



Ministry of Tourism and Transport



Annual Report for the Year Ended 31 December 2021

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Message from the Minister

Hon. Kenneth Bryan, MP Minister for Tourism and Transport

As Minister for Tourism and Transport I am pleased to report on the developments and progress of the portfolios under my stewardship for the fiscal year 1 January 2021 to 31 December 2021, noting that I assumed responsibility for the Ministry in April 2021 following the general elections.

Throughout 2021, the COVID-19 pandemic continued to negatively impact the tourism industry, particularly those who depended on tourism for their livelihoods. Government's primary focus therefore centered on devising a framework to safely reopen the borders and begin the process of rebuilding the tourism industry, to allow businesses to reopen and Caymanians to return to work.

A 5-Phase plan was introduced to manage the reopening process and the country successfully moved through Phases 1 to Phase 4, between June and November, 2021. During Phase 4, quarantine requirements were removed for verified, fully vaccinated travellers and new sanitation guidelines were developed by the Department of Tourism for each sector within the tourism industry.

Despite the restrictions on tourism and travel, investor confidence remained high. Ten private sector led tourism projects remain in the pipeline in various stages of development. These include Hotel projects such as

- One | George Town which will be built on Goring Avenue with 175 rooms and residences.
- The Hotel Indigo planned for West Bay Road with a proposed 282 rooms
- The Grand Hyatt Hotel and Spa, which will be located at the old Pageant Beach location in George Town with an expected 351 rooms.

Tourism Industry Partnerships

As the newly-appointed Minister for Tourism I am keen to strengthen the relationship and collaboration between the Ministry of Tourism and public and private sector entities. Consequently, I have spent a considerable amount of time during my first year in office meeting with representatives from all sectors of industry, based locally and abroad. These include the Cayman Islands Tourism Association (CITA), the Chamber of Commerce (CoC), the Florida Caribbean Cruise Association (FCCA), the Caribbean Tourism Organisation (CTO), the Land and Sea Cooperative; The Caymanian Watersports Association; and others.

The focus of these meetings has been to discuss their contribution to the tourism industry as well as the unique challenges they face, with a view to resolving some of the most pressing requests and concerns.

Vaccination Challenge Prize Draw

The PACT Government was keenly aware that while the closure of our Country's borders helped keep the community safe from COVID-19, our tourism industry and economy were being heavily impacted.

In January 2021, a mass vaccination programme of residents of all three Islands commenced, with the goal of vaccinating 80% of the population. By the 28th April, 2021 only 55% of the population had received a single dose of vaccine, and thousands of vaccines were in jeopardy of expiring in June without being used.

In an effort to increase the uptake of vaccinations in the community, the Ministry of Tourism launched the '*Vaccination Challenge Prize Draw*' which ran from 8th May to 9th June. During that period, 14,375 people were vaccinated, enabling all of the vaccines to be used well ahead of the expiration deadline.



Displaced Tourism Worker Stipend Programme

Recognizing the economic impact that the COVID-19 pandemic levied on the tourism industry, and on displaced tourism workers in particular, the Ministry of Tourism has maintained responsibility for the management of the Displaced Tourism Worker Tourism Stipend Programme.

In June 2021, registration was reopened to allow persons who may have missed previous opportunities to submit an application. A survey was also launched on 23rd June to collect information from stipend recipients to understand which sector of the industry they were formerly employed in (stayover or cruise) and how many wanted to return. Over 2,700 stipend recipients completed the survey and the information provided is assisting with planning the future needs of the tourism sector. The data derived from the stipend survey has also allowed the Ministry to engage more effectively with WORC and private sector employers, to ensure that unemployed Caymanians are given first priority for current and future job placement opportunities.

By September 2021, the Ministry of Tourism was assisting close to 4000 displaced tourism workers a cost to government of over CI\$5.5 Million per month. The decision was subsequently taken to move the management of the stipend programme to the Ministry of Labour effective 1st of January 2022.

Return of Commercial Airline Service

Throughout most of 2021 while borders remained closed to international traffic, British Airways maintained the airbridge to facilitate travel to and from the UK, while Cayman Airways offered repatriation services to the USA, Jamaica, Cuba and Honduras.

Although international airlines were permitted to resume commercial air service to the Cayman Islands with effect from 9 September 2021, the mandatory quarantine period was seen as a barrier to tourist visitation. Consequently, airlines timed their resumption of services to coincide with Phase 4 of the reopening plan, when the quarantine period for securely-verified vaccinated travelers was scheduled to be removed.

Notwithstanding, British Airways resumed commercial service from 27th September onwards, offering three flights per week via Nassau, Bahamas. By year end, Jet Blue, Air Canada and WestJet had relaunched service, opening up travel from New York (JFK), Boston, Fort Lauderdale, and Toronto.

Infrastructure Development

Aside from matters related to the COVID-19 pandemic, the Ministry is also overseeing the development of a number of infrastructure projects to further improve the tourism product and enhance the visitor experience. By way of example, the Ministry is cognizant that the General Aviation Terminal does not reflect the Cayman Islands brand promise of being a luxurious destination with world class facilities and infrastructure. A newer, more modern terminal is required to provide better facilities for private aircraft, as well as more ramp capacity, parking areas and storage facilities. A Strategic Outline Case has been prepared to underpin the preparation of a Business Case for ultimate approval by Cabinet.

Multi-Purpose Tourism Attraction

The Ministry has also announced that it will spearhead the development of a Multi-Purpose Tourism Centre, following the Government's acquisition of 2-acres of land on South Church Street. Existing structures on the property are to be repurposed to provide a facility that enables Caymanians to be trained to assume roles in the hospitality sector. The venue is also intended to provide a permanent location to house the Cayman Islands Craft Market, and will host a range of activities which showcase Caymanian arts, heritage, music and culture.



Cruise Tourism

Following candid discussions with representatives from the Florida Caribbean Cruise Association, it was determined that safety protocols are not yet at a level which would allow the government to comfortably reopen the Cayman Islands to cruise tourism. The Ministry remains in dialogue with cruise industry stakeholders and we look forward to restating the cruise tourism in early 2022.

As the Minister for tourism I am keenly aware of the tourism industry's value to our country, and the vital role that it plays, both from a workforce perspective, as well as the significant contribution it makes to our economy. Along with my Chief Officer Stran Bodden, and the Staff in the Ministry and Department of Tourism, and the management and staff of the Statutory Authorities that fall within my remit, I look forward to developing and implementing the policies that will enable the safe and successful recovery of the Cayman Islands Tourism industry.

Kenneth Bryan

Hon. Kenneth Bryan, MP



Message from the Chief Officer **Stran Bodden, JP**

Having oversight for one of the Country's key service sectors and economic pillars, the Ministry is tasked to ensure that the tourism industry positively affects the lives of all who live, work and visit our Islands.

With the country's borders remaining closed to visitors till November 2021, the decline in visitor arrivals has negatively affected all of the key tourism metrics for the financial year ending in December 2021.

During this period, the Ministry seized the opportunity to concentrate on growing initiatives such as the Global Citizens Concierge Programme (GCCP) which was

launched in October 2020. During 2021, 163 applications were approved which represents 357 persons and a total of USD\$306,792 has been collected in associated fees since the Programme was launch.

The focus on advertising within core international markets was also heightened to stimulate traveler interest and awareness in preparation for the move to Phase 4 of the border reopening when tourists could once again visit the destination. Having appointed a new Public Relation Agency for the UK region, the Department of Tourism has begun employing new media strategies to stimulate the UK/European markets, in readiness for the resumption of scheduled commercial flights.

In September, production on the next phase of the Department of Tourism's highly successful "Dream in Cayman" advertising campaign commenced with a photoshoot in Little Cayman. The campaign promotes the natural beauty of the Cayman Islands through the use of compelling imagery to showcase our Islands' as a luxury lifestyle destination. The multi-media campaign was funded by the Department of Tourism and provided a welcomed economic injection into the local community, through the use of local talent, vendors, transportation providers and production personnel.

In the USA, awareness of the Cayman Islands brand has been maintained during 2021 through a full calendar of activities, as well as attendance at some of the key travel and consumer shows. These include IMEX, which is America's largest exhibition for Incentive Travel, Meetings and Events, and DEMA, the Dive and Equipment Manufacturing Association tradeshow, which is one of the largest annual dive shows in the world.

Like all Government Ministries and Authorities, the Ministry is called upon to make more efficient use of available resources and I take this opportunity to thank all of our staff members for successfully rising to the challenge. As the Chief Officer, I utilise every opportunity to invest in the development of staff within the Ministry and its portfolios, to ensure they are provided with the skills and support required to best serve the public. Consequently, the Ministry aims to achieve a high standard, which staff meet and exceed; despite an often heavy workload.

I once again extend sincere appreciation to all the staff within the Ministry for their dedication and professionalism throughout what has been another challenging year.

SBodden

The Ministry of Tourism and Transport - At a Glance

Who We Are

The Ministry of Tourism and Transport (MOTT) is headed by the Minister of Tourism, assisted by the Chief Officer. The senior management team includes two Deputy Chief Officers, a Chief Financial Officer and a Human Resources Manager, who work alongside other administrative and support staff.

What We Do

Prior to the General Elections held in April 2021, the Ministry held responsibility for the District Administration Department and National Weather Service. Following the Elections, responsibility for these Departments was transferred to other entities, leaving this Ministry with oversight for the portfolios of Tourism and Transport, which includes the Cayman Islands Department of Tourism (CIDOT) and the Public Transport Unit.

In addition, on the Minister's behalf, the Ministry oversees the performance of various statutory authorities and Government companies as highlighted in the table below:

Statutory Authorities and Government companies with MOTT Oversight			
			

Strategic Management

The MoTT administers the Authorities operations at the organizational level and provides strategic guidance in a range of areas, including:

- Development of business plans and corporate policy;
- Establishment of long-term goals and objectives;
- Evaluation of the agency's overall performance and progress towards established targets;
- Management of programs to improve business processes and ensure consistent service delivery;
- Preparing or revising laws and other regulatory instruments that affect the authority's functions and responsibilities;
- Obtaining legal advice from external sources using the laws that regulate the function of government entities.

Support to Public Authorities, Committees and Associations

The Chief Officer in the Ministry or his representative sits on various Public Authorities, Committees and Associations to assist the entities with achieving their stated objectives and ensure they are operating within a sound ethical and legal framework. The table below lists the various entities that the Ministry engages with on a regular basis.

PUBLIC AUTHORITIES	COMMITTEES	ASSOCIATIONS
Cayman Airways Board (CAL)	Miss Cayman Islands Universe Committee	Cayman Islands Tourism Association (CITA)
Cayman Islands Airports Authority (CIAA)	Hotel Licensing Board	Sister Islands Tourism Association (SITA)
Port Authority Cayman Islands (PACI)	Public Transport Board	Land & Sea Co-op
Tourism Attractions Board	Film Commission	
Cayman Turtle and Conservation Centre Ltd.		

Budgeted Spend

The Ministry's total expenditure for the fiscal year ended 31 December 2021 was CI\$26,985,532. This included 12 months spending from the Core Ministry Administration, Cayman Islands Department of Tourism (CIDOT) and the Public Transport Unit (PTU). Also, included in this spend, is 6 months spend for District Administration (DAD) and the National Weather Service (CINWS) prior to the reshuffle of departments to other Ministries, due to the 2021 general election.

Core Ministry Human Resources Report



Human Resources Mission & Vision

The MoTT's Human Resources Unit supports the Chief Officer and Heads of Departments' through the development and administration of quality human resources systems.

The HR Unit is responsible for carrying out the Ministry's strategic and operational human resources functions in ways that are creative, customer-focused, quality-driven and highly effective with respect to maintaining an exceptional and diverse workforce.

The HR Unit also oversees the implementation of programs and services designed to enhance the working environment and increase the Ministry's organisational effectiveness.

