

**BARBADOS CONFERENCE  
SERVICES LIMITED**

**Financial statements**

For the year ended 31 March 2014

# BARBADOS CONFERENCE SERVICES LIMITED

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31 March 2014

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# BARBADOS CONFERENCE SERVICES LIMITED

## Corporate information

31 March 2014

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### Directors

Vernon Andrew Sealy - Chairman, appointed 22 May, 2013  
Keith Barrow - Deputy Chairman, appointed 22 May 2013  
Permanent Secretary  
or Nominee - Ministry of Tourism & International Transport  
Jennifer Grant  
William Grant - resigned 22 May, 2013 (former Chairman)  
Randolph Outram  
Susan Springer - as representative for BHTA  
Fabian Wharton - appointed 22 May, 2013

### Secretary

Laura Rudder  
Maxwell Coast Road  
Christ Church  
Barbados BB110993

### Registered office

Lloyd Erskine Sandiford Centre  
Two Mile Hill  
St. Michael  
Barbados

### Independent auditors

RBCI Chartered Accountants  
Suite 4, Building 4  
Manor Lodge Complex  
Lodge Hill  
St. Michael  
Barbados

# BARBADOS CONFERENCE SERVICES LIMITED

## Directors' report

31 March 2014

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The mission of Barbados Conference Services Ltd. (BCSL) is *“to create a dynamic management company known for providing world class meeting and event facilities and for creating, managing and delivering experiences that bring people together in completely enriching and positively unforgettable ways.”*

To accomplish this the management of BCSL markets and manages the Lloyd Erskine Sandiford Centre (LESC) as the premier meetings and events facility in the Caribbean, committed to hosting and managing meetings and events with highly skilled, service oriented personnel, cutting edge technology and a reputation for excellence, all working together to ensure financial viability.

During the financial year ended on March 31, 2014 activity at LESL was considerably reduced as renovations to the conference facility and construction works intensified during the final phase of the New Offices Project. This resulted in the loss of market share and a significant reduction in revenue earned due to unavoidable business interruptions. Also operating costs increased significantly, especially in the areas of building maintenance, as management sought to maintain a safe and healthy environment for patrons, staff and tenants, in accordance with the new Safety & Health At Work Act.

One key strategic objective during the period under review was to heighten the awareness of LESL locally, regionally and internationally, in preparation for LESL's return to full operations by the second quarter of FY 2015. During the year, BCSL actively pursued possibilities to increasing the percentage share of the international convention market, especially in USA and Canada by joining the MICE Product Club at the Incentive Works, Canada and IMEX Americas Tradeshows. The Company also focused on maximizing revenue locally and regionally through rental of the available meeting space, including the eastern car park which was the venue for two (2) car shows. Another source of revenue was the off-property rentals of conference furnishings and equipment. During the year the demand for the rental of the portable conference discussion/Simultaneous Interpretation equipment and the provision of the associated technical service grew and continued to extend beyond the shores of Barbados to the wider Caribbean, namely St, Vincent, Grenada and Bahamas.

# BARBADOS CONFERENCE SERVICES LIMITED

## Directors' report

31 March 2014

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Another key objective was to improve the customer service experience at the Centre through continuous training and assessment. During the year in-house training continued with all the incoming staff and the catering personnel on the various aspects of Hospitality and High Quality Service which helped the Company to maintain its service delivery standard of 90% and over. This training was further expanded to include the Maintenance and Conference Services Teams who benefitted from an in-depth Level 1 Housekeeping Training Workshop facilitated by the Barbados Vocational Training Board over a six (6) week period, which was partially funded by TVET Council and for which certification was gained.

Despite the ongoing construction works, the Centre continued to operate, albeit at reduced capacity, for most of the year; and was the venue of choice for the following major events and annual exhibitions.

- NCF 2013 Cultural Industries Symposium & Showcase
- New Assembly Church of God Assembly 2013
- Fifth CAPSCA Meeting
- BMEX
- Animekon Expo
- International College Fair
- Home Expo
- The Nation "Forever I do" Wedding Expo
- Barbados Auto Racing League Dexterity & Car Show
- Drift Dream Inc. Automoto Show 2013

During the financial year ended March 31, 2014, the Company reported Gross Revenue Earnings of \$3,472,820 which represent a 24% decrease over the previous year's earnings of \$4,564,662. Operational expenses were \$8,573,067, which represents a 16% increase when compared to the previous year's expenses of \$7,412,704. The Company recorded a Net Loss of (\$2,442,338) when compared to the loss of (\$238,205) recorded in 2013. The Company's accumulated deficit now stands at \$6,601,565; this represents 59% more than prior year. The significant portion of this loss is the quarterly interest payments on the New Offices Loan which commenced effective December 31, 2013 and was facilitated using funds received for capital projects. Supplemental funding was requested from Government to cover these payments and was received in April 2014.

# BARBADOS CONFERENCE SERVICES LIMITED

## Directors' report

31 March 2014

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On-going efforts to control operational expenses continued to be a major priority for both the Board of Directors and Management. During the year with the completion of the retrofitting the existing lighting in the conference facility and car parks to LED lighting, along with continuing phased upgrade of the a/c system, a saving of approximately 20% was realized. It is expected that once these measures are fully implemented, electricity cost should be reduced by approximately 30% annually.

