

Barbados Audit Office



REPORT

of the

AUDITOR GENERAL

on the

Financial Statements

of the

Government of Barbados

For the Financial Year ended

31st March, 2020



THE BARBADOS AUDIT OFFICE
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1st July, 2022

His Honour The Speaker
The House of Assembly
Parliament Building
BRIDGETOWN

Dear Mr. Speaker,

In accordance with Section 88 (4) of the Public Finance Management Act, 2019-1, I forward for laying before the House of Assembly the Financial Statements of the Government prepared by the Accountant General for the Financial Year ended March 31, 2020, along with my opinion on the statements.

The audited financial statements submitted form part of my Report prepared in accordance with Section 113 (3) of the Constitution of Barbados and Section (77) 5 of the Public Finance Management Act, 2019-1.

A copy of the Report is transmitted to the Senate for information, in accordance with Section 77 (6) of the above-mentioned Act.

Yours faithfully

Leigh E. Trotman
Auditor General

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AUDITOR GENERAL'S OFFICE BARBADOS



INDEPENDENT AUDITOR'S REPORT

To the House of Assembly

Adverse Opinion

I have audited the financial statements of the Government of Barbados which comprise of the Statement of Financial Position, Statement of Financial Performance and Cash Flow for the year ended 31st March, 2020 and a summary of significant accounting policies.

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the accompanying financial statements do not give a true and fair view of the financial position of the Government of Barbados as at 31st March, 2020 and its cash flows for the year ended in accordance with International Public Sector Accounting Standards (IPSAS).

Basis for Adverse Opinion

The accounts of the state organisations were not consolidated into the Financial Statements as required by the International Public Sector Accounting Standards (IPSAS). Also, the pension liability of Government employees was excluded from the Financial Statements. Fixed Assets of \$1.8 billion excluded amounts for Road Infrastructure and Heritage Assets as stipulated in the Statement of Accounting Policies to the Financial Statements. In addition, the reported value of \$1.7 billion for Land owned by the Government could not be verified as the relevant documentation was not provided.

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). My responsibility under those standards is further described in the Auditor's Responsibility for the Audit of the Financial Statements section of my report. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for my adverse opinion.

Independence

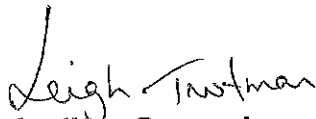
I am independent of the Government of Barbados in accordance with Section 113 (4) of the Constitution of Barbados. I am not subject to the direction or control of any authority in carrying out the audit of the financial statements of the Government of Barbados, and I have fulfilled my responsibilities in accordance to these requirements.

The Accountant General's Responsibility for the Financial Statements

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

Auditor's Responsibility 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 misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with IFRS 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.



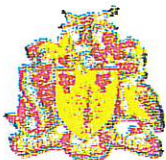
Auditor General
2nd Floor Weymouth Corporate Centre
Roebuck Street
St. Michael

1st July, 2022



Government of Barbados
Consolidated Fund
Statement of Financial Performance
For the Year Ended March 31, 2020

Notes	Approved Budget 2020 \$	Revised Budget 2020 \$	Actual 2020 \$	Actual 2019 \$
Revenues				
Taxation:				
Goods and Services	1,505,423,219	1,359,974,778	1,510,600,812	1,407,475,781
Income and Profits	837,556,449	793,564,349	915,306,016	962,098,709
Property	191,000,000	215,405,182	256,823,275	186,494,114
International Trade	250,000,000	220,529,308	237,181,994	212,518,214
Other	11,850,000	11,230,064	11,656,550	11,015,841
Total Taxation Revenue	1 <u>2,795,829,668</u>	<u>2,600,703,681</u>	<u>2,931,568,647</u>	<u>2,779,602,658</u>
Non-Taxation:				
Special Receipts	8,534,800	7,477,909	480,479,719	367,682,739
Levies, fees, fines and penalties	168,032,272	110,008,358	142,711,726	145,741,924
Investment Income	-	10,876,227	13,511	25,441,296
Foreign Exchange Differences	-	-	-	-
Other	240,638,377	106,637,856	15,668,446	13,802,033
Grant Income	20,000,000	17,500,000	11,751,548	3,956,174
Total Non-Tax Revenue	1 <u>437,205,449</u>	<u>252,500,350</u>	<u>650,624,950</u>	<u>556,624,167</u>
Total Revenue	<u>3,233,035,117</u>	<u>2,853,204,031</u>	<u>3,582,193,597</u>	<u>3,336,226,825</u>
Expenditure				
Operating Expenses:				
Payroll and Employee Benefits	824,940,233	837,890,466	787,206,577	812,509,304
Personal Emoluments	755,412,453	767,316,118	717,195,644	749,029,599
Employer Contributions	69,527,781	70,574,348	70,010,933	63,479,705
Goods and Services	417,070,274	466,560,810	390,388,754	363,383,721
Depreciation Expense	54,000,000	54,000,000	46,517,481	46,354,814
Bad Debt Expense	8,761,586	8,761,586	740,595	5,704,781
Loss on Investments	-	-	23,149,947	-
Total Operating Expenses	2 <u>1,304,772,093</u>	<u>1,367,212,862</u>	<u>1,248,003,354</u>	<u>1,227,952,620</u>
Current Transfers:				
Retiring Benefits and Allowances	3 365,897,919	371,665,459	366,330,749	325,483,905
Subscriptions and Contributions	23,513,937	23,622,359	22,360,900	25,610,223
Grants	4 561,024,903	593,333,997	566,783,006	817,557,421
Subsidies	24,846,845	25,146,845	24,862,883	51,387,117
Total Current Transfers	<u>975,283,604</u>	<u>1,013,768,660</u>	<u>980,337,538</u>	<u>1,220,038,666</u>