Recruitment

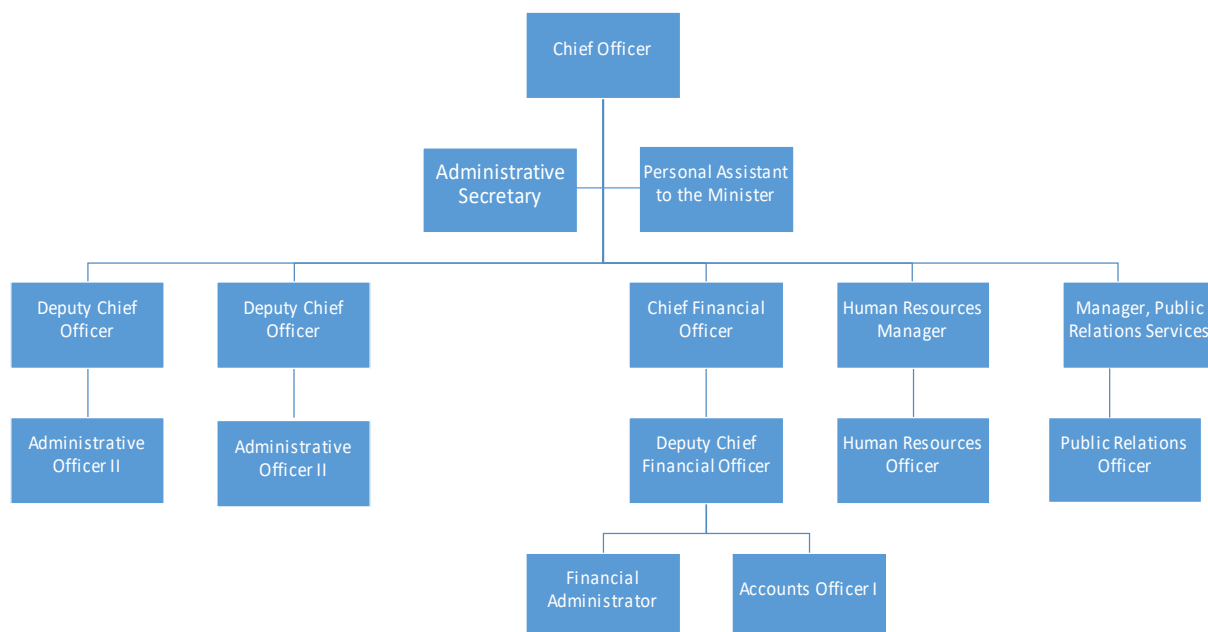
Human resources recruitment initiatives undertaken during the year centered on identifying well-qualified and experienced candidates to fill vacant positions. The Ministry is particularly pleased to confirm that through diligent and effective succession planning, many of these roles were filled internally, and 94% of our staff based in the Cayman Islands are Caymanian. In cases where there were no available internal candidates to fill vacant positions, effective recruitment exercises were performed which resulted in the successful hiring of qualified external Caymanian applicants.

Learning and Development

Several staff members have embraced opportunities to further their education and professional development by pursuing degrees at the Bachelors level, while others are completing accounting or other certifications relevant to their respective roles within the organization. Senior Management continues to participate in the Continuous Professional Development seminars for Senior Leaders, facilitated by the Portfolio of the Civil Service, as part of Strategic Goal #2 (Leadership) of the CIG's 5-Year Strategic Plan to become a World-Class Civil Service.

Core Ministry Organisation Chart

The core Ministry is comprised of 15 staff members 14 of whom are Caymanian



MoTT Human Resources Breakdown Across Departments

The Ministry composition **prior** to the reshuffle of departments to other Ministries, due to the 2021 general election. **Ministry of District Administration, Tourism and Transport as at 30 June 2021.**

Cost Center	Caymanians	Non-Caymanians	Total Staff Complement	Percentage Caymanian
District Administration	165	10	175	94%
Core Ministry Administration	14	1	15	93%
Public Transport Unit	12	0	12	100%
National Weather Service	17	1	18	94%
Department of Tourism	44	3	47	94%
Total	252	15	267	94%

The Ministry composition **after** the reshuffle of departments to other Ministries, due to the 2021 general election. **Ministry of Tourism and Transport as at 31 December 2021.**

Cost Center	Caymanians	Non-Caymanians	Total Staff Complement	Percentage Caymanian
Core Ministry Administration	14	1	15	93%
Public Transport Unit	12	0	12	100%
Department of Tourism	44	3	47	94%
Total	70	4	74	95%



The Cayman Islands Department of Tourism

Scope of Activities

The Cayman Islands Department of Tourism (CIDOT) was established in 1974 and is the marketing arm of the Ministry of Tourism and Transport. The CIDOT is headquartered in Grand Cayman and has satellite offices in the United States of America, the United Kingdom and Canada. Of the 47 staff employed at the Head Office, 44 are Caymanian reflecting a workforce that is 93% Caymanian.

Through its advertising and promotions, the CIDOT motivates travellers to visit the Cayman Islands by distinguishing this jurisdiction from other Caribbean destinations and promoting experiences that are unique and enriching, while valuing our Islands distinctive natural resources. At all times, the Department seeks to advance the heritage and culture of the Cayman Islands and promotes the advancement of sustainable tourism policies for the benefit of present and future generations.

The CIDOT is the official source for tourism related information and statistics related to the Cayman Islands Tourism sector. Its e-Business unit provides timely analytics and research that assists with decision-making through the provision of accurate business intelligence.

Performance Measures

The Department's primary measures of success are derived from annual visitor arrivals, tourism revenue and visitor expenditure. For the year ended 2021:

Annual visitor Arrivals

- Tourist visitation was 17,308 persons due to border closure because of COVID-19 pandemic. This represented an 86% decline when compared to 2020 was the lowest in recorded history.
- There were no cruise calls to the destination in 2021.
- The top-performing months, November (2,022 visits) and December (7,637 visits) accounted for 56% of visitation in 2021. This performance followed the easing of border restrictions and the return of some airlines in November 2021.
- 55.1% of visitation during 2021 originated from USA, while the UK and Ireland accounted for 12.1%, and Canada for 10.4%.
- As of 31 December 2021, tourist accommodation room stock totalled 7,081 rooms with 3,265 condominium, 1,148 villa and 2,668 hotel rooms.

Tourism Revenue

The Department of Tourism received approval from Cabinet to waive Tourism Accommodation Taxes for the 2021 financial year to support the tourism industry as we continued to operate under difficult economic circumstances due to the COVID-19 pandemic. As a result of the waiver:

- Only CI\$204,000 was collected out of a budgeted CI\$39,392,960 in forecasted total revenue.
- The CI\$204,000 is comprised of nil (\$0) for Tourist Accommodation Taxes, CI\$1,800 in Timeshare Ownership Tourism Tax Charges, and CI\$202,000 for Hotel License Fees.

Inspections, Licensing, Cruise and Visitor Experience

The CIDOT's Licensing and Inspections Unit (HLB) is responsible for inspecting all accommodations available to visitors, including guest houses, condos and Hotels, to ensure compliance with strict standards for safety and cleanliness.

HLB Inspections continued throughout 2021 even in the face of COVID-19 community spread which began in September 2021. With only one inspector for three quarters of 2021, a total of 2,123 bedrooms were inspected and a new hotel inspector was added to the hotel inspections team on 1 October 2021.

Sister Islands Inspections and Licensing

11 new properties with a total of 21 bedrooms were added to the room stock in Cayman Brac and over 90% of the visitor accommodations/properties in Little Cayman paid their annual renewal fee and were inspected. In addition to carrying out inspections across all three Islands the HLB unit:

- Continued the work in collaboration with the Computer Services Department to refine an online revenue and inspections platform to better serve the accommodations sector.
- Developed an expanded tourism product (Update) database.
- Produced the Quarterly Product Update on tourism related businesses



Cruise and Visitor Experience

While the remit of the CIDOT is to attract and retain visitation, the Department also ensures that the attractions that fall under the auspices of the Tourism Attractions Board present a safe, informative and enjoyable visitor experience. Activities carried out in this respect during the fiscal year include:

- Beach inspections on all three islands continued and partnerships with other entities ensured safety and security.
- Periodic tourism business surveys were executed in collaboration with the E-Biz unit.
- Support was provided for the installation of the new Wreck of the Ten Sail signage.
- Musicians contracted by the CIDOT augmented the visitor experience at the Cayman Turtle Centre and Tourist Attractions Board locations; as well as at the welcome ceremonies at Owen Roberts international Airport for returning airlines.
- Meetings with various cruise line executives continued in an effort to maintain dialogue on key issues whilst the cruise ports remained closed.

Destination Marketing and Promotion

Prior to the onset of the COVID-19 Pandemic, visitor arrivals had reached record breaking levels. However, with borders closed the CIDOT shifted its focus to other areas of activity. Staff that would otherwise be engaged with sales, marketing and collection of tourism accommodation taxes were reassigned to assist with the implementation and management of other programmes and initiatives. Highlights of the activities conducted during the year include:

- Managed the Tourism Stipend Programme (supported by facilitated data collection, data validation, data cleaning and community communication).
- Regional public relations teams generated virtual events with journalists that generated earned media exposure.
- Managed the Global Citizen Concierge Program that stimulated the on-island tourism economy with media coverage and applications from around the world.
- Selection of a new agency to lead the CIDOT strategy in Latin America
- Continued to foster engagement and tourism partner relations with members of the local community through the social media live session programme (SMLSP).

• **Advertising**

- Maintained a “keep the lights on strategy during January-August in order to keep Cayman visible using low-cost tactics such as Search, Paid Social Media and CRM.
- With border reopening announced for November, the global team developed a multi-media reopening campaign to inform consumers and travel trade that Cayman is open for business.
- Developed microsite on the destination website to inform visitors of travel requirements and ongoing updates.



- **Sales**

- The global sales team leveraged the virtual environment to engage a broader Business to Business audience by conducting dozens of webinars, training, graduate conversions, and lunch & learns to maintain engagement with the trade.
- Global Sales teams conducted 236 events (US Sales: 187) ranging from conferences, hosted events and sponsorships. High profile events included: Virtuoso Travel Week, ALG Ascend, IMEX America, Destination Caribbean, DEMA Show, SITE Global, Travel Agent Forum, ASTA Global Conference, Travel Advisor Appreciation Day /Month activations.

- **Aviation**

- Established a global aviation dashboard and a task force to manage the process of relaunching international carriers to the Cayman Islands.
- Supported the national flag carrier with gate/arrival activations when flights resumed as well as geo-targeted advertising for their US routes.
- North America team conducted regular business development meetings with airlines throughout the pandemic, keeping them informed of border status.
- US team attracted Sun Country Airways to offer seasonal service to GCM from Minneapolis. (Service was postponed due to the pause in Phase 4 of our border opening.)
- CIDOT and aviation consultant, ASM, developed and delivered market analysis and recommendations to Cayman Airways to identify new potential source markets.

- **Partnerships:**

- US developed a partnership with Porsche Motorsport N. America as Title Sponsor of Porsche Carrera Cup N. America
- Developed a curated colour palette with Laudi Vidni (Custom Leather Goods) inspired by the destination.
- Became a “Virtuoso Preferred Destination” with the global consortia of luxury travel advisors and delivered engaging content to the advisors.
- Continued the Virtual Tourism Conference with relevant topics for the local industry.

CIDOT Training and Development

Internal Training

The CIDOT is a strong supporter of staff training and development to improve both technical and soft skills. Over the years, the Department has found that this policy pays dividends with respect to increasing job satisfaction and improving staff morale. Throughout 2021, several members of staff took the opportunity to pursue a variety of courses, attaining a wide range of certifications. These include:

- Thirty-eight (38) staff members completed Gallup Strength Finders Training.
- Two (2) staff members advanced in continuing education and received their ILM-Level 5 professional certification delivered through the Civil Service College. Several DOT staff members are currently pursuing ILM Level 3, 5 and 7 training and Core Competency course training to be completed in 2022.
- Two (2) senior leadership team members completed professional development and advanced their leadership skills by attending a virtual Northwestern- Kellogg University Leadership training. Additionally, DOT Senior Leaders and Managers completed various Leadership training courses and executive coaching sessions offered by Northwestern-Kellogg University and the Disney Institute.
- One (1) employee received their Level 3 Certificate in Human Resource Practice (CHRP) with Distinction.
- One (1) staff member completed Agile PM-Project Management Training.
- One (1) staff member completed a Professional Diploma in UX (User experience) Design.
- Three (3) staff members attended the Public Relations Society of America Travel & Tourism Conference (Virtual) in June 2021.
- Two (2) staff members completed their Professional Diploma in Digital Marketing in October 2021.
- One (1) staff member completed a Certification in Hotel Industry Analytics in November 2021.
- One (1) staff member completed professional development in Planning, Organising and Advanced Communication online training.
- At least three (3) staff members completed the Caribbean Tourism Organization (CTO) Multi-Hazard Risk Management for the Caribbean Tourism Sector and the Caribbean Sustainable Tourism Policy Development online courses and received certificates.
- Several staff members participated in various webinars offered by the Caribbean Tourism Organization and Caribbean Hotel and Tourism Association, including topics ranging from dealing with the pandemic and tourism recovery to community-based tourism and cultural and natural heritage experience development.



