



BARBADOS  
REVENUE AUTHORITY

# 2022

ANNUAL REPORT



# BARBADOS REVENUE AUTHORITY ANNUAL REPORT AND FINANCIAL STATEMENTS 2021/2022

Presented to the Minister of Finance, Economic Affairs and Investment  
pursuant to Section 23 of The Barbados Revenue Authority Act 2014-1







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# ABOUT US

## VISION

To be a model tax administration committed to serving our taxpayers and contributing to the economic well-being of our nation

## MISSION

To administer tax and promote voluntary taxpayer compliance in a cost effective manner by providing quality services to taxpayers through an empowered and engaged staff.

## PURPOSE

To advance the socio-economic development of Barbados.

## ROLE

The Barbados Revenue Authority ("the Authority") was established on April 1, 2014 as a statutory corporation. As a tax administration, our mandate includes tax collection, monitoring and engaging on global tax relations matters with other jurisdictions for the exchange of information and operating to ensure the financial wellbeing of our

nation. In addition to its core functions, the Authority provides cashiering services to the Barbados Licensing Authority (BLA).

## VALUES

- **Fairness** – is being committed to applying tax laws impartially and objectively; and to treat everyone in an equitable manner.
- **Accountability** – is taking responsibility for actions and endeavouring to accomplish the work we set out to do.
- **Integrity** – continually demonstrating high moral and ethical behaviour to gain the respect and confidence of all stakeholders.
- **Responsiveness** – providing timely, effective, quality and proactive service.
- **Professionalism** – acting with dedication and skill in a manner that is respectful and dependable in the conduct of our affairs.

### THESE VALUES ARE SUPPORTED BY:

- **Courtesy**
- **Consistency**
- **Cooperation**
- **Communication**

# TAXPAYER'S RIGHTS & OBLIGATIONS

## **Taxpayers in their dealings with the Barbados Revenue Authority have the right to:**

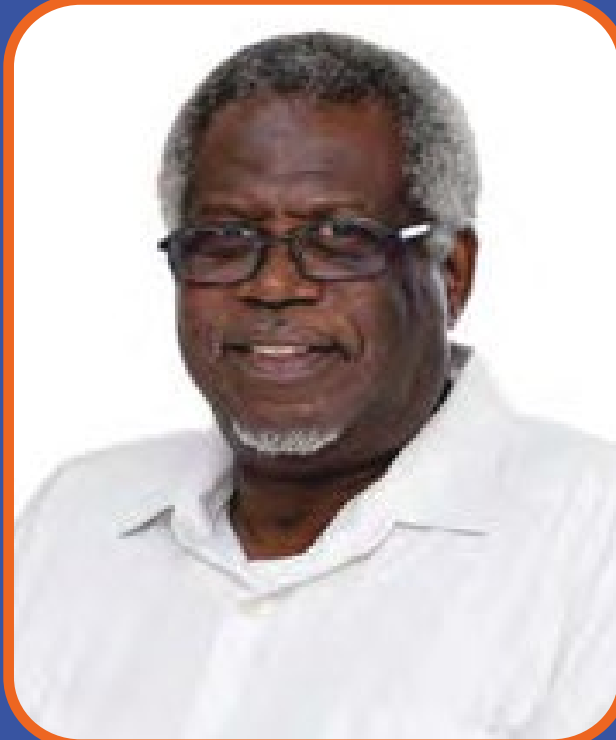
- Be respected
- Be informed
- Receive quality service based on the principles of integrity and honesty
- A fair system administered in an even-handed manner
- Expect that the Authority has a technically proficient and professional workforce
- Appeal to an independent Tribunal against any assessment of Authority

## **Taxpayers are required to comply with certain key obligations:**

- To register with the Barbados Revenue Authority
- To file returns and provide information on Incomes, transactions and relevant activities
- To report correctly and completely
- To pay the amount of tax due on time, in accordance with the law



# The Board



**William Layne**  
Chairman



**Sandra Osborne**  
Deputy Chairman



**Louisa Lewis-Ward**  
Revenue Commissioner



**Cheryl Bennett-Inniss**  
Chief Technical Officer



**Ian Carrington**  
Director of Finance and  
Economic Affairs



**Richard Green**  
General Secretary NUPW



**Kaye-Anne Greenidge**  
Board Member



**Vincent Yearwood**  
Board Member



**Calvert (Cally) Boyea**  
Board Member



# OUR SENIOR MANAGEMENT TEAM



**Louisa Lewis-Ward**  
Revenue Commissioner

Board Member

## Directors



**Carolyn Barton**  
Director



**Trevor Forde**  
Director



**Anthony Gittens**  
Director (ag)



**Kathleen Pilgrim**  
Senior Manager



**Janelle Jones-Carter**  
General Counsel



**Sonia Jones**  
Senior Manager



**Elson Browne**  
Senior Manager (ag)



**Deanna Forde-Walcott**  
Senior Manager



**Roger Blackman**  
Senior Manager

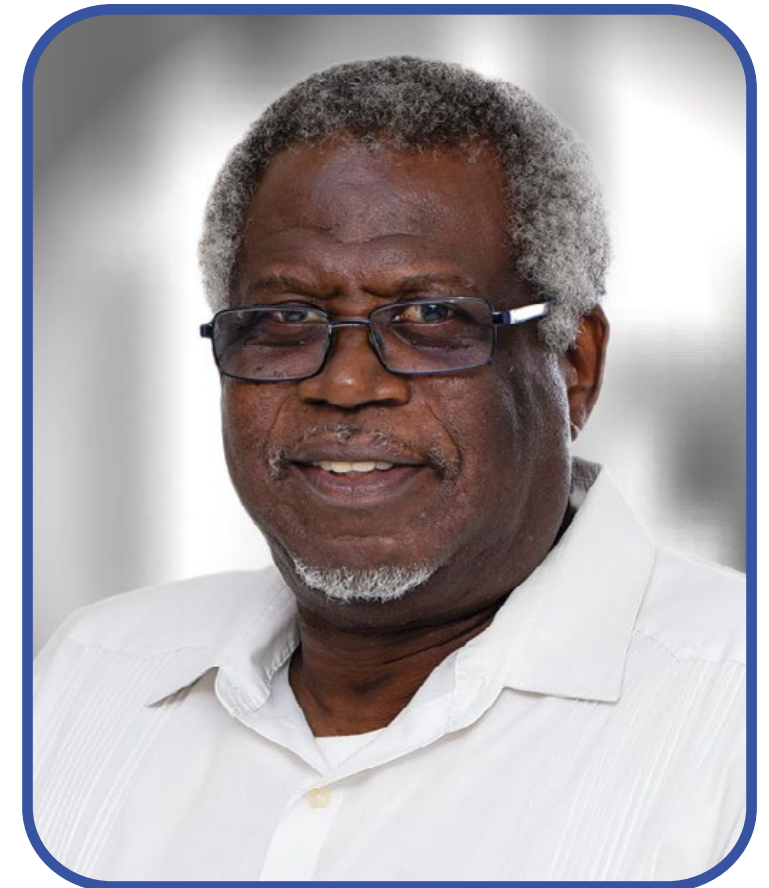
# CHAIRMAN'S Message

In accordance with the Barbados Revenue Authority Act 2014-1, I have the honour to present the Annual Report for the year ended March 31, 2022.

