



**Ministry of
Tourism & Ports**
Cayman Islands Government

Annual Report for the Year Ended 31 December 2023



PHYSICAL ADDRESS

5TH FLOOR, GOVERNMENT ADMINISTRATION BUILDING
133 ELGIN AVENUE, GEORGE TOWN,
GRAND CAYMAN
T: (345)949-7900
E: MOTHR@GOV.KY

MAILING ADDRESS

MINISTRY OF TOURISM AND PORTS
P.O. BOX 106
KY1-9000, GRAND CAYMAN
CAYMAN ISLANDS
WEBSITE: [HTTP://WWW.GOV.KY/PORTAL/PAGE/PORTAL/MTEHOME](http://www.gov.ky/portal/page/portal/MTEHOME)

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Annual Report Message

Hon. Kenneth Bryan, MP Minister for Tourism and Ports

Having faced unprecedented challenges in 2021 and 2022, the Cayman Islands tourism sector embarked on a journey of resilience and recovery in 2023. Against that backdrop, it is with great pleasure and pride that I present the Ministry of Tourism and Ports Annual Report for the financial year ended December 31, 2023.

In collaboration with the Cayman Islands Department of Tourism and our valued industry partners, throughout 2023 we focused on our core strengths and adapted our strategies in line with the ever-evolving landscape of consumer habits and travel patterns. I am pleased to report that those collaborative efforts, coupled with unwavering commitment to the mission, have imbued strength and resilience in the industry's recovery.

This 2023 Annual Report showcases the remarkable strides we have made in revitalising our tourism industry. Despite the obstacles, we have achieved significant milestones while laying a solid foundation for a more sustainable and inclusive tourism sector.

I am pleased to report that our efforts to reinstate stayover visitation are proving successful, with 429,284 air arrivals welcomed in 2023, representing an impressive 85% of 2019's record-breaking numbers. This resurgence underscores the resilience of our destination, and sets a positive tone for our business community.

The industry's robust performance has also led to unprecedented earnings from Tourism Accommodation Taxes and Fees (TAT). Revenue collected in 2023 exceeded expectations, reaching \$43.6 million – surpassing the target of \$25 million and the previous record of \$36.5 million set in 2019.

Our Hoteliers and reps within the accommodations sector also reported a surge in occupancy and profitability, with Average Daily Rates (ADR), soaring by over 30% compared to the previous year. This is yet more evidence of a strong and steady rebound.

Room stock at the close of the year amounted to over 7,600 guest rooms licensed and available to visitors. The home-share market across all three islands through online portals such as Airbnb and Vacation-Rentals-by-Owner continues to show rapid growth, providing enterprising Caymanians with an opportunity to participate in, and directly benefit from, our tourism industry.

Through partnership with Cayman Airways we have continued to successfully expand our Islands international reach, which now includes gateways in Barbados and Panama, and a second weekly service to Los Angeles.

Cruise passenger arrivals continue to recover at a more gradual pace, registering 1.2 million visitors over the year. Given that cruise tourism provides livelihoods and opportunities for many Caymanian businesses and entrepreneurs, the Ministry strives to maintain an acceptable balance within our tourism industry, to ensure the inclusion and success of Caymanian enterprises in both sectors.

As the Minister for Tourism I can confidently affirm that this Government has remained fully committed to supporting the tourism industry through this period of recovery. I thank all of my colleagues in government for their tacit support, and particularly acknowledge my Parliamentary Secretary, Ms. Heather Bodden, MP, for the tremendous strides she has made with the Beautification Task Force.

I am immensely proud of the efforts and accomplishments of the management and staff at the Ministry of Tourism and Ports. I extend my gratitude to my Chief Officer, Stran Bodden and the entire Ministry team for their exemplary dedication and service. Despite facing unprecedented challenges, our staff have demonstrated strength, creativity and unwavering commitment to achieving our goals, which is greatly appreciated.

I also extend my deepest appreciation to our industry partners, whose resilience and innovation have been instrumental in driving our collective success. We have weathered adversity together and emerged stronger in our commitment to showcasing the beauty and hospitality of our beloved Cayman Islands to the world.

Kenneth Bryan

Hon. Kenneth Bryan, MP

Chief Officer's Annual Report Message

Stran Bodden, JP **Chief Officer**

Tourism is one of the Cayman Islands most valuable industries and notable success stories.

As the Chief Officer for the Ministry of Tourism and Ports I am pleased to present our Annual Report which reflects on the challenges and achievements during the fiscal year ending December 31, 2023.

The year 2023 has been a testament to the resilience and adaptability of our tourism sector. As international travel rebounded, the Ministry and Department of Tourism ramped up our efforts to boost tourism growth. Consequently, 2023 was a period of hope, led by a spirit of determination, innovation and collaboration across our visitor economy.

Throughout the year, the Ministry and Department of Tourism focused on fostering sustainable growth by

positioning the Cayman Islands as the place to reconnect with friends, family, culture and the natural environment. Through strategic partnerships and collaborative initiatives, we have made significant strides in promoting the Cayman Islands as a premier destination for travellers seeking authentic experiences and unparalleled hospitality. Our international marketing campaign, 'Dream in Cayman' delivered on those promises, resulting in visitor arrivals which surpassed expectations.

Among our priorities during 2023, the Ministry strived to increase visitor value by encouraging guests to stay longer, spend more and travel further across our islands; particularly to the Eastern districts and to our Sister Islands.

The goal now is for the tourism industry to regain its stature as the most vibrant and successful sectors of the Cayman Islands economy.

Our mandate as a Ministry encompasses the responsibility to deliver on the Government's policies for tourism recovery and growth. As such, we have worked hard to ensure that international visitors choose the Cayman Islands as their vacation destination, and Caymanian businesses and entrepreneurs benefit from the cultural connections and inward investment our visitors bring.

As well as leading the destination's international marketing efforts, our Department of Tourism has done an excellent job of ensuring that the Cayman Islands is prominently represented in international circles - connecting with travel and trade partners, hosting events and positive promotions on social and digital media channels. In addition, quality data, research and insights has been provided to policy-makers and the industry at large, to assist with decision making and strategy formulation.

On the softer side, recognising that our staff are our most valuable assets, the Ministry has taken great pride in prioritising health and wellness initiatives which encourage and support our employees in maintaining a healthy work-life balance.

Training and professional development have also remained a core Ministry priority across our organisation, and I am delighted to report that all of our staff have benefitted from work-related training opportunities throughout the year.

On reflection, 2023 has been a rewarding year for tourism and I extend my gratitude to our dedicated teams within the Ministry of Tourism and Ports for their unwavering dedication and tireless efforts. Their passion and commitment have been instrumental to the achievement of our shared goals and objectives.

I would also like to express my sincere appreciation to our valued partners and stakeholders for their continued support and collaboration. Together, we have overcome challenges and seized opportunities, reaffirming our collective commitment to excellence in tourism.

I look forward to more positive results in the year ahead and to the achievement of full recovery within the tourism sector, evidenced by material advances in visitation and strong economic growth.

Stran Bodden

Chief Officer

Ministry of Tourism & Ports Overview

Who We Are

The Ministry of Tourism and Ports (MOTP) 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

In March 2023, after a Meeting held by Caucus, it was decided by Cabinet Members for the Public Transport Unit (PTU) to be moved from the Ministry of Tourism to the Ministry of Planning, Agriculture, Housing and Infrastructure. The then Ministry of Tourism & Transport was renamed to Ministry of Tourism & Ports.

The Ministry of Tourism and Ports (MOTP) consists of the core ministry office and has responsibility for the Department of Tourism. In addition, the Ministry oversees (on the Minister's behalf) the performance of the following statutory authorities and Government companies: Cayman Islands National Attractions Authority, Cayman Airways Ltd, Cayman Turtle Conservation and Education Centre, Cayman Islands Port Authority, Cayman Islands Airports Authority.

Strategic Management

The Ministry of Tourism & Ports administers the Authority's operations at the organisational 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 2023 was CI\$25 Million. This included spending from the Cayman Islands Department of Tourism (CIDOT) and the Public Transport Unit (PTU).

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 following table lists the various entities that the Ministry engages with in this manner on a regular basis.

PUBLIC AUTHORITIES	BOARDS	COMMITTEES / ASSOCIATIONS
Cayman Airways Ltd (CAL)	Cayman Islands Film Commission (CIFC)	Caymanian Land & Sea Cooperative
Cayman Islands Airports Authority (CIAA)	Hotel Licensing Board (HLB)	Cayman Islands Tourism Association (CITA)
Cayman Turtle Conservation and Education Centre (CTCEC)	Tourism Advisory Council	Sister Islands Tourism Association (SITA)
Port Authority of the Cayman Islands (PACI)	National Trust for the Cayman Islands	Beautification Task Force (BTF)
Cayman Islands National Attractions Authority (CINAA)	Public Lands Commission (PLC)	

Human Resource Report



5th Floor, Government Administration Building
133 Elgin Avenue, George Town,
Grand Cayman
T: (345)949-7900
E: MOTHR@gov.ky

Human Resources Mission & Vision

The Human Resources Division of the Ministry of Tourism & Ports (MOTP) plays a pivotal role in supporting the Chief Officer and Heads of Department within the Ministry's mandate. The division is tasked with developing and administering robust human resources systems, programs, and services aimed at improving the work environment and bolstering organizational effectiveness.

Our vision is to deliver strategic and operational human resources functions that are marked by creativity, customer focus, quality orientation, and high effectiveness. We are committed to cultivating an exceptional and diverse workforce, ensuring that our initiatives contribute positively to the MOTP's overall objectives.

Recruitment

During the fiscal year ended 31 December 2023, the Ministry's staff complement (including the CIDOT, PTU and DOT overseas) totaled 61 employees, and of these, 58 are Caymanians.

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 95% 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.