External Training

One of the Ministry of Tourism's primary goals is to attract a steady stream of skilled tourism workers who can benefit from, and contribute to, the growth and prosperity of our tourism sector. Consequently, the CIDOT conducts regular customer service and "Know Your Cayman Islands History and Culture" workshops, and also partners with private sector entities to offer other tourism/hospitality-based training. A more specific breakdown of the types of tourism education, career promotion and stakeholder training that has been offered throughout the year is as follows:

Tourism Education:

- 10 scholarships were awarded with majors ranging from media arts, Commercial Pilot and Tourism/Hospitality Management. Scholarship amounts ranged from USD\$18,000 to USD\$25,000. Scholarship funding was increased to CI\$30,000 in August 2021.
- 13 local school visits to promote tourism awareness. In a post-COVID-19 era, with restrictions placed on in-person school visits, Zoom and GoToMeeting was used to conduct school presentations.
- CIDOT partnered with WORC and four hotels to conduct onsite training in areas including food and beverage and front of house in November.

Career Promotion:

- A Tourism Job Fair was held on 9 December 2021 at the Westin Grand Cayman Beach Resort for displaced tourism employees and attracted 341 participants. A total of 5 career fairs were conducted during the year.
- Workforce Opportunities & Residency Cayman (WORC) facilitated Back 2 Work training programmes which included displaced tourism employees during the last two quarters of 2021 on behalf of CIDOT.



Stakeholder Training:

- **PRIDE Training included:**
 - 10 Promises Customer Service Excellence Workshops with 90 persons trained.
 - 11 Promises Customer Service Excellence Webinars with 61 persons trained.
 - Nine (9) Know Your Cayman Islands Workshops with 85 persons trained.
 - One (1) Know Your Cayman Islands Tour with 13 participants.
 - Three (3) Know Your Cayman Islands History Webinars with 14 persons trained.
 - Three (3) Know Your Cayman Islands Culture Webinars with 18 persons trained.
 - Two (2) FoundEd (Tourism Business Acumen) Webinars with four (4) persons trained.
 - Six (6) Immersed (Experiential Learning Series) classes with 56 persons trained.
 - Four (4) Who Ya Fah Summer Classes with 54 children trained.
 - Four (4) Who Ya Fah Summer Tours with 56 children trained.
- **Aquila Center:**
 - Four (4) Driver Excellence Webinars with 55 persons trained
 - Eight (8) Service Excellence (COVID-19 Edition) Webinars with 312 persons trained.
 - One (Self-Paced) Tour Guide class with 15 tour guides trained.
 - One Storytelling class with 6 persons trained; Tour Guide training was a pre-requisite for this class.
- **WineSchool3:**
 - Shaker International bartending with 16 persons trained
 - AHLA Front of House training with 11 persons trained
- **Ocean Frontiers and GoPro Diving:**
 - dive training at different levels up to Dive Master for 11 persons
- CIDOT continues to respond to the needs of stakeholders in the ever-changing face of the COVID-19 pandemic, conducting stakeholder focus groups and updating operational sanitization protocols.
- CIDOT provided tourism partners and stakeholders with access to the Caribbean Hotel and Tourism Association/Caribbean Tourism Organization/Caribbean Public Health Association Caribbean Tourism Health Safety Training series and guidelines focusing on COVID-19 and product development webinars.



Destination Accolades

The Cayman Islands frequently receives recognition from international media and tourism based organisations for the unique customer service experiences, attractive infrastructure and outstanding natural beauty which visitors enjoy. For 2021, the destination's accolades included the following:

- Cayman Islands #1 – Best Wall Diving: Caribbean & Atlantic – Scuba Diving Magazine's 2021 Readers' Choice Awards
- Cayman Islands #3 – Best Wreck Diving: Caribbean & Atlantic – Scuba Diving Magazine's 2021 Readers' Choice Awards
- Cayman Islands #3 – Best Destination for Photography: Caribbean & Atlantic – Scuba Diving Magazine's 2021 Readers' Choice Awards
- Cayman Islands #4 - Best Beginner Diving: Caribbean & Atlantic – Scuba Diving Magazine's 2021 Readers' Choice Awards
- Cayman Islands #5 – Best Overall Destination: Caribbean & Atlantic – Scuba Diving Magazine's 2021 Readers' Choice Awards
- Cayman Islands #6 – Top Islands: The Caribbean & The Atlantic – Conde Nast Traveler Readers' Choice Awards 2021
- Cayman Islands #7 – Best Beach in the Caribbean – TripAdvisor Travellers' Choice Awards 2021
- Palm Heights #14 – Top 25 Caribbean Resort Hotels – Travel + Leisure (October 2021)
- Grand Cayman, Cayman Islands #7 – Popular Destinations: Caribbean– TripAdvisor Travellers' Choice Awards 2021
- Cayman Islands #17 – Top 25 Caribbean Islands – Travel + Leisure (October 2021)
- Cayman Islands #18 – Best Beach in the World – TripAdvisor Travellers' Choice Awards 2021





CIDOT Looking Forward

The Cayman Islands Department of Tourism looks into 2022 with optimism, but caution as the global travel industry recovers from the impact of COVID-19. While the COVID-19 vaccine has helped to create a way forward for the industry's recovery, the emergence and spread of new variants mean we will continue to live with uncertainty and hurdles for tourism recovery.

Globally, we have continued to notice drastic changes in customer behaviour, with the significant reduction in booking windows, increase in cancellations due to the impact of COVID-19, and due to suppression measures, the travel process has become cumbersome.

However, despite the uncertainty that still lingers, the vaccine continues to provide a solution for us to begin our recovery process while balancing the new normal of travel. CIDOT is positioning itself to ensure the destination can capitalise on the reopening of the Cayman Islands, combined with 20 months of pent-up demand in the key source markets.

The following strategic and high priority initiatives are targeted for implementation in the 2022 fiscal year to start the recovery of the Cayman Islands tourism industry;

1. Launch of Dream in Cayman 2.0 Marketing Campaign.
2. Expand Global Destination **Brand Awareness** through the delivery of increased visitation from the Cayman Islands' primary market (USA), secondary markets (Canada & United Kingdom/Europe) and new growth markets e.g. Latin America and China (in the long-term).
3. Prioritize marketing strategies to focus on conversions to support **tourism recovery**.
4. Development and launch of a **Global Content Marketing Strategy**.
5. Development and launch of modern **Customer Relation Management strategy**.
6. Focus on a **digital-first approach** to ensure the agility of CIDOT marketing.
7. Opening of the new **International Scuba Diving Hall of Fame Museum**.
8. **Aviation development** for the UK & Europe market.
9. Re-establish primary and secondary markets aviation routes and work with airlines to **build frequencies and increase load factors**.

10. Focus on return leisure business from existing core markets whilst establishing a medium-term strategy and groundwork to **open new markets in continental Europe, the Middle East and Asia and LATAM**.
11. Continue to support the **Global Citizen Concierge Program** and review new opportunities to take advantage of digital nomads.
12. Continue work with the **Aviation Taskforce to support the return of airlines** to the Cayman Islands.
13. Continue **implementation of the 5-year National Tourism Plan 2019-2023** and the Road Back to 500k Air Arrivals Strategic Tourism Plan (RB5) and update the tourism strategic plans in light of the ongoing pandemic.
14. Continuation of **the National Tourism Training Programme** in preparation for the wider opening of our borders with additional training e.g. additional immersive experiences for the PRIDE training programme and continued access to training webinars and workshops from external organizations such as the Caribbean Tourism Organization, Caribbean Hotel and Tourism Association, the Aquila Center and WineSchool3.
15. Continued participation in **career fairs, expos and school visits** and participation in the CIG Skills4Life initiative.
16. **Reinforce the Cayman Islands' sustainable practices** and promote as best in class (in the Caribbean).
17. Approval and implementation of **modernized Tourism Law (1995 Revision) and Tourism Regulations (2002 Revision)** and transitioning of the Hotels Licensing Board to a Tourism Licensing Board with an expanded mandate is currently in draft for tabling at a future parliamentary session.
18. Further business **development opportunities for stakeholders**, e.g. home-sharing, new experiences.
19. Launch of **online revenue and inspections platform** to better serve the accommodations sector.
20. **Build internal and external human resource capacity** to enhance hospitality services and sustainable destination management and operation through the School of Hospitality Studies programme, support for tourism education and career development, CIDOT industry workshops, seminars, training tools, and staff training and development.
21. Continue to explore a Digital Tourism Tax Remittance solution to **enhance revenue collection** efficiency.
22. Continue to conduct research on **Tourism Satellite Account development** to understand the full impact of tourism on the economy, understand tourism linkages and guide policy development.
23. Execute a **strategic global sales events calendar** with a mix of trade and consumer activities targeting niche travel categories such as luxury, group sales and dive, amongst others.
24. Launch and execute CIDOT's **partnership with Laudi Vidni**. The leather goods brand launched Vivid Cayman (Jan 2022), a color collection inspired by the destination. The programme includes

the Cayman line featured on Laudi Vidni's website and plays an important part in CIDOT corporate hospitality/B2B plans for 2022.

District Administration Department

Sister Islands: Cayman Brac & Little Cayman



Photo: Aerial view of the North East point of the Bluff, Cayman Brac

About the Department

The District Administration Department is the main Government Office within the Sister Islands (Cayman Brac and Little Cayman). The Department is responsible for administering and supporting the business of Government in Cayman Brac and Little Cayman, and ensuring the timely and efficient implementation of government policies.

The District Administration Department is headed by the District Commissioner assisted by the Deputy District Commissioner. District Administration's customers include the general public (resident and non-resident in the Sister Islands) as well as other Government departments and agencies.

Scope of Activities

The District Administration Department is responsible for the following internal functions and public services in the Sister Islands of Cayman Brac and Little Cayman:

Internal Functions

- Human Resources
- General Administration Services,
- Policy Formulation, Coordination and Implementation;
- Public Works Implementation and Management;
- Facility Management;
- Disaster Management;
- Finance and Treasury Services;
- Vehicle and Licensing Services;
- Coordinates VIP Visits and Hosts Official Ceremonial and Social Functions;

Public Services

- Administers Museum/Cultural/Heritage Awareness Services;
- Provide Pre-School and Child Care Services;
- Marketing & Promotions Services;
- IT Services;
- Passport Services;
- Cemetery Vault Management; and
- Respond to the needs of other Government (client) departments and agencies.
- Day Care Centre

Tourism Growth and Development

Over the course of several years, building blocks have been put in place by consecutive governments to systematically grow tourism in the Sister Islands. Prior to the pandemic, air arrivals were on the rise, which in turn had a positive effect on the economy and gave new businesses the confidence to open.

Tourism growth on Cayman Brac has centered around the private villa market enabled through AirBnB and the home-sharing community. At year-end 2021, tourism accommodations in the Sister Islands amounted to 431 rooms across Hotels, condominiums and Villas with 258 rooms in Cayman Brac and 173 rooms in Little Cayman.



Senior Care and Repair Programme

Following the passage of Hurricane Paloma in November 2008, a Care and Repair programme was established by the then government to assist senior citizens with carrying out repairs to their homes. The programme is still in operation and in 2021 repairs were carried out to two dozen residences under this initiative.

Accomplishments in 2021

- 24 houses repaired for Senior Citizens.
- Secondary public roads paved with asphalt in West End, Spot Bay and the Bluff.
- Salt Water Pond – Water level and pumps maintained and monitored.
- Continuing works on new Buildings by District Administration for much needed Office Space – Vehicle Licensing, Planning/Lands & Survey, Customs and Immigration and two new changing rooms plus a Public Restroom at the 25M Pool (Under construction – 90% completed) – scheduled for completion in first quarter of 2022.
- Continuation of TP86 Sister Islands Beaches and Community Clean-Up Programme.
- Building permits received for District Administration main building renovations with new elevator.



Kayakers enjoying the surrounding waters of Owen Island, Little Cayman

National Weather Service



About us

The Cayman Islands National Weather Service (CINWS) provides weather based information to a wide cross section of customers including the aviation sector, marine boaters, fishermen and the general public. The CINWS delivers science-based forecasts to its audiences that are reliable and timely, and also issues warnings when adverse weather conditions, such as tropical cyclones, flash flooding and storms pose a potential threat to lives and property.

Scope of Activities

Managing the Cayman Islands weather and climate data, forecasts and warnings requires a diversified organisation. Consequently, the mission of the CINWS can be broadly described as encompassing four areas; namely: monitoring; research; service provision and international cooperation, as follows:

1. Meteorological observation, monitoring and related services (manual observations, weather website, weather app and radar images),
2. Providing a range of weather information, forecast and warning services, (aviation lightning alerting and weather radio)
3. Maintenance of systems for the collection and quality control of observational data, (including Cayman Brac)
4. Maintenance of the national climate archive (for both Grand Cayman and Cayman Brac)

Governance

The CINWS is governed by the National Weather Service Law, 2010, specifically Section 3 (1) which states *'The Cayman Islands National Weather Service shall be recognized as the authority for all weather, climate, seismic and other meteorological matters in the Islands.'*

At the international level, meteorological duties undertaken by the CINWS are carried out under strict rules and regulations as agreed by international bodies such as the World Meteorological Organization (WMO) and the International Civil Aviation Organization (ICAO).



