TOURISM ATTRACTION BOARD

FINANCIAL STATEMENTS

31 DECEMBER 2020

Tourism Attraction Board

Financial Statements for the year ended 31 December 2020

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

STATEMENT OF RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

These financial statements have been prepared by the Tourism Attraction Board in accordance with the provisions of the *Public Management and Finance Act, (2020 Revision).*

We accept responsibility for the accuracy and integrity of the financial information in these financial statements and their compliance with the *Public Management and Finance Act, (2020 Revision).*

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

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

The financial statements fairly present the financial position of the Tourism Attraction Board as at December 31, 2020 and its financial performance, cash flows and changes in net assets/equity for the financial period then ended.

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

(a) completely and reliably reflect the financial transactions of the Tourism Attraction Board for the year ended December 31, 2020;
(b) completely and reliably reflect the financial position as at December 31, 2020 and financial performance for the year ended December 31, 2020, and
(c) Comply with International Public Sector Accounting Standards as set out by the International Public Sector Accounting Standards Board under the responsibility of the International Federation of Accountants. Where guidance is not available, the financial statements comply with International Financial Reporting Standards (IFRS) Accounting Standards issued by the IFRS Board and the International Accounting Standards Board.

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

Mrs. Carla Reid
Chairperson
Tourism Attraction Board
Date: 30 April 2021

Mr. Patrick Thompson
Director
Tourism Attraction Board
Date: 30 April 2021

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AUDITOR GENERAL'S REPORT

To the Board of Directors of the Tourism Attraction Board

Opinion

I have audited the accompanying financial statements of the Tourism Attraction Board (the "Board") which comprise the statement of financial position as at December 31, 2020, and the statement of financial performance, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of accounting policies as set out on pages 13 to 25.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSASs).

Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Board in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)*, together with the ethical requirements that are relevant to my audit of the financial statements in the Cayman Islands, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

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

In preparing the financial statements, management is responsible for assessing the Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Board or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Board's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Board to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I have undertaken the audit in accordance with the provisions of Section 60 (1) (a) of the *Public Management and Finance Act (2020 Revision)*. I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Sue Winspear, CPFA
Auditor General

30 April 2021
Cayman Islands

Tourism Attraction Board
Statement of Financial Position
As at December 31, 2020
(in Cayman Islands dollars)

	Note	2020	2019
ASSETS		$	$
Current Assets			
Inventories		66,777	73,016
Accounts Receivables	5	31,287	136,353
Prepaid Expenses		14,177	-
Cash and Cash Equivalents	4	1,653,842	1,982,281
		1,766,083	2,191,650
Non-Current Assets			
Property, Plant and Equipment	3	5,203,387	5,057,951
TOTAL ASSETS		**6,969,470**	**7,249,601**
EQUITY AND LIABILITIES			
Donated Capital	6	11,737,590	11,737,590
Accumulated Deficit		(5,418,719)	(5,297,854)
Revaluation Surplus		320,784	320,784
Equity		6,639,655	6,760,520
Current Liabilities			
Accounts Payable & Accrued Liabilities	7	329,815	489,081
		329,815	489,081
TOTAL EQUITY AND LIABILITIES		**6,969,470**	**7,249,601**

Approved on behalf of the Board

Date: 30 April 2021

Carla Reid
Chairperson

Patrick Thompson
Director

The accompanying schedules and notes on page 8 - 25 are an integral part of these financial statements.