Cost Center	Caymanians	Non-Caymanians	Total Staff Complement	Percentage Caymanian
Core Ministry Administration	14	1	15	93%
Department of Tourism	44	2	46	96%
Total	58	3	61	95%

Key Hires

During 2023, the following key roles were filled within the MOTP/CIDOT:

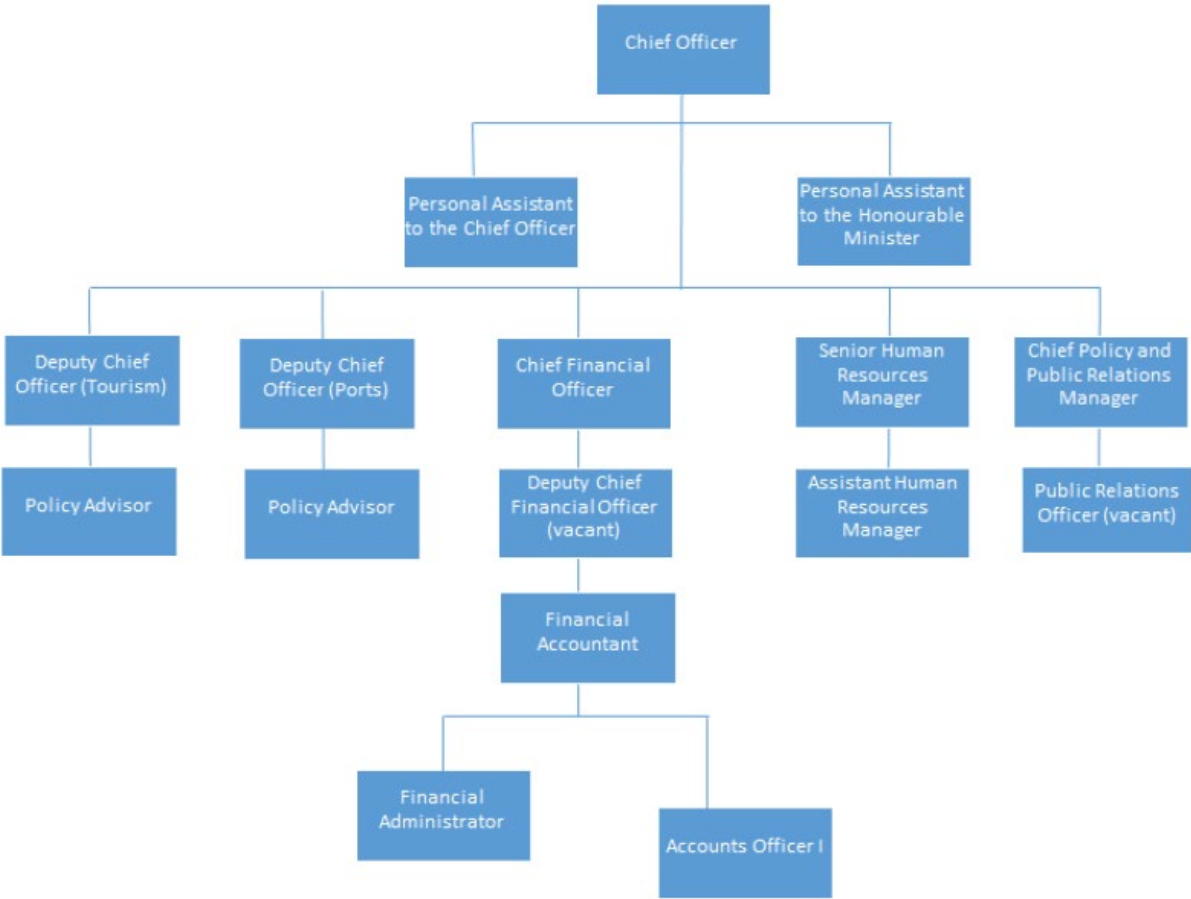
Core Ministry	CIDOT
Deputy Chief Officer	Operations Administrator
Policy Advisor	Tourism Development Coordinator
Financial Accountant	Research Officer
Assistant HR Manager	Public Relations Officer

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.

MOTP Organizational Chart Core Ministry



Department of Tourism



3rd Floor, Government Administration Building
P.O.Box 134, George Town, Grand Cayman KY1-9000
T: +1(345)949-0623

About Us

The Cayman Islands Department of Tourism (CIDOT) is a public sector agency charged with short and medium-term responsibility for strategic planning and general destination management for the Cayman Islands tourism industry. The Department practices corporate business management acumen in the public sector environment and involves a close working relationship with a wide range of stakeholders. To be successful, the Department must maintain a global perspective and a parallel local sensitivity in order to meet its broadest objectives as identified in the National Tourism Plan.

Scope of Activities

The nature of the activities executed by the Department range from research and policy advice to international marketing and sales, from industry training programmes to the development of responsible management of the tourism industry. At all times, the Department seeks to advance the heritage, culture and values of the Cayman Islands and promote the advancement of sustainable tourism policies for the benefit of present and future generations.

Our People

- One (1) staff member received their Certificate in Advanced Digital Copywriting.
- One (1) staff member completed training in Digital Copywriting.
- One (1) staff member advanced in continuing education and received their Associate of Arts in Public Administration.
- Five (5) staff members completed professional development in Sustainable Tourism Destination Management from George Washington University.
- Four (4) staff members attended the CIIPA Momentum Conference.
- One (1) staff member completed a Social Media Specialist course.
- One (1) staff member received The Osgoode Certificate in Privacy and Cybersecurity Law.
- Four (4) staff members completed AI Enhanced Content Strategy Training.
- One (1) staff member complete Salesforce Training-Tableau Desktop I & II.
- Two (2) staff members completed The Blanchard Self Leadership Training by the Cayman Islands Chamber of Commerce.
- One (1) staff member completed a APMG Agile Project Management Practitioner and Foundation Course
- Two (2) staff members completed an Influencer Marketing course from the Institute of Data & Marketing.
- One (1) staff member attended the Association for Talent Development 2023 conference.
- One (1) staff member completed a Professional Certificate in Sustainable Tourism
- One (1) staff member completed the Association of National Advertisers workshop: Brand Activations that Drive Results.
- One (1) staff member completed a NSE 3 Network Security Associate Certification.
- One (1) staff member completed Microsoft 365 Identity and Services Certification.
- One (1) staff member completed Microsoft 365 Mobility and Security.
- All staff members completed Civil Service College-Cyber Awareness Training.
- Additionally, DOT Senior Leaders and Managers completed various Global Legal & Procurement Training.
- The Department of Tourism Grand Cayman Head Office is comprised of 95% Caymanians.

Visitation Statistical Overview

Stay-over Visits

- The Cayman Islands received 429,284 stay-over visitors in 2023, marking the third-highest visitation in a calendar year.
- Visits increased by 51% over 2022 and decreased by 15% compared to 2019.
- Visits peaked in December 2023 with 49,914 people, making it the seventh-best month for visitation in recorded history.
- In 2023, visitors stayed an average of 6 nights in the destination, and 46.8% had previously visited the Cayman Islands.
- 45% of individuals were between 36 and 60 years old, with an average age of 42.2 years.
- The top three countries for visitation were the United States (355,364), Canada (28,571), and the United Kingdom (13,032).
- The United States contributed the most visitors, with 83% of total stay-over visits.
 - A 1.9 percentage point increase in the share of visitation was observed in the United States from 2022.
- Canada accounted for 6.7% of visits, 0.3 percentage points below 2022.
 - Three of the top ten months for Canadian visitation in recorded history occurred in 2023.
- Europe represented 4.6% of visits, which was 21% higher than in 2019.
 - When comparing the top 10 countries for visitation from 2019 to 2023, Ireland and the United Kingdom showed the 2nd and 4th quickest recovery, respectively.

Cruise:

- Cruise passenger arrivals for January to December were 1,270,981, down 30.6% or 560,030 persons compared to the same period in 2019.
- There were 407 cruise ship calls, down by 194 calls compared to 2019.

Accommodation:

- Total Bedroom stock stood at 7,778, with Apartments/Condos and Hotels accounting for 49% and 33% of total licensed room pool, respectively.



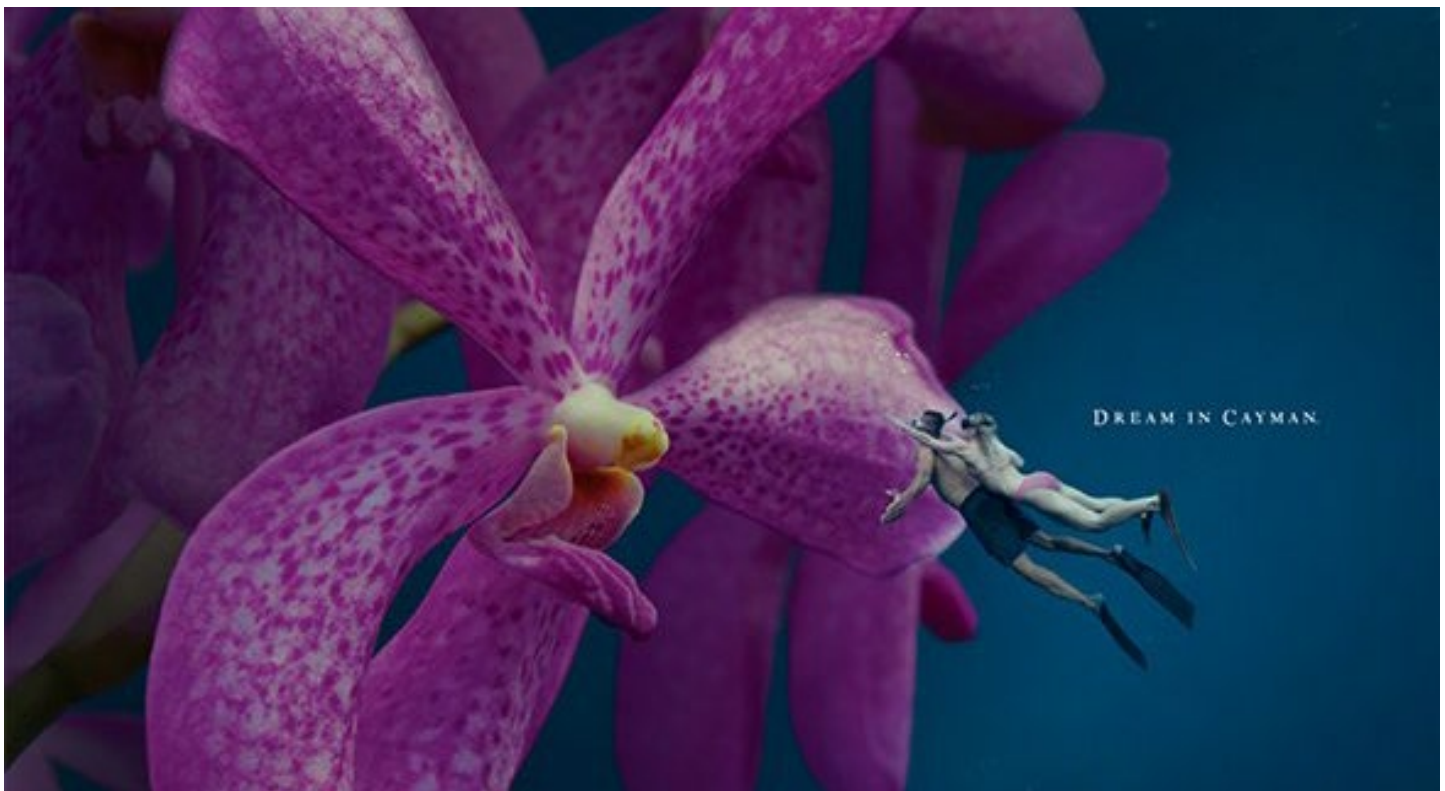
Achievements:

Destination Marketing and Promotion

- Continued to foster engagement and tourism partner relations with members of the local community through the social media live session programme (SMLSP).
- Open procurement of two key agencies of record to propel DOT's business forward as we work toward our next visitation milestone; both contracts will start in the first quarter of 2024.
 - A global creative services agency that will develop a new global platform for the destination.
 - Public Relations services for the United States source market.
- **Advertising**
 - DOT's targeting approach focuses on High Household Income (HHI) audiences and specifically leaned into adding the affluent African American (AA) segment to drive incremental visitation. The initiative is strategic and with clear intent to widen the visitor profiles that we advertise to and prospect for business annually. The Cayman Islands has a diverse tourism product offering and the markets penetrated should also allow to spread the economic activity across all tourism partners and operators.
 - DOT executed a robust advertising campaign across its source markets with the foundational approach of being digital-first. The US maintained a core of programmatic video, search, paid social and spot television. Television ran in 26 key markets with nonstop airlift or high visitation despite having to connect. Highlights include:
 - Digital screens at Whole Foods (via Amazon), a supermarket in affluent zip codes in the US
 - Integrated plan with Munaluchi, a brand that focused on the multicultural wedding market, and also their B2B wedding brand Coterie. Cayman was the host destination for their 9th annual conference.
 - Successfully tested digital advertisements on amex.com using destination creative, plus a rotation of promoting our hotel properties that are part of American Express Fine Hotels & Resorts program, in order to leverage the appeal and relevance of Cayman within this targeted environment.
 - Continued to invest with revenue drivers such as Travelzoo and Expedia and also rolled out Hopper and tested booking.com.
 - Partnered with endemic brands such as Tripadvisor, Town & Country, Elle and Esquire and ran ads placed within the logging-in process for in-flight Wi-Fi on JetBlue and American Airlines.
 - Also advertised with brands in the travel trade space for leisure and groups, as well as scuba diving.
 - Re-launched DOT's presence on the large digital screen in the Immigration Hall at Owen Roberts International Airport (ORIA). The space is used to validate the visitors' decision to choose Cayman by promoting the experiences they will encounter, e.g., Culinary Capital of the Caribbean, or a welcome message if they are attending an event, conference, etc.
 - Launched in-flight video advertising on all British Airways flights during the month of November 2023. The campaign featured our historically significant Dream in Cayman execution featuring a Cayman Catboat along with a local male model with familial ties to the Cayman Islands watersports industry.

- Developed and executed the first Travelzoo campaign for the Cayman Islands in the UK, which exceeded its initial benchmark targets.
- Relaunched a presence on Expedia UK in April 2023.
- Executed the largest presence for the Cayman Islands during the World Travel Marketing show in London, UK.
- In-market Activations
 - US conducted two activations bringing the convivial spirit and Caymankind to key metro areas.
 - Cool Down in Cayman in Dallas –
 - Warm Up in Cayman in New York City
 - UK hosted key journalists for breakfast and a Pirates inspired boat trip down the River Thames to the World Travel Market conference in London. The Cayman Islands was prominently featured by multiple media outlets resulting in 31,442,715, including major publications such as The Daily Telegraph and Evening Standard. The Cayman Islands ran a concurrent competition with Virgin Radio for a trip to the Cayman Islands during that same time period that had a reach of 140,812,000 as they played the announcement 94 times.
- On-island Activations

Canada Hosted ‘Cayman Country’ music concert with country music stars, influencers and media partner, which enabled us to have a live, weeklong broadcast with multiple daily features on Breakfast TV in Canada. Just on Breakfast TV alone, we had more than 700 broadcast mentions, 77 broadcast pieces and reached 18 million nationally.



Public Relations

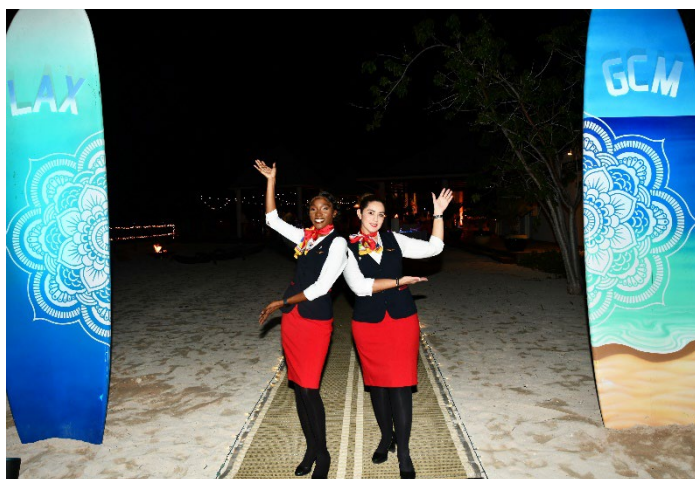
Our Global Public Relations team is responsible for a robust visiting journalist and influencer programme which drives media coverage of the destination in our target markets. The team also provides public relations and communications support for on-island events; in-market events and Cayman Airways Limited initiatives.

Visiting Journalist Programme

Hosted 40 visiting journalists and influencers. Gained 1000s of media placements from hosting or proactive pitching. Gained broadcast coverage on leading travel shows in Argentina and Brazil and a week-long takeover of Canada's leading morning show highlighting the destination.

Global Sales

- The Cayman Islands Department of Tourism's Global Sales Team remained steadfast in surpassing the 2019 arrival benchmark, employing a well-balanced strategy incorporating a mix of digital and in-person initiatives. This comprehensive approach aimed to attract new business while leveraging existing support from proven sectors.
- The team's tactics encompassed various activities, such as hosting FAMs, executing high-profile events, maximizing the Cayman Islands Specialist Programme, conducting destination trainings, positively impacting key organizations and agencies, generating leads, launching digital campaigns, and fostering closer collaboration with counterparts in hotels, DMCs, airlines, and restaurant sales teams.
- Key FAMs included:
 - LAX Grand FAM (January 3-7, 2023)
 - Hosted in support of Cayman Airways' LAX launch.
 - Featured a showcase for key travel professionals, including Travel Advisors, Planners, Media, Influencers, and the CI Film Commission.
 - Limited to 73 attendees due to space constraints on the commercial flight return.
 - Host Properties: The Ritz-Carlton Grand Cayman, Kimpton Seafire Resort + Spa, Grand Cayman Marriot Resort, Westin Seven Mile Beach, Hampton by Hilton.



- Virtuoso Study Tour (October 1-5):
 - An educational FAM experience highlighting the luxury side of Cayman for 10 influential Travel Advisors.
 - All three Virtuoso properties in Grand Cayman hosted and engaged with the group, expected to enhance destination promotion in 2024.
- Classic Vacations (September 10-14):
 - Strengthened wholesaler relationships with a FAM involving 9 travel advisors and 2 Classic Vacation representatives, enhancing their selling power for 2024.
- Group Sales
 - The MICE segment witnessed continued growth, securing RFPs and awarded business for the destination and its group sales-focused properties.
 - Key accounts targeted included Maritz, BI Worldwide, One10 Marketing, Augeo, BCD Meetings & Events, ITA Group, McVeigh Meetings & Events, HelmsBriscoe, and Conference Direct.
 - IMEX America, the leading trade show for the global business events sector, drew a record-breaking 15,029 participants in 2023, marking the largest gathering in IMEX history. During the 3-day event, CIDOT showcased new engagement strategies for North American meeting and event planners; along with on-island partners.
- Business Development:
 - Soft adventure and fishing tourism segments were targeted through initiatives at the Palm Beach and Ft. Lauderdale International Boat Shows, as well as the 2023 Travel and Adventure Show series.
 - LAX Support involved leveraging Cayman Airways' new LAX service with travel advisor and consumer tactics, including events like Palm Springs and Orange County Cayman Connect Blitzes, LA Travel & Adventure Show, and ASTA Chapter Meetings.
 - Dive industry focus continued through events, sales calls, and the pinnacle engagement at the 2023 DEMA Show.
 - Emerging Markets like Austin and Salt Lake City saw additional efforts to foster opportunistic growth.
 - Austin and surrounding cities in the Texas Hill Country were a focus. Team represented in travel trade shows in Austin and San Antonio along with dedicated sales trip which increased our number of trained specialists in those areas.



