



REPORT

of the

AUDITOR GENERAL

on the

Financial Statements

of the

Government of Barbados

2016-2017



THE BARBADOS AUDIT OFFICE
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June 29, 2018

His Honour
The Speaker The House
of Assembly Parliament
Building
BRIDGETOWN

In accordance with Section 22 (5) of the Financial Management and Audit Act, 2007 - 11, 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, 2017, along with my opinion on the statements.

The audited financial statements submitted from part of my Report Prepared in accordance with Section 113 (3) of the Constitution of Barbados and Section (38) of the Financial Management Audit Act, 2007-11

A copy of the Report is transmitted to the Senate for information, in accordance with Section 38 (6) of the above mentioned Act.

Yours faithfully,

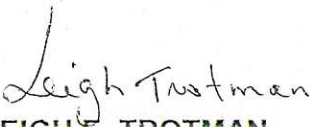

LEIGH E. TROTMAN
Auditor General

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AUDITOR GENERAL'S OFFICE BARBADOS



Independent Auditors' Report

To the House of Assembly

I have audited the financial statements of the Government of Barbados which comprise of the Statement of Financial Position and the Statement of Financial Performance and Cash Flow for the year ended March 31, 2017, and a summary of significant accounting policies.

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 and for such internal control as management determines as necessary to enable the preparation of financial statement that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted our audit in accordance with International Standards on Auditing. Those standards require that I comply with relevant ethical requirements and plan to obtain reasonable assurance whether the financial statements are free of material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risks assessments I consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my Adverse Opinion.

Basis of Adverse Opinion

There were inadequate supporting evidence provided in respect of the valuation of Capital Assets of \$1.624 billion, Taxation Revenue of \$2,598 billion and Other Tax Receivables of \$1,367 billion. There was also the omission of \$240 million in Tax Refund Payables. In addition, the pension's liability for Government employees was not disclosed, and there was no consolidation of state entities in the accounts as required by the International Public Sector Accounting Standards.

Adverse Opinion

In my opinion, because of the effects of the matters outlined in the preceding paragraph, the financial statements referred to above are not presented fairly in conformity with the International Public Sector Accounting Standards.

Additional information and comments on these financial statements can be found in Chapter 2 of my Annual Report for 2017

LEIGH E. TROTMAN

Auditor General

2018-03-26

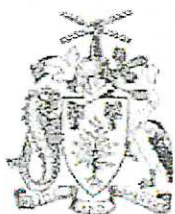


Government of Barbados
Consolidated Fund
Statement of Financial Performance
For the Year Ended March 31, 2017

	Approved Budget 2017 \$	Revised Budget 2017 \$	Actual 2017 \$	Actual 2016 \$
Capital Transfers:				
Grants	4	78,105,462	101,272,637	97,388,234
Subscriptions and Contributions		-	37,111,620	-
Total Capital Transfers		78,105,462	138,384,257	176,594,436
Debt Service				
Interest Expense		730,897,464	757,380,026	736,152,386
Expenses of Loans		5,920,612	6,570,612	6,361,863
Total Debt Service	5	736,818,076	763,950,638	742,514,249
Total Expenditure		3,218,929,116	3,463,396,184	3,240,795,490
Consolidated Fund (Surplus) Deficit		507,617,871	613,749,603	347,961,583
Annex Revenue		23,193,830	18,545,970	22,500,190
Annex Expenditure		29,192,990	29,192,990	26,965,469
Total Annex - Net Deficit (Surplus)		5,999,160	10,647,020	4,465,279
Total Consolidated Fund (Surplus) Deficit (incl. Annex)		513,617,031	624,396,623	352,426,862

