

Annual Report

2020 2021

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Vision

Our vision sees Barbados elevated to the top of its capacity as a globally competitive, warm weather destination, with tourism sustainably enhancing the quality of life of visitors and Barbadians together.

Mission

Our mission is to develop and apply exceptional marketing capabilities in the process of telling the authentic brand story of Destination Barbados. It further calls for us to galvanize all partners to elevate Barbados' tourism to new heights; while doing so in a fiscally prudent and sustainable manner.

Our focus in carrying out our mission will be on highly targeted marketing efforts guided by sound market intelligence and research. This will enable us to deploy effective and efficient marketing initiatives with a concentration on the utilization of digital marketing.

We will achieve our mission by employing and developing the talents of our staff while ensuring that they are all fully cognizant and compliant with our policies and practices so as to empower them to operate freely, expeditiously, and in the best interest of destination Barbados; our Government shareholder; our visitors and the wider community. Emphasis will also be placed on the importance of professionalism; a customer-focused approach to business; innovation; passion; and continuous improvement.

Values

Flexibility

Speed

Results
Orientation

Process
Driven

A woman with long blonde hair, wearing a black bikini, stands on a dirt path in a tropical setting. She is holding a surfboard with a colorful design (pink, blue, and white) under her arm. The path is lined with tall palm trees and lush greenery. In the background, the ocean is visible under a clear sky. The overall scene is bright and sunny, suggesting a warm, tropical climate.

Section One



Chairman's Message

2020-2021

Roseanne Myers
Chairman, BTMI
As At November 2021

Overview

On the behalf of the Board, I congratulate the BTMI team on bringing to completion the audits from 2013/14 to 2019/20 while simultaneously completing 2020/21.

The financial year 2020/21 saw the tourism sector negatively impacted by the COVID-19 pandemic and the decision of BTMI to pivot to work with the Ministry of Health in managing the implementation of COVID-19 protocols and communication required with the internal and external customer is recognized and appreciated.

The management team strategized to enable the re-opening of markets as planned for Q4 2020 by maintaining relationships with all major partners throughout this most difficult period. Subsequent events notwithstanding the organization demonstrated continued adherence to, strengthening of the policies and systems, and through organizational strengthening in 2020 achieved an unqualified audit opinion.

Board of Directors

Sunil Chatrani - Chairman (Apr 2020 - Dec 2020)

Roseanne Myers - Chairman (May 2021 - Mar 2022)

Wayne Capaldi - Deputy Chairman

Donna Cadogan - Permanent Secretary, Ministry of Tourism and International Transport

Carol Roberts-Reifer - Representative of The National Cultural Foundation

Geoffrey Roach - Representative of The Barbados Hotel and Tourism Association

Ronald Carrington

Kashka Haynes

Claire Jordan

John Williams

Shelly Williams

Kevyn Yearwood

Senior Management

Robert Chase - Chief Executive Officer (Ag) (Jan 9, 2020 to Oct 31, 2020), Director Marketing

Petra Roach - Interim CEO, Head Global Markets (Nov 1, 2020 to Jun 30, 2021)

Craig Hinds - Interim CEO (May 1, 2021 to October 31, 2021) 

Jens Thraenhard - Chief Executive Officer (Nov 1 to present)

Marsha Alleyne - Chief Product Development Officer

Cheryl Carter - Director (UK)

Corey Garrett - Director (C'bean & Latin America)

Peter Mayers - Director (Canada)

Anita Nightingale - Director (Europe)

Eusi Skeete - Director (USA)

Cheryl Franklin - Director Cruise

Michelle Moore - Director Finance

Carolene Hinkson - Director Human Resources & Corporate Services



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Performance Overview

During this reporting period, the world was in the middle of a global pandemic, SARS-CoV-2, commonly known as COVID-19/Coronavirus.

This virus disrupted travel and tourism, with Statista reporting a 73% drop in international arrivals for 2020, recording 402 million tourist arrivals, the lowest since 1989.

For the period under review, recorded a total of 48,450 visitors, a 92.4% decline or 589,282 less visitor arrivals when compared with the corresponding period, 2019/2020. All markets registered losses in visitor traffic during this period.

STAYOVER ARRIVALS BY MAJOR MARKETS				
MAJOR MARKETS	2019/2020	2020/2021	AB CHG	%CHG
UNITED STATES	197,736	10,380	-187,356	-94.8
CANADA	75,757	5,830	-69,927	-92.3
UNITED KINGDOM	194,249	19,405	-174,844	-90.0
EUROPE	40,156	3,176	-36,980	-92.1
CARICOM	96,478	7,759	-88,719	-92.0
OTHER (including CENTRAL & SOUTH AMERICA)	33,356	1,900	-31,456	-94.3
TOTAL	637,732	48,450	-589,282	-92.4
Source: Barbados Statistical Service				
TOTAL CRUISE ARRIVALS				
Total Cruise Arrivals	820,011	128	-819,883	-100.0
Source: Barbados Port Inc.				

Market Performance

Although the destination was hit by a global health crisis, the trend in market share remained the same during the reporting period. The **United Kingdom** still maintained its position as the top generator of business, with a market share of 40.1%. This represented an 90% decline when compared with the same period of 2019/2020.

The second highest producer of business was the **United States** (21.4%). This market registered 10,380 visitors, a fall of 187,356 or 94.8% in arrivals.

Caricom reported 7,759 which accounted for 16% of business; however, this area saw a decline of 92%.

Arrivals from **Canada** and **Europe**, accounted for 12% and 6.6% respectively of the total arrivals. These markets also saw declines of 92.3% and 92.1%, respectively.

Central and South America countries contributed a mere 2%. This market saw 1,099 visitors coming from that region and recorded an 82.2% decline over 2019/2020.

Cruise Arrivals

For the reporting period April 2020 through to March 2021, the Bridgetown Port saw a complete halt of cruise passenger traffic. Barbados took on a humanitarian approach and allowed ships to dock in our waters when other ports were turning them away. During this period, 128 total cruise passengers were recorded. The months of May and November registered 51 and 76 passengers respectively.

There was a decrease in cruise calls for the period under review compared with the previous period of 2019/2020. From April 2020 through to March 2021, fifty-five (55) cruise calls were registered, an 86.7% decline over the corresponding months of 2019/2020.

Airlift

United Kingdom

The key carriers from this source market were Virgin Atlantic and British Airways. During the reporting period, seat capacity decreased by 69.8% compared with the same months of 2019/2020.