Tourism Attraction Board
Statement of Financial Performance
For the Year Ended December 31, 2020
(in Cayman Islands dollars)

	Note	2020	2019
		$	$
Revenues			
Output Funding	11	1,760,000	2,000,000
Events, Gift Shops, and Other	8	375,639	999,756
Admission Fees	8	236,750	655,445
Total Revenues		**2,372,389**	**3,655,201**
Expenses			
Salaries and Benefits	9	1,669,061	1,687,126
Supplies and Consumables	10	143,314	767,191
Utilities		151,047	180,120
Building and Equipment Maintenance		58,987	137,842
Depreciation	3	148,543	145,012
Administrative Expenses		57,309	110,323
Advertising and Marketing		32,019	76,093
Insurance		80,818	79,343
Professional Fees		50,000	50,776
Operations & Maintenance		61,669	74,133
Nursery Supplies and Grounds		14,294	61,351
Telephone and Communication Costs		31,959	40,985
Rent		12	34,058
Conference, Subsistence and Official Travel		720	12,833
Vehicle Expenses and Mileage		5,450	16,139
Bad Debt		6,572	525
Uniform, Training and Education		2,157	7,398
Inventory write-off		477	1,653
Miscellaneous Expense		120	5,559
Total Expenses		**2,514,528**	**3,488,460**
(Deficit)/Surplus for the year		**(142,139)**	**166,741**

The accompanying schedules and notes on page 8 - 25 are an integral part of these financial statements.

Tourism Attraction Board
Statement of Changes in Equity
For the Year Ended December 31, 2020
(in Cayman Islands dollars)

	Note	DONATED CAPITAL	ACCUMULATED DEFICIT	REVALUATION SURPLUS	RESTRICTED FUNDS	TOTAL EQUITY
Balance at 31 December 2018		**11,737,590**	**(5,454,030)**	**320,784**	**39,539**	**6,643,883**
Adjustment during the year		-	64,989	-	(39,539)	25,450
Adjustment to Opening Equity		-	(75,554)	-	-	(75,554)
Surplus for the year		-	166,741	-	-	166,741
Balance at 31 December 2019		**11,737,590**	**(5,297,854)**	**320,784**	**-**	**6,760,520**
Balance at 31 December 2019		**11,737,590**	**(5,297,854)**	**320,784**	**-**	**6,760,520**
Adjustment during the year		-	(1,102)	-	-	(1,102)
Transfer of Pirate Weeks Office		-	9,803	-	-	9,803
Adjustment to Opening Equity		-	12,573	-	-	12,573
Deficit for the year		-	(142,139)	-	-	(142,139)
Balance at 31 December 2020		**11,737,590**	**(5,418,719)**	**320,784**	**-**	**6,639,655**

The accompanying schedules and notes on page 8 - 25 are an integral part of these financial statements.

Tourism Attraction Board
Cash Flow Statement
For the Year Ended December 31, 2020
(in Cayman Islands dollars)

	2020	2019
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES	**$**	**$**
(Deficit) / Surplus for the year after government outputs	**(142,139)**	**166,741**
Add adjustments to reconcile net income to net cash from operating activities		
Depreciation	148,543	145,012
Bad debts	6,572	525
Inventory written-off	477	1,653
Operating Income before working capital changes	**13,453**	**313,931**
Changes in working capital balances		
Decrease / (Increase) in inventories	6,239	(27,499)
Decrease / (Increase) in accounts receivable	105,066	(55,158)
(Increase) / Decrease in prepaid expenses	(14,177)	7,292
(Decrease)/Increase in accounts payable and accrued liabilities	(159,266)	147,542
Net cash from/(used in) operating activities	**(48,685)**	**386,108**
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITY		
Purchase of fixed assets	(296,835)	(380,087)
Net cash from/(used in) investing activities	**(296,835)**	**(380,087)**
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		
Restricted Funds	-	(39,539)
Adjustment to retained earnings	17,081	11,005
Net cash from/(used in) financing activities	**17,081**	**(28,534)**
Net decrease in cash and cash equivalents	(328,439)	(22,513)
Cash and cash equivalents at beginning of year	1,982,281	2,004,794
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	**1,653,842**	**1,982,281**

The accompanying schedules and notes on page 8 - 25 are an integral part of these financial statements.

