



Tourism
**DEVELOPMENT
CORPORATION**

ANNUAL REPORT 2012





OUR VISION

To be the Catalyst for Positive Growth and Sustainability of the Tourism Industry in Barbados.

OUR MISSION

To Continuously Improve the Sustainable Growth of Tourism in Barbados by being Proactive and Supportive of Results-Oriented Plans and Programmes.



Over the past several decades, Barbados' tourism industry has thrived not least of all because of our remarkable scenery, beautiful weather, awe-inspiring beaches and vast array of activities for a range of visitor preferences. To make a visit to Barbados even more enticing, we add to this list of incentives, a well-established international reputation as a safe and friendly tourism destination.

We must be wary, however, of taking this incredible opportunity of tourism for granted and losing sight of exactly how dependent all Barbadians are on its continuing existence, especially as other major income earning sectors in Barbados face serious challenges.

The Tourism Development Corporation (TDC), incorporated as a non-profit organisation in 1987, functions as an excellent catalyst for tourism development in Barbados. By directing member contributions to carefully selected tourism marketing and product enhancement projects, the TDC offers an excellent opportunity for public-spirited, commercial enterprises to contribute to the positive growth and sustainability of the island's tourism industry.

In co-operation with the Barbados Hotel & Tourism Association, the Barbados Tourism Authority and the Ministry of Tourism, the TDC promptly responds to the industry's needs, supporting results-oriented projects that will enhance Barbados' tourism product and increase foreign exchange earnings. TDC's directors and working committee members are senior business executives who serve voluntarily in order to stimulate ideas and provide commercial insight for the development of the tourism industry.

The members of the TDC are considered to be its shareholders who provide the organisation's working capital and resources. While the TDC's shareholders do not receive the traditional dividend return on their investment, the TDC places a high priority on providing its members with a return through the growth of the tourism industry which is essential if we are to sustain our accustomed standard of living in Barbados.

TDC's role as a financial contributor to the overall development of the Barbados tourism industry is supported by the Government of Barbados, who encourages businesses to contribute to the organisation by allowing contributors to claim 150% of their annual contribution as an expense for corporate income tax purposes.

TDC also has a 'Special Projects' facility that allows non-member organisations to contribute funds towards specific tourism-related projects supported by the TDC and benefit from the 150% tax facility.

Insight



Contents

Board of Directors	4
Committee, Executive & Advisors	5
Members & Sponsors	6
Chairman's Report	7 - 8
Committee Report	9 - 13
Projects Supported 1987 - 2012 (listing)	14 - 15
Current Project Commitments	15
Independent Auditor's Report	16
Financial Statements	17 - 28

Notice of Meeting

You are invited to attend the Twenty-fifth Annual General Meeting of the Tourism Development Corporation to be held at the Savannah Beach Hotel on Wednesday 11th July, 2012 at 8:00 a.m.

Board of Directors



LEFT TO RIGHT: G. Anthony King, **Chairman**
Martin Pritchard, Rovel Morris, Hutson Best, Martin Ince, Denis Roach,
Maureen Davis, Bernard Weatherhead, Ray Chee-A-Tow, Susan Springer,
Mark Thompson and Mark Durant

Committee, Executive & Advisors



LEFT TO RIGHT: Maureen Davis, **Chairperson**
Jon Martineau, Mark Thompson, Valerie Marshall, Geoffrey Roach, Nicole Alleyne
Michelle Smith-Mayers, Roseanne Myers, Douglas Armstrong and
Lisa-Anne Arthur, **Executive Officer**

ADVISORS:

PricewaterhouseCoopers SRL, Auditor
CIBC FirstCaribbean International Bank Ltd., Bankers
Valence A. Lynch & Co., Accountants

Accra Beach Hotel & Spa
Atlantis Submarines (B'dos) Inc.
Automotive Art International Inc.
Banks (B'dos) Breweries Ltd.
Barbados Light & Power Co. Ltd.
Barbados Shipping & Trading Co. Ltd.
Bougainvillea Beach Resort
Bridgetown Cruise Terminals Inc.
Butterfly Beach Hotel
Cable & Wireless (B'dos) Ltd.
Carter & Co. Ltd.

Cave Shepherd & Co. Ltd.
CGM Gallagher Insurance Brokers (B'dos) Ltd.
Chickmont Foods Ltd.
Cobblers Cove Hotel
Colombian Emeralds International
Foster & Ince Cruise Services Inc.
Gale's Agro Products Ltd.
Goddard Enterprises Ltd.
KPMG
PricewaterhouseCoopers SRL
RBC Royal Bank (B'dos) Ltd.

Realtors Ltd.
Roberts Manufacturing Co. Ltd.
Sagcor General Insurance Inc.
Sandy Lane Hotel & Golf Club
The Bank of Nova Scotia
The Mark Thompson Group Inc.
Treasure Beach Hotel
Tropic Ice Unlimited Inc.
Williams Industries Inc.

Members & Sponsors



Membership Benefits

Membership in the TDC allows corporate citizens the unique opportunity to share in and help shape the future development of Barbados as a tourist destination. There are two categories of membership - Full Members and Sponsors.

Full Members:

- Contribute 2% of their pre-tax income from the previous year
- Claim 150% of their contribution for tax purposes
- Are entitled to vote at the TDC's Annual General Meeting

Sponsors:

- Contribute a fixed amount which is agreed upon by the TDC
- Claim 150% of their contribution for tax purposes
- Are not eligible to vote at the TDC's Annual General Meeting



G. Anthony King, Chairman



Chairman's Report

This year marks TDC's 25th year in operation and I therefore take this opportunity to reflect on the organisation and its aims.

TDC was formed at a time when the traditional foreign exchange earning sectors were waning and it was clear that tourism had to be the main engine of economic growth for Barbados. At that time, corporation tax had been reduced and it was suggested that corporate tax savings could be used by the private sector to assist in growing the tourism sector. Through the efforts of Sir John Goddard, Sir Douglas Lynch and Messrs. Geoffrey Cave, Frank McConney and Peter Patterson, TDC was established on June 10, 1987 as a private sector, non-profit organisation through which the wider business community could assist in the further development of the local tourism industry. An important attribute accorded the TDC is the ability to treat 150% of subscriptions and donations as a deductible expense.

