TOURISM ATTRACTION BOARD

FINANCIAL STATEMENTS

30 JUNE 2014

Tourism Attraction Board

Financial Statements for the year ended 30 June 2014

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

STATEMENT OF RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

These financial statements have been prepared by the Tourism Attraction Board in accordance with the provisions of the *Public Management and Finance Law, (2013 Revision).*

We accept responsibility for the accuracy and integrity of the financial information In these financial statements and their compliance with the *Public Management and Finance Law, (2013 Revision).*

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

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

The financial statements fairly present the financial position, performance, and cash flows of the Tourism Attraction Board for the year ended 30 June 2014.

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

(a) Completely and reliably reflect the financial transactions of the Tourism Attraction Board for the year ended 30th June 2014;
(b) Fairly reflect the financial position as at June 30, 2014 and performance for the financial year ended June 30, 2014;
(c) Comply with International Public Sector Accounting Standards as set out by International Public Sector Accounting Standards Board under the responsibility of the International Federation of Accountants.

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

Mr. Chet Ebanks
Deputy Chairman
On behalf of Chairperson, Tourism Attraction Board
Date: May 25, 2017

Mr. Patrick Thompson
Director
Tourism Attraction Board
Date: May 25, 2017

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AUDITOR GENERAL'S REPORT

To the Board Members of the Tourism Attraction Board

I have audited the accompanying financial statements of the Tourism Attraction Board (Board) which comprise the statement of financial position as at 30 June 2014 and the related statements of financial performance, statement of changes in net worth and cash flows statement for the year then ended, and a summary of significant accounting policies and other explanatory information as set out on pages 8 to 28 in accordance with the provisions of Section 60(1)(a) of the Public Management and Finance Law (2013 Revision).

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor General'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 about 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 statement

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

Basis for Qualified Opinion

Cash & Cash Equivalents

Due to the inadequate controls over revenue transactions, at several of the Board's entities, I am unable to opine on the accuracy and completeness of the cash balance of $1,246,559.

Income

Due to inadequate controls over revenue transactions, I am unable to opine on the completeness and accuracy of income from events, gift shops, other & admission fees totalling $1,019,510 out of the overall revenue balance of $ 3,053,065 for the period ending 30 June 2014.

Accounts Receivables

Due to the lack of adequate controls over revenue, I am unable to opine on the accuracy of the receivables balance of $43,927 at 30 June 2014.

Accumulated Deficit

I was unable to satisfy myself that the accumulated deficit of $5,423,273 as recorded in the statement of financial position was fairly stated due to matters noted above.

Qualified Opinion

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion the financial statements present fairly, in all material respects, the financial positon of Tourism Attraction Board as at 30 June 2014 and its financial performance and its cash flow for the year then ended in accordance with International Public Sector Accounting Standards.



Sue Winspear, CPFA
Auditor General

25 May 2017
Cayman Islands

Tourism Attraction Board
Statement of Financial Position
as at 30 June 2014
(in Cayman Islands dollars)

	Note	2014	Restated as at June 30 2013 (Note 11)	July 1 2012
ASSETS		$	$	$
Current Assets				
Inventories		66,454	75,658	67,631
Accounts receivable	4	43,927	56,245	98,922
Prepaid expenses		5,922	3,637	5,993
Cash and cash equivalents		1,246,559	1,349,585	1,237,592
		1,362,862	1,485,125	1,410,138
Non-Current Assets				
Property, plant and equipment	3	8,019,898	8,205,431	8,428,533
TOTAL ASSETS		**9,382,760**	**9,690,556**	**9,838,671**
EQUITY AND LIABILITIES				
Donated capital	5	11,637,590	11,637,590	11,637,590
Accumulated deficit		(5,423,273)	(5,384,285)	(5,211,253)
Revaluation Surplus		2,969,784	2,969,784	2,969,784
Equity		9,184,101	9,223,089	9,396,121
Current Liabilities				
Accounts payable and accrued liabilities	7	198,659	467,467	442,550
		198,659	467,467	442,550
TOTAL EQUITY AND LIABILITIES		**9,382,760**	**9,690,556**	**9,838,671**