Tourism Attraction Board
Statement of Segmented Operations
As at December 31, 2020
(in Cayman Islands dollars)

Statement of Financial Position	CCM	HELL	PSJ	QEIIBP	TAB	CONSOL
	2020	2020	2020	2020	2020	2020
ASSETS	$	$	$	$	$	$
Non-Current Assets						
Property, Furniture and Equipment	11,265	5,745	3,555,044	1,612,286	19,047	5,203,387
Current Assets						
Inventories	-	-	29,167	37,610	-	66,777
Trade and Other Receivables	2,400	(50)	16,191	(121)	12,867	31,287
Prepayments	-	-	2,184	134	11,859	14,177
Interagency Transactions	(93,913)	43,744	460,505	(600,169)	189,833	-
Cash and Cash Equivalents	2,490	5,054	576,533	912,409	157,356	1,653,842
	(89,023)	48,748	1,084,580	349,863	371,915	1,766,083
TOTAL ASSETS	**(77,758)**	**54,493**	**4,639,624**	**1,962,149**	**390,962**	**6,969,470**
CAPITAL AND LIABILITIES						
Capital and Deficit						
Donated Capital	110,000	-	8,617,330	2,811,454	198,806	11,737,590
Accumulated Deficit	(192,654)	53,900	(4,335,671)	(919,144)	(25,150)	(5,418,719)
Revaluation Surplus	-	-	320,784	-	-	320,784
	(82,654)	53,900	4,602,443	1,892,310	173,656	6,639,655
Current Liabilities						
Accounts Payable and Accruals	4,896	593	37,181	69,839	217,306	329,815
TOTAL CAPITAL AND LIABILITIES	**(77,758)**	**54,493**	**4,639,624**	**1,962,149**	**390,962**	**6,969,470**

Tourism Attraction Board
Statement of Segmented Operations
For the Year Ended December 31, 2020
(in Cayman Islands dollars)

Statement of Financial Performance	**CCM**	**HELL**	**PSJ**	**QEIIBP**	**TAB**	**CONSOL**
	2020	**2020**	**2020**	**2020**	**2020**	**2020**
	$	**$**	**$**	**$**	**$**	**$**
INCOME						
Gift Shop, Events and Other	2,550	-	161,439	207,145	5	371,139
Rental Income	-	4,500	-	-	-	4,500
Admission Fees	-	-	130,618	106,132	-	236,750
Total Income	**2,550**	**4,500**	**292,057**	**313,277**	**5**	**612,389**
EXPENSES						
Salaries and Benefits	81,150	-	583,766	622,355	381,790	1,669,061
Supplies and Consumables	-	-	111,120	32,194	-	143,314
Depreciation	2,358	152	77,207	60,479	8,347	148,543
Management Fees	35,000	10,000	220,000	175,000	(440,000)	-
Insurance	289	-	50,986	25,080	4,463	80,818
Utilities	4,706	537	62,912	82,766	126	151,047
Operations & Maintenance	-	662	37,475	22,207	1,325	61,669
Building and Equipment Maintenance	3,904	15,626	28,534	10,923	-	58,987
Advertising and Marketing	-	-	205	1,502	30,312	32,019
Professional Fees	2,983	852	18,750	14,915	12,500	50,000
Administrative Expenses	336	211	16,529	22,968	17,265	57,309
Telephone and Communication Costs	3,125	3,028	10,612	10,689	4,505	31,959
Nursery Supplies and Grounds	-	-	2,029	12,265	-	14,294
Vehicle Expenses and Mileage	-	-	1,119	4,331	-	5,450
Bad Debt	-	(1,000)	4,696	2,707	169	6,572
Conference, Subsistence and Official Travel	-	-	-	720		720
Uniform, Training and Education	-	-	1,829	-	328	2,157
Inventory write-off	-	-	506	(29)	-	477
Miscellaneous Expense	40	-	-	80	-	120
Rent	12	-	-	-	-	12
Total Expenses	**133,903**	**30,068**	**1,228,275**	**1,101,152**	**21,130**	**2,514,528**
Deficit for the year before Output Funding	(131,353)	(25,568)	(936,218)	(787,875)	(21,125)	(1,902,139)
Government Output Funding	140,000	40,000	880,000	700,000	-	1,760,000
Surplus/(Deficit) for the year after Government Subsidy	**8,647**	**14,432**	**(56,218)**	**(87,875)**	**(21,125)**	**(142,139)**