Virgin Atlantic's services from Manchester and Heathrow accounted for 49.4% of the overall seats from this market. The British Airways service arriving from the Gatwick and Manchester gateways contributed 50.6% of capacity. All carriers recorded losses in capacity, except for the BA Heathrow's service (started operations October 2020) and Virgin's Heathrow service. Virgin Heathrow's service registered 29,810 and British Airways' Heathrow service, 15,068 more seats when compared with 2019/2020.

United States

Air capacity from this market fell off by 83.2% during the period under review. American Airlines accounted for 73.4% of the overall seats, but there was a 74.7% decline in seat allocation when compared to the same period of the previous year. Jet Blue contributed 26.6% of air capacity, a 91.3% reduction in seats.

Canada

For the reporting period, 16,886 seats were allocated to Barbados from both Air Canada and WestJet. These carriers accounted for 86.3% and 13.7% of capacity from this market. Seat capacity fell off by 86.1% during this period.

Europe

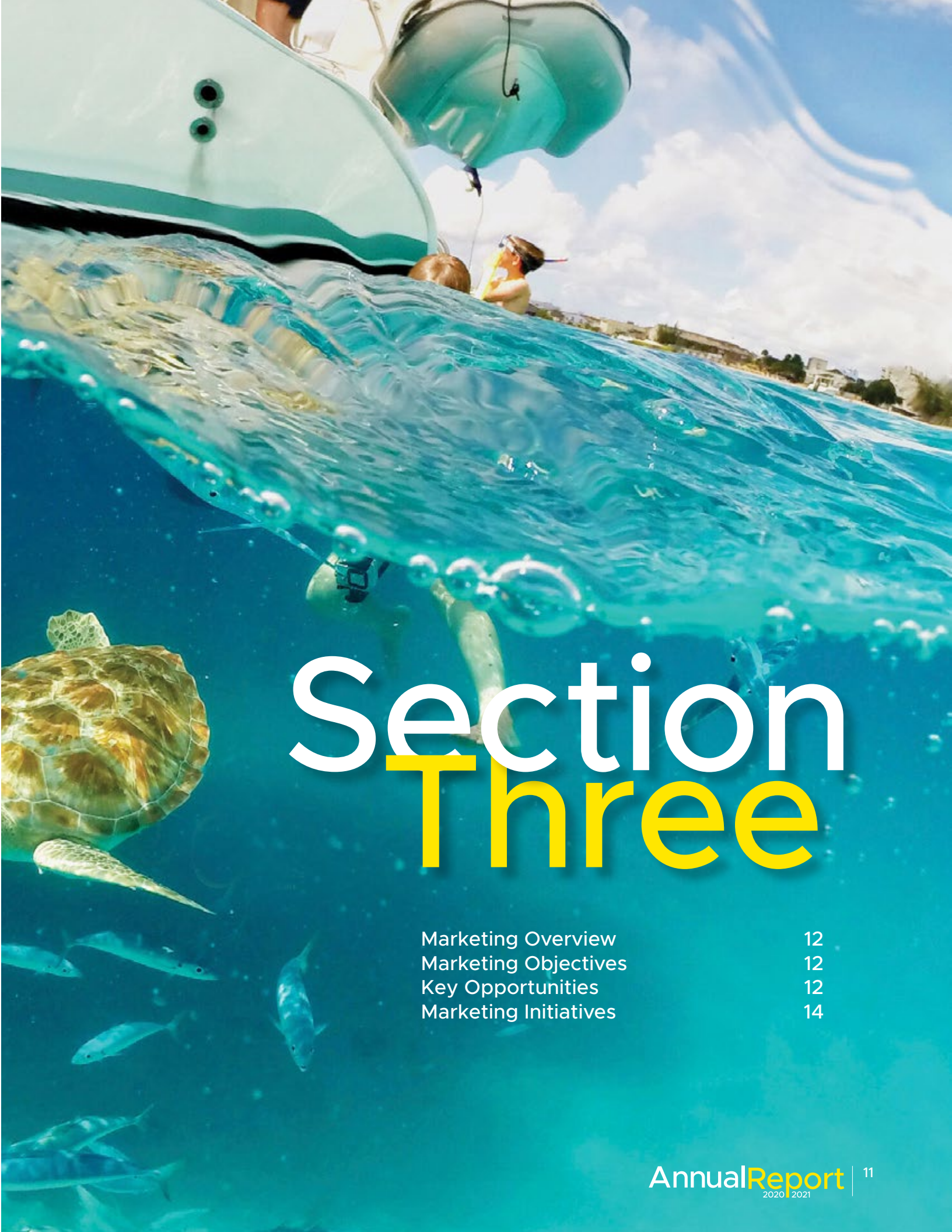
The months under review saw 10,389 seats originating from the European market. This market saw a decrease of 69.9% in capacity when compared with the corresponding period for 2019/2020. The seat allocation between the two major carriers were marginal, with Condor allocating 50.1% of seats, followed by Lufthansa with 49.9%.

Caribbean

This region recorded a total of 73,810 seats for the period under review, an 85.9% decrease when compared with the previous period 2019/2020. Seat Allocation was shared among Caribbean Airlines, Air Antilles, InterCaribbean, One Caribbean, LIAT and Trans Guyana.

Central & South America

COPA was the lone carrier, operating a direct service from this region during the reporting period. COPA registered 11,232 seats when compared with the previous year 2019/2020.



Section Three

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Marketing Overview

The effects of the COVID-19 pandemic greatly impacted the marketing campaigns planned by the BTMI. By mid-year (September 2020), these activities were either cancelled or rescheduled - with the organisation spending only \$3,556,900.54 of the \$36,436,916 allocated towards these executions.

Visitor arrivals for the year were severely impacted as borders around the world closed with countries issuing stay-at-home orders to aid in preventing spread of the virus. April saw the lowest number of

estimated arrivals (139), but numbers increased over the next 6 months as certain restrictions were lifted and with the BTMI working closely with stakeholders to revitalize Barbados' tourism product.

Marketing Objectives

- To develop a brand strategy to reposition Destination Barbados for its reintroduction into the global market, and ensure it remains competitive.
- To increase visitor growth to Barbados during a global pandemic.
- To supplement short term visitation with a long-stay, remote work programme.
- To visually depict the vibrancy and energy that are seen through our island and our people.
- To highlight how Barbados continues to boldly go where few have gone before.
- To show how our small footprints over the years have inspired big perspectives.

