

BARBADOS AUDIT OFFICE



REPORT

of the

AUDITOR GENERAL

on the

Financial Statements

of the

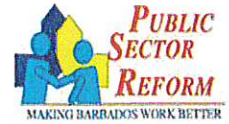
Government of Barbados

for the Financial Year ended

31st March, 2023



THE BARBADOS AUDIT OFFICE
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2nd April, 2025

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 of Barbados prepared by the Accountant General for the financial year ended 31st March, 2023, along with my opinion 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 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 the Statement of Financial Position as at 31st March, 2023, Statement of Financial Performance, Statement of Changes in Net Asset/Equity and the Cash Flow Statement for the year then ended, and Notes to the Financial Statements, including a summary of significant accounting policies.

In my opinion, because of the significance of the matters outlined 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, 2023 and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS).

Basis for Adverse Opinion

The total for Other Capital Assets could not be confirmed because of a difference of \$719 million between the amounts reported in the financial statements compared with the corresponding figures listed in the subsidiary records. Cash and Financial Investments listed in the financial statements were overstated by \$115 million and \$147 million respectively. In addition, the liability for pensions and employee benefits were not included in the Statement of Financial Position and the accounts of the State-owned Entities were not consolidated into the financial statements as required by the International Public Sector Accounting Standards (IPSAS). Also, Tax Receivables of \$2.43 billion and Bad Debt Expenses of \$68.28 million could not be confirmed because of the absence of sufficient supporting documentation. Additional information and comments on these financial statements can be found in Chapter 2 of my Annual Report for 2024.

I conducted by audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities 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

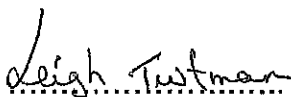
I am independent of the Government of Barbados in accordance with Section 113 (4) of the Constitution of the Barbados. I am not subject to the direction or control of any authority in carrying out the audit of the financial statements of the Government of Barbados, and I have fulfilled my responsibilities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

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 IPSAS and for such internal controls 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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

2nd April, 2025



Government of Barbados
Consolidated Fund
Statement of Financial Performance
For the Year Ended March 31, 2023

		Approved Budget	Revised Budget	ACTUAL	ACTUAL
	Notes	2023	2023	2023	2022
		\$	\$	\$	\$
<hr/>					
Revenue					
Taxation	1	2,988,536,453	2,977,381,493	3,209,934,907	2,587,338,338
Goods and Services		1,520,663,059	1,463,856,504	1,628,078,161	1,257,284,226
Income and Profits		966,312,768	1,024,520,055	1,068,849,288	861,692,875
Property Taxes		248,345,085	227,384,934	240,517,833	223,959,932
International Trade		242,970,930	241,200,000	250,253,724	231,008,360
Other Taxes		10,244,611	20,420,000	22,235,902	13,392,945
Levies, Fees and Fines		57,552,988	69,614,799	83,376,897	(39,531,402)
Special Receipts	2	8,824,384	2,312,561	1,905,632	(90,224,420)
Levies		48,728,604	67,302,238	81,471,265	50,693,018
Other Revenue		154,837,908	164,208,584	170,882,782	153,071,264
Other NonTax Revenue	3	154,837,908	164,208,584	170,882,782	153,071,264
Grant Income		5,765,340	25,700,000	20,000,000	-
Total Revenue		3,206,692,689	3,236,904,876	3,484,194,586	2,700,878,200
<hr/>					
Expenditure					
Operating Expenditure					
Payroll and Employee Benefits	4	852,950,738	915,064,501	863,924,381	828,005,895
Goods and Services	5	536,510,478	655,380,977	545,212,668	653,615,712
Depreciation	7	54,000,000	54,000,000	49,626,566	43,277,406
Bad Debt Expense	6	989,555	989,555	68,281,611	9,880,606
Retiring Benefits and Allowances	8	386,005,291	387,655,291	333,644,842	340,245,554
Grants and Other Current Transfers	9	676,590,277	875,353,637	910,661,649	831,432,691
Other Statutory Expenditure		1,535,000	1,970,000	4,554,557	7,489,232
Total Operating Expenses		2,508,581,339	2,890,413,961	2,775,906,274	2,713,947,096



Government of Barbados
Consolidated Fund
Statement of Financial Performance
For the Year Ended March 31, 2023

		Approved Budget	Revised Budget	ACTUAL	ACTUAL
	Notes	2023	2023	2023	2022
		\$	\$	\$	\$
Capital Transfers	9	78,673,577	281,518,344	241,950,953	268,894,435
Debt Service	10	501,035,819	691,711,905	568,277,615	391,453,035
Interest Expense		491,252,232	678,605,075	554,713,083	383,962,718
Expenses of Loans		9,783,587	13,106,830	13,564,532	7,490,317
Total Expenditure		3,088,290,735	3,863,644,210	3,586,134,842	3,374,294,565
Consolidated Fund Surplus/(Deficit) for Period		118,401,954	(626,739,334)	(101,940,256)	(679,997,887)
Annex Revenue		11,023,800	20,672,353	15,544,541	12,936,030
Annex Expenditure		25,903,455	26,644,448	24,457,488	24,297,849
Operating Surplus/(Deficit)		(14,879,655)	(5,972,095)	(8,912,947)	(11,361,819)
Consolidated Fund Surplus/(Deficit) for Period (Incl. Annex)		103,522,299	(632,711,429)	(110,853,203)	(691,359,707)

Accountant General
September 14, 2023



Government of Barbados
Consolidated Fund
Statement of Financial Position
as at March 31, 2023

