



Ministry of Tourism
& Transport
Cayman Islands Government

Annual Report for the Year Ended 31 December 2022



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CAYMAN ISLANDS

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Annual Report Message

Hon. Kenneth Bryan, MP Minister for Tourism and Transport

Although 2022 has been another challenging year due to the residual effects of the COVID-19 pandemic on international travel, I am pleased to report that the Cayman Islands tourism industry ended the year in a position of strength.

This is a particularly impressive accomplishment considering that the year started with just 6,000 visitors arriving in January, equating to 14% of 2019's figures. However, stayover arrivals steadily increased month after month, registering 284,274 visitors by year-end. This has meant that the twin targets established by the Ministry of 40% of 2019's stayover arrivals and 40% of 2019's revenue acquired from tourism accommodations taxes and fees, were both exceeded. Stayover arrivals surpassed the target by 84,274 visitors or 17% and the revenue collection amounted to \$21.8 Million, which is **7.2M over the target**.

Though the United States accounted for 80.8% of all stayover visitors, the UK/Ireland was the fastest recovering market in 2022 reaching 77% of 2019's visitation level. This was followed by Canada at 66% of 2019's level with Canada recording growth over 2019's numbers in July, October, and December 2022. Latin America was the third fastest recovering market reaching 60% of 2019's visitation.

Throughout 2022, airline connectivity continued to strengthen and by the fourth quarter, the number of airline seats into our destination increased by 1,253; meaning that in Q4, the industry had the benefit of over 1200 more airline seats than in 2019. This was bolstered by the launch of Cayman Airways' weekly service to Los Angeles (LAX), California on the 5th of November, and the return of Sun Country Airlines service from Minneapolis to the Cayman Islands effective from the 17th of December.

As well as being highly anticipated particularly by the tourism and business communities, the new LAX service fulfills the Ministry's goal to tap into new markets and aligns with Broad outcome 10 of the government's Strategic Policy Statement, related to tourism growth, development, and economic impact. Similarly, the restoration of connection from Minneapolis underscores that not only have we increased the number of seats coming into the Cayman Islands, but we have also increased the number of gateways.

The strength of our tourism recovery in 2022 is welcomed news, especially since tourism growth positively impacts all sectors of the industry; including the daily room rate charged by Hotels. In October 2022, the Average Daily Rate (or ADR) for a hotel room had increased above 2019 levels by 35%; confirming that visitors are willing to pay more to experience a vacation in the Cayman Islands.

Cruise Sector Results

Cruise ships returned to the Cayman Islands in March 2022, and by December 2022, the destination welcomed 743,394 cruise passengers on 261 ships. Our cruise sector is supported by thousands of Caymanian workers and small businesses and is a vital contributor to our tourism industry.

Given its importance and the number of Caymanians who rely on its success, I am pleased with the overall results. Notwithstanding, the Ministry will continue to actively manage the cruise volume, both in terms of the quality of ships in port and the number of passengers who embark on our shores, and we look forward to bringing cruise tourism back in a measured and sustainable way in 2023.

Caymanian Workforce Development

Aside from the keen attention paid to driving tourism arrivals, the Ministry and Department of Tourism have placed significant emphasis on developing a highly skilled Caymanian Tourism workforce.

I am very pleased to report that under the Department of Tourism's National Tourism Training Programme, 628 Caymanians have been given the opportunity to pursue a variety of certification programmes, tertiary-level training, and local workshops. As well as many of the courses being internationally accredited, they have also been made available free of charge to Caymanians who wish to launch a career or develop their skills, in the tourism and hospitality industry.

As the Ministry continues to work hard to attract visitors back to our island, it is imperative that we also continue to upskill our people. Providing this level of support is helping to ensure that more Caymanians - whether they are current or future employees in the tourism sector - have the opportunity to become qualified to industry standards, and are able to deliver exceptional tourism experiences to our visitors.

Marketing and Promotions

Being closed to tourism for 18 months due to the COVID-19 pandemic has meant that we have had to fight hard to regain market share and build back our numbers.

This is why between September and November I led a campaign to aggressively promote the Cayman Islands at high-profile travel and trade shows and engaged with the principal decision-makers from the world's major airlines, cruise lines, and other industry stakeholders.

There was a Cayman Islands presence at:

- The Caribbean Infrastructure Forum (CARIF) – September.
- The Caribbean Hotel and Tourism Association Marketplace (CHTA) – October.
- The Florida Caribbean Cruise Association Conference (FCCA) – October.
- The World Routes Conference – October.
- The Fort Lauderdale Boat Show – October.
- The Caribbean Hotel Investment Conference & Operations Summit (CHICOS) – November.

Each of those events gave the Cayman Islands tremendous visibility, within a highly competitive and crowded tourism arena. As we move into 2023, it will be necessary to revisit some of those tradeshow and promotional events, to maintain relationships and establish new ones with lucrative stakeholders, in order to continue building destination awareness and visitor arrivals.

While the tourism industry at the close of 2022 has not yet returned to 100% normalcy, we are at the point where we have a viable industry that is making a decent contribution to the economy of this country. This is evidenced by the fact that:

- Tourism workers have returned to work,
- Air arrivals are increasing,
- Airline capacity is growing,
- Traveler confidence is returning,
- More Caymanians are becoming qualified to enter the industry.

These outcomes demonstrate that confidence in our destination is rebounding; both from travelers and industry partners, who are increasing their operations in our islands.

I would like to acknowledge my Parliamentary Secretaries Heather Bodden and Dwayne Seymour for their assistance and support throughout this fiscal year, and I extend my sincere thanks to all of the hard-working staff at the Ministry of Tourism and Transport, led by Chief Officer Bodden.

I also extend profound gratitude to the dedicated staff of the Department of Tourism, led by Director of Tourism Rosa Harris; and thank our private sector partners and tourism employees for their confidence and support during a challenging year for tourism in the Cayman Islands.

Kenneth Bryan

Hon. Kenneth Bryan, MP

Annual Report Message

Stran Bodden, JP Chief Officer



While the effects of the COVID-19 pandemic have had a major impact on the Cayman Islands Tourism industry, the travel sector is steadily returning to pre-pandemic levels as travelers increasingly learn to live with COVID.

With border closures and lockdowns now a thing of the past, consumer confidence is increasing, and we are on a journey back to achieving the pre-pandemic visitor arrivals recorded in 2019.

Throughout 2022 the majority of our efforts have focused on tourism recovery and rebuilding, and as a result, the sense of normalcy is returning. Consumers are booking holidays with increased confidence; visitor arrivals are rapidly increasing and the Islands' calendar of international events is being repopulated.