The accompanying notes form an integral part of these financial statements

Accountant General
September 1st, 2017



Government of Barbados

Consolidated Fund

Statement of Financial Performance

For the Year Ended March 31, 2017

	Notes	Approved Budget 2017 \$	Revised Budget 2017 \$	Actual 2017 \$	Actual 2016 \$
Revenues					
Taxation:					
Goods and Services		1,346,816,764	1,332,384,151	1,342,412,926	1,241,290,762
Income and Profits		823,135,087	823,283,358	821,366,889	723,479,380
Property		173,499,050	191,017,642	187,673,633	187,554,421
International Trade		220,400,000	242,920,581	245,189,430	231,645,642
Other		14,962,000	9,072,691	9,391,492	10,105,197
Total Taxation Revenue	1	2,578,812,901	2,598,678,423	2,606,034,369	2,394,075,401
Non-Taxation:					
Special Receipts		30,528,000	29,521,432	3,167,525	2,193,574
Investment Income		0	47,081,943	47,646,501	40,348,733
Foreign Exchange Differences		-	-	-	-
Other		0	112,353,298	153,180,092	81,443,530
Grant Income		0	21,142,693	8,787,379	18,115,893
Total Non-Tax Revenue		132,498,344	250,968,158	286,799,538	165,596,202
Total Revenue		2,711,311,245	2,849,646,581	2,892,833,906	2,559,671,604
Expenditure					
Operating Expenses:					
Payroll and Employee Benefits		820,460,417	837,694,709	784,536,056	787,141,063
Personal Emoluments		758,983,724	775,124,111	726,576,262	729,029,871
Employer Contributions		61,476,693	62,570,598	57,959,794	58,111,191
Goods and Services		461,279,045	478,024,557	403,521,266	405,655,093
Depreciation Expense		54,000,000	54,000,000	50,682,639	51,307,193
Bad Debt Expense		8,800,000	8,800,000	20,641,925	7,000,000
Loss on investments		-	-	-	35,656,694
Total Operating Expenses	2	1,344,539,462	1,378,519,266	1,259,381,885	1,286,760,043
Current Transfers:					
Retiring Benefits and Allowances	3	288,526,528	310,426,528	299,166,075	313,950,773
Subscriptions and Contributions		21,494,209	21,231,822	19,361,602	19,937,961
Grants	4	712,604,996	798,093,290	775,228,874	790,066,427
Subsidies		36,840,383	52,790,383	47,754,571	60,547,955
Total Current Transfers		1,059,466,116	1,182,542,023	1,141,511,122	1,184,503,116



Government of Barbados
Consolidated Cash Flow Statement
For the Year Ended March 31, 2017

	<u>2016/2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts	
Taxation	2,362,672,252
Sale of goods and services	22,500,190
Grants	8,787,379
Interest received	47,646,501
Other receipts	230,365,658
Total Receipts	2,671,971,979
Payments	
Employee costs	(784,536,056)
Superannuation	(299,166,075)
Suppliers	(460,128,499)
Interest paid	(742,514,249)
Other payments	(939,733,281)
Total Payments	(3,226,078,159)
Net cash flows from operating activities	(554,106,180)
CASH FLOWS FROM INVESTING ACTIVITIES	
(Acquisition) Disposal of Capital Assets	(126,229,582)
{Increase) Decrease in Investments	52,336,982
(Increase) Decrease in funding to Broader Public Sector Organisations	(131,415,058)
Net cash flows from investing activities	(205,307,658)
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from borrowings	1,426,250,171
Repayment of borrowings	(776,054,509)
Increase (Decrease) in other liabilities	110,726,264
Net cash flows from financing activities	760,921,925
Net increase/(decrease) in cash and cash equivalents	1,508,087
Cash and cash equivalents at beginning of year	112,998,987
Cash and cash equivalents at end of year	114,507,073



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	(352,426,862)
Non-cash movements	
Depreciation Expense	50,682,639
Bad Debt Expense	20,641,925
Loss (Gain) on sale of Investment	-
(Increase) decrease in receivables	243,362,117
Increase (decrease) in Accrued Liabilities	(29,503,038)
(Increase) decrease in Inventories	(138,726)
(Increase) Decrease in Prior year Expenditure	-
Net cash flows from operating activities	<u>(554,106,181)</u>

(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:

	Mar-16	Mar-17
Cash on hand and balances with banks	112,998,987	114,507,073
Short-term investments	-	-
	<u>112,998,987</u>	<u>114,507,073</u>

(c) Capital Asset Acquisition

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

Land	1,939,180
Machinery and Equipment	8,428,242
Furniture and Fixtures	1,040,201
Software	427,899
Property and plant	3,066,170
Motor Vehicles	4,749,405
Assets under construction	106,578,485
	<u>126,229,582</u>



Government of Barbados

Consolidated Fund

Statement of Change in Net Asset/Equity

For the Year Ended March 31, 2017

	Accumulated Surpluses	Other Reserves	Translation Reserve	Acquisition clearing account - Prior Years	Total
Balance at March 2016					6,960,523,310
Changes in accounting policy					
Correction of error of estimate					
Prior Year Adjustment				(1,520)	(1,520)
				(1,520)	6,960,521,790
Changes in Consolidated Fund for 2016					
Error in opening balance					
Gain on property revaluation					
Increases in Capital assets					
Gain on investments	(20,614,782)				(20,614,782)
))Exchange differences	(1,599)				(1,599)
<i>Net {revenue}/expenditure recognised in Net Asset/Deficit</i>	(20,616,380)				(20,616,380)
Surplus/Deficit for the	373,043,243				373,043,243
Total recognised revenue and expenses for the year	352,426,862				352,426,862
Balance at March 2017					7,312,948,653

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

These financial statements comply with generally accepted accounting practice. The measurement base is historical cost. The accrual basis of accounting has been used unless otherwise stated.