Approved on behalf of the Board

Chet Ebanks
Deputy Chairman

Date:May 25, 2017

Patrick Thompson
Director

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 2014
(In Cayman Islands dollars)

	DONATED CAPITAL	ACCUMULATED DEFICIT	REVALUATION SURPLUS	TOTAL EQUITY
Balance at 30 June 2012	**11,637,590**	**(1,680,372)**	**3,157,775**	**13,114,993**
Adjustments		(3,605,956)	(187,991)	(3,793,947)
Net Deficit for the year		(97,957)		(97,957)
Balance at 30 June 2013 (Restated)	**11,637,590**	**(5,384,285)**	**2,969,784**	**9,223,089**
Adjustment to Opening Equity		10,380		10,380
Net Deficit for the year		(49,368)		(49,368)
Balance at 30 June 2014	**11,637,590**	**(5,423,273)**	**2,969,784**	**9,184,101**

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 2014
(in Cayman Islands dollars)

	2014	Restated 2013
CASH FLOWS FROM OPERATING ACTIVITIES	**$**	**$**
Net deficit for the year after government subsidy	**(49,368)**	**(97,957)**
Add adjustments to reconcile net income to net cash from operating activities		
Depreciation	193,957	223,102
Charges on Disposal	-	(114)
Operating Income before working capital changes	**144,589**	**125,031**
Changes in working capital balances		
Decrease/(Increase) in inventories	9,204	(8,027)
Decrease in accounts receivable	12,318	42,677
(Increase)/Decrease in prepaid expenses	(2,285)	2,356
(Decrease)/Increase in accounts payable and accrued liabilities	(268,809)	25,269
Net cash used in operating activities	**(104,983)**	**187,306**
CASH FLOWS FROM INVESTING ACTIVITY		
Purchase of fixed assets	(8,423)	(75,830)
Disposal of assets	-	518
Net Cash used in investing activity	**(8,423)**	**(75,313)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Adjustment to Retained Earnings	10,380	-
Net cash provided by financing activities	**10,380**	**-**
Net decrease in cash and cash equivalents	(103,026)	111,993
Cash and cash equivalents at beginning of year	1,349,585	1,237,592
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	**1,246,559**	**1,349,585**

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

Tourism Attraction Board
Notes to the Financial Statements
Segment Reporting (Statement of Financial Position)
as at 30 June 2014
(in Cayman Islands dollars)

	CCM 2014	HELL 2014	PSJ 2014	QEIIBP 2014	PWO 2014	TAB 2014	CONSOL 2014
ASSETS	$	$	$	$	$	$	$
Non-Current Assets							
Property, Furniture and Equipment	5,445	2,356	6,811,230	1,179,381	15,344	6,142	8,019,898
Current Assets							
Inventories	-	-	6,605	16,313	43,536	-	66,454
Trade and Other Receivables	400	5,858	16,272	13,926	7,430	41	43,927
Prepayments	-	-	-	-	-	5,922	5,922
Interagency Transactions	(105,105)	596	(7,918)	(106,595)	(53,848)	272,870	-
Cash and Cash Equivalents	5,404	19,335	237,331	512,235	61,301	410,953	1,246,559
	(99,301)	25,789	252,290	435,879	58,419	689,786	1,362,862
TOTAL ASSETS	(93,856)	28,145	7,063,520	1,615,260	73,763	695,928	9,382,760
CAPITAL AND LIABILITIES							
Capital and Deficit							
Donated Capital	110,000	-	8,617,330	2,711,454	-	198,806	11,637,590
Accumulated Deficit	(212,809)	28,094	(4,550,875)	(1,118,741)	62,656	368,402	(5,423,273)
Revaluation Surplus	-	-	2,969,784	-	-	-	2,969,784
	(102,809)	28,094	7,036,239	1,592,713	62,656	567,208	9,184,101
Non-Current Liabilities	-	-	-	-	-	-	-
Current Liabilities							
Accounts Payable and Accruals	8,953	51	27,282	22,547	11,106	128,720	198,659
TOTAL CAPITAL AND LIABILITIES	(93,856)	28,145	7,063,521	1,615,260	73,762	695,928	9,382,760

