

Barbados Audit Office



REPORT

of the

AUDITOR GENERAL

on the

Financial Statements

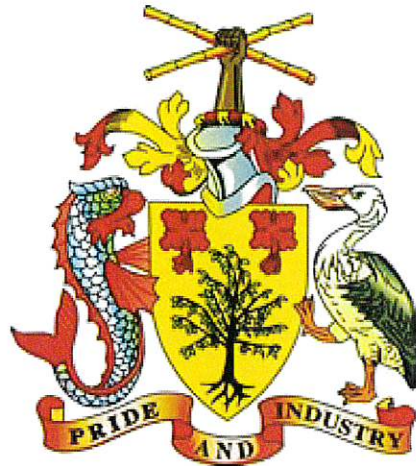
of the

Government of Barbados

For the Financial Year ended

31st March, 2021

Barbados Audit Office



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For the Financial Year ended

31st March, 2021



THE BARBADOS AUDIT OFFICE
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1st July, 2022

His Honour The Speaker
The House of Assembly
Parliament Building
BRIDGETOWN

Dear Mr. Speaker,

In accordance with Section 88 (4) of the Public Finance Management Act, 2019-1, I forward for laying before the House of Assembly the Financial Statements of the Government prepared by the Accountant General for the Financial Year ended March 31, 2021, along with my opinion on the statements.

The audited financial statements submitted form part of my Report prepared in accordance with Section 113 (3) of the Constitution of Barbados and Section (77) 5 of the Public Finance Management Act, 2019-1.

A copy of the Report is transmitted to the Senate for information, in accordance with Section 77 (6) of the above-mentioned Act.

Yours faithfully

Leigh E. Trotman
Auditor General

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AUDITOR GENERAL'S OFFICE BARBADOS



INDEPENDENT AUDITOR'S REPORT

To the House of Assembly

Adverse Opinion

I have audited the financial statements of the Government of Barbados which comprise of the Statement of Financial Position, Statement of Financial Performance and Cash Flow for the year ended 31st March, 2021 and a summary of significant accounting policies.

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the accompanying financial statements do not give a true and fair view of the financial position of the Government of Barbados as at 31st March 2021 and its cash flows for the year ended in accordance with International Public Sector Accounting Standards (IPSAS).

Basis for Adverse Opinion

The accounts receivables balance of 667.5 million for Land Tax differed by \$251.7 million from the amount of \$415.8 million confirmed by my Office and for which there was supporting evidence. In addition, there was an absence of relevant supporting documentation for \$1.238 billion of Tax Receivables representing Corporation, Income and Value-added Taxes. The amount of \$2.038 billion in Fixed Assets excluded figures for the Road Infrastructure and Heritage assets and was \$1.1 billion more than was recorded in the Fixed Asset Register. The accounts of the state organisations were not consolidated into the Financial Statements as required by the International Public Sector Accounting Standards (IPSAS).

Additional information and comments on these financial statements can be found in Chapter 2 of my Annual Report for 2021.

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). My responsibility under those standards is further described in the Auditor's Responsibility for the Audit of the Financial Statements section of my report. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for my adverse opinion.

Independence

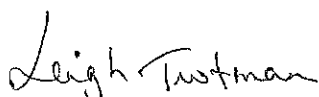
I am independent of the Government of Barbados in accordance with Section 113 (4) of the Constitution of Barbados. I am not subject to the direction or control of any authority in carrying out the audit of the financial statements of the Government of Barbados, and I have fulfilled my responsibilities in accordance to these requirements.

The Accountant General's Responsibility for the Financial Statements

The Accountant General is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS) and for such internal control as management determines as necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility 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 misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with IFRS 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.



Auditor General
2nd Floor Weymouth Corporate Centre
Roebuck Street
St. Michael

1st July, 2022



Government of Barbados
Consolidated Fund
Statement of Financial Performance
For the Year Ended March 31, 2021

	Notes	Approved Budget 2021 \$	Revised Budget 2021 \$	Actual 2021 \$	Actual 2020 \$
Revenues					
Taxation:					
Goods and Services		1,562,267,632	1,056,995,353	1,201,807,829	1,510,600,812
Income and Profits		794,856,552	824,258,219	981,758,138	915,306,016
Property		233,562,023	178,095,664	239,863,705	256,823,275
International Trade		227,316,000	201,776,959	192,533,079	237,181,994
Other		11,580,000	8,600,062	7,637,003	11,656,550
Total Taxation Revenue	1	2,829,582,207	2,269,726,257	2,623,599,755	2,931,568,647
Non-Taxation:					
Special Receipts		10,768,000	29,460,156	4,323,008	480,479,719
Levies, fees, fines and penalties		60,703,906	110,008,358	118,237,425	142,711,726
Investment Income		-	-	17,244,057	13,511
Foreign Exchange Differences		-	-	-	-
Other		101,826,101	164,393	6,305,956	15,668,446
Grant Income		11,500,000	970,000	0	11,751,548
Total Non-Tax Revenue	1	184,798,007	140,602,907	146,110,445	650,624,950
Total Revenue		3,014,380,214	2,410,329,164	2,769,710,200	3,582,193,597
Expenditure					
Operating Expenses:					
Payroll and Employee Benefits		811,887,765	825,702,338	785,186,708	787,206,577
Personal Emoluments		739,463,939	751,181,509	714,151,325	717,195,644
Employer Contributions		72,423,826	74,520,829	71,035,383	70,010,933
Goods and Services		432,170,443	533,386,334	410,023,855	390,388,754
Depreciation Expense		54,000,000	54,000,000	43,249,315	46,517,481
Bad Debt Expense		9,078,045	9,078,045	2,015,471	740,595
Loss on Investments		-	-	214,342,699	23,149,947
Total Operating Expenses	2	1,307,136,253	1,422,166,717	1,454,818,048	1,248,003,354
Current Transfers:					
Retiring Benefits and Allowances	3	367,778,640	367,778,640	340,489,010	366,330,749
Subscriptions and Contributions		28,359,256	28,359,256	22,862,854	22,360,900
Grants	4	569,690,483	795,402,401	724,295,299	566,783,006
Subsidies		27,257,449	53,766,876	39,706,597	24,862,883
Total Current Transfers		993,085,828	1,245,307,173	1,127,353,760	980,337,538



Government of Barbados
Consolidated Fund
Statement of Financial Performance
For the Year Ended March 31, 2021

