



# annual report 2016

Supporting Barbados Tourism  
Funding Growth





# this is us



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 enticements, 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 all of the major income earning sectors in Barbados face serious challenges.

The Tourism Development Corporation (TDC), incorporated as a non-profit organization 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 Marketing Inc., the Barbados Tourism Product 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 organization'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. Financial contributions to the TDC are fully tax deductible for corporate income tax purposes.

# Board of Directors

## TOP:

Martin Ince, Chairman

## LEFT TO RIGHT:

Bernard Weatherhead, Desmond Layne,  
Jon Martineau, Mark Thompson,  
Maureen Davis, Michael Armstrong,  
Patrick McCaskie (Ministry of Finance  
Representative), Rohan Seale and  
Sue Springer (BHTA Representative)

## PAC Committee

Mark B. A. Thompson (Chairman)  
Maureen Davis  
Geoffrey Roach  
Nicole Alleyne  
Jon Martineau  
Douglas Armstrong  
Kavita Sandiford  
William Griffith  
Kerry Hall  
Natalie Springer

## SERVICE PROVIDERS:

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





# Run Barbados Event 2015 at Carlisle Bay



## Members & Sponsors

- Accra Beach Hotel & Spa

Atlantis Submarines (B'dos) Inc.

Automotive Art International Inc.

Banks (B'dos ) Breweries Ltd.

Barbados Light & Power Co. Ltd.

Massy Barbados Group

Bougainvillea Beach Resort

Bridgetown Cruise Terminals Inc.

Butterfly Beach Hotel

Carter & Co. Ltd.

Cave Shepherd & Co. Ltd.
- CGM Gallagher Insurance Brokers (B'dos) Ltd.

Chickmont Foods Ltd.

Colombian Emeralds International

Ernst &Young

Foster & Ince Cruise Services Inc.

Gale's Agro Products Ltd.

Goddard Enterprises Ltd.

KPMG

The Mark Thompson Group

Pricewaterhouse Coopers SRL

PVH Group Inc.
- RBC Royal Bank (B'dos) Ltd.

Realtors Ltd.

Republic Bank (B'dos) Ltd.

Roberts Manufacturing Co Ltd.

Sagicor General Insurance Inc.

Sandy Lane Hotel Co. Ltd.

SunGroup Hotels

SunGroup Inc.

The Bank of Nova Scotia

Treasure Beach Hotel

Williams Industries Inc.

## 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.

Members:  
Contribute up to 2% of their pre-tax income from the previous year or a fixed donation, claim 100% of their contribution for tax purposes and are entitled to vote at the TDC's Annual General Meeting

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Martin Ince  
Chairman

## Chairman's Report

In January of 2016 I was entrusted with the Chairmanship of the Tourism Development Corporation (TDC), a position that I am indeed honoured and humbled to assume. This organization was an initiative that was formed 29 years ago, by a very visionary group of Barbadians that saw the need for assistance and further development of the Tourism Industry in Barbados. On assuming the chairmanship, I did some detailed research on this unique private sector Tourism funding agency, and was 'in awe' of the achievements as it relates to the wide variety of marketing and product development initiatives that have been successfully supported over the years. Many of these initiatives continue to have positive and lasting impacts on the present day Tourism landscape.

I am proud of the private sector in its unwavering financial commitment to the TDC - with this financial support the TDC has helped to achieve growth in the tourism sector in Barbados. What was consistent in all of the Board minutes was the strong passion that every past and present TDC Member and Director had for the TDC and for our Island. We salute these stalwarts and thank them for their invaluable contributions. The TDC Board will continue to ensure that this organization continues to thrive into the future.

We encourage our members, now more than ever, to continue to support the TDC so that we can further develop Barbados into an amazing Tourism destination. Our 'Marketing' funding initiatives will encourage visitors to visit our beautiful shores and our 'Product' funding initiatives will further enhance our wonderful tourism product offering.

Under my Chairmanship, our teams will work diligently at communicating our successes with the membership and promote continued awareness of the TDC, its role and objectives thereby potentially increasing and strengthening our membership base. Together, with our Industry partners, we can develop our efforts to promote tourism growth and ensure the TDC is a private sector funding organization that will continue moving forward.

Over the years, we have forged strong partnerships not only with tourism entities such as the BTMI, BTPA and the BHTA; but also with local businesses and project managers that bring worthwhile initiatives to the TDC for funding. The strength of these partnerships are key to ensuring that all of the projects that the TDC supports are quality and worthwhile, with a cohesive approach and targeted direction.