While significant attention was paid to driving visitor arrivals and expanding into secondary markets, efforts

were also underway to advance key infrastructure projects which fall within the Ministry's remit, including the National Public Transport System, the Airport Redevelopment Plan, and the Central Scranton Park.

National Public Transport System

With traffic increasingly becoming an issue of concern, progress has been made on the development of a transportation strategy. The Ministry engaged Deloitte, to conduct an analysis of the current public bus system and provide recommendations for transitioning to a National Government-run Public Bus System. The Ministry anticipates receiving Deloitte's report and recommendations in the first quarter of next year (2023) and it is expected to include plans for restructuring the Public Transport Unit, as well as recommendations for improving the management and operations of tourism-related transport such as taxi's, tour buses, watersports operators and limousine services.

As market demands change, there is a need to periodically review our internal departments and the Ministry is currently assessing the Public Transportation Unit's organizational structure, governing legislation, and the composition of the Board of Directors. This is to ensure that the unit is suitably and sufficiently resourced to meet the demands being placed on them.

Airport Redevelopment Plan

As well as revising the Country's ground transportation system, the Ministry is also in the process of updating the Airports Master Plan. KPMG has been contracted to update the Plan and develop an Outline Business Case to guide the potential next phases for improving the airports in all three Islands.

Central Scranton Park

Given that the Central George Town area has very little green space allocated for community and recreation activities, the Ministry is spearheading the development of a park to provide a safe communal area for the people of George Town and the wider community to utilize and enjoy.

Plans are currently in development and it is envisaged that when complete, the park will have a purpose-built community centre, for use by seniors and youth groups.

Human Resource Development

The Ministry remains cognizant that our employees are instrumental to our ability to efficiently and effectively carry out the Government's policies. Throughout the year, attention has been placed on employee development, training, and retention, and recruitment exercises have centered on identifying well-qualified and experienced candidates to fill vacant positions.

Like all Government Ministries and Authorities, we continue to be 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 this challenge. The tasks we have accomplished over the year place us in a good position to build on the momentum of positive results.

I am therefore pleased to once again extend my sincere appreciation to all the staff within the Ministry of Tourism and Transport for the dedication and professionalism they have shown throughout the year. I also gratefully acknowledge and commend my respective senior management teams for their cooperation and support throughout a most eventful and challenging year and I look forward with optimism to surpassing this year's stellar results in 2023.

Stran Bodden

Chief Officer

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 Senior Human Resources Manager, who work alongside other administrative and support staff.

What we do

The Ministry consists of the core ministry office and has responsibility for the Department of Tourism and Public Transport Unit. In addition, the Ministry oversees (on the Minister's behalf) the performance of the following statutory authorities and Government companies:

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.

Ministry Expenditure

The Ministry's total expenditure for the fiscal year ended 31 December 2022 was CI\$25 Million. This included spending from the Cayman Islands Department of Tourism (CIDOT) and the Public Transport Unit (PTU).

During this period, the Ministry's staff complement (including the CIDOT, PTU and DOT overseas) totaled 91 employees, and of these, 64 are Caymanians.

Support to Authorities, Boards and Committees

The Chief Officer or his designate represent the Ministry on various Public Authorities, Committees and Associations which fall within the Ministry's remit and assist those entities to achieve 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 in this manner on a regular basis.

PUBLIC AUTHORITIES	BOARDS	COMMITTEES / ASSOCIATIONS
Cayman Airways Board (CAL)	Cayman Islands Film Commission	Caymanian Land & Sea Co-operative
Cayman Islands Airports Authority (CIAA)	Hotel Licensing Board	Cayman Islands Tourism Association (CITA)
Cayman Turtle and Conservation Centre Ltd.	Public Transport Board	Sister Islands Tourism Association (SITA)
Port Authority of the Cayman Islands (PACI)	Public Transport Appeals Tribunal	Miss Cayman Islands Universe Committee
Tourism Attractions Board (TAB)	Tourism Advisory Council	

Human Resources Report



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Human Resources Report

Human Resources Mission & Vision

The MOTT's Human Resources Division supports the Chief Officer and Heads of Department within the Ministry's remit with the development and administration of quality human resources systems, programs, and services. These are designed to enhance the work environment and increase organizational effectiveness. The vision is to provide strategic and operational human resources functions that are creative, customer-focused, quality-driven and highly effective in the pursuit of an exceptional and diverse workforce.

Recruitment

A number of human resource recruitment initiatives were undertaken during this year which centered on identifying well-qualified and experienced candidates to fill a range of vacant positions. The Ministry is particularly pleased that through diligent and effective succession planning, many of our vacancies 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.

The table below illustrates how the Ministry's staff complement is spread across its entities.

Unit/Dept.	Caymanians	Non-Caymanians	Total Staff Complement	Percentage Caymanian
Core Ministry Administration	14	1	15	93%
Public Transport Unit	11	0	11	100%
Department of Tourism	39	26	65	60%
Total	64	27	91	70%

Key Hires

During 2022, the following roles were filled within the MOTT/CIDOT:

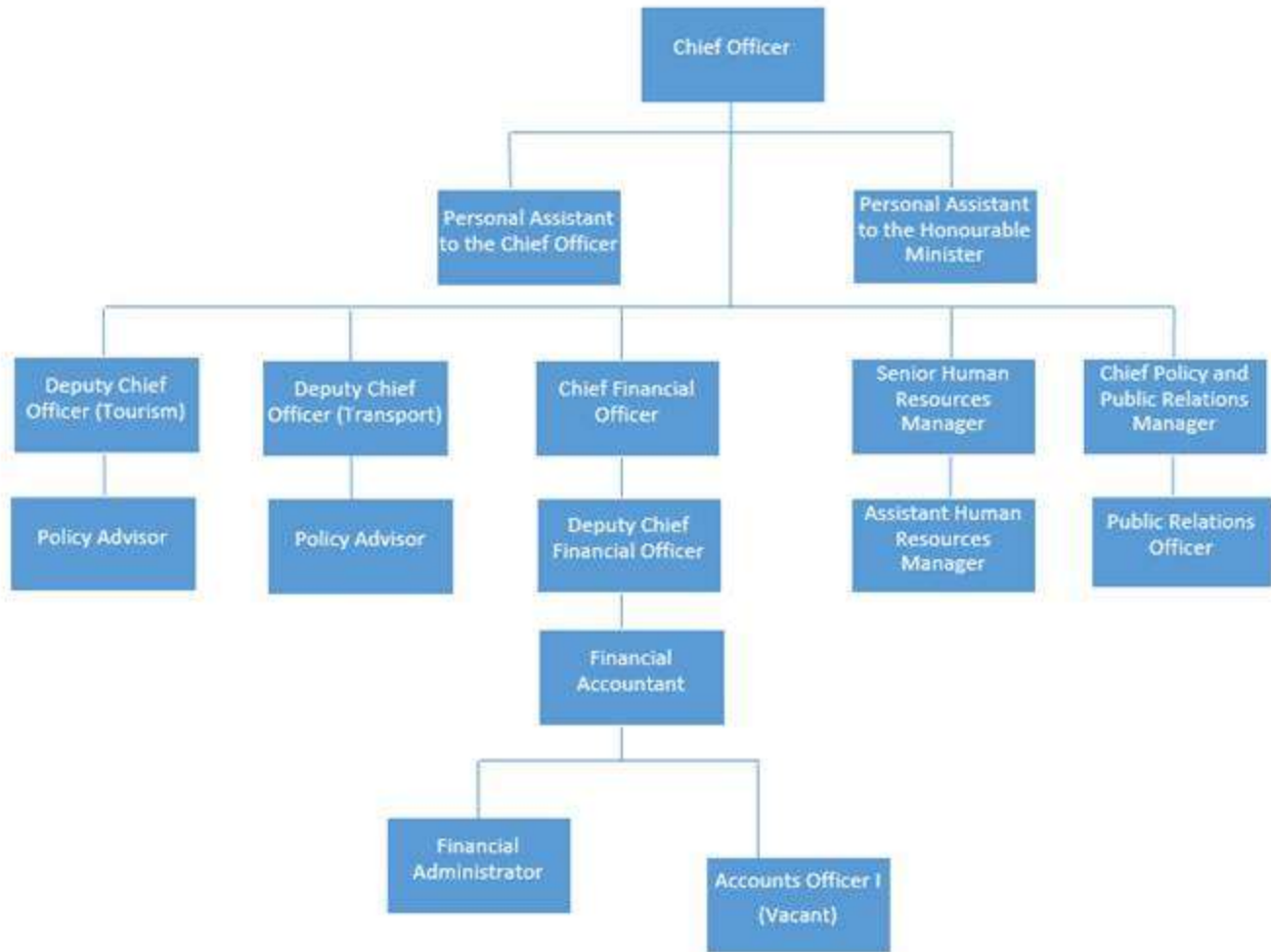
CORE MINISTRY	CIDOT
Policy Advisor	Deputy Director (Tourism Product Development)
Senior HR Manager	Deputy Director (International Marketing & Promotions)
Public Relations Officer	Manager (Global Public Relations Services)
	Manager (National Promotions & Events)

Learning and Development

Several staff members have embraced opportunities to further their education and professional development through a variety of channels. This is being achieved, for example through tertiary level education at the bachelor's level; through the pursuit of accounting or other certifications relevant to their respective roles within the organization, or through the variety of courses offered via LinkedIn Learning which is provided free of charge to all civil servants.

In addition, Senior Managers continue 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 Cayman Islands Governments (CIG's) 5-Year Strategic Plan to become a World-Class Civil Service.

MOTT Organizational Chart Core Ministry



Department Of Tourism



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Cayman Islands Department of Tourism



Who we are

The Cayman Islands Department of Tourism (CIDOT) 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 42 staff employed at the Head Office, 39 are Caymanian reflecting a workforce that is 93% Caymanian.

What we do

The CIDOT is tasked with short and medium-term responsibility for strategic planning and general destination management for the Cayman Islands tourism industry. Consequently, the Department develops and cultivates a close working relationship with a wide range of stakeholders, both locally and overseas. To be successful, the Department maintains a global perspective along with a parallel local sensitivity in order to meet its objectives as identified within the National Tourism Plan.

2022 Targets and Achievements

The CIDOT's primary measures of success are derived from annual visitor arrivals, tourism revenue and visitor expenditure. At the beginning of the year 2022, the Ministry established revenue and visitation targets equating to 40% of 2019's numbers. This meant that approximately 200,000 air arrivals and CI\$15 Million in revenue would have to be collected from tourism taxes and fees by 31st December 2022. It should be noted that 2019 was used as the benchmark for comparison because it was the last full year of normal travel prior to the pandemic and it was also the islands best year for tourism arrivals in recorded history.

Visitation Results

Between January and December, 2022, the Cayman Islands welcomed a total of 1,027,668 visitors, of which 743,394 were cruise passengers and 284,274 arrived to the Islands by air.

This has meant that the 40% twin targets established by the Ministry were both exceeded. Stayover arrivals surpassed the target by 84,274 visitors or 17% and the revenue collected from tourism taxes and fees amounted to \$21.8 Million, which is **7.2M over the target**.

Confidence in the destination due to our measured and phased approach to reopening post the COVID-19 lockdown led to pent up demand from visitors which accelerated once all travel restrictions were dropped in August 2022. In addition, the quality of our accommodations and attractions, retail offerings and restaurants; as well as a vibrant events calendar, which included such notable events as the Capella Music Festival, the Caribbean Tourism Conference (CTO) Regional conference and the Cayman Islands marathon all contributed to driving visitors to the destination.

Cruise ships returned to the Cayman Islands in March 2022, and by December 2022, the destination welcomed 261 ships carrying 743,394 cruise passengers.

Cruise tourism can be described as the epicentre of Caymanian entrepreneurship because a higher percentage of local business owners work in, or are associated to, the cruise sector than in any other aspect of our tourism and hospitality industry. This makes the cruise sector a vital part of our tourism offering and consequently the MOTT is pleased with its recovery. Going forward, the intention is to continue to actively manage the volume within the cruise sector; both in terms of the quality of ships in port as well as the number of passengers that disembark on our shores.

Arrivals Statistics Snapshot

- The destination welcomed 284,274 stay-over visitors in 2022, representing 57% of 2019's arrivals. This is 11% above the CIDOT stretch goal of 255,835 for 2022.
- Visitation peaked in December with 47,960 stay-over visitors in a single month.
- Canada recorded growth over 2019 in three months of 2022 (July, October, and December respectively).
- In the first six months of 2022, visitation was 40% of 2019's level; while between July and December, visitation was 63% of 2019's visitation.
- The United States accounted for 80.8% of visitation. This is just 2.4 percentage points lower than in 2019.
- The US was followed by Canada which accounted for 7.0% of visitation (1.0 percentage point higher than in 2019) and Europe which accounted for 5.8 % of visitation (1.0 percentage points higher than in 2019). 743,394 cruise passengers were welcomed in 2022, 41% of the 2019 visitation numbers.
- As of 31 December 2022, tourist accommodation room stock totalled 7,331 rooms with 3,446 apartments, 2,686 hotel rooms, and 1,199 guesthouse rooms.