		Approved Budget	Revised Budget	Actual	Actual
		2021	2021	2021	2020
		\$	\$	\$	\$
Capital Transfers:					
Grants	4	59,136,825	211,682,401	133,297,419	40,029,573
Subscriptions and Contributions		-	-	-	6,884,483
Total Capital Transfers		59,136,825	211,682,401	133,297,419	46,914,056
Debt Service					
Interest Expense		360,183,336	366,982,139	299,950,838	530,293,272
Expenses of Loans		5,802,904	6,850,567	4,212,699	3,946,276
Total Debt Service	5	365,986,240	373,832,706	304,163,537	534,239,547
Total Expenditure		2,725,345,146	3,252,988,997	3,019,632,764	2,809,494,495.66
Consolidated Fund (Surplus) Deficit		(289,035,068)	842,659,833	249,922,564	(772,699,101)
Annex Revenue		22,307,778	10,407,739	9,448,924	16,514,258
Annex Expenditure		24,736,507	24,736,507	23,554,148	23,968,893
Total Annex - Net Deficit (Surplus)		2,428,729	14,328,768	14,105,223	7,454,635
Total Consolidated Fund (Surplus) Deficit (incl. Annex)		(286,606,339)	856,988,601	264,027,787	(765,244,466)

The accompanying notes form an integral part of these financial statements


Accountant General
December 31, 2021



Government of Barbados
Consolidated Fund
Statement of Financial Position
At March 31, 2021

	Notes	Actual Mar-21	Actual Mar-20
Current Assets		4,119,973,014	3,182,977,432
<i>Financial Assets</i>		<i>4,119,772,818</i>	<i>3,182,446,561</i>
Cash and bank	6	1,037,481,285	1,307,082,825
Investments - Fund accounts	7	741,469	741,469
Receivables (Net)	8	2,946,961,152	1,710,801,063
Restricted cash and cash equivalents	9	134,588,912	163,821,202
Trust Funds		1,138,855	1,138,855
Other Funds		133,450,057	162,682,347
<i>Non-Financial Assets</i>		<i>200,196</i>	<i>530,871</i>
Inventories		200,196	530,871
Non-Current Assets		3,872,043,048	4,334,158,754
<i>Financial Assets</i>		<i>391,730,651</i>	<i>770,772,093</i>
Sinking Fund Assets	9	14,910,926	179,686,540
Investments	10	360,467,893	572,894,362
Loans to individuals and agencies	11	5,381,415	2,152,267
Receivables - Public Officers	12	10,970,417	16,038,924
<i>Non-Financial Assets</i>		<i>3,480,312,397</i>	<i>3,563,386,661</i>
Land	13	1,442,295,250	1,757,730,457
Other capital assets (Net)	13	2,038,017,147	1,805,656,204
Total Assets		7,992,016,062	7,517,136,186
Liabilities			
Current Liabilities			
Overdraft Facility		213,000,000	201,073,957
Accounts Payable		55,910,359	38,031,121
Refunds Payable		599,601,567	
Paymaster account		-	615,935,862
Due to other Governments & agencies	14	383,662,269	400,427,969
Other liabilities to Governments and agencies		1,573,491	1,823,229
Deposits		127,692,827	349,133,866
Deferred Revenue		254,395,952	49,470,874
Pension Liability	14	7,125,418	6,056,381
Short Term debt	15	968,426,740	896,829,759
Treasury Bills		495,103,750	434,536,262
Current portion of Long term Debt		473,322,990	462,293,497
Total Current Liabilities		2,227,726,354	2,158,355,048
Long-term Liabilities			
Debt	15	11,545,501,275	11,012,034,999
Trust Funds		5,031,558	3,048,979
Special Funds		126,981,014	155,122,578
Total Long term Liabilities		11,677,513,848	11,170,206,556
Total Liabilities		13,905,240,202	13,328,561,602
NET ASSET/EQUITY		(5,913,224,140)	(5,811,425,416)
Net Asset/Equity			
Accumulated Deficit		5,610,797,010	6,926,433,850
Revaluation Reserve		(63,399,274)	(378,834,481)
(Deficit)/Surplus for the year		264,027,787	(765,244,466)
Change in Equity		101,798,617	29,070,513
Total Net Asset/Equity		5,913,224,140	5,811,425,416
NET DEBT		9,393,736,733	9,375,342,948

The accompanying notes form an integral part of these financial statements


 Accountant General
 December 31, 2021



Government of Barbados
Consolidated Cash Flow Statement
For the Month Ended March 31, 2021

	Actual Mar-21	Actual Mar-20
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		
Taxation	2,062,015,830	2,736,278,588
Sale of goods and services	9,448,924	16,514,258
Grants	-	11,751,548
Interest received	17,244,057	13,511
Other receipts	275,937,232	614,420,881
Total Receipts	2,364,646,042	3,378,978,786
Payments		
Employee costs	(785,186,708)	(807,199,752)
Superannuation	(340,489,010)	(366,330,749)
Suppliers	(415,368,089)	(369,783,049)
Interest paid	(299,950,838)	(530,293,272)
Other payments	(1,138,717,567)	(664,249,370)
Total Payments	(2,979,712,213)	(2,737,856,192)
Net cash flows from operating activities	(615,066,170)	641,122,594
CASH FLOWS FROM INVESTING ACTIVITIES		
(Acquisition) Disposal of Capital Assets	(98,100,705)	(132,605,440)
(Increase) Decrease in Investments	406,434,374	(10,764,583)
(Increase) Decrease in funding to Broader Public Sector Organisations	(4,683,332)	(99,984,529)
Net cash flows from investing activities	303,650,337	(243,354,552)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	1,020,530,582	331,555,416
Repayment of borrowings	(613,119,668)	(354,654,565)
Increase (Decrease) in other liabilities	(365,592,860)	233,611,317
Net cash flows from financing activities	41,818,055	210,512,168
Net increase / (decrease) in cash and cash equivalents	(269,597,780)	608,280,209
Cash and cash equivalents at beginning of year	1,307,079,065	698,802,617
Cash and cash equivalents at end of year	1,037,481,285	1,307,082,825



Notes to the Cash Flow Statement

(a) Reconciliation of Net Cash Flows from Operating Activities to Net Surplus / (Deficit) from Ordinary Activities