	Notes	Actual Mar-23	Actual Mar-22
Assets			
Current Assets		3,735,288,225	3,476,483,879
Financial Assets		3,734,618,402	3,475,932,368
Cash on Hand	11	152,830,846	101,071,094
Bank	11	759,489,160	620,329,896
Tax Receivables (Net)	14	2,428,696,065	2,384,625,679
Other Receivables (Net)	14	254,774,883	231,248,217
Restricted cash and cash equivalents	15	138,827,448	138,657,482
Trust Funds		1,777,486	1,777,486
Other Funds		137,049,961	136,879,995
Non Financial Assets		669,823	551,511
Inventories	32	669,823	551,511
Non-Current Assets		4,337,385,833	4,077,323,452
Financial Assets		609,280,459	439,248,332
Sinking Fund Assets	16	60,998,391	30,094,107
Investments	12, 13	529,021,234	381,209,361
Loans to individuals and agencies	17	7,037,918	3,997,596
Receivables - Public Officers	18	12,222,916	11,352,221
Deferred Expense - Savings Bonds		-	12,595,047
Non Financial Assets		3,728,105,374	3,638,075,120
Land	19	1,445,313,783	1,443,906,209
Other capital assets (Net)	19	2,282,791,591	2,194,168,910
TOTAL ASSETS		8,072,674,058	7,553,807,331
Liabilities			
Current Liabilities		2,131,488,223	1,877,339,098
Overdraft Facility		167,110,481	214,985,000
Accounts Payable and Accrued Liabilities		82,010,933	33,694,156
Refunds Payable	20	530,063,724	522,684,905
Due to other Governments and Agencies	21	974,731	1,362,123
Pension Liability	22	5,573,965	5,382,182
Deposits	22	170,086,214	163,215,273
Deferred Revenue	23	19,187,448	32,636,004
Suspense Account		(508,259)	(85,311)
Treasury Bills		495,103,750	495,103,750
Current Portion of Long term debt	24	661,885,235	408,361,016



Government of Barbados
Consolidated Fund
Statement of Financial Position
as at March 31, 2023

	Notes	Actual Mar-23	Actual Mar-22
Long-term Liabilities		12,799,271,087	12,306,018,215
<i>Debt</i>	25, 26	12,661,089,019	12,169,060,871
Government Securities		8,572,467,834	8,781,379,378
Other Local Debt		101,315,000	101,315,000
Loans from International Financial Institutions		3,194,580,072	2,795,720,352
Loans from Other Governments and Agencies		376,309,795	312,635,489
Other Foreign Debt		416,416,319	178,010,652
<i>Other</i>		138,182,068	136,957,344
Trust Funds		5,051,298	5,314,422
Special Funds		133,130,770	131,642,922
TOTAL LIABILITIES		14,930,759,310	14,183,357,313
NET DEBT	27	10,586,860,449	10,268,176,613
<i>Equity</i>			
Revaluation Reserve		2,787,554,926	2,787,554,926
Accumulated Surplus/(Deficit)		(9,645,637,400)	(9,417,103,088)
TOTAL NET ASSETS/EQUITY		(6,858,082,474)	(6,629,548,162)
Consolidated Fund Surplus (Deficit)		(6,858,085,252)	(6,629,549,983)

Accountant General
September 14, 2023



Government of Barbados
Cash Flow Statement
For the year ended March 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts	3,365,144,626
Taxation	3,074,056,269
Annex Revenue	15,544,541
Grants	20,000,000
Investment Income	4,792,945
Other receipts	250,750,872
Payments	3,437,106,893
Employee costs	883,934,267
Superannuation	333,644,842
Suppliers	498,482,628
Interest paid	554,713,083
Other payments	1,166,332,073
Net cash flows from operating activities	(71,962,267)

CASH FLOWS FROM INVESTING ACTIVITIES

Decrease (Increase) in investments	(166,291,075)
Decrease (Increase) in Funding to the Broader Public Sector	(3,911,018)
Decrease (Increase) acquisition of Capital Assets	(139,656,820)
Net cash flow from investing activities	(309,858,914)

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from Borrowing	1,444,367,004
Repayment of Borrowing	(698,814,637)
Increase(Decrease) in other Liabilities	(172,809,245)
Net cash flow from financing activities	572,743,123
Net increase / (decrease) in cash and cash equivalents	190,921,943
Cash and cash equivalents at beginning of period	721,400,990
Cash and cash equivalents at end of period	912,322,933



Notes to the Cash Flow Statement

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

Current Year Surplus / (Deficit)	(110,855,171)
Non-cash movements	
Depreciation Expense	49,626,566
Bad Debt Expense	68,281,611
Loss/(Gain) on Foreign currency exchange rates	1,476,142
Loss (Gain) on Sale of Investments	-
Loss (Gain) on Sale of Fixed Assets	(192,004)
Cash from Operations before working capital changes	8,337,144
(Increase)/ Decrease in Receivables	(135,878,638)
Increase/(Decrease) in Payables and Accrued Liabilities	55,695,596
(Increase)/ Decrease in Inventories	(118,312)
(Increase)/ Decrease in Prepaid expenses	(25)
Net cash flow from operating activities	(71,964,234)

(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:

	Mar-23	Mar-22
Cash on hand and balances with banks	912,320,007	721,400,990
Short-term investments	-	-
	912,320,007	721,400,990

(C) Capital Asset Acquisition

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

Land	1,407,573
Machinery and Equipment	18,263,783
Furniture and Fixtures	450,160
Software	5,405,991
Property and Plant	32,835,705
Motor Vehicles	6,607,293
Infrastructure	-
Assets under construction	50,374,365
Total Capital Asset Acquisitions	115,344,871



Government of Barbados
Statement of Change in Net Asset/Equity
For the Year Ended March 31, 2023

	Note	Retained Earnings/ (Accumulated Deficit)	Capital Contribution	Other reserves	Translation Reserve	Acquisition Clearing Alc - Prior Years	Total
Opening Balance at April 1, 2022		(9,414,688,495)	(2,414,593)	2,787,554,926	-	-	(6,629,548,162)
Cumulative effect in Changes in accounting policy		(945,959,600)					(945,959,600)
Correction of error of estimate				-			-
Prior Year Adjustment	24	853,637,556 (92,322,044)	-	-	-	-	853,637,556 (92,322,044)
Error in opening balance		(29,017,971)					(29,017,971)
Gain on property revaluation					-		-
Increases in Capital							-
Gain on investments		-					-
Exchange differences		(464,424)					(464,424)
Other		629,584		3,495,713			4,125,297
Net (revenue)/expenditure recognised in Net Asset/Deficit		(28,852,811)		3,495,713	-	-	(25,357,098)
Surplus/(Deficit) for the year		(110,855,171)					(110,855,171)
Total recognised revenue and expenses for the year		(110,855,171)		-	-	-	(110,855,171)
Balance at Mar 31, 2023		(9,646,718,521)	(2,414,593)	2,791,050,639	-	-	(6,858,082,475)

Accountant General
September 14, 2023

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 State 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 Public Finance Management Act, 2019 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, 2022 to March 31, 2023.