Tourism Attraction Board
Notes to the Financial Statements
Segment Reporting (Statement of Financial Performance)
as at 30 June 2014
(in Cayman Islands dollars)

	CCM	HELL	PSJ	QEIIBP	PWO	TAB	CONSOL
	2014	2014	2014	2014	2014	2014	2014
	$	$	$	$	$	$	$
REVENUES							
Gift Shop, Events and Other	942	-	109,470	211,360	294,065	0	615,837
Rental Income	-	18,000	-	-	-	-	18,000
Admission Fees	-	-	130,480	251,035	-	4,158	385,673
Total Revenues	942	18,000	239,950	462,395	294,065	4,158	1,019,510
EXPENSES							
Salaries and Benefits	69,224	-	448,172	454,203	219,754	240,214	1,431,567
Supplies and Consumables	-	-	62,149	92,119	258,027	-	412,295
Depreciation	15,102	56	111,997	56,916	7,169	2,717	193,957
Management Fees	26,065	6,272	177,487	137,885	59,002	(406,711)	-
Insurance	2,371	-	85,661	22,276	815	(2,758)	108,365
Utilities	8,206	581	69,602	136,240	13,676	4,546	232,851
Operations & Maintenance	-	2,906	107,004	30,163	1,315	340	141,728
Building and Equipment Maintenance	7,881	27,254	106,938	15,128	2,500	532	160,233
Advertising and Marketing	-	-	5,048	2,722	2,240	65,044	75,054
Professional Fees	2,562	2,142	13,100	11,848	6,384	43,400	79,436
Administrative Expenses	534	1,909	11,869	27,745	19,480	13,086	74,623
Telephone and Communication Costs	2,871	-	15,546	16,580	10,087	13,254	58,338
Nursery Supplies and Grounds	-	-	12,461	21,747	-	-	34,208
Vehicle Expenses and Mileage	-	-	1,555	8,285	-	-	9,840
Bad Debt	75	651	6,844	1,329	5,445	-	14,344
Uniform, Training and Education	-	-	2,884	222	-	-	3,106
Inventory write-off	-	-	142	-	883	-	1,025
Miscellaneous Expense	-	-	477	-	-	422	899
Rent	12	-	-	-	45,352	25,200	70,564
Total Expenses	134,903	41,771	1,238,936	1,035,408	652,129	(714)	3,102,433
Net loss for the year before Government Subsidy	(133,961)	(23,771)	(998,986)	(573,013)	(358,064)	4,872	(2,082,923)
Government Output Funding	130,324	31,360	887,437	689,422	295,012	-	2,033,555
Net loss for the year after Government Subsidy	(3,637)	7,589	(111,549)	116,409	(63,052)	4,872	(49,368)

Tourism Attraction Board
Note to the Financial Statements
Statement of Comparison of Budget and Actual Amounts
Financial Position
as at 30 June 2014
(in Cayman Islands dollars)

	2014	Budget	Variance
ASSETS	$	$	$
Current Assets			
Inventories	66,454	85,000	(18,546)
Accounts receivable	43,927	85,000	(41,073)
Prepaid expenses	5,922	6,500	(578)
Cash and cash equivalents	1,246,559	1,243,053	3,506
	1,362,862	1,419,553	(56,691)
Non-Current Assets			
Property, plant and equipment	8,019,898	11,860,345	(3,840,447)
TOTAL ASSETS	**9,382,760**	**13,279,898**	**(3,897,138)**
EQUITY AND LIABILITIES			
Donated capital	11,637,590	11,637,590	-
Accumulated deficit	(5,423,273)	(1,634,032)	(3,789,241)
Revaluation Surplus	2,969,784	3,157,775	(187,991)
Equity	9,184,101	13,161,333	(3,977,232)
Current Liabilities			
Accounts payable and accrued liabilities	198,659	118,565	80,094
	198,659	118,565	80,094
TOTAL EQUITY AND LIABILITIES	**9,382,760**	**13,279,898**	**(3,897,138)**