In the coming fiscal year 2014/15, with the completion of the renovations and construction works, the Centre's activity is expected to return to normalcy and BCSL's aim is to meet and wherever possible exceed its income generation objectives by aggressively marketing its services on the local, regional and international markets. BCSL will:

- ❖ Utilize the corporate website and creative inbound marketing strategies to promote LESC and Barbados as the premier destination for conferences, conventions, exhibitions, tradeshows and social events.
- ❖ Intensify its outbound marketing strategies to reinforce the LESC brand and convey the concept of "Brilliant for Business, Extraordinary for Events" using traditional and social media.
- ❖ Focus on Customer Relationship Management to increase market share and boost income.
- ❖ Continue to seek to form strategic partnerships with hotels within close proximity to the Centre, in order to offer Complete Meeting Packages (CMPs) to regional and international clients seeking to host meetings in Barbados, with emphasis on the faith-based niche market.
- ❖ Sustain strategic partnerships with industry partners i.e. Event Planning companies and show producers; and through the production of themed events, seek to increase revenue.

During the year, BCSL will continue to promote the Centre in the international convention market. In addition, management will continue to foster strategic partnerships with providers of accommodation in order to offer Complete Meeting Packages (CMPs) to regional and international clients seeking to

# BARBADOS CONFERENCE SERVICES LIMITED

## Directors' report

31 March 2014

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host meetings in Barbados. Similar partnerships will be established with Destination Management Companies with the aim of promoting Barbados as a viable destination option in the Religious/Faith-Based niche markets. Management will also continue to develop working relationships with reliable Event Planning Companies and Event Producers to maximize use of the Centre and boost revenues during the fiscal year.

BCSL will continue to work closely with the Meetings & Incentives Product Club and other industry partners, to promote Barbados as the ideal destination within the Meetings, Incentives, Conferences and Exhibitions (MICE) markets and by extension, promote LESC as the premier meeting and event facility in the Caribbean for the hosting of such events. The following tradeshow will form part of the company's marketing strategy for 2014/2015.

- Caribbean Meetings & Incentive Travel Exchange (CMITE)
- IMEX America- Las Vegas
- RCMA Emerge Conference

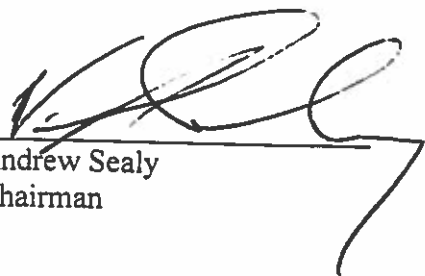
In order to obtain maximum results, BCSL will continue to review its structure to ensure adequate staffing for maximum output. During the period the Company will strive to maintain a high level of service delivery and will ensure continual staff training and professional development.

It is envisaged that the upcoming year will continue to be challenging as BCSL has been requested to facilitate the fit-out of the New Offices to accommodate several Government Departments/Agencies. BCSL expects that, with the completion of the new offices and facilities upgrade by March 2015, the company will earn fixed office rental income to boost the company's revenues and off-set operational cost and in turn considerably reduce its dependency on government funding and eliminate the need for an operating subvention by 2017.

BCSL will continue to require financial assistance from Government to service the debt with respect to the loan obtained for the construction of the new offices and upgrade of kitchen facilities.

In today's challenging economic climate, BCSL is deeply committed to reducing its operating costs by identifying savings and efficiencies; and generating revenue through aggressive marketing and creative and innovative thinking. In this way, the important programs that support BCSL's primary mission will continue despite current and future budget reductions.

The Board of Directors of BCSL wishes to take this opportunity to publicly acknowledge the ongoing support and contribution given by our loyal clients and all the company's employees during another challenging year. We look forward to the completion of the building and a much improved performance in the foreseeable future.



Andrew Sealy  
Chairman



# **RBCI**

*Chartered Accountants*

**RON BANCROFT** | *Chartered Accountant*  
Suite 4, Building 4, Manor Lodge Complex  
Lodge Hill, St. Michael, Barbados  
Tel: 246-243-5184 / 246-421-8894  
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## **INDEPENDENT AUDITORS' REPORT**

To the shareholder of Barbados Conference Services Limited

We have audited the accompanying financial statements of Barbados Conference Services Limited, which comprise the statement of financial position as of 31 March 2014, and the statement of comprehensive income, statement of changes in equity and statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### **Management's responsibility for the financial statements**

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

### **Auditors' responsibility**

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of Barbados Conference Services Limited as of 31 March 2014, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

### **Emphasis of matter**

Without qualifying our opinion we draw attention to note 15 to the financial statements which indicates that the Company is unable to meet its obligations as they become due and relies on financial support from its shareholder as well as on management's ability to successfully execute its business plan. These conditions give rise to uncertainty about the Company's ability to finance its operations and continue as a going concern.



24 November 2014  
Bridgetown, Barbados

# BARBADOS CONFERENCE SERVICES LIMITED

## Statement of financial position


31 March 2014


(expressed in Barbados dollars)

	Notes	2014	2013 Restated
<b>Assets</b>			
<b>Current assets</b>			
Cash on hand		\$ 1,200	\$ 1,200
Cash at bank		861,829	369,621
Bank fixed deposits	3	219,690	621,449
Trade and other receivables	4	3,680,932	4,488,413
Inventory		-	7,833
		<u>4,763,651</u>	<u>5,488,516</u>
Pension plan asset	8	214,510	390,504
Property, plant and equipment	5	<u>56,385,697</u>	<u>44,144,901</u>
<b>Total assets</b>		<b>\$ 61,363,858</b>	<b>\$ 50,023,921</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable	6	2,129,860	2,445,636
Loans payable – due within one year	7	3,596,664	170,000
Advance deposits		<u>92,493</u>	<u>20,926</u>
		<u>5,819,017</u>	<u>2,636,562</u>
<b>Other liabilities:</b>			
Note payable	9	39,428	39,428
Loans payable	7	46,798,191	41,055,699
Deferred government grant	10	<u>9,293,613</u>	<u>4,436,285</u>
		<u>56,131,232</u>	<u>45,531,412</u>
<b>Equity</b>			
Stated capital	11	\$ 6,015,174	\$ 6,015,174
Accumulated deficit prior years		(4,159,227)	(3,921,022)
Net loss for the year		<u>(2,442,338)</u>	<u>( 238,205)</u>
<b>Total equity</b>		<u>(586,391)</u>	<u>1,855,947</u>
<b>Total liabilities and equity</b>		<b>\$ 61,363,858</b>	<b>\$ 50,023,921</b>

The accompanying notes form an integral part of these financial statements.