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 State's sovereign power. Revenue is recognized when the debt to the State 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.
<i>Goods and Services:</i>	
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 State 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 President).

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.

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 showing signs of easing up and although there has been a gradual rise in economic growth, the recovery is not projected to be at pre-pandemic levels. 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 four 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	Actual	Actual
	2022-2023	2022-2023	2021-2022
Individuals			
Individuals (Net)	406,710,054	545,610,497	429,779,367
Individuals (PAYE)		483,798,371	485,331,824
Refunds		(24,720,964)	(58,334,491)
Income and Profits- Other Taxes	-	86,533,090	2,782,034
Refunds		-	-
Corporation			
Corporation Tax (Net)	481,310,000	485,674,857	394,168,620
Corporation Tax		497,791,168	473,120,298
Refunds		(12,116,311)	(78,951,678)
Withholding Tax:			
Withholding Tax (Net)	45,700,001	37,563,935	37,744,944
Withholding Tax	-	37,563,935	37,744,944
Withholding Tax Non-residents		37,563,935	37,744,944
Withholding Tax on dividend income			
Withholding Tax Residents			
Refunds			
Total Income and Profits	933,720,055	1,068,849,288	861,692,931
Goods and Services			
VAT (Net)	986,035,175	1,156,630,063	874,397,904
Value Added Tax		1,202,786,298	1,007,397,724
Refunds		(46,156,235)	(132,999,820)
Excise Duty	267,221,614	251,822,393	204,841,584
Highway Revenue	16,029,212	16,612,103	15,628,436
Other	194,570,503	203,213,603	162,416,302
Total Goods and Services	1,463,856,504	1,628,078,161	1,257,284,226
Property Tax			
Land Tax (Net)	204,466,332	211,157,762	203,072,475
Land Tax			
Refunds			
Property Transfer Tax	22,918,602	29,360,071	20,887,457
Rent registration			
Total Property Tax	227,384,934	240,517,833	223,959,932
International trade			
Import Duties (Net)	215,663,154	250,253,724	231,002,875
Import Duties		248,722,396	231,002,875
Refunds			
Tax on sugar imports		1,531,327	5,485
Total International Trade	215,663,154	250,253,724	231,008,360
Other Indirect Taxation			
Stamp Duty	8,942,300	22,235,902	13,392,945
Total Indirect Taxation	8,942,300	22,235,902	13,392,945
Total Taxation Revenue	2,849,566,947	3,209,934,907	2,587,338,393

The amounts reflected in the above tables represent refunds payable during 2023 from current year revenue as per Barbados revenue Authority (BRA) records.

All prior year revenue transactions have been reflected in Special receipts in the financial statement.

Notes to the Financial Statements

The Treasury paid \$160,825,383 in refunds to the Barbados Revenue Authority during income year 2023.

REFUNDS PAID DURING 2023

<u>TAX TYPE</u>	<u>AMOUNT PAID</u>
Reverse Tax Credit	34,388,951
Personal Income Tax	38,221,289
Corporation Tax	12,742,223
Withholding Tax	-
VAT	75,472,920
TOTAL	160,825,383

Land Tax Rebates, Waivers & Discounts

During financial year 2022-2023 Land Tax rebates, waivers and Discount totaled \$21,495,489

	2022-2023	2021-2022
Rebates	7,778,639	73,901,297
Waivers		
Discounts	13,716,850	14,873,608
TOTAL	21,495,489	88,774,905

Amnesty: Penalties & Interest waived

Information provided by the Customs and Excise Department indicated that revenue in the amount of \$857,439,598 was waived during the 2022-2023 financial year. The breakdown is as follows:

<u>Description</u>	<u>Amount</u>
Import Duty	453,910,514
Sugar Levy	113
Excise Tax - Imports	81,798,409
VAT	321,729,199
Powder Magazine	743
Inspection Fee	620
Total	857,439,598

2 Special Receipts	Revised Estimates 2022-2023	Actual 2022-2023	Actual 2021-2022
Contribution to Pensions	2,310,561	1,646,992	2,787,046
Sundry - General	2,000	1,514,948	(86,419,758)
Other		27,830	(6,161)
Special Receipts (Net of Gains and Losses)	2,312,561	3,189,770	(83,638,873)
Gains and Losses			
Gain and Losses - Disposal of Assets	-	192,004	(21,703)
Realised Gain and Losses - Foreign Exchange	-	(1,476,142)	(6,563,844)
Total - Gains and Losses	-	(1,284,138)	(6,585,547)
Total Special Receipts	2,312,561	1,905,632	(90,224,420)

Contribution to Pension relates to contributions payable to Government under the following Acts:
CAP 12a Retiring Allowances; CAP 37 Widows and Children's Pension and CAP 226 Housing (Sect. 20 & 21)

Notes to the Financial Statements

3 Non Tax Revenue

Non Tax Revenue	Revised Estimates 2022-2023	Actual 2022-2023	Actual 2021-2022
Non-Tax Revenue	164,208,584	170,882,782	153,071,264

Non-tax revenue relates to the sale of goods and services, license fees and other operational revenue earned by Ministries and Departments. This revenue source does not form part of the tax-revenue earned by the Government of Barbados (GOB).