Professional Development

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. During 2022, several members of staff took the opportunity to pursue a variety of courses, attaining a wide range of certifications. These include:

- Two (2) staff members advanced in continuing education and received their ILM-Level 7 professional certification delivered through the Civil Service College.
- One (1) staff member advanced in continuing education and received their ILM-Level 5 professional certification delivered through the Civil Service College.
- Three (3) staff members advanced in continuing education and received their ILM-Level 3 professional certification delivered through the Civil Service College.
- One (1) staff member completed a Sabre Data & Analytics Market Intelligence Training.
- One (1) staff member completed a Professional Diploma in UX (User experience) Design.
- One (1) staff member completed Marketing Analytics training.
- Two (2) senior leadership team members completed professional development and advanced their leadership skills by attending Northwestern- Kellogg University Leadership training.
- Two (2) staff members attended the CIIPA 2022 Conference.
- One (1) staff member completed Fearless Presentation-Public Speaking Course.
- One (1) staff member completed their CompTIA Cloud + certification.
- One staff member completed Digital Marketing Certificate from ANA.
- Six (6) staff members completed various courses offered by George Washington University including topics ranging from Destination Policy & Planning, Product Development, and Destination Management which will assist them in completing a Sustainable Tourism Management Certificate.

Public Transport Unit



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Public Transport Unit



Who we are

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 via Taxis, Tour operators, Limousines, Omnibuses and School and Church buses. Consequently, the unit plays a significant role in the proper functioning, growth and development of the Cayman Islands and ensures that efficient and effective transportation services operate at the level expected within modern, urbanized cities.

Scope of Activities

The PTU together with its licensed stakeholders provides public transportation for residents and tourist alike. The provision of best services includes customer service, hailing options, route circulation in a timely manner, and care for older and disabled passengers with various types of modern vehicles. Other activities include:

- Assist with the training of all public passenger operators and drivers
- Conduct general knowledge tests and reviews.
- Conduct inspections for customer assurance, both on public passenger vehicles and drivers to ensure operators and drivers are compliant with the Laws, Regulations, and Public Transport Board (PTB) policies and guidelines.
- Prepare reports as requested for the PTB to assist in their decision-making process.
- Prepare agendas, and minutes of the PTB meetings.
- Prepare and issue letters to applicants.
- Prepare reports for the PTB at the Public Transport Appeals Tribunal meetings.
- Investigate complaints.
- Queue and dispatch omnibuses from the Bus Depot.
- Co-ordinate with tourism stakeholders to enhance their businesses and our guest experience.
- Provide information and answer queries about all forms of transportation.
- Monitor all operators and drivers to ensure the travelling public receives high-quality service.

PTU Statistics

Passenger movements

As tourism numbers increase, PTU customers also increase. In 2022, 120,712 passengers took the public bus from the Bus Depot. This reflects a slight increase from 2021 when 114,815 passengers used the Public Bus (5,895 difference).

Human Resources

The PTU has 11 staff, all of whom are Caymanians.

As of 31 December 2022, a total of 690 persons were employed in the transportation sector, reflecting an increase of 41 persons over figures for 2021.

There are 575 Caymanians employed in the transportation industry, or 83.33 %. Caymanian employment, which is an increase of 36 persons.

Achievements for 2022

2022 was particularly challenging for the PTU and its stakeholders due to the reduced number of guests visiting the Cayman Islands, even though visitation has increased compared to 2021. However, despite many challenges, the Ministry is pleased to report that a multitude of positive initiatives occurred within the Transportation sector during the year. These include:

- Increase the Bus Depot hours of operation by opening the Bus Depot on Saturday.
- As part of the PTU's continuity of operations, staff were able to work from home while providing service minimizing disruption to stakeholders.
- The PTU transitioned to a more digital and online presence by processing electronic applications and having meetings online.
- The PTU assisted stakeholders with tourism stipend requests.
- The PTU managed the cross-training of staff in order to improve efficiency.

Looking ahead, the PTU looks forward to working with the Ministry to implement the recommendations outlined in the Deloitte Consultation Report. The Unit will also continue to support staff members with increased levels of training.

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. Given the advances that have taken place in recent times, the PTU is of the view that the current Act and Regulations dealing with Public Passenger Vehicles are inadequate.



**MINISTRY OF TOURISM AND TRANSPORT
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2022**

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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) 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 2022.

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 2022;
- (b) fairly reflect the financial position as at 31 December 2022 and performance for the year ended 31 December 2022;
- (c) comply with the provisions of the Public Management and Finance Act (2020) 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 stylized, handwritten signature in black ink, consisting of a large, looped 'S' followed by a series of smaller, connected loops and a long horizontal stroke extending to the right.

Stran Bodden
Chief Officer
Date:

A stylized, handwritten signature in black ink, featuring a large, looped 'N' followed by a series of smaller, connected loops and a long horizontal stroke extending to the right.

Neyka Webster
Chief Financial Officer
Date: 30 April 2023

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 2022 and the statement of financial performance, statement of changes in net worth and cash flows statement for the year ended 31 December 2022, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 9 to 28.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Ministry as at 31 December 2022 and its financial performance and its cash flows for the year ended 31 December 2022 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 23 of the financial statements, Cabinet authorized to increase the appropriation funding to the Ministry's approved budget in the amount of \$350,000 under section 11(5) of the Public Management and Finance Act (2021 Revision) ("PMFA") for exceptional circumstances. The Supplementary Appropriations Bill for the increased funding was not introduced in Parliament by 31 March 2023 as required by section 11(6) of the PMFA. My opinion is not qualified with respect to this matter.

Other Matter

As outlined in note 25 of the financial statement, The Cayman Islands Department of Tourism ("CIDOT") was alerted to a potential conflict of interest issue which involved a staff member in the DOT UK Office on 24 January 2023. An investigation is being conducted by a special committee formed for this purpose and is currently ongoing. The outcome of this investigation is unknown. 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

AUDITOR GENERAL'S REPORT (continued)

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.

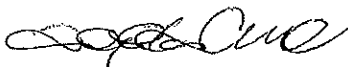
Auditor's Responsibilities for the Audit of the Financial Statements

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.



