

# **HOTELS & RESORTS LIMITED**

## **ANNUAL REPORT**

APRIL 1, 2022 – MARCH 31, 2023

BOARD PAPER 2023/13

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## 1.0 The Company:

Hotels & Resorts Limited (“the Company”) was incorporated on December 27, 1995 to be a “developmental model” for small South Coast hotels. After a number of challenges with the project, the Shareholders made a decision to divest in 2005. At that time there were five hotels within the portfolio, three of which were subsequently sold. Therefore, the primary objective of the Company is to sell the two remaining hotel properties within its portfolio – The Savannah hotel, which is leased until sold and the Blue Horizon hotel, which is operated by the Company.

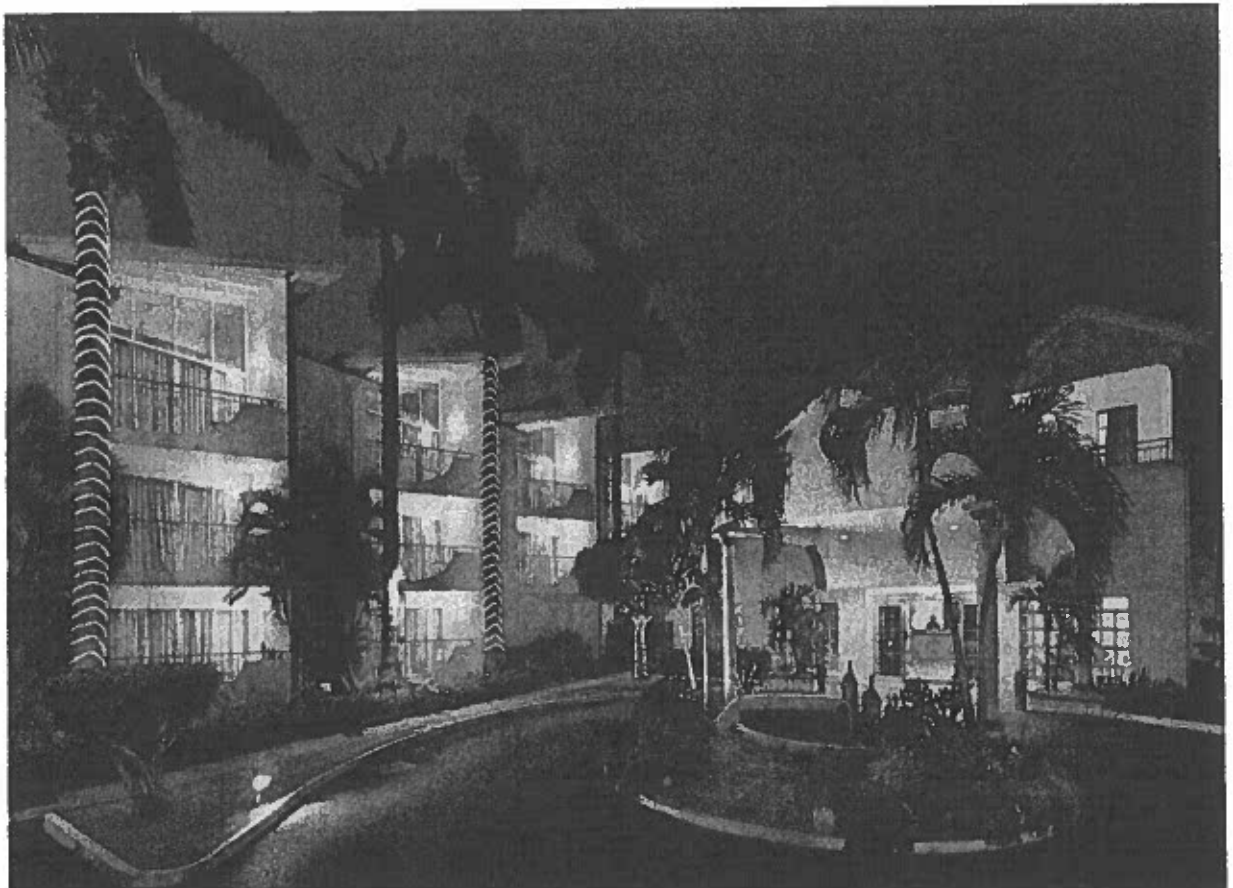
In line with the divestment agenda the vision and mission of the Company is articulated below:

### Vision:

*To successfully divest with our shareholders, employees, stakeholders, and tourism at the forefront.*

### Mission:

- *To develop a progressive divestment strategy pursuing investors whose foresight align with our shareholders' vision of Barbados tourism*
- *To focus on financial performance creating value for our shareholders and appeal to investors*
- *To create an open, transparent, and supportive culture that develops high performing, multi-faceted employees*
- *To maintain our hotel plant creating appeal to investors while providing quality affordable accommodation matched with service that optimize the guest experience*



## 2.0 The Chairman's Report

### Chairman's Report for financial year ended March 31, 2023

With Barbados and the rest of the world still reeling from the effects of the Covid-19 pandemic the financial year commenced with great prospects for the Company's improved operational performance, especially coming immediately after the promise gleaned from the 2021/2022 winter tourist season.

Unfortunately, however, the summer season did not live up to expectations even though some ease was granted with respect to the Covid-19 restrictions, and the globe-trotters reported appetite to resume travel and get "out and about".

Blue Horizon Hotel like other hotels in Barbados and the region continued to be impacted by low room rates and occupancy levels for the first six months of the year under review. However, even the significant improvements seen during the third quarter, and the very good 2022/2023 winter season, were not sufficient to eliminate the preceding months' losses by year end.

During the year greater emphasis was placed on the general upkeep and maintenance of the hotel properties, the amenities, the environment, and to improve the range of services offered. Achieved improvements were seen during the latter part of the year with respect to Blue Horizon's revenue, average daily rates and room occupancies. The upgraded Restaurant commenced operations with a new concessionaire in time for the 2022-2023 winter tourist season. The Company also embarked on a digital marketing programme.