The breakdown of Other Non-Tax Revenue by Ministry and Department can be found at Schedule 15C.

Operating Expenses

4 Personal Emoluments

Personal Emoluments include the salaries, wages, allowances and employers contributions payable to the National Insurance Scheme (NIS) for the President, Ministers of Government and public officers. The below amounts exclude the Personal Emoluments of the Annex (Post Office).

Personal Emoluments	Revised 2022-2023	Actual 2022-2023	Actual 2021-2022
Statutory Personal Emoluments	619,733,381	594,066,800	590,453,223
Other Personal Emoluments	211,490,958	194,126,610	159,071,050
Employers' Contribution to NIS	83,840,162	75,740,970	78,481,622
Total	915,064,501	863,924,381	828,005,895

5 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. The below amounts exclude goods and services expenditure of the Annex (Post Office)

Goods and Services	Revised Estimates 2022-2023	Actual 2022-2023	Actual 2021-2022
Goods and Services			
Travel	7,546,604	5,262,741	5,042,457
Utilities	68,774,270	71,062,040	53,034,223
Rental of Property	95,288,360	81,570,652	71,357,488
Library Books & Publications	1,225,976	794,450	661,696
Supplies & Materials	74,394,610	56,364,115	59,884,996
Maintenance of Property	153,287,867	129,709,708	103,094,838
Operating Expenses	157,392,887	134,759,564	276,932,278
Structures	5,296,990	2,195,575	1,492,470
Professional Services	89,231,616	63,322,946	61,811,060
Contingencies	2,941,897	170,877	20,304,207
	655,380,977	545,212,668	653,615,712

Notes to the Financial Statements

6 Bad Debt Expense

A change in Bad debt policy was issued by the Director of Finance and Economic Affairs during financial year 2022/23. The Revenue Authority for each fiscal period would determine the underlying assumptions made to arrive at the bad debt provision, having regard to historical tax collection data and macroeconomic factor. This policy would relates to receivables over \$500,000; this new policy contrast with the previous policy of 2 percent of outstanding receivables.

Further information on Provision for Bad Debt outlined in note 14

Bad Debt Expense	Revised Estimates 2022-2023	Actual 2022-2023	Actual 2021-2022
Bad Debt Expense	989,555	68,281,611	9,880,606

7 Depreciation Expense

All tangible capital assets, except for 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 2022-2023	Actual 2022-2023	Actual 2021-2022
<i>Buildings</i>		33,320,559	32,753,407
<i>Machinery and Equipment</i>		6,606,328	3,191,246
<i>Furniture</i>		606,041	513,842
<i>Infrastructure</i>		-	-
<i>Vehicles</i>		3,564,032	4,133,407
<i>Software</i>		2,657,181	809,586
<i>Ships</i>		2,872,426	1,875,918
Total	54,000,000	49,626,566	43,277,406

Total Operating Expenses before Current Transfers, Retiring Benefits and Statutory Expenditure	1,625,435,033	1,527,045,226	1,534,779,619
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8 Retiring Benefits

Retiring Benefits and Allowances	Revised Estimates 2022-2023	Actual 2022-2023	Actual 2021-2022
Retiring Benefits	296,553,939	270,839,269	265,082,482
Other Retiring Benefits	91,101,352	62,805,572	75,163,073
Total Retiring Benefits and Allowances	387,655,291	333,644,842	340,245,554

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 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

9 Grants and Other Transfers

Grants	Revised Estimates 2022-2023	Actual 2022-2023	Actual 2021-2022
Current Grants and Transfers			
Subsidies	52,225,447	51,182,269	32,907,111.65
Grants to Individuals	111,564,883	99,589,997	110,532,152.52
Grants to Non-profit Organisations	31,556,040	26,528,081	18,496,790.21
Grants to Public Institutions	648,789,884	704,533,151	642,383,601.14
Statutory Grants to Individuals	24,928,478	6,288,905	6,288,905.00
Subscriptions	6,288,905	22,539,245	20,824,130.01
Total Current Grants and Transfers	875,353,637	910,661,649	831,432,691
Capital Grants			
Capital Grants to Individuals	1,290,000	1,010,359	386,556
Capital Grants to Non-Profit Organisations	2,695,750	815,750	800,479
Capital Grants to Public Institutions	271,532,594	240,124,845	267,707,399
Capital Subscriptions	6,000,000	-	-
Total Capital Grants	281,518,344	241,950,953	268,894,435
Total Grants and Transfers	1,156,871,981	1,152,612,602	1,100,327,125

Grants include transfers made to state owned enterprises, boards and non profit organisations to assist with their day to day operations, plant refurbishment or other capital projects. Grants also include transfers to individuals under the Barbados Scholarship program managed by the Ministry of Education. Grants, both Operational and Capital are recognised in the Income Statement in the period in which it is expected to be paid.

10 Debt Service Costs

Debt Service Expenses	Revised Estimates 2022-2023	Actual 2022-2023	Actual 2021-2022
Interest Expense			
Domestic	495,588,312	372,283,237	258,748,956
Foreign	183,016,763	182,429,845	125,213,222
Total Interest Expense	678,605,075	554,713,083	383,962,178
Expenses of Loans	13,106,830	13,564,532	7,490,317
Total	691,711,905	568,277,615	391,453,035

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

Notes to the Financial Statements

11 Cash and cash equivalents

Cash and Bank As At March 31	2022-2023	2021-2022
Treasury Cash	152,830,846	101,071,094
Treasury Account	79,408,897	138,642,326
Paymaster account	115,903,965	299,669,701
Mission Bank accounts	21,591,878	17,293,333
Schools' Bank accounts	18,043,210	13,719,943
Bank accounts - Special Deposit Accounts	514,279,786	148,245,867
Crown Agents	211,061	453,508
Other Foreign Bank account	10,050,562	2,305,218
Total	912,320,007	721,400,990

Treasury Cash includes cash on hand that is held at the Treasury and Ministries and Departments. Treasury cash also includes cash managed under the imprest (petty-cash) system by Ministries and Departments.

