Financial statements of

CAYMAN TURTLE CONSERVATION AND EDUCATION CENTRE LTD.

For the year ended 31 December 2021

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Statement of Responsibility

These financial statements have been prepared by Cayman Turtle Conservation and Education Centre Ltd. in accordance with the provisions of the *Public Management and Finance Act (2020 Revision).*

We accept responsibility for the accuracy and integrity of the financial information in these financial statements and their compliance with the *Public Management and Finance Act (2020 Revision).*

As Chairman and Chief Executive Officer (CEO), 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 law, and properly record the financial transactions of the Cayman Turtle Conservation and Education Centre Ltd.

As Chairman and CEO we are responsible for the preparation of Cayman Turtle Conservation and Education Centre Ltd.'s financial statements and for the judgements made in them.

The financial statements fairly present the financial position, financial performance, changes in shareholder's equity and cash flows for the financial year ended 31 December 2021.
To the best of our knowledge we represent that these financial statements:
(a) Completely and reliably reflect the financial transactions of the Cayman Turtle Conservation and Education Centre Ltd. for the year ended 31 December 2021;
(b) fairly reflect the financial position as at 31 December 2021 and performance for the year ended 31 December 2021;
(c) comply with International Financial Reporting Standards under the responsibility of the International Accounting Standards Board.

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 and its agent have been provided access to all the information necessary to conduct an audit in accordance with International Standards on Auditing.

Chairman	Chief Executive Officer
28th March 2024	28th March 2024

Office of the Auditor General
CAYMAN ISLANDS

Phone: (345) - 244-3211
Fax: (345) - 945-7738
AuditorGeneral@oag.gov.ky
www.auditorgeneral.gov.ky

3rd Floor, Anderson Square
64 Shedden Road, George Town
P.O.Box 2583
Grand Cayman, KY1-1103, Cayman Islands

AUDITOR GENERAL'S REPORT

To the Board of Directors of the Cayman Turtle Conservation and Education Centre Ltd.

Opinion

I have audited the financial statements of the Cayman Turtle Conservation and Education Centre Ltd. (the "Company"), which comprise the statement of financial position as at 31 December 2021 and the statement of comprehensive loss, statement of changes in shareholder's equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 10 to 30.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2021 and its financial performance and its cash flows for year then ended in accordance with International Financial Reporting 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 Company 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. In rendering my audit opinion on the financial statements of the Company, I have relied on the work carried out on my behalf by a public accounting firm who performed their work in accordance with International Standards on Auditing.

Material Uncertainty Relating to Going Concern

I draw attention to Note 20 to the financial statements which discloses that the Company is dependent upon the continued financial support of the Cayman Islands Government (the "Government") to enable it to meet its obligations as they fall due.

The global outbreak of the coronavirus or COVID-19 in 2020, and the measures taken by the Government to mitigate the threat to the Cayman Islands, including the closure of the cruise port, the airports and the Company's facility, has increased the Company's financial dependency on the Government. Without this ongoing support, a material uncertainty exists that casts significant doubt about the Company's ability to continue as a going concern. My opinion is not modified with respect to this matter.

Emphasis of Matters

I also draw attention to Note 19 to the financial statements, which discloses that the Public Authorities Act 2020 paragraph 47 – Terms and conditions and remuneration of staff, requires all Statutory Authorities and

Government Companies to comply with its requirements to standardise salaries and benefits from June 1, 2019. The Company started paying its employees according to correct salary scale and updated job grades only in May 2022, with retroactive effect from January 1, 2022, as the Portfolio of the Civil Service only completed the job evaluation of all public authorities by July 2021. My opinion is not modified with respect to this matter.

I also draw attention to Note 9 to the financial statements, which discloses that the Cabinet authorised additional funding of $2,151,824 for 2021 as additional operating appropriation in accordance with the Public Management and Finance Act (2020 Revision) ("PMFA"). The Company received the appropriation during the year ended 31 December 2021 and recognised the amount as an additional capital contribution of the Company's Shareholder, the Cayman Islands Government. A Supplementary Appropriation Bill for the funding was not introduced in Parliament by March 31, 2022, as required by section 11 (6)(b) of the PMFA. My opinion is not modified with respect to this matter.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company'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 Company '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 Company'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 Company 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 Law (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

28 March 2024
Cayman Islands

CAYMAN TURTLE CONSERVATION AND EDUCATION CENTRE LTD.
Statement of financial position
31 December 2021
(Expressed in Cayman Islands Dollars)

	Notes	2021	2020
ASSETS			
Current assets			
Cash and cash equivalents	4	598,697	401,698
Accounts receivable		16,180	12,694
Prepayments and accrued interest		36,834	44,554
Inventories	5	218,817	267,129
Biological assets	6	465,233	561,928
		1,335,761	1,288,003
Non-current assets			
Property, plant, equipment and exhibits	7	12,695,611	15,448,644
Exhibits under construction		85,418	77,987
TOTAL ASSETS	**CI$**	**14,116,790**	**16,814,634**
LIABILITIES			
Current liabilities			
Bank overdraft	4	3,254,162	2,484,444
Accounts payable and accrued expenses	20	1,372,138	868,180
		4,626,300	3,352,624
Non-current liabilities			
Defined benefit pension liability	8	287,000	911,000
Long-term staff service awards payable	8	138,871	142,572
		425,871	1,053,572
TOTAL LIABILITIES	**CI$**	**5,052,171**	**4,406,196**
SHAREHOLDER'S EQUITY			
Share capital			
Authorized, issued and fully paid 400,000 shares of $3 each and 50,000 shares of $1 each		1,250,000	1,250,000
Additional paid-in capital	9, 10	140,148,160	134,036,335
Accumulated deficit		(132,333,541)	(122,877,897)
TOTAL SHAREHOLDER'S EQUITY	**CI$**	**9,064,619**	**12,408,438**
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	**CI$**	**14,116,790**	**16,814,634**

See accompanying notes to financial statements.