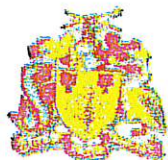


Government of Barbados
Consolidated Fund
Statement of Financial Performance
For the Year Ended March 31, 2020

		Approved Budget 2020 \$	Revised Budget 2020 \$	Actual 2020 \$	Actual 2019 \$
Capital Transfers:					
Grants	4	20,666,514	99,945,358	40,029,573	117,508,309
Subscriptions and Contributions		-	3,000,000	6,884,483	38,028,762
Total Capital Transfers		20,666,514	102,945,358	46,914,056	155,537,071
Debt Service					
Interest Expense		333,935,303	353,101,824	530,293,272	713,529,536
Expenses of Loans		4,568,758	4,601,614	3,946,276	5,530,498
Total Debt Service	5	338,504,061	357,703,438	534,239,547	719,060,034
Total Expenditure		2,639,226,272	2,841,630,318	2,809,494,496	3,322,588,391
Consolidated Fund (Surplus) Deficit		(593,808,845)	(11,573,713)	(772,699,101)	(13,638,434)
Annex Revenue		22,631,530	16,002,978	16,514,258	19,295,850
Annex Expenditure		26,843,679	26,843,679	23,968,893	26,453,419
Total Annex - Net Deficit (Surplus)		4,212,149	10,840,701	7,454,635	7,157,569
Total Consolidated Fund (Surplus) Deficit (incl. Annex)		(589,596,696)	(733,012)	(765,244,466)	(6,480,865)

The accompanying notes form an integral part of these financial statements


 Accountant General
 April 26, 2021



Government of Barbados
Consolidated Fund
Statement of Financial Position
At March 31, 2020

	Notes	Actual Mar-20	Actual Mar-19
Current Assets		3,182,977,432	2,281,200,952
Financial Assets		3,182,446,561	2,280,918,626
Cash and bank	6	1,307,082,825	698,802,617
Investments - Fund accounts	7	741,469	741,469
Receivables (Net)	8	1,710,801,063	1,417,557,374
Restricted cash and cash equivalent	9	163,821,202	163,817,166
Trust Funds		1,138,855	1,139,052
Other Funds		162,682,347	162,678,114
Non-Financial Assets		530,871	282,325
Inventories		530,871	282,325
Non-Current Assets		4,334,158,754	4,264,472,415
Financial Assets		770,772,093	758,103,870
Sinking Fund Assets	9	179,686,540	184,681,057
Investments	10	572,894,362	557,139,299
Loans to individuals and agencies	11	2,152,267	1,837,859
Receivables - Public Officers	12	16,038,924	14,445,655
Non-Financial Assets		3,563,386,661	3,506,368,545
Land	13	1,757,730,457	1,756,396,056
Other capital assets (Net)	13	1,805,656,204	1,749,972,489
Total Assets		7,517,136,186	6,545,673,367
Liabilities			
Current Liabilities			
Overdraft Facility		201,073,957	104,321,487
Accounts Payable		38,031,121	13,251,331
Paymaster account		615,935,862	194,559,831
Due to other Governments & agencies	14	400,427,969	419,049,668
Other liabilities to Governments and agencies		1,823,229	6,592,878
Deposits		349,133,866	376,099,645
Deferred Revenue		49,470,874	36,357,145
Pension Liability	14	6,056,381	6,917,238
Short Term debt	15	896,829,759	1,285,859,730
Treasury Bills		434,536,262	495,103,750
Current portion of Long term Debt		462,293,497	790,755,980
Total Current Liabilities		2,158,355,048	2,023,959,284
Long-term Liabilities			
Debt	15	11,012,034,998	10,899,730,410
Trust Funds		3,048,979	3,395,836
Special Funds		155,122,578	166,187,206
Total Long term Liabilities		11,170,206,555	11,069,313,452
Total Liabilities		13,328,561,602	13,093,272,736
NET ASSET/EQUITY		(5,811,425,416)	(6,547,599,369)
Net Asset/Equity			
Accumulated Deficit		6,926,433,850	7,869,184,681
Revaluation Reserve		(378,834,481)	(378,834,481)
(Deficit)/Surplus for the year		(765,244,466)	(6,480,865)
Change in Equity		29,070,513	(936,269,967)
Total Net Asset/Equity		5,811,425,416	6,547,599,368
NET DEBT		9,375,342,948	10,054,250,239

The accompanying notes form an integral part of these financial statements


 Accountant General
 April 26, 2021



Government of Barbados
Consolidated Cash Flow Statement
For the Year Ended March 31, 2020

	Actual Mar-20	Actual Mar-19
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		
Taxation	2,736,278,588	2,834,749,562
Sale of goods and services	16,514,258	19,295,850
Grants	11,751,548	3,956,174
Interest received	13,511	25,441,296
Other receipts	614,420,881	527,226,697
Total Receipts	3,378,978,786	3,410,669,579
Payments		
Employee costs	(807,199,752)	(812,509,304)
Superannuation	(366,330,749)	(325,483,905)
Suppliers	(369,783,049)	(621,799,021)
Interest paid	(530,293,272)	(719,060,034)
Other payments	(664,249,370)	(1,050,091,832)
Total Payments	(2,737,856,192)	(3,528,944,096)
Net cash flows from operating activities	641,122,594	(118,274,517)
CASH FLOWS FROM INVESTING ACTIVITIES		
(Acquisition) Disposal of Capital Assets	(132,605,440)	871,027,544
(Increase) Decrease in Investments	(10,764,583)	232,360,348
(Increase) Decrease in funding to Broader Public Sector Organisations	(99,984,529)	1,229,164,227
Net cash flows from investing activities	(243,354,552)	2,332,552,119
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	331,555,416	(875,769,332)
Repayment of borrowings	(354,654,565)	(333,471,633)
Increase (Decrease) in other liabilities	233,611,317	(511,563,760)
Net cash flows from financing activities	210,512,168	(1,720,804,724)
Net increase / (decrease) in cash and cash equivalents	608,280,209	493,472,877
Cash and cash equivalents at beginning of year	698,802,617	205,329,739
Cash and cash equivalents at end of year	1,307,082,825	698,802,616