Treasury account comprises bank balances at various local banks (Republic, CIBC, Royal) the Central Bank as well as electronic currency account. The Paymaster account balance comprise disbursements of funds in respect of cheques and wire transfers that have been processed but payment has not yet been cleared the bank.

Cash and cash equivalent balances are short-term in nature and are utilised in the cash management functions of the Treasury and/or Ministries on a day to day basis. The balances can be readily converted to cash and are not subject to significant risk of change in value.

12 Investments

Investments As At March 31	2022-2023	2021-2022
Fixed Deposits (see explanation below)	741,469	741,469
Promissory Notes	123,358,280	122,065,208
Financial Investment (Note 13)	404,921,485	258,402,685
Investment	529,021,234	381,209,361

Fixed Deposits Accounts are interest bearing accounts at financial institutions where the investment is long-term in nature.

The fixed deposit accounts are comprised of monies deposited on behalf of the Barbados National Oil Company and the Sugar Policy Fund for which a nominal rate of interest is earned.

13 Financial Investment

As At March 31	2023	2022
Whitepark Development Incorporated (see explanation below)	133,337,685	133,337,685
Reslife Bonds	101,315,000	101,315,000
GOB 6.5% Bond due 2029	146,518,800	-
Other Investments	23,750,000	23,750,000
Total	404,921,485	258,402,685

The investment in Whitepark Development Limited (WDL) related to the purchase of shares and the liquidation of debt owed by WDL to RBC Royal Bank of Canada. The operations of WDL were being wound up prior to the transfer of the property to the Government of Barbados.

Notes to the Financial Statements

14 Receivables

Receivables (Net) As At March 31	2022-2023	2021-2022
Tax and Other Receivables		
Corporation Tax Receivable	634,068,351	266,149,702
Provision for Bad Debts	(374,767,392)	(5,322,994)
Corporation Tax Receivable (Net)	259,300,959	260,826,708
Income Tax Receivable	963,671,397	423,322,462
Provision for Bad Debts	(383,167,949)	(8,852,897)
Income Tax Receivable (Net)	580,503,448	414,469,564
VAT Receivable	1,229,206,229	1,139,629,831
Provision for Bad Debts	(96,067,159)	(22,792,368)
VAT Receivable (Net)	1,133,139,070	1,116,837,463
Import and Excise Duties Receivable	11,945,906	14,336,772
Provision for Bad Debts	(2,974,981)	(304,150)
Duties Receivable (Net)	8,970,925	14,032,623
Land Tax Receivable	521,619,150	469,180,040
Provision for Bad Debts	(125,234,276)	(723,345)
Land Tax Receivable (Net)	396,384,874	468,456,695
Highway Revenue Receivable	13,255	265,938
Provision for Bad Debts	-	(68,779)
Highway Revenue Receivable (Net)	13,255	197,159
Betting and Gaming Tax Receivable	201,927	201,927
Other Tax Receivables	120,468,847	109,603,542
Provision for Bad Debts	(70,287,240)	0
Other Tax Receivables (Net) (Note 14b)	50,181,607	109,603,542
Total Tax Receivables (Net)	2,428,696,065	2,384,625,679
Non Tax Revenue Receivables (Note 14c)	109,772,732	103,085,583
Advances to Other Governments and agencies		
Advances to Other Governments	1,776,057	1,727,611
Pension Advances	166,919	1,849,837
Advances to Ministries and Departments	106,274,152	101,642,195
Advances to Statutory Corporations (Note 14d)	30,702,712	17,598,141
Advances to Statutory Corporations - Other (Note 14e)	264,333	251,164
Advances to Embassies	3,327,050	2,484,154
Other Receivables	2,490,929	2,609,531
Total advances to Other Governments and agencies (Net)	145,002,151	128,162,634
Other Receivables (Net)	254,774,883	231,248,217
Total Receivables (Net)	2,683,470,948	2,615,873,897

14a Rates for Provision of Bad Debt

Tax Type	Provision: 2022-23	Provision: 2021-22
Tax on Assets	2%	2%
Tax on Bank Assets	2%	2%
Withholding Tax	2%	2%
Corporation Income Tax	59%	2%
Personal Income Tax & Pay As You Earn	40%	2%
Value Added Tax	8%	2%
Excise Tax	100%	2%
National Social Responsibility Levy	100%	2%
Room Rate Levy	76%	2%
Product Development Levy	67%	2%
Premium Tax	97%	2%
Land Tax	24%	0%
Consolidation Tax	85%	2%
Municipal Solid Waste Tax	85%	2%

14b Other Tax receivables include comprise National Social Responsibility Levy Tax, Room Rate levy, Consolidated Tax, Withholding Tax, Municipal Tax, Pandemic Levy, International Transport Tax, Taxes on assets, Telecom Licenses, Direct Tourism Services and Tax Receivables on Insurance premiums.

Notes to the Financial Statements

14c Non Tax Revenue Receivables include balances outstanding from Training Levies, Tuition Fees, Rental Income, Parking Lot Fees Royalties and Sundry Receivables.

14d Advances to Statutory Corporation are comprised mainly of advances made to Sanitation Service Authority, the National Housing Corporation, the Transport Board, and the Barbados Agricultural Management Company.

14e Other Advances to Statutory Corporations relates to sales on credit by the Government Procurement Department. These are expected to be settled within a ninety day period.

15 Restricted cash and cash equivalents

Restricted cash and cash equivalents		
As At March 31	2023	2022
Trust Funds	1,777,486	1,777,486
Special Funds (see explanation below)	137,049,961	136,879,995
Total	138,827,448	138,657,482

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 \$80,069,415.98 at the financial statement date.