Surplus / (Deficit) from ordinary activities	(264,027,787)	765,244,466
Non-cash movements		
Depreciation Expense	43,249,315	46,517,481
Bad Debt Expense	2,015,471	740,595
Loss (Gain) on sale of Investment	214,342,699	-
(Increase) decrease in receivables	(1,228,457,348)	(195,911,193)
Increase (decrease) in Accrued Liabilities	17,879,239	24,779,790
Increase (Decrease) in Refunds payable	599,601,567	-
(Increase) decrease in Inventories	330,675	(248,545)
(Increase) Decrease in Prior year Expenditure	-	-
Net cash flows from operating activities	<u>(615,066,170)</u>	<u>641,122,594</u>

(b) Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and balances with banks and investments in money market instruments. Cash and cash equivalents included in the cash flow statement comprise the following statement of financial position amounts:

	Actual Mar-21	Actual Mar-20
Cash on hand and balances with banks	1,037,481,285	1,307,082,825
Short-term investments	-	-
	<u>1,037,481,285</u>	<u>1,307,082,825</u>

(C) Capital Asset Acquisition


During the period, the Government of Barbados acquired the following by means of cash payments:

Land	0	1,334,401
Machinery and Equipment	(225,522,804)	75,335,546
Furniture and Fixtures	(2,642,688)	2,757,600
Software	4,394,074	2,947,569
Property and Plant	189,012,373	6,004,537
Motor Vehicles	81,652,288	1,070,016
Assets under construction	51,207,462	43,155,771
Total Capital Asset Acquisitions	<u>98,100,705</u>	<u>132,605,440</u>



Government of Barbados
Statement of Change in Net Asset/Equity
For the Year ended March 31, 2021

	Accumulated Surpluses	Other reserves	Translation Reserve	Acquisition clearing account - Prior Years	Total
Balance at March 2020					5,811,425,524
Changes in accounting policy	-				-
Correction of error of estimate		-			-
Prior Year Adjustment	-			(177,509,553.27)	(177,509,553)
	-	-	-	(177,509,553)	(177,509,553)
Changes in Consolidated Fund for 2021					
Error in opening balance	(299,557,296)	(597,528)			(300,154,824)
Gain on property revaluation			315,435,207		315,435,207
Increases in Capital	-				-
Gain on investments	-				-
Exchange differences	-				-
Net (revenue)/expenditure recognised in Net Asset/Deficit	(299,557,296)	(597,528)	315,435,207	-	15,280,383
(Surplus)/Deficit for the period	264,027,787				264,027,787
Total recognised revenue and expenses for the year	264,027,787	-	-	-	264,027,787
Balance at March 2021					5,913,224,141


 Accountant General
 December 31, 2021

Statement of Accounting Policies

Reporting Entity

The Financial Statements of the Government of Barbados are prepared in accordance with the requirements of the Public Finance Management Act, 2019.

The Government reporting entity relates only to the ministries and departments of the Crown and does not include the consolidated financial statements of the Government state owned entities.

These financial statements therefore do not comply with International Public Sector Accounting Standards with respect to the consolidation of state owned entities.

Accounting Policies

The preparation of financial statements in conformity with the requirements set out in the Financial Management and Audit Act requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying its accounting policies.

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

The financial statements have been prepared under the historical cost convention. The accrual basis of accounting has been used unless otherwise stated.

Basis of Accounting

The accrual basis means that transactions and other events are recognized when they occur and not only when cash or its equivalent is received or paid.

Reporting and forecast period

The reporting and budget period for these financial statements is the year April 1, 2020 to March 31, 2021.

Measurement Uncertainty

Uncertainty in the determination of the amount at which an item is recognized in the financial statements is known as measurement uncertainty. Such uncertainty exists when it is reasonably possible that there could be a material variance between the recognized amount and another reasonably possible amount.

Measurement uncertainty in these financial statements and notes exists in the valuation of the value of tangible capital assets and the accruals for personal income tax, corporation tax and value added tax revenues.

Uncertainty related to the accrual for personal income tax, corporation tax and value added tax arises because of the possible differences between the estimated and actual economic growth and the impact of future tax assessments on tax receivable. Uncertainty in the value of tangible capital assets exists because estimates of historical cost are used and because of differences between estimated useful life and actual useful lives.

Estimates are based on best information available at the time of preparation of the financial statements and will be reviewed annually to reflect new information as it becomes available.

Revenue

Non-exchange Revenue

Payment of tax does not, of itself, entitle the taxpayer to an equivalent value of services or benefits as there is no direct relationship between paying tax and receiving services and transfers.

Such revenue is received through the exercise of the Crown's sovereign power. Revenue is recognized when the debt to the Crown arises. Revenue is recorded net of refunds determined as payable to the taxpayer and requested on behalf of the taxpayer by the Barbados Revenue Authority (BRA).

The below table outlines the recognition points for revenues included in the financial statements from non-exchange activities:

Revenue Type	Revenue recognition point
<i>Income and Profits:</i> Personal Income Taxes	An individual makes periodic payments to the BRA during the year based on the Pay As You Earn (PAYE) system. The final assessment of taxes payable is determined when an individual submits an Annual Tax Return to the BRA based on the self assessment system used by the Government of Barbados.
Corporation Tax	When an entity submits an Annual Return in respect of its annual earnings and expenses.
Withholding Tax	When an amount is deducted at source from the investment income (from interest and/or dividends) of an individual and paid over to the Treasury Department.

Goods and Services: Value Added Tax	When an assessment is raised by the Barbados Revenue Authority based on filing of a return by the VAT registrant
Highway revenue	When payment of the fee or charge is made.
Excise Tax	Where imported or manufactured goods are subject to such duties
Levies	When payment of the levy is made
Other Direct Taxes	When the debt to the Crown arises
Bank Asset Tax	Based on information submitted by the Central Bank and Financial Services Commission in accordance with the Banks (Tax on Assets) Act 2017.

Revenue Earned through operations

Revenue from operations refers to revenue earned by Government through the provision of Goods and Services to third parties. Such revenue is recognized when it is earned. Exceptions to this rule would include issuance of licenses, fines and fees which are recorded on a cash basis.

Investment Income

Investment income is recognized in the period in which it is earned.

Premiums and discounts

Premiums arising on the issue of a debt instrument are treated as a reduction of the finance cost.

Premiums and discounts are recognized in the Statement of Financial Position on issue, and are amortised over the period of the instrument on a yield-to-maturity basis.