Notes to the Cash Flow Statement

(a) Reconciliation of Net Cash Flows from Operating Activities to Net Surplus / (Deficit) from Ordinary Activities

Surplus / (Deficit) from ordinary activities	765,244,466	6,480,865
Non-cash movements		
Depreciation Expense	46,517,481	46,354,814
Bad Debt Expense	740,595	5,704,781
Loss (Gain) on sale of Investment	-	-
(Increase) decrease in receivables	(195,911,193)	55,146,904
Increase (decrease) in Accrued Liabilities	24,779,790	(232,211,074)
(Increase) decrease in Inventories	(248,545)	249,193
(Increase) Decrease in Prior year Expenditure	-	-
Net cash flows from operating activities	641,122,594	(118,274,518)

(b) Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and balances with banks and investments in money market instruments. Cash and cash equivalents included in the cash flow statement comprise the following statement of financial position amounts:

	Actual Mar-20	Actual Mar-19
Cash on hand and balances with banks	1,307,082,825	698,802,617
Short-term investments	-	-
	1,307,082,825	698,802,617

(C) Capital Asset Acquisition

During the period, the Government of Barbados acquired the following by means of cash payments:

Land	1,334,401	1,968,916
Machinery and Equipment	75,335,546	(915,811,197)
Furniture and Fixtures	2,757,600	1,893,354
Software	2,947,569	2,138,359
Property and Plant	6,004,537	23,053,275
Motor Vehicles	1,070,016	2,812,636
Assets under construction	43,155,771	12,917,113
Total Capital Asset Acquisitions	132,605,440	(871,027,544)



Government of Barbados
Statement of Change in Net Asset/Equity
For the Year ended March 31, 2020

	Accumulated Surpluses	Other reserves	Translation Reserve	Acquisition clearing account - Prior Years	Total
Balance at March 2018					6,547,599,369
Changes in accounting policy	-				-
Correction of error of estimate		-			-
Prior Year Adjustment				(907,199,454)	(907,199,454)
	-	-	-	(907,199,454)	5,640,399,915
Changes in Consolidated Fund for 2019					
Error in opening balance					-
Gain on property revaluation					-
Increases in Capital	936,269,967				936,269,967
Gain on investments	(13,511)				(13,511)
Exchange differences	(651)				(651)
Net (revenue)/expenditure recognised in Net Asset/Deficit	936,255,805				936,255,805
(Surplus)/Deficit for the period	(1,701,500,271)				(1,701,500,271)
Total recognised revenue and expenses for the year	(765,244,466)	-	-	-	(765,244,466)
Balance at March 2020					5,811,425,416


 Accountant General
 April 26, 2021

Statement of Accounting Policies

Reporting Entity

The Financial Statements of the Government of Barbados are prepared in accordance with the requirements of the Financial Management and Audit Act 2007.

The Government reporting entity relates only to the ministries and departments of the Crown.

Accounting Policies

The accrual basis of accounting has been used in preparing these financial statements unless otherwise stated. The accrual basis means that transactions and other events are recognized when they occur and not only when cash or its equivalent is received or paid.

These financial statements do not comply with International Public Sector Accounting Standards (IPSAS). IPSAS offers Governments using the standards a period of three years in which to consolidate all of the accounts of the entities controlled by the Government of Barbados. This requirement has not been met.

Efforts are continuing to be made towards achieving full compliance with IPSAS.

Reporting and forecast period

The reporting and budget period for these financial statements is the year April 1, 2019 to March 31, 2020.

Measurement Uncertainty

Uncertainty in the determination of the amount at which an item is recognized in the financial statements is known as measurement uncertainty. Such uncertainty exists when it is reasonably possible that there could be a material variance between the recognized amount and another reasonably possible amount.

Measurement uncertainty in these financial statements and notes exists in the valuation of the value of tangible capital assets and the accruals for personal income tax, corporation tax and value added tax revenues.

Uncertainty related to the accrual for personal income tax, corporation tax and value added tax arises because of the possible differences between the estimated and actual economic growth and the impact of future tax assessments on tax receivable. Uncertainty in the value of tangible capital assets exists because estimates of historical cost are used and because of differences between estimated useful life and actual useful lives.

Estimates are based on best information available at the time of preparation of the financial statements and will be reviewed annually to reflect new information as it becomes available.

Revenue

Non-exchange Revenue

The Government provides many services and benefits that do not give rise to revenue. Further, payment of tax does not, of itself, entitle the taxpayer to an equivalent value of services or benefits as there is no direct relationship between paying tax and receiving services and transfers.

Such revenue is received through the exercise of the Crown's sovereign power. Where possible such revenue is recognized when the debt to the Crown arises.

Revenue Type	Revenue recognition point
<i>Income and Profits:</i>	
Income Tax (source deductions)	When an individual earns income that is subject to PAYE
Consolidation Tax (source deductions)	When an individual earns income that is subject to Consolidation Tax
Corporation Tax	When payment is made with accrual of taxes due for the year at end of year
Withholding Tax	When an individual is paid interest or dividends subject to the deduction at source
<i>Goods and Services:</i>	
Value Added Tax	When the assessment is raised
Highway revenue	When payment of the fee or charge is made.
Excise Duties	When goods are subject to duty
Levies	When payment of the levy is made
Other Direct Taxes	When the debt to the Crown arises

Revenue Earned through operations

If revenue has been earned by the Government in exchange for the provision of Goods and Services to third parties, the Government receives its revenue through operations. Such revenue is recognized when it is earned.