Key Opportunities

- Assessing and re-thinking its position prior to its re-introduction.
- Engaging with stakeholders to revitalise the tourism industry.
- Planning a campaign to current source markets, and untapped markets.
- Connecting local stories to larger visitor attractions.



Marketing Initiatives

In an uncertain market, new strategies were developed in the short and long stay categories to bolster opportunities for growth when border restrictions were eventually relaxed.

These strategies targeted digital nomads, remote workers, and future visitors through the use of tactical activities like Influencer marketing, SEO, Programmatic advertising, and Press.

Barbados Welcome Stamp

With the island's main economic driver severely impacted, there was an immediate need to supplement the short term visitation to the island. As remote work became the norm, the opportunity to capitalize on the growing trend brought the introduction of the 12 Month Barbados Welcome Stamp.

After Prime Minister Mottley's announcement of the initiative on July 18th 2020, there was an immediate buzz in the international media for the next five months - with the programme being featured in numerous articles, international news features, vlogs, podcasts and social media posts.

The BTMI further marketed the Welcome Stamp to its source markets and online through a number of executions. This included creating a call centre and developing the website www.barbadoswelcomestamp.com to handle queries from interested parties; and launching dedicated social media channels featuring content like testimonial videos from successful Welcome Stampers.



Launch of Destination Video with Influencer Rene Daniella

The BTMI collaborated with influencer and travel vlogger Rene Daniella during the month of October to develop a destination video highlighting the simplicity of travel to Barbados from the UK in the midst of the pandemic. Rene's video showcased the protocols for entry, the safety exercised by locals, and the vibrancy of the island and its culture to her over 350 thousand followers.

She also fielded questions about her journey to those who showed interest, directing them to the aforementioned call center and website for more information.

This video was cross posted on BTMI platforms, and accompanied by a strong PR message, with an aim to drive bookings to Barbados when travel restrictions were eventually relaxed.

Website Refresh of VisitBarbados.org

As part of the brand repositioning strategy, new content was created to align with the new direction by the BTMI team. These pieces will not just support the new messaging and authentic products, but it will also make the website one of the largest in the region by quadrupling its digital footprint.

Development of the website project has progressed significantly and it should be ready for quality assurance and testing reviews within the next 2 weeks.



Barbados Re-entry Campaign Website

The new destination marketing efforts were also executed for the Barbados re-entry campaign's latest website. Targeting the North American, UK and Caribbean markets, this portal aims to drive and convert leads; and was also customised to support each individual markets' requirements and targets.

Supporting a revenue generating model with advertising and/or affiliate marketing opportunities and enhancing the representation of authentic Barbados products are a priority. A proposal has been received from our current website agency and awaits approval.



The 2020-21 year was dominated by the COVID-19 pandemic, which obviously affected key tourism areas. Nevertheless, the BTMI embarked on a number of initiatives to weather the storm. This includes the launch of the 12-month Welcome Stamp initiative which encouraged longer stay visits, where visitors had the opportunity to enjoy the best of Barbados even in an uncertain travel climate.

Additionally, we were very quickly able to adapt to the post-pandemic digitalized environment with the automation of our COVID-19 monitoring systems for people coming to the island from medium to High-Risk countries. The new system made the arrival and quarantining process easier, faster and more secure than ever. BTMI recognized the important work of those working on the frontlines and sought to give back with the 'We Care' initiative, where outstanding frontline heroes received staycations!

Another important moment occurred in March, when the Cruise Line International Association (CLIA) announced the suspension of cruise ship operations, leaving hundreds of ships at sea and in need of finding somewhere to port as they searched for assistance. Barbados proved itself a key ally for the cruise ship, AIDA Perla which found safe haven in the Bridgetown Port, receiving assistance in order to complete complex operations to repatriate passengers and crew and receive intensive operational support to the vessel and its captain and 900+ crew. As a display of appreciation, the crew staged a special light display on board the ship when it departed April 24, expressing 'Thank You BB' while its captain, Boris Becker recorded a special 'Thank You' video message.





Section Four

Financial Statements

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Financial Statements of

BARBADOS TOURISM MARKETING INC.

March 31, 2021

Barbados Tourism Marketing Inc.

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KPMG

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INDEPENDENT AUDITORS' REPORT

To the Government of Barbados

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Barbados Tourism Marketing Inc. (“the Company”), which comprise the statement of financial position as at March 31, 2021, the statements of revenue and expenditure, changes in deficit and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2021, 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 *Auditors’ Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (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 and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Government of Barbados

Report on the Audit of the Financial Statements (continued)

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.

Auditors' 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 auditors' 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.



INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Government of Barbados

Report on the Audit of the Financial Statements (continued)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- 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 auditors' 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 auditors' 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.



INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Government of Barbados

Report on the Audit of the Financial Statements (continued)

Other Matter

This report is made solely to the Company's shareholder, 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 shareholder those matters we are required to state to the shareholder in an auditors' 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 and the Company's shareholder, for our audit work, for this report, or for the opinion we have formed.

A handwritten signature in black ink that reads 'KPMG'.

Chartered Accountants
Bridgetown, Barbados
December 13, 2022

Barbados Tourism Marketing Inc.

Statement of Financial Position

As at March 31, 2021

With comparative figures for 2020

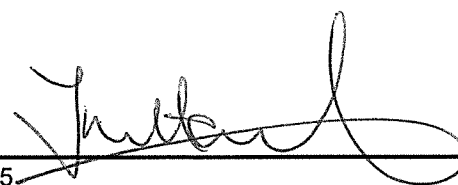
(Expressed in Barbados dollars)

	<u>Notes</u>	<u>2021</u>	<u>2020</u> Restated (Note 23)
Assets			
Current assets			
Cash and cash equivalents	6	\$ 6,307,072	8,867,638
Cash and cash equivalents - restricted	6	-	1,324,708
Accounts receivable	7	152,706	278,225
Prepaid expenses	9	173,721	627,103
Airport service charge receivables	8	<u>1,254,444</u>	<u>-</u>
Total current assets		<u>7,887,943</u>	<u>11,097,674</u>
Staff loans	10	129,510	178,056
Property and equipment	13	<u>671,066</u>	<u>723,647</u>
Total Assets		<u>\$ 8,688,519</u>	<u>11,999,377</u>
Liabilities and Deficiency			
Current liabilities			
Accounts payable and accrued liabilities		<u>\$ 10,365,523</u>	<u>18,998,477</u>
Total current liabilities		<u>10,365,523</u>	<u>18,998,477</u>
Long term liabilities			
Other liability	18	18,367	18,367
Employee benefit obligation	19	<u>5,059,317</u>	<u>5,257,998</u>
Total Liabilities		<u>15,443,207</u>	<u>24,274,842</u>
Shareholder's Deficiency			
Share capital	12	1,000	1,000
Capital contributions	17	12,455,410	12,421,524
Deficit		<u>(19,211,098)</u>	<u>(24,697,989)</u>
Total Shareholder's Deficiency		<u>(6,754,688)</u>	<u>(12,275,465)</u>
Total Liabilities and Deficiency		<u>\$ 8,688,519</u>	<u>11,999,377</u>

See accompanying notes to the financial statements.