Gains

Realised gains from the sale of fixed assets or the early repurchase of liabilities are recognized in the Statement of Financial Performance in the period in which the transaction occurs.

Un-realised gains arising from changes in the value of property, plant and equipment are recognized in the Statement of Financial Performance to the extent that a gain reverses a loss previously charged to the Statement of Financial Performance. Otherwise gains are credited to an asset revaluation reserve for the class of asset.

Un-realised foreign exchange gains on monetary assets and liabilities are recognized in the Statement of Financial Performance.

Expenses

Expenses are recognized in the period to which they relate.

Retiring Benefits and allowances

Retiring benefits though statutory in nature are not a right of the employee. The expense associated with Retiring benefits is therefore reported when the amount payable becomes verifiable (on approval of the Governor General).

Grants and subsidies

Grants and subsidies are discretionary until payment; the expense is recognized when the payment is made.

Discounts and premiums

Discounts arising on the issue of a debt instrument are treated as an increase of the finance cost.

Premiums and discounts are recognized in the Statement of Financial Position on issue, and are amortised over the period of the instrument on a yield-to-maturity basis.

Losses

Realised losses arising from the sale of fixed assets or the early repurchase of liabilities are recognized in the Statement of Financial Performance in the period in which the transaction occurs.

Un-realised losses arising from changes in the value of property, plant and equipment are recognized at the balance sheet date. Un-realised losses are first applied against any revaluation reserve for that asset class. The balance, if any, is charged to the Statement of Financial Performance.

Un-realised foreign exchange gains on monetary assets and liabilities are recognized in the Statement of Financial Performance.

Foreign currency transactions

Transactions in foreign currency are translated into Barbados dollars using the exchange rate on the dates of the transactions. Exchange rate differences arising on settlement of these transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the Statement of Financial Performance.

Currency exchange rates are determined by reference to the Central Bank of Barbados.

Depreciation

Depreciation is charged on a straight line basis calculated to allocate the cost or valuation of an item of property, plant and equipment over the estimated useful life.

With the implementation of the new financial management system on October 1, 2020, some changes were made to the estimated lives of various capital assets (vehicles, equipment). This is a change in accounting estimate and is treated in accordance with IPSAS 3 and is disclosed in the notes to the financial statements.

The estimated useful lives of different classes of property plant and equipment are as follows:

Heritage Assets:	not amortized
Buildings: Permanent	50 years
Temporary	20 years
Investment Properties	25 years
Machinery and Equipment:	5 to 15 years
Road Works, Bridges and Infrastructure:	15 to 50 years
Computer Hardware:	5 to 10 years
Computer Software:	8 years
Furniture, Fittings and Equipment:	5 to 25 years
Motor Vehicles:	7 years
Specialised Military Equipment:	3 to 20 years
Ships and Boats:	10 to 25 years
Aircraft	10 to 20 years

Borrowing Costs

Borrowing costs are recognized as expenses in the period during which they are incurred.

Assets

Receivables and advances

Receivables and advances are recorded at the amounts expected to be ultimately collected in cash.

Inventories

Inventories are recorded at the lower of cost and net realizable value. Where inventories acquired are recorded at cost, the weighted average cost method is used.

Investments

Investments, including marketable securities held for investment purposes, are recorded at the lower of cost and fair value.

Items of property, plant and equipment

Items of property, plant and equipment which include buildings, motor vehicles and office equipment, are recorded at cost less accumulated depreciation.

Revaluations are carried out for the classes of property, plant and equipment noted below to reflect the service potential or economic benefit obtained through control of the asset. Revaluation is based on the fair value of the asset.

Classes of property, plant and equipment assets that are revalued, are revalued at least every three years.

Land and buildings

Land and buildings are recorded at cost less accumulated depreciation on buildings. All lands are valued using the Comparative Method which relies on the analysis of recent transactions involving similar lands. Buildings are valued using the Depreciation Replacement Cost Method.

Liabilities*Borrowings*

In the Statement of Financial Position, borrowings are recorded at nominal value.

Leases

Finance leases transfer to the Government as lessee substantially all the risks and rewards incident on the ownership of the leased asset. The obligations under such leases are capitalized at present value of the minimum lease payments. The capitalized values are amortised over the period in which the Government expects to receive benefits from their use.

Operating leases, where the lessor substantially retains the risks and rewards of ownership, are recognized in a systematic manner over the term of the lease.

Leasehold improvements are capitalized and the cost is amortised over the unexpired period of the lease or the estimated useful life of the improvements, whichever is shorter.

Other liabilities

All other liabilities are recorded at the estimated obligation to pay.

Comparatives

To ensure consistency with the current period, comparative figures have been restated where appropriate.

Risk

Financial Risk Management

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

- Credit risk
- Liquidity Risk
- Operational Risk

Responsibility for the establishment and oversight of the a risk management framework, for monitoring the Government's risk management policies lies with the Treasury Department under the portfolio of the Ministry of Finance, Economic Affairs and Investment.

Credit Risk

Credit risk is the risk of financial loss of the Government if it or its customer or counterparty to financial instruments fails to meet its contractual obligations, and arises primarily from the Government's cash and cash equivalents, receivables and debt payable. Cash and cash equivalents are held with reputable financial institutions, which present minimal risk of default.

The success of the Barbados Economic Recovery and Transformation (BERT) programme, is considered to be a key factor in allowing the country to weather the economic impact of the COVID-19 pandemic. The global pandemic is expected to cause a decline in economic growth, as well as a more prolonged tourism recovery period than was anticipated. There are expectations of the pandemic worsening fiscal and external balances and it is believed that the debt exchanges completed in 2018 and 2019, as well as financing from multilateral institutions, would help to limit Barbados' short-term payment risks.

The progress and credibility that the Government has built over the past two years under the International Monetary Fund's Extended Fund Facility (EFF) programme would facilitate access to multilateral financing and support growth in foreign exchange reserves.

Liquidity Risk

Liquidity risk is the risk that the Government will not be able to meet its financial obligations as they become due. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the availability of funding through an adequate amount of committed credit facilities.

The management of the Treasury aims at maintaining flexibility in funding by monitoring and budgeting commitments and by monitoring the timing of its cash flows. The financial management information system has built in expenditure controls where budgeted amounts cannot be exceeded without having the necessary supplementary funding voted in Parliament.