Despite these efforts the Company's recorded a net loss of \$1,031,543 for the financial year ended March 31, 2023, which represented a marginal improvement over the \$1,036,327 recorded loss for the prior year,

The Company's struggle with the divestment process continued throughout the year. This prompted the commissioning of updated valuations for the two hotel properties. At year end work was in progress for the properties to be offered on the market to international, local, and regional realtors, with a view to completing the long outstanding divestment process in the shortest possible time frame.



Peter V. Harris  
Chairman

### 3.0 The year in review (April 1, 2022 – March 31, 2023)

#### Divestment

Plans continued to advance the divestment agenda, however these were frustrated by legal and other challenges. At year end a number of potential investors expressed interest in the hotels; this is encouraging and we look forward to converting this interest into firm offers.

#### Operations

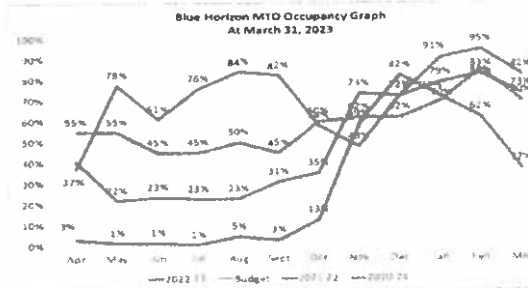
There was a weak start to the 2023 year as occupancies plummeted from the relatively high January to March 2022 winter season. As seen in the below chart the occupancies for the April to October period were below both budget and the prior year. The prior year's summer occupancies were bolstered by quarantine business in that year. Quarantine business accounted for much of the occupancy in the April through October period in the prior year, due to local authority requirements for visitors to quarantine on arrival to Barbados, and for residents to quarantine whilst awaiting COVID-19 test results if they were exposed to the virus.

There was however a sharp turn-around from November through March and occupancies ranged from 62% to 95%. The year saw a return of traditional guests and business from online tour operators and ground handlers for ship crew were the strongest segments. There was also a noted uptake of Canadian and local company business, the latter showing a return to in person meetings and seminars.

Whilst the turnaround in occupancies was not enough to make up for the shortfalls in the first two quarters of the year, the increase in ADR resulted in similar revenues when compared to the prior year. Revenue of \$3,621k was earned compared to \$3,579k in the prior year.

The key performance indicators at the end of the year were as follows:

- **Occupancy: 50.80%** [2022: 69.2%]
- **ADR: \$239.28** [2022: \$173.43]
- **RevPar: \$121.54** [2022: \$120.07]



Inflationary pressures and costs associated with a return to traditional business led to an increase in operating costs [\$1,205k vs. \$1,026K]. By year end, a negative EBITDA of (\$113k) was accumulated, which was \$54k greater than the prior year's negative EBITDA of (\$59k). After accounting for depreciation and interest income, a net loss of \$1,032k was incurred compared to prior year's net loss of \$1,036k.

The EBITDA and NOL by department are as per the below tables.

Table 1: EBITDA

EBITDA	March 31 2023	March 31 2022	Variance
<b>Leases - Savannah</b>	131,808	61,693	70,115
<b>Blue Horizon</b>	251,308	476,873	(225,565)
<b>Unallocated Expenses</b>	(495,753)	(597,792)	102,039
<b>EBITDA</b>	<b>(112,637)</b>	<b>(59,226)</b>	<b>(53,411)</b>

*EBITDA represents adjusted hotel/cost centre EBITDA, which has been adjusted to exclude gains/losses on disposals, impairment and interest in Joint Venture.*

Table 2: NOP/(NOL)

NOP/(NOL)	March 31 2023	March 31 2022	Variance
<b>Leases</b>	(447,485)	(522,308)	74,823
<b>Blue Horizon</b>	(88,226)	136,548	(224,774)
<b>Unallocated Expenses</b>	(506,069)	(660,334)	154,265
<b>JV Share Gain/Loss</b>	(93)	(265)	172
<b>Interest Income/(Expense)</b>	10,330	10,032	298
<b>Profit / (Loss) Before Impairment</b>	<b>1,031,543</b>	<b>(1,036,327)</b>	<b>4,784</b>

### Cashflow/Liquidity

The Company was in a position to meet its operating requirements during the year and is forecasted to do so over the medium term. The year ended with a working capital balance of \$1,807k compared to the prior year \$2,366k. The cash balance of \$4,052k, was a 16% increase over the prior year's \$3,506k, the increase mainly as a result of the collection of a major outstanding receivable from the prior year.

## 4.0 Major Capital Projects

Whilst no major capital projects were carried out in the reporting year, a sample room was fully renovated at the Blue Horizon hotel and there are plans to refurbish a block in the 2024 fiscal year. The Operator at The Savannah hotel continued refurbishment at that hotel during the year.

## 5.0 Distribution to Shareholders

No distributions were made to the Shareholder in the current year. However, contributions of \$325,782 received from Enterprise Growth Fund Limited (EGFL), through the government funded Barbados Employment and Sustainable Transformation (BEST) programme was repaid subsequent to the year end.

## 6.0 Fiscal Risks

### Divestment/Investor Risk

The Company may not be able to dispose of the hotels in a timely manner or on favourable terms, which could adversely affect its financial condition, operating results, and cash flows.

The risk of not securing a lease arrangement and/or a sale agreement for The Savannah hotel, may result in the Company having to maintain the property in the short to medium term. A closed hotel will result in its rapid deterioration and to operate it would require a large capital outlay.

The continued operation of Blue Horizon hotel will incur ongoing capital outlay to ensure that the property standards are acceptable.

### Climate Change

The increase in hurricanes and other natural disasters because of global warming, continues to pose the threat of reduced demand and destruction of the property, plant, and equipment.

Management monitors warnings for natural disasters and implements procedures to safeguard the assets. In addition, all assets are insured, and insurance coverage is reviewed annually to ensure that it is adequate. However, some losses and catastrophic events are uninsurable.

### Geopolitical Tensions

Geopolitical factors continue to pose a threat to the Company. This may result in an increase in oil prices, thereby driving up costs and increasing inflationary pressures. Travel is often based on discretionary income and this may impact occupancies.