For the year ended March 31, 2022, the Barbados Revenue Authority (BRA) collected \$1.6 billion in revenue. This represented an increase of 2.28% over the preceding year. As the economy recovers to pre-pandemic levels increased collection of tax revenues should result. The process of cleaning up the receivables pertaining to the Administered Activities of the BRA continued and this activity should be completed during the financial year 2022/2023.

The cost to revenue ratio, which represents the cost of running the BRA for the period, was 2% and the Agency Activities received a clean audit for the year ended March 31, 2022.

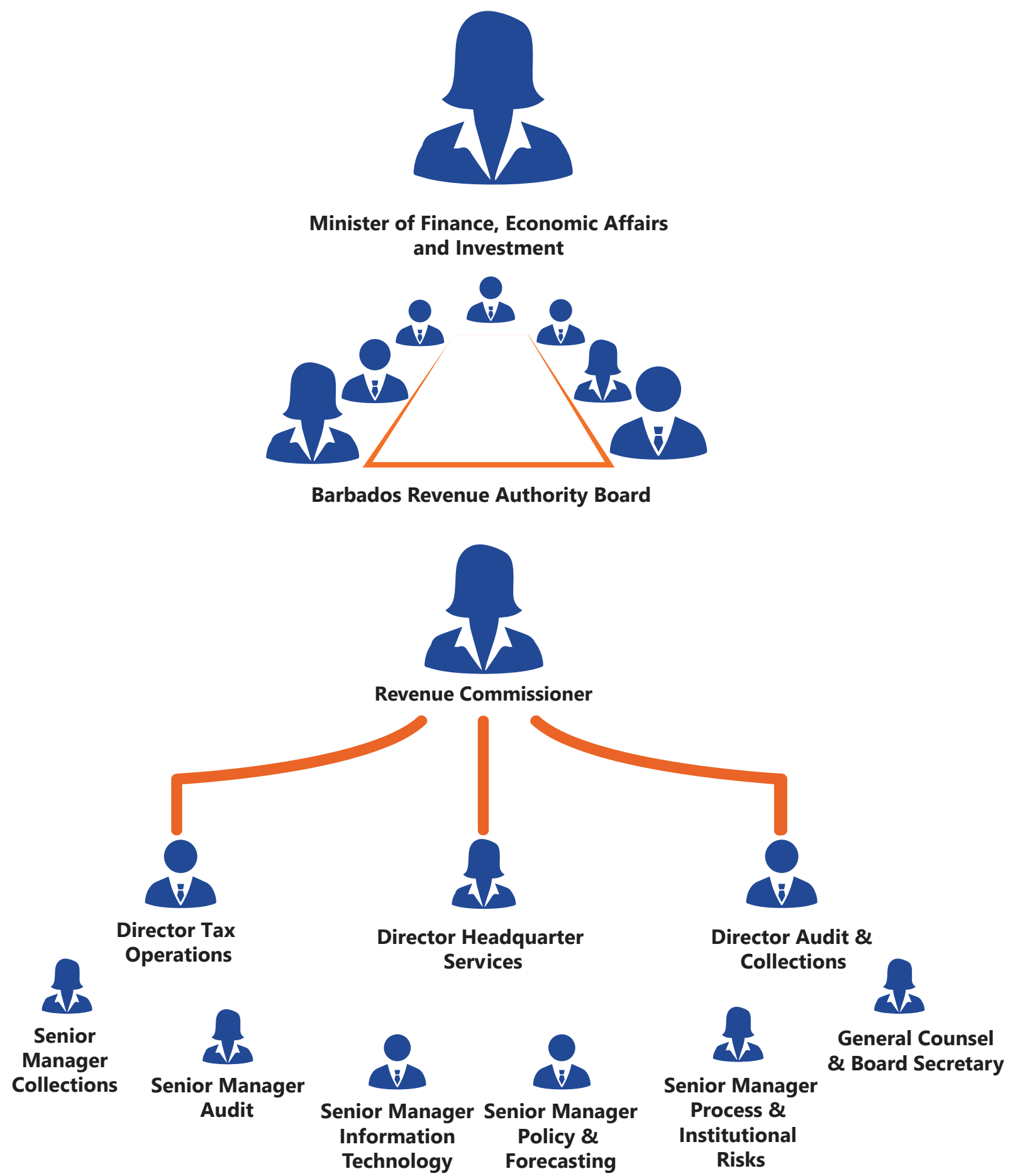
Cognizant of the importance of training and education as a means of improving the skills and performance of the staff, the BRA Academy was established in collaboration with the Cave Hill School of Business of the UWI during the financial year. It is expected that the establishment of this facility will see improved performance in all areas of activity.



**William Layne**  
Chairman



# Governance Structure



# Board Operations

## Board Composition

Pursuant to the Barbados Revenue Authority Act, 2014, the Board comprises of nine (9) directors, six (6) of whom are appointed to serve for a term not exceeding three (3) years. The remaining three (3) directors are directors by virtue of their office, namely, the Revenue Commissioner, the Director of Finance and Economic Affairs and the Chief Technical Officer in the Ministry of Transport and Works. One (1) of the six (6) appointed directors must be nominated by the trade union representing the highest number of employees within the Authority, and the other five (5) appointed directors are selected by the Minister of Finance and are, in his/her opinion, qualified and experienced in economics, accounts, finance, tax, law, public administration or business or such other areas as are required for the discharge of the functions of the Board in his/her opinion.

## Board Meeting Attendance

| Directors             | Number of Regular Meetings Attended | Eligible Meetings | Percentage of Meetings Attended |
|-----------------------|-------------------------------------|-------------------|---------------------------------|
| William Layne         | 10                                  | 11                | 91%                             |
| Sandra Osborne        | 9                                   | 11                | 82%                             |
| Kaye-Anne Greenidge   | 8                                   | 11                | 73%                             |
| Calvert Boyea         | 10                                  | 11                | 91%                             |
| Richard Green         | 10                                  | 11                | 91%                             |
| Vincent Yearwood      | 11                                  | 11                | 100%                            |
| Cheryl Bennett-Inniss | 9                                   | 11                | 82%                             |
| Ian Carrington        | 9                                   | 11                | 82%                             |
| Louisa Lewis-Ward     | 11                                  | 11                | 100%                            |

## Committees of the Board

The Board has established four (4) standing committees to facilitate in-depth consideration of matters within the scope of the respective committees:

- **Audit and Risk Committee:** Vincent Yearwood (Chair), William Layne and Calvert Boyea
- **Human Resources Committee:** Sandra Osborne (Chair), Richard Green and Vincent Yearwood
- **Information Technology Committee:** Kaye-Anne Greenidge (Chair), Cheryl-Bennett-Inniss and Calvert Boyea.
- **Tenders Committee:** Cheryl Bennett-Inniss (Chair), Ian Carrington and Kaye-Anne Greenidge.