The Government of Barbados established an overdraft facility at the Central Bank of Barbados. The facility which is also known as Temporary Borrowings or Ways and Means, has a limit of 7.5% of projected revenues for each financial year. The system is designed in a way that prevents the processing of payments which result in the limit being exceeded on any particular day.

The Government of Barbados entered into a home grown fiscal adjustment programme approved by the International Monetary Fund during 2018. The programme which is known as the Barbados Economic Recovery and Transformation (BERT) programme was established as a result of Barbados' unsustainable debt levels in excess of 150 percent of Gross Domestic Product (GDP). The programme has included targets to bring the debt level to 60 percent of GDP by the year 2033. It has also established fiscal targets which require monthly reporting on the cash basis. There is also constant monitoring of cash flows in order to make sure that there is no accumulation of arrears of payments to suppliers.

Operational Risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Treasury's processes, personnel, technology and infrastructure, and from external factors other than credit, market or liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour.

The Treasury's objective is to manage operational risk by developing and implementing controls within the operation that would mitigate this risk. The operations of the Treasury Department are information technology based. Officers authorised to use the information technology systems are granted various levels of access such as data entry and transaction approval through the use of passwords as a means of managing operational risk.

Compliance with the Treasury's policies is supported by a programme of periodic reviews undertaken by the Internal Audit Section.

In summary, the Government of Barbados' exposure to the risks from its use of financial instruments is assessed as medium.

Notes to the Financial Statements

1 Taxation Revenue

Income and Profits	Revised Estimates 2020-2021	Actual 2020-2021	Actual 2019-2020
Individuals			
Individuals (Net)	437,007,521	441,705,097	492,992,525
Individuals (PAYE)		516,859,519	537,153,416
Refunds		(75,154,422)	(44,167,704)
Consolidation Tax	5,850	-	6,813
Refunds		723,277	
Income tax refunds Includes			
Corporation			
Corporation Tax (Net)	347,708,023	520,119,894	385,225,737
Corporation Tax		518,084,753	442,752,718
Refunds:		2,035,141.36	
Withholding Tax:			
Withholding Tax (Net)	39,538,825	19,933,147	37,087,754
Withholding Tax		19,933,147	37,087,754
Withholding Tax Non-residents		19,933,147	-
Withholding Tax on dividend income		-	-
Withholding Tax Residents		-	37,087,754
Refunds			
Total Income and Profits	824,258,219	981,758,138	915,306,016
Goods and Services			
VAT (Net)	971,807,126	830,081,701	1,041,207,041
Value Added Tax		671,033,928	1,181,322,425
Refunds		159,047,773	(208,497,000)
Excise Duty	185,698,209	200,132,686	259,829,068
Highway Revenue	15,368,821	12,499,008	19,798,977
Other	(115,878,803)	159,094,434	189,765,726
Total Goods and Services	1,056,995,353	1,201,807,829	1,810,600,812
Property Tax			
Land Tax (Net)	161,610,305	228,073,054	238,434,005
Land Tax		228,073,054	238,434,005
Refunds		-	123,914
Property Transfer Tax	16,485,359	11,790,852	18,389,270
Rent registration			
Total Property Tax	178,095,664	239,863,705	256,823,275
International trade			
Import Duties (Net)	201,776,959	191,354,004	236,182,033
Import Duties		191,354,004	242,190,176
Refunds			(6,008,143)
Tax on sugar imports		1,179,075	999,961
Total International Trade	201,776,959	192,533,079	237,181,994
Other Indirect Taxation			
Stamp Duty	8,600,062	7,637,003	11,656,550
Total Indirect Taxation	8,600,062	7,637,003	11,656,550
Total Taxation Revenue	2,269,726,257	2,623,599,755	2,931,568,647

The amounts reflected in the table above for refunds are the refunds assessed during 2021 as per Barbados revenue Authority (BRA) refunds. Total refunds assessed during 2021 is \$378,629,249.49, included in this amount is \$29,557,863.79 of interest payable. During 2021 BRA paid \$237,666,634.41 in refunds.

Treasury's refunds payables accounts were amended to reflect the amounts recorded by the BRA as at Mar 31, 2021

Land Tax Rebates, Waivers & Discounts

	2020-2021	2019-2020
Rebates	67,753,743	58,809,000
Waivers	-	9,830,000
Discounts	14,704,982	7,373,588
TOTAL	82,458,725	80,312,588

Amnesty: Penalties & Interest waived

	2020-2021	2019-2020
Corporation Tax - Interest	-	100,882
Corporation Tax - Penalty	-	23,972
Income Tax - Interest	-	303,501
Income Tax - Penalties	-	79,365
VAT - Interest	-	-
VAT - Penalties	-	-
Land Tax - Interest	-	344,277
Land Tax - Penalties	-	26,286
TOTAL	-	878,264

During financial year 2020-2021 Land Tax rebates, waivers and Discount totaled \$82,458,725
2019-2020 figures were restated to reflect BRA's figures.

Customs and Excise Department waiver of revenue during financial year 2020-2021 was \$577,832,486.43 compared to \$580,794,103.00 during financial year 2019-2020.

2 Operating Expenses

Personal Emoluments

Personal Emoluments include salaries, wages and allowances paid to the Governor General, Ministers of Government and public officers. (Excluding the Annex)

Personal Emoluments	Revised 2020-2021	Actual 2020-2021	Actual 2019-2020
Statutory Personal Emoluments	591,251,893	574,134,447	581,000,052
Other Personal Emoluments	159,929,816	140,016,878	136,186,592
Employers' Contribution to NIS	74,520,829	71,035,383	70,010,933
Total	825,702,538	785,186,708	787,206,577

Goods and Services

Goods and Services relate to those expenses incurred in undertaking the functions and activities of entities

included in the financial statements, excluding those expenses identified separately in the Statement of Financial Performance. Items disclosed separately below are required by Financial Reporting Standards.

Most items of Goods and Services represent expenses incurred in the normal course of operations.

Included in Operating Expenses was an adjustment to prior year expenses of \$(2,382,358.19)

The write off of the Government of Barbados' Investment in LIAT in the amount of \$214,342,696.90 was included in operating expenses as a loss on investments.