Tourism Attraction Board
Notes to the Financial Statements
Statement of Comparison of Budget and Actual Amounts
Financial Performance
for the year ended 30 June 2014
(in Cayman Islands dollars)

	2014	Budget	Variance
	$	$	$
Revenues			
Gift Shop, Events and Other	633,837	542,500	91,337
Admission Fees	385,673	375,000	10,673
Government Subsidy	2,033,555	2,033,575	(20)
Total Revenues	**3,053,065**	**2,951,075**	**101,990**
Expenses			
Salaries and Benefits	1,431,567	1,407,000	24,567
Supplies and Consumables	412,295	400,000	12,295
Depreciation	193,957	238,299	(44,342)
Insurance	108,365	115,000	(6,635)
Advertising and Marketing	75,054	65,000	10,054
Utilities	232,851	221,000	11,851
Building and Equipment Maintenance	160,233	110,000	50,233
Professional Fees	79,436	69,000	10,436
Rent	70,564	60,118	10,446
Telephone and Communications	58,338	52,158	6,180
Nursery Supplies and Ground Maintenance	34,208	25,000	9,208
Administrative Expenses	74,623	65,000	9,623
Operations & Maintenance	141,728	100,000	41,728
Vehicle Expenses	9,840	11,000	(1,160)
Uniform, Training and Education	3,106	4,000	(894)
Conferences, Subsistence and Official Travel	-	1,500	(1,500)
Bad Debts	14,344	3,500	10,844
Inventory Write-off	1,025	2,000	(975)
Miscellaneous	899	1,500	(601)
Total Expenses	**3,102,433**	**2,951,075**	**151,358**
Net (Deficit)/Surplus for the period	**(49,368)**	**-**	**(49,368)**

Tourism Attraction Board
Notes to the Financial Statements
Effect of IPSAS adoption for the Statement of Financial Position
(In Cayman Islands dollars)

	As at 1 July 2012		As at 30 June 2013	
	Previous IFRS	Opening IPSAS Position	Previous IFRS	IPSAS
ASSETS	$	$	$	$
Current Assets				
Inventories	67,631	67,631	75,658	75,658
Accounts receivable	98,922	98,922	53,514	56,245
Prepaid expenses	5,993	5,993	6,368	3,637
Cash and cash equivalents	1,237,592	1,237,592	1,349,585	1,349,585
	1,410,138	1,410,138	1,485,125	1,485,125
Non-Current Assets			-	
Property, plant and equipment	12,147,405	8,428,533	10,505,731	8,205,431
			-	
TOTAL ASSETS	**13,557,543**	**9,838,671**	**11,990,856**	**9,690,556**
EQUITY AND LIABILITIES				
Donated capital	11,637,590	11,637,590	11,637,590	11,637,590
Accumulated deficit	(1,680,372)	(5,211,253)	(1,779,481)	(5,384,285)
Revaluation Surplus	3,157,775	2,969,784	1,665,280	2,969,784
Equity	13,114,993	9,396,121	11,523,389	9,223,089
Current Liabilities				
Accounts payable and accrued liabilities	442,550	442,550	467,467	467,467
	442,550	442,550	467,467	467,467
TOTAL EQUITY AND LIABILITIES	**13,557,543**	**9,838,671**	**11,990,856**	**9,690,556**

Tourism Attraction Board
Notes to the Financial Statements
Effect of IPSAS adoption for the Statement of Financial Performance
for the year ended 30 June 2013
(in Cayman Islands dollars)