## Committee Attendance

### Tenders Committee

There were no Tenders Committee meetings for the financial year 2021-2022.

### Audit & Risk Committee

| Directors        | Number of Meetings Attended* | Eligible Meetings | Percentage of Meetings Attended |
|------------------|------------------------------|-------------------|---------------------------------|
| Vincent Yearwood | 5                            | 5                 | 100%                            |
| William Layne    | 5                            | 5                 | 100%                            |
| Calvert Boyea    | 2                            | 5                 | 40%                             |

\*Includes a meeting held with the Barbados Audit Office.

### Human Resources Committee

| Directors        | Number of Meetings Attended | Eligible Meetings | Percentage of Meetings Attended |
|------------------|-----------------------------|-------------------|---------------------------------|
| Sandra Osborne   | 5                           | 5                 | 100%                            |
| Richard Green    | 5                           | 5                 | 100%                            |
| Vincent Yearwood | 5                           | 5                 | 100%                            |

### IT Committee

| Directors             | Number of Meetings Attended | Eligible Meetings | Percentage of Meetings Attended |
|-----------------------|-----------------------------|-------------------|---------------------------------|
| Kaye-Anne Greenidge   | 3                           | 4                 | 75%                             |
| Calvert Boyea         | 4                           | 4                 | 100%                            |
| Cheryl Bennett-Inniss | 4                           | 4                 | 100%                            |

## Committee Activities

The major activities of these committees for the financial year 2021-2022 are set out below:

### Audit and Risk Committee

- Reviewing Management's responses to the Auditor General's Report for the Financial Year ending March 31, 2020.
- Approving the Tax Audit & Compliance Department Audit Work Plan 2021-2022.
- Approving the Enterprise Risk Management Department Work Plan 2021-2022.
- Reviewing the Authority's risk register and actions taken to mitigate risks.
- Approving the Audit and Risk Committee Charter for the financial year 2021-2022
- Reviewing and recommending the approval of the draft financial statements for the year ending March 31, 2021 to the full Board.
- Reviewing the Authority's Finance and Accounting Procedural Manual.

- Reviewing Internal Audit reports and Risk Management reports.
- Reviewing the performance of the Tax Audit & Compliance Department and the Enterprise Risk Management Department relative to the agreed work plans.
- Agreeing the format of the Authority's financial statements for the purposes of the Barbados Audit Office.

### • Human Resources Committee

- Approving appointments in posts.
- Recommending acting appointments in senior manager posts to the full Board.
- Reviewing vehicle loan applications.
- Reviewing a training loan application.
- Considering matters relative to remote working.
- Considering matters relative to staff training, including the implementation of the BRA Academy.
- Considering disciplinary matters and ensuring that there was adherence to the Employment Rights Act, 2012.
- Considering a grievance matter.
- Agreeing a policy on bracketed posts.
- Recommending a change to the organisational structure, namely the implementation of a Compliance Risk Management Unit.
- Reviewing the Grievance Handling Procedural Document.

### • Information Technology Committee

- Reviewing the IT-specific risk register and the actions taken to mitigate risk.
- Considering matters relative to data storage and recovery.
- Considering data protection matters, having regard to the Data Protection Act, 2019, which came into operation on March 31, 2021.
- Monitoring the implementation of recommendations arising from an IT Consultancy.
- Considering a security report and the corrective actions taken.
- Reviewing the Authority's software and hardware infrastructure and the cost associated with the same.



# REVENUE COMMISSIONER'S Message

For the Barbados Revenue Authority, the financial year 2021-2022 was characterized by a return to as close to normal, as was possible in light of the ongoing COVID-19 pandemic. Many of the related restrictions were discontinued in an attempt to reignite economic activity within the island. In my capacity as Revenue Commissioner, I am proud to say that, as an institution, we stepped up to the challenge of carrying out our functions amidst the pandemic, keeping governance, compliance, service and capacity building as our priorities. We collected \$1.6 billion in tax revenue for the year.

As a public sector agency, we aligned our strategy with that of Government's triple focused strategy of stabilisation, growth and transformation. A key element of our journey is in facilitating operational efficiency, and this required us relooking our operational model. Consequently, we embarked on a programme to rationalize and realign our operating model. Our base structure was around functional areas and with our current evolution we have increased our focus around taxpayer segments. This organisational realignment is now in its final stages.

Thus far, we identified and established in some cases, a number of speciality units and project teams to assist in carrying out our mandate. The groups that have been realigned have started carrying out their roles, to achieve their targets in earnest and map out processes. Additionally, new posts were established and the final step in the realignment programme would be filling those roles.

During the year, we placed greater emphasis on taxpayer relationship management. This required us having a centralised unit as first point of contact for taxpayers. I am pleased to report that we implemented a fully functional contact centre. This is a bid to alleviate some of the challenges related to contacting the Authority.

Another key aspect of our operations for the year related to refunds. We embarked on the first phase of a process which seeks to clear our refund balances. During the year, we were able to complete the analysis and review of outstanding refunds. This puts us in a position where we are now better able to dialogue with the Ministry of Finance on a settlement programme.

As we seek to improve service delivery at the Authority, a key element is ensuring that our workforce is well-trained. In this regard, we established the BRA Academy in conjunction with the University of the West Indies (UWI) – Cave Hill School of Business during the year. This collaboration seeks to expose our staff to soft skills, tax technical, management, leadership and computer skills training opportunities. In reflecting on what we achieved throughout the course of the year, I am pleased to say that the efforts of our employees in successfully implementing initiatives and their dedication towards improving service was commendable. This Annual Report highlights the Authority's major accomplishments for the financial year 2021-2022.





**ACHIEVING OUR GOALS**



# Revenue Performance

The Barbados Revenue Authority is the main revenue collecting agency and tax administrator for the Government of Barbados. For the year under review, we collected **\$2.4 billion** in tax revenue to support the government's social and economic programmes.

## Value Added Tax

The revenue recorded for VAT for the fiscal year 2021/22 was **\$933.47 million**. During the year, the top five increases in payments were collected from accommodation and food service activities, manufacturing, transportation and storage, administrative and support service and real estate activities.

## Personal Income Tax (PIT) & PAYE

In relation to PIT and PAYE, the revenue recorded for the year was **\$398.63 million**. As with VAT, short-term accommodation and restaurants and mobile food service activity accounted for the majority of the observed upswing. These areas saw respective increases of \$7.3 million and \$0.9 million.

## Corporation Tax

For the fiscal year, revenue collected for Corporation Tax totaled **\$456.65 million**. Financial and Insurance activities saw upticks in reinsurance and other financial activities except insurance and pension funding, other credit granting, non-life insurance and fund management activities were sufficient to outstrip declines in activities of holding companies, auxiliary financial services and financial leasing. Increases in payments also came from the construction and real estate activities.