Angela Cullen, CPFA
Auditor General

30 April 2023
Cayman Islands

MINISTRY OF TOURISM AND TRANSPORT
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022
(EXPRESSED IN CAYMAN ISLANDS DOLLAR)

31 Dec 2021			31 Dec 2022	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		Note	\$'000	\$'000	\$'000	\$'000
	Current Assets					
8,957	Cash and cash equivalents	3	2,928	17,462	17,462	14,534
13,186	Trade receivables	4	3,524	2,094	2,094	(1,430)
257	Other receivables	4	355	60	60	(295)
430	Prepayments	5	778	453	453	(325)
22,830	Total Current Assets		7,585	20,069	20,069	12,484
295	Property, plant and equipment	6	230	270	270	40
30	Intangible assets	6b	22	55	55	33
326	Total Non-Current Assets		252	325	325	72
23,155	Total Assets		7,837	20,394	20,394	12,556
	Current Liabilities					
317	Trade payables	7	562	99	99	(463)
2,094	Other payables and accruals	7	2,452	428	428	(2,024)
357	Employee entitlements	8	397	645	645	248
18,142	Repayment of surplus	20	2,565	16,861	16,861	14,296
20,910	Total Current Liabilities		5,976	18,034	18,034	12,057
20,910	Total Liabilities		5,976	18,034	18,034	12,057
2,245	Net Assets		1,861	2,360	2,360	500
	NET WORTH					
2,245	Contributed capital	21	1,861	2,360	2,360	499
2,245	Total Net Worth		1,861	2,360	2,360	499

The accounting policies and notes on pages 9-28 form an integral part of these financial statements.

**MINISTRY OF TOURISM AND TRANSPORT
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2022
(EXPRESSED IN CAYMAN ISLANDS DOLLAR)**

31 Dec 2021			31 Dec 2022	Original Budget	Final Budget	Variance (Orig vs actual)
\$'000		Note	\$'000	\$'000	\$'000	\$'000
	Revenue					
28,995	Sale of goods and services	9	25,606	28,017	28,367	2,411
28,995	Total Revenue		25,606	28,017	28,367	2,411
	Expenses					
12,866	Personnel costs	10	8,072	9,405	9,405	1,333
13,382	Supplies and consumables	11	16,685	18,261	18,611	1,576
534	Depreciation	6	92	110	110	18
12	Amortisation of Intangible Assets	6b	7	2	2	(5)
131	Legal costs	12	108	221	221	113
18	Losses on impairment of property, plant and equipment	13	(3)	-	-	3
(6)	Other gains	13	(2)	-	-	2
43	Losses on foreign exchange transactions	13	82	18	18	(64)
26,980	Total Expenses		25,042	28,017	28,367	2,976
2,015	Surplus for the year		565	-	-	(565)

The accounting policies and notes on pages 9-28 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 2022
(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)
Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 31 Decemeber 2020	6,152	7,436	-	13,588	2,360	2,360	(11,228)
Prior Year Adjustments	60	-	-	60	-	-	(60)
Equity Investment from/to Other Government Entity	-	-	-	-	-	-	-
Equity Investment from Cabinet	642	-	-	642	-	-	(642)
Net revenue / expenses recognised directly in net worth	702	-	-	702	-	-	(702)
Surplus for the period 2021	-	-	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	(4,610)	(10,706)	-	(15,316)	-	-	15,316
Total recognised revenues and expenses for the year	(3,908)	(7,436)	-	(11,343)	-	-	11,343
Balance as at 31 December 2021	2,245	(0)	-	2,245	2,360	2,360	115
Prior Year Adjustments	117	-	-	117	-	-	(117)
Surplus for the year 2022	-	-	565	565	-	-	(565)
Repayment of surplus	-	-	(565)	(565)	-	-	565
Capital Withdrawal to Other Government Entity	(500)	-	-	(500)	-	-	500
Total recognised revenues and expenses for the year	(383)	-	-	(383)	2,360	2,360	2,743
Balance as at 31 December 2022	1,861	-	1,861	1,861	2,360	2,360	499

The accounting policies and notes on pages 9-28 form an integral part of these financial statements.

MINISTRY OF TOURISM AND TRANSPORT
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022
(EXPRESSED IN CAYMAN ISLANDS DOLLAR)

31 Dec 2021			31 Dec 2022	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		Note	\$'000	\$'000	\$'000	\$'000
	CASH FLOWS FROM OPERATING ACTIVITIES					
	<i>Receipts</i>					
27,660	Outputs to Cabinet		35,323	27,836	28,186	(7,487)
	Outputs to other government agencies		11	-	-	(11)
-	Sale of goods and services - third party		281	167	167	(113)
369	Other receipts		8	22	22	15
	<i>Payments</i>					
(11,469)	Personnel costs		(5,562)	(9,405)	(9,405)	(3,843)
(13,415)	Supplies and consumables		(19,328)	(18,261)	(18,611)	1,067
(105)	Other payments		(123)	-	-	123
3,041	Net cash flows from operating activities		10,610	359	359	(10,251)
	CASH FLOWS USED IN INVESTING ACTIVITIES					
(601)	Purchase of property, plant and equipment	6	-	-	-	-
(1,145)	Proceeds from sale of property, plant and equipment	6	-	-	-	-
-	Proceeds from sale of property, plant and equipment		3	-	-	(3)
(1,745)	Net cash flows from in investing activities		3	-	-	(3)
	CASH FLOWS FROM IN FINANCING ACTIVITIES					
986	Equity Investment		(16,642)	-	-	16,642
986	Net cash flows from financing activities		(16,642)	-	-	16,642
2,282	Net (increase)/decrease in cash and cash equivalents		(6,029)	359	359	6,388
6,674	Cash and cash equivalents at beginning of year		8,957	17,103	17,103	8,146
8,955	Cash and cash equivalents at end of year	3	2,928	17,462	17,462	14,534

The accounting policies and notes on pages 9-28 form an integral part of these financial statements.

**MINISTRY OF TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Note 1: Description and Principal Activities

The Ministry of Tourism and Transport ("the Ministry") 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.

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 includes 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 2022 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 2023. IPSAS 41 establishes new requirements for classifying, recognizing and measuring financial instruments to replace those in IPSAS 29, Financial Instruments: Recognition and Measurement. It is anticipated that IPSAS 41 will not have a significant impact on the Office's financial statements. This will be assessed more fully in the next financial year.

IPSAS 42, Social Benefits was issued in December 2018 and shall be applied for financial statements covering periods beginning on or after 1 January 2023. IPSAS 42 defines social benefits and determines when expenses and liabilities for social benefits are recognized and how they are measured. It is anticipated that IPSAS 42 will not have an impact on the Office's financial statements, but this will be assessed more fully in the next financial year.

IPSAS 43, Leases was issued in January 2022 and shall be applied for financial statements covering periods beginning on or after 1 January 2025. IPSAS 43 sets out recognition, measurement, presentation and disclosure requirements for leases. IPSAS 43 introduces a right of use model that replaces the risk and reward incidental to ownership model in IPSAS 13. It is anticipated that IPSAS 43 will not have a significant impact on the Office's financial statements. This will be assessed more fully closer to the effective date of adoption.