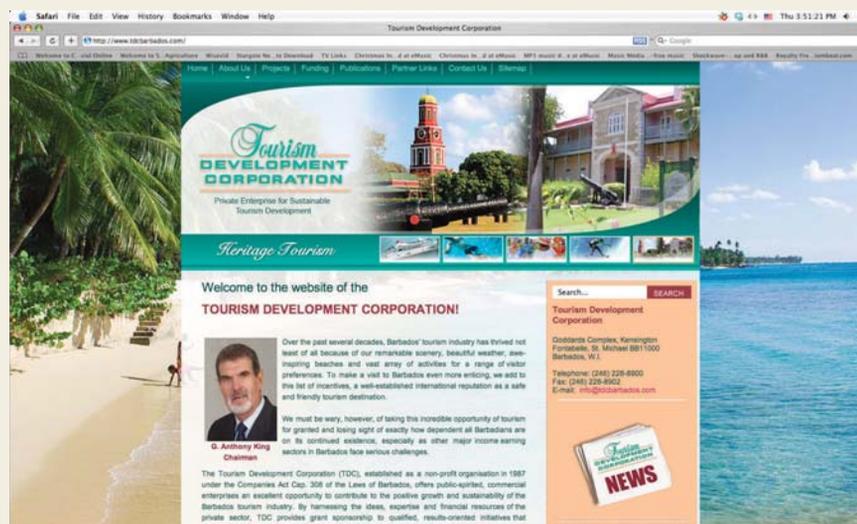
Over the past 25 years, TDC has demonstrated its sustainability as a credible custodian of the private sector's funds, providing approximately \$28 million in sponsorship support to more than 275 tourism-related projects. TDC employs a sound methodology for project evaluation and sponsorship and works in close collaboration with our industry partners. In keeping with the organisation's mandate, member contributions are directed towards qualified initiatives in two primary areas. One is to turn potential visitors to Barbados into actual bookings through supporting promotional activities in overseas markets, often in conjunction with events and group activity related travel to Barbados. The other is to provide product development support such as to maintain and/or improve the facilities, security, service delivery and aesthetics of the island's tourism product in an effort to enhance the overall visitor experience—being well aware that locals also visit or use many of the island's attractions and facilities.

From its genesis, TDC has played an integral role in the sustainable development of the local tourism sector and this continues. In particular, during this time of economic constraint, together with increasing global competition, the role of the TDC becomes ever more an imperative. Undoubtedly, it is through the collaborative efforts of our public and private sector entities that our country will realise its social and economic development goals and in so doing, improve the quality of life of all Barbadians.

TDC Website

On behalf of the Board of Directors, I am pleased to announce the launch of TDC's website to coincide with our 25th anniversary celebrations this year. The website was developed to provide information on the organisation's mandate and its work, together with its structure and members or supporters.

In order to highlight the productive association between the TDC and our membership, we have begun the process of listing the business names of our members as active hyperlinks, where approved, in the 'Membership' section on the website.



The home page of the new TDC website.

Chairman's Report - continued

Further, we have also created a membership logo, which we hope our members will proudly display as an active hyperlink in a suitable location on their own websites, to TDC's website, as well as on any collateral material as deemed appropriate.



TDC Membership logo

Membership Contributions and Project Expenditures

For the year ended March 31, 2012, TDC membership contributions were \$790,043, falling below the prior year's figure of \$820,221. The on-going global recession continues to exert pressure on our member companies, some of which have had to reduce or suspend their annual contribution for the financial year. Interest earned on deposits, however, increased slightly to \$142,971 from \$134,049 the year earlier.

During the financial year under review, disbursements for development and promotional projects amounted to \$546,140 with \$839,913 being disbursed the year before. While \$398,477 was approved for new projects during the year, a review of un-disbursed funds for previously approved projects was conducted, resulting in \$17,367 being recognised as expired commitments and hence, the charge to the P&L for the year was \$381,110.

Funds held in cash and on deposit which are available for the TDC's purposes stood at \$3.9 Million at year-end, up from the \$3.7 Million which was available at the close of the prior year.

Conclusion

At this time, I wish to thank Lisa, our Executive Officer, for her diligence, dedication and high ethical standards in carrying out her duties over the past eight years. Lisa will be moving on from her post with the TDC and we all wish her the best in her future endeavours. The Board of Directors is currently in the process of identifying Lisa's replacement and expects that an announcement will be made by this year's Annual General Meeting.

I wish to extend a heartfelt thank-you to members of the Board of Directors and the Project Assessment Committee, who give freely of their time and expertise to ensure that the TDC continues to perform its important role.

In closing and on behalf of the Board, I further wish to express sincere appreciation to our members for your continued support and dedication throughout this difficult economic period. You may rest assured that in the coming year, TDC will remain focused on our mandate in support of sustainable, results-oriented projects aimed at increasing Barbados' foreign exchange earnings.



G. Anthony King
Chairman



Committee Report

Maureen D. Davis, Chairperson

Once again this year, the majority of TDC's sponsorship support was directed towards the sports tourism sector, with the remaining funds being distributed among a range of product development initiatives spanning the heritage, culinary, cruise and eco tourism markets.

Speaking specifically to the level of sponsorship support directed towards sports tourism initiatives over the past few years, TDC recognises that this growing niche market has the potential to contribute more significantly to the Barbados economy. It is therefore our aim to continue to assist financially, where necessary, to develop a viable, internationally competitive, local sports tourism product.

In this regard, during the financial year, TDC not only supported overseas promotional initiatives to drive foreign participation in annual sports tourism events, but also, we sought to encourage the inclusion of a wide range of activities and attractions on the event itineraries for the participation of event officials, participants and spectators. The continued strengthening of these kinds of linkages between the sports and tourism sectors will help to maximise the economic returns from the sports tourism sector and further, serve to generate repeat tourism business.

Projects Supported

Two long-running events on Barbados' sports tourism calendar which were supported by TDC during the year are the **Banks International Hockey Festival** and **Sol Rally Barbados**.