Approved on behalf of the Board of Directors on 28th March, 2024

	Chairman		Chief Executive Officer
Ellio Solomon	Name	Christopher Jackson	Name

CAYMAN TURTLE CONSERVATION AND EDUCATION CENTRE LTD.
Statement of comprehensive loss
For the year ended 31 December 2021
(Expressed in Cayman Islands Dollars)

	Notes	2021	2020
Operations			
Revenue	2	1,258,488	2,555,467
Cost of sales		(765,807)	(1,266,191)
Fair value of biological assets		450,754	211,045
Gross profit		943,435	1,500,321
Operating expenses	12	(8,094,223)	(8,383,895)
Net operating losses		(7,150,788)	(6,883,574)
Other income	13	34,437	72,132
Administrative expenses	12		
Administration and overheads		(1,860,595)	(2,715,433)
Interest and amortization		(136,432)	(87,390)
Research expense		(598,505)	(564,662)
Marketing expenses		(367,761)	(404,598)
Defined benefit pension credit/(charge)		(56,000)	(125,000)
Total administration expenses		(3,019,293)	(3,897,083)
Net loss for the year	**CI$**	**(10,135,644)**	**(10,708,525)**
Other comprehensive income/(loss)			
Remeasurement of defined benefit pension		680,000	(207,000)
Comprehensive loss for the year	**CI$**	**(9,455,644)**	**(10,915,525)**

See accompanying notes to financial statements.

		Share capital	Additional paid-in capital	Accumulated deficit	Total
Balance at 31 December 2019	CI$	1,250,000	130,036,340	(111,962,372)	19,323,968
Net loss for the year		-	-	(10,708,525)	(10,708,525)
Contributed capital (note 9)		-	3,999,995	-	3,999,995
Other comprehensive loss for the year (note 8b)		-	-	(207,000)	(207,000)
Balance at 31 December 2020	CI$	1,250,000	134,036,335	(122,877,897)	12,408,438
Net loss for the year		-	-	(10,135,644)	(10,135,644)
Contributed capital (note 9)		-	6,111,825	-	6,111,825
Other comprehensive income for the year (note 8b)		-	-	680,000	680,000
Balance at 31 December 2021	**CI$**	**1,250,000**	**140,148,160**	**(132,333,541)**	**9,064,619**

See accompanying notes to financial statements.

CAYMAN TURTLE CONSERVATION AND EDUCATION CENTRE LTD.
Statement of Cash Flows
For the year ended 31 December 2021 (with comparatives)
(expressed in Cayman Islands dollars)

	Year ended Dec 31, 2021	Year ended Dec 31, 2020
Cash flows from operating activities		
Net loss for the period	(10,135,644)	(10,708,525)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation of property, plant, equipment and exhibits	2,808,812	2,958,430
Gain on disposal of property, plant, equipment and exhibits	-	(48,210)
Movement in biological assets	96,695	333,957
Changes in:		
(Increase)/decrease in accounts receivable	(3,486)	427,339
Decrease in prepayments and accrued interest	7,720	139,876
Decrease/(increase) in inventories	48,312	(58,664)
(Increase) in work in progress	(7,431)	(44,212)
Increase in accounts payable and accrued expenses	503,958	168,012
Increase in defined benefit pension liability	56,000	125,000
(Decrease)/increase in long-term staff service awards payable	(3,701)	60,139
Net cash used in operating activities	(6,628,765)	(6,646,858)
Cash flows from investing activities		
Purchase of property, plant, equipment and exhibits	(55,779)	(287,460)
Proceeds from sale of property, plant, equipment and exhibits	-	163,928
Net cash used in investing activities	(55,779)	(123,532)
Cash flows from financing activities		
Capital contributions from shareholder	6,111,825	3,999,995
Net cash generated from financing activities	6,111,825	3,999,995
Net decrease in cash and cash equivalents	(572,719)	(2,770,395)
Cash and cash equivalents at beginning of year	(2,082,746)	687,649
Cash and cash equivalents at end of year (note 4)	CI$ (2,655,465)	(2,082,746)
Supplementary information:		
Interest paid	CI$ 136,432	87,390

See accompanying notes to financial statements.

1. Incorporation and activity

Cayman Turtle Conservation and Education Centre Ltd. (the "Company" or “CTCEC”) is incorporated in the Cayman Islands and is 100% owned by the Government of the Cayman Islands (the "Government"). Initially, the sole operation of the Company was rearing green sea turtles under controlled farm conditions. However, due to the world-wide ban on the export of turtle products, the Company shifted its primary objective to the operation of a tourist attraction, including a gift shop, restaurant, and bar. The production of turtle meat and related products is limited to what is necessary to meet local demand within the Cayman Islands. The secondary objective is the conservation and re-population of sea turtles within the waters of the Cayman Islands and in the wider Caribbean.

The Company’s address is 786 Northwest Point Road, West Bay, Grand Cayman. The Company had a staff complement of 88 in 2021 (2020: 94).

The Company’s operations consist of a marine park and related developments on a 23.5-acre site located in West Bay, Grand Cayman. The marine park (the “Park”) includes a turtle interactive area, educational pavilion, hatchery and science laboratory, freshwater pool, saltwater snorkel lagoon, predator tank, crocodile marsh, nature trail, aviary, shopping bazaar, restaurant and bar.

2. Accounting policies

Basis of preparation

These financial statements are prepared under the historical cost convention, modified by the valuation of biological assets at fair value, and in accordance with International Financial Reporting Standards (IFRS).

Unless otherwise disclosed, these financial statements are presented in Cayman Islands dollars (CI$).

Use of estimates

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to these financial statements, relate to the expected credit losses against accounts receivable, the valuation of biological assets (note 6), and the defined benefit pension liabilities and long-term service awards payable (note 8).

Provision for expected credit losses of trade receivables

Accounts receivable comprise receivables from customers and contributions from the Government (a related party) and are reduced by any expected credit losses where there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

2. Accounting policies (continued)

Provision for expected credit losses of trade receivables (continued)

CTCEC analyzed all of the outstanding receivables as at 31 December 2021. CTCEC determined that trade receivables did not have a significant financing component and therefore chose to use the Simplified Approach (as defined in IFRS 9) and simplified 'provision matrix'. The Expected Credit Loss (ECL) using the following formula: ECL = Exposure at Default (EAD) * Probability of Default (PD) * Loss Given Default (LGD) was calculated for two different categories, one for an over 90-day receivable for Caymanian Land and Sea Cooperative Society Ltd. ("Land & Sea"); and the other for the trade receivables in over 90-day categories.