IPSAS 44, Non-current assets held for sale issued in January 2022 and shall be applied for financial statements covering periods beginning on or after 1 January 2025. IPSAS 44 defines non-current assets held for sale and determines the accounting, presentation and disclosure of discontinued operations. It is anticipated that IPSAS 44 will not have an impact on the Office's financial statements, but will be assessed more fully closer to the effective date of adoption.

MINISTRY OF TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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. Due to the transfer of departments out of the Ministry, it is not practical to compare 2022 to 2021. There were no changes in accounting policies during the financial year ended 31 December 2022.

(b) Budget amounts

The original budget amounts for the financial year are presented in the "2022-23 Budget Statements" and were approved by The Parliament of the Cayman Islands in November 2021. For 2022, there were increases that were not in the original budget numbers. These are noted as followed:

Department	Description	Amount '000
Department of Tourism	Supplementary Increase to DAT17	350
	Total increase to 2022 Budget	350

Increased Appropriation funds in 2022 in the amount of 350,000 for Tourism, Support, Training , Promotional and Advertising Activities (DAT 17) for hosting in-market event and underwriting the cost of a special charter to host travel advisors who sell the destination. The increase in the Appropriation was approved by Cabinet on 28 June 2022.

(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 2022 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).

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.

MINISTRY OF TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
Note 2.2: Significant Accounting Policies (continued)

(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) 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.

<u>Asset Type</u>	<u>Estimated Useful life</u>
• 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.

MINISTRY OF TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
Note 2.2: Significant Accounting Policies (continued)

(j) Property, plant and equipment (continued)

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.

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.

**MINISTRY OF TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Note 2.2: Significant Accounting Policies (continued)

(j) Property, plant and equipment (continued)

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.

(k) 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.

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.

(l) 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.

(m) 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.

**MINISTRY OF TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Note 2.2: Significant Accounting Policies (continued)

(m) Financial instruments (continued)

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.

(n) 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.

(o) 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.

(p) 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

**MINISTRY OF TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Note 2.2: Significant Accounting Policies (continued)

(p) Revenue from non-exchange transactions (continued)

an expense and an equal amount are 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 2021	Description	Foreign Currency	Exchange Rate	Actual 2022	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000		\$'000	\$'000	\$'000	\$'000
-	Cash on hand	-	-	-	795	795	795
-	Cash in transit	-	-	-	13	13	13
3,113	CI\$ operational current account	-	-	2,134	11,566	11,566	9,432
233	US\$ operational current account	603	0.8375	505	48	48	(457)
16	Payroll current account	-	-	14	39	39	25
338	US\$ bank accounts	170	0.8375	142	-	-	(142)
49	CDN\$ bank accounts	83	0.6480	54	-	-	(54)
208	GBP bank accounts	70	1.1148	78	-	-	(78)
5,000	Fixed Deposits	-	-	-	5,000	5,000	5,000
8,957	TOTAL			2,928	17,462	17,462	14,534

MINISTRY OF TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

Note 4: Trade receivables and other receivables

As at 31 December 2022 all overdue receivables have been assessed and appropriate provisions made.

Actual 2021	Description	Actual 2022	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000
55	Sale of goods and services	204	4	4	(200)
13,121	Outputs to Cabinet	3,320	2,090	2,090	(1,230)
10	Other trade receivable	-	-	-	-
13,186	Total trade receivables	3,524	2,094	2,094	(1,430)

Actual 2021	Description	Actual 2022	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000
-	Advances (salary, official travel, etc.)	13	-	-	(13)
257	Other receivables	342	60	60	(282)
257	Total other receivables	355	60	60	(295)

Actual 2021	Description	Actual 2022	Non-current	Total Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
13,121	Current	3,449	-	3,449	-	-	(3,449)
62	Past due 1-30 days	149	-	149	2,000	2,000	1,851
-	Past due 31-60 days	-	-	-	-	-	-
-	Past due 61-90 days	-	-	-	-	-	-
3	Past due 90 and above	20	-	20	52	52	32
-	Non-current	-	-	-	-	-	-
(2)	Past due 1 year and above	55	-	55	42	42	(13)
13,184	Total	3,673	-	3,673	2,094	2,094	(1,578)

MINISTRY OF TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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: Prepayments

Actual 2021	Description	Actual 2022	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000
430	Accrued Prepayments	778	453	453	(325)
430	Total Prepayments	778	453	453	(325)

At 31 December 2022, 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 2022**

Note 6: Property, plant and equipment

Cost	Plant and equipment	Buildings	Furniture and Office Equipment	Computer Hardware	Infrastructure	Water reticulation	Motor Vehicles	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
Balance as at 1 January 2021	912	9,902	363	369	192	19	4,552	36	1,369	17,714	16,346	16,346	(1,369)
Additions	21	12	3	42	-	-	48	-	601	727	757	757	29
Revaluations	-	1,208	-	-	-	-	-	-	-	1,208	(10)	(10)	(1,219)
Adjustments	(49)	-	-	-	-	-	-	-	-	(49)	-	-	49
Disposals	-	(11)	-	(1)	-	-	-	-	-	(12)	-	-	12
Transfers - Other Ministries	(873)	(11,109)	(207)	(204)	(178)	(19)	(4,365)	(36)	(1,742)	(18,733)	(16,270)	(16,270)	2,463
Transfers - Other Asset Categories	-	-	-	-	-	-	-	-	(125)	(125)	-	-	125
Balance at 31 December 2021	11	3	159	206	14	-	235	-	102	731	823	823	90

Cost	Plant and equipment	Buildings	Furniture and Office Equipment	Computer Hardware	Infrastructure	Water reticulation	Motor Vehicles	Aircrafts Equipment	Assets under construction or development	Total	Original Budget 2022	Final Budget 2022	Variance (Orig vs Actual)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January 2022	11	3	159	206	14	-	235	-	102	731	823	823	92
Additions	-	-	-	65	-	-	-	-	25	89	-	-	(89)
Revaluations	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	(12)	-	-	(42)	-	-	(54)	-	-	54
Transfers	-	-	-	-	-	-	-	-	(65)	(65)	-	-	65
Balance at 31 December 2022	11	3	159	259	14	-	194	-	61	702	823	823	121