### Cyber security

The emerging rise in global cyber-attacks and the increase in the administrative staff remote working heightens the chances of cyber-attacks. This will put pressure on the Company as operations are reliant on effective working information systems. To mitigate these risks measures such as complex password protection, backing up and storing data offsite are in place.

### Contingent Liabilities

The Company is exposed to a claim made by Commonwealth Hospitality Limited (CHL), a former hotel manager for US\$13.6 Million, which is the subject of arbitration. US\$1,091,450 was accrued at March 31, 2023 against this claim, details of which are disclosed in the Notes to the Financial Statements.

## 7.0 Compliance with Statement of Social Responsibility

*"We aim to be a responsible corporate entity and in our business dealings we focus on our employees, the environment and the community"*

Employees

During the year, we continued our cross-training programme focused on employee development.

Community

The development of youth and sponsorship of youth programmes is a key area of interest for the Company. We continued our partnership with the Prince's Trust and three persons were recruited on our training and mentoring job attachment programme. We will also allocate a job attachment for students from the University of the West Indies Cave Hill campus or the Barbados Community college studying tourism or other related discipline.

Environment

We continue to play our part in protecting our environment and we use energy efficiency bulbs, air conditioners and toilets throughout our plant.

**8.0 Remuneration paid to each Board Director**

Number of Directors		Fees
1	Chairman	13,840
1	Chairman	6,920
1	Deputy chairman	7,200
4	Directors	4,860
2	Directors	3,645
1	Director	1,215

Remuneration paid to the board of directors are included in the Directors Fees and Expenses on the Statement of Comprehensive Income.

**9.0 Remuneration paid to Senior/Middle Management**

Number of Employees	Salary range	Benefits
1	156,000 - 192,000	4,428
1	72,000 - 93,800	2,628
1	54,000 - 75,600	1,025

Executive management salary is disclosed in Note 10 - Related Party Transactions in the Financial Statements. Benefits include pension payments to employees' plans and contribution to employer's medical plan through the Barbados Hotel and Tourism Authority Group Plan.

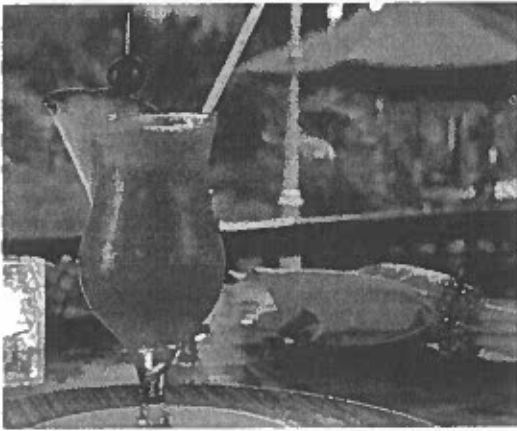


## Appendix 1

### Summary Results & KPIs

	March 31, 2023	March 31, 2022	Variance	% Var
<b>Occupancy</b>	50.80%	69.23%	0.41	
<b>ADR</b>	\$ 239.28	\$ 173.43	\$ 24.15	
<b>RevPar</b>	\$ 121.54	\$ 120.07	\$ 78.23	
<b>Revenue</b>				
<b>Rooms</b>	2,972,363	2,936,347	36,016	1.23%
<b>Other</b>	648,613	642,829	5,784	0.90%
<b>Total Revenue</b>	<b>3,620,976</b>	<b>3,579,176</b>	<b>41,800</b>	<b>1.17%</b>
<b>Operating Costs</b>	1,205,543	1,025,652	179,891	17.54%
<b>Operating Costs %</b>	33.29%	28.66%		
<b>Gross Margin (GOI)</b>	2,415,433	2,553,524	(138,093)	(5.41%)
<b>GOI %</b>	66.71%	71.34%		
<b>Undistributed Expenses (UE)</b>	2,468,428	2,555,576	(87,148)	(3.41%)
<b>UE %</b>	68.17%	71.40%		
<b>EBITDA</b>	(112,637)	(59,224)	(53,414)	90.19%
<b>Operating Margin (EBITDA/Revenue)</b>	(3.11%)	(1.65%)		
<b>Net Loss</b>	(1,031,543)	(1,036,327)	4,783	(0.46%)

<b>ROE (Net Income/Shareholder's Equity)</b>	(3.96%)	(3.83%)		
<b>Cash generated/(loss)</b>	(102,400)	(49,457)	(52,943)	107.05%
<b>Liquidity</b>				
<b>Working Capital</b>	1,806,537	2,365,531	(558,994)	(23.63%)
<b>Current Ratio</b>	1.51	1.76		



## **Section B**

**Hotels & Resorts Limited  
Audited Financial Statements  
For the year ended March 31, 2023**

# **Hotels & Resorts Limited**

Financial Statements

**March 31, 2023**

(expressed in Barbados dollars)

# Hotels & Resorts Limited

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For the year ended March 31, 2023

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# Hotels & Resorts Limited

Corporate Information

For the year ended March 31, 2023

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## Directors

Peter V. Harris	Chairman
C. Stephen Ollivierre	Deputy Chairman
John S. M Rocheford	Director
<i>Permanent Secretary Ministry of Tourism &amp; International Transport</i>	
Francine J. Blackman	Director
<i>Representative of the Chairman of the Barbados Tourism Investment Inc.</i>	
Jefferson R. Lashley	Director
Charmaine J. St John	Director
Robin H. Simmons	Director

## Secretary

Inez Hinkson

## Registered Office

Gems of Barbados Corporate Office  
Rockley  
Christ Church  
Barbados

## Principal Office

Gems of Barbados Corporate Office  
Rockley  
Christ Church  
Barbados

## Bankers

RBC Royal Bank of Canada Barbados Limited  
Lower Broad Street  
Bridgetown  
Barbados

## Auditors

Grant Thornton Ltd  
Suite 2, Berne Building  
The Courtyard, Hastings  
Christ Church  
Barbados

## Attorneys-at-Law

Clarke Gittens Farmer	Karen Perreira
Parker House	InterCaribbean Legal
Willey Business Park	28 Pine Road
St. Michael	St. Michael
Barbados	Barbados

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## INDEPENDENT AUDITOR'S REPORT

### To the Shareholders of Hotels & Resorts Limited

#### Opinion

We have audited the accompanying financial statements of Hotels & Resorts Limited (the "Company"), which comprise the statement of financial position as at March 31, 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities ("IFRS for SMEs").