Reporting and forecast period

The reporting and budget period for these financial statements is the year April 1, 2016 to March 31, 2017.

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, Value Added Tax</i>	
	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

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.

Taxation Revenue			
Income and Profits 1	Actual 2015-16	Revised Estimates 2016 -17	Actual 2016-17
Individuals			
Individuals (net)		492,986,579	499,138,067
Individuals (PA	485,969,524		527,535,071
Refunds	(89,020,542)		(31,108,722)
Consolidation	36,300,678		2,711,718
Corporation			
Corporation Tax (Net)	224,731,123	241,028,030	259,571,401
Corporation Tax	325,498,093		280,845,191
Refunds	(100,766,969)		(21,273,790)
Withholding Tax:			
Withholding Tax (Net)	65,498,597	89,268,749	62,657,421
Withholding Tax	65,498,597		62,657,421
Withholding Tax Non-	-		-
Withholding Tax on dividend	-		-
Withholding Tax Residents	65,498,597		62,657,421
Refunds			
Total Income and Profits	723,479,380	823,283,358	821,366,889
Goods and Services			
VAT (Net)	924,750,654	948,218,066	958,227,812
Value Added Tax	939,746,831		958,270,050
Refunds	(14,996,177)		(42,238)
Excise Duty	168,964,363	233,600,550	227,387,247
Highway Revenue	62,147,801	63,231,054	63,567,266
Other	85,427,944	87,334,481	93,230,600
Total Goods and Services	1,241,290,762	1,332,384,151	1,342,412,926
Property Tax			
Land Tax (Net)		175,000,000	172,293,278
Land Tax	172,829,288		172,293,278
Refunds	(159,456)		-
Property Transfer Tax	14,884,589	16,017,142	15,380,355
Rent registration		500	
Total Property Tax	187,554,421	191,017,642	187,673,633
International trade			
Import Duties (Net)	230,432,184	242,920,581	243,417,348
Import Duties	236,029,231		249,467,871
Refunds	(5,597,047)		(6,050,523)
Tax on sugar imports	1,213,458		1,772,082
Total International Trade	231,645,642	242,920,581	245,189,430
Other Indirect Taxation			
Stamp Duty	10,105,197		9,391,492
Total Indirect Taxation	10,105,197	9,072,691	9,391,492
Total Taxation Revenue	2,390,852,358	2,598,678,423	2,606,034,369

Land Tax Rebates and Discounts of \$44,125,809.89 were granted for the financial year 2016/2017

Penalties and Interest waived, as a result of the Tax amnesty during financial year 2016/2017, totaled \$1,785,527.36 and 11,057,194.97 respectively.

Information submitted by the Customs and Excise Department indicated a total of \$683,273,204.36 in revenue was waived during financial year 2016-2017, broken down as follows:

Import Duty	325,452,540.58
Sugar Levy	152.10
Excise on Imports	113,322,770.15
VAT on Imports	236,307,526.91
Powder Magazine	101.53
National Social Responsibility Levy	8,190,113.09
	<u>683,273,204.36</u>

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	Actual 2015-16	Revised Estimates	Actual 2016-17
Statutory Personal Emoluments	579,595,430	606,759,707	575,549,151
Other Personal Emoluments	149,434,442	168,364,404	151,027,112
Employers's Contribution to NIS	58,111,191	62,570,598	57,959,794
Total	787,141,063	837,694,709	784,536,056

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. Included in Operating Expense are prior year expenses of \$13,999,048.87

Goods and Services	Actual 2015-16	Revised Estimates 2016-17	Actual 2016-17
Travel	6,718,588	8,250,325	6,550,797
Utilities	49,101,943	57,638,223	49,523,153
Rental of Property	70,410,131	75,757,306	69,769,130
Library Books & Publications	751,605	1,308,633	905,532
Supplies & Materials	46,937,003	55,166,423	47,147,561
Maintenance of Property	73,039,823	90,796,504	73,425,483
Operating Expenses	119.	121,409,768	111,582,723
Structures	1,540,178	3,214,466	1,908,979
Professional Services	35,439,067	63,689,344	42,543,643
Contingencies	2,212,847	793,565	164,264
Total	405,655,093	478,024,557	403,521,266