Tourism Attraction Board
Statement of Comparison of Budget and Actual Amounts
Statement of Financial Position
As at December 31, 2020
(in Cayman Islands dollars)

	Note	Actual	Budget	Variance
ASSETS		**$**	**$**	**$**
Current Assets				
Inventories	19a	66,777	35,000	31,777
Accounts receivable	19b	31,287	87,500	(56,213)
Prepaid expenses		14,177	7,500	6,677
Cash and cash equivalents	19c	1,653,842	2,011,624	(357,782)
		1,766,083	2,141,624	(375,541)
Non-Current Assets				
Property, plant and equipment	3, 19d	5,203,387	4,836,720	366,667
TOTAL ASSETS		**6,969,470**	**6,978,344**	**(8,874)**
EQUITY AND LIABILITIES				
Donated capital	6	11,737,590	11,737,590	-
Accumulated deficit	19e	(5,418,719)	(5,208,530)	(210,189)
Revaluation Surplus		320,784	320,784	-
Equity		6,639,655	6,849,844	(210,189)
Current Liabilities				
Accounts payable and accrued liabilities	19f	329,815	128,500	201,315
		329,815	128,500	201,315
TOTAL EQUITY AND LIABILITIES		**6,969,470**	**6,978,344**	**(8,874)**

Tourism Attraction Board

Statement of Comparison of Budget and Actual Amounts

Financial Performance

For the Year Ended December 31, 2020

(in Cayman Islands dollars)

	Note	2020	Budget	Variance
		$		
Revenues				
Events, Gift Shops, and Other	19g	375,639	445,000	(69,361)
Admission Fees	19g	236,750	575,000	(338,250)
Output Funding		1,760,000	1,760,000	-
Total Revenues		**2,372,389**	**2,780,000**	**(407,611)**
Expenses				
Salaries and Benefits	19h	1,669,061	1,488,500	180,561
Supplies and Consumables	19i	143,314	215,000	(71,686)
Utilities	19j	151,047	186,076	(35,029)
Building and Equipment Maintenance	19k	58,987	100,000	(41,013)
Depreciation		148,543	116,000	32,543
Administrative Expenses	19l	57,309	100,000	(42,691)
Advertising and Marketing	19m	32,019	80,000	(47,981)
Insurance		80,818	75,658	5,160
Professional Fees		50,000	75,000	(25,000)
Operations & Maintenance		61,669	100,000	(38,331)
Nursery Supplies and Grounds		14,294	40,000	(25,706)
Telephone and Communication Costs		31,959	51,988	(20,029)
Rent		12	12	-
Conference, Subsistence and Official Travel		720	15,000	(14,280)
Vehicle Expenses and Mileage		5,450	15,000	(9,550)
Bad Debt		6,572	10,000	(3,428)
Uniform, Training and Education		2,157	10,000	(7,843)
Inventory write-off		477	2,000	(1,523)
Miscellaneous Expense		120	2,000	(1,880)
Total Expenses		**2,514,528**	**2,682,234**	**(167,706)**
(Deficit)/Surplus for the year		**(142,139)**	**97,766**	**(239,905)**

Tourism Attraction Board
Reconciliation of Ownership Agreement and Forecast Statement of Financial Performance
For the Year Ended December 31, 2020
(in Cayman Islands dollars)