The former event is recognised as one of the first major local sports tourism initiatives, annually attracting high numbers of visiting teams and spectators, who in addition to participating in the Festival, take in the various leisure activities and attractions Barbados has to offer. However, in recent years, the Festival has suffered a few set-backs given the deterioration of the main hockey AstroTurf at the Garfield Sobers Gymnasium, resulting in a gradual decline in the number of visiting teams that would have traditionally participated in this annual event. In light of such, TDC this year provided funding support to assist the Barbados Hockey Federation in implementing an aggressive international marketing campaign to drive visitor participation for both the 2012 and 2013 events, which are now being held at Kensington Oval.

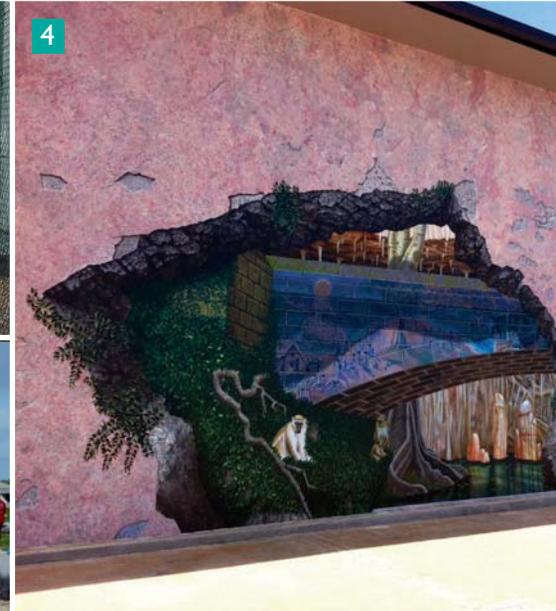
With regard to Sol Rally Barbados, TDC's support was again directed towards promotional activities in the UK market with the view to build on the expanded marketing campaign that we supported in the previous financial year. We are pleased to advise that these efforts have borne fruit as the 2012 event has attracted a record number of foreign entries, who are expected to be followed by the usual high number of visiting motorsport enthusiasts.

TDC also provided sponsorship support for the live internet streaming of **The NACRA Rugby Sevens Championships 2011** during the year. This annual event, which was hosted by Barbados last November, attracted over 350 visiting players, officials and spectators from North America and the Caribbean for an approximate one-week stay on the island. It is expected that the live internet streaming of the event will significantly boost the awareness of Barbados as a rugby destination and thereby generate greater interest in the various regional and international tournaments held on the island each year.

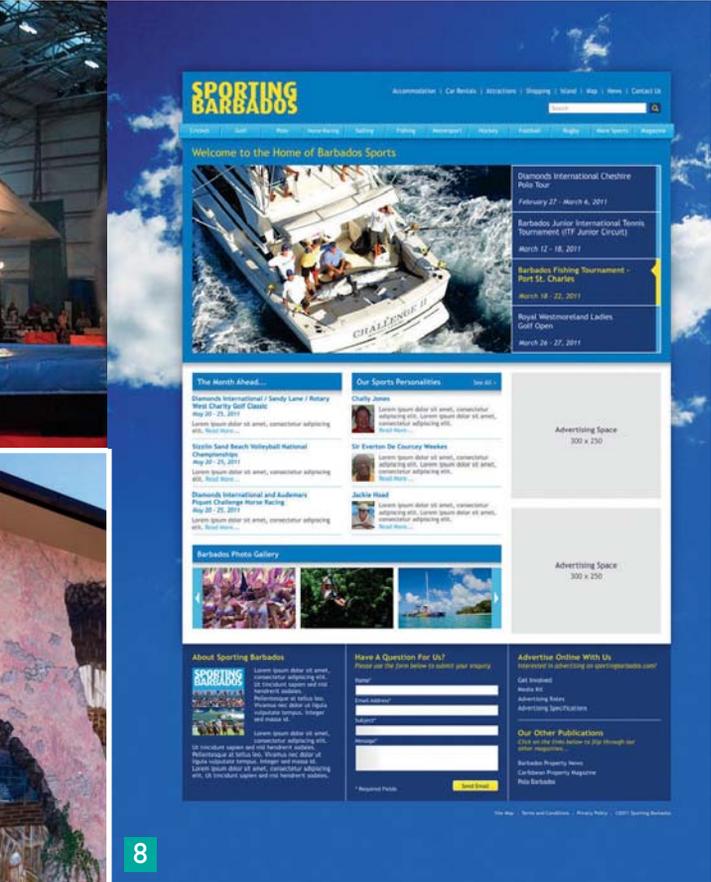
International masters sporting events such as the annual **Barbados International Masters Football Festival 2011** and the biennial **Sir Garfield Sobers International Masters Cricket Tournament 2011** provide the perfect target markets for an exclusive, mature tourism destination such as Barbados.

PROJECTS SUPPORTED 2012

- Barbados Junior International Tennis Championships 2012
 - (L to R) Luke Smith (USA) - Winner of the U14 Boys Singles & Runner-up in the U14 Boys Doubles, Tjimon Louisy & James Stevenson (St Lucia) - Winners of the U14 Boys Doubles and Aaron Soo Ping Chow (Trinidad) - Runner-up in the U14 Boys Singles.
 - Teams on parade at the Opening Ceremony.
- Cayman Islands players double-team Guyana's Kevin Mackenzie during the NACRA Rugby Sevens Championships 2011.
- A member of the Trinidad Team competing on the vault at the Barbados Gymnastics Invitational 2012.



4. The 'Bridge of Tides' 3D mural located in Speightstown, St. Peter.
5. Volunteers cleaning Long Beach, Christ Church during the CYEN International Coastal Cleanup 2011.
6. A match in session at the Wanderers Cricket Ground during the Barbados International Masters Football Festival 2011.
7. Trinidad & Tobago Defense Force versus Queens Park Club of Trinidad & Tobago during the Banks International Hockey Festival 2011.
8. The home page of the Sporting Barbados website.
9. Sample QR Code - Scan the code with your smartphone to access information on the Barbados Garrison Historic Area.
10. Sizzlin' Sand Beach Volleyball Barbados SunSplash 2011
 - (a) Men's Champions - Trinidad & Tobago's Simon Blake (L) and partner Fabian Whitfield receiving their trophies from Ms. Cheryl Forde of Cooperators General Insurance.
 - (b) Ladies' Champions - Canada's Shari Mathews (L) and partner Leila Pieper receiving their trophies from Ms. Roxanne Forte, 2nd Vice President of the Barbados Volleyball Association.
11. The welcome sign installed at the Bridgetown Port.