	As at 1 July 2012		As at 30 June 2013	
	Previous IFRS	Opening IPSAS Position	Previous IFRS	IPSAS
	$	$	$	$
REVENUES				
Events, Gift Shop, and Other	596,530	596,530	599,764	599,764
Cost of Goods Sold	(369,529)	-	(410,352)	-
	227,001	596,530	189,412	599,764
Admission Fees	373,591	373,591	356,925	356,925
Government Subsidy	2,090,591	2,090,591	2,075,076	2,075,076
Total Revenues	**2,691,183**	**3,060,712**	**2,621,413**	**3,031,765**
EXPENSES				
Salaries and Benefits	1,411,231	1,411,231	1,413,105	1,413,105
Supplies and Consumables	-	369,529	-	410,352
Other Expenses	58,285	58,285	-	-
Depreciation	258,682	258,682	224,255	223,102
Insurance	115,015	115,015	118,377	118,377
Advertising and Marketing	67,127	67,127	74,131	74,131
Utilities	199,835	199,835	222,829	222,829
Building and Equipment Maintenance	129,246	129,246	179,915	179,915
Professional Fees	79,870	79,870	88,688	88,688
Rent	70,550	70,550	70,551	70,551
Telephone and Communications	60,955	60,955	55,268	55,268
Nursery Supplies and Ground Maintenance	17,743	17,743	47,610	47,610
Administrative Expenses	91,364	91,364	87,945	87,945
Operations & Maintenance	68,291	68,291	87,246	87,246
Vehicle Expenses	18,264	18,264	10,860	10,860
Uniform, Training and Education	6,624	6,624	4,227	4,227
Conferences, Subsistence and Official Travel	7,452	7,452	795	795
Bad Debts	84	84	32,388	32,388
Equipment Write-off	1,696	1,696	-	-
Inventory Write-off	10,981	10,981	1,082	1,082
Miscellaneous	2,921	2,921	1,251	1,251
Total Expenses	**2,676,216**	**3,045,745**	**2,720,523**	**3,129,722**
Net Deficit for the period	**14,967**	**14,967**	**(99,110)**	**(97,957)**

Tourism Attraction Board
Notes to the Financial Statements
Reconcilliation of Ownership Agreement and Forecast Statement of Financial Performance
for the year ended 30 June 2014
(in Cayman Islands dollars)

	Approved Budget 2014 $	Financial Statements 2014 $
Ownership agreement:		
Sale of goods and services	2,551,075	-
Salaries and Benefits	(1,407,000)	
Supplies and consumables	(903,776)	-
Depreciation	(238,299)	
Impairment of inventory	(2,000)	-
Statement of financial performance:		
Events, Gift Shop, and Other	-	542,500
Admission Fees	-	375,000
Government Subsidy	-	2,033,575
Supplies and Consumables	-	(400,000)
Salaries and Benefits	-	(1,407,000)
Depreciation	-	(238,299)
Insurance	-	(115,000)
Advertising and Marketing	-	(65,000)
Utilities	-	(221,000)
Building and Equipment Maintenance	-	(110,000)
Professional Fees	-	(69,000)
Rent	-	(60,118)
Telephone and Communications	-	(52,158)
Nursery Supplies and Ground Maintenance	-	(25,000)
Administrative Expenses	-	(65,000)
Operations & Maintenance	-	(100,000)
Vehicle Expenses	-	(11,000)
Uniform, Training and Education	-	(4,000)
Conferences, Subsistence and Official Travel	-	(1,500)
Bad Debts	-	(3,500)
Inventory Write-off	-	(2,000)
Miscellaneous		(1,500)
	-	-

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 Attraction and the Cayman Craft Market. The Pirates Week Festival is an annual event organized by the Pirates Week Committee.

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

2. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of Preparation

In compliance with the Public Management and Finance Law (2013 Revision) these financial statements, for the year ended June 30, 2014, have been prepared in accordance with International Public Sector Accounting Standards (IPSAS), on an accrual basis. For periods up to and including June 30, 2013, the Tourism Attraction Board prepared its financial statements in accordance with International Reporting Standards (IFRS).

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

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

(b) First Time Adoption of International Public Sector Accounting Standards

The Tourism Attraction Board (TAB) has prepared financial statements which comply with IPSAS applicable for periods ending on or after June 30, 2014, together with comparative period data as at and for the year ended June 30, 2013. In preparing these financial statements, TAB's opening statement of financial position was prepared as at July 1, 2013, TAB's date of transition to IPSAS.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) First Time Adoption of International Public Sector Accounting Standards (continued)

Certain changes have been made to the financial statements that meet the requirements of IPSAS, including inclusion of published budget figures, increased disclosures on related party transactions (where applicable) and changes to terminologies used within the financial statements. When presentation or classification of items in the financial statements is amended or accounting policies are changed, comparative figures are restated to ensure consistency with the current period unless it is impracticable to do so.