- Travel Trade Engagement:
 - The Cayman Islands Specialist Programme, CIDOT's travel agent education and rewards platform, in its first full year, proved beneficial for converting travel advisors to specialized Cayman Islands Specialists. More than 2000 advisors registered for the programme in 2023.
 - Global Sales teams conducted over 150 in-person activities, including conferences, hosted events, and partnerships at high-profile travel advisor events such as Virtuoso Travel Week, Avoya Land Summit, Cruise360, GTM East, Ultra Luxury Summit, Virtuoso at Seas, and ASTA Caribbean.
 - The Global Sales Team conducted destination training sessions, reaching thousands of new advisors, providing them with in-depth insights into the Cayman Islands to enhance their knowledge and promotion of the destination.
- Aviation
 - Established a global aviation monthly calendar available to the private sector to download with a link provided in the Tourism Tuesday e-newsletter.
 - Supported the national flag carrier with public relations, geo-targeted advertising and sales support. Details were provided to carrier in monthly recaps.
 - US team conducted regular engagement calls with airlines to discuss route performance, marketing support and new route opportunities.
 - Expanded our messaging and tagging of US airline partners in top markets that flow into their non-stop gateways. For example, promoting Southwest in top connecting markets that flow over FLL (DAL and ATL).
 - US and GCM team attended Routes America (Chicago) and Routes World (Istanbul) aviation conferences.
- Partnerships (Wholesalers and Virtuoso)
 - Invested in co-op marketing with key luxury focused wholesaler partners and airline vacation brands arms that continue to drive significant room nights to the destination.
 - Costco Travel – Destination video series in all retail warehouse locations in Southern California promoting Cayman Airways LAX flight for 4 months.
 - Sponsored fam trips with Delta Vacations, Classic Vacations West Coast Fam and Island Destinations
 - A destination sponsor at Delta Vacations University
 - Ultimate Jet Vacations – Caribbean Destination of the Year 2023
 - Prioritized destination education with luxury advisors by hosting Cayman's first Virtuoso familiarization trip and investing in marketing opportunities (print and digital).

Destination Accolades

- Cayman Islands - 13 Diving Recognitions in Scuba Diving Magazine's 2023 Reader's Choice Awards
- Cayman Islands – Top East Coast Island Escape in the Mexican and Caribbean in Good Housekeeping 2023 Family Travel Awards
- Cayman Islands #6 Trending Destinations Worldwide – Tripadvisor Traveler's Choice Best of the Best 2023
- Palm Heights – The Cool List – Caribbean Journal's Coolest Hotels in the Caribbean
- Cayman Islands #7 Tourism Sentiment Index's The 100 Most Loved Destinations Around the World
- Cayman Islands #8 Best Nature Destinations World – Tripadvisor Traveler's Choice Best of the Best 2023
- Seven Mile Beach - #4 Beach in the Caribbean and #14 Beach in World – Tripadvisor Traveler's Choice Best of the Best 2023
- Cayman Islands – Best Beaches – Global Traveler Leisure Lifestyle Awards 2023
- Seven Mile Beach #7 – The World's 50 Best Beaches Presented by Banana Boat
- Cayman Islands – Conde Nast Traveller's 25 best places to go snorkeling in the world
- Cayman Islands – 12 restaurants recognised in Wine Spectator's 2023 Restaurant Awards
- Caribbean Club #25 Travel + Leisure's Top 25 Caribbean Resort Hotels
- Cayman Islands #24 Travel + Leisure's Top 24 Caribbean Islands
- Southern Cross Club – Winner Caribbean Journal's Caribbean Boutique Hotel Awards



CIDOT Tourism Revenues

In 2023, the Department of Tourism achieved unprecedented success in revenue collections exceeding \$43 million, making a historic milestone with record-breaking Tourism Accommodations Tax and Hotel Licensing Fees that surpassed 2019 collections. The surge in tourism taxes reflects a thriving travel industry, likely fueled by increased global mobility and a rebound from the constraints of the COVID period. These remarkable figures not only showcase the resilience of the tourism sector but also signal a positive economic impact to our islands. This outstanding performance in 2023 underscores the enduring appeal of the Cayman Islands as the warm weather destination of choice and emphasizes the industry's pivotal role in contributing to Government revenues.

Revenue Type	2023 Actuals CI\$
Tourism Accommodation Tax	42.6 million
Timeshare Tax	694 thousand
Hotel Licensing Fees	320 thousand
Totals Revenues	43.61 million

Tourism Education, Career Promotion, and Stakeholder Training

- PRIDE (Personal Responsibility in Delivering Excellence - PRIDE is an attitude, a way of life.) training team made a significant impact in 2023 with an unprecedented level of trainings conducted. This supports the positive customer service delivery by partners and the rich knowledge about Cayman's history and culture being shared with visitors. The CIDOT's PRIDE programme establishes a culture of service excellence throughout the Cayman Islands. PRIDE trainings delivered included:
 - 44 Promises Customer Service Excellence Workshops with 574 persons trained.
 - 44 Know Your Cayman Islands Workshops with 593 persons trained.
 - Four cultural talks for marketing-related initiatives including:
 - German Luxury FAM
 - Sales Management Teams for New Properties
 - MICE Groups for Existing Properties
 - CIDOT Sales Management Team
- CIDOT contracted the Aquila Center for Cruise Excellence to conduct:
 - ACE Tour Operator Designation training with 5 organisations participating
 - Tourism Operator Excellence training with 10 organisations participating
- CIDOT contracted Connect by NOVA to facilitate 2 soft skills training presentations at John Gray High School in April.
- CIDOT participated in mock interviews with students from John Gray High School to support their interview skills training and soft skills development.
- CIDOT conducted local school visits to promote tourism industry and career awareness.
- 5 career fairs were conducted on Grand Cayman and Cayman Brac.

- The Tourism Ambassador competition was conducted in September with Mr. Rayne Harding of John Gray High School being selected as the 2023 Tourism Ambassador.
- CIDOT and the Tourism Ambassador attended the Caribbean Tourism Organisation's Tourism Youth Congress in Turks and Caicos Islands during October, with Mr. Rayne Harding presenting on Accessibility in Tourism.
- 2 familiarisation trips for the School of Hospitality Studies were conducted in October and November.
- 4 scholarships were awarded with majors including Aeronautical Science with Flight, Marketing, and Tourism and Hospitality Management. Scholarship amounts ranged from up to USD\$30,000 to up to USD\$60,000 per annum. The Ministry of Tourism & Ports awards up to two pilot scholarships per year which are up to US\$60,000 per annum.

Inspections & Licensing

- The tourist accommodations room stock as at 31 December, 2023 was 7,778 rooms (7,368 in Grand Cayman, 251 in Cayman Brac and 159 in Little Cayman), This represented an overall increase of 478 rooms from December 2022 to December 2023.
 - The room stock in Grand Cayman increased by 494 rooms (+7%), Cayman Brac had a net decrease of 15 rooms (-6%) and Little Cayman was similar to 2022.
- As of 31 December 2023, there were 765 properties with 6,693 bedrooms that paid a licensing fee for the 2023-24 licensing period.
 - Of the properties that paid, 60% or 456 received a license in the Cayman Islands (4,465 bedrooms).
- 91 total properties (405 bedrooms) in the Sister Islands
 - Of those, 77 properties have paid and 40 properties (with 370 bedrooms) are currently licensed for the 2023-24 licensing period
- 6 properties with a total of 10 bedrooms entered the rental pool for the Sister Islands.
- A total of 3,645 bedrooms were inspected in Grand Cayman by one Hotel Inspector and the support of the Product Development Officer (Licensing & Inspections). A total of 405 bedrooms were inspected in Cayman Brac and Little Cayman by the Inspections and Promotions Officer with the assistance of the Product and Promotions Assistant.

Visitor Experience

- Bi-monthly public beach facility inspections were conducted to guide the Public Works Department's maintenance work programme and maintain quality standards within its available budget.
- Beach inspections on all three islands continued and partnerships with other entities supported public beach safety and security.
- The comprehensive quarterly Product Update on tourism-related businesses was produced, published, and made available online.
- An expanded tourism product update database was developed.
- Periodic tourism business surveys were executed in collaboration with the CIDOT E-Biz unit.
- Ongoing musician performances and dedicated tourism customer service offered at Grand Cayman ports-of-entry.

Cruise

- Business development meetings with various cruise line executives continued to maintain dialogue on key issues and advance cruise opportunities for the destination.

- Hosted a FCCA Cruise Executives Familiarisation Tour in March to give the visiting cruise executives a substantive update on the Grand Cayman cruise product including new product since the onset of the pandemic and discuss areas of opportunity for destination experience diversification.
- Promoted the Cayman Islands with a planned trade show presence and contracted advertising campaign at the Seatrade Cruise Global Conference and Trade Show in Fort Lauderdale, Florida in April.

Hosted the FCCA PAMAC Conference and business meetings in June as part of the destination's continued partnership with FCCA to further foster the necessary camaraderie between cruise lines and destinations with a focus to build back cruise tourism even better than its 2019 levels - over 100 delegates from around the region and the international cruise community were in attendance.