Committee Report - continued

These two events each attract several hundred players and spectators to our shores for at least one week, who possess the level of disposable income desired to meaningfully contribute to the local economy. TDC is therefore pleased to have provided funding support to ensure these two thriving sports tourism initiatives were successfully hosted.

As a catalyst for tourism development in Barbados, TDC is pleased to have supported the hosting of the inaugural **Barbados Gymnastics Invitational 2012**, as well as the regional and international promotional activities for the 2013 event. This proposed annual event targets Gymnasts from North and Latin America, as well as the Caribbean and is seeking to become an annual fixture on the US Gymnastics calendar.

Other sports tourism initiatives supported by the TDC during the financial year are as follows:

- **Barbados Junior International Tennis Championships 2012**
- **Golfing Barbados Tour 2011/12**
- **Sizzlin' Sand Beach Volleyball Barbados SunSplash 2011**
- **The Barbados Cup International Youth Soccer Tournament 2012**

In support of the national effort to further develop Barbados' sports tourism product, during the year, TDC assisted in funding the re-launch of the **Sporting Barbados website** at the annual World Travel Market held in the UK last year. The www.sportingbarbados.com website was completely restructured to provide up-to-date information on local sports and associated leisure activities, in order to fill the existing void. This informative website provides support to the Barbados Tourism Authority's (BTA) regional and international sports promotion initiatives, as well as to individual sports promoters.

TDC this year continued its support of Barbados' heritage tourism product by providing sponsorship support for the **refurbishment of the Gazebo Roof at Gun Hill Signal Station**. Further, with the inscription of the City of Bridgetown and its Garrison as a UNESCO World Heritage Site, TDC is also pleased to have committed funds towards the **QR Code interpretation of the Garrison Historic Area** to provide up-to-date information to visitors on historic buildings and locations within the site.

During the year under review, TDC directed sponsorship support towards two distinctive product enhancement initiatives with the view to differentiate Barbados from its competitors as a unique and progressive tourism destination.

One such initiative is the **11.11.11 ON Wi-Fi Barbados** project, which seeks to provide Wi-Fi connectivity across the island, in hopes of making Barbados the first island in the Caribbean and the first country in the world, to offer 'free' wireless internet access across the entire territory. This ambitious and exciting initiative is poised to change the very nature of vacationing, living and doing business in Barbados. The project, however, does not promise seamless connectivity, but rather, ready interconnectivity and overlap from one Wi-Fi 'hotspot' to another, so that as persons move around the island they can achieve connectivity and productivity without the constraint of being tethered to one location. TDC's funding support was specifically directed towards the set-up of 'Wi-Fi hotspots' at several locations along the East Coast of the island that are generally frequented by visitors.

The other initiative is the painting of the **'Bridge of Tides' 3D mural** in Speightstown, St. Peter. The mural, which was painted by world renowned Muralist Mr. John Pugh in association with local Artist Mr. Don Small, is a colour fast, graffiti proof, historically themed illusion that captures the essence of Barbados. It is anticipated that the mural will become the central attraction of the current development work to install a promenade along the coast in Speightstown.

Committee Report - continued

TDC continues to support the participation of the Barbados Chapter of the Caribbean Youth Environment Network, in the annual **CYEN International Coastal Cleanup 2011**. This year's volunteers again removed a significant amount of debris from Long Beach, Christ Church, as this stretch of beach tends to be littered with garbage. For the 2012 cleanup, the Barbados Chapter will be seeking to increase the number of volunteers in hopes of covering an additional five beaches across the island.

In collaboration with the Barbados Hotel & Tourism Association (BHTA), TDC sponsored several initiatives during the year aimed at enhancing Barbados' tourism product: -

- The production and installation of a **welcome sign in the Bridgetown Port** to provide a photo point for cruise visitors and thereby give Barbados exposure as a cruise destination;
- The participation of the Barbados Culinary Team in the **Taste of the Caribbean 2011** competition. The training received by the participating Chefs and Bartenders at this annual event has been invaluable to the island's culinary tourism product as it helps to improve general culinary skills, while also teaching specialised skills such as mass and outside catering. As a result, participants are now able to effectively host local, regional and international promotional events;
- The implementation of the BHTA's **Tourism Awareness and Information Tools Initiative**, which was conceptualised to assist in creating a well-informed and knowledgeable workforce that fully understands the importance of the tourism industry to the local economy and our quality of life; and the significant role played by all Barbadians in ensuring that the industry is a success. The training tools and activities derived from this initiative are expected to be shared with members of the BHTA, the Press and the Ministry of Education. The initiative will also be extended to other private and public sector entities through NISE Inc. in order to achieve a broader base of national tourism awareness.

Conclusion

As the current economic recession wages on, the Committee has begun discussions with the BHTA and hopes to do the same with the BTA, in order to direct TDC's available funding towards the implementation of targeted, strategic initiatives, geared at shoring up the local tourism sector. It is becoming ever more critical for all industry stakeholders to work together to ensure that Barbados as a destination is best positioned to ride out this difficult period and to be ready to capture meaningful business when the international travel market begins to recover.

In this our 25th anniversary year, we celebrate all of TDC's achievements to date, but remain acutely aware of the integral role that the organisation still has to play in the sustainable development of the Barbados tourism industry well in to the future.

A handwritten signature in black ink, appearing to read "Maureen Davis".