Approved by the Board of Directors:

 Director

 Director

Barbados Tourism Marketing Inc.

Statement of Changes in Deficit

For the year ended March 31, 2021
With comparative figures for 2020

(Expressed in Barbados dollars)

	<u>Notes</u>	<u>Share Capital</u>	<u>Capital Contribution by Government of Barbados</u>	<u>Deficit</u>	<u>Total</u>
Balance at March 31, 2019		\$ <u>1,000</u>	<u>12,249,053</u>	<u>(23,323,336)</u>	<u>(11,073,283)</u>
Excess of expenditure over revenue, as restated	23	-	-	(1,374,653)	(1,374,653)
Capital contributions	17	-	<u>172,471</u>	-	<u>172,471</u>
Balance at March 31, 2020, as restated	23	\$ <u>1,000</u>	<u>12,421,524</u>	<u>(24,697,989)</u>	<u>(12,275,465)</u>
Excess of revenue over expenditure		-	-	5,486,891	5,486,891
Capital contributions	17	-	<u>33,886</u>	-	<u>33,886</u>
Balance at March 31, 2021		\$ <u>1,000</u>	<u>12,455,410</u>	<u>(19,211,098)</u>	<u>(6,754,688)</u>

See accompanying notes to the financial statements.

Barbados Tourism Marketing Inc.

Statement of Revenue and Expenditure

For the year ended March 31, 2021
With comparative figures for 2020

(Expressed in Barbados dollars)

	<u>Notes</u>	<u>2021</u>	<u>2020</u> Restated (Note 23)
Revenue			
GAIA Airport Service Charge Transfers	11	\$ 33,877,808	75,000,000
Other income		<u>196,201</u>	<u>68,212</u>
		<u>34,074,009</u>	<u>75,068,212</u>
Expenditure			
Salaries and allowances		10,674,467	11,643,675
Operational expenses		7,213,232	5,302,573
Marketing		4,022,123	22,681,952
Airline revenue guarantee		2,699,086	14,393,715
Public relations		1,504,777	3,226,726
Promotions		895,493	11,723,004
Special projects		667,795	606,243
Contribution and sponsorship		563,727	5,432,588
Depreciation	13	209,628	199,275
Travel		<u>136,788</u>	<u>1,233,114</u>
		<u>28,587,118</u>	<u>76,442,865</u>
Excess of revenue over expenditure (expenditure over revenue)		\$ <u>5,486,891</u>	<u>(1,374,653)</u>

See accompanying notes to the financial statements.

Barbados Tourism Marketing Inc.

Statement of Cash Flows

For the year ended March 31, 2021
With comparative figures for 2020

(Expressed in Barbados dollars)

	<u>Notes</u>	<u>2021</u>	<u>2020</u> Restated (Note 23)
Cash Flows from Operating Activities			
Excess of revenue over expenditure (expenditure over revenue)		\$ 5,486,891	(1,374,653)
Items not affecting working capital:			
Depreciation	13	<u>209,628</u>	<u>199,275</u>
Operating profit (loss) before working capital changes		5,696,519	(1,175,378)
Decrease in accounts receivable		125,519	327,414
Increase in Airport Service Charge receivable		(1,254,444)	-
Decrease (increase) in prepaid expenses		453,382	(197,580)
Decrease (increase) in staff loans		48,546	(21,073)
Decrease in accounts payable and accrued liabilities		(8,632,954)	(8,132,026)
Increase in other liability		-	18,367
(Decrease) increase in employee benefit obligation		<u>(198,681)</u>	<u>757,998</u>
Net cash used in operating activities		<u>(3,563,434)</u>	<u>(8,422,278)</u>
Cash Flows from Investing Activities			
Additions to property and equipment	13	<u>(157,047)</u>	<u>(225,754)</u>
Net cash used in investing activities		<u>(157,047)</u>	<u>(225,754)</u>
Cash Flows from Financing Activities			
Capital contributions	17	<u>33,886</u>	<u>172,471</u>
Net cash from financing activities		<u>33,886</u>	<u>172,471</u>
Net decrease in cash and cash equivalents		(3,885,274)	(8,475,563)
Cash and cash equivalents - beginning of year		<u>10,192,346</u>	<u>18,667,909</u>
Cash and cash equivalents - end of year	6	\$ <u>6,307,072</u>	<u>10,192,346</u>

See accompanying notes to the financial statements.

Barbados Tourism Marketing Inc.

Notes to the Financial Statements

For the year ended March 31, 2021

(Expressed in Barbados dollars)

1. Reporting Entity

The Barbados Tourism Marketing Inc. (the “Company” or “BTMI”) was incorporated in July 18, 2014 and is an organization domiciled in Barbados. The registered office of the Company is located at 2nd Floor One Barbados Place, Warrens, St. Michael, Barbados. The Company was previously known as the Barbados Tourism Authority (BTA) which was dissolved by the Government of Barbados on August 24, 2014. The dissolution resulted in the formation of the Company and another entity, the Barbados Tourism Product Authority (BTPA).

The Company was established as a wholly government owned limited liability company operating under the Companies Act, Cap 308 with the sole responsibility for the marketing of Barbados’ tourism.

The BTPA was charged with the responsibility to maintain Barbados’ competitiveness in the global tourism market by planning and coordinating continuous improvement in the quality of Barbados’ tourism products and services.

Further to the legal formation of the Company, on 1 September 2014, pursuant to the Vesting Act, 100% of the assets and liabilities were vested to BTMI.

The financial statements were approved by the Board of Directors on to November 25, 2022.