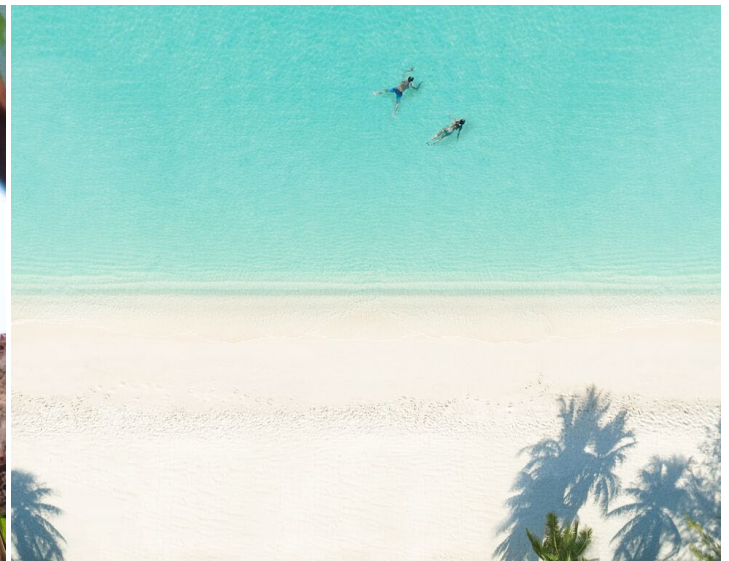
Looking Forward

The Cayman Islands exceeded its 2023 stayover visitation target; 70% visitation based on 2019 volume levels. The performance delivered a strong sign of the industry's resilience and presents a cool confidence of optimism for 2024. Despite concerns about global uncertainty and inflation, the global travel demand continues to show signs of strong recovery. The Cayman Islands Department of Tourism's goal is to continue to focus on recovering the Cayman Islands industry for stayover visitation while supporting the capacity management for the benefit of visitor experiences in the cruise sector. CIDOT global teams will in 2024 deliver on the key initiatives in the updated edition of the National Tourism Plan and outlined business development goals to support the Airport Master Plan for under the stewardship of the Cayman Islands Airport Authority (CIAA).

The following strategic and high-priority initiatives are targeted for implementation in the 2024 fiscal year to start the recovery of the Cayman Islands tourism industry;

- Prioritized marketing investment and strategies that focus on conversions to achieve recovery to 2019 stay over visitation volume of 502,740 air arrivals.
- Collect the 2024 budgeted tourism tax revenue of \$42.3 million.
- Begin implementation of the National Tourism (Bridge) Plan (2024) with a focus on market diversification and growth, improved visitor experience management systems, tourism talent development opportunities, new entrepreneurial opportunities for Caymanians and enhancements at the country's points of entry.
- Design a sustainability framework that is an all-encompassing sustainable tourism strategy focused on practical measures.
- Onboard, train and upskill the global Cayman Islands Tourism staff complement while filling key vacant positions for the improved work productivity of CIDOT.
- Launch of a new Cayman Islands destination brand positioning.
- 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).
- Prioritize marketing strategies to focus on conversions to achieve recovery.
- Collect the budget tourism tax revenue of \$42.3 million in 2024 fiscal year.
- Focus on a digital-first approach to ensure the agility of CIDOT marketing.
- Advancement of the International Scuba Diving Hall of Fame (ISDHF) project with the selection of a new Executive Director and 5-year strategic plan.
- Aviation business development and new services established by the National Flag Carrier, Cayman Airways to support the runway extension capability proposed for Owen Roberts International Airport.
- Strengthen relationships with airline partners to prioritize the return of all pre-pandemic non-stop routes, increasing route frequencies and maintaining profitable load factors.
- Focus on return of leisure business from existing the destination's primary and secondary markets whilst establishing a medium-term strategy and groundwork to open new markets in continental Europe, LATAM, the Middle East and Asia.
- Continue progress on the development of the 5-year National Tourism Plan (2025 – 2029).

- Support the Ministry of Tourism and Ports in the development of the Cayman Islands Cruise Tourism Strategy (2024). Actively promote the Cayman Islands cruise tourism with planned trade show presence, contracted advertising campaigns, executive meetings, and business development activities at key international cruise events and conferences.
- Through collaborative partnerships build tourism workforce capacity and skills to enhance the sustainable destination management and operation through the CIDOT Pride training programme, the School of Hospitality Studies, support for tourism education and career development, access to training webinars and workshops from external organisations such as the Caribbean Tourism Organisation, Caribbean Hotel and Tourism Association, and the Acquila Center for Cruise Development.
- Continued tourism awareness and community involvement activities including career fairs and expos, school visits, and the Tourism Ambassador Programme.
- Advance and enhance business development opportunities that will help support increased Caymanian participation in tourism, eg. home-sharing, new experiences.
- Support the Ministry of Tourism and Ports to finalise the modernised Tourism Law (1995 Revision) and Tourism Regulations (2002 Revision).
- Launch of online revenue and inspections platform to better serve the accommodations sector.
- Continue to explore a Digital Tourism Tax Remittance solution to enhance revenue collection efficiency.
- 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.
- 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.
- User Experience website research to bring a human first approach to design.



Public Transport Unit



Unit 17, 2nd Floor Rankin's Plaza, 21 Eclipse Drive
George Town, Grand Cayman, KY1-1004
T: +1 (345)-946-1323
E: cayman.transport@gov.ky

Public Transport Unit (PTU)

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 tourists 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.



MINISTRY OF TOURISM AND PORTS
(FORMERLY MINISTRY OF TOURISM AND TRANSPORT)

AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2023

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

MINISTRY OF TOURISM AND PORTS

STATEMENT OF RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

These financial statements have been prepared by the Ministry of Tourism and Ports 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 Ports.

We are responsible for the preparation of the Ministry of Tourism and Ports 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 2023.

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 Ports for the year ended 31 December 2023;
- (b) fairly reflect the financial position as at 31 December 2023 and performance for the year ended 31 December 2023;
- (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 blue ink signature of Stran Bodden, consisting of a stylized 'S' and 'B'.

Stran Bodden
Chief Officer

Date: 30 APRIL 2024

A blue ink signature of Oliver Parker, consisting of a stylized 'O' and 'P'.

Oliver Parker
Chief Financial Officer

Date: 30 APRIL 2024



AUDITOR GENERAL'S REPORT

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

Opinion

I have audited the financial statements of the Ministry of Tourism and Ports (the "Ministry"), which comprise the statement of financial position as at 31 December 2023 and the statement of financial performance, statement of changes in net worth and cash flows statement for the year ended 31 December 2023, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 9 to 30.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Ministry as at 31 December 2023 and its financial performance and its cash flows for the year ended 31 December 2023 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.

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.

AUDITOR GENERAL'S REPORT (continued)

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.



Sue Winspear, CPFA
Auditor General

30 April 2024
Cayman Islands

MINISTRY OF TOURISM AND PORTS
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023
(EXPRESSED IN CAYMAN ISLANDS DOLLAR)

31 DEC 2022			31 DEC 2023	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		Note	\$'000	\$'000	\$'000	\$'000
	Current Assets					
2,928	Cash and cash equivalents	3	5,307	17,569	17,569	12,262
3,524	Trade receivables	4	1,772	2,094	2,094	322
355	Other receivables	4	118	60	60	(58)
778	Prepayments	5	431	453	453	22
7,585	Total Current Assets		7,628	20,176	20,176	12,548
230	Property, plant and equipment	6	182	165	122	(17)
22	Intangible assets	6b	-	53	31	53
-	Other non-current assets		-	-	-	-
252	Total Non-Current Assets		182	218	153	36
7,837	Total Assets		7,810	20,394	20,329	12,584
	Current Liabilities					
562	Trade payables	7	279	110	110	(169)
2,452	Other payables and accruals	7	1,515	417	417	(1,098)
397	Employee entitlements	8	441	645	636	204
2,565	Surplus payable	20	3,812	16,861	16,861	13,049
5,976	Total Current Liabilities		6,047	18,034	18,024	11,987
5,976	Total Liabilities		6,047	18,034	18,024	11,987
1,861	Net Assets		1,764	2,360	2,305	597
	NET WORTH					
1,861	Contributed capital	21	1,764	2,360	2,306	597
1,861	Total Net Worth		1,764	2,360	2,306	597

The accounting policies and notes on pages 9-30 form an integral part of these financial statements.

MINISTRY OF TOURISM AND PORTS
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2023
(EXPRESSED IN CAYMAN ISLANDS DOLLAR)

31 DEC 2022			31 DEC 2023	Original Budget	Final Budget	Variance (Orig vs actual)
\$'000		Note	\$'000	\$'000	\$'000	\$'000
	Revenue					
25,606	Sale of goods and services	9	26,395	28,603	27,908	2,208
25,606	Total Revenue		26,395	28,603	27,908	2,208
	Expenses					
8,072	Personnel costs	10	8,074	9,650	9,130	1,576
16,685	Supplies and consumables	11	16,677	18,605	18,461	1,928
92	Depreciation	6	80	105	95	25
7	Amortisation of intangible assets	6b	3	2	2	(1)
108	Legal costs	12	206	223	203	18
(3)	Losses on impairment of property, plant and equipment	13	-	-	-	-
(2)	Other gains	13	-	-	-	-
82	Losses on foreign exchange transactions	13	109	18	18	(91)
25,042	Total Expenses		25,148	28,603	27,908	3,455
565	Surplus for the year		1,247	-	-	(1,247)

The accounting policies and notes on pages 9-30 form an integral part of these financial statements.

MINISTRY OF TOURISM AND PORTS
STATEMENT OF CHANGES IN NET WORTH
FOR THE YEAR ENDED 31 DECEMBER 2023
(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 1 January 2022	2,245	-	-	2,245	2,360	2,360	115
Prior Year Adjustments	117			117	-	-	(117)
Net revenue / expenses recognised directly in net worth	117	-	-	117	-	-	(117)
Surplus for the period 2022	-	-	565	565	-	-	(565)
Repayment of surplus	-	-	(565)	(565)	-	-	565
Capital Withdrawal	(500)		-	(500)			500
Total recognised revenues and expenses for the period	(383)	-	-	(383)	-	-	383
Balance as at 31 December 2022	1,861	-	-	1,861	2,360	2,360	499
Changes in net worth for 2022:							
Prior Year Adjustments	(51)	-	-	(51)	-	-	51
Adjusted Balance as at 31 December 2022	1,810	-	-	1,810	2,360	2,360	550
Net revenue / expenses recognised directly in net worth	-	-	-	-	-	-	-
Surplus for the period 2023	-	-	1,247	1,247	-	-	(1,247)
Repayment of surplus	-	-	(1,247)	(1,247)	-	-	1,247
Capital Withdrawal to Other Government Entity	(47)	-	-	(47)	-	(55)	47
Total recognised revenues and expenses for the period	(47)	-	-	(47)	-	(55)	47
Balance as at 31 December 2023	1,764	-	-	1,764	2,360	2,306	597

The accounting policies and notes on pages 9-30 form an integral part of these financial statements.