Reporting of Budget to Actual

With the increased focus on stewardship, service delivery and budget management in the public sector, IPSAS requires a comparison of actual financial performance of an entity with the approved budget of the entity, where the budget is publicly available. There are no equivalent requirements in IFRS.

Heritage Assets

IPSAS 17 Property, Plant and Equipment provides optional recognition of heritage assets. Assets are described as heritage assets because of their cultural, environmental, natural, scientific, technological or artistic significance. Heritage assets include historical buildings, and monuments, conservation areas, and nature reserves, works of art and artefacts.

Exchange Transactions and Non-Exchange Transactions

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

Impairment of Non – Cash Generating Assets

In light of assets recognized based purely on service potential, as opposed to economic benefit, IPSAS also provides guidance for impairment considerations for non-cash generating assets.

(c) Use of Estimates

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Certain new, revised and amended standards and interpretations came into effect during the current financial year. There was no material impact on the financial statements as a result of those amendments.

(e) Property, Plant and Equipment

Buildings and Structures

Buildings and Structure are stated at revalued cost less accumulated depreciation and impairment losses, with the exception of Heritage Assets. These assets are initially recorded at cost. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the statement of financial performance.

Plant and Equipment

Plant and Equipment are stated at historical cost less accumulated depreciation and impairment losses.

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

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

(f) Foreign Currency Translation

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

(g) Inventory

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Employee Benefits

In accordance with the Cayman Islands National Pensions Law, the Tourism Attraction Board joined a defined contribution pension plan. The employer and employees makes 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 Financial Performance based on a set contribution rate. The total amount recognised as pension expense as at 30 June 2014 was $48,671.56 and (2013 - $50,636). There was an average of 38 employees at Tourism Attraction Board during the year ended 30 June 2014 (2013 - 38 employees).

(i) 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

(j) Government Subsidy

Subsidy that compensates the Tourism Attraction Board for expenses incurred are recognised as revenue in the Statement of Financial Performance on a systematic basis in the same period in which the expenses are incurred.

(k) Expenses

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

(l) Operating Leases

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) 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.

(n) 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.

(o) Financial assets and liabilities

Classification

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

Recognition

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

Financial assets comprise cash and cash equivalents, accounts receivable and deposits. Financial liabilities comprise accounts payable and accrued liabilities. Management determines the classification of it financial assets and liabilities at initial recognition.

Measurement

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Offsetting

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when the Tourism Attraction Board has a legally enforceable right to set off the recognised amounts and the transactions are intended to be settled on a net basis. At June 30, 2014 and 2013, there were no assets or liabilities reported on a net basis.

Impairment

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

Derecognition

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

Fair value

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

(p) Budget amounts

The budget amounts for the financial year are presented in the 2013/14 Ownership Agreement and approved by the Legislative Assembly.

3. PROPERTY, PLANT AND EQUIPMENT

Description	Land	Heritage Assets	Buildings & External Works	Multimedia, Furniture & Fixtures, Other	Motor Vehicles	Computers & Office Equipment	Start-up Costs	Total
	$	$	$	$	$	$	$	$
Cost:								
At 30 June 2013 (Restated)	3,973,000	2,234,734	4,307,971	654,288	84,063	131,848	214,838	11,600,742
Additions	-	-	-	7,415	-	1,008	-	8,423
Change in Policy	-	(2,234,734)	-	-	-	-	-	(2,234,734)
Disposals	-	-	-	(5,700)	-	-	-	(5,700)
At 30 June 2014	3,973,000	-	4,307,972	656,003	84,063	132,856	214,838	9,368,732
Accumulated Depreciation:								
At 30 June 2013 (Restated)	-	-	186,644	563,577	77,860	117,658	214,838	1,160,577
Charge for Year	-	-	136,470	51,107	1,930	4,450	-	193,957
Charge on Disposal	-	-	-	(5,700)	-		-	(5,700)
At 30 June 2014	-	-	323,114	608,982	79,791	122,109	214,838	1,348,834
Net Book Value:								
At 30 June 2014	3,973,000	-	3,984,858	47,021	4,272	10,747	-	8,019,898
At 30 June 2013 (Restated)	3,973,000	-	4,121,328	90,711	6,202	14,190	-	8,205,431