Biological assets

The secondary herd, which is reared for the purpose of selling the herd's meat and by-product to satisfy local market demand, is valued at fair value calculated using market prices and expected yields of each type of product based on historical data. Changes in the carrying amount attributable to physical change in such biological assets and changes attributable to price change are recognised as income or expense in the statement of comprehensive loss. It is management's policy to differentiate between turtles which were acquired from the wild and will be released at the end of their breeding lives, and farm bred turtles which may be slaughtered at the end of their breeding lives. Mature turtles (i.e. those that have reached breeding age) acquired from the wild have no carrying value. The remainder of the breeder herd is valued at fair value, calculated using market prices and expected yields of each type of product based on historical data, less cost to maintain.

The fair value measurements for the Breeder Herd and Secondary Herd have been categorized as Level 3 fair values based on the inputs to the valuation techniques used.

The following valuation techniques and significant unobservable inputs have been used in determining the Level 3 fair values of the breeder herd and secondary herd:

Valuation technique: The valuation model considers the percentage of steak, stew, fin, bone and menavelin that can be yielded as well as the current selling prices for these items. This is considered to be the "Cash Inflows" and is estimated for the applicable herd for that remaining herd to be processed and sold.

The "Cash Outflows" is the cost to process the remaining live weight of the applicable herd based on the costing for the 2021 production.

Unobservable inputs: Percentage yields, estimated weight gain as well as the directly attributable processing costs to the Company are considered to be unobservable inputs.

2. Accounting policies (continued)

Employee benefits

(a) Defined contribution pension plan

The Company's contributions are charged to the statement of comprehensive loss in the period to which the contributions relate (note 8a).

(b) Defined benefit plan

The Company's net obligation in respect of defined benefit plan is calculated by:

- estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount (defined benefit obligation) and
- deducting the fair value of any plan assets.

The Company's qualified actuary calculates the defined benefit obligation using the projected unit credit method. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements. Plan assets are measured at fair value. Fair value is determined based on quoted market prices in active markets where available.

The Company is one of several individual entities that participates in the Public Service Pension Plan ("PSPP") administered by the Public Service Pensions Board ("PSPB"). In addition to the PSPP, two other statutory plans for public servants are in place. The PSPB pools together contributions and earnings from these three plans under a consolidated Public Service Pensions Fund ("the Fund"), and also pays benefits to members in accordance with the terms of the individual plans.

The assets are notionally allocated to each of the three participating pension plans through an internal accounting mechanism that tracks, for each accounting period, actual cash flows and allocates investment income based on the rate of return earned by the Fund. Based on the data provided, the gross rate of return earned by the Fund over the 12-month period, January 1, 2021 to December 31, 2021, was 13.02% per annum. Similar internal accounting is used for developing each participating entity's share of the asset portfolio of the Fund.

Remeasurement of the net defined benefit liability, which comprises actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset). Net interest expense and other expenses related to defined benefit plans are recognised in the statement of comprehensive loss.

When the plan benefits are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

2. Accounting policies (continued)

Employee benefits (continued)

(c) Long-term service awards benefits for long-serving retired employees

Employees with over 25 years of service at retirement are entitled to an additional benefits package comprising a cash payment and payment of medical insurance premiums for a specified period. The costs of the benefits are accrued over the period of employment based on estimated valuations of these obligations determined by the Board of Directors.

For crew members who have not contributed 25 or more years of service to the Company but have reached retirement age as defined by law, worked for 1 year or more, and voluntarily retire are entitled to a retirement allowance pay equal to 1 week of the crew member's salary at the time of retirement for each completed year.

Going concern assumption
The Company has prepared the financial statements on the basis that it will continue to operate as a going concern. Refer to note 19 for detailed disclosure regarding the going concern assumption.

New and revised accounting standards and interpretations that are effective:

Management have reviewed standards, interpretations and amendments to published standards effective for the period commencing after 1 January 2021 and have determined none have a material impact on these financial statements.

Standards issued and effective

New standards, amendments to standards and interpretations issued and effective from 1 January 2021, but do not affect the Company's financial statements, are as follows:

- Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16): Phase 2 of the Interest Rate Benchmark Reform deals with the issues that might affect financial reporting when an existing interest rate benchmark is actually replaced. The proposed amendments apply to changes to financial instruments and hedging relationship required by the reform.

Standards issued but not yet effective

New standards, amendments to standards and interpretations issued but not yet effective, which the directors deem will not have a material impact on the financial statements of the Company and thus have not been applied in preparing these financial statements, are as follows:

- Annual improvements to IFRS Standards 2018-2020 cycle (Amendments to IAS 1, IAS 8, IAS 12, IAS 16, IAS 37, IFRS 1)

Foreign currencies

The Company's transactions occur in United States dollars ("US$") and Cayman Islands dollars ("CI$"). The Company translates US$ transactions into CI$ using a fixed rate of US$1.00 to CI$0.84.

2. Accounting policies (continued)

The significant accounting policies adopted in the preparation of these financial statements are:

Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents consists of cash on hand, balances with banks (including overdrafts) on demand and at short notice, and short-term highly liquid investments with original maturity dates of less than 90 days.

Property, plant, equipment and exhibits

Property, plant, equipment and exhibits is stated at historical cost less accumulated depreciation. With the exception of land which is not depreciated, items of property, plant, equipment and exhibits are depreciated using the straight line method over their estimated useful lives as follows:

Buildings and lagoons	10 - 20 years
Plant and equipment	4 - 10 years
Motor vehicles	3 - 4 years
Furniture and office equipment	4 - 5 years
Exhibits	6 years
Computer hardware and software	3 years

The estimated useful lives, residual values and depreciation method are reviewed at year-end and the effect of any changes in the estimate is accounted for on a prospective basis.

Cost comprises the purchase price of an asset plus any directly attributable costs of bringing the asset to working condition for its intended use such as import duties, site preparation, initial delivery and handling cost, installation cost and professional fees (e.g. architects and engineers). Certain borrowing costs are also included in the cost basis of the related asset; see “borrowing costs” below. Costs of improvements are included in the cost of the applicable asset.