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

	Actual 2015-16	Revised Estimates 2016-2017	Actual 2016-2017
Bad Debt Expense	7,000,000	8,800,000	20,641,925

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	Actual 2015-16	Revised Estimates 2016.17	Actual 2016-17
Buildings	33,224,280		33,248,452
<i>Machinery and Equipment</i>	12,897,702		12,599,254
<i>Furniture</i>	332,608		350,431
<i>Infrastructure</i>	-		-
<i>Vehicles</i>	4,265,482		3,950,189
<i>Software</i>	587,121		534,313
Total	51,307,193	54,000,000	50,682,639
Gain on Investments	Actual 2015-16	Revised Estimates 2016.17	Actual 2016-17
Loss on revaluation of shares	35,656,694	-	-
Loss on disposal of shares		-	-
Total	35,656,694	-	-
Total Operating Expenses	1,286,760,043	1,378,519,266	1,259,381,885

3

Retiring Benefits	Actual 2015-16	Revised Estimates 2016 -17	Actual 2016-17
Retiring Benefits and Allowances			
Retiring Benefits	247,441,466	237,195,150	238,109,857
Other Retiring Benefits	66,509,306	73,231,378	61,056,2f8
Total Retiring Benefits and Allowances	313,950,773	310,426,528	299,166,075

Retiring benefits and allowances include pensions, and cost of living allowances paid to public officers under 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	Actual 2015-16	Revised Estimates 2016-2017	Actual 2016-17
Grants to Public Institutions	898,664,188	829,604,256	808,438,183
Grants to Individuals	28,491,217	32,873,525	29,346,959
Grants to non-profit organisations	34,505,458	36,888,146	34,831,966
Total Grants	961,660,863	899,365,927	872,617,109

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	Actual 2015-16	Revised Estimates 2016-17	Actual 2016-17
Debt Service Expenses			
Interest Expense			
Domestic	498,590,503	576,227,948	569,707,379
Foreign	165,294,778	181,152,078	166,445,007
Total Interest Expense	663,885,281	757,380,026	736,152,386
Expenses of Loans	5,965,057	6,570,612	6,361,863
Total	669,850,339	763,950,638	742,514,249

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

6 Cash	2016	2017
Cash and Bank As At March 31		
Treasury Cash	4,391,341	3,920,979
Treasury Account	67,448,646	4,646,729
Post master General's cash	1,720,011	1,720,011
Mission Bank accounts	6,206,564	9,216,784
Schools' Bank accounts	6,592,005.20	5,461,839
Bank accounts - Projects	26,093,498	44,986,287
Crown Agents	546,922	554,420
Other Foreign Bank account		44,000,024
Total	112,998,987	114,507,073

7 Investment - Fund Account	2016	2017
Investment - Fund Account As At March 31		
Fixed Deposits	736,837	736,837
Total Investment - Fund Account	736,837	736,837

8 Receivables

Receivables (Net)		
As At March 31	2016	2017
Tax and Other Receivables		
Corporation Tax Receivable	74,305,035	83,038,700
Provision for Bad Debts	(1,290,458)	(5,486,082)
Corporation Tax Receivable (Net)	73,014,577	77,552,618
Income Tax Receivable	209,582,108	217,223,233
Provision for Bad Debts	(4,168,554)	(6,340,155)
Income Tax Receivable (Net)	205,413,554	210,883,079
VAT Receivable	541,448,770	606,270,817
Provision for Bad Debts	(10,185,009)	(12,125,416)
VAT Receivable (Net)	531,263,761	594,145,401
Import and Excise Duties Receivable	1,274,556	66,907,542
Provision for Bad Debts	(16,799)	(16,799)
Duties Receivable (Net)	1,257,757	66,890,743
Land Tax Receivable	295,210,880	347,348,171
Provision for Bad Debts	-	(5,709,200)
Land Tax Receivable (Net)	295,210,880	341,638,971
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	4,599,013	48,304,737
Barbados Turf Club Receivables	201,927	201,927
Other Receivables	22,498,861	28,011,340
Total Tax and Other Receivables	1,133,571,644	1,367,740,129
Advances to Other Governments and agencies		
Advances to Other Governments	1,870,401	1,463,688
Pension Advances	573,400	609,308
Advances to statutory corporation	533,510,732	648,948,599
Other Receivables	100,328,785	113,825,284
Total advances to Other Governments and agencies	636,283,318	764,846,879
Total Receivables (Net)	1,769,854,962	2,132,587,008

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.