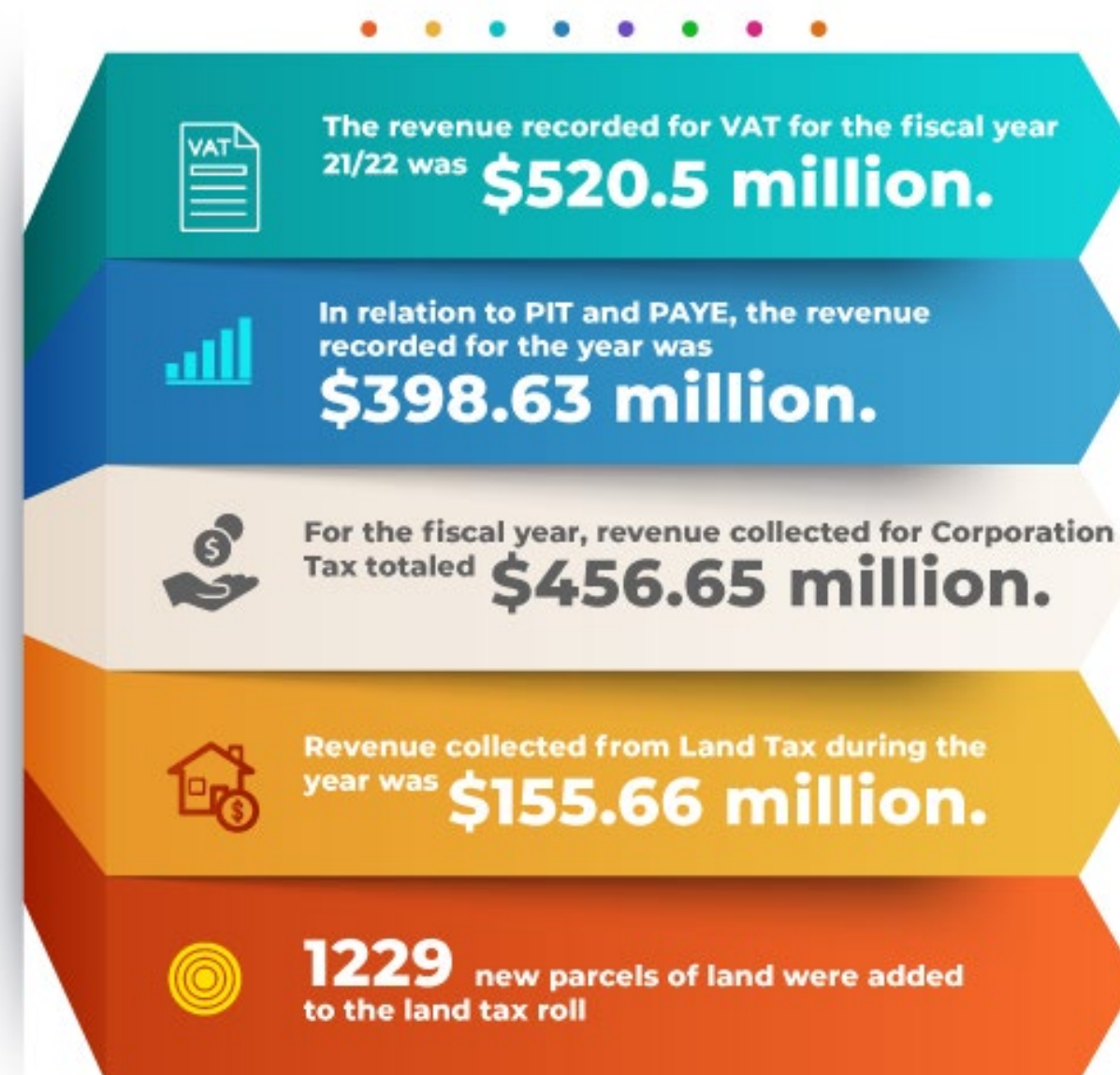
## Land Tax

Revenue collected from Land Tax during the year was **\$155.66 million**. The Authority observed that on-time payment compliance has remained just over 60% for the last four fiscal years (notwithstanding the pandemic's impact on disposable income from 2020-21). During the year under review, 1229 new parcels of land were added to the land tax roll but these are not currently estimated to have a material impact on annual collections.

## Outlook

Economic activity within the island has rebounded greatly after the initial pandemic lockdown periods. The Central Bank's forecast of an approximately 16% nominal growth demonstrated confidence in the nation's continued recovery for the year 2022-23.