New and redeveloped assets are not depreciated until the assets are placed into service. Capitalised cost includes direct labor and benefits for employees specifically identified with the project.

Property, plant, equipment and exhibits are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable.

Repairs and maintenance are charged to production or overhead expenses in the statement of comprehensive loss as incurred. Donated assets are recorded at their estimated fair value at the date of receipt. Exhibits represent the cost of various marine life, including acquisition costs, contained within the salt water lagoons at the park. Management estimates that the total life of these marine life to be approximately 10-12 years. As the Company has acquired the marine life at a mature stage in their life cycle, management has assumed the remaining useful life for the exhibits from the date of acquisition to be approximately 6 years.

Property, plant, equipment and exhibits subject to operating lease (see Note 13) are included within Property, plant, equipment and exhibits schedule in Note 7.

2. Accounting policies (continued)

Financial assets and liabilities

(i) Classification

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset, or to exchange financial instruments with another enterprise under conditions that are potentially favorable or an equity instrument of another enterprise. A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable.

(ii)Recognition

The Company recognises financial assets and liabilities on the date it becomes a party to the contractual provisions of the instrument. From this date, any gains and losses arising from changes in financial assets and financial liabilities measured at amortised cost are recognised in the statement of comprehensive loss.

Financial assets comprise cash and cash equivalents, accounts receivable and accrued interest. Financial liabilities comprise bank overdraft, accounts payable and accrued expenses, bank debt, pensions payable and long-term staff service awards payable. Management determines classification of its financial assets and liabilities at initial recognition.

(iii) Measurement

Financial instruments are measured initially at cost, including transaction costs. For financial assets acquired, cost is the fair value of the consideration given, while for financial liabilities cost is the fair value of consideration received.

Financial assets classified as loans and receivables and financial liabilities measured at amortised cost are carried at amortised cost using the effective interest rate method, less impairment losses, if any, for financial assets.

(iv) Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the Company has transferred all the risks and rewards of ownership. A financial liability is derecognised when it is discharged, cancelled or expires.

(v) Offsetting

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when the Company has a legally enforceable right to set off the recognised amounts and the transactions are intended to be settled on a net basis.

(vi) Impairment

A financial asset is impaired if there is objective evidence indicating that one or more events have had a negative effect on the estimated future cash flows of that asset. The amount of the impairment loss for assets carried at amortised cost is calculated as the difference between the asset's carrying amount and the present value of expected future cash flows discounted at the financial instrument's original effective interest rate. All impairment losses are recognised in the statement of comprehensive loss as required.

2. Accounting policies (continued)

Borrowing costs

Borrowing costs that are directly attributable to the acquisition or development of an asset which takes a substantial period of time to ready it for its intended use are capitalised and included as part of the cost of the asset. Such costs include interest, the amortisation of discounts or premiums on issue, and amortisation of transaction costs associated with the arrangement of the borrowings.

To the extent funds borrowed for the acquisition or development of a specific asset are invested on a temporary basis, the interest income is netted with the related borrowing costs to determine the amount of borrowing costs eligible for capitalisation. Capitalisation ceases when the related asset, or completed part thereof, is effectively ready for use. All other borrowing costs are expensed in the statement of comprehensive loss during the period in which they are incurred.

Inventories of marketable products

Farm produced marketable products are valued at net realisable value.

Products purchased for resale and food and beverage are valued at the lower of cost on the first in, first out basis, and estimated net realisable value.

Inventories of feeds and other supplies

Feed and other supplies are valued using the weighted average cost basis.

Revenue recognition

The Company recognizes revenue to depict transfer of promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for goods or services. IFRS 15 – Revenue from contracts with customers provides for a single, principles-based, five-step model to be applied to all contracts with customers.

To determine whether to recognize revenue, the Company follows IFRS 15's five-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied

The Company sells merchandise and turtle meat and charges admission fees to customers for entry to the Centre. Sales of goods or services are recognised when the Company sells a product to the customer or the customer is admitted to the Centre. Retail sales are usually in cash or by credit card.

The Company's revenue for yearend 31 December 2021 amounting to CI$1,258,488 (2020: CI$2,555,467) comprised of retail tours of CI$197,911 (2020: CI$1,186,355) and sales of merchandise, turtle meat and others of CI$1,060,577 (2020: CI$1,369,112).

Of the retail tours revenue amounting to CI$197,911 (2020: CI$1,186,355), nil % (2020: 27%) or $ nil (2020: CI$325,487) relates to ship tours (cruise lines) and the remaining amount relates to admissions through direct walk-in or online guest admissions, as well as wholesale wristband sales.

3. Fair value of financial instruments

When measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. Fair value is categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable input).

If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The carrying value reflected in the financial statements for cash and cash equivalents, accounts receivable, accrued interest, bank overdraft, interest payable and accounts payable/accrued expenses are assumed to approximate to their fair values due to their short-term nature.

4. Cash and cash equivalents, net

		2021	2020
Current accounts (shown under current assets)		598,697	401,698
Bank overdraft (shown under current liabilities)		(3,254,162)	(2,484,444)
Cash and cash equivalents as presented in the statement of cash flows	CI$	(2,655,465)	(2,082,746)

At 31 December 2021 the limit on the overdraft facility was US$5,500,000 (2020: US$5,500,000) at an interest rate of 5% (2020: 5%). The Government, by way of letter of undertaking, guarantees overdraft facilities up to CI$4,620,000 (2020: CI$4,620,000).

5. Inventories

		2021	2020
Marketable products		218,817	267,129
	CI$	218,817	267,129

6. Biological assets

		2021	2020
Livestock at fair values:			
Secondary herd		172,904	269,245
Breeder herd		292,329	292,683
	CI$	465,233	561,928

6. Biological assets (continued)

The movements in the carrying value of the secondary herd are outlined as follows:

		2021	2020
Carrying value at the beginning of the period		269,245	556,339
Change attributable to differences in fair values		364,048	73,883
Biological transformation		87,061	184,025
Processed during the period		(547,450)	(545,002)
Net change in biological assets included in income		(96,341)	(287,094)
Carrying value at the end of period	CI$	172,904	269,245

Biological transformation comprises the net effect of births, deaths and other losses, and growth within the secondary herd, measured at period-end fair values. Due to the continuing limitations surrounding the market for the products of the secondary herd, shells are valued at CI$ nil (2020: CI$ nil).