The BTMI has designated 2017 as the 'Year of Sport' and over the last three decades, the TDC has been instrumental in the growth and development of many key sporting events on the Barbados calendar. Some examples of these events include the Sol Rally Barbados, Run Barbados, Barbados Open Water Swim, a variety of Cricket events, the Barbados Hockey Festival, Rugby Barbados World 7s and Masters Football; many of which have attracted large numbers of visitors whilst obtaining World Class standards and global exposure which in turn helps to promote the Barbados brand.

As an organization it is vital that we continue to assist in making the Barbados tourism product offering relevant and dynamic in a competitive global tourism market. We must continue to fund unique initiatives that look at alternative and engaging offerings for a changing generation that wants more from their destination. We can only continue to do this with your help and we at the TDC will further seek opportunities and create awareness that can support this philosophy.

At our last AGM, we bid farewell to Mr. Tony King who served as the TDC Chairman for eleven years with dedication and meticulous attention to detail. We are grateful for his counsel and guidance to the Board during this period. We would also like to extend special thanks to Mr. Frere Delmas from the Massy Group, who resigned as a Director during the year due to additional regional commitments. We are pleased to welcome Mr. Micky Armstrong who will be the new Massy representative to the Board.

Sincerest thanks are also extended to our Project Assessment Committee (PAC) headed by Mr. Mark Thompson and supported by this dedicated group of individuals who continue to volunteer their valuable time to discuss, scrutinize and evaluate incoming projects and making the necessary funding recommendations to the Board.

In closing I wish to thank our TDC Board and our TDC membership for their support and their financial contributions, without which we would not be able to continue the important work of assisting in the growth of our tourism product. The TDC values and appreciates your unwavering dedication to the organisation, together we will strengthen our tourism sector and in turn assist to drive the Barbadian economy forward.

Thank you.

A handwritten signature in black ink, appearing to read 'Martin', followed by a long horizontal stroke.

Martin Ince  
Chairman

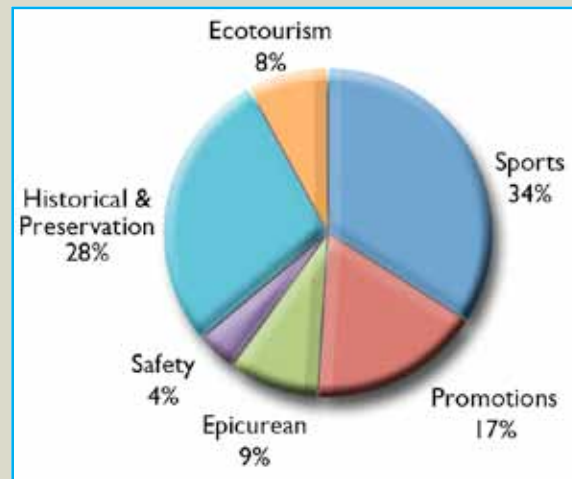




Mark B.A. Thompson,  
Chairman - Project  
Assessment Committee

## Committee Report

For the financial year under review the TDC continued to direct funding support to well thought out and efficiently and responsibly executed projects. We are proud to show below how our valuable support was allocated according to categories that spanned both of the organization's mandated objectives, namely product enhancement and marketing and promotion.



### Sports Tourism:

Sports tourism projects again received the largest percentage of TDC's support this year, with one third of funding allocations directed to sports activities which included hockey, darts, running, triathlon, swimming, and rugby events.

It is clear from this level of support that the TDC well recognises the immense potential that sports tourism holds for Barbados, as sports enthusiasts from around the world continue to demonstrate that they are keen to combine their vacation time, discretionary spending and sporting passions.

The TDC's objective when we support sports tourism is generally to increase the number of people that travel to Barbados for the event. In cases of first time projects the TDC may see fit to support some aspect of the event execution itself so as to help ensure that the event gets off the ground and has a fighting chance at becoming self-sustaining over time.

The **Barbados Open Water Festival** and the **Barbados Marathon Weekend** are both events that are growing year on year in terms of visitor arrivals, and the TDC sees these both as success stories as our support has been directed at promotion and marketing since inception.





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## PROJECTS SUPPORTED

1. Barbados Darts Festival
2. Future Trees – 300 palms along the ABC Highway
3. IMEX 2016
4. SOL Rally 2015
5. World Flower Show Barbados
6. Coterie Retreat
7. Sol Rally



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## PROJECTS SUPPORTED

- 8. Open Water Swim Event
- 9. Rugby Barbados World 7s
- 10. Segways presented to RBPF
- 11. Run Barbados
- 12. World Travel Market 2015
- 13. Sporting Barbados 2016 Edition
- 14. Taste of the Caribbean



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## TASTE of the CARIBBEAN

A SHOWCASE OF CARIBBEAN CUISINE  
JUNE 12-14, 2015  
HYATT REGENCY MIAMI

**THE CARIBBEAN COMES TO MIAMI!**

Taste of the Caribbean is the region's premier culinary competition and cultural showcase. Once a year the best chefs and culinary teams unite to compete, learn, demonstrate their skills and provide the general public a revitalizing exhibition of the most savory and delectable treats of the islands. A showcase of the hottest and most popular trends in Caribbean gastronomy.