	Approved Budget	Financial Statements
	2020	2020
	$	$
Ownership agreement:		
Sale of goods and services	2,780,000	
Salaries and Benefits	(1,488,500)	
Supplies and consumables	(1,077,734)	
Depreciation	(116,000)	
Statement of financial performance:		
Events, Gift Shop, and Other		445,000
Admission Fees		575,000
Government Subsidy		1,760,000
Salaries and Benefits		(1,488,500)
Supplies and Consumables		(215,000)
Depreciation		(116,000)
Revaluation Deficit		-
Insurance		(75,658)
Utilities		(186,076)
Operations & Maintenance		(100,000)
Building and Equipment Maintenance		(100,000)
Advertising and Marketing		(80,000)
Professional Fees		(75,000)
Administrative Expenses		(100,000)
Telephone and Communication Costs		(51,988)
Nursery Supplies and Grounds		(40,000)
Vehicle Expenses and Mileage		(15,000)
Bad Debt		(10,000)
Conference, Subsistence and Official Travel		(15,000)
Uniform, Training and Education		(10,000)
Inventory write-off		(2,000)
Miscellaneous Expense		(2,000)
Rent		(12)
Surplus or (Deficit) for the period	**97,766**	**97,766**

1. BACKGROUND INFORMATION

The Tourism Attraction Board (TAB) was established under the Tourism Attraction Board Act, 1996 *(Act 17 of 1996)* on 25 November 1996. The primary function of the TAB is the general and financial management of Pedro St. James (PSJ) 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 (QEIIBP) is a conservation effort of both the Cayman Islands Government and the National Trust for the Cayman Islands and was the second site placed under the management of the TAB. The TAB also manages the Hell Attraction (HELL) and the Cayman Craft Market (CCM).

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

2. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of Preparation

In compliance with the Public Management and Finance Act (2020 Revision) these financial statements, for the year ended December 31, 2020, have been prepared in accordance with International Public Sector Accounting Standards (IPSAS), on an accrual basis.

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Reporting of Budget to Actual

With the increased focus on stewardship, service delivery and budget management in the public sector, IPSAS requires a comparison of actual financial performance of an entity with the approved budget of the entity, where the budget is publicly available.

Heritage Assets

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

Exchange Transactions and Non-Exchange Transactions

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

(c) Use of Estimates

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

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

Certain new accounting standards have been published that are not mandatory for the 31 December 2020 reporting period and have not been early adopted by the TAB. The TAB's assessments of the impact of these new standards are set out below.

IPSAS 41, Financial Instruments was issued in August 2018 and shall be applied for financial statements covering periods beginning on or after 1 January 2023. IPSAS 41 establishes new requirements for classifying, recognizing and measuring financial instruments to replace those in IPSAS 29, Financial Instruments: Recognition and Measurement. It is anticipated that IPSAS 41 will not have a significant impact on the TAB's financial statements. This will be assessed more fully closer to the effective date of adoption.

IPSAS 42, Social Benefits was issued in December 2018 and shall be applied for financial statements covering periods beginning on or after 1 January 2023. IPSAS 42 defines social benefits and determines when expenses and liabilities for social benefits are recognized and how they are measured. It is

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

anticipated that IPSAS 42 will not have an impact on the TAB's financial statements, but this will be assessed more fully closer to the effective date of adoption.

(e) Property, Plant & Equipment

Land, Buildings and External Works are stated at revalued cost less accumulated depreciation and impairment losses, with the exception of Heritage Assets. Other categories of Property, Plant and Equipment are stated at historical cost. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the statement of financial performance. Property, plant and equipment are depreciated using the straight-line method. The following rates estimated to write off the cost of the assets over their expected useful lives are shown below:

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

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

(f) Foreign Currency Translation

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

(g) Inventory

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Pensions and Other Post-Retirement Benefits

In accordance with the Cayman Islands National Pensions Act, the TAB joined a defined contribution pension plan. The employer and employees have monthly contributions at a rate of 6%. The employer's contributions are recognized as employee benefit expenses when they are due. Prepaid contributions are recognized as an asset to the extent that the cash refund or a reduction in the future payments is available.