The movement in the net book value of the breeder herd are outlined as follows:

		2021	2020
Carrying value at beginning of period		292,683	339,546
Net decrease during the period		(354)	(46,863)
Carrying value at the end of period	CI$	292,329	292,683

The lower net decline during the period is attributable to new breeders added, weight gained during the period, and fewer mortalities. During the year ended 31 December 2021, 12 new breeders (2020: 10) were added to the herd and 5 turtles (2020: 7) were transferred to the secondary herd or died. As of 31 December 2021, there was CI$500,000 insurance coverage associated with the livestock (2020: CI$500,000).

7. Property, plant, equipment and exhibitions

	Land*	Buildings and lagoons	Plant and equipment	Motor vehicles	Furniture and office equipment	Exhibits & Portable Structures	Computer hardware & software	Total
Cost								
As at 31 December 2020	1,251,349	49,630,091	2,326,111	437,716	280,769	149,261	1,371,546	55,446,843
Additions	-	-	25,866	-	2,398	24,743	2,772	55,779
As at 31 December 2021	1,251,349	49,630,091	2,351,977	437,716	283,167	174,004	1,374,318	55,502,622
Accumulated depreciation								
As at 31 December 2020	-	36,223,627	1,817,303	377,059	250,947	63,400	1,265,863	39,998,199
Depreciation	-	2,465,401	197,863	24,808	22,092	29,526	69,122	2,808,812
As at 31 December 2021	-	38,689,028	2,015,166	401,867	273,039	92,926	1,334,985	42,807,011
Net book value								
As at 31 December 2021	CI$ 1,251,349	10,941,063	336,811	35,849	10,128	81,078	39,333	12,695,611
Cost								
As at 31 December 2019	1,251,349	49,679,314	2,186,782	437,716	300,888	83,261	1,384,001	55,323,311
Additions	-	7,418	160,808	-	7,930	66,000	45,304	287,460
Disposals	-	(56,641)	(21,479)	-	(28,049)	-	(57,759)	(163,928)
As at 31 December 2020	1,251,349	49,630,091	2,326,111	437,716	280,769	149,261	1,371,546	55,446,843
Accumulated depreciation								
As at 31 December 2019	-	33,719,860	1,607,706	336,938	223,079	41,039	1,159,357	37,087,979
Depreciation	-	2,511,206	219,297	40,121	32,746	21,563	133,497	2,958,430
Disposals	-	(7,439)	(9,700)	-	(4,878)	798	(26,991)	(48,210)
As at 31 December 2020	-	36,223,627	1,817,303	377,059	250,947	63,400	1,265,863	39,998,199
Net book value								
As at 31 December 2020	CI$ 1,251,349	13,406,464	508,808	60,657	29,822	85,861	105,683	15,448,644

*The total land cost of CI$1,251,349 (2020: CI$1,251,349) includes a parcel of land with an estimated cost of CI$102,349 (2020: CI$102,349) leased to Dolphin Discovery as part of the lease agreement detailed in Note 13.

8. Pensions payable and long-term staff service awards payable

The Company and its employees participate in the Cayman Islands Public Service Pension Plan (the "Plan") on both a defined contribution and defined benefit basis as explained below:

a) Defined contribution part

For employees enrolled in the defined contribution part of the Plan, the Company and the employee each contribute 6% of the employee's salary or wage each period. During the period ended 31 December 2021 contributions of CI$239,091 (2020: CI$265,031) were made by the Company and included in the statement of comprehensive loss.

b) Defined benefit part

Employees who started with the Company prior to 1 January 2000 are enrolled in the defined benefit program. Contributions towards benefits accruing in respect of current service (i.e. for the period since the employee was enrolled in the plan) are funded at rates periodically advised to the Company by the Public Service Pensions Board ("PSPB) and are recognised as an expense in the period incurred. The Company is also required to make payments to the plan to fund benefits accruing in respect of past service (the "defined benefit pensions liability"). This past service funding liability, which is generally equivalent to the actuarially determined present value of the defined benefit obligations less the value of the assets available to meet such obligations, is calculated periodically by the Plan actuaries and advised to the Company by the Pensions Board.

The Company recognises changes in the defined benefit pensions liability, adjusted for funding payments made, as an expense or gain in the period in which such changes are incurred.

The most recent actuarial valuation of the defined benefit pension liability was performed as of 31 December 2021 by Mercer and the results, which was reported to the Company by the PSPB in March 2022, indicated a plan deficit of CI$287,000 (2020: CI$911,000).

		2021	2020
Defined benefit liability at beginning of year		911,000	579,000
Defined benefit change included in profit and loss		56,000	125,000
Defined benefit change included in other comprehensive income		(680,000)	207,000
Defined benefit liability at end of year	CI$	287,000	911,000

		2021	2020
Company's share of:			
Defined benefit obligation		2,256,000	2,892,000
Fair value of plan assets		(1,969,000)	(1,981,000)
Defined benefit liability at end of year	CI$	287,000	911,000

8. Pensions payable and long-term staff service awards payable (continued)

b) Defined benefit part (continued)

Movement in defined benefit obligations during the year:

		2021	2020
Defined benefit obligation at beginning of year		(2,892,000)	(2,346,000)
Current service cost		(56,000)	(44,000)
Interest expense		(64,000)	(74,000)
Benefit payments		68,000	-
Transfer between other participating employers		216,000	-
Contributions paid into plan		(10,000)	(13,000)
Remeasurements		482,000	(415,000)
Defined benefit obligation at end of year	CI$	(2,256,000)	(2,892,000)

Movement in fair value of plan assets during the year:

		2021	2020
Fair value of plan assets at beginning of year		1,981,000	1,767,000
Interest income		44,000	56,000
Employer contributions		20,000	26,000
Plan participant contributions		10,000	13,000
Benefit payments		(68,000)	-
Transfer between other participating employers		(216,000)	-
Other significant events		-	(89,000)
Remeasurements		198,000	208,000
Fair value of plan assets at end of year	CI$	1,969,000	1,981,000