3. PROPERTY, PLANT AND EQUIPMENT (continued)

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

The cost of the Cayman Craft Market Buildings has been reclassified to Leasehold Improvements and has been fully depreciated in the 2013-2014 financial period.

Revaluation

Property was revalued as at March 2012, by an independent professional firm, DDL Studio Quantity Surveyors located in Grand Cayman, and is stated at revalued amounts. The Botanical Gardens, the Great House and Period Furnishing are classified as heritage assets and are not depreciated. These Heritage assets no longer have a carrying value in Property Plant and Equipment.

4. TRADE AND OTHER RECEIVABLES

	2014 $	2013 $
Trade Receivables	58,271	88,633
Less Provision for Bad Debts	14,344	32,388
Total	**43,927**	**56,245**

As at 30th June 2014, all overdue Receivables have been assessed and appropriate provisions have been made.

5. DONATED CAPITAL

There were no Capital donations for the year ended 30 June 2014.

6. INCOME

	2014 $	2013 $
Events	226,136	203,667
Gift Shop	243,412	235,768
Other	164,289	160,329
Total Gift Shop, Events and Other	633,837	599,764
Admission Fees	385,673	356,925
Total	**1,019,510**	**956,689**

Income for the Gift Shop 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.

7. ACCOUNTS PAYABLE & ACCRUED LIABILITIES

	2014 $	2013 $
Accounts Payable	80,845	347,124
Audit/Accounting Fee Accrual	83,267	78,731
Payroll Liabilities	32,226	39,061
Unearned Revenue	1,010	2,600
Blue Iguana Recovery Payable	1,311	(49)
Total	**198,659**	**467,467**

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.

8. RELATED PARTY TRANSACTIONS

In the year ended 30 June 2014 the Cayman Islands Government's subsidy to the Tourism Attraction Board's heritage sites was $2,033,555 (2013 - $2,075,076). To continue as going concerns Tourism Attraction Board will require annual assistance from the Government for 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 the five (5) entities that it manages. The audit fee charged in the year ended 30 June 2014 was $45,000 (2013 - $45,000).

The Tourism Attraction Board also depends on legal advice of the Cayman Islands Legal Department. During the years ended 30 June 2014 and 30 June 2013 the Cayman Islands Legal Department did not charge any legal fees to the Tourism Attraction Board.

Key Management Personnel

There is one (1) full-time equivalent personnel considered at the senior management level. The total remuneration includes: regular salary, allowances and pension contributions. Total remuneration for this individual in 2014 was $107K (2013: 107K). There have been no loans made to key management personnel or close family members in 2014.

9. COMMITMENTS

On August 19, 2014, the TAB Admin Office entered into an operating lease agreement which will expire on July 31, 2015. The Pirates Week Office leases a Gift Shop & Administrative Office under an operating lease that expired on August 31, 2008. This lease has subsequently been extended on a month to month basis.

	2014 $	2013 $
Minimum lease payments		
Payable within one year	67,225	67,225
(PWO:$45,025, TAB:$25,200)		
	67,225	**67,225**

As at 30 June 2014 the Tourism Attraction Board had no other commitments for which provisions have not been made in these financial statements.