16 Sinking Fund Assets

As At March 31	2023	2022
Sinking Fund - Opening Balance	30,094,107	14,910,926
Domestic Debentures	4,375,000 -	12,678,962
External Debentures	26,529,195	(2,939,550)
Other	88	30,801,694
Sinking Fund - Ending Balance	60,998,391	30,094,107

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.

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, 2023.

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.

17 Loans to individuals and agencies

As At March 31	2022-2023	2021-2022
Housing Credit Fund	3,000,000	-
Parliamentarians and Registering Officers	846,159	805,837
LIAT	3,191,759	3,191,759
	7,037,918	3,997,596
Interest accrued		
Housing Credit Fund	-	-
Parliamentarians and Registering Officers	-	-
LIAT	-	-
	-	-
Net Carrying Value		
Housing Credit Fund	3,000,000	-
Parliamentarians and Registering Officers	846,159	805,837
LIAT	3,191,759	3,191,759
Total loans to individuals and agencies	7,037,918	3,997,596

18 Receivables - Public Officers

Receivables - Public Officers		
As At March	2022-2023	2021-2022
Loans - Vehicle loans	9,430,448	9,749,703
Loans - Insurance Loans	2,354	3,485
Loans - Training Loans	(211,307)	(115,871)
Overdrawn salaries	3,001,421	1,714,904
Total Public Officers Receivables	12,222,916	11,352,221

The above balances include advances to public officers under the POLTA Scheme, Training Loans Scheme and amounts relating to overdrawn salaries being repaid by public officers.

Notes to the Financial Statements

19 Non Financial Capital Assets

Non Financial Capital Assets		
Gross carrying value	2022-2023	2021-2022
Land		
Land (valuation)	1,445,313,783	1,443,906,209
Other Capital Assets		
Property and Plant	1,779,266,190	1,746,430,485
Machinery and Equipment	350,637,765	332,373,982
Furniture and Fixtures	23,929,009	23,478,849
Software	45,508,589	40,102,598
Vehicles	173,007,632	166,400,339
Infrastructure	88,501,370	88,501,370
Assets Under Construction	708,990,831	658,616,466
Total Gross Carrying Value	4,615,155,169	4,499,810,298
Accumulated Depreciation		
Other Capital Assets		
Property and Plant	(627,941,519)	(594,620,960)
Machinery and Equipment	(124,713,865)	(118,107,537)
Furniture and Fixtures	(6,327,186)	(5,721,145)
Software	(13,535,785)	(10,878,605)
Vehicles	(125,476,726)	(119,040,268)
Infrastructure	-	-
Total Accumulated Depreciation	(897,995,080)	(848,368,514)
Net Carrying Value		
Other Capital Assets		
Property and Plant	1,151,324,672	1,151,809,526
Machinery and Equipment	225,923,900	214,266,446
Furniture and Fixtures	17,601,823	17,757,704
Software	31,972,804	29,223,993
Motor vehicles	47,530,906	47,360,071
Infrastructure	88,501,370	88,501,370
Net Carrying Value - Other Capital Assets (before Asset Clearing)	1,562,855,475	1,548,919,109
Asset Clearing	10,945,285	(13,366,664)
Net Carrying Value - Other Capital Assets	2,282,791,591	2,194,168,911
Net Carrying Value - Land	1,445,313,783	1,443,906,209
Total Net Carrying Value	3,728,105,374	3,638,075,120

Information was not available in relation to Investment properties at the time the financial statements were prepared. Investment properties were therefore not shown as a separate line item in the Statement of Financial Position.

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 are obtained. Assets not reflected in the Statement of Financial Position include: national library collections, recreation facilities, conservation areas and heritage assets.

There are differences between fixed asset balances in ledger compared with amounts recorded in the fixed assets registers of Ministries and Departments. The reconciliation of fixed asset ledger balances to the asset register amounts for ministries and departments is ongoing. It is anticipated that the reconciliation would be completed during the 2023-2024 financial year. The schedule relating to the fixed asset register information submitted by Ministries and Departments at the time the financial statements were prepared is shown as follows.

Notes to the Financial Statements

	Buildings and Leasehold Property	Plant & Machinery	Furniture & Fixtures
Cost as at April 1, 2022	1,389,806,093.81	167,877,175.36	14,385,424.66
Additions as at March 31, 2023	8,210,875.43	10,498,442.17	907,691.24
Disposals	-	-	-
Cost as at March 31, 2023	1,398,016,969.24	178,375,617.53	15,293,115.90
Accumulated Depreciation			
Balance as at April 1, 2022	633,578,399.11	116,821,902.28	12,307,639.40
Depreciation for Year as at March 31, 2023	110,743.36	291,409.51	42,852.45
Disposal (Depreciation)	-	-	-
Accumulated Depreciation as at March 31, 2023	633,578,399.11	117,113,311.79	12,350,491.85
Net Book Value as at March 31, 2023	764,438,570.13	61,262,305.74	2,942,624.05

	Software	Vehicles	Total
Cost as at April 1, 2022	21,003,161.13	155,226,424.11	1,748,298,279.07
Additions as at March 31, 2023	2,378,929.07	3,543,864.97	25,539,802.88
Disposals	-	-	-
Cost as at March 31, 2023	23,382,090.20	158,770,289.08	1,773,838,081.95
Accumulated Depreciation			
Balance as at April 1, 2022	14,481,944.52	117,335,569.32	894,525,454.63
Depreciation for Year as at March 31, 2023	237,892.92	236,436.40	919,334.64
Disposal (Depreciation)	-	-	-
Accumulated Depreciation as at March 31, 2023	14,719,837.44	117,572,005.72	895,444,789.27
Net Book Value as at March 31, 2023	8,662,252.76	41,198,283.36	878,393,292.68