<p><b>THE COMPETITION</b> Lunch &amp; Dinner Friday, June 12, 2015</p> <p>LUNCH 11:00 AM - 2:00 PM DINNER 6:30 PM - 9:30 PM</p> <p>Welcome Food &amp; Beverage Professionals! Ten teams throw their culinary hats into the ring to compete to be the best in the Caribbean: Anguilla, Barbados, Bahamas, Bonaire, British Virgin Islands, Jamaica, Puerto Rico, St. Lucia, US Virgin Islands and Suriname.</p>	<p><b>THE SHOWCASE</b> Taste of the Islands Saturday, June 13, 2015</p> <p>Let's Get This Party Started! 6:30 PM - 9:00 PM</p> <p>The Taste of the Islands showcase is a foodie's dream come true. The Caribbean comes to you with all its spice, heat and flare to delight your taste buds. This is the place to taste delectable Caribbean delicacies and take a virtual trip to the islands. Get ready to eat, dance, sing and enter to win a Caribbean getaway!</p>
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The **International Rugby Sevens event** that will take place in December 2016 is projected to bring at least 500 visitors to Barbados in the first year and then to grow immensely thereafter.

## Historical and Cultural Preservation

Our second biggest category for funding support allocation in the past financial year was towards Historical and Cultural Preservation, and it has been quite some time since a product enhancement category consumed such a large component of the TDC's funding support. However, since the TDC feels passionately that we must take care of Barbados, not just for visitors but for Barbadians too, there is an ever-present desire to support good quality product enhancement projects.

This past year the TDC allocated significant funding support towards the redevelopment of the **Gun Hill Signal Station** as well as **Morgan Lewis Mill**. Both of these projects were very ably executed by personnel from the Barbados National Trust and the TDC hopes that this support helps the Trust improve its revenue generating potential and self-sufficiency in the near future.

Also within the category of Historical and Cultural Preservation the TDC initiated a project to assess the state of our public monuments and then to clean and repair them wherever necessary. This is quite a complex project as there are many different agencies that need to be involved. However we have made a start, the assessments are ongoing, and we hope to start seeing actual improvement at individual monument sites in the very near future.

## Promotions

The TDC directs a substantial level of funding support each year towards promotional campaigns that raise awareness about Barbados in our major markets and keep us top-of-mind for potential travelers thinking about planning their next vacation.

During the year under review the TDC supported the publication of **Sporting Barbados** which is a major tool used for promoting sports tourism in Barbados. Specifically, last year the TDC funded the 'printing' of Sporting Barbados on attractively branded USB sticks which proved extremely popular and well received at trade shows and other events where they were distributed. Also in terms of sports promotions, the TDC allocated some funds to promote the December **2016 Rugby Sevens** event in Barbados.

The TDC again this year supported our key tourism partners in executing their major annual promotional activities, specifically **World Travel Market 2015** in association with the Barbados Tourism Marketing Inc. (BTMI), and **IMEX 2015** in association with the Barbados Hotel and Tourism Association (BHTA).

Also this year the TDC funded an event coordinator to be assigned to the Barbados Association of Flower Arrangers which currently Chairs the World Association of Floral Artists and is planning the major event, the **World Flower Show** which will be convened in June 2017. The TDC felt that this event has the potential to bring significant visitors to Barbados from one of our key target markets and we wanted to help the organisers plan a world class event.



## Epicurean

Once again this year the TDC joined with the BHTA to provide sponsorship funds for the Barbados Team's participation in **Taste of the Caribbean 2015**. It is our hope that the ongoing development of the epicurean market will continue to draw visitors that enjoy Barbados' culinary delights, and from the Product Development standpoint, participation in these events help to produce some of the best Chefs and Bartenders on the island.

The TDC this year supported the **Coterie Retreat** which was a conference of high end and exclusive wedding planners. We are pleased to note that participants at this event were able to hear about and experience some of the unique and quality products and services that Barbados has to offer in the area of wedding planning.

## Eco-Tourism

During the financial year under review the TDC took our partnership with the **Future Centre Trust** and our long history of sponsorship for Tree Planting along the ABC Highway, to the next level by making a commitment to complete the planting of palms along the entire stretch of the highway from the airport to Paradise. The planting of these trees beautifies and enhances the appearance of the ABC highway and TDC is proud to be associated with this example of greening in Barbados.