MINISTRY OF TOURISM AND PORTS
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023
(EXPRESSED IN CAYMAN ISLANDS DOLLAR)

31 DEC 2022			31 DEC 2023	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		Note	\$'000	\$'000	\$'000	\$'000
	CASH FLOWS USED IN OPERATING ACTIVITIES					
	<i>Receipts</i>					
35,323	Outputs to Cabinet		27,913	28,335	28,335	422
11	Outputs to other government agencies		-	-	-	-
281	Sale of goods and services - third party		390	5	5	(385)
8	Other receipts		-	22	22	22
	<i>Payments</i>					
(5,562)	Personnel costs		(6,510)	(9,650)	(9,650)	(3,140)
(19,328)	Supplies and consumables		(19,255)	(18,605)	(18,605)	650
(123)	Other payments		(84)	-	-	84
10,610	Net cash flows from operating activities		2,454	107	107	(2,347)
	CASH FLOWS USED IN INVESTING ACTIVITIES					
-	Purchase of property, plant and equipment	6	(75)	-	-	75
3	Proceeds from sale of property, plant and equipment		-			
3	Net cash flows from/(used in) investing activities		(75)	-	-	75
	CASH FLOWS USED IN FINANCING ACTIVITIES					
(16,642)	Equity Investment		-	-	-	-
(16,642)	Net cash flows used in financing activities		-	-	-	-
(6,029)	Net (decrease)/increase in cash and cash equivalents		2,379	107	107	(2,272)
8,957	Cash and cash equivalents at beginning of period		2,928	17,462	17,462	14,534
2,928	Cash and cash equivalents at end of period	3	5,307	17,569	17,569	12,262

The accounting policies and notes on pages 9-30 form an integral part of these financial statements.

MINISTRY OF TOURISM AND PORTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

Note 1: Description and Principal Activities

The Ministry of Tourism and Ports ("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 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. In March 2023, Cabinet approved the transfer of the Public Transport Unit from the Ministry of Tourism and Ports to the Ministry of Planning, Agriculture, Housing & Infrastructure. The transfer of the Public transport unit was effected on 31st March 2023.

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 2023 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:

The Ministry has adopted IPSAS 41: Financial Instruments as of the transition date of 1 January 2023, replacing IPSAS 29: Financial Instruments: Recognition and Measurement.

In accordance with the transitional provisions in IPSAS 41, comparative information for the 31 December 2022 period has not been restated. Adjustments arising from adopting IPSAS 41 are recognised in opening equity at 1 January 2023 (the date of initial application).

The accounting policies for the year ended 31 December 2023 have been updated to comply with IPSAS 41. The main changes to the Ministry's accounting policies are:

- Trade and other receivables - This policy has been updated to reflect that the impairment of receivables are now determined by applying an expected credit loss model.
- Financial instruments and risk management - The policy has been updated to reflect:
 - the new measurement classification categories; and
 - a new impairment model for financial assets based on expected credit losses, which is forward-looking and may result in earlier recognition of impairment losses.

IPSAS 41 also significantly amended the disclosures of financial instruments of IPSAS 30. This has resulted in new or amended disclosures, mostly in relation to the financial instrument categories and to credit risk.

The tables below outline the classification and carrying amounts of financial assets and liabilities under IPSAS 41 and IPSAS 29 on the date of initial application of IPSAS 41.

MINISTRY OF TOURISM AND PORTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

Note 2.1: Statement of Compliance and Basis of Preparation (continued)

Measurement classification		
Financial assets	IPSAS 29	IPSAS 41
Cash and cash equivalents	Loans & Receivables	Amortised cost
Trade and other receivables	Loans & Receivables	Amortised cost
Financial Liabilities	IPSAS 29	IPSAS 41
Accounts Payable	Amortised Cost	Amortised Cost

IPSAS 41 has had an immaterial impact on the Ministry's measurement and recognition of financial instruments, as financial assets that were recognised as loans and receivables are now recognised as amortised cost.

IPSAS 42, Social Benefits (effective for period beginning on or after January 1, 2023) defines social benefits and determines when expenses and liabilities for social benefits are recognized and how they are measured. During the financial year it was assessed that IPSAS 42, Social Benefits does not have any significant impact on the Ministry's financial statements.

IPSAS 43, Leases (effective for periods beginning on or after January 1, 2025) introduces a right-of- use model that will replace the risks and rewards incidental to ownership model in IPSAS 13 Leases. For lessors, IPSAS 43 substantially carries forward the risks and rewards incidental to ownership model in IPSAS 13. The impact will be assessed fully, closer to the effective date of adoption.

IPSAS 44, Non-Current Assets Held for Sale and Discontinued Operations (effective for periods beginning on or after January 1, 2025,) specifies the accounting for assets held for sale and the presentation and disclosure of discontinued operations. The impact will be assessed fully, closer to the effective date of adoption.

IPSAS 45, Property, Plant, And Equipment (effective for periods beginning on or after January 1, 2025) replaces IPSAS 17, Property, Plant, and Equipment by adding current operational value as a measurement basis in the updated current value model for assets within its scope, identifying the characteristics of heritage and infrastructure assets, and adding new guidance on how these important types of public sector assets should be recognized and measured.

IPSAS 46, Measurement (effective for periods beginning on or after January 1, 2025) provides new guidance in a single standard addressing how commonly used measurement bases should be applied in practice.

IPSAS 47, Revenue (effective for periods beginning on or after January 1, 2026) replaces IPSAS 9, Revenue from Exchange Transactions, IPSAS 11, Construction Contracts, and IPSAS 23, Revenue from Non-Exchange Transactions and is a single source for revenue accounting guidance in the public sector, which presents two accounting models based on the existence of a binding arrangement.

IPSAS 48, Transfer Expenses (effective for periods beginning on or after January 1, 2026) provides accounting requirements for transfer expenses, and presents two accounting models based on the existence of a binding arrangement. It is anticipated that IPSAS 48 will not have an impact on the Office's financial statements, but this will be assessed more fully closer to the effective date of adoption.

IPSAS 49, Retirement Benefit Plans (issued in November 2023 and effective for periods beginning on or after January 1, 2026) provides a principle-based approach to accounting for retirement benefit plans offering a completed view of their financial activities, assets, and obligations and establishes comprehensive accounting and reporting requirements for the financial statements of retirement benefit plans. The impact of the standard will be assessed fully, closer to the effective date of adoption.

MINISTRY OF TOURISM AND PORTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

Note 2.2: Significant Accounting Policies

(a) Changes in accounting policies

The Ministry has adopted IPSAS 41: Financial Instruments as of the transition date of 1 January 2023, replacing IPSAS 29: Financial Instruments: Recognition and Measurement.

In accordance with the transitional provisions in IPSAS 41, comparative information for the 31 December 2022 period has not been restated. Adjustments arising from adopting IPSAS 41 are recognised in opening equity at 1 January 2023 (the date of initial application).

The accounting policies for the year ended 31 December 2023 have been updated to comply with IPSAS 41. The main changes to the Ministry's accounting policies are:

- Trade and other receivables - This policy has been updated to reflect that the impairment of receivables are now determined by applying an expected credit loss model.
- Financial instruments and risk management - The policy has been updated to reflect:
 - the new measurement classification categories; and
 - a new impairment model for financial assets based on expected credit losses, which is forward-looking and may result in earlier recognition of impairment losses.

IPSAS 41 also significantly amended the disclosures of financial instruments of IPSAS 30. This has resulted in new or amended disclosures, mostly in relation to the financial instrument categories and to credit risk.

(b) Budget amounts

The original budget amounts for the financial year are presented in the "2022-23 Budget Statements" and were approved by The Cabinet of the Cayman Islands. In March 2023, the Ministry's appropriation decreased by approximately \$679K due to the transfer of the Public Transport Unit from the Ministry of Tourism and Ports to the Ministry of Planning, Agriculture, Housing & Infrastructure.

The decrease in the Appropriation was approved by Cabinet on 31 March 2023 per the table below.

Department	Description	Amount
Public Transport Unit (PTU)	Supplementary Decrease to DAT14	679
	Total decrease to 2023 Budget	679

(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 2023 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.

MINISTRY OF TOURISM AND PORTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

Note 2.2: Significant Accounting Policies (continued)

(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) 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 hardware	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
• Infrastructure	5 - 20 years
• Plant and Equipment	5 – 20 years

MINISTRY OF TOURISM AND PORTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

Note 2.2: Significant Accounting Policies (continued)

(j) Property, plant and equipment (continued)

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.

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.

MINISTRY OF TOURISM AND PORTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

Note 2.2: Significant Accounting Policies (continued)

(j) Property, plant and equipment (continued)

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.

(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.

**MINISTRY OF TOURISM AND PORTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

Note 2.2: Significant Accounting Policies (continued)

(m) Financial instruments

Financial assets and financial liabilities are recognised in the Ministry's statement of financial position when the Ministry becomes a party to the contractual provisions of the instrument.

Initial Recognition

Financial assets and liabilities are initially measured at fair value. On initial recognition, transaction costs directly attributable to the acquisition or issue of financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate.

Subsequent measurement and classification

IPSAS 41 requires financial assets to be subsequently measured at fair value through surplus or deficit (FVTSD), amortised cost, or fair value through other comprehensive revenue and expense (FVTOCRE). Additionally, IPSAS 41 requires financial liabilities to be measured at either amortised cost or FVTSD.