A defined contribution plan is a pension plan under which the TAB pays fixed contribution into the Public Service Pension Board of Cayman Islands. The TAB has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

(i) Borrowing Costs

Borrowing costs are capitalised against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalised over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalisation ceases when construction of the asset is complete. Further borrowing costs are charged to the Statement of Financial Performance.

(j) Revenue Recognition

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

(k) Government Grants

Grants that compensate the TAB for expenses incurred are recognised as revenue in the Statement of Financial Performance on a systematic basis in the same period in which the expenses are incurred.

(l) Expenses

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

(m) Operating Leases

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Accounts Receivables

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

(o) Cash and Cash Equivalents

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

(p) Financial assets and liabilities

Classification

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

Recognition

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement

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

Offsetting

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when the TAB has a legally enforceable right to set off the recognised amounts and the transactions are intended to be settled on a net basis. At December 31, 2020 and 2019, there were no assets or liabilities reported on a net basis.

Impairment

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

Derecognition

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

Fair value

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

(q) Budget amounts

The budget amounts for the financial year are presented in the 2020 Ownership Agreement and approved by the Board and Parliament.

3. PROPERTY, PLANT AND EQUIPMENT

Description	Land	Heritage Assets	Buildings & External Works	Multimedia, Furniture & Fixtures, Other	Motor Vehicles	Computers	Start-up Costs	Total
	$	$	$	$	$	$	$	$
Cost:								
At 31 December 2019	1,324,000	-	4,003,165	728,334	160,072	146,586	214,838	6,576,995
Additions	-	-	277,172	17,657	-	2,005	-	296,834
Transfer of PWO	-	-	-	(92,760)	-	(43,492)	-	(136,252)
At 31 December 2020	**1,324,000**	**-**	**4,280,337**	**653,231**	**160,072**	**105,099**	**214,838**	**6,737,577**
Accumulated Depreciation:								
At 31 December 2019	-	-	385,533	678,221	98,482	141,971	214,838	1,519,045
Charge for Year	-	-	112,013	12,844	20,376	3,310	-	148,543
Transfer of PWO	-	-	-	(90,170)	-	(43,228)	-	(133,398)
At 31 December 2020	**-**	**-**	**497,546**	**600,895**	**118,858**	**102,053**	**214,838**	**1,534,190**
Net Book Value:								
At 31 December 2020	**1,324,000**	**-**	**3,782,791**	**52,336**	**41,214**	**3,046**	**-**	**5,203,387**
At 31 December 2019	1,324,000	-	3,617,631	50,113	61,590	4,615	-	5,057,951

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

Revaluation

Property was revalued as at November 2016, by an independent professional firm, DDL Studio Quantity Surveyors located in Grand Cayman, and is stated at revalued amounts. The process commenced in May 2016 and a decision was made to use the report for the 2015-16 fiscal period. The Botanical Gardens, the Great House and Period Furnishing are classified as Heritage Assets and do not have a carrying value. The next revaluation is expected to take place next year.

4. CASH AND CASH EQUIVALENTS

	2020	2019
	$	$
Current Account	816,369	1,148,173
Term Deposit	837,473	834,108
Total	**1,653,842**	**1,982,281**

The term deposit has an interest of 0.10% (2019 – 2.06%). The accounts are non-interest bearing.

5. ACCOUNTS AND OTHER RECEIVABLES

	2020	2019
	$	$
Accounts Receivables	57,832	167,581
Less: Provision for doubtful debts	(26,545)	(31,228)
Net Receivables	**31,287**	**136,353**

	$	$
Opening Balance of Provision for Doubtful Debts	31,228	46,163
Adjustment during the year	(4,683)	(14,935)
Balance as at 31 December	**26,545**	**31,228**

Breakdown of Receivables net of Provision for Doubtful Debts

	$	$
Past due 1-30 days	12,369	49,415
Past due 31-60 days	1,373	39,553
Past due 61-90 days	1,663	42,355
Past due 91 days and over	7,873	5,030
Total	**23,278**	**136,353**

6. DONATED CAPITAL

There was no equity injection in 2020. Donated Capital amounts to $11,737,590 ($11,737,590: 2019).