**MINISTRY OF TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Note 6: Property, plant and equipment (continued)

Accumulated Depreciation	Plant and equipment	Buildings	Furniture and Office Equipment	Computer Hardware	Infrastructure	Water reticulation	Motor Vehicles	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
Balance as at 1 January 2021	719	2,019	266	221	75	2	3,396	5	-	6,706	4,638	4,638	(2,067)
Transfers	(693)	(2,302)	(149)	(145)	(73)	(2)	(3,371)	(6)	-	(6,742)	(4,675)	(4,675)	2,067
Adjustments	(49)	-	-	-	-	-	-	-	-	(49)	-	-	49
Impairment reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation expense	33	295	15	52	12	-	125	1	-	533	478	478	(55)
Eliminate on disposal	-	(11)	-	(1)	-	-	-	-	-	(12)	-	-	11
Balance at 31 December 2021	11	1	131	127	12	-	150	-	-	436	442	442	6

Accumulated Depreciation	Plant and equipment	Buildings	Furniture and Office Equipment	Computer Hardware	Infrastructure	Water reticulation	Motor Vehicles	Aircrafts Equipment	Assets under construction or development	Total	Original Budget 2022	Final Budget 2022	Variance (Orig vs Actual)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January 2022	11	1	131	127	12	-	150	-	-	436	442	442	6
Transfers	(2)	-	-	-	-	-	-	-	-	(2)	-	-	2
Impairment reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation expense	1	-	8	57	-	-	25	-	-	92	110	110	17
Eliminate on disposal	-	-	-	(12)	-	-	(42)	-	-	(54)	-	-	54
Other adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at 31 December 2022	10	2	139	173	12	-	135	-	-	473	552	552	79
Net Book value 31 December 2021	-	2	28	79	2	(1)	85	-	102	295	381	381	84
Net Book value 31 December 2022	1	2	20	87	2	-	59	-	61	230	270	270	40

MINISTRY OF TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

Note 6b: Intangible Assets

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	92	92	(20)
Additions	-	-	-	-	-
Revaluations	-	-	-	-	-
Disposals	-	-	-	-	-
Transfers	(41)	(41)	-	-	41
Balance at 31 December 2021	71	71	92	92	21

Cost	Computer Software	Total	Original Budget 2022	Final Budget 2022	Variance (Orig vs Actual)
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January 2022	71	71	92	92	21
Additions	-	-	-	-	-
Revaluations	-	-	-	-	-
Disposals	-	-	-	-	-
Transfers	-	-	-	-	-
Balance at 31 December 2022	71	71	92	92	21

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	41	41	(11)
Transfers	(23)	(23)	-	-	23
Impairment reserve - movement 2015	-	-	-	-	-
Amortization expense	12	12	15	15	3
Eliminate on disposal	-	-	-	-	-
Balance at 31 December 2021	41	41	55	55	15

Accumulated Depreciation	Computer Software	Total	Original Budget 2022	Final Budget 2022	Variance (Orig vs Actual)
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January 2022	41	41	36	36	(6)
Transfers	-	-	-	-	-
Impairment reserve - movement 2016	-	-	-	-	-
Amortization expense	8	8	2	2	-
Eliminate on disposal	-	-	-	-	-
Other adjustments	-	-	-	-	-
Balance at 31 December 2022	48	48	38	38	(6)

Net Book value 31 December 2021	30	30	37	37	7
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Net Book value 31 December 2022	23	23	55	55	26
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MINISTRY OF TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

Note 7: Trade payables, other payables & Accruals

Actual 2021	Description	Current	Non-current	Actual 2022	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
99	Creditors	438	-	438	99	99	(339)
219	Creditors other government agencies	124	-	124	-	-	(124)
-	Payroll deductions	-	-	-	-	-	-
2,005	Accrued expenses	2,341	-	2,341	331	331	(2,010)
88	Other payables	110	-	110	86	86	(24)
2,411	Total trade payables, other payables & accruals	3,013	-	3,013	516	516	(2,497)

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

Note 8: Employee entitlements

Actual 2021	Description	Actual 2022	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000
Current employee entitlements are represented by:					
60	Comp time	74	30	30	(44)
253	Annual leave	279	580	580	301
44	Pension	44	36	36	(8)
357	Total employee entitlements	397	645	645	249

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 9: Sales of goods & services

Actual 2021	Description	Actual 2022	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000
28,662	Outputs to Cabinet ¹	25,523	27,828	28,178	2,305
51	Fees and charges ²	-	5	5	5
229	General sales	71	163	163	92
12	Rentals	-	-	-	-
40	Other	12	22	22	10
28,995	Total sales of goods and services	25,606	28,017	28,367	2,411

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 2022.

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 2022

Note 10: Personnel costs

Actual 2021	Description	Actual 2022	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000
10,268	Salaries, wages and allowances	6,703	7,859	7,859	1,156
1,857	Health care	952	1,129	1,129	177
515	Pension	324	378	378	54
164	Leave	40	-	-	(40)
63	Other personnel related costs	52	38	38	(14)
12,867	Total personnel costs	8,072	9,405	9,405	1,333

Note 11: Supplies and consumables

Actual 2021	Description	Actual 2022	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000
179	Supplies and Materials	126	233	233	107
94	Maintenance of vehicles and equipment, roads, buildings, etc.	6	20	20	14
11,063	Purchase of services	13,906	14,768	15,118	862
657	Lease of Property and Equipment	569	635	635	66
327	Utilities	126	132	132	6
12	General Insurance	11	17	17	6
101	Interdepartmental expenses	105	123	123	18
227	Travel and Subsistence	710	902	902	192
88	Recruitment and Training	254	285	285	31
81	Local Promotion / Community Sponsor	82	325	325	243
213	Programme Support Services	300	200	200	(100)
139	Research and Development	119	257	257	137
200	Other	371	364	364	(7)
13,382	Total supplies and consumables	16,685	18,261	18,611	1,576

Note 12: Legal costs

The Attorney General's Office provides litigation services to the Ministry. During the year ended 31 December 2022 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 costs were \$108 thousand for the year ended 31 December 2022 (31 December 2021: 131 thousand).

MINISTRY OF TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

Note 13: Gains / (Losses)

Actual 2021	Description	Actual 2022	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000
18	(Gains)/Losses on asset impairment	-	-	-	-
-	Net losses on impairment of property, plant and equipment	(3)	-	-	3
43	Net losses on foreign exchange transactions	82	18	18	(64)
(6)	Other (gains)/Losses	(2)	-	-	2
55	Total (gains)/ losses	77	18	18	(59)

Note 14: Contingent liabilities and assets

The Ministry has no contingent assets and liabilities as at 31 December 2022. (31 December 2021: NIL).

Note 15: 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 \$14.5 million below the original budget primarily due to repayment of \$16 million surplus to Ministry of Finance. December revenue was also not collected until early 2023.

Trade receivables

The actual year-end trade receivables were \$1.4 million above budget primarily due to the delay in collection of funds related to cabinet funding.