#### Basis for Opinion

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

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

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

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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Chartered Accountants

Audit | Tax | Advisory

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### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



**Other Matter**

This report is made solely to the Company's shareholders, as a body corporate, in accordance with Section 147 of the Companies Act of Barbados. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company's shareholders for our audit work, for this report, or for the opinion we have formed.

*Grant Thornton Ltd*

**Chartered Accountants**

**June 29, 2023**

**Barbados**



# Hotels & Resorts Limited

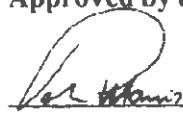
## Statement of Financial Position As at March 31, 2023


(expressed in Barbados dollars)

	Notes	2023 \$	2022 (As restated) \$
<b>Assets</b>			
<b>Current assets</b>			
Cash		4,051,843	3,505,993
Trade and other receivables	5	1,022,460	1,754,278
Prepaid expenses	6	261,899	198,791
Inventories		—	31,021
<b>Total current assets</b>		<b>5,336,202</b>	<b>5,490,083</b>
<b>Non-current assets</b>			
Property and equipment	7	24,047,324	24,845,562
Investment	8	156,000	156,000
Investment in a joint venture	9	1,692,585	1,692,678
<b>Total non-current assets</b>		<b>25,895,909</b>	<b>26,694,240</b>
<b>Total assets</b>		<b>31,232,111</b>	<b>32,184,323</b>
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	11	3,130,622	3,096,704
Advances from shareholder	10	325,782	—
VAT payable		73,261	27,848
<b>Total current liabilities</b>		<b>3,529,665</b>	<b>3,124,552</b>
<b>Non-current liabilities</b>			
Advances from joint venture	10	1,667,470	1,667,470
Advances from shareholder	10	—	325,782
<b>Total non-current liabilities</b>		<b>1,667,470</b>	<b>1,993,252</b>
<b>Total liabilities</b>		<b>5,197,135</b>	<b>5,117,804</b>
<b>Equity</b>			
Share capital	12	27,291,154	27,291,154
Contributed surplus	13	250,429,844	250,429,844
Accumulated deficit		(251,686,022)	(250,654,479)
<b>Total equity</b>		<b>26,034,976</b>	<b>27,066,519</b>
<b>Total liabilities and equity</b>		<b>31,232,111</b>	<b>32,184,323</b>

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

Approved by the Board of Directors on June 29, 2023.

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

# Hotels & Resorts Limited

## Statement of Changes in Equity For the year ended March 31, 2023

(expressed in Barbados dollars)

	Notes	Share capital \$	Contributed surplus \$	Accumulated deficit \$	Total \$
<b>Balance at March 31, 2021, as previously reported</b>		<b>27,291,154</b>	<b>250,668,772</b>	<b>(249,618,152)</b>	<b>28,341,774</b>
Prior period adjustment	19	—	(325,782)	—	(325,782)
Shareholder contribution	13	—	86,854	—	86,854
Net loss for the year		—	—	(1,036,327)	(1,036,327)
<b>Balance at March 31, 2022, as restated</b>		<b>27,291,154</b>	<b>250,429,844</b>	<b>(250,654,479)</b>	<b>27,066,519</b>
Net loss for the year		—	—	(1,031,543)	(1,031,543)
<b>Balance at March 31, 2023</b>		<b>27,291,154</b>	<b>250,429,844</b>	<b>(251,686,022)</b>	<b>26,034,976</b>

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

**Hotels & Resorts Limited**  
Statement of Comprehensive Income  
For the year ended March 31, 2023

(expressed in Barbados dollars)

	Notes	2023 \$	2022 \$
<b>Revenue</b>			
Rooms		2,972,363	2,936,347
Other revenues		648,612	642,829
		<u>3,620,975</u>	<u>3,579,176</u>
<b>Direct costs</b>			
Room costs		1,136,715	951,481
Other costs		68,828	74,171
		<u>1,205,543</u>	<u>1,025,652</u>
<b>Gross operating income</b>		<u>2,415,432</u>	<u>2,553,524</u>
<b>Undistributed expenses</b>			
Administration	15	1,027,317	1,080,457
Operations and maintenance		526,476	547,241
Insurance and property tax		526,999	523,114
Utilities		333,174	375,500
Sales and marketing		54,462	29,264
		<u>2,468,428</u>	<u>2,555,576</u>
<b>Gross operating loss</b>		<u>(52,996)</u>	<u>(2,052)</u>
Directors' fees and expenses		59,641	57,172
<b>Net operating loss</b>		<u>(112,637)</u>	<u>(59,224)</u>
Depreciation	7	(927,322)	(929,941)
Interest income		10,330	10,032
Loss on disposal		(1,821)	(5,442)
Share in net loss of a joint venture	9	(93)	(265)
Write-off of property and equipment	7	-	(51,487)
		<u>(918,906)</u>	<u>(977,103)</u>
<b>Net loss and comprehensive loss for the year</b>		<u>(1,031,543)</u>	<u>(1,036,327)</u>

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

# Hotels & Resorts Limited

## Statement of Cash Flows

For the year ended March 31, 2023

(expressed in Barbados dollars)