Current Liabilities

20 Refunds Payable (Tax) As At March 31

	2022-2023	2021-2022
Income Tax Refunds Payable	77,210,259	69,250,867
Corporation Tax Refund Payable	168,193,332	157,505,374
Compensatory Credit Payable	-	43,067
Reverse Tax Credit Payable	20,560,904	12,898,010
Income Tax Certificates	297,940	-
Consolidation Tax	677,508	-
Land Tax - Refund Payable	159,156	123,914
Customs & Excise Refunds Payable	6,459,987	6,458,750
VAT Refunds Payable	256,321,772	276,158,963
Road Tax Refunds	182,866	332,104
Total Refunds Payable (Tax)	530,063,724	522,684,905

21 Due to other Government and agencies As At March 31

	2022-2023	2021-2022
Barbados Revenue Authority garnishments	1,103,470	1,051,173
National Insurance Department garnishments	493,232	464,690
Other (net of pension liability)	(621,970)	(153,739)
Total Due to other Government and agencies	974,731	1,362,123

Notes to the Financial Statements

22 Pension Liability and Deposits

	2022-2023	2021-2022
Pension Liability	5,573,965	5,382,182
Deposits		
Due to Treasury - Income and Profits	393	393
Department and Other Deposits	126,714,618	127,214,909
Special Purpose deposits	26,314,528	19,038,622
School Deposits	8,462,033	8,366,706
Donor Funds	8,594,644	8,594,644
Total Deposits	170,086,214	163,215,273

Pensions Liability represent pensions which have been computed and approved on behalf of deceased public officers but payment had not yet been made to the estate.

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.

23 Deferred Revenue As At March 31

	2022-2023	2021-2022
Customs - General	4,637,629	3,108,880
Customs - Barbados National Oil Co. Ltd	5,470,852	213,432
Barbados Revenue Authority - Land Tax	1,194,933	5,279,636
Barbados Revenue Authority - Other	1,399,818	17,415,343
Other	6,484,218	6,618,712
Deferred Revenue	19,187,448	32,636,004

Deferred Revenue relates to fees received that has not yet been earned.

24 Current Portion Long Term Debt As At March 31

	2022-2023	2021-2022
Treasury Notes & Debentures	415,500,250	184,624,617
Tax Certificates	15,000	25,000
Saving Bonds	32,228,050	31,929,796
Local Commercial Bank	-	-
Other Local Debt	-	-
Domestic Debt	447,743,300	216,579,413
Foreign Debentures	1,482,942	64,963,000
Loans from Int Financial Instit	146,046,875	86,588,828
Special Loans (Cap105)	66,612,118	40,229,775
Foreign Debt	214,141,935	191,781,603
Total Debt	661,885,235	408,361,016

Notes to the Financial Statements

Long-term Liabilities (Debt)

25	Public Debt (\$millions) As At March 31	2023	2023	2022
		Amount authorised	Amount Outstanding	
	Legal Authority			
	Local Loans Act	10,500.00	7,745.27	7,871.41
	<i>Unamortized Bond Discount</i>		-	(12.60)
	External Loans Act Cap 94		1,061.17	1,061.17
	Caribbean Development Bank Cap 97A		469.38	493.54
	Inter American Development Bank Cap 97B		1,499.65	1,314.76
	Special Loans Act Cap 105	2,500.00	890.94	810.08
	Treasury Bills & Tax Certificates Cap 106	4,000.00	495.17	495.21
	<i>Treasury Bills</i>		495.10	495.10
	<i>Tax Reserve Certificates</i>		-	-
	<i>Tax Refund Certificates</i>		0.07	0.11
	Savings Bond Act 1980-30,	250.00	32.23	47.29
	Contingent Liabilities taken over		1.01	1.15
	Latin American Development Bank Act		357.43	340.60
	International Monetary Fund		548.41	464.77
	British American Insurance Co. (Barbados) Ltd. Acts 2014, 2020		101.32	101.32
	Barbados Optional Savings Scheme Act 2020-14		172.70	83.82
	Financial Management & Audit Act 2007-11 (Ways & Means)		167.15	214.99
	International Bank for Reconstruction & Development Membership of Barbados Act Cap 323D		442.87	-
	Total Public Debt Outstanding		13,984.70	13,287.51

Debt balances represent the ending balances at March 31, 2023, after revaluation of foreign denominated debt using exchange rates at March 31, 2023. 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:

26	Debt repayments	Revised Estimates 2022-2023	Actual 2022-2023	Actual 2021-2022
	Domestic	331,387,248	466,134,038	211,334,199
	Foreign	176,695,801	232,680,599	153,350,028
	Total debt repayments	508,083,049	698,814,637	364,684,227

27 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, 2023 and March 31, 2022 are shown as follows:

	Mar-23	Mar-22
Total liabilities	14,930,759,310	14,183,357,313
Current financial assets (excluding inventory)	3,734,618,402	3,475,932,368
Non current assets excluding land and other capital assets	609,280,459	439,248,332
Net Debt	10,586,860,449	10,268,176,613

Notes to the Financial Statements

28 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-23 Closing Rate	Mar-22 Closing Rate
United States dollar	2.00000000	2.00000000
Canadian dollar	1.49749000	1.60250000
British pound	2.50906000	2.62690000
Euros	2.20872000	2.23190000
Venezuelan bolivar fuerte	12.06694200	0.45754300
Trinidad dollar	0.29750000	0.29598000
Eastern Caribbean dollar	0.74074000	0.74074000
Cuba Peso	0.08351900	0.08265777
Brazilian Real	0.39353600	0.42214600
Kenyan Shilling	0.01512780	0.01738920
Ghanaian Cedi	0.17177000	0.26591400
Chinese Renminbi	0.29110000	0.31508000
Japanese Yen	0.01510000	0.01642000
United Arab Emirates	0.54458800	
Swiss Francs	2.18782000	2.16696000

29 Other Contingent Liabilities

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

Ministry/Department	Total at 31-Mar-2023	Comments
Attorney General's Office	Aprox. \$175M	Court actions filed against the crown and compensation claims.
		Included in this amount is land acquisition claims of aprox \$75M and \$53M respectively.