9 Restricted cash

Restricted cash and cash equivalents		
As At March 31	2016	2017
Sinking Fund Assets	688,127,033	626,453,195
Trust Funds	1,116,569	1,131,705
Special Funds	159,723,826	162,589,797
Total	848,967,428	790,174,697

The financial assets above are restricted in their nature in that 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 were \$828,462,858.66 with a market value of \$603,449,898.50 while sinking fund cash was \$22,819,094.79

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 had assets of \$125,429,504.72 at the financial statement date.

10 Investments

Equity Investments		
As At March 31	2016	2017
Whitepark Development Incorporated	133,337,685	133,337,685
Other Investments	100,700,154	107,003,901
LIAT	144,658,333	144,658,333
Total	378,696,172	384,999,919

11 Loans to individuals and agencies		
As At March	2016	2017
Principal outstanding	366,375,269	375,537,829
Barbados Tourism Investment Inc.	141,500,000	141,500,000
Hotel and Resorts Ltd.	71,392,579	71,392,579
Fund Access	1,401,564	1,314,096
Clearwater Bay	124,329,766	124,329,766
Small Businesses - Enterprise Growth Fund	28,000,000	37,115,336
Fair Trading Commission	(1,111,365)	(1,244,363)
Parliamentarians and Registering Officers	862,726	1,130,415
Caves of Barbados	-	-
Interest accrued	27,786,714	16,213,738
Barbados Tourism Investment Inc.	19,351,206	15,968,536
Hotel and Resorts Ltd.	-	-
Fund Access	8,712	16,409
Small Businesses - Enterprise Growth Fund	8,426,796	228,793
Net Carrying Value	160,851,206	157,468,536
Barbados Tourism Investment Inc.		
Hotel and Resorts Ltd.	71,392,579	71,392,579
<i>Provision for Bad Debt</i>	(12,952,829)	(12,952,829)
Fund Access	1,410,276	1,330,506
Clearwater Bay	124,329,766	124,329,766
Small Businesses - Enterprise Growth Fund	36,426,796	37,344,129
Fair Trading Commission	(1,111,365)	(1,244,363)
Caves of Barbados	-	-
Southern Golf	2,000,000	2,000,000
Needham Point	6,023,283	6,175,286
Parliamentarians and Registering Officers	862,726	1,130,415
Total loans to individuals and agencies	389,232,438	386,974,023

12 Receivables • Public Officers

Receivables • Public Officers	2016	2017
As At March		
Loans - Vehicle loans	13,959,254	13,018,557
Loans - Insurance Loans	10,765	10,849
Loans - Training Loans	8,473	8,273
Overdrawn salaries	2,692,715	669,992
Total Public Officers Receivables	16,671,207	13,707,672

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	2016	2017
Gross carrying value		
Land (valuation)	1,490,631,216	1,492,570,396
Property and Plant	1,442,572,356	1,445,638,525
Machinery and Equipment	245,755,779	253,807,905
Furniture and Fixtures	15,332,424	13,372,626
Software	21,366,140	21,794,039
Motor vehicles	58,189,767	62,939,172
Infrastructure	88,501,370	88,501,370
Assets Under Construction	322,534,741	429,113,226
Total Gross Carrying Value	2,194,252,576	2,318,166,862
Accumulated Depreciation		
Property and Plant	401,107,959	434,356,412
Machinery and Equipment	117,176,398	129,758,898
Furniture and Fixtures	3,324,012	3,681,360
Software	6,823,748	7,358,061
Motor vehicles	41,476,351	45,056,742
Infrastructure	-	-
Total Accumulated Depreciation	569,908,470	620,213,472
Property and Plant	1,041,464,396	1,011,282,114
Machinery and Equipment	128,579,381	124,049,007
Furniture and Fixtures	12,008,412	12,691,265
Software	14,542,392	14,435,978
Motor vehicles	16,713,415	17,880,430
Infrastructure	88,501,370	88,501,370
Assets Under Construction	322,534,741	429,113,226
Net Carrying Value	1,624,344,106	1,697,953,389
Total Net Carrying Value	3,114,975,322	3,190,523,786

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.