2. Going Concern

Management continues to have an expectation that the Company will continue in operation for at least 12 months from the date of approval of these financial statements. On that basis, these financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes that the Company will continue in operation for the foreseeable future and will be able to realise its assets and discharge its liabilities in the normal course of operations.

As at March 31, 2021, the Company had an accumulated deficit of \$19,211,098 (2020: \$24,697,989) and as at that date, current liabilities exceeded current assets by \$2,477,580 (2020: \$7,900,803). The Company is owned by the Government of Barbados and is an essential agency for the tourism industry, as it is the lone entity responsible for marketing of destination Barbados. In furtherance of this goal, the entity was afforded a dedicated source of revenue, in the form of a levy applied to each arriving passenger in the form of a service charge. This therefore reduced the Company’s previous reliance on funding from the government. As a government owned entity however, BTMI continues to have the full support of the Government of Barbados for funding as and when required, and in the quantum required. The level of revenue earned was impacted in the current financial period further to the effects of the COVID-19 pandemic and subsequently reduced visitor arrivals. During the financial period ended March 31, 2022, to counteract these effects, BTMI was provided with supplemental government funding in the amount of \$16.6M to support its operations. This allowed the Company to meet its day to day commitments including those to employees, whilst continuing with its operations and service.

To date in 2022, tourism has rebounded and the prospects for this trend to continue are positive. Therefore, under all plausible scenarios assessed by management there are no material uncertainties with respect to the Company’s ability to continue as a going concern.

Barbados Tourism Marketing Inc.

Notes to the Financial Statements (continued)

For the year ended March 31, 2021

(Expressed in Barbados dollars)

3. Basis of Presentation

(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).

(b) *Basis of measurement*

The 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.

(d) *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, income and expenses. Actual results may differ from these estimates.

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

4. Significant Accounting Policies

The financial statements have been prepared in accordance with the accounting policies described below.

(a) *Foreign currency*

Transactions in foreign currencies are translated to the functional currency of the Company using average exchange rates. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the average exchange rate at that date. Foreign currency differences arising on retranslation are recognized in the statement of revenue and expenditure.

(b) *Financial instruments*

The Company has elected to apply the recognition and measurement requirements of IAS 39 *Financial Instruments: Recognition and Measurement* and disclosure requirements of IFRS for SMEs Section 11 *Basic Financial Instruments*.

Non-derivative financial instruments

Non-derivative financial instruments comprise cash and cash equivalents, accounts receivable, airport service charge receivable, staff loans, accounts payable and accrued liabilities.

Cash and cash equivalents comprise cash balances and term deposits with original maturities of three months or less.

Non-derivative financial instruments are recognized initially at fair value.

Barbados Tourism Marketing Inc.

Notes to the Financial Statements (continued)

For the year ended March 31, 2021

(Expressed in Barbados dollars)

4. Significant Accounting Policies (continued)

(c) Impairment

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognized in the statement of revenue and expenditure. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized.

Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date, to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognized if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the statement of revenue and expenditure.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation if no impairment loss had been recognized.

Barbados Tourism Marketing Inc.

Notes to the Financial Statements (continued)

For the year ended March 31, 2021

(Expressed in Barbados dollars)

4. Significant Accounting Policies (continued)

(d) Property and equipment

Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalized as part of the equipment.

When parts of an item of property and equipment have different useful lives they are accounted for as separate items (major) components of property and equipment.

Gains or losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognized net in the statement of revenue and expenditure.

Subsequent costs

The cost of replacing part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The cost of the day-to-day servicing of property and equipment is recognized in the statement of revenue and expenditure as incurred.

Depreciation

Depreciation is recognized in the statement of revenue and expenditure on a straight-line basis over the estimated useful lives of each item in property and equipment. The annual rates are:-

Equipment	10%, 12.5%, 20%
Furniture, fixtures and fittings	5%, 10%, 12.5%, 20%
Motor vehicles	20%
Improvements to buildings	100%

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

Barbados Tourism Marketing Inc.

Notes to the Financial Statements (continued)

For the year ended March 31, 2021

(Expressed in Barbados dollars)

4. Significant Accounting Policies (continued)

(e) *Employee benefits*

The Company contributes to a defined benefit pension plan. The recognised amount in the statement of comprehensive loss is determined as the present value of the defined benefit obligation adjusted for the unrecognised actuarial gains or losses less any past service costs not yet recognised and the fair value of any plan assets. Where this calculation results in a net surplus, the recognised asset does not exceed the net total of any unrecognised actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

The amount recognised in the Company's statement of financial position and statement of revenue and expenditure for pension and other post-employment benefits are determined using several assumptions. The primary assumptions used in determining the amounts recognised include the discount rate used to determine the present value of estimated future cash flows required to settle the pension and other post-retirement obligations. The discount rate is determined based on the estimate of yield on long-term government securities.

Pensions and other post-employment assets and obligations included in these financial statements have been actuarially determined by a qualified independent actuary, appointed by management. The appointed actuary's report outlines the scope of the valuation and the actuary's opinion. The actuarial valuations were conducted in accordance with Section 28 – *Employee Benefits*, and the financial statements reflect the Company's post-employment benefit assets and obligations as computed by the actuary. The amount charged to the statement of comprehensive loss consists of current service cost, interest cost, the expected return on any plan assets and actuarial gains and losses (see note 19).

Termination benefits

Termination benefits are recognized as an expense when the Company is demonstrably committed without realistic possibility of withdrawal, to a formal plan to terminate employment before the normal retirement date. Termination benefits for voluntary redundancies are recognized if the Company has made an offer encouraging voluntary redundancy and it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

(f) *Government grants*

Revenue grants received from Government are taken to income in the accounting period in which the related expenditure is incurred.

Grants relating to property and equipment are deferred and amortized at the same rate as the depreciation on the property and equipment to which they relate.

(g) *Revenue recognition*

Revenue is recognized on an accrual basis. Revenue is recorded using the method of recognizing any airport service charges billed by the airport on behalf of BTMI as receivable and revenue. This method of revenue recognition is in line with accrual accounting standards.

Barbados Tourism Marketing Inc.

Notes to the Financial Statements (continued)

For the year ended March 31, 2021

(Expressed in Barbados dollars)

4. Significant Accounting Policies (continued)

(h) *Brochures*

The cost of brochures and other promotional literature are expensed in the year of purchase.

5. Financial Risk Management

The Company has minimal exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from employees and other Government institutions.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

Barbados Tourism Marketing Inc.