Maureen D. Davis
Chairperson, Project Assessment Committee



Projects Supported 1987 - 2012

- | | | |
|--|--|---|
| <ul style="list-style-type: none"> 11.11.11 On Wi-Fi Barbados 1-800-8-BARBADOS A Healing Touch Telethon Adopt-A-Beach Adopt-A-Highway Adventure Tours - Marketing Airport Cosmetic Improvements Air Jamaica Vacations - Marketing A Taste of Barbados Air Tours - Marketing American Airlines - Marketing American Express - Marketing Atlantic Barbados Challenge Yacht Race Atlantic Barbados Rowing Race Atlantic Rowing Challenge Banks International Hockey Festival Barbados Aquatic Centre Competitions Barbados Beyond 2000 Promotion Barbados Bridge League Tournament Barbados Cancer Society Fund Raising Dinner Barbados Cruise Visitor Survey Barbados Cup International Youth Soccer Tournament Barbados Darts Festival Barbados Golf Association Tournaments Barbados Gymnastics Invitational Barbados Historic Rally Carnival Barbados Horticultural Society Local Flower Shows Barbados International Game Fishing Tournament Barbados International Masters Football Festival Barbados Invitational Tennis Exhibition Barbados Is Magic School Competition Barbados Jazz Festivals Barbados Junior International Tennis Championships 'Barbados Night' Promotions with the Ottawa Senators | <ul style="list-style-type: none"> Barbados Private Sector Agency Projects Barbados Rally Carnival Barbados Sea Turtle Project Initiative Barbados Take A Closer Look Video Barbados Tourist Attraction Audit Programme Barbados Travel Planning Guide Barbados Windsurfing Grand Prix Barbados Workers' Union Training Barbados Yachting Association Races Barry Forde Sponsorship Batts Rock Redevelopment Project Beach Kiosks BET Jazz Marketing BHTA Environmental Officer BHTA Marketing Programmes BHTA Training Fund BIMAP BMT Reef Ball Project Breakfast In Barbados - Marketing Brian Talma Beach Culture World Tour Brides Magazine - Marketing Bridgetown Lighting Project Bring 'em Back - Marketing British Executive Services Overseas BTA Marketing Programmes BWIA - Marketing Caledonia - Marketing Cannon Restoration Caribbean Connection - Marketing Carib Express - Marketing Caribbean Squash Tournament Carifta Games Carlisle Bay Marine Park Cavalcade Parade | <ul style="list-style-type: none"> CBBA Offshore Promotions Chamber of Commerce Duty Free Committee Charleston Garden Festival Chelsea Flower Show PR & Press Coverage Choice Litter Bins Clean Country Campaign Clean Up Barbados Campaign Club America - Marketing Cockspur Gold Cup Codrington College Grounds Improvement Project Come Clean Campaign Community College Language Training Community Tourism Projects Concorde - Marketing Congaline Carnival Contempo Coventry Barter Programme Cricket Exhibit at the Legends' Museum Cricket Value Added Packs Crime Stoppers International Training Conference Crop Over Festivals CTC 20 & 24 Conferences David Kirton at Midem Music Market "De Heart uh Barbados" "Desire" Promotional Band Tour Dive Promotions DGM Barbados Open Elegant Resorts - Marketing English County Cricket Clubs Pre-season Training Camp Farley Hill Grounds Improvement Project Fingerprinting Equipment for RBPF Florida-Caribbean Cruise Association Future Centre Trust Environmental Initiatives George Washington House Restoration Project |
|--|--|---|



Current Project Commitments

11.11.11 On Wi-Fi Barbados

- Banks International Hockey Festival 2011 & 2012
- Barbados Gymnastics Invitational 2012 & 2013
- Barbados Junior International Tennis Championships 2012
- Barbados Sea Turtle Project
- BGHC Inc. GHA Project Activities 2009/10
- English County Cricket Clubs Pre-season Training Camp 2011
- QR Code Interpretation of the Garrison Historic Area
- Refurbishment of the Barbados Museum Entrance
- Replacement of the Gazebo Roof at Gun Hill Signal Station
- Sol Rally Barbados 2012
- The Barbados Cup International Youth Soccer Tournament 2012
- Tourism Awareness & Information Tools Initiative
- Zouave Uniforms – Changing of the Sentry Attraction at the Garrison

“Get on Board” Youth Development
 Globetrotters - Marketing
 Gold Book Advertising
 Gospelfest
 Green Guide to Barbados
 Greening Barbados
 Gun Hill Refurbishment
 Hastings Rocks Revitalisation
 Hastings Rocks Band Concert
 Holders Season
 Holetown Festival
 Hotel & Travel Index
 Immigration Department Training
 Installation of Litter Bins
 Interactive Tourism Training Tree
 International Veterinary Conference
 Intimate Hotels - Marketing
 IT&ME - Marketing
 Jubilee Gardens Redevelopment
 Kiwanis Convention
 Kuoni Travel Ltd. - Marketing
 La AMISTAD Visit to Barbados
 Leisure Pack - Marketing
 Leo Club of Barbados Central
 Litter Patrol
 Lib GoGo - Marketing
 Local Performers at London Jazz Festival
 Luxury Hotel Tour 2003
 Main Guard Clock Restoration
 Magazine ads - Various
 Martinair - Marketing
 Ministry of Tourism Projects
 Moja Festival in South Carolina
 Mosquito Magnet

Morgan Lewis Windmill Restoration
 NAWIRA Rugby Festival
 National Agro-tourism Workshop
 National Armouries Museum
 National Initiative For Service Excellence
 National Heroes Gallery & Museum of Parliament
 Night of the 90's -Training
 NISE Handbook
 Owners Abroad - Marketing
 Palm Tree Planting along South Coast
 Paul Gunther - Marketing
 Pleasure Break - Marketing
 Price Waterhouse Cruise Survey
 QR Code Interpretation of the Garrison Historic Area
 Radio Series on Tourism
 Rescue the Reefs
 Road Signage
 Rockley Beach Park Lights
 Rotary Club of Barbados West
 Rotary Youth Environmental Project
 Royal Barbados Police Force
 Run Barbados
 Security Guard Patrols
 Shell Wonderful World of Golf Tournament
 Shepherd Street Beautification Project
 Sir Frank Worrell Bust
 Sir Garfield Sobers Cricket Tournaments
 Sir Garry Sobers Festival of Golf
 Sizzlin' Sand Beach Volleyball Tournament
 Skin Diver Magazine - Marketing
 St. James Parish Church Care & Share Contribution
 South America Programme
 Special Forces Training
 Spirit of Unity World Reggae Tour