	Notes	2023 \$	2022 (As restated) \$
<b>Cash flows from operating activities</b>			
Net loss for the year		(1,031,543)	(1,036,327)
Adjustments for:			
Depreciation	7	927,322	929,941
Interest income		(10,330)	(10,032)
Write-off of trade receivables	5	5,968	3,579
Loss on disposal of property and equipment		1,821	5,442
Share in net loss of joint venture	9	93	265
Write-off of property and equipment	7	—	51,487
<b>Operating loss before working capital changes</b>		<b>(106,669)</b>	<b>(55,645)</b>
Decrease /(increase) in trade and other receivables		725,850	(1,228,347)
Increase in prepaid expenses		(63,108)	(814)
Decrease /(increase) in inventories		31,021	(21,087)
Decrease in VAT recoverable		—	12,257
Increase in VAT payable		45,413	27,848
Increase /(decrease) in accounts payable and accrued liabilities		33,918	(3,257)
Increase in advances from shareholder		—	86,854
<b>Net cash generated from/ (used in) operations</b>		<b>666,425</b>	<b>(1,182,191)</b>
Interest received		10,330	10,032
<b>Net cash from /(used in) operating activities</b>		<b>676,755</b>	<b>(1,172,159)</b>
<b>Cash flows used in investing activities</b>			
Acquisition of property and equipment	7	(130,905)	(94,325)
<b>Net increase /(decrease) in cash</b>		<b>545,850</b>	<b>(1,266,484)</b>
<b>Cash at beginning of year</b>		<b>3,505,993</b>	<b>4,772,477</b>
<b>Cash at end of year</b>		<b>4,051,843</b>	<b>3,505,993</b>

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

# Hotels & Resorts Limited

Notes to the Financial Statements

March 31, 2023

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(expressed in Barbados dollars)

## 1 Incorporation and principal activity

Hotels & Resorts Limited (the “Company”) was incorporated under the Laws of Barbados on December 27, 1995. The principal activity of the Company was the investment and development of hotel properties. The Company’s registered office is at Gems of Barbados Corporate Office, Rockley, Christ Church, Barbados. The Company is approximately 95.1% owned by the Government of Barbados, 3.6% by Sintjon Limited and 1.3% by Worthing Court Apartment Hotel Limited. The three shareholders are domiciled in Barbados.

Through the creation of the hotel brand, Gems of Barbados (Gems), the Company integrated the marketing and management for the hotels on its portfolio.

In 2005, a decision was made to divest, and the hotels were put on the market for sale. There are two remaining hotels in the portfolio – The Savannah, which is leased, and Blue Horizon which is operated by the Company.

## 2 Going concern

The operating hotel continues to be impacted by lower occupancies and average rates as is the current trend in the industry. For the year ended March 31, 2023, the Company recognized a loss of \$1,031,543 (2022: \$1,036,327) and at this date, its current assets exceeded current liabilities by \$1,806,537 (2022: \$2,365,531).

Management has assessed its liquidity position and taking into account worse case scenarios, has ascertained that the Company would be in a position to meet its liabilities as they fall due within the next year.

## 3 Basis of preparation

### a) Statement of compliance

These financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-Sized Entities (IFRS for SMEs) adopted by the International Accounting Standards Board (IASB).

The financial statements were authorized for issuance by the Directors on June 29, 2023.

### b) Basis of measurement

These financial statements have been prepared on the historical cost basis.

### c) Functional and presentation currency

These financial statements are presented in Barbados dollars, which is the Company’s functional currency. All financial information presented in Barbados dollars has been rounded to the nearest dollar.

### d) Prior period adjustment

The Company’s comparative figures as at March 31, 2022 were restated as a result of prior period adjustment (see Note 19).

# Hotels & Resorts Limited

Notes to the Financial Statements

March 31, 2023

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(expressed in Barbados dollars)

## 3 Basis of preparation ...continued

### e) Use of estimates and judgements

The preparation of financial statements in conformity with the IFRS for SMEs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses during the period. Actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

#### *Impairment of trade receivables*

Significant management judgment is required to determine a provision for impairment which is established when there is objective evidence that the Company will not be able to collect all amounts due. Significant financial difficulties of the debtor and default or delinquency in payments are considered indicators that the receivable is impaired. The Company has provided allowance for doubtful accounts to its trade receivables as at March 31, 2023 (see Note 5).

#### *Impairment of property and equipment*

In assessing impairment, management estimates the recoverable amount of its property and equipment based on expected future cash flows and uses an interest rate to calculate the present value of those cash flows. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate. Though management believes that the assumptions used in the estimation of fair values reflected in the financial statements are appropriate and reasonable, significant changes in those assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations. The Company has provided impairment allowance to its property and equipment as at March 31, 2023 (see Note 7).

## 4 Summary of significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

### a) Financial instruments

#### *i) Financial assets*

The Company initially recognizes financial assets on the date when they are originated. The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial asset that is created or retained by the Company is recognized as a separate asset or liability.

# Hotels & Resorts Limited

Notes to the Financial Statements

March 31, 2023

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(expressed in Barbados dollars)

## 4 Summary of significant accounting policies ...continued

### a) Financial instruments ...continued

#### i) Financial assets ...continued

The Company's financial assets comprise cash, trade and other receivables and investment. The classification depends on the purpose for which the financial asset was acquired. Management determines the classification of its financial assets at initial recognition.

##### *Cash*

Cash includes cash at bank and on hand.

##### *Trade and other receivables*

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transactions costs. Subsequent to initial recognition, trade and other receivables are measured at amortized cost using the effective interest method, less any impairment losses. They are included in current assets, except for maturities greater than 12 months after the reporting date. These are classified as non-current assets.

##### *Investment*

Investment includes shares owned at the Southern Golf and Country Club Ltd. which are initially recognized at fair value and subsequently carried at cost as these shares are not traded on recognized stock market.

#### ii) Financial liabilities

Financial liabilities are recognized on the date at which the Company becomes a party to the contractual provisions of the instrument.

The Company classifies financial liabilities into other financial liabilities category. Such financial liabilities are recognized initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

The Company's financial liabilities comprise of accounts payable and accrued liabilities, advances from shareholder and advances from joint venture.

# Hotels & Resorts Limited

Notes to the Financial Statements

March 31, 2023

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(expressed in Barbados dollars)

## 4 Summary of significant accounting policies ...continued

### a) Financial instruments ...continued

#### iii) Impairment of financial assets

A provision for impairment of financial assets is established when there is objective evidence that the Company will not be able to collect or realize all amounts due according to the original terms of the financial asset. The impairment loss is recognised in the statement of comprehensive income within 'administration account under undistributed expenses'.