Notes to the Financial Statements (continued)

For the year ended March 31, 2021

(Expressed in Barbados dollars)

6. Cash and Cash Equivalents

	<u>2021</u>	<u>2020</u>
Cash with banks	\$ 6,303,963	8,864,930
Cash on hand	<u>3,109</u>	<u>2,708</u>
	6,307,072	8,867,638
Cash with banks - restricted	<u>-</u>	<u>1,324,708</u>
Cash and cash equivalents	\$ <u>6,307,072</u>	<u>10,192,346</u>

Cash with banks is non-interest bearing. Restricted cash of \$Nil (2020: \$1,324,708) refers to cash held by Bank of Nova Scotia, Canada, for a line of credit arrangement with West Jet Airlines which is no longer in place at March 31, 2021. This was done in accordance with the terms of the airline agreement with West Jet.

7. Accounts Receivable

	<u>2021</u>	<u>2020</u>
General receivables	\$ 116,077	206,355
VAT receivable	<u>36,629</u>	<u>71,870</u>
	\$ <u>152,706</u>	<u>278,225</u>

As at March 31, 2021, the aging analysis of general receivables from due date is as follows:

	<u>Total</u>	<u>Current</u>	<u>31 to 60 days</u>	<u>61 to 90 days</u>	<u>>90 days</u>
2021	\$ 116,077	1,880	5,000	5,000	104,197
2020	\$ 206,355	11,573	7,010	-	187,772

As at March 31, 2021, based on management's assessment, no trade receivables (2020: Nil) were impaired.

Barbados Tourism Marketing Inc.

Notes to the Financial Statements (continued)

For the year ended March 31, 2021

(Expressed in Barbados dollars)

8. Airport Service Charge Receivable

	<u>2021</u>	<u>2020</u>
Airport Service Charge Receivable	\$ 3,567,439	-
Provision for doubtful accounts	<u>(2,312,955)</u>	<u>-</u>
Net Service Charge Receivable	\$ <u>1,254,444</u>	<u>-</u>

As at March 31, 2021, based on management's assessment, receivables of \$2,312,955 (2020: Nil) were impaired and fully provided for.

9. Prepaid Expenses

	<u>2021</u>	<u>2020</u>
Prepaid expenses - local	\$ 60,208	453,152
Prepaid expenses - foreign (overseas)	<u>113,513</u>	<u>173,951</u>
	\$ <u>173,721</u>	<u>627,103</u>

10. Staff Loans

	<u>2021</u>	<u>2020</u>
Staff loans	\$ <u>129,510</u>	<u>178,056</u>

Staff loans are interest free with no fixed repayment terms. As at March 31, 2021, based on management's assessment, no staff loans (2020: Nil) were impaired.

11. GAIA Airport Service Charge Transfers

	<u>2021</u>	<u>2020</u>
GAIA Airport Service Charge	\$ <u>33,877,808</u>	<u>75,001,758</u>

As at April 1, 2019, BTMI no longer received a government subvention. All revenue is sourced from receipts of airport service charges at GAIA Inc. This revenue is used to support BTMI's operational and promotional activities to market Destination Barbados.

Barbados Tourism Marketing Inc.

Notes to the Financial Statements (continued)

For the year ended March 31, 2021

(Expressed in Barbados dollars)

12. Share Capital

The Company is authorized to issue an unlimited number of shares of no par value. The Company has issued 1,000 shares (2020: 1,000) at BBD \$1 each.

	<u>2021</u>	<u>2020</u>
Stated capital	\$ <u>1,000</u>	<u>1,000</u>

Barbados Tourism Marketing Inc.

Notes to the Financial Statements (continued)

For the year ended March 31, 2021

(Expressed in Barbados dollars)

13. Property and Equipment

		<u>Equipment</u>	<u>Furniture & Fittings</u>	<u>Motor Vehicles</u>	<u>Total</u>
Cost					
Balance at March 31, 2019	\$	5,497,959	2,052,762	332,029	7,882,750
Additions		<u>202,989</u>	<u>22,765</u>	-	<u>225,754</u>
Balance at March 31, 2020	\$	5,700,948	2,075,527	332,029	8,108,504
Additions		<u>150,751</u>	<u>6,296</u>	-	<u>157,047</u>
Balance at March 31, 2021	\$	<u>5,851,699</u>	<u>2,081,823</u>	<u>332,029</u>	<u>8,265,551</u>
Accumulated Depreciation					
Balance at March 31, 2020	\$	5,084,996	1,784,214	316,372	7,185,582
Charge for the year		<u>139,307</u>	<u>47,392</u>	<u>12,576</u>	<u>199,275</u>
Balance at March 31, 2021	\$	5,224,303	1,831,606	328,948	7,384,857
Charge for the year		<u>161,095</u>	<u>45,452</u>	<u>3,081</u>	<u>209,628</u>
Balance at March 31, 2021	\$	<u>5,385,398</u>	<u>1,877,058</u>	<u>332,029</u>	<u>7,594,485</u>
Net Book Value - 2021	\$	<u>466,301</u>	<u>204,765</u>	-	<u>671,066</u>
Net Book Value - 2020	\$	<u>476,645</u>	<u>243,921</u>	<u>3,081</u>	<u>723,647</u>

Barbados Tourism Marketing Inc.

Notes to the Financial Statements (continued)

For the year ended March 31, 2021

(Expressed in Barbados dollars)

14. Related Party Transactions

The following related party transactions occurred during the year: Key management personnel compensation is as follows:

	<u>2021</u>	<u>2020</u>
Board of Directors fees	\$ <u>63,800</u>	<u>57,600</u>
Senior Management	\$ <u>1,855,458</u>	<u>1,714,419</u>

15. Taxation

Under the terms of the Barbados Tourism Marketing Inc. Act, the Company is not liable for the payment of any income tax or other tax in respect of its income, revenue or receipts, or any part thereof under any law in force in Barbados.

16. Financial Instruments

Financial assets of the Company include cash and bank balances, accounts receivable, airport service charge receivable and staff loans. Financial liabilities include accounts payable and accrued liabilities.

Exposure to credit, market and liquidity risks arises in the normal course of the Company's business.

(a) Credit risk

Credit risk arises from the possibility that counterparties may default on their obligations to the Company. The amount of the Company's maximum exposure to credit risk is indicated in the carrying amounts of its financial assets. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying value of each financial asset at the reporting date.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 6,307,072	10,192,346
Accounts receivable, net	152,706	278,225
Airport service charge receivable, net	1,254,444	-
Staff loans, net	<u>129,510</u>	<u>178,056</u>
	\$ <u>7,843,732</u>	<u>10,648,627</u>

Barbados Tourism Marketing Inc.