The defined benefit cost included in profit and loss (before other comprehensive income/(loss):

		2021	2020
Current service cost		(56,000)	(44,000)
Interest expense		(64,000)	(74,000)
Interest income		44,000	56,000
Employer contributions		20,000	26,000
Other significant events		-	(89,000)
Defined benefit cost	CI$	(56,000)	(125,000)

Remeasurements of the defined benefit plan included in other comprehensive income/(loss):

		2021	2020
Effect of changes in demographic assumptions		(11,000)	61,000
Effect of changes in financial assumptions		137,000	(479,000)
Effect of experience adjustments		356,000	3,000
Return on plan assets		198,000	208,000
Remeasurements	CI$	680,000	(207,000)

8. Pensions payable and long-term staff service awards payable (continued)

b) Defined benefit part (continued)

As required by IAS 19 the Projected Unit Credit has been used as the Cost Method. Assumptions regarding future mortality rates are based on the published Standard US Mortality Rates. The retirement age is completion of age 57 and 10 years' service.

The principal actuarial assumptions are as follows:

	2021	2020
Economic assumptions		
1. Discount rate	2.9%	2.6%
2. Salary increase	2.5%	2.5%
3. Rate of price inflation	2.0%	2.0%
4. Rate of pension increases	2.0%	2.0%

The distribution of the plan assets at 31 December 2021 and 2020 is as follows:

	2021	2020
Global equities	82%	82%
Debt securities	17%	18%
Cash	1%	0%
	100%	100%

c) Long-term staff service awards payable

In 1997 the Board of Directors approved a long-term staff service awards package entitling employees with over 25 years of service to a cash payment on retirement and payment of their health insurance premiums after retirement for a period to be determined by the Board of Directors. Employees who have attained age 65 and worked for one year or more are also eligible for a long-term staff service awards package of one week of each full year of work completed. There are 10 eligible employees at 31 December 2021 (2020: 9) for both of these scenarios combined, and the total liability of the Company in respect of past service benefits for retired employees is approximately CI$138,871 (2020: CI$142,572).

The term "long-term staff service awards payable" was previously referred to as "severance payable" in the financial statements from prior years. This change was implemented to clearly distinguish this employee benefit from the severance package for key management personnel.

9. Contributed capital

During the year ended 31 December 2021, the Government made equity injections that amounted to CI$6,111,824 (2020: CI$3,999,995).

The Cabinet authorized additional funding of $2,151,824, included above, for 2021 as additional Operating Appropriation in accordance with the Public Management and Finance Act (2020 Revision) ("PMFA"), which was recognised as additional capital contribution of the Company's Shareholder, the Cayman Islands Government. A Supplementary Appropriation Bill for the funding was not introduced in Parliament by 31 March 2022, as required by section 11 (6)(b) of the PMFA.

10. Government funding

The total funds approved by Government for future equity injections is as follows:

Facility type	Appropriation Act reference	Amounts approved	Amounts received
Equity injection	EI 49 (FY 2022)	2,500,000	2,500,000
Equity injection	EI 49 (FY 2023)	2,500,000	2,500,000
Total funding, approved and advanced from Government		**CI$5,000,000**	**5,000,000**

11. Taxation

The Government does not currently levy taxes on income or capital gains, and consequently no tax liability or expense is recorded in these financial statements.

12. Operating and administration expenses

Operating Expenses		**2021**	**2020**
Personnel expense		3,328,742	3,246,031
Depreciation expense		2,808,812	2,910,221
Utility expense		802,277	971,065
Feed and other related expenses		521,387	538,253
Maintenance costs		507,155	568,415
Retail operating expenses		103,649	101,575
Other operating expenses		19,338	23,316
Insurance expense		2,863	23,932
Travel and entertainment		-	1,087
Total Operating Expenses	**CI$**	8,094,223	8,383,895

Administration Expenses		**2021**	**2020**
Personnel expense		1,464,094	1,768,422
Professional fees		457,350	589,199
Insurance expense		244,072	237,641
Other expenses		225,369	232,290
Maintenance costs		210,037	249,518
Interest and amortization		136,432	87,390
Advertising expenses		114,351	167,319
Utilities expense		71,245	137,836
Defined benefit cost		56,000	125,000
Bank charges		25,760	59,423
Travel and entertainment		24,150	26,810
Telephone expenses		-	7,016
Bad debt (recovered) / expense		(9,567)	209,219
Total Administration Expenses	**CI$**	3,019,293	3,897,083

13. Other income

The Company leases an area of 97,574 square feet to Dolphin Discovery for the operations of a dolphin park. The Company entered a non-cancellable 5-year operating lease agreement on 12 January 2018, with one option to renew for additional 5 years.

This lease is and the expected future incoming cash flows associated with this lease are normally CI$201,600 per year on a straight-line basis. However, due to the COVID border closures for both tourism related air and cruise arrivals, CTCEC agreed with Dolphin Discovery a 90% rent concession until June 2022, with gradual reductions in the concession until October 2022, when the full rental amount was restored. The following amounts are expected to be received:

Within 1 year	100,800
Between 2 and 5 years	201,600
	302,400

14. Financial risk management

The Company's activities expose it to various types of risk that are associated with the financial instruments and markets in which it operates. The Company's Board of Directors have overall responsibility for the establishment and oversight of its risk management framework. The Company's risk management policies are established to identify and analyse the risks, set appropriate risk limits and controls and to monitor risks and adherence to limits. The most important types of financial risk to which the Company is exposed to are credit risk, liquidity risk and market risk.

This note presents information about the Company's exposure to each of these risks and the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. To mitigate this risk, the Company has adopted a policy of dealing only with counterparties which it believes to be credit worthy. Financial assets which potentially subject the Company to credit risk consist principally of cash and cash equivalents and trade receivables. The main credit risk to the Company is the potential loss that would be incurred if the counterparty to the bank balances or accounts receivable fail to discharge their obligations to repay. Most of the Company's sales transactions are on a cash basis, which limits the credit risk relating to accounts receivable. Furthermore, cash and cash equivalents are placed with two financial institutions in the Cayman Islands which management considers to be of good standing. The Company has no other significant credit risk.