## Conclusion

During this financial year, the Committee was pleased to continue our close working relationship with our industry partners, the BHTA and the BTMI, and to assist with the execution of various projects. The Committee took the opportunity to host several of the project proposers at our monthly assessment meetings for the purpose of receiving additional clarifications for the projects presented, but also to try to lend expertise to further develop these projects and make them more self-sustaining.

This coming year we look forward to reviewing new and exciting proposals submitted to our organization and to continued collaborations with our industry partners. We stand by our commitment to acknowledging all proposals received and thoroughly reviewing them to carefully select those which meet TDC's marketing and product development mandates.



Mark B.A. Thompson,  
Chairperson, Project Assessment Committee



Run Barbados 10K Event 2015



# PROJECTS SUPPORTED 2012-2015

AIBTM

AnimeKon VI: Fantopia Geekcation

Annual Barbados International Hockey Festival 2012

Annual Barbados International Masters Football Festival

BGHC Tunnels

Badminton Tournament

Barbados International Masters Football Festival Barbados

Darts Festival

Barbados Darts Festival 2014 & 2015

Barbados Food, Wine and Rum Festival 2012 & 2013

Barbados Hockey Festival

Barbados House

Barbados Museum Promotional Brochure

Barbados Open Badminton Tournament

Barbados Open Water Festival

Barbados Port Inc - Training Workshop

Barbados Sea Turtle - Security Project

Barbados Style DVD Promotion

Barbados Style DVD 350 copies for Climate Fund Mtg

Barbados Super Fall Getaway 2012

Barbados Tourism Attraction Audit Programme (Phase 2)

Beach Culture World Tour

BHTA Book Barbados Now

BHTA CONNECT BGI Villa Event 2014

Business Barbados Advertorial 2014

CCTV Analytics Pilot

Caribbean Conference of National Trust

Caribbean Week in New York

Chelsea Surfing Documentary

Crime Stoppers International Training Conference 2012

Crime Stoppers International Conference 2013

Crime Stoppers Annual International Training Conference 2013

CYEN International Coastal Cleanup Sponsorship

CYEN Coastal Clean-Up 2013

CYEN International Coastal cleanup 2014

18th Annual Masters Football Festival

Future Centre Trees Projects

Future Trees - 200 Palms Warrens to Paradise

Golden Oldies Cricket Festival

Homeporting Signage

IMEX 2013, 2014 & 2015

Installation of signage in Historic Bridgetown and its Garrison

Litter Collection Project

Mount Gay Round the Island Race 2015

NBC The Voice Promotion of Ms. Kareen Clarke

National Tourism Host Programme Launch

Over the Wall - Crime Prevention Book (Reprint)

Pan American Continental Cup (Barbados) Triathlon 2014

PRISON (Dodds) NIFCA DRAMA

Rugby Sevens

Run Barbados 2014

Sea Turtle Security

SOL Rally 2013, 2014 & 2015

Summertastic 2014

Sporting Barbados 2014 & 2015

Sprint Distance Pan American Continental Cup Triathlon

Swim Barbados 2013, 2014 & 2015 S

Taste of the Caribbean 2013 & 2014

TDC Carlisle Bay Signage

The Dream Cup

The FCT Future Centre Trees Project - Phase 3

The National Wedding Show

The Knot Wedding Promotion

Tourism Audit Consultancy

Tourism Audit Phase 2 - Part 1

Tourism Attraction Audit

Sir Garry Sobers Golf Video

World Travel Market 2014





Sol Rally 2016



Pan American Sprint  
Triathlon 2016

# CURRENT PROJECTS

Bridgetown & it's Garrison Signage Programme  
 Changing of the Sentry activity  
 Coterie Retreat  
 Darts Festival 2016  
 Future Trees – 300 palms along the ABC Highway  
 Gun Hill Rehabilitation Phase 2  
 IMEX 2015  
 International Hockey Festival  
 Morgan Lewis Enhancements  
 Pan American Sprint Triathlon 2016  
 Public Monuments Assessment  
 Rugby Barbados World 7s  
 Run Barbados 2016  
 Sailing Promo – St. Tropez  
 Segways for RPBPF through the BHTA  
 SOL Rally 2015  
 Sporting Barbados 2016 flash drives  
 Swim Barbados 2016  
 Taste of the Caribbean 2015  
 Tourism Attraction Audit  
 UNESCO World Heritage Property Historic  
 World Flower Show 2017 Event Coordinator  
 World Travel Market 2015



## 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, 2016, and the statements of comprehensive income, changes in accumulated surplus and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

#### **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, 2016, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

#### **Other Matter**

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

A handwritten signature in blue ink, appearing to read "PricewaterhouseCoopers SRL", is written over a horizontal line.

