $2,208,025 (2010 - $2,169,556). The Board is dependent on the Cayman Islands Government for an annual subsidy and other financial support in order to continue as a going concern. Management has no reason to believe that the current policy of the Government on the provision of financial support will change in the foreseeable future.

The Tourism Attraction Board also relies on the Cayman Islands Government to provide or arrange long-term finance for capital development projects.

Insurance coverage for assets of the historic sites and the Pirates Week Festival managed under the Tourism Attraction Board is provided through the Cayman Islands Government.

The Auditor General has statutory responsibility for the audit of the Tourism Attraction Board and entities that it manages. Audit fees charged in year ended 30 June 2011 was $42,000 (2010 - $37,641).

The Tourism Attraction Board also depends on legal advice of the Cayman Islands Legal Department. During the years ended 30 June 2011 and 30 June 2010 the Cayman Islands Legal Department did not charge any legal fees to the Tourism Attraction Board.

There is one (1) full-time equivalent personnel considered at the senior management level. The total remuneration includes: regular salary, allowances and pension contributions. Total remuneration for this individual in 2011 was $102K (2010: 102K). There have been no loans made to key management personnel or close family members in 2011.

11. COMMITMENTS

On July 28, 2011, the TAB Admin Office entered into an operating lease agreement which will expire on July 31, 2014. The Pirates Week Office leases a gift shop under an operating lease that expired on August 31, 2008 which has subsequently been extended on a month to month basis.

		2011 $	2010 $
Minimum lease payments			
Payable with one year		65,000	65,000
Payable from one to two years		130,000	130,000
	CI	**195,000**	**195,000**

As at 30 June 2011 the Tourism Attraction Board had no other commitments for which provisions have not been made in these financial statements.

12. SALARIES & BENEFITS

	2011 $	2010 $
Salaries & Wages	1,280,094	1,370,295
Health Insurance	44,026	49,866
Pension Contributions	46,681	51,800
Other	4,141	7,500
Total	**1,374,942**	**1,479,461**

13. FINANCIAL INSTRUMENTS

Fair Values

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

i) Short-term financial assets and liabilities

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

ii) Long-term financial assets and liabilities

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

Credit Risk

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

14. CONTINGENT LIABILITIES

There were no legal actions or claims made against the TAB and its subsidiaries during this financial year.

15. TAXATION

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

16. SUBSEQUENT EVENTS

A valuation of the assets of the TAB entities was carried out in the third quarter of the 2012 financial year. A review of this report, which was prepared by a non-government agency, is to be carried out by the Lands and Survey department before being utilized for revaluation purposes. The results of these valuations are anticipated to have an effect on the financial statements.

Except for the above mentioned event there are no material events, favorable or unfavorable, which would have impacted upon the statements between the reporting date and the date on which the financial statements were authorized for issue.

17. SEGMENT REPORTING

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