#### iv) Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset, and the net amount presented in the statement of financial position when, and only when the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

### b) Property and equipment

Property and equipment are stated at cost less accumulated depreciation and impairment. Depreciation is provided on furniture, fittings and equipment on the straight-line basis at rates designed to expense the cost of the assets over the period of their estimated useful lives. Hotel buildings are depreciated to their salvage values, estimated at 40% of costs after 50 years. Land is not depreciated.

Computer equipment	33 1/3%
Motor vehicle	20%
Furniture, fittings and equipment	10%
Hotel buildings	2%

Operating equipment which includes linen, uniforms, cutlery, crockery and other utensils, is accounted for using the base-stock method. Under this method, a base level of operating equipment is carried at most recent cost. The cost of replacement of operating equipment is charged against income in the year in which it is incurred.

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are included in the statement of comprehensive income.



# Hotels & Resorts Limited

Notes to the Financial Statements

March 31, 2023

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(expressed in Barbados dollars)

## 4 Summary of significant accounting policies ...continued

### c) Foreign currency translation

Foreign currency transactions completed during the year are recorded at actual rates of exchange prevailing at the date of such transactions. Monetary assets and monetary liabilities denominated in foreign currency at the reporting date are translated using the rates of exchange prevailing at that date. The resultant exchange differences are included in the statement of comprehensive income.

### d) Taxation

Income tax expense recognized in the statement of comprehensive income comprises of the sum of deferred tax and current tax.

Current income tax liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting period. Current tax is payable on taxable profit, which differs from the statement of comprehensive income in the financial statements. Calculation of current tax is based on the tax rates and tax laws that have been enacted or substantively enacted in Barbados by the end of the reporting period.

Deferred income tax is calculated using the liability method on temporary differences arising between the tax bases of assets and liabilities and their tax bases. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the financial reporting date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred tax assets are recognized to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilized against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

### e) Revenue recognition

Revenue is recognized at the point of delivery of service to customers and is measured by reference to the fair value of consideration received or receivable by the Company for services rendered, net of value added tax, room rate levy, service charge and discounts.

Other revenues earned by the Company is recognised on the accrual basis.

### f) Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each statement of financial position date to determine whether there is an indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of comprehensive income.

# Hotels & Resorts Limited

Notes to the Financial Statements  
March 31, 2023

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(expressed in Barbados dollars)

## 4 Summary of significant accounting policies ...continued

### g) Investment in a joint venture

The investment in a joint venture is accounted for using the equity method. The financial statements at each reporting period include the Company's share of the total recognized gains and losses of the joint venture.

### h) Equity

#### i) Share capital

Share capital represents the nominal values of the shares that have been issued. Incremental costs directly attributable to the issuance of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### ii) Contributed surplus

Contributed surplus includes capital contribution received or repaid to the Company's principal shareholder.

#### iii) Accumulated deficit

Accumulated deficit includes all current and prior period retained losses or profits reported in the statement of comprehensive income.

### i) Leases – Company as a lessor

Leases, which do not transfer to the lessee substantially all the risks and benefits of ownership of the asset are classified as operating leases. Lease income from operating leases is recognised in the statement of comprehensive income on a straight-line basis over the lease term.

### j) Employee benefits

The cost of short-term employee benefits, including holiday entitlement, pension and health insurance, are recognised in the period in which employee services are rendered within the statement of comprehensive income as staff costs. Any unpaid amounts are included in the statement of financial position as liabilities, measured at the undiscounted amount that the Company expects to pay as a result of the unused entitlement.

### k) Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events; it is more likely that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

# Hotels & Resorts Limited

Notes to the Financial Statements

March 31, 2023

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(expressed in Barbados dollars)

## 4 Summary of significant accounting policies ...continued

### k) Provisions ...continued

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

### l) Expenses

Expenses are recognized in the statement of comprehensive income upon utilisation of services or as incurred.

### m) Events after the reporting date

Post year-end events that provide additional information about the Company's financial position at reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

## 5 Trade and other receivables

The details of trade and other receivables are as follows:

	2023 \$	2022 \$
Trade receivables	1,015,228	1,756,255
Allowance for doubtful accounts	<u>(355,316)</u>	<u>(355,316)</u>
	659,912	1,400,939
Other receivables	<u>362,548</u>	<u>353,339</u>
	<u>1,022,460</u>	<u>1,754,278</u>

Other receivables mainly relate to deposit to the Barbados Light and Power Company. These are deemed to be fully collectible as at March 31, 2023.

In 2023, the Company wrote-off certain trade receivables that were assessed to be uncollectible amounting to \$5,968 (2022: \$3,579) and is presented as part of administration expenses (see Note 15).

# Hotels & Resorts Limited

Notes to the Financial Statements

March 31, 2023

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(expressed in Barbados dollars)

## 5 Trade and other receivables ...continued

Movement in allowance for doubtful accounts is presented below.

	2023 \$	2022 \$
Balance at beginning of year	355,316	385,641
Write-off during the year	—	(30,325)
	<hr/>	<hr/>
Balance at end of year	<u>355,316</u>	<u>355,316</u>

## 6 Prepaid expenses

Prepaid expenses are shown below.

	2023 \$	2022 \$
Prepaid insurance	207,427	198,791
Others	54,472	—
	<hr/>	<hr/>
	<u>261,899</u>	<u>198,791</u>

Others relate to the down-payment made by the Company to purchase a generator during the year.