We collected **\$1.6 billion**  
in tax revenue

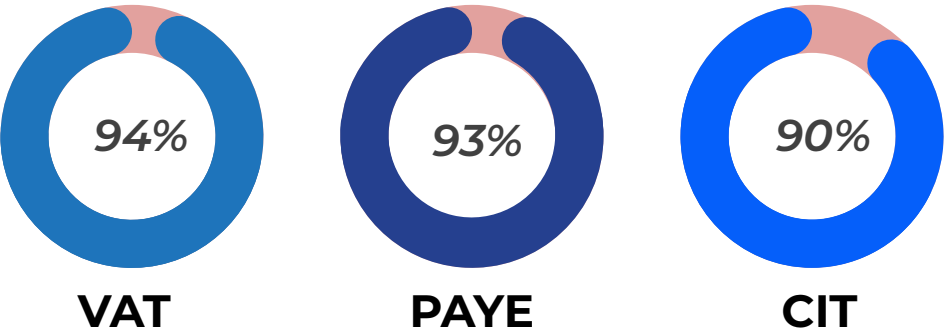




# Performance Highlights

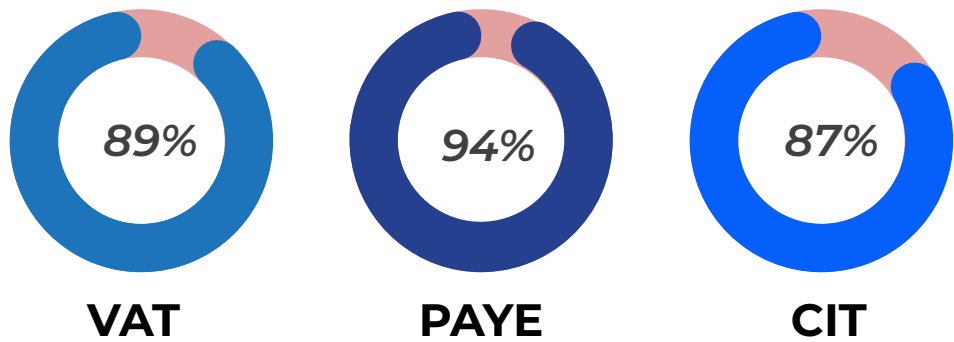
## Filing Compliance

Large taxpayers overall on-time filing rate for core taxes: **92%**



## Payment Compliance

Large taxpayers overall on-time payment rate for core taxes: **90%**

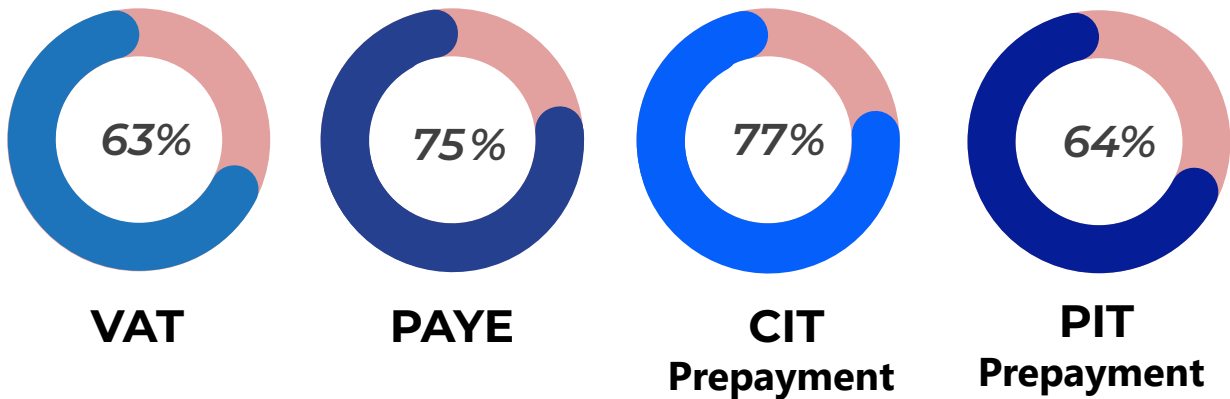


## Land Tax Payments



On-time payment rate – **66%**

Overall on-time payment rate for Small, Medium and Micro Enterprises (SMEs): **70%**



## Audit Assessments



We assessed over **\$21 million** in estimated recoveries/tax changes.

## Tax Arrears



We collected **\$35.6M** in tax arrears  
There were **152** installment agreements negotiated and signed.

## Refunds



We paid out over **\$160M** in tax refunds.

# Strengthen accountability and transparency mechanisms

## New structure implemented

As part of the second phase of the realignment programme towards the Authority becoming a more technology driven organisation, a number of new posts were submitted to the Ministry of the Public Service (MPS) for approval. All of the posts were approved and will be advertised and filled in the upcoming financial year.

## Strengthening legislation

During the year under review, the Authority assisted with the following legislative amendments:

1. Amendment to the Income Tax Act, Cap. 73 to insert provisions to remit penalties and interest from July 1, 2017 to December 31, 2021 for failing to deduct or withhold tax or pay an amount that is required by section 64 and 64E or pay within the time prescribed.
2. Amendment to Section 52 of the Income Tax Act, Cap. 73 to create an obligation for any person registered with CAIPO to register and file a tax return with the Authority.
3. Amendment to the Income Tax Act, Cap. 73 to insert provisions to remit penalties and interest for failing to file a corporation tax return where a company did not carry on a business for income years 1968 to 2020 inclusive.
4. Amendment to the Income Tax Act, Cap 73 to facilitate
  - a. Government of Barbados (GoB) bonds within an RRSP portfolio to be split from other securities for the purpose of sale of the portfolio, on application to the Revenue Commissioner.





- b. GoB bonds within an RRSP portfolio may be split from other securities so that such bonds may be liquidated to provide individual bondholders the same or with a new series of bonds.
  - c. GoB bonds can be held by individual bondholders and not through an RRSP. If, however, interest is paid or credited in an income year on the GoB bonds a withholding tax of 15% applies as a final tax.
5. Amendment to the Land Tax Act, Cap.78A to extend the deadline date for the payment of land tax for person to benefit from the discount for the FY2021-2022. As the Authority moves to strengthen corporate legislation, a comparative analysis of the Tax Administration Acts in two (2) jurisdictions was conducted. Furthermore, the Authority completed a comparative analysis of the tax procedures contained in Barbados' taxing statutes as against the two (2) jurisdictions. Following these reviews, recommendations were outlined on the amendments required to harmonise the audit, enforcement, collection and service of documents provisions of each specified enactment.

### **Cooperative agreements**

As part of the efforts towards strengthening the Authority's business intelligence capabilities, a memorandum of understanding between the Authority and the Customs and Excise Department was completed.





# Continuous improvement in tax administration operational performance areas

## Maintain and update taxpayer databases

A key area of focus for the Authority, is to ensure that the registered taxpayer database is maintained and updated. A review of the taxpayer database revealed a number of taxpayer duplications which could negatively impact planning and forecasting for the Authority. Consequently, a duplication registration initiative was established during the year to address the issue.

For the reporting period 6,662 taxpayers were registered in TAMIS. This number was bolstered by the delinquent companies’ project which was done in collaboration with the Corporate Affairs and Intellectual Property Office (CAIPO) and saw more than 1,000 new taxpayers added to the tax net.

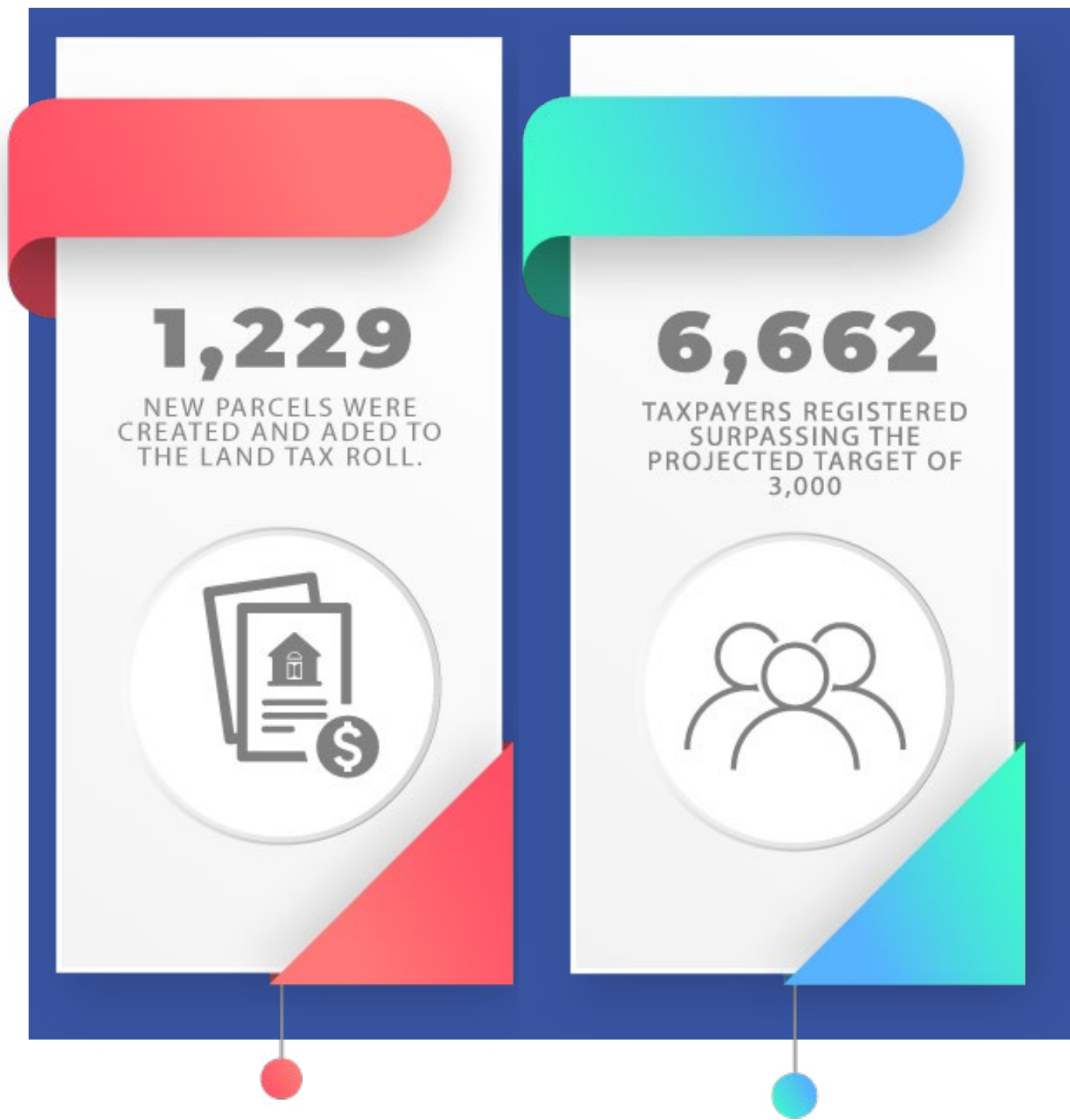
Additionally, the Authority was granted access to CAIPO’s portal to access registration data, allowing for more efficient registration processing.