Splash Barbados - Marketing
 Sports Promotion Video
 Sprite Caribbean Cup
 St. John's Church Grounds Improvement Project
 St. Mary's Church Historic Site Project
 Sun Fun Tours - Marketing
 Sun, Sea & Slams Tournament
 Sunquest - Marketing
 Suntur Charter- Marketing
 'Sweeter Side of Barbados' Promotions
 Taste of Barbados Food Festival
 Taste of the Caribbean
 TDC Youth Arm
 The Garrison Committee Litter Bins
 The Shipwreck Project
 Thomson - Marketing
 Tourism Development Programme
 Tourism Training & Awareness Seminars
 Travel Charter - Marketing
 Travel Impressions - Marketing
 Travel Planning Guide
 Tropical Solutions
 Trump Air - Marketing
 TSN Aerobics Series
 Turtle Workshop
 UK County Shows
 UN Global Conference
 UTELL International Village of Hope
 VISA International - Marketing
 Visitor Satisfaction Survey
 Wardair - Marketing
 West Coast Beach & Reef Restoration Project
 World Cup of Golf
 Zouave Uniforms - Changing of the Sentry
 Attraction at the Garrison



INDEPENDENT AUDITOR'S REPORT

To the Members of Tourism Development Corporation

We have audited the accompanying financial statements of **Tourism Development Corporation**, which comprise the balance sheet as at March 31, 2012, the statement of comprehensive income, statement of changes in accumulated surplus and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of **Tourism Development Corporation** as at March 31, 2012, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers SRh

Chartered Accountants
June 8, 2012
Bridgetown, Barbados

PricewaterhouseCoopers SRL, The Financial Services Centre, Bishop's Court Hill, P.O. Box 111, St. Michael, BB14004, Barbados, West Indies
T: +246-626-6700, F: 246-436-1275, www.pwc.com/bb

"PwC" refers to PricewaterhouseCoopers SRL, a Barbados society with restricted liability which is a member of PricewaterhouseCoopers International Limited, each member firm of which is a separate legal entity.

TOURISM DEVELOPMENT CORPORATION

Balance Sheet

As at March 31, 2012

(expressed in Barbados dollars)



	2012 \$	2011 \$
Current assets		
Cash on hand and at bank (note 4)	186,433	178,503
Cash on hand and at bank - held for BHTA and special projects (note 4)	694,580	325,233
Short-term fixed deposits (note 5)	2,677,381	2,085,597
Short-term fixed deposits - held for BHTA (note 5)	69,487	1,126,399
Prepaid expenses	2,633	2,719
	3,630,514	3,718,451
Non-current assets		
Plant and equipment (note 6)	1,838	3,787
Long-term fixed deposits (note 5)	1,111,713	1,506,338
Long-term fixed deposits - held for BHTA (note 5)	1,116,856	105,475
	2,230,407	1,615,600
Total assets	5,860,921	5,334,051
Current liabilities		
Accounts payable and accrued liabilities	20,566	20,102
Due to Barbados Hotel and Tourism Association (note 7)	1,330,034	1,309,901
Provision for development and promotional expenditure (note 8)	361,619	526,649
Due to Queen Elizabeth Hospital Project (note 12)	509,963	232,280
Due to Barbados Chamber of Commerce and Industry (note 9)	26,000	-
Due to Barbados Marine Trust	4,150	4,150
Due to Ministry of Transport & Works (note 10)	10,776	10,776
Total liabilities	2,263,108	2,103,858
Accumulated surplus	3,597,813	3,230,193
Total liabilities and accumulated surplus	5,860,921	5,334,051

Approved by the Board of Directors on June 7, 2012

A handwritten signature in cursive script that reads "Hutson R. Best".

Hutson R. Best
Director

A handwritten signature in cursive script that reads "Maureen D. Davis".

Maureen D. Davis
Director

TOURISM DEVELOPMENT CORPORATION
Statement of Changes in Accumulated Surplus
For the year ended March 31, 2012

(expressed in Barbados dollars)



	Accumulated Surplus \$
Balance at March 31, 2010	2,563,299
Surplus for the year	<u>666,894</u>
Balance at March 31, 2011	3,230,193
Surplus for the year	<u>367,620</u>
Balance at March 31, 2012	<u>3,597,813</u>

TOURISM DEVELOPMENT CORPORATION
Statement of Comprehensive Income
For the year ended March 31, 2012



(expressed in Barbados dollars)

	2012	2011
	\$	\$
Income		
Members' and sponsors' contributions (note 2(b))	790,043	820,221
Other contributions	12,000	12,000
Interest income	142,971	134,049
Total income	945,014	966,270
Expenditure		
Development and promotional expenditure (note 11)	381,110	120,287
Administration expenses	71,252	57,575
Salaries, allowances and national insurance (note 13)	80,192	79,759
Professional fees	40,756	37,159
Depreciation (note 6)	1,949	2,390
Subscriptions	1,467	1,538
Medical plan	668	668
Total expenditure	577,394	299,376
Surplus for the year	367,620	666,894

TOURISM DEVELOPMENT CORPORATION

Statement of Cash Flows

For the year ended March 31, 2012

(expressed in Barbados dollars)

	2012	2011
	\$	\$
Cash flows from operating activities		
Surplus for the year	367,620	666,894
Adjustments for:		
Depreciation	1,949	2,390
Interest income	(142,971)	(134,049)
Operating surplus before working capital changes	226,598	535,235
Decrease in prepaid expenses	86	29
Increase/(decrease) in accounts payable and accrued liabilities	464	(525)
Increase/(decrease) in due to Barbados Hotel and Tourism Association	20,133	(579,101)
Decrease in development and promotional expenditure committed	(165,030)	(719,626)
Increase in due to Queen Elizabeth Hospital Project	277,683	232,280
Decrease in due to NISE	-	(10,000)
Decrease in due to Barbados Private Sector Association Inc.	-	(48,077)
Increase in due to Barbados Chamber of Commerce and Industry	26,000	-
Net cash from/(used in) operating activities	385,934	(589,785)
Cash flows from investing activities		
Interest received	225,392	157,293
Investment in fixed deposits	(3,249,781)	(3,985,675)
Maturity of fixed deposits	3,015,732	4,067,684
Net cash (used in)/from investing activities	(8,657)	239,302
Net increase/(decrease) in cash on hand and at bank	377,277	(350,483)
Cash on hand and at bank - beginning of year	503,736	854,219
Cash on hand and at bank - end of year	881,013	503,736

TOURISM DEVELOPMENT CORPORATION

Notes to Financial Statements

March 31, 2012

(expressed in Barbados dollars)

1. Incorporation and principal activity

The Corporation was incorporated on June 10, 1987, as a non-profit organisation. The principal activity of the Corporation is the promotion and development of the Barbados Tourism Industry. The Corporation's principal place of business is located in Bridgetown, St. Michael.