Notes to the Financial Statements (continued)

For the year ended March 31, 2021

(Expressed in Barbados dollars)

16. Financial Instruments (continued)

(b) Foreign currency risk

The Company is exposed to foreign currency risk on purchases that are denominated in a currency other than its functional currency. The currencies giving rise to this risk are primarily Pounds Sterling (GBP) and Canadian Dollars (CAD). The Company does not take any specific measures to mitigate against this risk. At the reporting date, there were no significant concentrations of foreign currency risk.

(c) Fair value

The fair values of cash and cash equivalents, accounts receivable, staff loans and accounts payable and accrued liabilities are not materially different from their carrying amounts. The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position are as follows:

	2021		2020	
	<u>Carrying Amounts</u>	<u>Fair Value</u>	<u>Carrying Amounts</u>	<u>Fair Value</u>
Cash and cash equivalents	\$ 6,307,072	6,307,072	10,192,346	10,192,346
Accounts receivable	152,706	152,706	278,225	278,225
Airport service charge receivable, net	1,254,444	1,254,444	-	-
Staff loans, net	129,510	129,510	178,056	178,056
Accounts payable and accrued liabilities	10,365,523	10,365,523	18,998,477	18,998,477

Fair value estimates are made at a specific point in time, based on market conditions and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates. All non-financial instruments such as deferred revenue are excluded from fair value disclosure. Thus, the total fair value amounts cannot be aggregated to determine the underlying economic value of the Company.

Barbados Tourism Marketing Inc.

Notes to the Financial Statements (continued)

For the year ended March 31, 2021

(Expressed in Barbados dollars)

16. Financial Instruments (continued)

(d) *Liquidity risk*

The following are the contractual maturities of financial liabilities:

Non-derivative financial liabilities

March 31, 2021

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>6 months or less</u>	<u>6 to 12 months</u>	<u>1 to 2 years</u>	<u>2 to 5 years</u>	<u>More than 5 years</u>
Accounts payable and accrued liabilities	10,365,523	(10,365,523)	(10,365,523)	-	-	-	-

March 31, 2020

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>6 months or less</u>	<u>6 to 12 months</u>	<u>1 to 2 years</u>	<u>2 to 5 years</u>	<u>More than 5 years</u>
Accounts payable and accrued liabilities	18,998,477	(18,998,477)	(18,998,477)	-	-	-	-

Barbados Tourism Marketing Inc.

Notes to the Financial Statements (continued)

For the year ended March 31, 2021

(Expressed in Barbados dollars)

17. Capital Contributions

Capital contributions by the Government of Barbados comprises write off of the following amounts:

	<u>2021</u>	<u>2020</u>
Barbados Tourism Investment Inc. (BTII) Loan	\$ 3,897,201	3,897,201
Write off of government and intercompany balances	<u>1,093,690</u>	<u>1,059,804</u>
	4,990,891	4,957,005
NIS loan settlement	<u>7,464,519</u>	<u>7,464,519</u>
	\$ <u>12,455,410</u>	<u>12,421,524</u>

By Memo Ref 5741/00 Vol.1, dated January 31, 2019, the Ministry of Finance, Economic Affairs and Investment (MOFEI) instructed State Owned Enterprises and other public bodies to ensure that all claims on other state owned enterprises and other public sector bodies prior to September 1, 2018 be written off (including tax refunds and budgetary transfers which have not been made). The amount of \$12,455,410 (2020: \$12,421,524) represents the net write-off of these balances.

In addition, any amounts owed to other public sector bodies (including the Barbados Revenue Authority) incurred prior to September 1, 2018 should be written off. These write-offs should have taken place with effect as of December 31, 2018 for bookkeeping purposes. At March 31, 2021, write off of government and intercompany balances totalled \$1,093,690 (2020: \$1,059,804).

The purpose of these write-offs, which are part of the Barbados Economic Recovery and Transformation program, is to:

- rationalise intragovernmental relationships;
- ensure that the public sector's accounting for assets and liabilities is true and fair;
- place Barbados's public debt firmly on a sustainable footing.

On March 7, 2019, the Barbados Tourism Marketing Inc. was informed that as a consequence of the acceptance of the Government of Barbados' domestic debt exchange offer, the facility previously held with the NIS has been exchanged for new Government of Barbados securities which will be serviced by the Government. The amount of \$7,464,519 was treated as a capital injection removing the obligation from a loan that is payable to equity.

18. Other Liability

This other liability takes into consideration the outstanding contributions of \$18,367 (2020 - \$18,367) that is payable by BTMI with respect to the Plan's defined contribution obligations at April 1, 2018.

Barbados Tourism Marketing Inc.

Notes to the Financial Statements (continued)

For the year ended March 31, 2021

(Expressed in Barbados dollars)

19. Employee Benefit Obligation

BTMI has established the Barbados Tourism Marketing Inc. Pension Plan ("the Plan") effective April 1, 2018. The Plan became operational in September 2020 when contributions were first remitted to the Plan by its defined contribution members. The Plan's Trust Deed was executed effective December 31, 2020. The Plan was submitted to the Financial Services Commission for registration under the Occupational Pension Benefits Act Cap. 350B in 2021.

BTMI recorded an employee benefit obligation of \$5,059,317 for the Plan for the current financial year. This obligation is the present value of the Plan's defined benefit obligations on a going concern basis as at March 31, 2021 as determined by the Plan's actuary – Eckler Ltd. There were no plan assets at March 31, 2021.

	<u>2021</u>	<u>2020</u>
Present value of funded obligations	\$ 5,059,317	5,257,998
Fair value of plan assets	<u>-</u>	<u>-</u>
	<u>\$ 5,059,317</u>	<u>5,257,998</u>
Experience adjustment on plan liabilities	(1,182,717)	(697,309)
Impact of assumption changes (gain) loss	<u>-</u>	<u>-</u>
Actuarial (gain) loss on obligation	<u>(1,182,717)</u>	<u>(697,309)</u>

The amounts recognised in the statement of revenue and expenditure are as follows:

Current service cost	555,033	540,672
Interest on obligation	429,002	408,896
Net actuarial losses (gains) recognised in the year	<u>(1,182,717)</u>	<u>(697,309)</u>
Total included in 'staff costs'	<u>(198,681)</u>	<u>252,259</u>
Actual return on plan assets	<u>-</u>	<u>-</u>

Movements in the net liability recognised in the statement of financial position are as follows:

Net (asset)/liability at start of year	5,257,998	5,005,739
Net expense recognised in the income statement	<u>(198,681)</u>	<u>252,259</u>
Net liability at end of year	<u>5,059,317</u>	<u>5,257,998</u>

Barbados Tourism Marketing Inc.