Investment Income

Investment income is recognized in the period in which it is earned.

Premiums and discounts

Premiums arising on the issue of a debt instrument are treated as a reduction of the finance cost.

Premiums and discounts are recognized in the Statement of Financial Position on issue, and are amortised over the period of the instrument on a yield-to-maturity basis.

Gains

Realised gains from the sale of fixed assets or the early repurchase of liabilities are recognized in the Statement of Financial Performance in the period in which the transaction occurs.

Un-realised gains arising from changes in the value of property, plant and equipment are recognized in the Statement of Financial Performance to the extent that a gain reverses a loss previously charged to the Statement of Financial Performance. Otherwise gains are credited to an asset revaluation reserve for the class of asset.

Un-realised foreign exchange gains on monetary assets and liabilities are recognized in the Statement of Financial Performance.

Expenses

Expenses are recognized in the period to which they relate.

Retiring Benefits and allowances

Retiring benefits though statutory in nature are not a right of the employee. The expense associated with Retiring benefits is therefore reported when the amount payable becomes known (on approval of the Governor General).

Grants and subsidies

Grants and subsidies are discretionary until payment; the expense is recognized when the payment is made.

Discounts and premiums

Discounts arising on the issue of a debt instrument are treated as an increase of the finance cost.

Premiums and discounts are recognized in the Statement of Financial Position on issue, and are amortised over the period of the instrument on a yield-to-maturity basis.

Losses

Realised losses arising from the sale of fixed assets or the early repurchase of liabilities are recognized in the Statement of Financial Performance in the period in which the transaction occurs.

Un-realised losses arising from changes in the value of property, plant and equipment are recognized at the balance sheet date. Un-realised losses are first applied against any revaluation reserve for that asset class. The balance, if any, is charged to the Statement of Financial Performance.

Un-realised foreign exchange gains on monetary assets and liabilities are recognized in the Statement of Financial Performance.

Foreign currency transactions

Transactions in foreign currency are translated into Barbados dollars using the exchange rate on the dates of the transactions. Exchange rate differences arising on settlement of these transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the Statement of Financial Performance.

Currency exchange rates are determined by reference to the Central Bank of Barbados.

Depreciation

Depreciation is charged on a straight line basis calculated to allocate the cost or valuation of an item of property, plant and equipment over the estimated useful life. Typically the estimated useful lives of different classes of property plant and equipment are as follows:

Heritage Assets:	not amortized
Buildings:	40 years
Machinery and Equipment:	5 to 15 years
Road Works, Bridges and Infrastructure:	20 to 40 years
Computer Hardware:	3 to 5 years
Computer Software:	1 to 5 years
Furniture, Fittings and Equipment:	5 to 10 years
Motor Vehicles:	3 to 10 years
Specialised Military Equipment:	3 to 20 years
Ships and Boats:	10 to 25 years
Aircraft	10 to 20 years

Borrowing Costs

Borrowing costs are recognized as expenses in the period during which they are incurred.

Assets*Receivables and advances*

Receivables and advances are recorded at the amounts expected to be ultimately collected in cash.

Inventories

Inventories are recorded at the lower of cost and net realizable value. Where inventories acquired are recorded at cost, the weighted average cost method is used.

Investments

Investments, including marketable securities held for investment purposes, are recorded at the lower of cost and fair value.

Items of property, plant and equipment

Items of property, plant and equipment which include buildings, motor vehicles and office equipment, are recorded at cost less accumulated depreciation.

Revaluations are carried out for the classes of property, plant and equipment noted below to reflect the service potential or economic benefit obtained through control of the asset. Revaluation is based on the fair value of the asset.

Classes of property, plant and equipment assets that are revalued, are revalued at least every three years.

Land and buildings

Land and buildings are recorded at cost less accumulated depreciation on buildings.

All lands are valued using the Comparative Method which relies on the analysis of recent transactions involving similar lands. Buildings are valued using the Depreciation Replacement Cost Method.

Liabilities*Borrowings*

In the Statement of Financial Position, borrowings are recorded at nominal value.

Leases

Finance leases transfer to the Government as lessee substantially all the risks and rewards incident on the ownership of the leased asset. The obligations under such leases are capitalized at present value of the minimum lease payments. The capitalized values are amortised over the period in which the Government expects to receive benefits from their use.

Operating leases, where the lessor substantially retains the risks and rewards of ownership, are recognized in a systematic manner over the term of the lease.

Leasehold improvements are capitalized and the cost is amortised over the unexpired period of the lease or the estimated useful life of the improvements, whichever is shorter.

Other liabilities

All other liabilities are recorded at the estimated obligation to pay.

Comparatives

To ensure consistency with the current period, comparative figures have been restated where appropriate.