This classification is based on the business model for managing financial instruments, and whether the payments are for solely payments of principal or interest on the principal amount outstanding. The Ministry assessed the business model for holding financial assets at the date of initial application. It determined that all of these are held to collect contractual cash flows that are solely payments of principal and interest. Therefore, financial assets are subsequently measured at amortised cost. Financial liabilities are subsequently measured at amortised cost.

Cash and cash equivalents, trade receivables and payables are recorded at amortized cost using the effective interest method less any impairment.

Derecognition

Financial assets are derecognized when the rights to receive cash flows have expired or have been transferred and the Ministry has transferred substantially all risks and rewards of ownership. A financial liability is derecognised when it is extinguished, that is when the obligation is discharged, cancelled, or expires.

(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.

MINISTRY OF TOURISM AND PORTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

Note 2.2: Significant Accounting Policies (continued)

(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 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.

MINISTRY OF TOURISM AND PORTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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 Ports 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. Although cash and cash equivalents at 31 December 2023 are subject to the expected credit loss requirements of IPSAS 41, no allowance has been recognised as the estimated allowance is negligible due to the high credit quality of the counterparty banks.

Actual 2022	Description	Foreign Currency	Exchange Rate	Actual 2023	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000		\$'000	\$'000	\$'000	\$'000
-	Cash on hand	-	-	1	795	795	794
-	Cash in transit	-	-	-	13	13	13
2,134	CI\$ operational current account	-	-	4,757	11,674	11,674	6,917
505	US\$ operational current account	170	0.8375	142	48	48	(93)
14	Payroll current account	-	-	16	39	39	23
18	US\$ bank accounts	163	0.8375	136.64	-	-	(137)
49	CDN\$ bank accounts	17	0.6480	11	-	-	(11)
208	GBP bank accounts	218	1.1148	243	-	-	(243)
-	Fixed Deposits	-	-	-	5,000	5,000	5,000
2,928	TOTAL			5,307	17,569	17,569	12,263

Note 4: Trade receivables and other receivables

Trade receivables are amounts due from customers for items sold or services performed in the ordinary course of business. Trade receivables and other receivables comprise of balances due from other Government entities, including Output Receivables and balances due from third parties.

The simplified approach to providing for expected credit losses, as prescribed by IPSAS 41, is applied to trade and other receivables. The simplified approach involves making a provision equal to lifetime expected credit losses.

In measuring ECLs for third-party receivables, the estimated loss allowance for individually significant or other specific trade and other receivable balances are determined on an individual basis. Thereafter, the remaining third-party trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics. The expected credit Loss rate/s for third-party receivables are based on the Ministry's historical credit loss over the prior two years. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Ministry's customers. Given the short period of credit risk exposure, the impact of macroeconomic factors is not considered significant.

The Ministry performed an individual/specific ECL assessment on any related party debtors with qualitative or quantitate factors indicating doubts around collectability. Given the low risk of default on the remaining related party receivables held by the Ministry, the impact of the expected credit losses on these have been estimated to be negligible. These have a low risk of default due to the Cayman Islands Government's high credit rating, absence of historical losses on amounts due. The Ministry believes that the amounts outstanding on related party receivables are recoverable.

The Ministry's policy is to recognise ECL of 100% for receivables over 180 days past due because historical experience has indicated that these receivables are generally not recoverable. Receivables are written off and or fully provided for when there is no reasonable expectation of recovery.

MINISTRY OF TOURISM AND PORTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

Note 4: Trade receivables and other receivables (continued)

Actual 2022	Trade Receivables	Actual 2023
\$'000		\$'000
204	Sale of goods and services	11
3,321	Outputs to Cabinet	1,762
3,524	Total Trade receivables	1,772
-	Less: expected credit losses	-
3,524	Net Trade receivables	1,772

As at 31 December 2023 all overdue receivables have been assessed and appropriate provisions made.

Actual 2022	Trade Receivables	Actual 2023
\$'000		\$'000
204	Sale of goods and services	11
3,321	Outputs to Cabinet	1,762
3,524	Total Trade receivables	1,772
-	Less: expected credit losses	-
3,524	Net Trade receivables	1,772

Actual 2022	Description	Actual 2023	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000
204	Sale of goods and services	11	4	4	(7)
3,321	Outputs to Cabinet	1,762	2,090	2,090	328
-	Other trade receivables	-	-	-	-
-	Less: expected credit losses	-	-	-	-
3,524	Total trade receivables	1,772	2,094	2,094	322

Actual 2022	Description	Actual 2023	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000
13	Advances (salary, official travel, etc.)	-	-	-	-
-	Dishonoured cheques	-	-	-	-
342	Other receivables	118	60	60	(58)
355	Total other receivables	118	60	60	(58)

Trade receivables aging analysis

Actual 2022	Description	Actual 2023	Total Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000	\$'000
3,449	Current	1,763	1,763	-	-	(1,763)
149	Past due 1-30 days	9	9	1,979	1,979	1,970
-	Past due 31-60 days	-	-	-	-	-
-	Past due 61-90 days	-	-	-	-	-
20	Past due 90 and above	-	-	52	52	52
-	Non-current	-	-	-	-	-
55	Past due 1 year and above	-	-	63	63	63
3,673	Total	1,772	1,772	2,094	2,094	322

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 2023 trade receivables impairment was at \$0.

MINISTRY OF TOURISM AND PORTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

Note 5: Prepayments

Actual 2022	Description	Actual 2023	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000
778	Accrued Prepayments	456	453	453	(3)
	Impairment	(25)	-	-	25
778	Total Prepayments	431	453	453	22

The amounts paid in advance for several contracts entered into for the provision of services relating to the Department of Tourism. As at 31 December 2023 a vendor had failed to deliver the services which Department of Tourism had prepaid for hence an impairment of \$25 thousand was established.

MINISTRY OF TOURISM AND PORTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

Note 6: Property, plant and equipment

Cost	Plant and equipment	Buildings	Furniture and Office Equipment	Computer Hardware	Infrastructure	Motor Vehicles	Leasehold Improvement	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
Balance as at 1 January 2022	11	3	159	207	14	235	0	102	731	823	823	91
Additions	-	-	-	65	-	-	-	25	88	-	-	(89)
Disposals	-	-	-	(12)	-	(42)	-	-	(53)	-	-	53
Transfers	-	-	-	-	-	-	-	(65)	(65)	-	-	65
Balance at 31 December 2022	11	3	159	259	14	194	0	61	702	823	823	121

Cost	Plant and equipment	Buildings	Furniture and Office Equipment	Computer Hardware	Infrastructure	Motor Vehicles	Leasehold Improvement	Assets under construction or development	Total	Original Budget 2023	Final Budget 2023	Variance (Orig vs Actual)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January 2023	11	3	159	259	14	194	1	61	702	823	823	121
Additions	-	-	-	18	-	60	41	75	193	-	-	(193)
Disposals	(6)	-	(34)	(27)	-	-	-	-	(67)	-	-	67
Transfers	-	-	(67)	(29)	-	(111)	-	(118)	(325)	-	(207)	325
Balance at 31 December 2023	5	3	58	221	14	144	42	17	503	823	616	320

MINISTRY OF TOURISM AND PORTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

Note 6: Property, plant and equipment (continued)

Accumulated Depreciation	Plant and equipment	Buildings	Furniture and Office Equipment	Computer Hardware	Infrastructure	Motor Vehicles	Leasehold Improvement	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
Balance as at 1 January 2022	11	1	131	127	12	150	-	-	436	442	442	6
Transfers	(2)	-	-	-	-	-	-	-	(2)	-	-	2
Depreciation expense	1	-	8	57	-	25	-	-	92	110	110	17
Eliminate on disposal	-	-	-	(12)	-	(42)	-	-	(54)	-	-	54
Balance at 31 December 2022	10	2	139	173	12	135	-	-	473	552	552	79

Accumulated Depreciation	Plant and equipment	Buildings	Furniture and Office Equipment	Computer Hardware	Infrastructure	Motor Vehicles	Leasehold Improvement	Assets under construction or development	Total	Original Budget 2023	Final Budget 2023	Variance (Orig vs Actual)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January 2023	10	2	139	173	12	135	1	-	473	552	552	80
Transfers	-	-	(67)	(20)	-	(77)	-	-	(165)	-	(154)	165
Depreciation expense	1	-	7	47	-	20	4	-	79	105	95	25
Eliminate on disposal	(6)	-	(34)	(27)	-	-	-	-	(67)	-	-	67
Other adjustments	-	-	-	-	-	-	-	-	-	-	-	-
Balance at 31 December 2023	5	2	45	172	12	79	5	-	320	658	493	337
Net Book value 31 December 2022	1	2	20	87	2	59	-	61	230	270	270	40
Net Book value 31 December 2023	-	1	13	48	2	65	37	17	183	165	122	(17)

MINISTRY OF TOURISM AND PORTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

Note 6b: Intangible Assets

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
Balance at 31 December 2022	71	71	92	92	21

Cost	Computer Software	Total	Original Budget 2023	Final Budget 2023	Variance (Orig vs Actual)
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January 2023	71	71	92	92	21
Disposals	(20)	(20)	-	-	20
Transfers	(43)	(43)	-	(43)	43
Balance at 31 December 2023	8	8	92	49	84

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	(5)
Amortization expense	8	8	2	2	(6)
Balance at 31 December 2022	49	49	38	38	(10)

Accumulated Depreciation	Computer Software	Total	Original Budget 2023	Final Budget 2023	Variance (Orig vs Actual)
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January 2023	46	46	38	38	(9)
Transfers	(21)	(21)		(21)	21
Amortization expense	3	3	2	2	-
Eliminate on disposal	(20)	(20)	-	-	20
Balance at 31 December 2023	8	8	40	19	32

Net Book value 31 December 2022	22	22	55	54	32
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Net Book value 31 December 2023	-	-	53	31	52
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MINISTRY OF TOURISM AND PORTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

Note 7: Trade payables, other payables & Accruals

Actual 2022	Description	Current	Actual 2023	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000	\$'000
458	Creditors	156	156	110	110	(47)
104	Creditors other government agencies	124	124	-	-	(124)
2,341	Accrued expenses	1,417	1,417	331	331	(1,086)
111	Other payables	97	97	86	86	(11)
3,014	Total trade payables, other payables & accruals	1,794	1,793	527	527	(1,268)

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

Note 8: Employee entitlements

Actual 2022	Description	Actual 2023	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000
Current employee entitlements are represented by:					
74	Comp time	100	30	29	(70)
280	Annual leave	297	580	571	274
44	Pension	44	36	36	(8)
398	Total employee entitlements	441	645	636	196

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 2022	Description	Actual 2023	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000
25,523	Outputs to Cabinet ¹	26,353	28,576	27,897	2,223
0	Fees and charges ²	6	5	5	(1)
71	General sales	26	-	-	(26)
12	Other	10	22	6	12
25,606	Total sales of goods and services	26,395	28,603	27,908	2,207

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 2023.