June 27, 2016  
Bridgetown, Barbados

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*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](http://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, 2016**

(expressed in Barbados dollars)



	2016 \$	2015 \$
<b>Current assets</b>		
Cash on hand and at bank (note 4)	289,401	366,758
Cash on hand and at bank - held for BHTA and special projects (note 4)	336,287	274,787
Short-term fixed deposits (note 5)	2,325,852	2,759,922
Short-term fixed deposits - held for BHTA (note 5)	499,417	21,287
Prepaid expenses	1,567	1,317
	<b>3,452,524</b>	<b>3,424,071</b>
<b>Non-current assets</b>		
Plant and equipment (note 6)	599	1,197
Long-term fixed deposits (note 5)	1,748,339	1,274,593
Long-term fixed deposits - held for BHTA (note 5)	778,136	1,212,133
	<b>2,527,074</b>	<b>2,487,923</b>
<b>Total assets</b>	<b>5,979,598</b>	<b>5,911,994</b>
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	19,259	20,297
Funds held for Barbados Hotel and Tourism Association (note 7)	1,567,581	1,461,948
Provision for development and promotional expenditure (note 8)	540,396	457,069
Funds held for Queen Elizabeth Hospital Project (note 12)	20,918	20,918
Funds held for Barbados Chamber of Commerce and Industry (note 9)	11,000	11,000
Funds held for Ministry of Transport & Works (note 10)	14,341	14,341
<b>Total liabilities</b>	<b>2,173,495</b>	<b>1,985,573</b>
<b>Accumulated surplus</b>	<b>3,806,103</b>	<b>3,926,421</b>
<b>Total liabilities and accumulated surplus</b>	<b>5,979,598</b>	<b>5,911,994</b>

Approved by the Board of Directors on June 17, 2016

Martin Ince, Chairman

Mark B. A. Thompson, Director

**TOURISM DEVELOPMENT CORPORATION**

Statement of Changes in Accumulated Surplus

**For the year ended March 31, 2016**

(expressed in Barbados dollars)



	<b>Accumulated surplus \$</b>
<b>Balance at March 31, 2014</b>	3,833,337
Surplus for the year	<u>93,084</u>
<b>Balance at March 31, 2015</b>	3,926,421
Surplus for the year	<u>(120,318)</u>
<b>Balance at March 31, 2016</b>	<u><b>3,806,103</b></u>



# TOURISM DEVELOPMENT CORPORATION

## Statement of Comprehensive Income

**For the year ended March 31, 2016**

(expressed in Barbados dollars)



	2016 \$	2015 \$
<b>Income</b>		
Members' and sponsors' contributions (note 2(b))	<b>584,168</b>	610,418
Other contributions	-	7,000
Interest income	<b>147,249</b>	157,964
Other income	<b>350</b>	650
<b>Total income</b>	<b>731,767</b>	776,032
<b>Expenditure</b>		
Development and promotional expenditure (note 11)	<b>692,930</b>	490,778
Administration expenses	<b>42,240</b>	66,573
Salaries, allowances and national insurance (note 13)	<b>79,629</b>	85,198
Professional fees	<b>34,451</b>	36,799
Depreciation (note 6)	<b>598</b>	960
Subscriptions	<b>547</b>	547
Medical plan	<b>1,690</b>	2,093
<b>Total expenditure</b>	<b>852,085</b>	682,948
<b>(Deficit)/surplus for the year</b>	<b>(120,318)</b>	93,084

# TOURISM DEVELOPMENT CORPORATION

## Statement of Cash Flows

**For the year ended March 31, 2016**

(expressed in Barbados dollars)



	2016 \$	2015 \$
<b>Cash flows from operating activities</b>		
(Deficit)/Surplus for the year	(120,318)	93,084
Adjustments for:		
Depreciation	598	960
Interest income	(147,249)	(157,964)
Operating deficit before working capital changes	(266,969)	(63,920)
(Increase)/decrease in prepaid expenses	(250)	626
(Decrease)/increase in accounts payable and accrued liabilities	(1,038)	422
Increase in funds held for Barbados Hotel and Tourism Association	105,633	60,975
Increase/(decrease) in development and promotional expenditure committed	83,327	(125,332)
Decrease in funds held for Queen Elizabeth Hospital Project	-	(139,551)
Net cash used in operating activities	(79,297)	(266,780)
<b>Cash flows from investing activities</b>		
Purchase of plant and equipment	-	(1,795)
Interest received	199,322	231,105
Investment in fixed deposits	(2,787,753)	(2,799,958)
Maturity of fixed deposits	2,651,871	2,685,064
<b>Net cash generated from investing activities</b>	63,440	114,416
<b>Net decrease in cash on hand and at bank</b>	(15,857)	(152,364)
<b>Cash on hand and at bank - beginning of year</b>	641,545	793,909
<b>Cash on hand and at bank - end of year</b>	625,688	641,545



# TOURISM DEVELOPMENT CORPORATION

Notes to Financial Statements

**March 31, 2016**

(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.