7. ACCOUNTS PAYABLE & ACCRUED LIABILITIES

	2020	2019
	$	$
Accounts Payable	202,939	388,333
Audit/Accounting Fee Accrual	50,000	49,665
Payroll Liabilities	68,243	35,725
Unearned Revenue	7,089	10,570
Blue Iguana Recovery Payable	1,544	4,788
Total	**329,815**	**489,081**

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. REVENUE

	2020	2019
	$	$
Events	55,379	476,056
Gift Shop	118,297	330,060
Other	201,963	193,640
Total Events, Gift Shop and Other	375,639	999,756
Admission Fees	236,750	655,445
Total	**612,389**	**1,655,201**

Income for the Gift Shop represents the invoice price of goods sold net of discounts, while income for Admissions (Theatre), Events, and Other represent the invoice price of services rendered net of discounts. Other income includes donations, proceeds from plant sales at the Botanic Park, and Rent from the Hell Attraction.

9. SALARIES AND BENEFITS

	2020 $	2019 $
Salaries & Wages	1,490,638	1,533,086
Health Insurance	70,268	70,439
Pension Contributions	79,194	72,798
Other	28,961	10,803
Total	**1,669,061**	**1,687,126**

The *Public Authorities Act, 2020 Section 47 - Terms and conditions and remuneration of staff,* requires all Statutory Authorities and Government Companies to comply with its requirements to standardise salaries and benefits by June 1, 2019. As at year end the associated expense was accrued for nineteen (19) months and totaled approximately $25,000.

10. SUPPLIES AND CONSUMABLES

	2020 $	2019 $
Cost of Goods Sold - Gift Shop	55,175	149,484
Cost of Goods Sold - Admissions - Other	49,815	151,663
Cost of Goods Sold - Events	21,058	447,377
Other	17,614	19,618
Discounts	(350)	(950)
Total	**143,313**	**767,191**

11. RELATED PARTY TRANSACTIONS

For the year ended December 31, 2020, the Cayman Islands Government's subsidy to the TAB's heritage sites was $1,760,000 (2019 - $2,000,000). To continue as going a concern, the TAB will require annual assistance from the Government for the foreseeable future.

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

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

The Auditor General has statutory responsibility for the audit of the TAB and the four (4) entities that it manages. The audit fee charged for the year ended December 31, 2020 was $50,000 (2019 - $45,000).

11. RELATED PARTY TRANSACTIONS (continued)

The TAB also depends on legal advice from the Cayman Islands Legal Department. During the years ended December 31, 2020 and December 31, 2019, the Cayman Islands Legal Department did not charge any legal fees to the TAB.

Key Management Personnel

There is one (1) full-time equivalent personnel considered at the senior management level. The total remuneration includes: regular salary, allowances, and health insurance and pension contributions. Total remuneration for this individual in 2020 was $135K (2019: $133K). There has been no loan made to key management personnel or close family members in 2020. There is no compensation given to the TAB Board Members.

12. COMMITMENTS

As at 31 December 2020, the TAB had no commitments for which provisions have not been made in these financial statements.

13. FINANCIAL INSTRUMENTS

Fair Values

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

i) Short-term financial assets and liabilities

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

ii) Long-term financial assets and liabilities

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

Credit Risk

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

14. CONTINGENT LIABILITIES

Liability to Cayman Islands Government

Under Section 39(2) of the Public Authority Act (2020 Revision), any surplus cash exceeding three month's reserve should be paid over to core government, unless directed otherwise by Cabinet. In

14. CONTINGENT LIABILITIES (continued)

meeting No 131/20 on 8 December 2020, Cabinet exempted the Public Authorities from paying over cash reserves as at 31 December 2020.