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 PORTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

Note 10: Personnel costs

Actual 2022	Description	Actual 2023	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000
6,703	Salaries, wages and allowances	6,691	7,993	7,542	1,300
952	Health care	981	1,236	1,180	256
324	Pension	323	383	371	61
41	Leave	59	-	-	(59)
52	Other personnel related costs	21	38	37	17
8,072	Total personnel costs	8,074	9,650	9,130	1,576

Note 11: Supplies and consumables

Actual 2022	Description	Actual 2023	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000
126	Supplies and materials	136	228	219	91
13,906	Purchase of services	13,608	20	18	(13,588)
6	Maintenance of vehicles and equipment, roads, buildings, etc.	32	14,994	14,937	14,962
569	Lease of property and equipment	575	659	617	83
126	Utilities	98	133	107	36
11	General insurance	14	17	17	4
105	Interdepartmental expenses	100	125	120	26
710	Travel and subsistence	939	919	917	(20)
254	Recruitment and training	102	237	234	135
82	Local promotion / community sponsor	187	377	377	189
300	Programme support services	246	250	250	3
119	Research and development	193	283	283	91
371	Programme Services	422	364	364	(57)
-	Doubtful Debt Expenses	25	-	-	(25)
16,684	Total supplies and consumables	16,677	18,605	18,461	1,929

Note 12: Legal costs

The Attorney General's Office provides litigation services to the Ministry. During the year ended 31 December 2023 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 was \$206 thousand for the year ended 31 December 2023 (31 December 2022: 108 thousand).

Note 13: Gains / (Losses)

Actual 2022	Description	Actual 2023	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000
(3)	Net losses on impairment of property, plant and equipment	-	-	-	-
82	Net losses on foreign exchange transactions	109	18	18	(91)
(2)	Other (gains)/Losses	-	-	-	-
77	Total (gains)/ losses	109	18	18	(91)

MINISTRY OF TOURISM AND PORTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
Note 14: Contingent liabilities and assets

The Ministry had no contingent assets and liabilities as at 31 December 2023. (31 December 2022: NIL).

Note 15: Explanation of major variances against budget

The final budget is adjusted for amounts approved under Section 9(5) and Section 11(5) of the Public Management and Finance Act (2020 Revision).

Description	Operating Expenditure	Capital Expenditure
	\$'000	\$'000
2023 original Budget	28,576	-
Section 11(5)	-	-
Section 9(5) B/f to 2022 by output from 2023	-	-
Section 9(5) C/f to 2023 by output from 2022	-	-
Transfer Public Transport Unit to another Ministry	(679)	-
Final Budget	27,897	-

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 \$12.2 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 \$323 thousand below budget primarily due to the collection of funds related to cabinet funding.

Current liabilities

Current liabilities were \$11.9 million under budget mainly due to variance in surplus payable of \$13 million.

Statement of financial performance

Sales of Goods and Services

Sales of goods and services from third parties were \$2.2 million below budget due to delays in output productions.

Personnel Costs

Personnel costs were \$1.6 million below budget due to delayed recruitment, savings in expenses such as overtime, acting allowance, duty allowance.

Supplies and consumables

Supplies and consumables were \$1.9 million below budget mainly due to delays in media and advertising spending throughout the year.

Depreciation

Depreciation expense was below budget by \$26 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 \$2.2 million under budget; this was primarily due to delays in Cabinet billing for December 2022 whose revenues were not collected until early 2023. Personnel cost was below budget due to delays in recruitment.

MINISTRY OF TOURISM AND PORTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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 2023 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 2022	Description	Actual 2023	Number of persons
\$'000		\$'000	
1,115	Salaries & other short-term employee benefits	1,217	10
1,115	Total	1,217	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.

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

The Ministry is a party to financial instrument arrangements as part of its everyday operations. These financial instruments include cash & cash equivalents, trade receivables, and accounts payable. The Ministry seeks to minimise exposure from financial instruments and does not enter into speculative financial instrument transactions.

Credit risk is the risk that the counter party to a transaction with the Ministry will fail to discharge its obligations, causing the Ministry to incur a financial loss. The Ministry is exposed to credit risk through the normal trade credit cycle and advances to third parties.

Financial assets that potentially subject the Ministry to credit risk consist of Cash and Cash Equivalents, term deposits, trade receivables, and other receivables.

The average credit period on sales is 30 days. The Ministry manage its Credit risk by limiting the counter parties it transacts business with to counterparties it believes to be capable of performing their contractual obligations. Generally, the Ministry does not require collateral.

Ongoing credit risk is managed through review of ageing analysis, together with credit limits per customer.

Maximum exposures to credit risk as at year end are the carrying value of financial assets in the statement of financial position.

Expected credit losses (ECL)

ECLs are calculated on a lifetime basis for Trade Receivables. Please see trade receivables note 4 for more information on credit risk disclosures for ECL on Trade Receivables.

Concentrations of credit risk

The Ministry does not have any significant credit risk exposure. The credit risk on cash and cash equivalents and short-term investments is limited. The Ministry's main bank is Royal Bank of the Caribbean (RBC) which has a S&P Global Ratings of AA-.

MINISTRY OF TOURISM AND PORTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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 PORTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

Note 18: Segment Reporting

	Department of Tourism - New York		Department of Tourism - Grand Cayman		Department of Tourism - London		Department of Tourism - Toronto		Ministry Administration		Public Transport Unit		Consolidated	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Revenue														
Outputs from Cabinet	10,828	11,422	9,475	8,096	1,892	1,710	1,601	1,339	2,228	2,054	330	902	26,353	25,523
Revenue from External Sources	-	-	32	75	-	-	-	-	3	1	7	8	42	83
Total Revenue	10,828	11,422	9,506	8,171	1,893	1,710	1,601	1,339	2,230	2,055	337	910	26,395	25,606
Expenses														
Personnel	1,634	1,555	4,120	3,768	204	250	120	176	1,813	1,634	183	689	8,074	8,072
Supplies & Consumables	9,534	10,443	3,821	3,197	1,603	1,265	1,279	1,241	400	378	40	160	16,677	16,684
Depreciation	6	10	47	45	3	3	-	-	19	12	7	29	83	100
Other expenses	49	36	142	69	39	53	87	29	(4)	(2)	-	-	315	186
Total Expenses	11,223	12,044	8,131	7,079	1,850	1,571	1,488	1,446	2,228	2,022	230	878	25,149	25,041
Surplus/(Deficit) from Operating Activities	(396)	(621)	1,375	1,092	43	138	113	(108)	2	32	107	32	1,247	565
Assets														
Current Assets	294	607	258	559	351	306	36	72	6,689	6,043	-	-	7,628	7,587
Fixed Assets	22	22	101	166	14	14	-	-	45	(34)	-	61	182	229
Fixed Assets - Intangible	-	-	-	1	-	-	-	-	-	-	-	21	-	22
Total Assets	316	629	359	726	365	320	36	72	6,734	6,009	-	61	7,810	7,838
Liabilities														
Current Liabilities	1,016	1,534	518	852	187	97	36	271	478	3,213	-	16	2,235	5,978
Repayment of Surplus	-	-	-	-	-	-	-	-	3,812	2,565	-	-	3,812	2,565
Total Liabilities	1,016	1,534	518	852	187	97	36	271	4,290	5,778	-	16	6,047	8,543

The Ministry of Tourism and Ports segment report is prepared on the basis of three major sections: Ministry Administration, Department of Tourism, and Public Transport Unit. Activities that cannot be allocated to any other segment are reported under Ministry Administration. 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 Public Transport Unit moved to the Ministry of Planning, Agriculture, Housing & Infrastructure on 31st March 2023.

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 PORTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

Note 19: 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	447	1,189	-	1,635

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.

Other contract operating 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	1,498	371	-	1,868

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 2023, the Ministry recorded a surplus payable of \$3.8 million (31 December 2022: \$2.5 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".

Note 21: Contributed capital

As at 31 December 2023, the Ministry recorded contributed capital of \$1.8 million (31 December 2022: \$1.9 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 2023, 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 PORTS
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Note 23: Explanation of Appropriation Changes

In March 2023, Cabinet agreed for the remaining balance of Appropriation DAT 14 which consisted of the Public Transport Unit to be moved from The Ministry of Tourism and Ports to The Ministry of Planning, Agriculture, Housing and Infrastructure. The appropriation change is as follows:

Affecting Final Budget: Decreasing the Original Budget to the Final Budget					
Nature	Date	FS Note	Purpose	Amount \$000	Approval Status
Section 12	31-Mar-23	7, 10, 11 & 12	Appropriation transferred from DAT 14 - PublicTransport Services to the Ministry of Planning	679	Cabinet approved on 31 March 2023

Note 24: Subsequent Events

No subsequent events.