Approved on 19 November 2014 by the Board of Directors.

  
 \_\_\_\_\_ Director

  
 \_\_\_\_\_ Director

# BARBADOS CONFERENCE SERVICES LIMITED

## Statement of comprehensive income

For the year ended 31 March 2014

(expressed in Barbados dollars)

	Notes	2014	2013 Restated
<b>Revenue</b>			
Room rental		\$ 1,531,926	\$ 1,758,120
Food and beverage		1,569,836	2,208,145
Other rental income		336,688	553,251
Interest income	3	<u>34,370</u>	<u>45,146</u>
		<u>3,472,820</u>	<u>4,564,662</u>
<b>Costs and expenses</b>			
Salaries and wages		2,007,665	1,884,213
Food and beverage	6	1,415,593	1,946,419
Utilities		1,157,623	1,364,659
Supplies and services		474,610	493,363
Depreciation	5	1,332,388	1,103,424
Repairs and maintenance		224,835	236,765
Marketing		67,102	79,056
Insurance		69,882	73,925
Directors' fees		49,200	46,400
Professional fees		28,200	24,147
Loan and other interest expense	7	1,656,546	86,043
Bad debts, net	14	5,479	3,106
Pension plan	8	76,111	70,548
Gift shop		<u>7,833</u>	<u>636</u>
		<u>8,573,067</u>	<u>7,412,704</u>
<b>Loss from operations</b>		<b>(5,100,247)</b>	<b>(2,848,042)</b>
Loss on disposal of property, plant and equipment		-	(634)
Government grant	10	<u>2,809,670</u>	<u>2,564,326</u>
<b>Net loss for the year</b>		<b>(2,290,577)</b>	<b>(284,350)</b>
Other comprehensive (loss) income not to be reclassified to statement of income in subsequent periods:			
Remeasurement (loss) gain on defined benefit plan, net of tax		<u>(151,761)</u>	<u>46,145</u>
<b>Total comprehensive loss for the year</b>		<b>\$ (2,442,338)</b>	<b>\$ (238,205)</b>

The accompanying notes form an integral part of these financial statements.

# BARBADOS CONFERENCE SERVICES LIMITED

## Statement of changes in equity

For the year ended 31 March 2014

*(expressed in Barbados dollars)*

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	<b>Stated capital</b>	<b>Accumulated deficit</b>	<b>Total</b>
	\$	\$	\$
<b>Restated balances – 31 March 2012</b>	6,015,174	(3,921,022)	2,094,152
Total comprehensive loss	<u>-</u>	<u>(238,205)</u>	<u>(238,205)</u>
<b>Restated balances – 31 March 2013</b>	6,015,174	(4,159,227)	1,855,947
Total comprehensive loss	<u>-</u>	<u>(2,442,338)</u>	<u>(2,442,338)</u>
<b>Balances – 31 March 2014</b>	<u>6,015,174</u>	<u>(6,601,565)</u>	<u>(586,391)</u>

*The accompanying notes form an integral part of these financial statements.*

# BARBADOS CONFERENCE SERVICES LIMITED

## Statement of changes in equity

For the year ended 31 March 2014

(expressed in Barbados dollars)

	2014	2013
	\$	Restated \$
<b>Operating Activities</b>		
Net loss for the year	(2,290,577)	(284,350)
Adjustments for:		
Depreciation	1,332,388	1,103,424
Loss on disposal of fixed assets	-	634
Interest expense	1,656,546	86,043
Pension plan expense	76,111	70,548
Government grant	<u>(2,809,670)</u>	<u>(2,564,326)</u>
	(2,035,202)	(1,588,027)
Trade and other receivables	807,481	(1,344,516)
Inventory	7,833	636
Advance deposits	71,567	(94,924)
Accounts payable	<u>(315,776)</u>	<u>619,817</u>
	(1,464,097)	(2,407,014)
Interest paid	(1,656,546)	(86,043)
Government grant received	7,666,998	2,934,000
Pension plan contributions received	<u>(51,878)</u>	<u>(53,445)</u>
<i>Net cash from operating activities</i>	<u>4,494,477</u>	<u>387,498</u>
<b>Investing Activities</b>		
Purchase of property, plant and equipment	<u>(13,573,184)</u>	<u>(16,250,266)</u>
<i>Net cash used in investing activities</i>	<u>(13,573,184)</u>	<u>(16,250,266)</u>
<b>Financing Activities</b>		
Repayment of loans	(2,060,624)	(1,193,068)
Proceeds from loan	<u>11,229,780</u>	<u>16,022,108</u>
<i>Net cash from investing activities</i>	<u>9,169,156</u>	<u>14,829,040</u>
<b>Net change in cash and cash equivalents</b>	90,449	(1,033,728)
Cash and cash equivalents – beginning of year	<u>992,270</u>	<u>2,025,998</u>
<b>Cash and cash equivalents – end of year</b>	\$ <u>1,082,719</u>	\$ <u>992,270</u>
Cash on hand	1,200	1,200
Cash at bank	861,829	369,621
Bank fixed deposits	<u>219,690</u>	<u>621,449</u>
	\$ <u>1,082,719</u>	\$ <u>992,270</u>

The accompanying notes form an integral part of these financial statements

# BARBADOS CONFERENCE SERVICES LIMITED

## Notes to the financial statements

For the year ended 31 March 2014

*(expressed in Barbados dollars)*

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### 1. Incorporation and principal activities

The Company was incorporated in Barbados under the Companies Act on 10 April 1997 and commenced operations on 1 April 1998. It is authorised to issue an unlimited number of common shares without par value. The sole shareholder is the Government of Barbados.