The maximum exposure to credit risk for financial assets at the reporting date without taking account of any collateral held or other credit related enhancements and based on the net carrying amounts as reported in the statement of financial position, is:

		2021	**2020**
Cash and cash equivalents		598,697	401,698
Accounts receivable		16,180	12,694
	CI$	614,877	414,392

No collateral is required for the Company's debtors.

14. Financial risk management (continued)

The ageing of the accounts receivables as at 31 December is noted below:

		2021	**2020**
Current		9,586	-
31 – 60 days		84	-
61 – 90 days		-	-
Over 91 days		6,510	12,694
	CI$	16,180	12,694

As at 31 December 2021, an expected credit loss of CI$867,494 (2020: CI$877,061) has been made against gross accounts receivable of CI$883,674 (2020: CI$889,755). The provision consists of the ECL reserve amounting to CI$549,642 (2020: CI$559,209) and an additional reserve of CI$317,852 (2020: CI$317,852) as outlined in note 17. The movement in the allowance for doubtful accounts

is included within bad debts expense within administration and overheads in the statement of comprehensive loss.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to predict and manage the Company's expected cash outflows. Management monitors rolling forecasts of the cash and cash equivalents on the basis of expected cash outflows. Furthermore, throughout the period and subsequent to the period end, the Company has relied significantly on the support from the Government, as Shareholder, to provide funds in the form of bank guarantees and equity injections. The ability of the Company to meet its obligations is dependent on the ongoing financial support provided by the Government (note 10).

As at 31 December 2021, accounts payable, accrued expenses, and interest payable are all due within 3 months of the statement of financial position date.

Market risk

Market risk is the risk that changes in interest rates, foreign exchange rates or equity and commodity prices will affect the positions held by the Company making them less valuable or more onerous. The Company’s activities expose it to financial market fluctuations. Market risk includes interest rate risk, price risk and currency risk.

15. Financial risk management (continued)

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Management does not consider there to be an interest rate risk on cash and cash equivalents as it is due on demand. As at 31 December 2021, the interest rate profile of the Company's interest-bearing financial instruments was:

	2021	**2020**
Variable rate instruments		
Financial assets	598,697	401,698
Financial liabilities	(3,254,162)	(2,484,444)

A change of 1% in interest rates over the financial assets throughout the reporting period would have increased comprehensive income by CI$ 5,987 (2020: CI$4,017). A change of 1% in interest rates over the financial liabilities throughout the reporting period would have decreased comprehensive income by CI$32,543 (2020: CI$24,484).

The nature of the Company's exposures to interest rate risk and its objectives, policies and processes for managing interest rate risk have not changed significantly from the prior period. Subsequent to 31 December 2021 the market interest rates have decreased and the Company has not experienced any material adverse effects as a result of interest rate risk.

Currency risk

As substantially all transactions are denominated in Cayman Island dollars, the Company is not significantly exposed to currency risk due to the Cayman Islands dollar being fixed to the United States dollar. The nature of the Company's exposure to currency risk has not changed significantly from the prior period.

16. Related party transactions and key management remuneration

As outlined in Note 1, the Company is wholly owned by the Government. The Company engages with other entities and bodies which are related to the Government in the ordinary course of business.

All of the activities with other Government entities and related parties are conducted on an arm's length basis other than those relating to the significant financial support from the Government as described in note 10.

There were no loans made to key management at 31 December 2021 and 2020. Total remuneration paid to 6 personnel considered to be key management during the periods ended 31 December 2021 and 31 December 2020 was:

		2021	**2020**
Salaries		675,477	713,852
Severance pay (paid in 2022)		162,027	-
Pension and health insurance		32,364	45,522
Total	CI$	869,868	759,374

Members of the Board of Directors serve on a voluntary basis and do not receive salaries for services rendered. Directors not employed by the Government receive an amount of CI$200 for each board meeting attended. The total remuneration paid to the Board of Directors in 2021 was CI$16,200 (2020: CI$8,200).

17. Contingencies

The nature of the operations of the Company requires it to obtain permission which is granted by a Marine Discharge Permit (the "Permit") from the Water Authority of the Cayman Islands (the "Water Authority") in order to discharge wastewater from the turtle tanks into the ocean. The last Marine Discharge Permit was issued by the Water Authority for 24 months commencing on 19 October 2013, expiring 31 October 2015.

This Permit identified four "Phases" of six months each. For each Phase the Water Authority specified targets comprising items to be fulfilled or achieved by the end of each Phase, included in the Permit under the section "Special Conditions" which detailed the requirements for the Company regarding:

- Develop and implement a "Waste Reduction Plan",
- Carry out the routine water quality monitoring programme,
- Carry out the flow metering programme,
- Carry out the benthic survey,
- Track turtle stock and feed rates, and
- Carry out the reporting

On 10 September 2014, the Water Authority confirmed in writing that "the October 31, 2014, six-month milestone of the Waste Reduction Plan can be met by Company submitting to Water Authority for review, a final draft RFP for a performance-based treatment system". The Company would be deemed to have met the requirement for phase #2 in respect of the "Waste Reduction Plan", provided that by 31 October 2015, (end date of phase #2) the Company submits to the Water Authority a complete RFP for the system to extract waste. On 31 October 2014, the Waste Reduction Plan was submitted to the Water Authority. As at 31 December 2021, the Water Authority has not completed the review of the plan that the Company has submitted.

On 6 November 2014, the Department of Environment confirmed that they would provide the documentation of the report and methodology which would then enable the Company to conduct benthic video surveys each summer and winter so as to monitor the benthic conditions in the vicinity of the outflow on an ongoing basis, in accordance with the methodology which the Department of Environment would provide. As at 31 December 2021, the Company and the Water Authority had not received the report or the documentation on the methodology from the Department of Environment.

On 29 October 2015 the Water Authority confirmed that it had "received the application for the renewal of CTF's discharge permit."

As of the date these financial statements were available to be issued there has been no legal action initiated against the Company nor any fines levied. While the Company awaits further communication from the Water Authority in regard to the Waste Reduction Plan and the benthic video surveys as mentioned above, the Company continues to work cooperatively with the Water Authority doing the various other measurements and reporting, and is also considering alternative techniques to propose to the Water Authority as a better approach to reducing the potential environmental impact of its effluent discharge.