## Update Land tax rolls

During the year, 1,229 new parcels were created and added to the Land Tax roll. This far exceeded expectations and was due to the several new residential development.

## Filing of tax returns monitored and managed

These included continuous internal training sessions for staff; development of manuals and procedures; Virtual Tax Fairs where taxpayers were assisted with filing and tax information; Tax Day presentations for upload assistance; creation of Tax Tips for circulate to taxpayers, and participation in a number of events in relation to starting a business and entrepreneurship. It is anticipated that we would see some improvements in the upcoming financial year.



## Monitor and manage on-time payment of obligations

Similarly, the on-time payment rate for SMEs and individuals was below the targeted 70%. A number of strategies related to educating taxpayers on payment options were completed for the reporting period. Additionally, there were cases of payments received on-time but taxpayer accounts not updated to immediately reflect this, and thus impacting on-time payment rate calculations.

## Monitor reporting compliance

By the end of the year, we completed 219 audits of domestic and international business entities. For the year we assessed estimated recoveries/ tax changes as follows:

- Domestic audits - \$10 million
- IBC audit - \$3 million
- Refund Audit (Reduction of claim) – \$4 million
- B/F Loss reduction – \$ 4 million

## Collections

We continued to make a concerted effort to reduce our tax receivables during the year. Consequently, tax arrears collections totaled \$35.6 million with 80% of the total collections related to companies, while 20% were related to individuals.

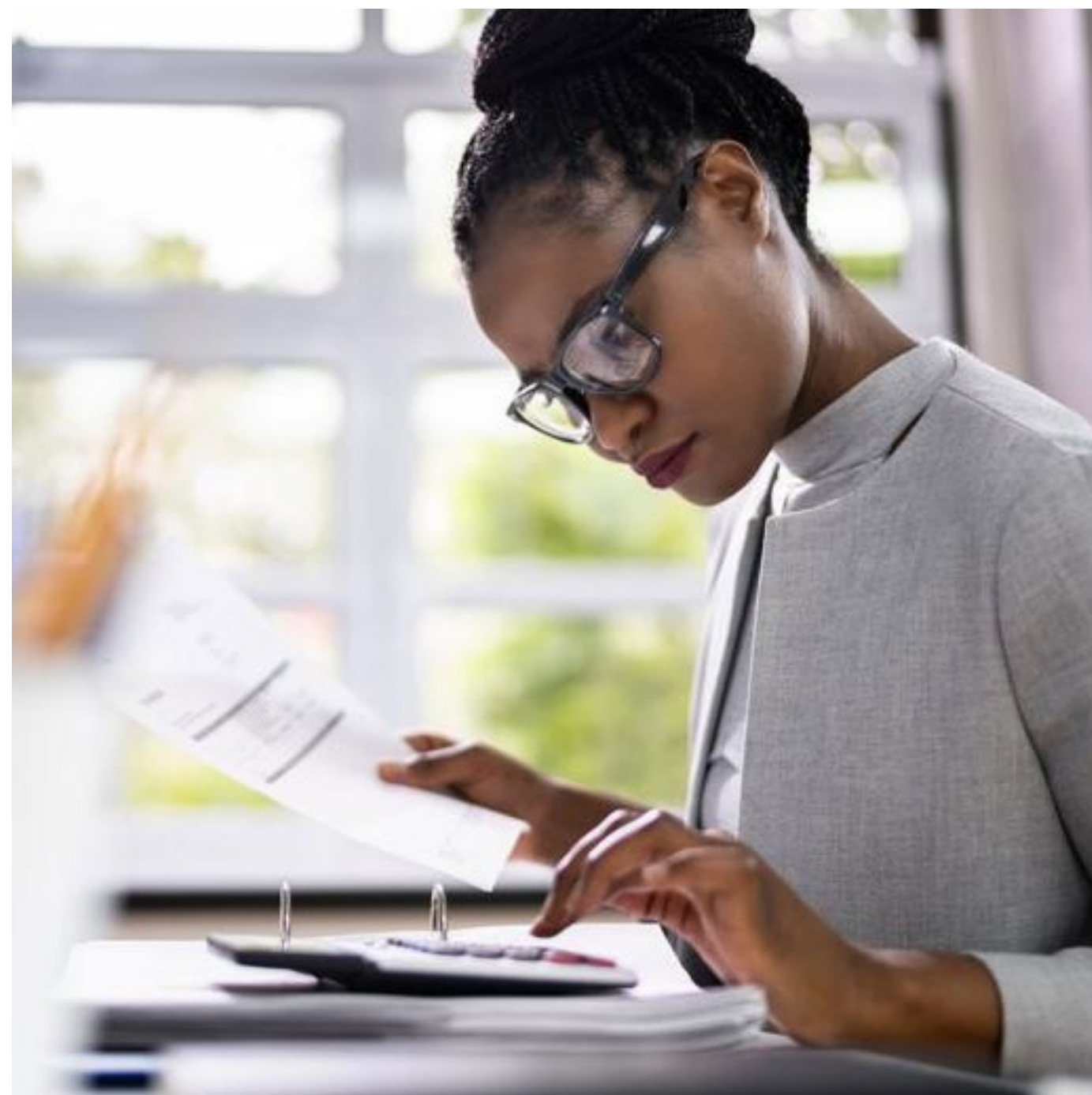
Of note is the fact that high collections were achieved in an environment of low economic activity - COVID policies, ash fall, high unemployment and low liquidity. Additionally, this accomplishment was done without the dependency on amnesties to stimulate collections as other strategies were put to use.