# Hotels & Resorts Limited

Notes to the Financial Statements

March 31, 2023

(expressed in Barbados dollars)

## 7 Property and equipment

	Hotel buildings \$	Land \$	Furniture, fittings & equipment \$	Operating equipment \$	Total \$
<b>Cost</b>					
At April 1, 2021	69,296,554	5,399,755	14,119,643	868,658	89,684,610
Additions	—	—	94,325	—	94,325
Write-off	—	—	(4,852,741)	—	(4,852,741)
Transfers	28,236	18,260	(2,042,770)	1,996,274	—
Disposals	—	—	(17,470)	—	(17,470)
<b>At March 31, 2022</b>	<b>69,324,790</b>	<b>5,418,015</b>	<b>7,300,987</b>	<b>2,864,932</b>	<b>84,908,724</b>
At April 1, 2022	69,324,790	5,418,015	7,300,987	2,864,932	84,908,724
Additions	—	—	130,905	—	130,905
Disposals	—	—	(630,264)	—	(630,264)
<b>At March 31, 2023</b>	<b>69,324,790</b>	<b>5,418,015</b>	<b>6,801,628</b>	<b>2,864,932</b>	<b>84,409,365</b>
<b>Depreciation and impairment</b>					
At April 1, 2021	50,860,600	—	13,085,903	—	63,946,503
Depreciation for the year	831,152	—	98,789	—	929,941
Write-off	—	—	(4,801,254)	—	(4,801,254)
Transfers	(230,935)	—	(1,369,065)	1,600,000	—
Disposals	—	—	(12,028)	—	(12,028)
<b>At March 31, 2022</b>	<b>51,460,817</b>	<b>—</b>	<b>7,002,345</b>	<b>1,600,000</b>	<b>60,063,162</b>
At April 1, 2022	51,460,817	—	7,002,345	1,600,000	60,063,162
Depreciation for the year	831,151	—	96,171	—	927,322
Disposals	—	—	(628,443)	—	(628,443)
<b>At March 31, 2023</b>	<b>52,291,968</b>	<b>—</b>	<b>6,470,073</b>	<b>1,600,000</b>	<b>60,362,041</b>
<b>Net book value</b>					
At March 31, 2022	17,863,973	5,418,015	298,642	1,264,932	24,845,562
<b>At March 31, 2023</b>	<b>17,032,822</b>	<b>5,418,015</b>	<b>331,555</b>	<b>1,264,932</b>	<b>24,047,324</b>

As a result of the continued depressed local economy, the real estate market and the shareholder's desire to divest of the hotels, the Company obtained valuations for The Savannah and Blue Horizon hotels in the previous years. As at March 31, 2023, the accumulated impairment for The Savannah and Blue Horizon amounts to \$26,474,823 and \$8,453,203, respectively (2022: \$26,474,823 and \$8,453,203, respectively). The accumulated impairment is presented as part of depreciation and impairment in the table above.

# Hotels & Resorts Limited

## Notes to the Financial Statements

March 31, 2023

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(expressed in Barbados dollars)

### 7 Property and equipment ...continued

In 2022, the Company wrote-off certain property and equipment amounting to \$51,487 to match out with the Company's fixed asset register. The amount is presented as write-off of property and equipment in the statement of comprehensive income. No similar transaction in 2023.

### 8 Investment

	2023 \$	2022 \$
<b>Southern Golf &amp; Country Club Ltd.</b> 156,000 Class B shares @ \$1.00 each	<u>156,000</u>	<u>156,000</u>

These shares are carried at cost, as they are not traded on a recognized stock market, and it was not considered practicable to otherwise reliably determine their market value. As at March 31, 2023, management has assessed that the investment is not impaired.

### 9 Investment in a joint venture

	2023 \$	2022 \$
Balance at beginning of year	1,692,678	1,692,943
Share of net loss	<u>(93)</u>	<u>(265)</u>
Balance at end of year	<u>1,692,585</u>	<u>1,692,678</u>

On July 30, 2004, Hotels & Resorts Limited and Growth Development Inc. formed a company Sapphire Inc. for the purpose of owning, developing and selling the property known as the Dover Convention Centre as condominiums. Hotels & Resorts Limited has 49% interest in the Company and Growth Development Inc. has 51%.

The investment in a joint venture is accounted for using the equity method. At March 31, 2023, the Company's share in the joint venture's net assets of \$1,692,585 is reflected in the financial statements (2022: \$1,692,678). There were no operational activities in the joint venture during in financial year 2023.

# Hotels & Resorts Limited

Notes to the Financial Statements

March 31, 2023

(expressed in Barbados dollars)

## 9 Investment in a joint venture ...continued

The summarized financial information of Sapphire Inc. – 100 per cent is as follows:

	2023 \$	2022 \$
Assets	3,458,651	3,458,841
Liabilities	4,396	4,396
Net assets	3,454,255	3,454,445
Company's share of a joint venture's net assets	1,692,585	1,692,678
Revenue	-	-
Net loss	190	541
Share in net loss of a joint venture	93	265

## 10 Related party transaction and balances

Related party transactions comprise of the following:

	2023 \$	2022 (As restated) \$
Revenue from government agencies	111,428	670,020
Advances from joint venture	1,667,470	1,667,470
Advances from shareholder	325,782	325,782
<i>Remuneration of key management personnel</i>		
Executive management salaries	187,176	187,176
Director's fee and expenses	59,641	57,172
	246,817	244,348

Advance from joint venture represents advances received from the joint venture. The amount is unsecured and interest-free with no fixed date for repayment.

# Hotels & Resorts Limited

Notes to the Financial Statements

March 31, 2023

(expressed in Barbados dollars)

## 10 Related party transaction and balances ...continued

Advance from shareholder relates to the amounts received by the Company under the Barbados Employment and Sustainable Transformation (BEST) Programme conceptualized by the Government of Barbados to address the social and economic consequences caused by the COVID-19 pandemic and provides funding for companies in the tourism industry. The Company's Board of Directors has approved to refund the amounts received subsequent to the current reporting period. Accordingly, the outstanding balance was classified as part of current liabilities in the 2023 statement of financial position.

## 11 Accounts payable and accrued liabilities

Accounts payable and accrued liabilities are shown below.

	2023 \$	2022 \$
Accrued provision (Note 14)	2,182,900	2,182,900
Accrued expenses	352,558	391,383
Others	354,008	355,800
Accounts payable	149,936	166,621
Advance deposits	91,220	-
	<u>3,130,622</u>	<u>3,096,704</u>

Others pertains to the security deposit received by the Company for the lease of the Savannah hotel.

## 12 Share capital

### Authorized

The Company is authorized to issue an unlimited number of common shares of no-par value.