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 2016 financial year***

There are no standards, interpretations and amendments to existing standards effective in the 2016 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.

### (d) Investment income

Investment income is recognised on the accrual basis.

## TOURISM DEVELOPMENT CORPORATION

Notes to Financial Statements

March 31, 2016

(expressed in Barbados dollars)



### 2. Significant accounting policies (continued)

#### (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 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, 2016**

(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:

	2016 \$	2015 \$
<b>Cash on hand and at bank</b>	<b>289,401</b>	366,758
<b>Cash on hand and at bank - held for BHTA and special projects</b>		
Held for Barbados Chamber of Commerce and Industry	11,000	11,000
Held for Barbados Hotel and Tourism Association	290,028	228,528
Held for Ministry of Transport & Works	14,341	14,341
Held for Queen Elizabeth Hospital Project	20,918	20,918
	<b>336,287</b>	274,787

### 5. Fixed deposits

Total short-term fixed deposits comprise the following:

	2016 \$	2015 \$
<b>Over 90 days but less than one year</b>		
Massy (Barbados) Limited	605,944	585,600
Cave Shepherd & Co. Limited	425,517	408,702
Consolidated Finance Co. Ltd.	259,728	676,855
Globe Finance Inc.	337,539	814,070
Signia Financial Group Inc.	1,175,161	274,695
The Bank of Nova Scotia	21,380	21,287
	<b>2,825,269</b>	2,781,209

# TOURISM DEVELOPMENT CORPORATION

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## 5. Fixed deposits (continued)

### Less: Held for BHTA

Signia Financial Group Inc.  
The Bank of Nova Scotia

2016 \$	2015 \$
478,037	-
21,380	21,287
499,417	21,287
2,325,852	2,759,922

Short-term fixed deposits attributable to TDC

Total long-term fixed deposits comprise the following:

### Greater than one year

Consolidated Finance Co. Ltd.  
Globe Finance Inc.  
Signia Financial Group Inc.

2016 \$	2015 \$
491,008	309,745
1,511,064	1,032,763
524,403	1,144,218
2,526,475	2,486,726

### Less: Held for BHTA

Consolidated Finance Co. Ltd.  
Globe Finance Inc.  
Signia Financial Group Inc.

2016 \$	2015 \$
55,265	53,314
722,871	698,969
-	459,850
778,136	1,212,133
1,748,339	1,274,593

Long-term fixed deposits attributable to TDC

Fixed deposits earn interest at varying rates from 2.25% to 4.75% (2015 - 1.775% to 4.75%).

# TOURISM DEVELOPMENT CORPORATION

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(expressed in Barbados dollars)



## 6. Plant and equipment

	Leasehold improvements \$	Computer equipment \$	Furniture and fittings \$	Other office equipment \$	Donated equipment \$	Total \$
<b>At March 31, 2014</b>						
Cost	3,646	22,183	10,082	16,021	3,221	55,153
Accumulated depreciation	(3,646)	(21,829)	(10,074)	(16,021)	(3,221)	(54,791)
Net book amount	-	354	8	-	-	362
<b>Year ended March 31, 2015</b>						
Opening net book amount	-	354	8	-	-	362
Additions	-	1,795	-	-	-	1,795
Depreciation charge	-	(952)	(8)	-	-	(960)
<b>Closing net book amount</b>	-	1,197	-	-	-	1,197
<b>At March 31, 2015</b>						
Cost	3,646	23,978	10,082	16,021	3,221	56,948
Accumulated depreciation	(3,646)	(22,781)	(10,082)	(16,021)	(3,221)	(55,751)
<b>Net book amount</b>	-	1,197	-	-	-	1,197
<b>Year ended March 31, 2016</b>						
Opening net book amount	-	1,197	-	-	-	1,197
Depreciation charge	-	(598)	-	-	-	(598)
<b>Closing net book amount</b>	-	<b>599</b>	-	-	-	<b>599</b>
<b>At March 31, 2016</b>						
Cost	3,646	23,978	10,082	16,021	3,221	56,948
Accumulated depreciation	(3,646)	(23,379)	(10,082)	(16,021)	(3,221)	(56,349)
<b>Net book amount</b>	-	<b>599</b>	-	-	-	<b>599</b>