## Focused sections

During the year, we established sections to focus on bankruptcy and insolvency matters, as well as one dealing with the Betting and Gaming sector. We established a framework for bankruptcy and insolvency, as well as prepared a manual for the unit.

In relation to monitoring the Betting and Gaming sector, operational and governance procedures were developed and aligned to the existing legislative regime. It is expected that operational and governance procedures will require revision following the impending legislative reform. We commenced industry audits and conducted inspections. However, we experienced disruptions as a result of the pandemic.

Nevertheless, the policy and legislative framework required to inform the reform of the Betting and Gaming Industry was prepared in collaboration with the Betting and Gaming Committee. The said policy and framework were submitted to the Ministry of Finance for approval and subsequent submission to Cabinet.



## Facilitating International Compliance

We established the Global Relations Unit (formerly the International Relations Unit) within the Tax Audit and Compliance Division. The Unit's responsibilities included for Exchange of Information (EOI), FATCA, Country-by-Country (CbC) reporting, Common Reporting Standard (CRS), monitoring the OECD/G20 BEPS Actions, dispute resolution under the double taxation agreements, and implementing a transfer pricing regime in Barbados.

On behalf of the Authority, the Unit responded to requests for information from Barbados' partners and transmitted the FATCA and CRS data to the IRS and OECD by the prescribed date of September 30, 2021. At the close of the year, an estimated 30 entities were identified as having failed to register for the purposes of FATCA and/or CRS. Additionally, we recovered pecuniary penalties which totaled \$242,500.

## Enhancing Compliance Risk Management

The Authority is seeking to integrate the use of data to drive its decision-making processes. To this end, the Authority engaged with the Caribbean Regional Technical Assistance Center (CARTAC) for a mission, which focused on business intelligence and data warehousing.





# Enhance the options for accessing taxpayer services, engagement and information management

## Stakeholder Engagement

Following on from the previous year's focus on building relationships and consistent communication, we continued our stakeholder engagement sessions with targeted taxpayer groups:

- Hosted session with credit unions regarding their obligations for EOI requirements
- Conducted 128 virtual meetings for the year with the large taxpayers group;
- Held quarterly meetings with industry associations;
- Participated in Tax Update sessions;
- Met with tourism and real estate sector groups

## Accessibility to information

During the year, we were featured on a number of broadcast shows, to raise awareness around banking and up-to-date contact details; tax arrears Payment Plan Programme; Land Tax 10% deadline; Customer Service and Contact Centre reforms; online services portal and BRA payment options.

Additionally, there were focused information campaigns for Land Tax Payment, VAT Free Day, Visitors Permit Online, and Online Vehicle Registration.

The website remains the central hub for information from the Authority. There were over 379,000 sessions on [www.bra.gov.bb](http://www.bra.gov.bb). We have started the process of revamping the website. There was continued traction with our social media channels, with over 7,000 followers on our Facebook channel and over 10,000 on Instagram. During the course of the year our messages reached 309,971 Facebook users and 181,775 Instagram users. Our information is also shared through the Government Information Service (GIS) digital channels.

## Enhancing service delivery

Good service is a foundational element in pursuing voluntary compliance. As an institution, we are journeying towards becoming a more customer-centric organisation in support of our compliance mandates. One of the key aspects of revamping our service delivery channels was the introduction of a fully functional Contact Centre. This was successfully implemented at the beginning of the third quarter of the financial year.

Additionally, as we seek to streamline and make our services more seamless, we have started the process of reviewing and updating our Service Charter.



# Strengthen institutional capacity and operational efficiencies

## Technology initiatives

Technology is the enabling pillar across all aspects of our operations. There was continued focus on implementing initiatives that would contribute to enhanced service experiences. Some of the key technology initiatives for the year:

- Established the contact centre
- Launched basic intranet functionality for staff
- Implemented the CloudSuite Financial Solution
- Provided IT support for Customs systems, mainly ASYCUDA
- Started project to have SmartStream generate the ACH files and transfer to Central Bank for payment
- Worked on developing an e-services portal. Thus far, we have introduced the online vehicle registrations and visitor permit functions
- Worked on revamping the website
- Started scoping the project for upgrading VTAX software (Land Tax system) to provide greater functionality.

## Infrastructural Activities

With the introduction of the contact centre, we removed the majority of desk phones and issued all staff with mobile phones. Consequently, a mobile phone policy was developed and staff were required to log in to the intranet to sign-off on the policy.

We set up a new location at Mahogany Court, which primarily houses the non-taxpayer facing sections of Tax Operations and Tax Audit and Collections Divisions.

## Supporting our people

For three days during the week, we provided the opportunity for staff to participate in a virtual exercise programme to support them in fitness and mobility, considering the majority of the staff was working remotely and gyms were closed. This initiative was called the BRA Virtual Fit Factory, which was hosted for one hour from 6 to 7 pm on Mondays, Tuesdays and Thursdays for one year.





The BRA Academy was established in September of this fiscal year, with a focus on creating a Centre for Learning and Excellence within the Authority. Through the Academy, programmes in the areas of leadership, management, soft skills, tax technical training and tax administration will be delivered for all staff levels.

We engaged with the University of the West Indies through the Sagicor Cave Hill School of Business and developed a training schedule for the programmes through the BRA Academy. By November, the BRA Academy was officially launched, during an all-colleague meeting and subsequently, welcome letters were issued to all members of staff. Training sessions officially started in December of the year under review.







# FINANCIAL STATEMENTS

*2022 Audited Financial Statements*

# Statement of Management and Responsibilities

The accompanying financial statements of the Barbados Revenue Authority (the Authority) have been prepared in accordance with International Public Sector Accounting Standards (IPSAS). Significant accounting policies are set out in Note 1 to the financial statements. Some of the information included in the financial statements, such as accruals, is based on management's best estimates and judgment, with due consideration to materiality.

The Authority's management is responsible for the integrity and objectivity of data in these financial statements. Management is also responsible for the preparation and the fair presentation of the financial statements in accordance with the applicable financial reporting framework and this responsibility includes:

- a. Designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
- b. Selecting and applying appropriate accounting policies; and
- c. Making accounting estimates that are reasonable.

To fulfil its accounting and reporting responsibilities, management maintains sets of accounts which provide records of the Authority's financial transactions. Management also maintains financial management and an effective system of internal control over financial reporting (ICFR) that take into account costs, benefits, and risks. They are designed to provide reasonable assurance that transactions are processed within the powers provided by the Authority's Act, are executed in accordance with prescribed regulations and the Financial Management and Audit Act, and are properly recorded to maintain the accountability of funds and safeguarding of assets.