Our People

The CINWS operates with a staff of 18 officers, 17 of whom are Caymanian and 1 is a Permanent Resident with the Right to Work. All staff are qualified through the regional training center in Barbados. Additionally, a staff of 5 from the Cayman Islands Airports Authority provides observational services in Cayman Brac at the Charles Kirkconnell International Airport (CKIA). This service is supported by the CINWS through a quality Management System which carries out regular checks on all observations.

In order to provide the public with up-to-the-minute forecasts, the staff operates on a shift system that covers 17 hours of the day.

Achievements

- Hired 2 Weather Observer trainees February 1st 2021.
- Trainees attended Entry Level technician Training (Weather Observer) online from the Caribbean Institute for Meteorology and Hydrology from March 1st until July 31st 2021. Unfortunately, neither officer was successful in passing the course.
- Finalizing Business Case for new Cayman Islands National Weather Service Operational and Research Center including approval from the Planning Board.
- Installation of programs to support wave modeling.
- Completed procurement and design of new Weather Service Website
- Installation of new Automatic Weather Station on site adjacent to Jose Gas Station, the future building site for the Cayman Islands National Weather Service Operational and Research Center.
- Commenced implementation of Impact Based Forecasting and Warnings System



Director John Tibbetts (Centre) with Shamal Clarke (L) and Avalon Porter (R)

Public Transport Unit



About us

The Public Transport Unit (PTU) is the public agency tasked with the management, delivery and licensing of all public transportation in the Cayman Islands provided to residents and visitors via Taxis, Tour operators, Limousines, Omnibus, School and Church buses. The PTU has 12 staff members all of whom are Caymanian.

Scope of Activities

The Public Transport Board is responsible for issuing permits for the operation of public passenger vehicles and ensuring the safety of operators and riders. The provision of services includes hailing options, care for older and disabled passengers with various types of modern vehicles and the circulation of route information in a timely manner. Additionally, the responsibilities of the PTU include:

- Assisting with the training of all public passenger operators and drivers.
- Conducting general knowledge test and reviews.
- Inspecting public passenger vehicles and ensuring operators/drivers are compliant with the Laws, Regulations, Public Transport Board (PTB) policies and guidelines.
- Preparing reports for the PTB to assist in their decision making process.
- Preparing agendas and record the minutes of the PTB meetings.
- Liaising with applicants and issuing the necessary correspondence.
- Preparing reports for the PTB at the Public Transport Appeals Tribunal meetings.
- Investigate complaints.
- Queuing and dispatching omnibuses from the Bus Depot.
- Coordinating with tourism stakeholders to enhance their businesses and our guest experience.
- Providing information and answering queries about all forms of transportation.
- Monitoring all operators and drivers to ensure the travelling public receives quality of service.

Governance

The governance of the sector resides with the Public Transport Board (PTB) and its operations are regulated as stipulated within the Traffic Law and the Public Passengers Vehicles Regulations.

2021 was on track to be a record year for persons gaining employment in the Transportation sector as the Cayman Islands Tourism product was poised to set new records. However, due to Covid19, these numbers were reduced.

As of 31 December 2021, there are 639 persons employed in the transportation sector, which reflects a decrease of 217 persons from 2019. 86% or 549 persons currently employed in the transportation industry are Caymanians.

In 2021, 114,815 passengers took the public bus from the Bus Depot. This is a significant decrease from 2019 which saw 289,787 passengers using Public transportation. This is a variance of 174,972 passengers.

Notwithstanding the effects of COVID-19, the PTU still maintained its dispatching at pre-covid levels due to having a robust continuity of operations plan in place. As a result, dispatching registered a marginal increase from 88,164 in 2019 to 88,409 per annum in 2021.

Achievements for 2021

As part of PTU's continuity of operations plan, staff were able to work from home while providing service, which resulted in minimal disruption to stakeholders. Despite the challenges brought on by the pandemic, and in some instances because of it, the Public Transportation sector accomplished a number of encouraging initiatives. These include:

- 1) Increased the Bus Depot hours of operation by opening the Bus Depot on Saturdays.
- 2) The PTU increased its digital and online services applications to be processed electronically and meetings transitioned to being held online.
- 3) Employees were cross-trained to carry out multiple duties effectively.

Looking Ahead to 2022

- 1) To develop a Public Bus App.
- 2) To work with the CIDOT to develop new workshops for stakeholders to ensure they are prepared and trained when the borders are re-opened.
- 3) To increase training opportunities for employees.
- 4) To develop new bus routes to improve public transportation service within communities.



Contact Us

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MINISTRY OF TOURISM AND TRANSPORT
FORMERLY MINISTRY OF DISTRICT ADMINISTRATION, TOURISM AND TRANSPORT

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2021

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Cayman Islands Government
Government Administration Building
Grand Cayman,
Cayman Islands
Tel: 345-949-7900 ext. 2420

MINISTRY OF TOURISM AND TRANSPORT

STATEMENT OF RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

These financial statements have been prepared by the Ministry of Tourism and Transport in accordance with the provisions of the Public Management and Finance Act (2020 Revision) and International Public Sector Accounting Standards.

We are responsible for establishing; and have established and maintained a system of internal controls designed to provide reasonable assurance that the transactions recorded in the financial statements are authorised by Act, and properly record the financial transactions of the Ministry of Tourism and Transport.

We are responsible for the preparation of the Ministry of Tourism and Transport's financial statements and for the judgements made in them. We accept responsibility for their accuracy and integrity.

The financial statements fairly present the statement of financial position, statement of financial performance, statement of cash flows and statement of changes in net worth for the year ended 31 December 2021.

To the best of our knowledge we represent that these financial statements:

- (a) completely and reliably reflect the financial transactions of the Ministry of Tourism and Transport for the year ended 31 December 2021;
- (b) fairly reflect the financial position as at 31 December 2021 and performance for the year ended 31 December 2021;
- (c) comply with the provisions of the Public Management and Finance Act (2020 Revision) and International Public Sector Accounting Standards.

The Office of the Auditor General conducts an independent audit and expresses an opinion on the accompanying financial statements. The Office of the Auditor General has been provided access to all the information necessary to conduct an audit in accordance with International Standards of Auditing.

A handwritten signature in black ink, appearing to read "Stran Bodden".

Stran Bodden
Chief Officer

Date: 29 APRIL, 2022

A handwritten signature in black ink, appearing to read "Neyka Webster".

Neyka Webster
Chief Financial Officer

Date: 29 April 2022

AUDITOR GENERAL'S REPORT

To the Members of Parliament and the Chief Officer of the Ministry of Tourism and Transport

Opinion

I have audited the financial statements of the Ministry of Tourism and Transport (the "Ministry"), which comprise the statement of financial position as at 31 December 2021 and the statement of financial performance, statement of changes in net worth and cash flows statement for the year ended 31 December 2021, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 9 to 31.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Ministry as at 31 December 2021 and its financial performance and its cash flows for the year ended 31 December 2021 in accordance with International Public Sector Accounting Standards.

Basis for Opinion

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

Emphasis of Matter

As outlined in note 25 of the financial statements, the Cabinet authorized supplementary changes to the original budget of the Ministry, however as required this was not introduced in Parliament by 31 March 2022 as required by section 11(6) of the PMFA. My opinion is not qualified with respect to this matter.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Public Sector Accounting 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.

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

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

AUDITOR GENERAL'S REPORT (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are

considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

I have undertaken the audit in accordance with the provisions of section 60(1)(a) of the *Public Management and Finance Act (2020 Revision)*. I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Sue Winspear, CPFA
Auditor General

29 April 2022
Cayman Islands

MINISTRY OF TOURISM AND TRANSPORT
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021
(EXPRESSED IN CAYMAN ISLANDS DOLLAR)

31 December 2020			31 December 2021	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		Note	\$'000	\$'000	\$'000	\$'000
	Current Assets					
6,674	Cash and cash equivalents	3	8,957	17,006	16,012	8,049
12,588	Trade receivables	4	13,186	3,145	3,145	(10,041)
69	Other receivables	4	257	178	178	(79)
339	Inventories	5	-	215	-	215
712	Prepayments	6	430	329	323	(101)
20,382	Total Current Assets		22,830	20,873	19,658	(1,957)
11,008	Property, plant and equipment	7	295	16,090	322	15,795
60	Intangible assets	7b	30	3	3	(27)
11,068	Total Non-Current Assets		325	16,093	325	15,768
31,450	Total Assets		23,155	36,966	19,983	13,811
	Current Liabilities					
210	Trade payables	8	317	534	534	217
1,022	Other payables and accruals	8	2,094	1,582	1,250	(512)
504	Employee entitlements	9	357	685	595	328
16,126	Repayment of surplus	22	18,142	12,744	12,484	(5,398)
17,862	Total Current Liabilities		20,910	15,545	14,863	(5,365)
17,862	Total Liabilities		20,910	15,545	14,863	(5,365)
13,588	Net Assets		2,245	21,421	5,120	19,176
	NET WORTH					
6,152	Contributed capital	23	2,245	14,040	5,175	11,795
7,436	Revaluation reserve		-	7,436	-	7,436
-	Accumulated surpluses		-	(55)	(55)	(55)
13,588	Total Net Worth		2,245	21,421	5,120	19,176

The accounting policies and notes on pages 9-31 form an integral part of these financial statements.

MINISTRY OF TOURISM AND TRANSPORT
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2021
(EXPRESSED IN CAYMAN ISLANDS DOLLAR)

31 December 2020			31 December 2021	Original Budget	Final Budget	Variance (Orig vs actual)
\$'000		Note	\$'000	\$'000	\$'000	\$'000
	Revenue					
30,147	Sale of goods and services	10	28,995	35,931	33,381	6,936
<u>30,147</u>	Total Revenue		<u>28,995</u>	<u>35,931</u>	<u>33,381</u>	<u>6,936</u>
	Expenses					
16,396	Personnel costs	11	12,866	13,321	13,321	455
11,851	Supplies and consumables	12	13,382	21,803	19,253	8,421
856	Depreciation	7	534	628	628	94
15	Amortisation of Intangible Assets	7b	12	16	16	4
123	Legal costs	13	131	151	151	20
35	Losses on impairment of property, plant and equipment	14	18	-	-	(18)
(15)	Other gains	14	(6)	-	-	6
(22)	Losses on foreign exchange transactions	14	43	12	12	(31)
<u>29,239</u>	Total Expenses		<u>26,980</u>	<u>35,931</u>	<u>33,381</u>	<u>8,951</u>
<u>908</u>	Surplus for the year		<u>2,015</u>	<u>-</u>	<u>-</u>	<u>(2,015)</u>

The accounting policies and notes on pages 9-31 form an integral part of these financial statements.

**MINISTRY OF TOURISM AND TRANSPORT
STATEMENT OF CHANGES IN NET WORTH
FOR THE YEAR ENDED 31 DECEMBER 2021
(EXPRESSED IN CAYMAN ISLANDS DOLLAR)**

	Contributed Capital	Revaluation Reserve	Accumulated (deficits)/surplus (Restated)	Total Net worth (Restated)	Original Budget	Final Budget	Variance (Orig. vs. Actual)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 31 Decemeber 2019	5,641	7,436	-	13,077	15,030	15,030	1,953
Prior Year Adjustments	12			12	-	-	(12)
Equity Investment from/to Other Government Entity	(107)	-	-	(107)	-	-	107
Equity Investment from Cabinet	606	-	-	606	1,206	606	600
Net revenue / expenses recognised directly in net worth	511	-	-	511	1,206	606	695
Surplus for the 2020 year	-	-	908	908	-	-	(908)
Repayment of surplus	-	-	(908)	(908)			908
Total recognized revenues and expenses for the year	511	-	-	511	1,206	606	695
Balance as at 31 December 2020	6,152	7,436	-	13,588	16,236	15,636	2,648
Changes in net worth for 2019:							
Prior Year Adjustments	89	-	-	89	-	-	(89)
Adjusted Balance as at 31 December 2020	6,241	7,436	-	13,677	16,236	15,636	2,559
Equity Investment from/to Other Government Entity	-	-	-	-	-	-	-
Equity Investment from Cabinet	642	-	-	642	5,185	728	4,543
Net revenue / expenses recognised directly in net worth	642	-	-	642	5,185	728	4,543
Surplus for the 2021 year	-	-	2,015	2,015	-	-	(2,015)
Repayment of surplus	-	-	(2,015)	(2,015)	-	-	2,015
Revaluation of Assets		3,270		3,270	-	-	(3,270)
Capital Withdrawal to Other Government Entity	(4,638)	(10,706)	-	(15,344)	-	(11,244)	15,344
Total recognised revenues and expenses for the year	(3,996)	(7,436)	-	(11,432)	5,185	(10,516)	16,617
Balance as at 31 December 2021	2,245	-	-	2,245	21,421	5,120	19,176

The accounting policies and notes on pages 9-31 form an integral part of these financial statements.