Notes to Financial Statements

1 Taxation Revenue

Income and Profits	Revised Estimates 2019-2020	Actual 2019-2020	Actual 2018-2019
Individuals			
Individuals (Net)	437,007,521	492,992,525	561,028,414
Individuals (PAYE)		537,153,416	593,961,693
Refunds		(44,167,704)	(33,492,007)
Consolidation Tax	5,850	6,813	558,728
Corporation			
Corporation Tax (Net)	317,014,153	385,225,737	355,047,208
Corporation Tax		442,752,718	380,758,850
Refunds		(57,526,981)	
Withholding Tax:			
Withholding Tax (Net)	39,536,825	37,087,754	46,023,087
Withholding Tax		37,087,754	46,023,087
Withholding Tax Non-residents		-	-
Withholding Tax on dividend Income		-	-
Withholding Tax Residents		37,087,754	46,023,087
Refunds			
Total Income and Profits	793,564,349	915,306,016	962,098,709
Goods and Services			
VAT (Net)	971,807,126	1,041,207,041	964,257,966
Value Added Tax		1,181,322,425	981,917,926
Refunds		(140,115,384)	(17,659,960)
Excise Duty	259,405,401	259,829,068	262,928,633
Highway Revenue	20,557,636	19,798,977	30,484,992
Other	108,204,615	189,765,726	149,804,190
Total Goods and Services	0	1,510,600,812	1,407,475,781
Property Tax			
Land Tax (Net)	198,919,823	238,434,005	172,533,107
Land Tax		238,434,005	172,533,107
Refunds		-	-
Property Transfer Tax	16,485,359	18,389,270	13,961,007
Rent registration			
Total Property Tax	215,405,182	256,823,275	186,494,114
International trade			
Import Duties (Net)	220,529,308	236,182,033	211,475,607
Import Duties		242,190,176	216,398,825
Refunds		(6,008,143)	(3,923,219)
Tax on sugar imports		999,961	1,042,607
Total International Trade	220,529,308	237,181,994	212,518,214
Other Indirect Taxation			
Stamp Duty	11,230,064	11,656,550	11,015,841
Total Indirect Taxation	11,230,064	11,656,550	11,015,841
Total Taxation Revenue	1,240,728,903	2,931,568,647	2,779,602,658

The amounts reflected in the table above for individual tax, Corporation tax and VAT refunds are the refunds payable.

Notes to Financial Statements

Land Tax Rebates, Waivers & Discounts

	2019-2020	2018-2019
Rebates	69,639,980	43,895,000
Waivers	3,299,023	8,425,000
Discounts	7,373,586	11,512,000
TOTAL	80,312,588	63,832,000

Amnesty: Penalties & Interest waived

	2019-2020	2018-2019
Corporation Tax - Interest	100,862	3,909,933
Corporation Tax - Penalty	23,972	355,752
Income Tax - Interest	303,501	3,568,031
Income Tax - Penalties	79,365	296,187
VAT - Interest	-	1,080,499
VAT - Penalties	-	227,860
Land Tax - Interest	344,277	3,838,309
Land Tax - Penalties	26,286	585,732
TOTAL	878,264	13,862,304

During financial year 2019-2020 Land Tax rebates, waivers and Discount totaled \$80,312,588.

As a result of the amnesty there was a 100% write off of interest and Penalties of \$878,264.13

There was also a 50% rebate of land tax interest and penalties of \$3,299,022.66

Customs and Excise Department waived revenue totaling \$580,794,103.00 during financial year 2019-2020 compared to \$642,080,966.30 during financial year 2018-2019.

2 Operating Expenses

Personal Emoluments

Personal Emoluments include salaries, wages and allowances paid to the Governor General, Ministers of Government and public officers. (Excluding the Annex)

Personal Emoluments	Revised Estimates 2019-2020	Actual Actual 2019-2020	Actual Actual 2018-2019
Statutory Personal Emoluments	634,761,473	581,009,052	612,054,290
Other Personal Emoluments	152,251,412	136,186,592	136,975,309
Employers' Contribution to NIS	72,516,255	70,010,933	63,479,705
Total	859,529,140	787,206,577	812,509,304

Goods and Services

Goods and Services relate to those expenses incurred in undertaking the functions and activities of entities

Included in the financial statements, excluding those expenses identified separately in the Statement of Financial Performance. Items disclosed separately below are required by Financial Reporting Standards.

Most items of Goods and Services represent expenses incurred in the normal course of operations.

Notes to Financial Statements

Goods and Services	Revised Estimates 2019-2020	Actual 2019-2020	Actual 2018-2019
Travel	8,187,510	6,159,635	6,441,852
Utilities	55,642,135	48,580,800	50,046,783
Rental of Property	75,575,947	73,198,803	73,665,203
Library Books & Publications	1,182,625	754,276	848,702
Supplies & Materials	74,019,447	52,421,719	41,334,864
Maintenance of Property	87,652,402	73,268,778	79,100,540
Operating Expenses	84,497,521	72,304,491	77,377,945
Structures	12,323,623	6,858,686	5,363,764
Professional Services	65,011,279	52,826,392	28,918,384
Contingencies	4,516,575	4,015,175	285,684
Total	468,609,064	390,388,754	363,383,721

Bad Debt Expense

A change in Bad debt policy was issued by the Director of Finance and Economic Affairs during financial year 2009-10. It stipulates that the annual provision for Bad Debt will be made at a rate of 2 percent of outstanding receivables. Further details of the Provision for Bad Debt can be found in Note 11.

Bad Debt Expense	Revised Estimates 2019-2020	Actual 2019-2020	Actual 2018-2019
Bad Debt Expense	8,827,329	740,595	5,704,781

Depreciation Expense

All tangible capital assets, except land and assets under construction, are being amortised on a straight line basis over their estimated useful lives. The estimated useful lives have been set out in the accounting policies which form an integral part of these Notes to the Financial Statements.

Depreciation Expense	Revised Estimates 2019-2020	Actual 2019-2020	Actual 2018-2019
<i>Buildings</i>		32,997,800	32,597,694
<i>Machinery and Equipment</i>		8,703,825	9,245,885
<i>Furniture</i>		428,991	396,903
<i>Infrastructure</i>		6,125	5,324
<i>Vehicles</i>		3,604,748	3,562,970
<i>Software</i>		775,992	546,039
Total	54,000,000	46,517,481	46,354,814

Gain on Investments	Revised Estimates 2019-2020	Actual 2019-2020	Actual 2018-2019
Loss on revaluation of shares	-	-	-
Loss on disposal of shares	-	-	-
Total			
Total Operating Expenses	1,390,965,533	1,224,853,407	1,227,952,620

3 Retiring Benefits

Retiring Benefits and Allowances	Revised Estimates 2019-2020	Actual 2019-2020	Actual 2018-2019
Retiring Benefits	274,642,030	275,602,167	260,710,810
Other Retiring Benefits	97,023,429	90,728,582	64,773,095
Total Retiring Benefits and Allowances	371,665,459	366,330,749	325,483,905

Retiring benefits and allowances include pensions, and cost of living allowances paid to public officers under Cap 25 of the Laws of Barbados and other related subsidiary legislation. It also includes the payment of ex-gratia awards and payments to legislative officers.