Goods and Services	Revised Estimates 2020-2021	Actual 2020-2021	Actual 2019-2020
Travel	7,108,018	4,128,844	6,159,835
Utilities	52,980,380	45,481,971	48,580,800
Rental of Property	75,922,443	72,687,990	73,198,803
Library Books & Publications	1,072,551	622,847	754,276
Supplies & Materials	88,955,807	63,505,536	52,421,719
Maintenance of Property	91,487,018	74,769,858	73,268,778
Operating Expenses	110,453,324	285,804,985	72,304,491
Structures	4,680,426	1,732,801	6,858,686
Professional Services	94,610,505	71,252,674	52,826,392
Contingencies	1,892,863	1,414,320	4,015,175
Statutory Operating Expenses	10,000	-	-
Statutory Crown Expenses	3,635,000	2,945,552	-
Statutory Investment Expense	500,000	-	-
Statutory Professional Services	80,000	29,375	-
Total	533,386,334	624,366,554	390,388,754

Notes to the Financial Statements

Bad Debt Expense

A change in Bad debt policy was issued by the Director of Finance and Economic Affairs during financial year 2009/10. It stipulates that the annual provision for Bad Debt will be made at a rate of 2 percent of outstanding receivables. Further details of the Provision for Bad Debt can be found in Note 11.

Bad Debt Expense	Revised Estimates 2020-2021	Actual 2020-2021	Actual 2019-2020
Bad Debt Expense	9,078,045	2,015,471	740,595

Depreciation Expense

All tangible capital assets, except land and assets under construction, are being amortised on a straight line basis over their estimated useful lives. The estimated useful lives have been set out in the accounting policies which form an integral part of these Notes to the Financial Statements.

Depreciation Expense	Revised Estimates 2020-2021	Actual 2020-2021	Actual 2019-2020
Buildings		32,733,878	32,997,800
Machinery and Equipment		4,383,346	8,703,825
Furniture		324,540	428,991
Infrastructure		-	6,125
Vehicles		4,408,173	3,604,748
Software		1,399,378	775,992
Total	54,000,000	43,249,315	46,517,481

Gain on Investments	Revised Estimates 2020-2021	Actual 2020-2021	Actual 2019-2020
Loss on revaluation of shares	-	-	-
Loss on disposal of shares	-	-	-
Total	-	-	-
Total Operating Expenses	1,422,166,717	1,454,818,048	1,224,853,407

3 Retiring Benefits

Retiring Benefits and Allowances	Revised Estimates 2020-2021	Actual 2020-2021	Actual 2019-2020
Retiring Benefits	272,131,944	254,195,959	275,802,167
Other Retiring Benefits	95,646,696	86,293,052	90,728,582
Total Retiring Benefits and Allowances	367,778,640	340,489,010	366,530,749

Retiring benefits and allowances include pensions, and cost of living allowances paid to public officers under Cap 25 of the Laws of Barbados and other related subsidiary legislation. It also includes the payment of ex-gratia awards and payments to legislative officers.

The Government of Barbados uses an unfunded defined benefit plan for the payment of superannuation benefits to its employees. Benefits are paid for by the Government as and when due. No assets are therefore being put aside to meet any obligations that may arise in the future.

Notes to the Financial Statements

4 Grants

Grants	Revised	Actual	Actual
	Estimates		2019-2020
	2020-2021	2020-2021	
Grants to Public Institutions	886,884,030	742,939,571	558,021,689
Grants to Individuals	94,650,653	92,083,936	33,415,543
Grants to non-profit organisations	25,550,119	22,599,211	15,375,347
Total Grants	1,007,084,802	857,592,718	606,812,579

Grants include transfers made to statutory corporations, boards and non profit organisations to assist with their day to day operations, plant refurbishment or other capital projects. Grants also include transfers to individual under the Barbados Scholarship program managed by the Ministry of Education.

5 Debt Service Costs

Debt Service Expenses	Revised	Actual	Actual
	Estimates		2019-2020
	2020-2021	2020-2021	
Interest Expense			
Domestic	204,848,960	210,805,100	282,552,208
Foreign	162,133,179	89,145,738	247,741,063
Total Interest Expense	366,982,139	299,950,838	530,293,272
Expenses of Loans	8,850,567	4,212,699	3,946,276
Total	373,832,706	304,163,537	534,239,547

Further details of debt service costs can be found in Schedule 6 of the Financial Statements.

6 Cash

Cash and Bank	2020-2021	2019-2020
As At March 31		
Treasury Cash	22,657,869	17,254,511
Treasury Account	378,922,060	765,072,457
Postmaster General's cash	1,720,011	1,718,251
Mission Bank accounts	11,225,369	14,039,420
Schools' Bank accounts	17,658,717	13,358,284
Bank accounts - Projects	492,852,732	383,996,680
Crown Agents	1,168,904	368,838
Other Foreign Bank account	111,275,624	111,275,624
Total	1,037,481,285	1,397,079,065

On October 1, 2018, the International Monetary Fund (IMF) approved a US\$290 million four-year Extended Fund Facility (EFF) for the Government of Barbados (GOB). The EFF was in support of GOB's homegrown economic programme called the Barbados Economic Recovery and Transformation (BERT) programme to address longstanding challenges of very high debt and very low foreign reserves. The EFF also facilitated GOB being able to access much needed loan financing from international financial institutions such as the Inter-American Development Bank and the Caribbean Development Bank. The proceeds of these loans were deposited into special deposit project accounts at the Central Bank of Barbados.

7 Investment - Fund Account

Investment - Fund Account	2020-2021	2019-2020
As At March 31		
Fixed Deposits	741,469	741,469
Total Investment - Fund Account	741,469	741,469

Notes to the Financial Statements

8

Receivables

Receivables (Net)		
As At March 31	2020-2021	2019-2020
Tax and Other Receivables		
Corporation Tax Receivable	453,121,451	143,036,283
Provision for Bad Debts	(8,704,343)	(640,448)
Corporation Tax Receivable (Net)	446,417,109	142,395,835
Income Tax Receivable	708,592,095	286,762,363
Provision for Bad Debts	(2,746,851)	(2,344,766)
Income Tax Receivable (Net)	705,845,244	284,417,597
VAT Receivable	697,191,883	805,712,399
Provision for Bad Debts	(10,816,897)	(9,468,737)
VAT Receivable (Net)	686,374,986	596,243,662
Import and Excise Duties Receivable	89,815,894	9,126,820
Provision for Bad Debts	(250,910)	(17,004)
Duties Receivable (Net)	89,564,983	9,109,816
Land Tax Receivable	667,447,843	409,410,154
Provision for Bad Debts	-	(5,709,200)
Land Tax Receivable (Net)	667,447,843	403,700,954
Highway Revenue Receivable	360,185	180,092
Provision for Bad Debts	(88,779)	(68,779)
Highway Revenue Receivable (Net)	291,406	111,314
Non Tax Revenue Receivables	102,766,935	68,794,850
Barbados Turf Club Receivables	201,927	201,927
Total Tax and Other Receivables	2,698,910,432	1,600,376,132
Advances to Other Governments and agencies		
Advances to Other Governments	1,683,839	1,607,032
Pension Advances	92,733	55,640
Advances to statutory corporation	113,371,195	102,113,292
Other Receivables	132,892,953	6,647,728
Total advances to Other Governments and agencies	248,050,720	110,428,691
Total Receivables (Net)	2,946,961,152	1,710,804,824

Other receivables include an amount due for non tax revenue.