MINISTRY OF TOURISM AND TRANSPORT
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021
(EXPRESSED IN CAYMAN ISLANDS DOLLAR)

31-Dec-20			31-Dec-21	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		Note	\$'000	\$'000	\$'000	\$'000
	CASH FLOWS USED IN/ FROM OPERATING ACTIVITIES					
	<i>Receipts</i>					
21,958	Outputs to Cabinet		27,660	35,782	32,966	8,122
300	Sale of goods and services - third party		369	127	224	(242)
791	Other receipts		-	22	22	22
	<i>Payments</i>					
(15,758)	Personnel costs		(11,469)	(13,426)	(13,321)	(1,957)
(14,050)	Supplies and consumables		(13,415)	(21,695)	(19,253)	(8,280)
(590)	Other payments		(104)	-	-	104
<u>(7,349)</u>	Net cash flows (used in)/from operating activities		<u>3,041</u>	<u>810</u>	<u>638</u>	<u>(2,231)</u>
	CASH FLOWS USED IN INVESTING ACTIVITIES					
(664)	Purchase of property, plant and equipment	7	(600)	(5,710)	(728)	(5,110)
-	Proceeds from sale of property, plant and equipment	7	-	-	-	-
	Capital withdrawal to other Government agencies		(1,145)	-	(1,520)	1,145
<u>(663)</u>	Net cash flows used in investing activities		<u>(1,745)</u>	<u>(5,710)</u>	<u>(2,248)</u>	<u>(3,965)</u>
	CASH FLOWS USED IN FINANCING ACTIVITIES					
821	Equity Investment		986	5,710	728	4,724
<u>821</u>	Net cash flows used in financing activities		<u>986</u>	<u>5,710</u>	<u>728</u>	<u>4,724</u>
(7,192)	Net (decrease)/increase in cash and cash equivalents		2,282	810	(882)	(1,472)
13,866	Cash and cash equivalents at beginning of the year		6,674	16,196	16,894	9,522
<u>6,674</u>	Cash and cash equivalents at end of period	3	<u>8,956</u>	<u>17,006</u>	<u>16,012</u>	<u>8,050</u>

The accounting policies and notes on pages 9-31 form an integral part of these financial statements.

**MINISTRY OF TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

Note 1: Description and Principal Activities

The Ministry of Tourism and Transport ("the Ministry"), formally known as The Ministry of District Administration, Tourism and Transport, is a Government owned entity as defined by section 2 of the Public Management and Finance Act (2020 Revision) ("PMFA") and it is domiciled in the Cayman Islands. As a result of the 2021 election reshuffle of Ministries and departments, on 30 June 2021, District Administration Department was transferred to the Ministry of District Administration and Lands and the National Weather Service was transferred to the Ministry of Sustainability and Climate Resiliency.

The Ministry's principal activities and operations include the activities carried out by the departments as follows:

- The Department of Tourism seeks to advance the heritage, culture and values of the Cayman Islands and promote the advancement of sustainable tourism policies for the benefit of future generations. The Department is charged with short and medium term responsibility for strategic planning and general destination management for the Cayman Islands tourism industry. The nature of the activities include such areas as research and policy advice, international marketing and sales, industry training programmes, and development of environmentally responsible management of the tourism industry. The Department operates offices in the Cayman Islands, New York and London.
- The Public Transport Unit is responsible for the public transport network, schedules and fares in the Cayman Islands. The Unit manages the dispatch of buses to all districts from the Bus Depot located in central George Town.

Note 2.1: Statement of Compliance and Basis of Preparation

The financial statements of the Ministry have been prepared on an accrual basis in accordance with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Cayman Islands dollars, which is the functional and reporting currency of the Ministry. Except where noted, all values in these financial statements are rounded to the nearest thousand (\$000). The accounting policies have been consistently applied to all the years presented.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method.

Certain new accounting standards have been published that are not mandatory for the 31 December 2021 reporting period and have not been early adopted by the Ministry. The Ministry's assessments of the impact of these new standards are set out below:

IPSAS 41, Financial Instruments was issued in August 2018 and shall be applied for financial statements covering periods beginning on or after 1 January 2022. IPSAS 41 establishes new requirements for classifying, recognizing and measuring financial instruments to replace those in IPSAS 29, Financial Instruments: Recognition and Measurement. Based on our assessment it is anticipated that these standards will not be applicable to the Ministry in future periods, however, we will reassess IPSAS 41, Financial Instruments more fully closer to the effective date of adoption.

IPSAS 42, Social Benefits was issued in December 2018 and shall be applied for financial statements covering periods beginning on or after 1 January 2022. IPSAS 42 defines social benefits and determines when expenses and liabilities for social benefits are recognised and how they are measured. It is anticipated that IPSAS 42 will not have an impact on the Ministry's financial statements, but this will be reassessed closer to the effective date of adoption.

MINISTRY OF TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Note 2.2: Significant Accounting Policies

(a) Changes in accounting policies

The Ministry recognises the effects of changes in accounting policy retrospectively. When presentation or classification of items in the financial statements is amended or accounting policies are changed, comparative figures are restated to ensure consistency with the current period unless it is impracticable to do so.

The Ministry has presented prior year comparative information in the financial statements in accordance with IPSAS 1, Presentation of Financial Statements.

(b) Budget amounts

The original budget amounts for the financial year are presented in the “2020-21 Budget Statements” and were approved by The Parliament of the Cayman Islands in December 2019. For 2021, there were decreases that were not in the original budget numbers. These are noted as followed:

Department	Description	Amount
Department of Tourism	Supplementary Decrease to DAT15	2,550,000
	Total decrease to 2021 Budget	2,550,000

Funds reallocated from output group DAT 15 - Tourism Advertising Activities, Marketing, Public Relations, Sales and Promotions to Transfer Payment TP67 - Sports and Cultural Tourism Programme Assistance to assist with providing financial assistance to displaced Caymanian tourism employees that have been affected by the COVID-19 pandemic and the resulting closure of the Cayman Islands borders.

Funds reallocated from output group DAT 16 – Support for Local Tourism Providers and Public Education Programmes to Management of Small Business Development (NGS 7) – to assist with providing financial assistance to the Stingray Feeding and Interaction Programme.

Funds reallocated from output group DAT 16 - Support for Local Tourism Providers and Public Education Programmes to Management of Pedro St. James National Historic Site (TAB 1) – to assist with the shortfall between expenses and revenues that have been affected by the COVID-19 pandemic and the resulting closure of the Cayman Islands borders.

Funds reallocated from output group DAT 16 - Support for Local Tourism Providers and Public Education Programmes Management of Queen Elizabeth II Botanic Park (TAB 2) – to assist with the shortfall between expenses and revenues that have been affected by the COVID-19 pandemic and the resulting closure of the Cayman Islands borders.

(c) Judgments and estimates

The preparation of financial statements in conformity with IPSAS requires management to make judgments, estimates, and assumptions affecting the application of policies and reported amounts of assets and liabilities, revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the reporting period affected by those revisions and future years, where applicable.

(d) Changes in accounting estimates

As at 31 December 2021 there were no material changes to accounting estimates as defined by IPSAS 3.

(e) Revenue

Revenue is recognised in the accounting period in which it is earned. Revenue received but not yet earned at the end of the reporting period is recognised as a liability (unearned revenue).

**MINISTRY OF TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

Note 2.2: Significant Accounting Policies (continued)

The Ministry derives its revenue through the provision of services to Cabinet, to other agencies in government and to third parties. Revenue is recognised at fair value of services provided.

(f) Expenses

Expenses are recognised in the accounting period in which they are incurred.

(g) Operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under the operating leases are recognised as an operating expense on a straight-line basis over the lease term.

(h) Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand, cash in-transit and cash at bank with an original maturity of three months or less from the date of acquisition. For the purpose of the cash flow statement, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

(i) Prepayments

The portion of recognised expenditure paid in advance of receiving goods and/or services has been recognised as a prepayment in these financial statements.

(j) Inventory

Inventory shall be measured at the lower of cost and net realisable value. Where inventories are acquired at no cost, or for nominal consideration, the amount reported is the current replacement cost at the date of acquisition.

Costs are assigned to inventory using the first in first out method.

The write-down from cost to current replacement cost or net realisable value is recognised in the statement of financial performance in the period when the write down occurs.

(k) Property, plant and equipment

Plant and equipment, is stated at historical cost less accumulated depreciation and impairment losses. Items of plant and equipment are initially recorded at cost. Cost includes expenditure that is directly attributable to the acquisition of the items. Property is stated at the revaluation model, after initial recognition, the asset is carried at fair value being recognised in the Statement of Changes in Net Worth in accumulated net worth under the heading revaluation reserve. Any increases in the fair value are only recognised in the Statement of Financial Performance to the extent that the increase reverses a revaluation decrease of the same asset previously recognised in profit or loss.

When significant parts of property, plant and equipment are required to be replaced at intervals, the Ministry recognises such parts as individual assets with specific useful lives and depreciated them accordingly. All other repairs and maintenance costs are recognised in the statement of financial performance as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

Depreciation on assets is charged on a straight-line basis over the useful life of the assets (with the exception of land). Depreciation is charged at rates calculated to allocate the cost or valuation of the asset less any estimated residual value over its remaining useful life; rates are stipulated in the table below.

**MINISTRY OF TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

Note 2.2: Significant Accounting Policies (continued)

(k) Property, plant and equipment (continued)

<i>Asset Type</i>	<i>Estimated Useful life</i>
• Buildings and structures	10 – 60 years
• Building fit-out (when accounted for separately)	5 – 25 years
• Leasehold Improvement	Over the unexpired period of lease or the useful life of the Improvement
• Computer equipment	3 – 10 years
• Developed software	4 – 10 years
• Office equipment and furniture	3 – 25 years
• Motor vehicles	3 – 20 years
• Telecommunications	5 – 50 years
• Other equipment	5 – 20 years

Asset Revaluation

Properties (buildings and structures) were revalued as at the 1st January 2021 by in-house professionals with the exception of specialized buildings which were contracted to independent evaluators and are stated at revalued amounts less accumulated depreciation.

In accordance with IPSAS 17, when an item of property, plant, and equipment is revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset.

Valuation methods

The valuations contained within this report have been prepared in accordance with the aforementioned Standards and the guidance notes provided by the Royal Institute of Chartered Surveyors (RICS). Particular regard should be paid to the following definitions and methodology having been adopted in the assessment of value:

Fair Value (Market Value) defined in accordance with IFRS 13 Fair Value Measurement as follows: "The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date."

Fair Value (Existing Use Value) extends the definition of Fair Value (Market Value) in "assuming that the buyer is granted vacant possession of all parts of the property required by the business and disregarding potential alternative uses and any other characteristics of the property that would cause its market value to differ from that needed to replace the remaining service potential at least cost."

Specialized Assets: specialized assets are those for which no market exists for the current use. Specialized assets are valued using the Depreciated Replacement Cost method (DRC valuation). The definition of 'Depreciated Replacement Cost', as contained in The Standards, is as follows: "The current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimization."

Valuation assumptions

Plant and machinery have only been included in the valuation of building assets where these form an integral part of the fabric of the building (e.g. lifts or air conditioning equipment) or where they perform a task crucial to the continuation of the existing use (e.g. swimming pools). Unless specifically stated otherwise, it is assumed that such items are reflected in the unit building cost.

**MINISTRY OF TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

Note 2.2: Significant Accounting Policies (continued)

(k) Property, plant and equipment (continued)

Valuation assumptions (Continued)

It is assumed that all properties have the required planning consents and certificates for use and construction. Where Fair Value (or land value in a DRC valuation) relies on obtaining an alternative planning consent the alternative use has been derived from consideration of prevailing land uses in the immediate area and Local Planning Policies and practice.

Where an asset has been valued by Depreciated Replacement Cost (DRC) it is subject to the prospect and viability of the asset continuing to be used for the existing use. These valuations do not take into account any form of selling or purchase costs, tax (including Stamp Duty), inflation or finance costs. In the Cayman Islands, there is no tax on property except for Stamp Duty which is ordinarily required to be paid by a purchaser.

Valuations of each 'specialized building' state their total asset value and the (depreciated) value of the respective building. Those with a depreciated building value greater than \$0.5m also state figures for their 'component' parts. Buildings valued by the investment or comparison methods of valuation also state figures for their respective land values. These do not compute to reflect actual building values but indicate the inherent value attributing to the land only.

Where applicable, the remaining economic life of the building / building components has been indicated. This is the period during which the building element is anticipated to have a future useful economic life for its existing purpose.