The Government of Barbados uses an unfunded defined benefit plan for the payment of superannuation benefits to its employees.

Benefits are paid for by the Government as and when due. No assets are therefore being put aside to meet any obligations that may arise in the future.

4 Grants

Grants	Revised Estimates 2019-2020	Actual 2019-2020	Actual 2018-2019
Grants to Public Institutions	640,740,189	558,021,689	875,900,535
Grants to Individuals	36,109,177	33,415,543	39,736,346
Grants to non-profit organisations	16,429,989	15,375,347	19,428,849
Total Grants	693,279,355	606,812,579	935,065,730

Grants include transfers made to statutory corporations, boards and non profit organisations to assist with their day to day operations, plant refurbishment or other capital projects. Grants also include transfers to individual under the Barbados Scholarship program managed by the Ministry of Education.

5 Debt Service Costs

Debt Service Expenses	Revised Estimates 2019-2020	Actual 2019-2020	Actual 2018-2019
Interest Expense			
Domestic	221,305,030	282,552,208	670,931,530
Foreign	144,839,014	247,741,063	42,598,005
Total Interest Expense	366,144,044	530,293,272	713,529,536
Expenses of Loans	4,568,758	3,946,276	5,530,498
Total	370,712,802	534,239,547	719,060,034

Further details of debt service costs can be found in Schedule 6 of the Financial Statements.

6 Cash

Cash and Bank As At March 31	2020	2019
Treasury Cash	17,254,511	4,179,333
Treasury Account	765,072,457	240,237,082
Postmaster General's cash	1,720,011	1,716,251
Mission Bank accounts	14,039,420	9,218,087
Schools' Bank accounts	13,358,284	8,023,895
Bank accounts - Projects	383,996,680	377,743,607
Crown Agents	365,838	606,051
Other Foreign Bank account	111,275,624	57,078,310
Total	1,307,082,825	698,802,617

Notes to Financial Statements

On October 1, 2018, the International Monetary Fund (IMF) approved a US\$290 million four-year Extended Fund Facility (EFF) for the Government of Barbados (GOB). The EFF was in support of GOB's homegrown economic programme called the Barbados Economic Recovery and Transformation (BERT) programme to address longstanding challenges of very high debt and very low foreign reserves. The EFF also facilitated GOB being able to access much needed loan financing from international financial institutions such as the Inter-American Development Bank and the Caribbean Development Bank. The proceeds of these loans were deposited into special deposit project accounts at the Central Bank of Barbados and are included in the Cash and Bank balances showed in the table above.

7 Investment - Fund Account

Investment - Fund Account		
As At March 31	2020	2019
Fixed Deposits	741,469	741,469
Total Investment - Fund Account	741,469	741,469

8 Receivables

Receivables (Net)		
As At March 31	2020	2019
Tax and Other Receivables		
Corporation Tax Receivable	143,036,283	80,311,262
Provision for Bad Debts	(640,448)	(640,448)
Corporation Tax Receivable (Net)	142,395,835	79,670,814
Income Tax Receivable	286,762,363	189,166,531
Provision for Bad Debts	(2,344,766)	(2,028,085)
Income Tax Receivable (Net)	284,417,597	187,138,446
VAT Receivable	605,712,399	566,377,085
Provision for Bad Debts	(9,468,737)	(9,032,853)
VAT Receivable (Net)	596,243,662	557,344,231
Import and Excise Duties Receivable	9,126,620	10,169,046
Provision for Bad Debts	(17,004)	(17,004)
Duties Receivable (Net)	9,109,616	10,152,042
Land Tax Receivable	409,410,154	424,040,864
Provision for Bad Debts	(5,709,200)	(5,709,200)
Land Tax Receivable (Net)	403,700,954	418,331,664
Highway Revenue Receivable	180,092	180,092
Provision for Bad Debts	(68,779)	(68,779)
Highway Revenue Receivable (Net)	111,314	111,314
Non Tax Revenue Receivables	68,794,850	70,083,913
Barbados Turf Club Receivables	201,927	201,927
Other Receivables	95,400,378	84,093,351
Total Tax and Other Receivables	1,600,376,132	1,407,127,702
Advances to Other Governments and agencies		
Advances to Other Governments	1,607,032	1,149,964
Pension Advances	55,640	18,547
Advances to statutory corporation	102,118,292	6,746,226
Other Receivables	6,843,967	2,514,935
Total advances to Other Governments and agencies	110,424,931	10,429,672
Total Receivables (Net)	1,710,801,063	1,417,557,374

Other receivables include an amount due for non tax revenue.

Advances to Statutory Corporation comprise mainly of advances to Barbados Port Inc., Barbados Tourism Investment, The Barbados Agricultural Management Company and The National Housing Corporation.

Other Advances to Statutory Corporations relates to sales on credit by the Central Purchasing Department.

These are expected to be settled within a ninety day period.