Land was revalued at March 31, 2015 based on the Commissioner of Land Tax Revaluation for 2014,

Capital assets reported in the financial statements does 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,

During the financial year 2015-2016, Government of Barbados entered into an agreement dated November 26, 2016, to borrow \$76.0 million Barbados Currency from the National Insurance Board for the construction of a new Hastings/Worthing Police Station; a public centre complex at Cane Garden, St. Thomas; a Police Headquarters at the Pine, St. Michael and a police station and Magistrate's Court at Boarded Hail, St. George; the refurbishment of the former Barbados Water Authority Headquarters at the Pine, St. Michael and the Elaine Scantlebury Centre at Belleplaine, St. Andrew; repairs to the Old Male Barracks at Central Police Station and the former Black Rock Police Station; and renovations to the old Registration Department Building at Coleridge Street, St. Michael.

At the time of preparation of the financial statements for the financial year 2016-2017, expenditures in the amount of \$20,704,712 relating to the assets being constructed under these projects had not been voted in the Estimates.

These expenditures were therefore not included in the amounts reported on the face of the financial statements for financial year 2016-2017.

14 Current Liabilities

Due to other Government and agencies As At March 31	2016	2017
Unclaimed and Undistributed monies	89,779,638	91,594,981
Other Governments	119,952	1,105,424
Special Purpose deposits	169,890,499	151,823,330
Deferred Revenue	25,504,599	59,401,868
Pensions Liability	7,940,601	8,795,342
School Deposits	4,899,150	4,879,962
Total Deposits	298,134,439	317,590,907

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 give a better assessment the Government of Barbados' true pension liability,

15 Debt

Public Debt and Sinking Funds (\$millions) As At March 31	2017	2016	2017
Legal Authority	Amount	Amount Outstanding	
Local Loans Act	6,500.00	5,937.63	6,146.57
Unamortized Bond Discount		(32.02)	(33.26)
External Loans Act Cap 94		1,120.00	1,108.57
Caribbean Development Bank Cap 97A		215.28	18994
Inter American Development Bank Cap 97B		530.98	521.41
Special Loans Act Cap 105	2,500.00	1,152.59	1,119.76
Treasury Bills & Tax Certificates Cap 105	4,000.00	2,911.46	3,512.80
Treasury Bills		2,910.15	3,512.16
Tax Reserve Certificates		-	-
Tax Refund Certificates		1.32	0.65
Savings Bond Act 1980-30,	250.00	160.05	173.35
Contingent Liabilities taken over		202.27	192.72
Latin American Development Bank Act		170.00	170.00
Total Public Debt Outstanding		12,368.25	13,101.86

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% P.A. with respect to local loans and 2.5% P.A. on foreign loans. At March 31, 2017 market value of sinking fund assets was \$626,268,993.29

Debt balances represent the ending balances at March 31, 2017 after revaluation of foreign denominated debt using exchange rates at March 31, 2017. 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 repayment on public debt for the year under review was as follows:

Debt repayments	Actual 2015-16	Revised Estimates 2016-17	Actual 2016-17
Domestic	524,991,056	605,615,406	563,572,699
Foreign	289,160,028	216,047,491	212,481,810
Total debt repayments	814,151,084	821,662,897	776,054,509

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, 2016 and March 31, 2017 are shown as follows:

	Mar-16	Mar-17
Total liabilities	13,596,305,906	14,327,724,793
Current financial assets excluding inventory	(2,044,422,708)	(2,411,544,146)
Non-current assets excluding land and other capital assets	(1,472,726,850)	(1,412,134,809)
Net Debt	10,079,156,348	10,504,045,837

17 Foreign Currencies

All monetary amounts in these financial statements are expressed in Barbados dollars,

	Mar-16		Mar-17	
	closing rate	average rate	closing rate	average rate
United States dollar	20000	2.0000	2.0000	2.0000
Canadian dollar	1.5624	1.5498	1.5253	1.5134
British pound	2.9137	3.0571	2.5154	2.5000
Euros	2.2969	2.2376	2.1486	2.1637
Venezuelan bolivar fuerte	136.1200	11.1427	349.0830	349.0830
Swiss Francs	2.0760	2.0577	1.9931	1.9953

18 Rounding differences

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

19 Other Contingent Liabilities

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

Ministry/Department	Total at 31-Mar-2017	Comments
Solicitor General's Office	129,438,547.81	Legal claims against the Crown
Ministry of Housing and Lands	80,027,912.00	Land acquisitions and vesting of property
Coastal Zone Management Unit	7,094,759.44	
Chief Town Planner	1,739,113.47	
Total	218,300,332.72	