Under Section 39(3) of the Public Authorities Act (2020 Revision), the Authority is required to pay dividends in accordance with the formula established by the Minister of Finance. TAB is exempt from paying the dividend for the year ended 31 December 2020 as the SAGC sustained an operating loss in the respective year.

There were no legal actions or claims made against the TAB or the departments that fall under TAB during this financial year.

15. TAXATION

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

16. COVID-19 IMPACT

The Tourism sector has been and will continue to be affected by the Coronavirus COVID-19 pandemic for the 2020 fiscal period and beyond. Management has therefore implemented systems and measures to mitigate the risks associated with the potential revenue loss. The marketing strategy has been tweaked to target the local market and additional offerings have been introduced at each site.

Management does not intend to liquidate the entity or discontinue operations. The sites are of great historic, cultural and heritage value to the Cayman Islands and are expected to be preserved and maintain by the government in perpetuity.

There are no existing commitments that our vendors or suppliers will be unable to fulfil. There are no contracts that will need to be cancelled or change. Several employees have been setup to work from home, however, this does not significantly impact the continuity of operations.

17. SUBSEQUENT EVENTS

- Voluntary Separation

The Board approved Voluntary Separation for five (5) people to exit in 2021. Payments were made in January 2021 amounting to a total amount of $86,700.

- Closure of the Cayman Craft Market

As a result of the unlikely resumption of the Cruise Tourism in 2021, in January 2021, the Board decided to temporarily close the Cayman Craft Market for the foreseeable future. Both the Cayman Craft Market and the Hell Geological Site were closed in March 2020 when the Shelter in place came into effect and remain closed through April 2021.

- Other events

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

18. SEGMENT REPORTING

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

19. EXPLANATIONS OF MAJOR VARIANCES AGAINST BUDGET

The following major budget variations occurred between the 2020 Actuals and the 2020 Budget:

Statement of Financial Position

a) Inventory was more than budget by $31,777 due to significant decline in sales due to Covid-19 pandemic. Some inventories purchased in 2019 remain unsold at the end of 2020.

b) Accounts Receivables were $56,213 less than budget due to the impact of Covid-19 pandemic. This resulted in reduced sales and consequently the revenues as the Cayman boarders were closed for tourism.

c) Cash and cash equivalents were less than the budget by $357,782 due to reduced revenues generated as a result of the absence of the tourism industry.

d) Property, Plant and Equipment was $366,667 over than budget due to the continuous development of Botanic Park's Children's Garden.

e) Accumulated deficit showed a negative variance to budget of $210,189 due to an anticipated higher income for the year which was note feasible as the Covid-19 pandemic occurred.

f) Accounts Payable and Accrued Liabilities were $201,315 more than budget because major bills were not paid prior to the end of the year.

Statement of Financial Performance

g) Revenue from the Admissions, Events, Gift Shops, and Other categories were less than the budgeted amount by $407,611 due to the impact of Covid-19 pandemic on the tourism industry as the Cayman Island's boarders were closed.

h) Salaries and Benefits were over budget by $180,561 due to the 5% Cost of Living Adjustment increase in salaries and the increase in pension contribution in 2019 that was not considered in budgeting for 2020.

i) Supplies and Consumables which represents the cost of goods sold category (under IPSAS reporting) was under budget by $71,686 due to the impact of Covid-19 Pandemic. There were less purchases of goods as boarder is were closed for tourism.

j) Utilities were under budget by $35,029 due to the shelter in place that mandated all sites to be closed for few months in the peak of the Covid-19 pandemic in Cayman Islands.

k) Building and equipment maintenance is under budget by $41,013 due to the impact of Covid-19 Pandemic shelter in place.

l) Administrative Expenses is under budget by $42,691 due to shelter in place for several months.

m) Advertising and Marketing under budget by $47,981 due to the update in the marketing strategy to concentrate on the local economy and holding off advertisement internationally.