Notes to Financial Statements

9 Restricted cash

Restricted cash and cash equivalents As At March 31	2020	2019
Sinking Fund Assets	179,686,540	184,681,057
Trust Funds	1,138,865	1,139,052
Special Funds	162,682,347	162,678,114
Total	343,507,743	348,498,223

The financial assets above are restricted in their nature since they are only available to meet specified purposes and are unavailable by statute or other reasons; for general use by the Crown. Ref Note 15

Sinking fund investments are held until maturity of the associated bond instrument, as such they are carried at cost in the financial statements. Sinking fund investments at the financial statement date was \$15,619,000 while sinking fund cash was \$64,068,028.31

Special funds include funds held and managed by the Treasury Department as well as special funds managed by the Central Bank of Barbados. Significant amounts include the Industrial Credit Fund which has assets of \$110,442,026.35 at the financial statement date.

10 Investments

Equity Investments As At March 31	2020	2019
Whitepark Development Incorporated	133,337,685	133,337,685
Other Investments	225,213,978	209,458,915
LIAT	214,342,699	214,342,699
Total	572,894,362	557,139,299

11 Loans to individuals and agencies

As At March	2020	2019
Principal outstanding	2,152,267	1,837,859
Barbados Tourism Investment Inc.	-	-
Hotel and Resorts Ltd.	-	-
Fund Access	-	-
Clearwater Bay	-	-
Small Businesses - Enterprise Growth Fund	-	-
Fair Trading Commission	-	-
Parliamentarians and Registering Officers	2,152,267	1,837,859
Caves of Barbados	-	-
Interest accrued	-	-
Barbados Tourism Investment Inc.	-	-
Hotel and Resorts Ltd.	-	-
Fund Access	-	-
Small Businesses - Enterprise Growth Fund	-	-
Net Carrying Value	-	-
Barbados Tourism Investment Inc.	-	-
Hotel and Resorts Ltd.	-	-
Provision for Bad Debt	-	-
Fund Access	-	-
Clearwater Bay	-	-
Small Businesses - Enterprise Growth Fund	-	-
Fair Trading Commission	-	-
Caves of Barbados	-	-
Southern Golf	-	-
Needham Point	-	-
Parliamentarians and Registering Officers	2,152,267	1,837,859
Total loans to individuals and agencies	2,152,267	1,837,859

Notes to Financial Statements

12 Receivables - Public Officers

Receivables - Public Officers		
As At March	2020	2019
Loans - Vehicle loans	10,698,345	11,378,313
Loans - Insurance Loans	4,615	3,924
Loans - Training Loans	264,361	5,398
Overdrawn salaries	5,071,603	3,058,020
Total Public Officers Receivables	16,038,924	14,445,655

This balance include advances to public officers under the POLTA Scheme, Training Loans Scheme and amounts relating to overdrawn salaries being repaid by public officers.

13 Tangible Capital Assets

Tangible Capital Assets		
As at March 31	2020	2019
Gross carrying value		
Land (valuation)	1,757,730,457	1,756,396,056
Property and Plant	1,479,831,124	1,473,826,587
Machinery and Equipment	350,003,759	307,796,303
Furniture and Fixtures	23,324,702	20,567,102
Software	28,333,397	25,385,828
Motor vehicles	75,623,478	70,009,162
Infrastructure	88,501,370	88,501,370
Assets Under Construction	522,266,611	479,110,840
Total Gross Carrying Value	2,567,884,441	2,465,197,192
Accumulated Depreciation		
Property and Plant	533,695,058	500,684,409
Machinery and Equipment	158,279,279	149,301,454
Furniture and Fixtures	4,884,887	4,447,899
Software	9,329,420	8,438,132
Motor vehicles	56,039,593	52,352,808
Infrastructure	-	-
Total Accumulated Depreciation	762,228,237	715,224,703
Net Carrying Value		
Property and Plant	946,136,066	973,142,178
Machinery and Equipment	191,724,480	158,494,849
Furniture and Fixtures	18,439,815	16,119,203
Software	19,003,977	16,947,896
Motor vehicles	19,583,885	17,656,354
Infrastructure	88,501,370	88,501,370
Assets Under Construction	522,266,611	479,110,840
Net Carrying Value	1,805,656,204	1,749,972,489
Total Net Carrying Value	3,563,386,661	3,506,368,545

There are difficulties associated with obtaining an objective valuation for some of the Crown's assets. Therefore all assets are not shown in the Statement of Financial Position for the current financial year. Assets not included in the current year's financial statements will be included in the subsequent period as valuations and other information is obtained. Assets not reflected in the Statement of Financial Position include: road networks, national library collections, recreation facilities and conservation areas and heritage assets.

Capital assets reported in the financial statements do not include amounts relating to the secondary schools. Information is being compiled in relation to assets owned by the secondary schools and as soon as the information becomes available it would be reported in the financial statements.

14 Current Liabilities

Due to other Government and agencies As At March 31	2020	2019
Unclaimed and Undistributed monies	261,636,920	281,070,264
Other Governments	1,823,229	6,592,878
Special Purpose deposits	78,020,442	90,042,885
Deferred Revenue	49,470,874	36,357,145
Pensions Liability	6,056,381	6,917,238
School Deposits	9,476,505	4,986,496
Total Deposits	406,484,350	425,966,906

Pensions Liability represents pensions which have been computed and approved on behalf of retired public officers but payment had not yet been made.

The Investment Division of the Ministry of Finance and Economic Affairs is currently undertaking a consultancy to carry out a pensions study in order to have a better assessment of the Government of Barbados' true pension liability.