Prepayments

Prepayments were over budget by \$326 thousand due to the Department of Tourism experiencing delays to projects since reopening of the borders 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 \$41 thousand due to delay in purchasing of fixed assets.

Current liabilities

Current liabilities were \$12.1 million under budget mainly due to repayment of surplus to the Ministry of Finance.

**MINISTRY OF TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Note 15: 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 \$2.4 million below budget due to delays in output productions due to COVID-19 restrictions in place at the beginning of the year.

Personnel Costs

Personnel costs were \$1.3 million below budget due to delayed recruitment, savings in expenses such as overtime, acting allowance, duty allowance.

Supplies and consumables

Supplies and consumables were \$1.6 million below budget mainly due to delays in media and advertising spending throughout the year.

Depreciation

Depreciation expense was below budget by \$18 thousand in the financial year due to delay or reduction in the purchases of assets.

Statement of cash flows

Net cash flows from operating activities

Cash from operating activities was \$10.2 million under budget; this was primarily due to delays in Cabinet billing. December 2021 were not collected until early 2022. Personnel cost was below budget due to delays in recruitment.

Net cash flows from investing activities

The decrease in cash flow from investing activities was \$16.6 million above budget due to the repayment of surplus to Cabinet.

Note 16: 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 2021	Description	Actual 2022	Number of persons
\$'000		\$'000	
1,308	Salaries & other short-term employee benefits	1,115	10
1,308	Total	1,115	10

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.

**MINISTRY OF TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Note 17: 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.

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 2022**

Note 18: 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	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue																		
Outputs from Cabinet	11,422	9,268	8,096	7,345	1,710	1,134	1,339	989	-	5,735	-	988	2,055	2,343	902	860	25,523	28,663
Revenue from External Sources	-	-	75	201	-	-	-	-	-	93	-	20	1	4	8	14	83	332
Total Revenue	11,422	9,268	8,171	7,546	1,710	1,134	1,339	989	-	5,828	-	1,008	2,056	2,347	910	874	25,606	28,995
Expenses																		
Personnel	1,555	1,550	3,768	3,793	250	334	176	170	-	3,985	-	693	1,634	1,669	689	675	8,072	12,866
Supplies & Consumables	10,443	7,287	3,197	1,434	1,265	2,080	1,241	1,452	-	578	-	234	378	182	160	135	16,684	13,382
Depreciation	10	11	45	39	3	3	-	-	-	432	-	28	12	6	29	25	100	547
Other expenses	36	19	69	110	53	27	29	22	-	18	-	-	(2)	(11)	(0)	-	186	185
Total Expenses	12,044	8,867	7,079	5,376	1,571	2,444	1,446	1,644	-	5,013	-	955	2,022	1,846	878	835	25,041	26,980
Surplus/(Deficit) from Operating Activities	(622)	402	1,092	2,170	139	(1,310)	(109)	(655)	-	813	-	54	34	501	32	40	565	2,015
Assets																		
Current Assets	607	496	559	285	306	375	72	83	-	14	-	-	6,043	21,561	-	16	7,587	22,830
Fixed Assets	22	22	166	176	14	14	-	-	-	-	-	-	(34)	5	61	77	229	295
Fixed Assets - Intangible	-	-	1	3	-	-	-	-	-	-	-	-	-	(4)	21	31	22	30
Total Assets	629	518	726	464	320	389	72	83	-	14	-	-	6,009	21,562	82	93	7,838	23,155
Liabilities																		
Current Liabilities	1,534	1,453	851	519	97	214	271	98	-	116	-	-	3,209	350	16	18	5,978	2,768
Repayment of Surplus	-	-	-	-	-	-	-	-	-	-	-	-	2,414	18,142	-	-	2,565	18,142
Total Liabilities	1,534	1,453	851	519	97	214	271	98	-	116	-	-	5,623	18,492	16	18	8,543	20,910

The Ministry of Tourism and Transport's segment report is prepared on the basis of three major sections: Tourism, Public Transport and Ministry Administration. In the 2021 year, the District Administration moved to the Ministry of District Administration and Lands in July 2021. 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 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 2022**

Note 19: Commitments

Future minimum lease commitments under non-cancellable operating leases:

Lease Operating Commitments	One Year or Less	One to Five Years	Over Five Years	Total
	\$'000	\$'000	\$'000	\$'000
Total Operating Commitments	568	998	-	1,566

The London Office in the Department of Tourism leases from the Cayman Islands London Office. The current lease will expire in the year 2031.

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.

Future minimum contracts commitments under non-cancellable operating contracts:

Contract Operating Commitments	One Year or Less	One to Five Years	Over Five Years	Total
	\$'000	\$'000	\$'000	\$'000
Total Operating Commitments	2,038	1,575	-	3,613

The main components of the Ministry's Contract Operating Commitments relate to contractual arrangements for services such as Advertising, Marketing, Subscriptions, Public Relations and Media Agencies.

Note 20: Surplus repayment

As at 31 December 2022, the Ministry recorded a surplus payable of \$2.6 million (31 December 2021: \$18.1 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". In September 2022 the Ministry repaid a surplus of 16.1 million to the Ministry of Finance.

Note 21: Contributed capital

As at 31 December 2022, the Ministry has not recorded any contributed capital million (31 December 2021: \$2.6 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 22: Revenue from non-exchange transactions

During the year ended 31 December 2022, 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
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

Note 23: Explanation of Appropriation Changes

In 2022, Cabinet authorised an increase in the Appropriation DAT 17 under section 11(5) of the PMFA. The appropriation increase is as follows:

Nature	Date	FS Note	Purpose	Amount \$000	Approval Status
Section 11 (5)	Jun-22	10 & 12	Increased Appropriation funds in 2022 in the amount of 350,000 for Tourism, Support, Training , Promotional and Advertising Activities (DAT 17) for hosting in-market event and underwriting the cost of a special charter to host travel advisors who sell the destination.	350	Approved by Cabinet in Jun 22
				350	

Note 24: Capital Withdrawal

Transfer of \$500k cash to The Ministry of District Administration and Lands relating to Cabinet Output revenue the District Administration Department earned in June 2021 prior to the election reshuffle on 30 June 2021.

Note 25: Subsequent Events

The Cayman Islands Department of Tourism (“CIDOT”) was alerted to a potential conflict of interest issue which involved a staff member in the DOT UK Office on 24 January 2023. An investigation is being conducted by a special committee formed for this purpose and is currently ongoing.

On 1 April 2023 the Ministry of Tourism and Transport was reorganized and renamed to the Ministry of Tourism and Ports. As a result of the reorganization the Public Transport Unit was transferred to the Ministry of Planning, Agriculture, Housing and Infrastructure.