30 Rounding differences

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

31 Borrowing Costs

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

32 Inventory

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

Notes to the Financial Statements

33 Prior Year adjustments As At March 31

	2022-2023
Cummulative effect in Changes in accounting policy	(945,959,600)
Prior Year Adjustment (33a)	853,637,556
Overdrawn Salaries - Prior Year (33b)	3,495,713
Prior Year Adjustment - Overdrawn Salary	(88,826,331)
Accumulated Surplus/Deficit	
Correction to error in opening balance Auto Balance Reversal (Note 33c)	(29,017,971)
Pension Advance - Post Office (Note 33d)	(1,720,011)
Prior Year Adjustment - Accumulated Surplus/Deficit	(30,737,982)

33a Net cumulative effects in changes in accounting policy of \$.9b is as a result of change in bad debt policy as outlined by Barbados Revenue Authority. This change impacted on the value in the prior year adjustments of \$.8b

33b During the 2022-23 financial year a number of officers repaid overdrawn amounts related to prior financial years. This overdrawn salary error would have had the effect of overstating payroll expense and understating Overdrawn salaries receivable. Adjustments were made to prior year equity to record this error with the corresponding entry being made to the Account, Advances - Overdrawn Salaries.

33c During the 2021-22 financial year an entry in the amount of \$29.02M was inadvertently posted to the Auto balance account. The original entry was intended to bring the prior year refunds payables of the Barbados Revenue Authority in line with the balance in Cloudsuite Financials by debiting Tax refunds and crediting the Accumulated Surplus/Deficit account, however the entry was incorrectly applied to the auto-balance account. The above transaction represents the correction to this entry.

33d The amount of \$1.72M represents a pension advance made to the Post Office in a prior period. During the 2022-23 financial year it was discovered that this amount continued to be reflected in the cash on hand balance of the Post Office. The effects of this prior year adjustment was reflected in a debit to the Payments in advance account with the corresponding entry being made to Equity account - Accumulated Surplus.

Notes to the Financial Statements

34 Related Party Transactions

There were no related party transactions between key management personnel and the Government reporting entity during the 2022-2023 financial year. The Government reporting entity controls the state owned entities (SOEs) to which it makes transfers during the financial year. Notes 8 and 10 dealt with other related party transactions which occurred during the financial year 2022-2023. The Government reporting entity recorded transfers of \$669,335,534.09 to fund the operations of the SOEs for the 2022-2023 financial year. The breakdown of the transfers is shown as follows:

State Owned Entity	Other	Current Transfers	Capital Transfers	Total
Barbados Defence Force		59,932,639.00	1,547,900.00	61,480,539.00
Barbados Cadet Corps		1,381,118.00	175,000.00	1,556,118.00
Trust Loan Funds Ltd		-	1,000,000.00	1,000,000.00
Rural Development Commission		2,503,434.36	6,500,000.00	9,003,434.36
Barbados Revenue Authority		29,565,917.54	1,609,000.00	31,174,917.54
National Council on Substance Abuse		2,239,301.57	-	2,239,301.57
Community Legal Services Commission		1,756,174.00	46,800.00	1,802,974.00
Barbados Community College		21,165,273.74	948,960.00	22,104,233.74
Barbados Community College (Hospitality Division)		5,235,252.19	463,648.00	5,698,900.19
National Cultural Foundation		11,238,749.00	2,294,500.00	13,533,249.00
Barbados Accreditation Council		2,627,183.91	230,000.00	2,857,183.91
Air Transport Licensing Authority		277,192.00	-	277,192.00
The Civil Aviation Authority (CAA)		2,519,000.00	-	2,519,000.00
Barbados Tourism Investment Inc.		3,516,575.00	91,200,000.00	94,716,575.00
Barbados Tourism Marketing Inc.		5,000,000.00	-	5,000,000.00
Barbados Aircraft and Aviation Services Company Ltd		881,567.00	-	881,567.00
Sanitation Service Authority		4,452,630.00	6,000,000.00	10,452,630.00
QEH		133,564,857.69	8,800,000.00	142,364,857.69
Emergency Ambulance Service		4,929,010.00	226,000.00	5,155,010.00
QEH Medical Aid Scheme		1,228,000.00	-	1,228,000.00
Programme Management - COVID-19 QEH		7,588,537.00	-	7,588,537.00
National Conservation Commission		24,566,467.11	2,386,500.00	26,952,967.11
Barbados Vocational Training Board		12,119,652.48	340,739.00	12,460,391.48
TVET Council		3,678,664.40	377,000.00	4,055,664.40
National Assistance Board		19,642,065.06	1,096,100.00	20,738,165.06
Child Care Board		20,312,575.44	167,390.00	20,479,965.44
National Sports Council		16,443,141.43	19,919,939.00	36,363,080.43
National Petroleum Corporation		-	1,500,000.00	1,500,000.00
Barbados Investment and Development Corporation		9,852,282.00	8,367,000.00	18,219,282.00
Barbados National Standards Institution		2,080,000.00	60,000.00	2,140,000.00
Fair Trading Commission		2,647,263.65	-	2,647,263.65
Kensington Oval Management		1,300,000.00	1,400,000.00	2,700,000.00
Transport Board		46,023,613.00	750,000.00	46,773,613.00
National Housing Corporation		16,851,610.11	29,450,000.00	46,301,610.11
Urban Development Commission		5,370,098.22	10,718,031.00	16,088,129.22
Barbados Water Authority		-	30,000,000.00	30,000,000.00
United Commercial Autoworks Limited (UCAL)		-	2,000,000.00	2,000,000.00
Caves of Barbados Limited		5,293,009.00	414,130.00	5,707,139.00
Barbados Agricultural Development and Marketing		1,500,000.00	-	1,500,000.00
Barbados Agricultural Management Company Ltd		38,984,952.00	5,000,000.00	43,984,952.00
Southern Meats		1,250,000.00	600,000.00	1,850,000.00
Invest Barbados		7,498,000.00	5,315,000.00	12,813,000.00
Total		537,005,805.90	240,903,637.00	777,909,442.90