Advances to Statutory Corporation comprise mainly of advances to Barbados Port Inc., Barbados Tourism Investment,

The Barbados Agricultural Management Company and The National Housing Corporation.

Other Advances to Statutory Corporations relates to sales on credit by the Central Purchasing Department.

These are expected to be settled within a ninety day period.

9

Restricted cash

Restricted cash and cash equivalents		
As At March 31	2020-2021	2019-2020
Sinking Fund Assets	14,910,926	179,886,540
Trust Funds	1,138,855	1,138,855
Special Funds	133,450,057	162,682,347
Total	149,499,838	343,507,743

The financial assets above are restricted in their nature since they are only available to meet specified purposes and are unavailable by statute or other reasons; for general use by the Crown. Ref Note 15

Sinking fund investments are held until maturity of the associated bond instrument, as such they are carried at cost

in the financial statements. All sinking fund investments at the financial statement date matured; hence total investment was zero at March 31, 2021.

Special funds include funds held and managed by the Treasury Department as well as special funds managed by the Central Bank of Barbados. Significant amounts include the Industrial Credit Fund which has assets totaling \$78,028,926.44 at the financial statement date.

10 Investments

Equity Investments		
As At March 31	2020-2021	2019-2020
Whitpark Development Incorporated	133,337,685	133,337,685
Other Investments	227,130,208	225,213,978
LIAT	-	214,342,688
Total	360,467,893	572,894,362

LIAT has been facing financial difficulties over the years. There has not been active trading of the shares and it was not possible to obtain information from the Antigua Government in relation to a valuation of the company. The financial difficulties and other challenges which LIAT has been facing over the years have resulted in LIAT's liabilities eroding the value of its assets.

The investment in LIAT was subsequently written off in Government of Barbados' accounting records as a loss on investment, in accordance with instructions from the Director of Finance and Economic Affairs.

11 Loans to individuals and agencies

As At March	2020-2021	2019-2020
Barbados Tourism Investment Inc.	-	-
Hotel and Resorts Ltd.	-	-
Fund Access	-	-
Clearwater Bay	-	-
Small Businesses - Enterprise Growth Fund	-	-
Fair Trading Commission	-	-
Parliamentarians and Registering Officers	2,189,856	2,152,287
Caves of Barbados	-	-
LIAT	3,191,759	-
Interest accrued	-	-
Barbados Tourism Investment Inc.	-	-
Hotel and Resorts Ltd.	-	-
Fund Access	-	-
Small Businesses - Enterprise Growth Fund	-	-
Net Carrying Value	-	-
Barbados Tourism Investment Inc.	-	-
Hotel and Resorts Ltd.	-	-
Provision for Bad Debt	-	-
Fund Access	-	-
Clearwater Bay	-	-
Small Businesses - Enterprise Growth Fund	-	-
Fair Trading Commission	-	-
Caves of Barbados	-	-
Southern Golf	-	-
Needham Point	-	-
Parliamentarians and Registering Officers	2,189,856	2,152,287
LIAT	3,191,759	-
Total loans to individuals and agencies	5,381,415	2,152,287

12 Receivables - Public Officers

Receivables - Public Officers		
As At March	2020-2021	2020
Loans - Vehicle loans	10,107,398	10,898,345
Loans - Insurance Loans	-	4,615
Loans - Training Loans	89,038	264,381
Overdrawn salaries	773,980	5,071,603
Total Public Officers Receivables	10,970,417	16,038,924

This balance includes advances to public officers under the POLTA Scheme, Training Loans Scheme and amounts relating to overdrawn salaries being repaid by public officers.

13 Tangible Capital Assets

Tangible Capital Assets		
Gross carrying value	2020-2021	2019-2020
Land (valuation)	1,442,295,250	1,757,730,457
Property and Plant	1,868,843,497	1,479,831,124
Machinery and Equipment	301,540,968	350,003,759
Furniture and Fixtures	20,882,014	23,324,702
Software	32,727,471	28,333,397
Motor vehicles	157,276,766	75,623,478
Infrastructure	88,501,370	88,501,370
Assets Under Construction	573,474,073	522,266,611
Total Gross Carrying Value	2,843,045,159	2,567,884,441
Accumulated Depreciation		
Property and Plant	561,872,641	533,695,058
Machinery and Equipment	114,923,594	158,279,279
Furniture and Fixtures	5,207,303	4,884,887
Software	10,069,019	9,329,420
Motor vehicles	112,955,455	56,039,593
Infrastructure	-	-
Total Accumulated Depreciation	805,028,012	762,228,237
Net Carrying Value		
Property and Plant	1,106,970,856	946,136,066
Machinery and Equipment	186,617,374	191,724,480
Furniture and Fixtures	15,474,712	18,439,815
Software	22,658,453	19,003,977
Motor vehicles	44,320,310	19,583,885
Infrastructure	88,501,370	88,501,370
Assets Under Construction	573,474,073	522,266,611
Net Carrying Value	2,038,017,147	1,805,656,204
Total Net Carrying Value	3,480,312,397	3,563,386,661

During financial year 2020-2021 certain fixed assets have been revalued and depreciation rates have been changed. can be found in appendix *** of the financial statements.

With the implementation of the new financial management system on October 1, 2020, some changes were made to the estimated lives of various capital assets (vehicles, equipment). As a result of changes in the depreciation categories, assets were either fully depreciated, useful lives were extended or remained the same.

Total Assets recorded as at September 30, 2020, was \$3.7 billion which included land acquisitions of \$1.76 billion dollars.