15 Debt

Public Debt and Sinking Funds (\$millions) As At March 31	2020	2020	2019
Legal Authority	Amount authorised	Amount Outstanding	
Local Loans Act	6,500.00	8,158.27	8,376.25
<i>Unamortized Bond Discount</i>		(12.64)	(22.16)
External Loans Act Cap 94		1,127.38	1,148.54
Caribbean Development Bank Cap 97A		501.73	351.89
Inter American Development Bank Cap 97B		731.69	723.18
Special Loans Act Cap 105	2,500.00	474.14	606.90
Treasury Bills & Tax Certificates Cap 106	4,000.00	434.54	495.23
<i>Treasury Bills</i>		434.54	495.10
<i>Tax Reserve Certificates</i>		-	-
<i>Tax Refund Certificates</i>		0.10	0.13
Savings Bond Act 1980-30,	250.00	130.95	143.03
Contingent Liabilities taken over		192.72	192.72
Latin American Development Bank Act		170.00	170.00
Total Public Debt Outstanding		11,908.86	12,185.59

The Treasury Bills balance was erroneously reported as \$434,536,262 on the face of the financial statements. The correct balance should have been \$495,103,750. The difference of \$60,567,488 related to sinking funds transactions that were recorded in the Treasury Bills account in error. This error will be corrected during the 2021-2022 financial year.

The Laws of Barbados require that sinking funds be established in respect of funds borrowed under the Local and External Loans Acts to assist with the retirement of such debt when due. The rates of contribution are 2% per annum with respect to local loans and 2.5% per annum on foreign loans. At March 31, 2020, the market value of sinking fund assets was \$15,619,000.

Debt balances represent the ending balances at March 31, 2020, after revaluation of foreign denominated debt using exchange rates at March 31, 2020. Debt is classified as Current and Long term in the financial statements, with Current representing payments due within a twelve month period following the financial statement date. Total principal repayments on public debt for the year under review was as follows:

Debt repayments	Revised Estimates 2019-2020	Actual 2019-2020	Actual 2018-2019
Domestic	275,943,646	222,713,006	249,271,704
Foreign	183,761,189	71,374,072	84,199,928
Total debt repayments	459,704,835	294,087,078	333,471,633

Notes to Financial Statements

16 Net Debt

Net Debt = Total liabilities - Current financial assets excluding inventory - Noncurrent assets excluding land and other capital assets.
The net debt totals at March 31, 2019 and March 31, 2020 are shown as follows:

	Mar-20	Mar-19
Total liabilities	13,328,561,604	13,093,272,736
Current financial assets excluding inventory	(3,182,446,561)	(2,280,918,626)
Non current assets excluding land and other capital assets	(770,772,093)	(758,103,870)
Net Debt	9,375,342,950	10,054,250,239

17 Foreign Currencies

All monetary amounts in these financial statements are expressed in Barbados dollars.
Exchange rates of the principal operating currencies to the Barbados dollar were as follows:

	31-Mar-2020		31-Mar-2019	
	closing rate	average rate	closing rate	average rate
United States dollar	2.0000	2.0000	2.0000	2.0000
Canadian dollar	1.4309	1.5188	1.5069	1.5164
British pound	2.5099	2.5749	2.6435	1.9988
Euros	2.2343	2.2509	2.2750	2.2913
Venezuelan bolivar fuerte	40371.6800	11174.5800	1643.1200	1645.0300
Swiss Francs	2.0836	2.0276	2.0093	1.9994

18 Other Contingent Liabilities

Other contingent liabilities reported by ministries/departments are shown in the table below.

Ministry/Department	Total at 31-Mar-2020	Comments
Housing Lands & Rural Development	108,117,164.93	Interest, legal and valuation fees or injurious affection claims are not included
Total	108,117,164.93	

There was no contingent liabilities information submitted by the Solicitor General in relation to claims against the Crown as at March 31, 2020.

19 Rounding differences

The individual amounts making up totals on the schedules might have differences due to rounding errors.

20 Borrowing Costs

Borrowing costs are included in other expenses of loans and include commissions, commitment fees, penalties and brokerage and other management fees.

21 Inventory

Inventory relates to stationery and other supplies such as gasoline and diesel stored at the Government Procurement Department (GPD). A stock count was not conducted at the end of the 2019-2020 financial year due to the lock down of the country in response to the COVID-19 pandemic. The GPD however, remained open as an essential service during the lockdown.

The following statement was prepared by the Chief Procurement Officer in relation to the matter:

Arrangements were made with the Accountant General to undertake an Audit of the Storeroom at the Government Procurement Department on March 26 and 27, 2020. One Officer from the Treasury came, along with two Officers from the Auditor General's Office. However the audit could not be undertaken at that time because of the emergency situation resulting from the COVID 19 pandemic.

The Government Procurement Department was deemed an Essential Service according to the Emergency legislation passed in the Houses of Parliament and therefore additional stock items were being purchased to supplement current stock levels as well as new

Items being added to the catalogue of items sold by the Department. This also meant that stock was being moved in and out of the store room continuously, thus making an audit very difficult to conduct at that time. The storeroom was not closed off as is the custom at that time of the year.

Notes to Financial Statements

Additional requests by the Accountant General for the audit to be conducted could not be facilitated because the situation had not changed. Added to this, the Department had to ensure that the "six foot physical distance" and reduced hours were in place in accordance with legislative directives.

22 Related Party Transactions

The Government reporting entity controls the state owned entities to which it makes transfers during the financial year. Notes 8 and 11 dealt with other related party transactions which occurred during the financial year 2019-2020. There were no related party transactions between key management personnel and the Government reporting entity.

23 Subsequent Events

Barbados' economy suffered the devastating impact of the COVID-19 pandemic during the 2020-2021 financial year as a result of having to shut down business activities except for essential services. Countries also closed their borders at different times for varying periods in an effort to contain the spread of the virus. Barbados' main source of economic activity, tourism, saw a 90% decline in tourist arrivals. This would have resulted in high unemployment claims on the National Insurance Scheme, a drastic reduction in tax revenues, increased expenditures and debt levels in response to the COVID-19 pandemic.