In preparing the valuations, information has been obtained from the following sources:

- Cayman Islands Government 2020 Asset Register.
- Cayman Islands Government Land Registry Database
- Cayman land info System (Mapping, aerial photography, evidence of comparable sales and lettings).
- Copies of and extracts from leases.
- Architect scaled floor plans.
- Ministries and users / occupiers of operational property assets.

Land areas (where stated) are provided for guidance only and are quoted from the Land Registers or otherwise from Cayman land info database. Any building floor areas supplied have been obtained from one of the following sources:

- Measurements taken on site.
- Measurements extracted from Cayman Islands Government property records.

Buildings were revalued as an entire class of asset.

Disposals

The Ministry derecognises items of property, plant and equipment and/or any significant part of an asset upon disposal or when no future economic benefits or service potential is expected from its continuing use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the surplus or deficit at the time the asset is derecognised.

(l) Intangible assets

Intangible assets acquired separately are initially recognised at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite.

An intangible asset with a finite life is amortized over its useful life: Software 4 – 10 years

Intangible assets with a finite useful life are assessed for impairment whenever there is an indication that the asset may be impaired. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the surplus or deficit when the asset is derecognised.

**MINISTRY OF TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

Note 2.2: Significant Accounting Policies (continued)

(l) Intangible assets (continued)

An intangible asset with an indefinite useful life should not be amortised. Its useful life should be reviewed each reporting period to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset.

(m) Employee benefits

Employee entitlements to salaries and wages, annual leave, long service leave, retiring leave and other similar benefits are recognised in the Statement of Financial Performance when they are earned by employees. Employee entitlements to be settled within one year following the year-end are reported as current liabilities at the amount expected to be paid.

Pension contributions for employees of the Ministry are paid to the Public Service Pension Fund and administered by the Public Service Pension Board (the "Board"). Contributions of 12% - employer 6% and employee 6% are made to the Fund by the Ministry.

Prior to 1 January 2000, the Board operated a defined benefit scheme. With effect from 1 January 2000, the Board continued to operate a defined benefit scheme for existing employees and a defined contribution scheme for all new employees.

Obligations for contributions to defined contribution retirement plans are recognised in the statement of financial performance as they are earned by employees. Obligations for defined benefit retirement plans are centralized in the Government and therefore, reported in the consolidated financial statements for the entire public sector of the Cayman Islands Government.

(n) Financial instruments

The Ministry is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, short term deposits, trade and accounts receivables and trade and accounts payable, all of which are recognised in the statement of financial position.

When there is objective evidence that a financial asset or group of financial assets is impaired the losses are recognised as a loss in the statement of financial performance.

Classification

A financial asset is classified as any asset that is cash, a contractual right to receive cash or another financial asset, exchange financial instruments under conditions that are potentially favourable. Financial assets comprise of cash and cash equivalents and receivables.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial instrument or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable. Financial liabilities comprise of accounts payable and accrued expenses.

Recognition

The Ministry recognises financial assets and financial liabilities on the date it becomes party to the contractual provisions of the instrument. From this date, any gains and losses arising from changes in fair value of the assets and liabilities are recognised in the statement of financial performance.

Measurement

Financial instruments are measured initially at cost which is the fair value of the consideration given or received. Subsequent to initial recognition all financial assets are recorded at historical cost, which is considered to approximate fair value due to the short-term or immediate nature of these instruments.

Financial liabilities are subsequently measured at amortised cost, being the amount at which the liability was initially recognised less any payment plus any accrued interest of the difference between that initial amount and the maturity amount.

De-recognition

A financial asset is de-recognised when the Ministry realises the rights to the benefits specified in the contract or loses control over any right that comprise that asset. A financial liability is derecognised when it is extinguished, that is when the obligation is discharged, cancelled, or expired.

**MINISTRY OF TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

Note 2.2: Significant Accounting Policies (continued)

(o) Contingent liabilities and assets (including guarantees)

Contingent liabilities and assets are reported at the point the contingency becomes evident. Contingent liabilities are disclosed when there is a possible obligation or present obligations that may, but probably will not, require an outflow of resources. Contingent assets are disclosed if it is probable that the benefits will be realised.

(p) Foreign currency

Foreign currency transactions are recorded in Cayman Islands dollars using the exchange rate in effect at the date of the transaction. Foreign currency gains or losses resulting from settlement of such transactions are recognised in the statement of financial performance.

At the end of the reporting period the following exchange rates are to be used to translate foreign currency balances:

- Foreign currency monetary items are to be reported in Cayman Islands dollars using the closing rate at year end date;
- Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported in Cayman Islands dollars using the exchange rate at the date of the transaction; and
- Non-monetary items that are carried at fair value denominated in a foreign currency are reported using the exchange rates that existed when the fair values were determined.

(q) Revenue from non-exchange transactions

The Ministry receives various services from other government entities for which payment is made by the Cayman Islands Government. These services include but are not limited to computer repairs and software maintenance by the Computer Services Department, human resources management by the Portfolio of the Civil Service and office space from the Cayman Islands Airport Authority.

The Ministry has designated these non-exchange transactions as services in-kind as defined under IPSAS 23 – Revenue from non-exchange transactions. When fair values of such services can be reliably estimated then the non-exchange transaction is recorded as an expense and an equal amount is recorded in other income as a service in-kind. Where services in-kind offered are directly related to construction or acquisition of a fixed asset, such service in-kind is recognised in the cost of the fixed asset.

Note 3: Cash and cash equivalents

Cash and cash equivalents include cash on hand; bank accounts in the name of the Ministry of Tourism and Transport maintained at Royal Bank of Canada, Barclays Bank (UK) and Bank of America (NY), and short term deposits invested with the Cayman Islands Government Treasury Department.

Actual 2020	Description	Foreign Currency	Exchange Rate	Actual 2021	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000		\$'000	\$'000	\$'000	\$'000
2	Cash on hand	-	-	-	1,199	1,198	1,199
-	Cash in transit	-	-	-	1	1	1
5,377	CI\$ operational current account	-	-	3,113	9,157	8,565	6,044
406	US\$ operational current account	278	0.8375	233	879	879	646
421	Payroll current account	-	-	16	412	11	396
298	US\$ bank accounts	403	0.8375	338	-	-	(338)
32	CDN\$ bank accounts	75	0.6480	49	-	-	(49)
138	GBP bank accounts	186	1.1148	208	-	-	(208)
-	Fixed Deposits	-	-	5,000	5,358	5,358	358
6,674	TOTAL	-	-	8,957	17,006	16,012	8,049

MINISTRY OF TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Note 4: Trade receivables and other receivables

As at 31 December 2021 all overdue receivables have been assessed and appropriate provisions made.

Actual 2020	Description	Actual 2021	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000
9	Sale of goods and services	55	25	25	(30)
12,577	Outputs to Cabinet	13,121	3,120	3,120	(10,001)
-	Other trade receivable	10	-	-	(10)
12,586	Total trade receivables	13,186	3,145	3,145	(10,041)

Actual 2020	Description	Actual 2021	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000
-	Advances (salary, official travel, etc.)	-	52	52	52
-	Dishonoured cheques	-	2	2	2
69	Other receivables	257	124	124	(133)
69	Total other receivables	257	178	178	(79)

Actual 2020	Description	Actual 2021	Non-current	Total Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
11,591	Current	13,121	-	13,121	-	-	(13,121)
-	Past due 1-30 days	65	-	65	3,004	3,004	2,940
987	Past due 31-60 days	-	-	-	-	-	-
-	Past due 61-90 days	-	-	-	-	-	-
-	Past due 90 and above	-	-	-	79	79	79
7	Non-current	-	-	-	-	-	-
1	Past due 1 year and above	-	-	-	62	62	62
12,586	Total	13,186	-	13,186	3,145	3,145	(10,041)

MINISTRY OF TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Note 4: Trade receivables and other receivables (continued)

The provision for doubtful debts has been calculated based on expected losses from a review of specific debtors, an analysis of the Ministry losses in previous periods. As at 31 December 2021 trade receivables were not impaired.

Note 5: Inventories

Actual 2020	Description	Actual 2021	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000
339	Inventory held for use in the provision of goods and services	-	215	215	215
339	Total Inventory	-	215	215	215

As at 31 December 2021 no inventory was held. Inventory was transferred to the Ministry of District Administration and Lands as a result of the election reshuffle.

Note 6: Prepayments

Actual 2020	Description	Actual 2021	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000
712	Accrued Prepayments	430	329	323	(101)
712	Total Prepayments	430	329	323	(101)

As at 31 December 2021, the Ministry made payments in advance for several contracts for the delivery of services relating to the Department of Tourism. At 31 December 2021, the amounts paid in advance for several contracts entered into for the provision of services relating to the Department of Tourism.

MINISTRY OF TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Note 7: Property, plant and equipment

Cost	Plant and equipment	Buildings	Furniture and Office Equipment	Computer Hardware	Infrastructure	Water reticulation	Motor Vehicles	Marine Vessels	Aircrafts Equipment	Assets under construction or development	Total	Original Budget 2020	Final Budget 2020	Variance (Orig vs Actual)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January 2020	860	9,931	394	360	194	19	4,911	161	36	1,044	17,911	18,126	18,849	215
Additions	54	13	16	86	-	-	251	-	-	762	1,180	2,916	606	1,735
Revaluations	-	-	-	1	-	-	-	-	-	-	2	-	-	(2)
Disposals	(2)	(37)	(32)	(76)	(2)	-	(538)	(17)	-	(437)	(1,141)	-	-	1,141
Transfers	-	(4)	(15)	(2)	-	-	(73)	(144)	-	-	(238)	-	-	238
Balance at 31 December 2020	912	9,902	363	369	192	19	4,552	-	36	1,369	17,714	21,042	19,455	3,328

Cost	Plant and equipment	Buildings	Furniture and Office Equipment	Computer Hardware	Infrastructure	Water reticulation	Motor Vehicles	Marine Vessels	Aircrafts Equipment	Assets under construction or development	Total	Original Budget 2021	Final Budget 2021	Variance (Orig vs Actual)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January 2021	912	9,902	363	369	192	19	4,552	-	36	1,369	17,714	21,042	19,455	3,327
Additions	21	12	3	42	-	-	48	-	-	601	727	4,000	728	3,273
Revaluations	-	1,208	-	-	-	-	-	-	-	-	1,208	-	1,208	(1,208)
Adjustments	(49)	-	-	-	-	-	-	-	-	-	(49)	-	-	49
Disposals	-	(11)	-	(1)	-	-	-	-	-	-	(12)	-	-	12
Transfer to Asset Categories	-	-	-	-	-	-	-	-	-	(125)	(125)	-	-	125
Transfers to Other Ministries	(873)	(11,109)	(207)	(204)	(178)	(19)	(4,365)	-	(36)	(1,742)	(18,733)	-	(18,858)	18,733
Balance at 31 December 2021	11	3	159	207	14	-	235	-	-	102	731	25,042	2,533	24,311

MINISTRY OF TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Note 7: Property, plant and equipment (continued)

Accumulated Depreciation	Plant and equipment	Buildings	Furniture and Office Equipment	Computer Hardware	Infrastructure	Water reticulation	Motor Vehicles	Marine Vessels	Aircrafts Equipment	Assets under construction or development	Total	Original Budget 2020	Final Budget 2020	Variance (Orig vs Actual)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January 2020	658	1,572	289	238	53	2	3,775	55	4	-	6,648	7,415	7,415	767
Transfers	-	(0)	(12)	(2)	-	-	(71)	(46)	-	-	(131)	-	-	131
Impairment reserve	-	-	-	-	-	-	13	-	-	-	13	-	-	(13)
Depreciation expense	63	462	20	60	23	-	218	8	1	-	856	909	909	54
Eliminate on disposal	(2)	(14)	(31)	(75)	(2)	-	(538)	(17)	-	-	(679)	-	-	678
Balance at 31 December 2020	719	2,019	266	223	75	2	3,397	-	5	-	6,706	8,324	8,324	1,618

Accumulated Depreciation	Plant and equipment	Buildings	Furniture and Office Equipment	Computer Hardware	Infrastructure	Water reticulation	Motor Vehicles	Marine Vessels	Aircrafts Equipment	Assets under construction or development	Total	Original Budget 2021	Final Budget 2021	Variance (Orig vs Actual)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January 2021	719	2,019	266	223	75	2	3,397	-	5	-	6,706	8,324	8,324	1,619
Transfers	(693)	(2,302)	(149)	(145)	(73)	(2)	(3,371)	-	(6)	-	(5,742)	-	(6,730)	6,742
Adjustments	(48)	-	-	-	-	-	-	-	-	-	(49)	-	-	49
Impairment reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation expense	33	295	15	52	12	-	125	-	1	-	533	628	628	94
Eliminate on disposal	-	(11)	-	(1)	-	-	-	-	-	-	(12)	-	(12)	12
Other adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at 31 December 2021	10	1	132	129	13	-	151	-	-	-	436	8,952	2,210	8,516
Net Book value 31 December 2020	193	7,883	97	146	118	17	1,155	-	31	1,369	11,009	12,717	11,130	1,708
Net Book value 31 December 2021	1	2	27	78	1	-	84	-	-	102	295	16,090	322	15,795