The principal activities of the Company are the operation of conference services at Lloyd Erskine Sandiford Centre.

### 2. Summary of significant accounting policies

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

#### **Basis of preparing the financial statements**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB). The financial statements comply with both these reporting frameworks because at the time of their preparation, all applicable IFRSs issued by the IASB have been adopted. In addition, the financial statements have been prepared in accordance with the requirements of the Barbados Companies Act. The financial statements have been prepared under the historical cost convention.

#### **Adoption of new and revised IFRSs**

During the current year, the Company adopted all the new and revised IFRSs and International Accounting Standards (IAS) which are relevant to its operations and are effective for accounting periods commencing on 1 April, 2013. At the date of authorisation of these financial statements, some Standards were in issue but not yet effective. The Board of Directors expects that the adoption of these Standards in future periods will not have a material effect on the financial statements of the Company.

#### **Standards issued but not yet effective**

During the year, there were several standards and interpretations issued, but not yet effective, up to the date of issuance of the Company's financial statements. The Company has not adopted any of these standards and does not expect any significant impact on its operating activities when these standards become effective.

# BARBADOS CONFERENCE SERVICES LIMITED

## Notes to the financial statements

For the year ended 31 March 2014

*(expressed in Barbados dollars)*

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## 2. Significant accounting policies (continued)

### Trade receivables

Trade receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost, using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held on call with banks with a maturity of less than or equal to ninety (90) days and bank overdrafts. On the statement of financial position, bank overdrafts are included in borrowings in current liabilities.

### Inventory

Inventory is valued at the lower of cost and net realisable value. Net realisable value represents the estimated selling price for inventory less any costs to sell the inventory. Cost is determined on a first-in-first-out basis.

### Property, plant and equipment

Property, plant and equipment are recorded at cost, net of accumulated depreciation and any recognised impairment loss. Depreciation is provided using the straight-line method at rates based on the estimated useful life of each asset. The gain or loss on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of income.

The annual depreciation rates used are:

Property under construction	- 0%
Buildings	- 4%
Equipment	- 10% - 33%
Furniture and fixtures	- 10% - 20%
Leasehold improvements	- 10% - 20%

# BARBADOS CONFERENCE SERVICES LIMITED

## Notes to the financial statements

For the year ended 31 March 2014

*(expressed in Barbados dollars)*

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## 2. Significant accounting policies (continued)

### Retirement benefits

The Company operates a defined benefit pension plan. The plan is funded by contributions made entirely by the Company. The Company's rate of contribution is determined by an independent actuary.

The cost of providing benefits is determined using the projected unit credit method based on recommendations of the independent qualified actuary at each reporting date.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding net interest (not applicable to the Company) and the return on plan assets (excluding net interest), are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Pension costs are recognised in the income statement over the estimated service lives of the employees and the pension obligation is measured as the present value of the estimated future cash flows using interest rates of Government securities which have terms to maturity approximating the terms of the related liability. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight line basis over the average period until the benefits become vested.

### Government grants

Government grants which are received for operating expenses are recognised as income in the period necessary to match them with the related costs which they are intended to fund. Government grants related to the purchase, construction or otherwise acquisition of non-current assets are deferred and recognised as income on a systematic basis over the useful lives of the assets concerned. The nature, extent and duration of Government grants are dependent upon an annual assessment by the Government of Barbados.



# BARBADOS CONFERENCE SERVICES LIMITED

## Notes to the financial statements

For the year ended 31 March 2014

*(expressed in Barbados dollars)*

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## 2. Significant accounting policies (continued)

### Revenue and advance deposits

Revenue is recognised when the service is provided and measured at the fair value of the consideration received or receivable. Revenue from the sale of goods is recognised when the Company has transferred to the buyer, the significant risk and rewards of ownership of the goods. Interest income is accrued on a time basis, by reference to the principal outstanding and the applicable interest rate. Funds received before the service is provided are recorded as advance deposits on the statement of financial position.

### Taxation

The taxation charge in the statement of income comprises current and deferred taxation. Current taxation is provided on the basis of the income before taxation for financial reporting purposes, adjusted for income and expense items which are not assessable or deductible for tax purposes. Deferred taxation is provided under the balance sheet liability method in respect of significant temporary differences arising from differences between the carrying amount of an asset and liability for financial reporting purposes and the amount used for income tax purposes. Deferred tax assets are recognised to the extent that it is probably that sufficient taxable income will be available against which temporary differences can be utilised.

### Related parties

Two parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decision. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals, government departments, statutory corporations or corporate entities.

### Foreign currencies

Transactions originating in foreign currencies are recorded in Barbados dollars at the exchange rates ruling at the dates of the transactions. Assets and liabilities denominated in foreign currencies are translated at the exchange rates at the reporting date.

# BARBADOS CONFERENCE SERVICES LIMITED

## Notes to the financial statements

For the year ended 31 March 2014

*(expressed in Barbados dollars)*

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## 2. Significant accounting policies (continued)

### **Borrowing costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of that asset and, therefore, should be capitalised. Other borrowing costs are recognised as an expense. Where funds are borrowed specifically, costs eligible for capitalisation are the actual costs incurred less any income earned on the temporary investment of such borrowing. Capitalisation should commence when expenditures are being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale in progress (may include some activities prior to commencement of physical production). Capitalisation should cease when substantially all of the activities necessary to prepare the asset for its intended use or sale are complete.