10. SALARIES & BENEFITS

	2014 $	2013 $
Salaries & Wages	1,296,551	1,280,168
Health Insurance	59,116	60,872
Pension Contributions	48,672	50,636
Other	27,228	21,429
Total	**1,431,567**	**1,413,105**

11. RESTATEMENT OF PRIOR YEAR AMOUNTS

The financial statements for the year ending **June 30, 2013** have been restated due to correction of revaluation errors and the change in accounting policy relating to Heritage Assets. An adjustment to Revaluation Surplus in the amount of **$1,304,504,** and Accumulated Deficit in the amount of **$3,604,804** was made and the specific accounts affected are shown below:

Statement of Financial Position (extract)

	Restated 2013 $	2013 $	Movement $ +/(-)
Revaluation Surplus	2,969,784	1,665,280	1,304,504
Property, Plant and Equipment	8,205,431	10,505,732	(2,300,301)
Accumulated Deficit	(5,384,285)	(1,779,481)	(3,604,804)

Statement of Comprehensive Income (extract)

	Restated 2013 $	2013 $	Movement $ +/(-)
Depreciation	223,102	224,255	(1,153)
Net Income/(Loss)	(97,957)	(99,110)	1,153

Statement of Cash Flows (extract)

	Restated 2013 $	2013 $	Movement $ +/(-)
Net Income/(Loss)	(97,957)	(99,110)	1,153
Depreciation	223,102	224,255	(1,153)

12. CHANGE IN ACCOUNTING POLICY – Heritage Assets

During the year ended 30 June 2014, the board changed its accounting policy for the treatment of Heritage Assets. In previous periods such costs were capitalized under the entity's then reporting framework IFRS. With the change in accounting policy to report under IPSAS, the entity has decided to not recognize Heritage Assets which is an option under IPSAS reporting framework. The Botanical Gardens, the Great House and Period Furnishing are classified as heritage assets and no longer have a carrying value in Property Plant and Equipment (PP&E). The values of these assets were reversed from PP&E along with the related Revaluation Surplus and the difference was offset against Accumulated Deficit.

Management takes this view that this new policy is preferable as it is consistent within the Cayman Islands Government and making the entity's Financial Statements more comparable with the entire public service.

This change in accounting policy has been accounted for retrospectively and the comparative statements for 2013 and 2012 financial years have been restated. The effect of the change is seen below.

	2013 $	2012 $
PP&E (Heritage Assets)	2,234,734	2,337,491
Accumulated Deficit	2,234,734	(2,149,500)
Revaluation (Surplus) /Deficit	-	(187,991)

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. SUBSEQUENT EVENTS

No material events, favourable or unfavourable, which would have impacted upon the statements, have been incurred between the reporting date and the date on which the financial statements were authorized for issue.

16. 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.

17. EXPLANATIONS OF MAJOR VARIANCE AGAINST BUDGET

The following major budget variations occurred between the 2013/14 Actuals and the 2013/14 Budget:

Statement of Financial Position

The actual Revaluation Surplus was less than budget by $187,991. The amount of $3,157,775 was initially recorded on the books of the TAB in the previous year and was used when preparing the 2013/14 budget. Revaluation Surplus was reduced after it was realized that not all revaluation losses were included in the initial calculations.

Accumulated deficit increased by $3,789,240 primarily due to the effects of the change in reporting standard (from IFRS to IPSAS) and revaluation losses that were not included in the initial calculations.

Accounts Payable and Accrued Liabilities were $80,094 more than budget due to increased credit purchases closer to the end of the fiscal period.

Property, Plant and Equipment was $3,840,447 less than budget due to the change in reporting standard (from IFRS to IPSAS) and the adjustments made based on the revaluation of assets.

Accounts Receivable was $41,073 less than budget due to decreased credit sales in the second half of the fiscal period.

Inventory was less than budget by $18,546 due to a decision made during the year to reduce the carrying quantities at the three gift shops.

Statement of Financial Performance

Revenue exceeded budget by $101,991 and was primarily due to an initial projected decrease in events revenue for the period, however, the actual revenue from events as well as gift shop sales significantly increased.

Salaries and Benefits exceeded budget by $24,567 as it was necessary to hire additional staff during the course of the year.

Depreciation was less than budget by $44,342 due to underestimated initial projections which were based on an incorrectly adjusted asset register subsequent to revaluation.

The actual amounts for Building and Equipment Maintenance as well as Operations & Maintenance was more than budget by $91,961. This excess was primarily due to extensive renovation work required at the attractions.