Notes to the Financial Statements (continued)

For the year ended March 31, 2021

(Expressed in Barbados dollars)

19. Employee Benefit Obligation (continued)

The following list of assumptions was used in determining the present value of the defined benefit obligation:

	2021	2020
Discount rate at end of year	8.25%	7.75%
Expected return on plan assets	8.25%	7.75%
Future promotional salary increases	2.00%	2.00%
Future inflationary salary increases	3.75%	3.75%
Future pension increases	2.50%	2.50%
Proportion of employees opting for early retirement	10.00%	10.00%
Future changes in NIS ceiling	3.50%	3.50%

20. Change in operations

The Cabinet of Barbados mandated the Board of the Barbados Tourism Marketing Inc. (BTMI) to execute the process of transfer of the operations and functions of the Barbados Tourism Product Authority (BTPA) to the BTMI. The transfer of functions of the BTPA into BTMI became effective March 25, 2019.

The transfer included all functions except the regulatory and licensing function conferred by the BTPA Act upon the BTPA, which therefore could not be executed by BTMI as a private company under the Companies Act Cap. 308.

21. COVID-19 Assessment

On March 11, 2020, the World Health Organization declared the COVID-19 outbreak to be a pandemic, in recognition of its rapid spread across the globe. Within the financial year ended 2021, BTMI initiated Post Covid recovery activations to restore travellers' confidence in returning to Barbados. Several task force committees were created with members of the BTMI team and key stakeholders to bolster and rethink the tourism sector.

This has resulted in visitors showing a deep interest in travelling to Barbados again. Guests also expressed their satisfaction as to how Barbados handled the pandemic and deems Barbados as a safe place to vacation despite Covid. Barbados has been able to reactivate its economy due to the increasing arrivals. Growth is expected to continue, but its dependence will be on the major source markets such as UK and USA.

22. Contingent Liability

Various actions and legal proceedings may arise against the Company during the normal course of business. The Company is currently involved in certain employee-related legal matters for which the outcome had not been determined at the reporting date. The amount of the liability, if any, will be contingent on the eventual outcome of court proceedings and will be recognised at that time.

Barbados Tourism Marketing Inc.

Notes to the Financial Statements (continued)

For the year ended March 31, 2021

(Expressed in Barbados dollars)

23. Prior year restatement

During the current period, the BTMI received the actuarial report on the employee benefit obligation which resulted in an understatement of the liability at the end of 2020. The impact of this correction resulted in the employee benefit obligation at March 31, 2020 being understated by \$757,998.

This correction has been made by restating each of the financial statement line items for the year ended March 31, 2020.

The following tables summarise the impact on the Company's financial statements:

(a) *Effects on the statement of financial position:*

	As previously reported	Impact of correction Adjustments	As restated
March 31, 2020	\$	\$	\$
Other liability	4,518,367	(4,500,000)	18,367
Employee benefit obligation	-	5,257,998	5,257,998
Total liabilities	23,516,844	757,998	24,274,842
Deficit	(23,939,991)	(757,998)	(24,697,989)
Total deficiency	(11,517,467)	(757,998)	(12,275,465)

(b) *Effects on the statement of revenue and expenditure:*

	As previously reported	Impact of correction Adjustments	As restated
March 31, 2020	\$	\$	\$
Salaries and allowances	10,885,677	757,998	11,643,675
Excess of expenditure over revenue	(616,655)	(757,998)	(1,374,653)

(c) *Effects on the statement of cash flows:*

	As previously reported	Impact of correction Adjustments	As restated
March 31, 2020	\$	\$	\$
Excess of expenditure over revenue	(616,655)	(757,998)	(1,374,653)
Increase in employee benefit obligation	-	757,998	757,998

Barbados Tourism Marketing Inc.

Notes to the Financial Statements (continued)

For the year ended March 31, 2021

(Expressed in Barbados dollars)

23. Prior year restatement (continued)

(d) *Effects on the notes to the financial statements for the year ended March 31, 2020:*

Adjustments were made to the following notes to reflect the restated values for 2020 as reflected above in (a), (b) and (c).

- Note 18
- Note 19

24. Reclassification

Certain amounts reported within the 2020 statement of revenue and expenditure have been reclassified in the comparative figures within these financial statements.





Annual Report

2020 | 2021

BARBADOS[®]
TOURISM MARKETING INC.

Barbados Tourism Marketing Inc.
One Barbados Place, Warrens, St. Michael

Minister's Executive Secretary

From: Hon. G.P. Ian Gooding-Edghill, JP., M.P. <Ian.Gooding-Edghill@barbados.gov.bb>
Sent: Tuesday, November 25, 2025 7:30 PM
To: Deborah Norville
Cc: Minister's Executive Secretary; Mechelle Alleyne; Carmelita Brade
Subject: Re: DCP - Annual Report and Audited Financial Statements - March 31, 2021 for BTMI

PS,

The DCP is approved.

Thanks.
Ian

Sent from [Outlook for Android](#)

From: Deborah Norville <norvilled@tourism.gov.bb>
Sent: Tuesday, November 25, 2025 4:23:43 PM
To: Hon. G.P. Ian Gooding-Edghill, JP., M.P. <Ian.Gooding-Edghill@barbados.gov.bb>
Cc: Minister's Executive Secretary <MinExecSec@tourism.gov.bb>; Mechelle Alleyne <allegnem@tourism.gov.bb>; Carmelita Brade <bradec@tourism.gov.bb>
Subject: FW: DCP - Annual Report and Audited Financial Statements - March 31, 2021 for BTMI

Minister,

Submitted for consideration and approval is DCP *entitled 'Annual Report and Audited Financial Statements of the Barbados Tourism Marketing Inc. for the year ended March 2021'*.

Kind Regards

Deborah Norville (Ms.)
Permanent Secretary (Ag.)

BARBADOS
MINISTRY of TOURISM
& INTERNATIONAL TRANSPORT

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