### **Financial liabilities and equity instruments**

#### **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as loans and borrowings and payables. All financial liabilities are recognised initially at fair value. In the case of loans and borrowings and payables, these are recognised net of directly attributable transaction costs. The Company's financial liabilities comprise trade and other payables, loans and borrowings including bank overdrafts.

#### **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

#### **Loans and borrowings**

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as loan interest expense in statement of comprehensive income.

This category generally applies to interest-bearing loans and borrowings. For more information refer Note 7.

# BARBADOS CONFERENCE SERVICES LIMITED

## Notes to the financial statements

For the year ended 31 March 2014

*(expressed in Barbados dollars)*

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## 2. Significant accounting policies (continued)

### Financial liabilities and equity instruments (continued)

#### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income.

#### *Classification as debt or equity*

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

#### *Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received net of direct issue costs.

Ordinary shares are classified as equity.

#### Impairment of assets

At each reporting date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case, the impairment loss is treated as a revaluation decrease.

# BARBADOS CONFERENCE SERVICES LIMITED

## Notes to the financial statements

For the year ended 31 March 2014

*(expressed in Barbados dollars)*

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## 2. Significant accounting policies (continued)

### Estimates and judgement

In the application of the Company's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods. The key estimates are described below:

### Defined benefit plans (pension benefits)

The cost of the defined benefit pension plan and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, management considers the interest rates of government bonds with at least an 'AA' rating or above. The underlying bonds are further reviewed for quality.

The mortality rate is based on the 1994 Uninsured Pensioner Mortality Table at 2014 using Industry Projection Scale AA. Future salary increases and pension increases are based on expected future inflation rates.

Further details about pension obligations are given in Note 8.

# BARBADOS CONFERENCE SERVICES LIMITED

## Notes to the financial statements

For the year ended 31 March 2014

*(expressed in Barbados dollars)*

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### 2. Significant accounting policies (continued)

#### Estimates and judgement (continued)

#### Impairment losses on loans and advances

The Company reviews its trade and other receivables at each reporting date to assess whether an impairment loss should be recorded in the income statement. In particular, management's judgement is required in the estimation of the amount and timing of future cash flows when determining the impairment loss. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance.

### 3. Bank fixed deposits

The interest earned on deposits for the year was \$34,370 (2013 - \$45,146). The interest rate at year end was 3% (2013 - 3% to 4.75%) and the deposits will mature in February 2015.

### 4. Trade and other receivables

	2014	2013
Related parties trade receivables	\$ 52,563	\$ 44,830
Other trade receivables	<u>99,577</u>	<u>46,230</u>
	152,140	91,060
Provision for estimated doubtful debts	<u>-</u>	<u>(3,105)</u>
	152,140	87,955
Vat and other receivables	2,284,782	2,595,360
Prepayments	<u>1,244,010</u>	<u>1,805,098</u>
	<u>\$ 3,680,932</u>	<u>\$ 4,488,413</u>

In determining the recoverability of trade and other receivables, the Company considers any change in the credit quality of the trade receivable from the date the credit was granted, up to the reporting date. The provision for doubtful debt represents any change in carrying value of receivables due to irrecoverability. See Note 13 for the aging analysis of trade receivables.

# BARBADOS CONFERENCE SERVICES LIMITED

## Notes to the financial statements

For the year ended 31 March 2014

(expressed in Barbados dollars)

### 5. Property, plant and equipment

	Property under Construction	Building Project	Leasehold Improvements	Equipment	Furniture and Fixtures	Totals
April 1, 2013	31,164,689	9,194,305	2,692,003	5,703,755	268,840	49,023,592
Additions	12,613,310	-	464,271	495,603	-	13,573,184
Disposals	-	-	-	(8,218)	-	(8,218)
March 31, 2014	<u>43,777,999</u>	<u>9,194,305</u>	<u>3,156,274</u>	<u>6,191,140</u>	<u>268,840</u>	<u>62,588,558</u>
<b>Depreciation</b>						
April 1, 2013	-	398,420	1,136,575	3,142,114	201,582	4,878,691
Additions	-	367,772	257,126	692,816	14,674	1,332,388
Disposals	-	-	-	(8,218)	-	(8,218)
March 31, 2014	<u>-</u>	<u>766,192</u>	<u>1,393,701</u>	<u>3,826,712</u>	<u>216,256</u>	<u>6,202,861</u>
<b>Net Book Value</b>						
March 31, 2014	<u>43,777,999</u>	<u>8,428,113</u>	<u>1,762,573</u>	<u>2,364,428</u>	<u>52,584</u>	<u>56,385,697</u>
April 1, 2013	<u>31,164,689</u>	<u>8,795,885</u>	<u>1,555,428</u>	<u>2,561,641</u>	<u>67,258</u>	<u>44,144,901</u>

See Note 11 regarding assets pledged as security and vested with the company and Note 15 regarding additional shareholder funds pledged.

The (loss) gain on disposal/ sale of property, plant and equipment amounted to \$Nil (2013 - (\$634)).

### 6. Accounts payable

	2014	2013
Trade payables	\$ 1,047,529	\$ 2,280,236
Related parties trade payables	6,886	12,608
Other	<u>1,075,445</u>	<u>152,792</u>
	<u>\$ 2,129,860</u>	<u>\$ 2,445,636</u>

The Company has contracted with a single supplier for the provision of food and beverage services at Lloyd Erskine Sandiford Centre. As of 31 March 2014, trade payables included \$Nil (2013 - \$4,621) due to the supplier and purchases for the year amounted to \$1,415,593 (2013 - \$1,946,419).