## TOURISM DEVELOPMENT CORPORATION

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### 7. Funds held for Barbados Hotel and Tourism Association

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Balance at beginning of year	<b>1,461,948</b>	1,400,974
Member contributions received during year	<b>833,026</b>	762,441
Disbursements to and on behalf of BHTA during year	<b>(627,941)</b>	(601,753)
Interest on fixed deposits	<b>46,032</b>	46,644
Commissions	<b>(145,484)</b>	(146,358)
	<b>1,567,581</b>	1,461,948

The Tourism Development Corporation collects contributions on behalf of the Barbados Hotel and Tourism Association in projects sponsored by the BHTA. 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:

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Balance at the beginning of the year	<b>457,069</b>	582,401
Development and promotional expenditure (note 11)	<b>692,930</b>	490,778
	<b>1,149,999</b>	1,073,179
Disbursements	<b>(609,603)</b>	(616,110)
Balance at the end of the year (note 14)	<b>540,396</b>	457,069

### 9. Funds held for 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. At March 31, 2016 this amounted to \$11,000.

# TOURISM DEVELOPMENT CORPORATION

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## 10. Funds held for 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. At March 31, 2016 this amounted to \$14,431.

## 11. Development and promotional expenditure

	2016 \$	2015 \$
Development and promotional expenditure incurred during the year	<b>861,226</b>	559,373
Less write back of previous years' over commitments (note 15)	<b>(168,296)</b>	(68,595)
	<b>692,930</b>	490,778

## 12. Funds held for Queen Elizabeth Hospital Project

	2016 \$	2015 \$
Balance at beginning of year	<b>20,918</b>	160,469
Disbursements on behalf of the QEH Private Sector Donor Group	-	(139,551)
	<b>20,918</b>	20,918

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

	2016 \$	2015 \$
Administrative salaries	<b>73,000</b>	78,529
National Insurance	<b>6,629</b>	6,669
	<b>79,629</b>	85,198

# TOURISM DEVELOPMENT CORPORATION

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## 14. Development and promotional expenditure committed

Development and promotional expenditure committed, as reported in the balance sheet, comprises the following:

	2016 \$	2015 \$
19th Annual Barbados International Masters Football Festival 2013	-	7,000
Animekon VI: Fantopia Geekcation	4,750	10,000
Barbados Darts Festival 2015	-	10,560
Barbados Darts Festival 2016	13,800	-
Barbados Museum - Promotional Brochure	2,400	2,400
Barbados Open Badminton Tournament	478	12,800
Barbados Port Inc. Training Workshop	-	9,863
Beach Culture World Tour	17,000	17,000
BGHC Inc. – The Garrison Tunnels	-	1,540
CCTV Analytics Pilot	-	50,000
Chelsea Surfing Documentary	1,522	9,850
Golden Oldies Cricket Festival	-	8,000
Gun Hill Rehabilitation Phase 2	1,844	-
Future Centre Trust – Future Trees Program - Highway Palms	45,000	-
Future Centre Trust – Future Trees Program - Warrens to Paradise	-	20,000
Installation of Signage In Historic Bridgetown and Its Garrison	14,220	14,220
Morgan Lewis Enhancements	64,000	-
Mount Gay Round the Island Race 2015	-	45,000
Pan American Sprint Triathlon 2015	-	20,700
Public Monuments Assessment	750	-
Refurbishment of the Barbados Museum Gift Shop	8,017	8,017
Rugby 2016 Pre-Promotion in Tobago	10,000	-
Rugby Barbados Sevens	100,000	-
Run Barbados 2014	-	10,000
Run Barbados 2015	12,162	-
Run Barbados 2016	50,000	-
Sol Rally Barbados 2015	-	50,000
Swim Barbados Vacations 2015 Events	-	50,000
Swim Barbados Vacations 2016 Events	50,000	-
Tourism Attraction Audit – Phase 2 – TDC Consultancy	7,775	6,375
Tourism Attraction Audit – Phase 2 – Project Implementation	16,188	26,098
Tourism Development Corporation Carlisle Bay Signage	17,172	17,172
UNESCO - World Heritage Property Signage Program	23,318	-
World Flower Show 2017 Event Coordinator	30,000	-
World Travel Market 2014	-	50,474
World Travel Market 2015	30,000	-
<b>Total Development and Promotional Expenditure Committed</b>	<b>540,396</b>	<b>457,069</b>



# TOURISM DEVELOPMENT CORPORATION

Notes to Financial Statements

March 31, 2016

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## 15. Development and promotional expenditure