MINISTRY OF TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Note 7b: Intangible Assets

Cost	Computer Software	Total	Original Budget 2020	Final Budget 2020	Variance (Orig vs Actual)
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January 2020	96	96	75	96	(21)
Additions	16	16		16	(16)
Revaluations	-	-	-	-	-
Disposals	-	-	-	-	-
Transfers	-	-	-	-	-
Balance at 31 December 2020	112	112	75	112	(37)

Cost	Computer Software	Total	Original Budget 2021	Final Budget 2021	Variance (Orig vs Actual)
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January 2021	112	112	75	112	(37)
Additions	-	-	-	-	-
Revaluations	-	-	-	-	-
Disposals	-	-	-	-	-
Transfers	(41)	(41)	-	(41)	41
Balance at 31 December 2021	71	71	75	71	4

Accumulated Depreciation	Computer Software	Total	Original Budget 2020	Final Budget 2020	Variance (Orig vs Actual)
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January 2020	37	37	41	41	4
Amortization expense	15	15	15	15	(1)
Eliminate on disposal	-	-	-	-	-
Balance at 31 December 2020	52	52	55	55	3

Accumulated Depreciation	Computer Software	Total	Original Budget 2021	Final Budget 2021	Variance (Orig vs Actual)
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January 2021	52	52	55	55	2
Transfers	(23)	(23)	-	(3)	23
Amortization expense	12	12	16	16	5
Balance at 31 December 2021	41	41	72	68	30

Net Book value 31 December 2020	60	60	20	57	(40)
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Net Book value 31 December 2021	30	30	3	3	(27)
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**MINISTRY OF TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

Note 8: Trade payables, other payables & Accruals

Actual 2020	Description	Current	Non-current	Actual 2021	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
87	Creditors	99	-	99	534	534	(435)
124	Creditors other government agencies	219	-	219	-	-	219
2	Payroll deductions	-	-	-	2	2	(2)
623	Accrued expenses	2,005	-	2,005	1,168	836	837
398	Other payables	88	-	88	412	412	(324)
1,232	Total trade payables, other payables & accruals	2,411	-	2,412	2,116	1,784	295

Trade and other payables are non-interest bearing and are normally settled on 30-day terms.

Note 9: Employee entitlements

Actual 2020	Description	Actual 2021	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000
Current employee entitlements are represented by:					
41	Comp time	60	221	192	161
350	Annual leave	253	261	199	8
-	Accrued Salaries	-	1	1	1
113	Pension	44	202	203	158
504	Total employee entitlements	357	685	595	328

The compensatory time in excess of standard time and long-service leave entitlements as per the individual employment contract is calculated based on current salary paid to those employees who are eligible for this benefit.

Note 10: Sales of goods & services

Actual 2020	Description	Actual 2021	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000
29,965	Outputs to Cabinet ¹	28,663	35,686	33,135	7,023
86	Fees and charges ²	51	123	123	72
59	General sales	229	53	53	(176)
20	Rentals	12	47	47	35
17	Other	40	22	22	(18)
30,147	Total sales of goods and services	28,995	35,931	33,381	6,936

¹ Outputs to Cabinet comprise goods delivered to and services performed on behalf of the Cayman Islands Government in accordance with the Plan and Estimates for the year ended 31 December 2021.

²Fees & charges, general sales, rentals & others include administrative fees and user charges levied on the public for the delivery of government services. Certain respective rates and fee structures are gazetted and governed by the relevant revenue acts and regulations.

MINISTRY OF TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Note 11: Personnel costs

Actual 2020	Description	Actual 2021	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000
13,085	Salaries, wages and allowances	10,268	9,471	9,471	(797)
2,595	Health care	1,857	3,109	3,109	1,252
684	Pension	515	720	720	205
9	Leave	164	-	-	(164)
23	Other personnel related costs	63	21	21	(42)
16,396	Total personnel costs	12,866	13,321	13,321	455

Note 12: Supplies and consumables

Actual 2020	Description	Actual 2021	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000
239	Supplies and materials	179	437	437	258
9,000	Purchase of services	11,063	120	120	(10,943)
125	Maintenance of vehicles and equipment, roads, buildings, etc.	94	17,630	15,630	17,536
597	Lease of property and equipment	657	702	702	45
539	Utilities	327	687	687	360
11	General insurance	12	24	24	12
113	Interdepartmental expenses	101	104	104	3
320	Travel and subsistence	228	218	218	(10)
53	Recruitment and training	88	252	252	164
142	Local promotion / community sponsor	81	745	195	664
342	Programme support services	213	198	198	(15)
111	Research and development	139	358	358	219
259	Other	200	328	328	128
11,851	Total supplies and consumables	13,382	21,803	19,253	8,421

Note 13: Legal costs

The Attorney General's Office provides litigation services to the Ministry. During the year ended 31 December 2021 the use of legal services by the Department of Tourism was from legal firms outside of the Government for services such as contract reviews and human resources related matters. The cost were \$131 thousand for the year ended 31 December 2021 (31 December 2021: 123 thousand).

**MINISTRY OF TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

Note 14: Gains / (Losses)

Actual 2020	Description	Actual 2021	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000
	(Gains)/Losses on asset impairment	18	-	-	(18)
35	Net losses on impairment of property, plant and equipment	-	-	-	-
(22)	Net losses on foreign exchange transactions	43	12	12	(31)
(15)	Other (gains)/Losses	(6)	-	-	6
(2)	Total (gains)/ losses	55	12	12	(43)

Note 15: Contingent liabilities and assets

The Ministry has no contingent assets and liabilities as at 31 December 2021. (31 December 2020: NIL).

Note 16: Explanation of major variances against budget

Explanations for major variances for the Ministry's performance against the original budget are as follows:

Statement of financial position

Cash and cash equivalents

The year-end cash balance was \$8.0 million below the original budget primarily due to delays in Cabinet billing. December revenue was not collected until early 2022.

Trade receivables

The actual year-end trade receivables were \$10.1 million above budget primarily due to the delay in collection of funds related to cabinet funding and the delay in billing and collection of funds related to EI68 capital funds.

Prepayments

Prepayments were over budget by \$101 thousand due to the Department of Tourism ramping up projects in preparation for the border reopening to tourism; this department contributes significantly to the pre-payment balance due to the need to pay for marketing and advertising items in advance, advance travels and subscriptions.

Property, plant and equipment

Property, Plant and Equipment was under budget by \$15.8 million due to the transfer of the capital intensive department, District Administration to the Ministry of District Administration and Lands and the National Weather Service to the Ministry of Sustainability and Climate Resiliency. The EI68 appropriation was mainly to complete project works at the District Administration building in Cayman Brac as well as the architectural design and preparations for the new National Weather Service building.

Current liabilities

Current liabilities were \$5.4 million above budget mainly due to repayment of surpluses to the Ministry of Finance in recent years being higher than expected as a result of savings arising from careful management of expenditure and the COVID-19 pandemic.

**MINISTRY OF TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

Note 16: Explanation of major variances against budget (continued)

Statement of financial performance

Sales of Goods and Services

Sales of goods and services from third parties were \$6.9 million below budget due to \$2.6 million of the Department of Tourism's budget being reallocated to assist with the displaced tourism employee stipend programme. Also, various outputs/deliverables targets were not met as a result of the COVID-19 pandemic and closure of the Cayman Islands borders.

In addition, as a result of the 2021 election reshuffle of Ministries and departments, on 30 June 2021, District Administration Department was transferred to the Ministry of District Administration and Lands and the National Weather Service was transferred to the Ministry of Sustainability and Climate Resiliency along with \$5.6 million of their Cabinet budget. In addition, \$3.2 million of 2021 budget appropriations were transferred to the 2021 budget increasing the 2021 original budget.

Personnel Costs

Personnel costs were \$455 thousand below budget due to delayed recruitment, savings in expenses such as overtime, acting allowance, duty allowance due to the effects of the COVID-19 pandemic. In addition, as a result of the 2021 election reshuffle of Ministries and departments, on 30 June 2021, District Administration Department was transferred to the Ministry of District Administration and Lands and the National Weather Service was transferred to the Ministry of Sustainability and Climate Resiliency hence personnel costs only up to 30th June 2021 are reflected in the actual personnel cost figures for these departments.

Supplies and consumables

Supplies and consumables were \$8.4 million below budget mainly due to the fact that \$2.6 million of the Department of Tourism's budget was reallocated to assist with the displaced tourism employee stipend programme. Also, various outputs/deliverables targets were not met as a result of the COVID-19 pandemic and closure of the Cayman Islands borders.

In addition, as a result of the 2021 election reshuffle of Ministries and departments, on 30 June 2021, District Administration Department was transferred to the Ministry of District Administration and Lands and the National Weather Service was transferred to the Ministry of Sustainability and Climate Resiliency hence supplies and consumables only up to 30th June 2021 are reflected in the actual supplies and consumables figures for these departments.

Depreciation

Depreciation expense was below budget by \$94 thousand as a result of the 2021 election reshuffle of Ministries and departments, on 30 June 2021, District Administration Department was transferred to the Ministry of District Administration and Lands and the National Weather Service was transferred to the Ministry of Sustainability and Climate Resiliency hence depreciation expense only up to 30th June 2021 are reflected in the actual depreciation expense figure for these departments.

Statement of changes in net worth

Net Worth was below budget by \$19.1 million as a result of the 2021 election reshuffle of Ministries and departments, on 30 June 2021, District Administration Department was transferred to the Ministry of District Administration and Lands and the National Weather Service was transferred to the Ministry of Sustainability and Climate Resiliency hence depreciation expense only up to 30th June 2021 are reflected in the actual depreciation expense figure for these departments.

Statement of cash flows

Net cash flows from operating activities

Cash from operating activities was \$2.2 million over budget; this was primarily due to delays in Cabinet billing. December 2020 were not collected until early 2021. Also, \$2.6 million of the Department of Tourism's budget was reallocated to assist with the displaced tourism employee stipend programme. In addition, as a result of the 2021 election reshuffle of Ministries and departments, on 30 June 2021, District Administration Department was transferred to the Ministry of District Administration and Lands and the National Weather Service was transferred to the Ministry of Sustainability and Climate Resiliency. Therefore, cash from operating activities for these departments is reflected only up to 30th June 2021.

Net cash flows used in investing activities

The decrease in cash flow from investing activities was \$4.0 million below budget as a result of the 2021 election reshuffle of Ministries and departments, on 30 June 2021, District Administration Department was transferred to the Ministry of District Administration and Lands and the National Weather Service was transferred to the Ministry of Sustainability and Climate Resiliency. Therefore, cash from

MINISTRY OF TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Note 16: Explanation of major variances against budget (continued)

Statement of cash flows (continued)

Net cash flows used in investing activities (continued)

investing activities for these departments is reflected only up to 30th June 2021. EI68 appropriation is mainly to complete project works at the District Administration building in Cayman Brac as well as the architectural design and preparations for the new National Weather Service building.

Net cash flows used in financing activities

The decrease in cash flow from financing activities was \$4.7 million below budget as a result of the 2021 election reshuffle of Ministries and departments, on 30 June 2021, District Administration Department was transferred to the Ministry of District Administration and Lands and the National Weather Service was transferred to the Ministry of Sustainability and Climate Resiliency. Therefore, cash from financing activities for these departments is reflected only up to 30th June 2021. EI68 appropriation is mainly to complete project works at the District Administration building in Cayman Brac as well as the architectural design and preparations for the new National Weather Service building.

Note 17: Related party and key management personnel disclosures

Related party disclosure

The Ministry is a wholly owned entity of the government from which it derives a major source of its revenue. The Ministry transacts with other government entities on a regular basis. These transactions were provided free of cost during the 12 month financial year ended 31 December 2021 and were consistent with normal operating relationships between entities and were undertaken on terms and conditions that are normal for such transactions.

Key management personnel

Key management personnel of the Ministry received the following remuneration:

Actual 2020	Description	Actual 2021	Number of persons
\$'000		\$'000	
1,433	Salaries & other short-term employee benefits	1,308	11
1,433	Total	1,308	11

No loans were granted to key management personnel and or their close relatives. During the year, the entity had no transactions which are considered a related party to key management personnel.

Note 18: Financial instrument risks

The Ministry is party to financial instrument arrangements as part of its everyday operations. These financial instruments include cash and bank balances, advances, accounts receivable, debtor-Cabinet and creditors and other payables. The fair value of financial instruments is equivalent to the carrying amount disclosed in the statement of financial position.