# BARBADOS CONFERENCE SERVICES LIMITED

## Notes to the financial statements

For the year ended 31 March 2014

(expressed in Barbados dollars)

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### 7. Loans payable and overdraft

	2014	2013
Loans payable	\$ 50,394,855	\$ 41,225,669
Less current portion	<u>(3,596,664)</u>	<u>(170,000)</u>
	<u>\$ 46,798,191</u>	<u>\$ 41,055,699</u>

A loan agreement was signed with Bank of Nova Scotia on July 15, 2010 for three loan facilities in the sum of \$58.1 million to finance the construction of a four (4) storey Class A commercial office building, a car park and to renovate the kitchen facilities. The loan was secured by a Debt Service Guarantee from Government of Barbados. Interest rates range from 6.75% to 6%.

- Facility A - a Non Revolving loan of \$51.4 million (inclusive of Capitalised interest) commenced on September 27, 2010. The term of the loan is 7 years and the amortization is 15 years. Repayment will commence after the 3 year construction period. Capitalised interest for the year was \$1,445,996 (2013 - \$1,958,118). Interest expense for the year was \$1,574,578 (2013 - \$ Nil).
- Facility B - a Non Revolving Loan of \$1.7 million commenced on September 27, 2010. The term of the loan is 5 years and the amortization is 10 years. Quarterly repayments of \$42,500 commenced on 31 December 2010. Interest expense for the year was \$81,968(2013 - \$86,043).
- Facility C - a Revolving loan of \$5 million which was obtained to pay VAT associated with the projects commenced on November 02, 2010. The loan term is renewable annually up to a maximum of 3 years. Capitalised interest for the year was \$134,568 (2013 - \$89,133). Interest expense for the year was \$ Nil (2013 - \$ Nil).

The Republic Bank (Barbados) Limited overdraft facility is unsecured to a limit of \$300,000 with an interest rate of 7.7% per annum at the reporting date.

# BARBADOS CONFERENCE SERVICES LIMITED

## Notes to the financial statements

For the year ended 31 March 2014

(expressed in Barbados dollars)

### 8. Pension plan obligation

The Company operates a defined benefit pension plan. The plan is administered by The Statutory Corporation Pension Fund ("SCPF"). The Company contributes the full cost of the plan at rates determined periodically by independent actuaries (currently 3.89%) of covered payroll. Pension benefits are determined on a prescribed benefits basis based on employee's highest average salary in any period of three consecutive years during the last five years of pensionable service.

Changes in the defined benefit obligation and plan assets are as follows:

	2014	2013 Restated
<b>Benefit obligation</b>		
At the beginning of the year	1,505,503	1,343,355
Current service cost	100,780	95,303
Interest costs	118,864	107,797
Benefit payments	89,184	(40,790)
Past service costs	(44,322)	(162)
Benefit obligation at end of year	<u>1,770,009</u>	<u>1,505,503</u>
<b>Plan assets at fair value</b>		
At beginning of year	1,896,007	1,731,445
Actual return on plan assets	84,656	114,979
Employer contributions (including direct benefit payment)	51,878	53,445
Benefit payments	(44,322)	(162)
Administration and other Plan Investment Management cost	(3,700)	(3,700)
	<u>1,984,519</u>	<u>1,896,007</u>

The amounts recognised in the statement of financial position are set out below:

	2014	2013 Restated
<b>Statement of financial position reconciliation</b>		
At the beginning of the year	390,504	388,090
Net periodic benefit cost	(76,111)	(70,548)
Employer contributions	51,878	53,445
Effect of Statement of other Comprehensive Income	(151,761)	19,517
Statement of financial position asset at the end of year	<u>214,510</u>	<u>390,504</u>



# BARBADOS CONFERENCE SERVICES LIMITED

## Notes to the financial statements

For the year ended 31 March 2014

(expressed in Barbados dollars)

### 8. Pension plan obligation (continued)

The amounts recognised in the statement of other comprehensive income are as follows:

	2014	2013 Restated
(Gain) loss from change in demographic assumptions	(75,993)	17,104
(Gain) loss from experience	165,176	(57,894)
Expected return on plan assets	147,233	136,252
Actual return on plan assets	(84,655)	(114,979)
Statement of Other Comprehensive Income at end of year	<u>\$ 151,761</u>	<u>\$ (19,517)</u>

	2014	2013 Restated
Current service cost	100,780	95,303
Interest cost	118,864	107,797
Expected returns on plan assets	(147,233)	(136,252)
Administration & other non plan investment management	3,700	3,700
Statement of Other Comprehensive Income at end of year	<u>\$ 76,111</u>	<u>\$ 70,548</u>

Principal actuarial assumptions used for accounting purposes were as follows

Assumed Discount rate	7.75%	7.75%
Expected rates of future salary increases	5.00%	5.00%
Expected rates of future pension increases	0.75%	0.75%

A quantitative sensitivity analysis for significant assumptions as at 31 March 2014 is shown below:

Change in Assumption	Benefit Obligation
Base IAS 19 Results	\$1,770,009
Reduce discount rate by 1% pa	\$2,110,256
Increase discount rate by 1% pa	\$1,501,457
Reduce salary increase by 0.5% pa	\$1,665,169
Increase salary increase by 0.5% pa	\$1,883,900
Increase average expectancy by 1 year	\$1,862,222

# BARBADOS CONFERENCE SERVICES LIMITED

## Notes to the financial statements

For the year ended 31 March 2014

(expressed in Barbados dollars)

### 9. Note payable

The note is payable to Barbados Tourism Investment Corporation, is interest free, unsecured and carries no fixed date of repayment.