Development and promotional expenditure as reported in the note 11 to the financial statements, comprises the following:

### (a) Marketing

	2016 \$	2015 \$
19th Annual Barbados International Masters Football Festival 2015	-	7,000
Animekon VI: Fantopia Geekcation	-	10,000
Barbados Darts Festival 2015	94	10,560
Barbados Darts Festival 2016	13,800	-
Barbados House	-	10,000
Barbados Museum - Promotional Brochure	-	3,000
Barbados Open Badminton Tournament	-	12,800
Barbados Style DVD's	-	1,234
Beach Culture World Tour	-	17,000
BHTA Connect BGI Villa Event 2014	-	10,000
Business Barbados Advertorial 2014	-	5,875
Chelsea Surfing Documentary	-	10,600
Coterie Retreat	15,000	-
Golden Oldies Cricket Club	-	8,000
IMEX 2015	30,000	-
Mount Gay Round the Island Race 2015	-	45,000
NBC In The Mix	10,000	-
NBC The Voice Promotion of Kareem Clarke	-	1,999
Pan American Sprint Triathlon 2015	-	20,700
Pan American Sprint Triathlon 2016	20,000	-
Rugby 2016 Pre-Promotion In Tobago	10,000	-
Rugby Barbados Sevens	100,000	-
Run Barbados 2014	-	10,000
Run Barbados 2015	35,432	-
Run Barbados 2016	50,000	-
Sol Rally Barbados 2014	-	50,000
Sol Rally Barbados 2015	-	50,000
Sailing Promo - St. Tropez	5,000	-
Sporting Barbados 2015	14,999	12,489
Summertastic 2014	-	7,000
Swim Barbados Vacations 2015 Events	-	50,000
Swim Barbados Vacations 2016 Events	50,000	-
Taste of the Caribbean 2014	-	10,000
World Travel Market 2014	-	50,474
World Travel Market 2015	80,000	-

### Total for Marketing

434,325 413,731

# TOURISM DEVELOPMENT CORPORATION

Notes to Financial Statements

**March 31, 2016**

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## 15. Development and promotional expenditure (continued)

### (b) Product Development

	2016 \$	2015 \$
Annual Barbados International Hockey Festival	15,000	12,000
Barbados Port Inc. Training Workshop	-	9,863
BGHC Inc. - Changing the Sentry Activity	10,000	-
CCTV Analytics Pilot	-	50,000
CYEN Annual International Coastal Cleanup 2014	-	1,000
Future Centre Trust - Future Trees Program - Highway Palms	65,000	-
Future Centre Trust - Future Trees Program - Warrens to Paradise	-	20,000
Gun Hill Rehabilitation Phase 2	100,000	-
Litter Collection Project	-	15,000
Morgan Lewis Enhancements	100,000	-
National Tourism Host Programme Launch	-	20,001
Public Monuments Assessment	3,250	-
Segways for The Royal Barbados Police Force	36,479	-
Taste of the Caribbean 2015	15,000	-
Tourism Attraction Audit - Phase 2 - TDC Consultancy	2,350	-
Tourism Development Corporation Carlisle Bay Signage	-	17,778
UNESCO - World Heritage Property Signage Program	27,787	-
World Flower Show 2017 Event Coordinator	52,035	-
<b>Total for Product Development</b>	<b>426,901</b>	<b>145,642</b>
<b>Write Back of previous year's over commitments</b>	<b>(168,296)</b>	<b>(68,595)</b>
<b>Total Marketing and Product Development</b>	<b>692,930</b>	<b>490,778</b>

## TOURISM DEVELOPMENT CORPORATION

Notes to Financial Statements

**March 31, 2016**

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### **16. 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.

#### **(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.



## TOURISM DEVELOPMENT CORPORATION

Notes to Financial Statements

**March 31, 2016**

(expressed in Barbados dollars)



### 16. Financial risk management (continued)

#### (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. Liquidity risk is managed by the maintenance of adequate short term and long term fixed deposits to meet cash demand. There are no balances due beyond 12 months.

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Accounts payable and accrued liabilities	<b>19,259</b>	20,297
Funds held for Barbados Hotel and Tourism Association	<b>1,567,581</b>	1,461,948
Provision for development and promotional expenditure	<b>540,396</b>	457,069
Funds held for Queen Elizabeth Hospital Project	<b>20,918</b>	20,918
Funds held for Barbados Chamber of Commerce and Industry	<b>11,000</b>	11,000
Funds held for Ministry of Transport & Works	<b>14,341</b>	14,341
	<b>2,173,495</b>	1,985,573

#### 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.



## 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.