Credit risk

In the normal course of its business the Ministry is subject to credit risk from debtors other than the Cabinet. The Ministry does not have significant concentrations of credit risk for its other financial instruments.

**MINISTRY OF TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

Note 18: Financial instrument risks (continued)

Currency and interest rate risk

The Ministry has no significant exposure to currency exchange loss risk and interest rate risk.

Liquidity risk

In meeting its liquidity requirements, the Ministry closely monitors its forecast cash requirements with expected cash drawdowns from Cabinet and receipts from third parties. The Ministry maintains a target level of available cash to meet liquidity requirements.

All of the Ministry financial liabilities (creditors and payables) will be settled in less than six months from the date of these financial statements.

MINISTRY OF TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Note 19: Segment Reporting

	Department of Tourism - New York		Department of Tourism - Grand Cayman		Department of Tourism - London		Department of Tourism - Toronto		District Administration		National Weather Services		Ministry Administration		Public Transport Unit		Consolidated	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Revenue																		
Outputs from Cabinet	9,268	7,510	7,345	6,078	1,134	1,506	989	1,126	5,735	9,224	988	1,596	2,343	2,112	860	812	28,663	29,965
Revenue from External Sources	-	-	201	21	-	6	-	-	93	142	20	-	4	-	14	13	332	183
Total Revenue	9,268	7,510	7,546	6,099	1,134	1,512	989	1,126	5,828	9,366	1,008	1,596	2,348	2,112	874	825	28,995	30,147
Expenses																		
Personnel	1,550	1,352	3,793	3,754	334	307	170	165	3,985	7,308	693	1,255	1,669	1,623	675	632	12,866	16,396
Supplies & Consumables	7,287	6,225	1,434	1,570	2,080	1,350	1,452	968	578	1,112	234	263	182	226	135	137	13,382	11,851
Depreciation	12	6	39	33	3	1	-	-	432	749	28	52	6	8	25	22	546	871
Other expenses	19	20	110	87	27	(5)	22	-	18	18	-	1	(11)	-	-	-	186	121
Total Expenses	8,868	7,603	5,376	5,444	2,444	1,653	1,644	1,133	5,013	9,187	955	1,571	1,847	1,857	835	791	26,980	29,239
Surplus/(Deficit) from Operating Activities	401	(93)	2,170	655	(1,310)	(141)	(655)	(7)	815	179	53	25	502	256	39	35	2,015	908
Assets																		
Current Assets	496	737	285	166	375	238	83	92	14	552	-	264	21,561	18,327	16	6	22,830	20,382
Fixed Assets	22	9	177	80	14	20	-	-	-	10,022	-	323	5	493	77	61	295	11,008
Fixed Assets - Intangible	-	-	3	14	-	-	-	-	-	-	-	(3)	(4)	49	31	-	30	60
Total Assets	518	746	465	260	389	258	83	92	14	10,574	-	584	21,562	18,869	124	67	23,155	31,450
Liabilities																		
Current Liabilities	1,453	190	519	252	214	34	98	258	116	571	-	27	350	386	18	18	2,768	1,736
Repayment of Surplus	-	-	-	-	-	-	-	-	-	-	-	-	18,142	16,126	-	-	18,142	16,126
Total Liabilities	1,453	190	519	252	214	34	98	258	116	571	-	27	18,492	16,512	18	18	20,910	17,862

The Ministry of Tourism and Transport's segment report is prepared on the basis of four major sections: District Administration, Tourism, Public Transport and National Weather Service. Activities that cannot be allocated to any other segment are reported under Ministry Administration. The District Administration department administers the business of the Cayman Islands Government in Cayman Brac and Little Cayman. The Department of Tourism seeks to advance the heritage, culture and values of the Cayman Islands and promote the advancement of sustainable tourism policies for the benefit of future generations. The Public Transport Unit is responsible for the public transport network, schedules and fares in the Cayman Islands. The National Weather Service is responsible for monitoring meteorological events and provision of meteorological information.

The Ministry uses segment reporting to identify allocated resources to the operating segments and assesses their performance. The reportable segments are identified, and the disclosures selected, in line with the internal financial reporting system and based on the group accounting policies.

**MINISTRY OF TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

Note 20: Commitments

Future minimum lease commitments under non-cancellable operating leases:

Operating Commitments	One Year or Less	One to Five Years	Over Five Years	Total
	\$'000	\$'000	\$'000	\$'000
Total Operating Commitments	656	170	1,468	2,294

The London Office in the Department of Tourism leases from the Cayman Islands London Office. The current lease will expire in the year 2021.

The New York Office in the Department of Tourism leases from the Empire State Building Company L.L.C. On 29 April 2016 the lease was renewed for another 10 years, expiring in the year 2026.

The amounts disclosed above as future commitments are based on the rental rates as stated in the lease contracts.

Note 21: Surplus repayment

As at 31 December 2021, the Ministry recorded a surplus payable of \$18.1 million (31 December 2020: \$16.1 million). As per section 39 (3) (f) of the PMFA, the entity shall "retain such part of its net operating surplus as is determined by the Minister of Finance". We confirm that as of year-end, the entity has not been advised that it may retain any operating surplus.

Note 22: Contributed capital

As at 31 December 2021, the Ministry recorded contributed capital of \$2.2 million (31 December 2020: \$6.2 million). Contributed capital is the contribution made from Cabinet at the inception of the Ministry and any additional funding requirements such as purchasing of assets.

Note 23: Revenue from non-exchange transactions

During the year ended 31 December 2021, the Ministry received services in-kind in the form of accommodation in the central government building, computer repairs and software maintenance by the computer services department and human resources management by the Portfolio of the Civil Service. The fair value of these services cannot be reliably determined and therefore no expense has been recognised in these financial statements.

MINISTRY OF TOURISM AND TRANSPORT
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FOR THE YEAR ENDED 31 DECEMBER 2021

Note 24: Explanation of Appropriation Changes

The Ministry is required to comply with the PMFA section 9(5). An appropriation lapses at the end of the budget period to which the Act by which the appropriation is granted relates. Unused appropriation in 2020 was transferred to the 2021 budget year as follows:

Affecting Original Budget: Increasing the Budget to a 'Revised' Original Budget					
Nature	Date	FS Note	Purpose	Amount \$000	Approval Status
Section 9(5)	Dec. 2020	10, 11	Appropriation reallocated from DAT 1 - Advice and Support to the Minister of District Administration, Tourism and Transport to Transfer Payment TP67 - Sports and Cultural Tourism Programme Assistance to assist with providing financial assistance to displaced Caymanian tourism employees that have been affected by the COVID-19 pandemic and the resulting closure of the Cayman Islands borders.	115,273	No Parliament approval required
Section 9(5)	Dec. 2020	10, 11	Appropriation reallocated from DAT 2 - Government Services In Cayman Brac and Little Cayman to Transfer Payment TP67 - Sports and Cultural Tourism Programme Assistance to assist with providing financial assistance to displaced Caymanian tourism employees that have been affected by the COVID-19 pandemic and the resulting closure of the Cayman Islands borders.	500,000	No Parliament approval required
Section 9(5)	Dec. 2020	10, 11	Appropriation reallocated from DAT 13 - Meteorological Services to Transfer Payment TP67 - Sports and Cultural Tourism Programme Assistance to assist with providing financial assistance to displaced Caymanian tourism employees that have been affected by the COVID-19 pandemic and the resulting closure of the Cayman Islands borders.	83,977	No Parliament approval required
Section 9(5)	Dec. 2020	10, 11	Appropriation reallocated from DAT 14 - Public Transport Services to Transfer Payment TP67 - Sports and Cultural Tourism Programme Assistance to assist with providing financial assistance to displaced Caymanian tourism employees that have been affected by the COVID-19 pandemic and the resulting closure of the Cayman Islands borders.	35,045	No Parliament approval required
Section 9(5)	Dec. 2020	10, 11	Appropriation reallocated from DAT 15 - Tourism, Advertising Activities, Marketing, Public Relations, Sales and Promotions to Transfer Payment TP67 - Sports and Cultural Tourism Programme Assistance to assist with providing financial assistance to displaced Caymanian tourism employees that have been affected by the COVID-19 pandemic and the resulting closure of the Cayman Islands borders.	966,497	No Parliament approval required
Section 9(5)	Dec. 2020	10, 11	Appropriation reallocated from DAT 16 - Support for Local Tourism Providers and Public Education Programmes to Transfer Payment TP67 - Sports and Cultural Tourism Programme Assistance to assist with providing financial assistance to displaced Caymanian tourism employees that have been affected by the COVID-19 pandemic and the resulting closure of the Cayman Islands borders.	1,533,537	No Parliament approval required
				3,234,329	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Note 24: Explanation of Appropriation Changes (continued)

In 2021, Cabinet authorised a reallocation of funds from DAT 15 and DAT 16 under section 11(5) of the PMFA and the Minister made a statement in the in the Parliament of the Cayman Islands in accordance with section 11(6) of the PMFA in October 2021. In 2022, the Ministry of Finance and Economic Development will introduce a Supplementary Appropriation Bill with the proposed changes in the Parliament of the Cayman Islands. The appropriation reallocations are as follows:

Affecting Final Budget: Decreasing the 'Revised' Original Budget to the Final Budget					
Nature	Date	FS Note	Purpose	Amount \$000	Approval Status
Section 11(5)	Jun. 2021	10, 11 & 12	Appropriation reallocated from output group DAT 15 - Tourism Advertising Activities, Marketing, Public Relations, Sales and Promotions to transfer payment TP67 - Sports and Cultural Tourism Programme Assistance to assist with providing financial assistance to displaced Caymanian tourism employees that have been affected by the COVID-19 pandemic and the resulting closure of the Cayman Islands borders.	2,000,000	Parliament approval will take place in 2022
Section 11(5)	Jul. 2021	10, 11 & 12	Appropriation reallocated from appropriation DAT 16 - Local Tourism Providers and Public Education Programmes to NGS 7 - Management of Small Business Development to assist with providing financial assistance to the Stingray Feeding and Interaction Programme.	110,000	Parliament approval will take place in 2022
Section 11(5)	Jul. 2021	10, 11 & 12	Appropriation reallocated from appropriation DAT 16 - Local Tourism Providers and Public Education Programmes to TAB 1 - Management of Pedro St. James National Historic Site to assist with the shortfall between revenue and expenses that have been affected by the COVID-19 pandemic and the resulting closure of the Cayman Islands borders.	100,000	Parliament approval will take place in 2022
Section 11(5)	Jul. 2021	10, 11 & 12	Appropriation reallocated from appropriation DAT 16 - Local Tourism Providers and Public Education Programmes to TAB 2 - Management of Queen Elizabeth II Botanic Park to assist with the shortfall between revenue and expenses that have been affected by the COVID-19 pandemic and the resulting closure of the Cayman Islands borders.	340,000	Parliament approval will take place in 2022
				2,550,000	

MINISTRY OF TOURISM AND TRANSPORT
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Note 24: Explanation of Appropriation Changes (continued)

As a result of the 2021 election reshuffle of Ministries and departments, on 30 June 2021, District Administration Department was transferred to the Ministry of District Administration and Lands and the National Weather Service was transferred to the Ministry of Sustainability and Climate Resiliency. As at 1 July 2021, the Ministry consist of the Ministry Administration (core), the Department of Tourism and the Public Transport Unit. No departments were transferred into the Ministry. The following budgets were transferred out along with the departments that left.

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Affecting Final Budget: Decreasing the 'Revised' Original Budget to the Final Budget					
Nature	Date	FS Note	Purpose	Amount \$000	Approval Status
Section 12	30-Jun-21	10, 11 & 12	Appropriation transferred from DAT 1 - Advice and Support to the Minister of District Administration, Tourism and Transport to the Ministry of District Administration and Lands.	137,577	Parliament approval will take place in 2022
Section 12	30-Jun-21	10, 11 & 12	Appropriation transferred from DAT 2 - Government Services in Cayman Brac and Little Cayman to Ministry of District Administration and Lands.	4,496,283	Parliament approval will take place in 2022
Section 12	30-Jun-21	10, 11 & 12	Appropriation transferred from EI 68 - Capital Budget for the Ministry of District Administration, Tourism and Transport to the Ministry of District Administration and Lands for the District Administration Department.	3,050,467	Parliament approval will take place in 2022
Section 12	30-Jun-21	10, 11 & 12	Appropriation transferred from DAT 13 - Meteorological Services to the Ministry of Sustainability and Climate Resiliency.	924,119	Parliament approval will take place in 2022
Section 12	30-Jun-21	10, 11 & 12	Appropriation transferred from EI 68 - Capital Budget for the Ministry of District Administration, Tourism and Transport to the Ministry of District Administration and Lands for the National Weather Service.	1,931,430	Parliament approval will take place in 2022
				10,539,876	