### 10. Deferred government grant

	2014	2013
Balances – beginning of year	\$ <u>4,436,285</u>	\$ <u>4,066,611</u>
Amounts received in current year:		
Expenses	1,760,000	1,934,000
Capital	<u>5,906,998</u>	<u>1,000,000</u>
	<u>7,666,998</u>	<u>2,934,000</u>
Transfer to income:		
Expenses	1,760,000	1,934,000
Capital	<u>1,049,670</u>	<u>630,326</u>
	<u>2,809,670</u>	<u>2,564,326</u>
<b>Balances – end of year</b>	<b>\$ <u>9,293,613</u></b>	<b>\$ <u>4,436,285</u></b>

### 11. Related party transactions

In addition to the transactions disclosed in Notes 4, 5 and 6, the shareholder and the Barbados Tourism Investment Corporation have provided certain fixed assets including the Lloyd Erskine Sandiford Centre, plus certain furniture and fixtures for use in the Company's operations. The furniture and fixtures were vested in the Company for use, but any disposal proceeds are to be paid into the Government Consolidated Fund. Accordingly, these financial statements do not necessarily reflect the conditions that would have occurred if the Company had operated as an unrelated entity.

During the year, the Company incurred \$192,523 (2013 - \$239,906) for services provided by related parties and sales to related parties amounted to \$1,570,806 (2013 - \$2,791,680).

#### *Stated Capital:*

The Company is authorised to issue an unlimited number of shares without nominal or par value of one class designated as common shares.

	2014	2013
	\$	\$
<b>Issued – 6,015,174 common shares</b>	<b><u>6,015,174</u></b>	<b><u>6,015,174</u></b>

# BARBADOS CONFERENCE SERVICES LIMITED

## Notes to the financial statements

For the year ended 31 March 2014

(expressed in Barbados dollars)

### 12. Tax losses

As at 31 March 2014, the Company had incurred tax losses which are available to offset against future taxable income as shown below.

Year of Loss	Amount	Expiry date
2005	289,653	2014
2006	835,174	2015
2007	625,850	2016
2014	<u>1,314,447</u>	2023
	<u>\$3,065,124</u>	

The potential tax benefit of the remaining tax losses is \$766,281 (2013 - \$560,244) at the current rate of tax. The deferred tax asset associated with these tax losses has not been booked in the financial statements, since it is uncertain that there will be sufficient future taxable income against which the losses can be utilised.

Taxation Account – Statement of Income:

Corporation tax \$ \_\_\_\_\_ - \$ \_\_\_\_\_ -

The tax on Company's (loss) income before taxation differs from the theoretical amount that would arise using the basic tax rate of Barbados as follows:

	2014	2013
	\$	\$
Loss before taxation	(2,290,577)	(284,350)
Tax calculated at statutory rate at 25%	(572,644)	(71,088)
Tax effect of disallowed expenses	-	-
Tax effect of loss not recognised	-	-
Tax effect of losses utilised	<u>572,644</u>	<u>71,088</u>
	<u>-</u>	<u>-</u>

# BARBADOS CONFERENCE SERVICES LIMITED

## Notes to the financial statements

For the year ended 31 March 2014

*(expressed in Barbados dollars)*

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### 13. Financial risk management

The Company's principal financial liabilities comprise of loans payable, note payable, accounts payables and advanced deposits. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, and cash and bank fixed deposits that derive directly from its operations.

The Company is exposed to market risk, credit risk, liquidity risk, operational risk, compliance risk and reputation risk. The Company's senior management oversees the management of these risks. The Board of Directors also reviews and agrees policies for managing these risks.

#### Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprise three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. The Company is not exposed to equity price risk. Financial instruments affected by market risk include loans and deposits.

##### a) *Interest rate risk*

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Company's income and operating cash flows are substantially independent of changes in market interest rates as the Company has no significant interest bearing assets. The Company is exposed to interest rate risk in relation to its current deposits. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly. The Company's exposure to interest rate risk is also disclosed in Notes 3, 7, 8 and 9.

##### b) *Currency risk*

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's measurement currency. The Company is not significantly exposed to foreign exchange risk arising from various currency exposures. The Company's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

# BARBADOS CONFERENCE SERVICES LIMITED

## Notes to the financial statements

For the year ended 31 March 2014

(expressed in Barbados dollars)

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### 13. Financial risk management (continued)

#### Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the balance sheet date. The Company has no significant concentration of credit inflows from financial assets on hand at the reporting date. The Company has no significant concentration of credit risk. The Company has policies in place to ensure that sales of services are made to customers with an appropriate credit history and monitors on a continuous basis, the ageing profile of its receivables. Cash balances are held with high credit quality financial institutions and the Company has policies to limit the amount of exposure to any financial institution.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables.

The Company's average credit period on the provision of services is 30 days.

#### Maximum exposure to credit risk

Credit risk exposures are as follows:

	2014	2013
Cash	\$ 1,200	\$ 1,200
Cash at bank	861,829	369,621
Bank fixed deposits	219,690	621,449
Trade receivables	<u>152,140</u>	<u>91,060</u>
	\$ <u>1,234,859</u>	\$ <u>1,083,330</u>

The above table represents a worst case scenario of credit risk exposure to the Company at 31 March 2014 and 2013.

#### i) *Ageing analysis of trade receivables that are past due*

Trade receivables that are less than three months past due, were not considered impaired. As of 31 March 2014, trade receivables of \$134,965 (2013 - \$59,778) were past due, but not impaired. These relate to a number of independent customers for whom there is no recent history of default.