### Issued

	2023 \$	2022 \$
Number of common shares	<u>27,291,154</u>	<u>27,291,154</u>
Stated value	<u>27,291,154</u>	<u>27,291,154</u>



# Hotels & Resorts Limited

Notes to the Financial Statements

March 31, 2023

(expressed in Barbados dollars)

## 13 Contributed surplus

	2023 \$	2022 \$
Balance at April 1	250,429,844	250,668,772
Prior period adjustment (Note 19)	—	(325,782)
Capital contribution received	—	86,854
	<hr/>	<hr/>
Balance at March 31	<u>250,429,844</u>	<u>250,429,844</u>

## 14 Contingencies

The Company's former hotel manager, Commonwealth Hospitality Ltd. (CHL) has made a claim for an aggregate sum of US\$13,583,521 which is the subject of arbitration proceedings. The sum claimed includes US\$11,415,104 for liquidated damages for wrongful termination of the Management Agreement between the Company and CHL. The Company is contending that it was entitled to terminate the Management Agreement and is therefore not liable to pay CHL the amount claimed or any other amount by way of liquidated damages. The sum claimed also includes US\$595,377 as Management Incentive Fees and US\$171,920 as Termination Fee. The Company is contending it is not liable to pay CHL any amount in respect of either Management Incentive Fees or Termination Fee. It is not possible to predict the outcome of these proceedings. An accrual equivalent to US\$1,091,450 has been made against the remainder of the CHL claim as was determined at December 31, 2001. The accrued amount is included as part of accounts payable and accrued liabilities (see Note 12).

Various other claims have been made against the Company. Provisions have been made only against those claims which have been quantified and for which the outcome could be reasonably determined.

## 15 Administration expenses

Administration expenses are shown below.

	2023 \$	2022 \$
Staff costs (Note 16)	543,769	571,264
Professional fees	225,562	295,405
Outsourced services	85,892	92,282
Others	56,408	56,917
Credit card commissions	52,156	3,601
Bank charges	32,483	11,066
Human resources	22,620	44,943
Write-off of trade receivables (Note 5)	5,968	3,579
Equipment rental	2,459	1,400
	<hr/>	<hr/>
	<u>1,027,317</u>	<u>1,080,457</u>

# Hotels & Resorts Limited

Notes to the Financial Statements

March 31, 2023

(expressed in Barbados dollars)

## 16 Staff costs

Staff costs included within expenditure classified by function are as follows:

	2023 \$	2022 \$
<b>Direct costs</b>		
Room	568,770	539,322
<b>Undistributed expenses</b>		
Administration (Note 15)	543,769	571,264
Operations and maintenance	48,423	46,942
	<u>1,160,962</u>	<u>1,157,528</u>

## 17 Operating leases

The Company leases out the Savannah hotel property held under operating leases. The future minimum lease payments under terms of the leases in 2023 is for twelve months amounting to \$420,000 (2022: \$420,000).

During the year ended March 31, 2023, \$527,585 (2022: \$504,329) was recognized as rental income as part of other revenues in the statement of comprehensive income.

## 18 Taxation

The tax on the Company's loss before taxation differs from the theoretical amount that would arise using the statutory tax rate as follows:

	2023 \$	2022 \$
Loss before taxation	<u>(1,031,543)</u>	<u>(1,036,327)</u>
Tax credit calculated at the statutory rate of 5.5%	(56,735)	(56,998)
Tax effect of unrecognized deferred tax on tax losses	40,291	142,813
Tax effect of unrecognised deferred tax on depreciation	16,444	(85,815)
	<u>—</u>	<u>—</u>

# Hotels & Resorts Limited

Notes to the Financial Statements

March 31, 2023

(expressed in Barbados dollars)

## 18 Taxation ...continued

### Tax losses

Tax losses of the Company which are available for set off against future taxable income for corporation tax purposes are as follows:

Year of loss	Brought forward \$	Incurred/ (utilised) \$	Expired \$	Carried forward \$	Expiry date
2020	12,558,737	1,182,407	–	13,741,144	2027
2021	13,741,144	1,620,915	(11,571,696)	3,790,363	2028
2022	3,790,363	2,596,607	(987,041)	5,399,929	2029
2023	5,399,929	732,568	–	6,132,497	2030

These losses are as computed by the Company in its corporation tax returns and as yet have neither been confirmed nor disputed by the Barbados Revenue Authority.

## 19 Prior period adjustment

### *Correction of advances from shareholder and contributed surplus*

Previously disclosed were amounts received from the BEST programme amounting to \$325,782, which were classified as contributed surplus under the equity section of the statement of financial position. Under section 22 of IFRS for SMEs, *Liabilities and Equity*, the amounts received should be classified as liabilities instead of equity.

There is no effect on the Company's opening accumulated deficit based on the restatement made. The effects on the statement of financial position and statement of cash flows are presented below as restatement of the comparative balances as at March 31, 2022.

### *Effect on statement of financial position*

	Advances from shareholder \$
Balance as previously reported as at March 31, 2022	–
Prior period adjustment	<u>325,782</u>
Balance as restated as at March 31, 2022	<u>325,782</u>

# Hotels & Resorts Limited

Notes to the Financial Statements

March 31, 2023

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(expressed in Barbados dollars)

## 19 Prior period adjustment ...continued

*Effect on statement of financial position ...continued*

	<b>Contributed surplus \$</b>
Balance as previously reported as at March 31, 2022	250,755,626
Prior period adjustment	<u>(325,782)</u>
Balance as restated as at March 31, 2022	<u>250,429,844</u>

*Effect on statement of cash flows*

	<b>Cash flows used in operating activities \$</b>
Balance as previously reported as at March 31, 2022	1,269,045
Prior period adjustment	<u>(86,854)</u>
Balance as restated as at March 31, 2022	<u>1,182,191</u>

	<b>Cash flows from financing activities \$</b>
Balance as previously reported as at March 31, 2022	86,854
Prior period adjustment	<u>(86,854)</u>
Balance as restated as at March 31, 2022	<u>-</u>

## 20 Subsequent events

On May 26, 2023, the Company's board of directors approved the repayment of the total advances from shareholder amounting to \$325,782.