The following table captures the assets recorded in the Asset Register before and after the changes to the depreciation categories:

Table of Assets After Changes to Depreciation Categories

Particulars	Values of Assets Before Depreciation	Depreciation Before Change	Depreciation After Change	Net Book Value
Value of Assets as at September 30, 2020	\$1.95 billion	\$784.6 million	\$795 million	\$1.16 billion
Value of Assets as at March 31, 2021	\$1.66 billion		\$796 million	\$1.652 billion

After change in depreciation, some assets were either fully depreciated or their useful lives were extended

There are difficulties associated with obtaining an objective valuation for some of the Crown's assets. Therefore all assets are not shown in the Statement of Financial Position for the current financial year. Assets not included in the current year's financial statements will be included in the subsequent period as valuations and other information is obtained. Assets not reflected in the Statement of Financial Position include: road networks, national library collections, recreation facilities and conservation areas and heritage assets.

Capital assets reported in the financial statements do not include amounts relating to the secondary schools. Information is being compiled in relation to assets owned by the secondary schools as soon as the information becomes available it would be reported in the financial statements.

14 Current Liabilities

Due to other Government and agencies		
	2020-2021	2019-2020
Undeclared and Undistributed monies	13,021,885	261,638,920
Other Governments	1,673,491	1,823,229
Special Purpose deposits	99,147,306	78,020,442
Deferred Revenue	254,395,952	49,470,874
Pensions Liability	7,125,418	6,066,391
School Deposits	8,184,989	9,476,505
Donor Funds	7,358,848	-
Total Deposits	390,787,688	406,484,350

Pensions Liability represents pensions which have been computed and approved on behalf of retired public officers but payment had not yet been made.

The Investment Division of the Ministry of Finance and Economic Affairs is currently undertaking a consultancy to carry out a pensions study in order to give a better assessment of the Government of Barbados' true pension liability.

15 Debt

Public Debt and Sinking Funds (\$millions)			
As At March 31	2021	2021	2020
Legal Authority	Amount authorised	Amount Outstanding	
Local Loans Act	10,500.00	7,873.53	8,158.27
Unmortgaged Bond Discount		(12.64)	(12.64)
External Loans Act Cap 94		1,061.17	1,127.38
Caribbean Development Bank Cap 97A		504.06	501.73
Inter American Development Bank Cap 97B		1,124.30	731.69
Special Loans Act Cap 105	2,500.00	553.05	474.14
Treasury Bills & Tax Certificates Cap 106	4,000.00	495.22	434.84
Treasury Bills		495.10	434.54
Tax Reserve Certificates		-	-
Tax Refund Certificates		0.12	0.10
Savings Bond Act 1980-30,	250.00	79.45	130.95
Contingent Liabilities taken over		1.15	192.72
Latin American Development Bank Act		335.77	170.00
International Monetary Fund		368.19	
British American Insurance Co. (Barbados) Ltd. Acts 2014, 2020		101.32	
Barbados Optional Savings Scheme Act 2020-14		42.00	
Financial Management & Audit Act 2007-11 (Ways & Means)		213.00	
Total Public Debt Outstanding		12,739.57	11,998.86

The Laws of Barbados require that sinking funds be established in respect of funds borrowed under the Local and External Loans Acts to assist with the retirement of such debt when due. The rates of contribution are 2% per annum with respect to local loans and 2.5% per annum on foreign loans. At March 31, 2021, the market value of sinking fund assets was zero.

Debt balances represent the ending balances at March 31, 2021, after revaluation of foreign denominated debt using exchange rates at March 31, 2021. Debt is classified as Current and Long term in the financial statements, with current representing payments due within a twelve month period following the financial statement date. Total principal repayment on public debt for the year under review was as follows:

Debt repayments	Revised Estimates 2020-2021	Actual 2020-2021	Actual 2019-2020
Domestic	324,896,043	425,604,390	215,821,666
Foreign	191,266,846	187,515,278	78,465,511
Total debt repayments	516,162,888	613,119,668	294,087,078

16 Net Debt

Net Debt = Total liabilities - Current financial assets excluding inventory - Noncurrent assets excluding land and other capital assets. The net debt totals at March 31, 2020 and March 31, 2021 are shown as follows:

	2020-2021	Mar-20
Total liabilities	13,805,240,202	13,328,561,604
Current financial assets excluding inventory	(4,119,772,818)	(3,182,446,561)
Non current assets excluding land and other capital assets	(391,730,650)	(770,772,093)
Net Debt	9,393,736,734	9,375,342,950

17 Foreign Currencies

All monetary amounts in these financial statements are expressed in Barbados dollars. Exchange rates of the principal operating currencies to the Barbados dollar were as follows:

	Mar-21	Mar-20
	closing rate	closing rate
United States dollar	2.0000	2.0000
Canadian dollar	1.5984	1.4309
British pound	2.7878	2.5099
Euros	2.3800	2.2343
Venezuelan bolivar fuerte	991108.3930	40371.6800
Swiss Francs	2.1224	2.0836

average rate is no longer reflected in the new financial system - CloudSuite.

Notes to the Financial Statements

18 Other Contingent Liabilities

Other contingent liabilities reported by ministries/departments are shown in the table below.

Ministry/Department	Total at 31-Mar-2021	Comments
Attorney General's Office	Aprox. \$235M	Court actions filed against the crown and compensation claims.
		Included in this amount is land acquisition claims of aprox \$75M and \$53M respectively.

19 Rounding differences

The individual amounts making up totals on the schedules might have differences due to rounding errors.

20 Borrowing Costs

Borrowing costs are included in other expenses of loans and include commissions, commitment fees, penalties and brokerage and other management fees.

21 Inventory

Inventory relates to stationery and other supplies such as gasoline and diesel stored at the Government Procurement Department (GPD).

22 Related Party Transactions

The Government reporting entity controls the state owned entities to which it makes transfers during the financial year. Notes 8 and 11 dealt with other related party transactions which occurred during the financial year 2020-2021. There were no related party transactions between key management personnel and the Government reporting entity.

23 Subsequent Events

Barbados' economy suffered the devastating impact of the COVID-19 pandemic during the 2020-2021 financial year as a result of having to shut down business activities except for essential services. Countries also closed their borders at different times for varying periods in an effort to contain the spread of the virus. Barbados' main source of economic activity, tourism, saw a 90% decline in tourist arrivals. This would have resulted in high unemployment claims on the National Insurance Scheme, a drastic reduction in tax revenues, increased expenditures and debt levels in response to the COVID-19 pandemic.