# BARBADOS CONFERENCE SERVICES LIMITED

## Notes to the financial statements

For the year ended 31 March 2014

(expressed in Barbados dollars)

### 13. Financial risk management (continued)

#### Maximum exposure to credit risk (continued)

The aging analysis of the trade receivables is as follows:

	2014	2013
0 to 1 month	\$ -	\$ 13,460
1 to 2 months	121,526	58,356
2 to 3 months	16,296	1,422
Over 3 months	<u>14,318</u>	<u>17,822</u>
	\$ <u>152,140</u>	\$ <u>91,060</u>

As at 31 March 2014, trade receivables of \$20,193 (2013 - \$17,822) were considered possibly impaired. The aging of these receivables is as follows:

	2014	2013
2 to 3 months	\$ 5,875	\$ -
Over 3 months	<u>14,318</u>	<u>17,822</u>
	\$ <u>20,193</u>	\$ <u>17,822</u>

#### ii) Provision for impairment

Bad debts written off during the year amounted to \$5,479 (2013 - \$3,106).

The creation and release of provision for impaired receivables have been included in expenses in the profit and loss account. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

#### Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its payment obligations associated with its financial liabilities when they fall due. Ultimate responsibility for liquidity risk management rests with the board of directors. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and through grants from its shareholder. The Company also manages liquidity risk by monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest bearing liabilities as they mature, are important factors in assessing the liquidity of the Company and its exposure to changes in interest rates and exchange rates. The tables below summarise the maturity profile of the Company's financial liabilities at 31 March 2014 based on contractual undiscounted payments.

# BARBADOS CONFERENCE SERVICES LIMITED

## Notes to the financial statements

For the year ended 31 March 2014

(expressed in Barbados dollars)

### 13. Financial instruments (continued)

#### Liquidity risk (continued)

	Less than 6 months	6 to 12 Months	1 to 5 Years	Over 5 years	Totals
<b>As at 31 March 2014</b>					
Trade and other payables	-	\$2,129,860	-	-	\$2,129,860
Bank loan – due within one year	-	\$3,596,664	-	-	\$3,596,664
Loan payable	-	\$46,798,191	-	-	\$46,798,191
Note payable	-	-	-	\$39,428	\$39,428
<b>Total financial liabilities</b>					
(contractual maturity dates)	\$ -	\$52,524,715	\$ -	\$39,428	\$52,564,143
	Less than 6 months	6 to 12 Months	1 to 5 Years	Over 5 years	Totals
<b>As at 31 March 2013</b>					
Trade and other payables	-	\$2,445,636	-	-	\$2,445,636
Bank loan – due within one year	-	\$170,000	-	-	\$170,000
Loan payable	-	\$41,055,699	-	-	\$41,055,699
Note payable	-	-	-	\$39,428	\$39,428
<b>Total financial liabilities</b>					
(contractual maturity dates)	\$ -	\$43,671,335	\$ -	\$39,428	\$43,710,763

#### Operational risk

Operational risk is the risk that derives from the deficiencies relating to the Company's information technology and control systems as well as the risk of human error and natural disasters. The Company's systems are evaluated, maintained and upgraded continuously.

#### Compliance risk

Compliance risk is the risk of financial loss, including fines and other penalties, which arise from non-compliance with laws and regulations of the state. The risk is limited to a significant extent due to the supervision applied by management, as well as by the monitoring controls applied by the Company.

# BARBADOS CONFERENCE SERVICES LIMITED

## Notes to the financial statements

For the year ended 31 March 2014

*(expressed in Barbados dollars)*

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### 13. Financial instruments (continued)

#### *Reputation risk*

The risk of loss of reputation arising from the negative publicity relating to the Company's operations (whether true or false) may result in a reduction of its clientele, reduction in revenue and legal cases against the Company. The Company applies procedures to minimise the risk.

#### **Fair value of financial instruments**

Fair value amounts represent the approximate values at which financial instrument could be exchanged in current transactions between willing parties. However, many of the financial instruments lack an available trading market and therefore it is not possible to determine independently the estimated fair values. The directors consider that the carrying amount of financial assets and liabilities recorded at amortised cost in the financial statements approximate their fair values.

#### **Capital risk management**

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of equity comprising capital contributions and retained earnings as disclosed in the statement of changes in shareholder's equity. The Company reviews the capital structure at least on an annual basis. As a part of this review, the Company considers the cost of capital and the risks associated with each class of capital. The Company will balance its overall capital structure through the issue of new debt or the redemption of existing debt and share capital.

### 14. Management personnel compensation

During the year, the Company incurred \$546,227 (2013 - \$515,832) for services provided by key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.



# BARBADOS CONFERENCE SERVICES LIMITED

## Notes to the financial statements

For the year ended 31 March 2014

*(expressed in Barbados dollars)*

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### 15. Going concern

The Company's ability to continue as a going concern is dependent on management's ability to successfully execute its business plan and the ability to obtain adequate annual grants from its shareholder. While these financial statements have assumed going concern and do not include any adjustments that would be required if the going concern assumption were not appropriate, there are risks associated with the business that raise doubt about the Company's ability to continue as a going concern. Management believes that the Company's business plan will be executed and **subsequent to the year end** the shareholder committed to providing a grant for the year ending 31 March 2015 of \$5,197,813.

The shareholder approved the sum of \$4,257,025 to meet the outstanding obligation in relation to the New Office Project (Note 5).

During the year ended 31 March 2014, the company incurred a liability in the sum of \$279,200 with regard to the fit out of the New Office Project of which financing is yet to be finalized.

### 16. Contingencies

Certain individuals have initiated legal proceedings against the Company for various reasons. These legal proceedings are ongoing and the amounts of the claims are not expected by management to be significant to the overall financial statements.

The company was advised to award the sum of \$150,000 to Home Show 2007 prize winner.

### 17. Comparative figures

Certain comparative figures have been reclassified to conform to the current year's presentation.