2. Significant accounting policies

(a) Basis of preparation

The financial statements of the Corporation have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Corporation's accounting policies. Although these estimates are based on management's best knowledge of current events and conditions, actual results could differ from these estimates.

Standards, interpretations and amendments to existing standards effective in the 2012 financial year

There are no standards, interpretations and amendments to existing standards effective in the 2012 financial year which have a significant impact on the Corporation's financial statements.

New standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Corporation

Management has reviewed the new standards, amendments and interpretations to existing standards that are not yet effective and has determined that there are none which significantly impact the Corporation. The Corporation has not early adopted the new standards, amendments and interpretations.

(b) Members' contributions

Members' contributions are recognised on the cash basis. In view of their voluntary nature, members' contributions in arrears have not been recognised in these financial statements.

(c) Development and promotional expenditure committed

The liability for development and promotional expenditure committed is provided for upon approval by the Board of Directors and commitment to the recipient.

TOURISM DEVELOPMENT CORPORATION

Notes to Financial Statements

March 31, 2012

(expressed in Barbados dollars)

2. Significant accounting policies ...continued

(d) Investment income

Investment income is recognised on the accrual basis.

(e) Plant and equipment

Plant and equipment is stated at historical cost less depreciation.

Depreciation is calculated on a straight line basis, so as to write off the cost of plant and equipment over their estimated useful lives as follows:

Leasehold improvements	2 years
Computer equipment	3 years
Furniture and fittings	10 years
Other office equipment	10 years
Donated equipment	3 - 10 years

Equipment donated is recorded at cost and credited to income in the year in which the equipment is received. This treatment is not in accordance with International Financial Reporting Standards. However, the amount is not considered to be material to the financial statements.

(f) Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. Cash and cash equivalents represent cash on hand and at bank and loans and receivables with a maturity date of less than ninety days.

(g) Loans and receivables - short and long term fixed deposits

Loans and receivables - short and long term fixed deposits, are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. They are carried at amortised cost less provision for impairment.

(h) Foreign currency translation

a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Corporation operates ('the functional currency'). The financial statements are presented in Barbados dollars, which is the Corporation's functional and presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

TOURISM DEVELOPMENT CORPORATION

Notes to Financial Statements

March 31, 2012

(expressed in Barbados dollars)

2. Significant accounting policies ...continued

(i) Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

3. Taxation

The Corporation has been registered as a non-profit organisation and is therefore exempt from corporation tax.

4. Cash on hand and at bank

Total cash on hand and at bank comprise the following:

	2012 \$	2011 \$
Cash on hand and at bank	186,433	178,503
Cash on hand and at bank - held for BHTA and special projects		
Held for Barbados Marine Trust	4,150	4,150
Held for Barbados Chamber of Commerce and Industry	26,000	-
Held for Barbados Hotel and Tourism Association	143,691	78,027
Held for Ministry of Transport & Works	10,776	10,776
Held for Queen Elizabeth Hospital Project	509,963	232,280
	694,580	325,233

5. Fixed deposits

Total short-term fixed deposits comprise the following:

	2012 \$	2011 \$
Over 90 days but less than one year		
Barbados National Bank Inc.	260,042	553,942
Barbados Shipping and Trading Company Limited	620,711	646,009
Cave Shepherd & Co. Limited	356,982	339,734
Consolidated Finance Co. Ltd.	912,028	-
Globe Finance Inc.	251,431	998,607
Signia Financial Group Inc.	276,187	606,115
The Bank of Nova Scotia	69,487	67,589
	2,746,868	3,211,996
Less: Held for BHTA		
Globe Finance Inc.	-	688,098
Signia Financial Group Inc.	-	370,712
The Bank of Nova Scotia	69,487	67,589
	69,487	1,126,399
Short-term fixed deposits	2,677,381	2,085,597

TOURISM DEVELOPMENT CORPORATION

Notes to Financial Statements

March 31, 2012

(expressed in Barbados dollars)

5. Fixed deposits ...continued

Total long-term fixed deposits comprise the following:

	2012	2011
	\$	\$
Greater than one year		
Consolidated Finance Co. Ltd.	110,155	851,222
Globe Finance Inc.	1,206,270	241,088
Signia Financial Group Inc.	912,144	519,503
	2,228,569	1,611,813
	2012	2011
	\$	\$
Less: Held for BHTA		
Consolidated Finance Co. Ltd.	110,155	105,475
Globe Finance Inc.	620,342	-
Signia Financial Group Inc.	386,359	-
	1,116,856	105,475
Long-term fixed deposits	1,111,713	1,506,338

Fixed deposits earn interest at varying rates from 2.75% to 6% (2011 - 2.75% to 6%).

TOURISM DEVELOPMENT CORPORATION

Notes to Financial Statements

March 31, 2012

(expressed in Barbados dollars)

6. Plant and equipment

	Leasehold improvements \$	Computer equipment \$	Furniture and fittings \$	Other office equipment \$	Donated equipment \$	Total \$
At March 31, 2010						
Cost	3,646	21,125	10,082	16,021	3,221	54,095
Accumulated depreciation	(3,646)	(20,686)	(7,825)	(13,426)	(2,335)	(47,918)
Net book amount	-	439	2,257	2,595	886	6,177
Year ended March 31, 2011						
Opening net book amount	-	439	2,257	2,595	886	6,177
Depreciation charge	-	(439)	(763)	(865)	(323)	(2,390)
Closing net book amount	-	-	1,494	1,730	563	3,787
At March 31, 2011						
Cost	3,646	21,125	10,082	16,021	3,221	54,095
Accumulated depreciation	(3,646)	(21,125)	(8,588)	(14,291)	(2,658)	(50,308)
Net book amount	-	-	1,494	1,730	563	3,787
Year ended March 31, 2012						
Opening net book amount	-	-	1,494	1,730	563	3,787
Depreciation charge	-	-	(763)	(865)	(321)	(1,949)
Closing net book amount	-	-	731	865	242	1,838
At March 31, 2012						
Cost	3,646	21,125	10,082	16,021	3,221	54,095
Accumulated depreciation	(3,646)	(21,125)	(9,351)	(15,156)	(2,979)	(52,257)
Net book amount	-	-	731	865	242	1,838

TOURISM DEVELOPMENT CORPORATION

Notes to Financial Statements

March 31, 2012

(expressed in Barbados dollars)

7. Due to Barbados Hotel and Tourism Association

	2012 \$	2011 \$
Balance at beginning of year	1,309,901	1,889,002
Member contributions received during year	939,641	657,893
Disbursements on behalf of BHTA during year	(840,588)	(1,233,663)
Interest on fixed deposits	51,305	60,698
Commissions	(130,225)	(64,029)
	1,330,034	1,309,901

The Tourism Development Corporation collects contributions on behalf of the Barbados Hotel and Tourism Association. These contributions are used for the promotion and development of the Barbados Tourism Industry.