18. Anomalies in cash balances and irregularities

In January 2018, anomalies in certain cash balances/transactions were identified. The Company engaged legal counsel and an independent forensic firm to conduct an investigation of historical cash transactions. This uncovered missing cash of CI$324,390 which was provided for in the period ended 31 December 2017. Subsequent to year-end in January 2022, charges have been file against a former employee. The case is still ongoing.

Further, in June 2018, irregularities in purchases of information technology-related items amounting to CI$434,999 were identified in relation to Property, Plant, Equipment and Exhibits. Subsequent to year-end in February 2023, the court heard this case and the defendants pled guilty to the charges. No recoveries have been made, however, attempts to recover the amount are ongoing.

19. Public Authorities Act paragraph 47 ("PAA 47") implemented in 2022

The Public Authorities Act paragraph 47 ("PAA 47") came into effect in June 2019. PAA 47 requires the Company to use the same salary scale determined by Cabinet (currently equivalent to the salary scale of the Civil Service) and ensure that all jobs are evaluated by the same job evaluation methodology. Cabinet designated the Portfolio of the Civil Service (POCS) to complete the job evaluation of all public authorities, which was completed in July 2021. As of December 31, 2021, the Company had not adopted the salary scale, and only started paying its employees according to correct salary scale and updated job grades in May 2022. The Company adopted the correct salary scale retroactively with effect from 1 January 2022.

20. Going concern and COVID-19 considerations

Historically, the Company has been able to realise its assets and discharge its liabilities in the normal course of business. However, cost overruns of the development of the Park, lower than projected visitor numbers and operating costs in excess of initial budgets, have given rise to significant business risks that cast material uncertainty over the Company's ability to continue as a going concern.

The matters described above have resulted in significant operating losses to the Company since the financial period ended 30 June 2006. These conditions have resulted in the Company being unable to discharge its obligations as they fall due in the ordinary course of business. The Government continues to provide financial support to the Company in the form of further equity injections as outlined in notes 9 and 10. The continued existence of the Company is contingent on the ongoing support from the Company's shareholder and the maintenance of the credit facilities provided by the Company's bankers and guaranteed by the Government.

Furthermore, operating results subsequent to 31 December 2021 indicate that the Company continues to generate significant losses from operations and experience cash flow difficulties, and therefore continues to rely on Government for funding. Management, in consultation with the Board of Directors, have been working to design and implement a number of other cost-saving measures as well as increasing profitability by exploring new revenue streams.

20. Going concern and COVID-19 considerations (continued)

Since 31 December 2019, the spread of COVID-19 severely impacted many local economies around the globe. In many countries, businesses were forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services triggered significant disruptions to businesses worldwide, resulting in a global economic slowdown.

On 17 March 2020, the first confirmed case was reported in the Cayman Islands and the Government immediately responded by implementing a number of mitigating measures to control the spread of the virus on these Islands. The COVID-19 Pandemic Response Plan and the Cayman Islands Government's Public Health (Prevention, Control and Suppression of COVID-19) Regulations, 2020 were put in place subsequently and included the measure of closing the cruise port and air travel for tourists that have significantly impacted the Company.

The cruise port remained close during the year ended 31 December 2021 and until July 2022. There were some air arrivals, but they were subjected to the fifteen-day mandatory quarantine and prior approval before arrival. Therefore, the Cayman Islands did not see the return of the regular stayover tourists until the latter part of 2022, and this has continued to impact the operating results negatively in 2023.

Even after the removal of the travel restrictions it is uncertain as to when the operations of the Company will return to previous levels and the continued existence of the Company will be contingent on either increased ongoing support from the Company's shareholder and/or raising additional funding through credit facilities provided by the Company's bankers.

Management considers that Government support will be ongoing. The facility reopened for public access during 2021 and all ports were reopened in July 2022. Considering all of the information available at the date of approving these financial statements, management considers the preparation of the financial statements under the going concern assumption to be appropriate.

21. Subsequent events

Management has evaluated subsequent events through 28 March 2024, the date the financial statements were available to be issued. Since the year ended 31 December 2021 the following significant events occurred:

A. Movement in key executive positions

- Tim Adam, the Chief Executive Officer (CEO) that was in post in 2021 was removed on 26 January 2022.
- On the same date, 26 January 2022, the Company appointed Christopher Jackson as Acting CEO. Christopher Jackson continued in his permanent role as Chief Infrastructure Officer (CIO) until he was appointed permanently as CEO in March 2023.
- The Company appointed Gary Phillips as Acting CIO in June 2023. He departed the Company on 30 September 2023. Christopher Jackson continues to act in this role, while awaiting effectivity of James Jackson who will start by February 2024.
- The Company appointed James Rawcliffe as acting CFO on 25 April 2022, and permanent CFO on 16 November 2022.
- The Company appointed Mario Ebanks as CHRO in July 2023 but he departed the Company on 30 August 2023. The Company is in process of hiring for replacement.
- Renee Howell, the Chief Marketing and Merchandising Officer departed the Company on 8 September 2023. She will be replaced by Tiffany Dixon-Ebanks on 17 January 2024.

After year-end 31 December 2021, the Company paid a total of CI$162,027 in severance benefits to the former CEO and former COO, of which CI$155,000 was accrued as at 31 December 2021 and was included under accounts payable and accrued expenses in the statement of financial position.

B. Change in accounting policy

Subsequent to the financial year end, on 1 January 2022, the Company underwent significant change in accounting policy pertaining to land and buildings, the transition involved a shift from the previously employed cost model to the revaluation model prospectively as governed by the principles outlined in International Accounting Standard (IAS) 16 – Property, Plant and Equipment.

As of 31 December 2022, a thorough revaluation exercise was conducted, resulting in the determination of the fair value of land and buildings, net of depreciation was determined to be CI$70,402,877.

C. Promissory note agreement with CIG for a line of credit

On 17 January 2022, the Company entered into an interest-free promissory note agreement with the Treasury Department of the CIG for a line of credit amounting to CI$10 million, to be repayable in 2024. On 16 October 2023, the promissory note was amended to provide no fixed repayment date.

Management have determined that no other subsequent events have occurred that would require recognition or additional disclosures in these financial statements.