During the year, the Tourism Development Corporation invested the balances in fixed deposits on behalf of the Barbados Hotel and Tourism Association. The interest on fixed deposits represents interest earned on these fixed deposits (note 5).

8. Development and promotional expenditure committed

This represents commitments entered into at the end of the year for sponsorship of projects approved by the Board of Directors. The movement is as follows:

	2012 \$	2011 \$
Balance at the beginning of the year	526,649	1,246,275
Development and promotional expenditure (note 11)	381,110	120,287
	907,759	1,366,562
Disbursements	(546,140)	(839,913)
Balance at the end of the year	361,619	526,649

9. Due to Barbados Chamber of Commerce and Industry

The Tourism Development Corporation collects contributions on behalf of the Barbados Chamber of Commerce and Industry to facilitate the Revitalisation of Bridgetown Initiative (TRBI) Project.

10. Due to Ministry of Transport & Works

The Tourism Development Corporation collects contributions on behalf of the Ministry of Transport & Works to facilitate the National Road Signage Project.

11. Development and promotional expenditure

	2012 \$	2011 \$
Development and promotional expenditure incurred during the year	398,477	554,195
Less write back of previous years' over commitments	(17,367)	(433,908)
	381,110	120,287

TOURISM DEVELOPMENT CORPORATION

Notes to Financial Statements

March 31, 2012

(expressed in Barbados dollars)

12. Due to Queen Elizabeth Hospital Project

	2012 \$	2011 \$
Balance at beginning of year	232,280	-
Contributions collected during the year	400,000	457,536
Disbursements on behalf of the QEH Private Sector Donor Group	(122,317)	(225,256)
	509,963	232,280

The Tourism Development Corporation collects contributions on behalf of the QEH Private Sector Donor Group to assist with the effective development of the Queen Elizabeth Hospital.

13. Staff costs

	2012 \$	2011 \$
Administrative salaries	73,744	73,534
National Insurance	6,448	6,225
	80,192	79,759

14. Financial risk management

The Corporation's activities expose it to a variety of financial risks: market risk (including currency risk, cash flow and fair value interest rate risk and price risk), credit risk and liquidity risk.

(a) Market risk

i) Foreign exchange risk

The Corporation's transactions in foreign currencies are mainly for operating expenses. These transactions are denominated mainly in United States dollars. Since there is a fixed exchange rate between the Barbados dollar and the United States dollar there is no significant exposure to foreign exchange risk.

ii) Price risk

The Corporation does not hold any equity securities and as a result is not exposed to equity securities price risk.

iii) Cash flow and fair value interest rate risk

The Corporation's interest rate risk arises from its fixed deposits. The fixed deposits are issued at fixed rates and therefore limit the Corporation's exposure to cash flow interest rate risk. The Corporation is not exposed to fair value interest rate risk.

TOURISM DEVELOPMENT CORPORATION

Notes to Financial Statements

March 31, 2012

(expressed in Barbados dollars)

14. Financial risk management ...continued

(b) Credit risk

Credit risk arises from the possibility that counterparties may default on their obligations to the Corporation. The amount of the Corporation's maximum exposure to credit risk is indicated by the carrying amount of its financial assets. Credit risk is minimised by the fact that member contributions are not accrued when in arrears. Fixed deposits are placed with regulated financial institutions and reputable public companies within limits set under policy guidelines approved by the Board of Directors.

(c) Liquidity risk

The table below analyses the Corporation's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. There are no balances due beyond 12 months.

	2012	2011
	\$	\$
Accounts payables and accrued liabilities	20,566	20,102
Due to Barbados Hotel and Tourism Association	1,330,034	1,309,901
Provision for development and promotional expenditure	374,216	526,649
Due to Queen Elizabeth Hospital Project	509,963	232,280
Due to Barbados Marine Trust	4,150	4,150
Due to Barbados Chamber of Commerce and Industry	26,000	-
Due to Ministry of Transport & Works	10,776	10,776
	2,275,705	2,103,858

(d) Capital risk management

The Corporation's capital is represented by the Accumulated Surplus. The objectives when managing the Accumulated Surplus are to safeguard the Corporation's ability to continue as a going concern in order to maintain the promotion of the Barbados Tourism Industry.

In order to maintain or adjust the Accumulated Surplus, the Corporation may appeal to members for increased contributions and at the same time control operating costs.

(e) Fair value of financial assets and liabilities

The fair values of financial assets and liabilities are not considered to be materially different from their carrying amounts.

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 judgement and therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates. Non-financial instruments such as plant and equipment are excluded from fair value disclosure. Thus the total fair value amounts cannot be aggregated to determine the underlying economic value of the Corporation.

A tropical beach scene featuring a couple relaxing in a white hammock. The hammock is strung between a tall palm tree on the left and another point on the right. The background shows a clear blue sky with scattered white clouds and a vibrant turquoise ocean meeting a sandy beach. The couple is seen from behind, with the woman's long dark hair flowing. The overall atmosphere is peaceful and idyllic.

Tourism
**DEVELOPMENT
CORPORATION**

www.tdcbarbados.com

Produced by: TOURISM DEVELOPMENT CORPORATION

Goddards Complex, Kensington, Fontabelle, St. Michael BB11000, Barbados, W.I. Tel: (246) 228-8900 Fax: (246) 228-8902 e-mail: info@tdcbarbados.com

Art, Concept & Design: Moore Creative Productions