Financial management and internal control systems are reinforced by the maintenance of internal audit programmes. The Authority also seeks to assure the objectivity and integrity of data in its financial statements by: the careful selection, training, and development of qualified staff; organisational arrangements that provide appropriate divisions of responsibility; communication programmes aimed at ensuring that its regulations, policies, standards and managerial responsibilities are understood throughout the organisation, and by conducting an annual assessment of the effectiveness of its system of ICFR.

The system of ICFR is designed to mitigate risks to a reasonable level based on an on-going process to identify key risks, assess the impacts and adopt strategies for risk management to assess the effectiveness of associated key controls, and to make any necessary adjustments. The effectiveness and adequacy of the Authority's financial management and its system of internal control are reviewed by the work of internal audit staff, who conduct periodic audits of different areas of the Authority's operations and by the Board of Directors which is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control and exercises this responsibility through the Audit Committee of the Board of Directors.

To assure objectivity and freedom from bias, these financial statements have been reviewed by the Audit Committee and approved by the Board of Directors. The Audit Committee is independent of management and meets with management, the internal auditors, and the Auditor General of Barbados on a regular basis. The auditors have full and free access to the Audit Committee.

The Auditor General of Barbados conducts independent audits and expresses separate opinions on the accompanying financial statements.



## AUDITOR GENERAL'S OFFICE BARBADOS

### INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the Barbados Revenue Authority - Agency

#### Opinion

I have audited the financial statements of the Barbados Revenue Authority - Agency, which comprise the Statement of Financial Position as at 31st March 2022, Statement of Financial Performance, Statement of Changes in Equity and Statement of Cashflows for the year then ended, and Notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects the financial position of the Barbados Revenue Authority as at 31st March 2022, and its financial performance and cash flows for the year then ended in accordance with International Public Sector Accounting Standards.

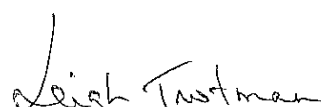
#### Responsibility of Management and the Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the International Public Sector Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence supporting the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risk of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used as well as evaluating the overall presentation of the financial statements.

  
L. E. TROTMAN

Auditor General

Barbados Audit Office  
2nd Floor  
Weymouth Corporate Office Centre  
Roebuck Street St. Michael

11th, May 2023





# FINANCIAL STATEMENTS

Agency Activities



**Barbados Revenue Authority**  
**Statement of Financial Position - Agency Activities**  
**March 31, 2022 with comparative figures for March 31, 2021**  
**(Expressed in BDS \$000)**

|                                                                 |             | <b>2022</b>   | <b>2021</b>   |
|-----------------------------------------------------------------|-------------|---------------|---------------|
|                                                                 |             | <b>\$</b>     | <b>\$</b>     |
| <b>TOTAL ASSETS</b>                                             |             |               |               |
| <b>Current Assets</b>                                           |             |               |               |
| Cash and Cash Equivalents                                       | <b>3</b>    | 14,812        | 11,982        |
| Subvention Receivable                                           | <b>4</b>    | 558           | 500           |
| Staff Loans and Advances                                        | <b>5</b>    | 429           | 417           |
| Prepayments                                                     |             | 800           | 438           |
| Other Receivables                                               |             | 10            | 9             |
| <b>Total Current Assets</b>                                     |             | <b>16,609</b> | <b>13,346</b> |
| <b>Non-Current Assets</b>                                       |             |               |               |
| <b>Property Plant and Equipment and Intangible Assets</b>       |             |               |               |
| Property Plant and Equipment - BRA                              | <b>6, 7</b> | 2,001         | 1,943         |
| Property Plant and Equipment - TAIRP                            | <b>6, 7</b> | 494           | 996           |
| <b>Total Property Plant and Equipment and Intangible Assets</b> |             | <b>2,495</b>  | <b>2,939</b>  |
| <b>TOTAL ASSETS</b>                                             |             | <b>19,104</b> | <b>16,285</b> |
| <b>TOTAL LIABILITIES</b>                                        |             |               |               |
| Accounts Payable and Accrued Liabilities                        | <b>8</b>    | 4,977         | 1,897         |
| Unearned Revenue -TAIRP                                         | <b>9</b>    | 2,669         | 4,029         |
| <b>TOTAL LIABILITIES</b>                                        |             | <b>7,646</b>  | <b>5,926</b>  |
| <b>NET ASSETS</b>                                               |             |               |               |
| Donated Capital                                                 |             | 3,658         | 3,658         |
| Net Surplus                                                     |             | 7,800         | 6,701         |
| <b>TOTAL NET ASSETS</b>                                         |             | <b>11,458</b> | <b>10,359</b> |

**Barbados Revenue Authority**  
**Statement of Changes in Net Assets - Agency Activities**  
**For the year ended March 31, 2022 with comparative figures for 2021**  
**(Expressed in BDS \$000)**

|                                              | <b>Opening<br/>Capital</b> | <b>Accumulated<br/>Surplus</b> | <b>Total</b>  |
|----------------------------------------------|----------------------------|--------------------------------|---------------|
| <b>Restated Balance as at March 31, 2020</b> | <b>3,658</b>               | <b>8,872</b>                   | <b>12,530</b> |
| Adjustment to Prior Period (Note 3)          | -                          | (9)                            | (9)           |
| Deficit for the year                         | -                          | (2,162)                        | (2,162)       |
| <b>Balance as at March 31, 2021</b>          | <b>3,658</b>               | <b>6,701</b>                   | <b>10,359</b> |
| Adjustment to Prior Period                   | -                          | (113)                          | (113)         |
| Surplus for the year                         | -                          | <b>1,212</b>                   | <b>1,212</b>  |
| <b>Balance as at March 31, 2022</b>          | <b>3,658</b>               | <b>7,800</b>                   | <b>11,458</b> |

**The accompanying notes form an integral part of these financial statements**



**Barbados Revenue Authority**  
**Statement of Financial Performance - Agency Activities**  
**March 31, 2022 with comparative figures for March 31, 2021**  
**(Expressed in BDS \$000)**

|                                                     | Notes | 2022          | 2021           |
|-----------------------------------------------------|-------|---------------|----------------|
|                                                     |       | \$            | \$             |
| <b>REVENUE FROM NON-EXCHANGE TRANSACTIONS</b>       |       |               |                |
| Subvention revenue                                  | 15    | 32,246        | 32,467         |
| Income - TAIRP                                      | 15    | 1,360         | 1,867          |
| <b>TOTAL REVENUE FROM NON-EXCHANGE TRANSACTIONS</b> |       | <b>33,606</b> | <b>34,334</b>  |
| <b>REVENUE FROM EXCHANGE TRANSACTIONS</b>           | 15    | -             | 49             |
| <b>TOTAL REVENUE</b>                                |       | <b>33,606</b> | <b>34,383</b>  |
| <b>OPERATING EXPENDITURE</b>                        |       |               |                |
| Personnel Expenses                                  | 16    | 24,166        | 22,465         |
| Other Expenses - BRA                                | 18    | 6,395         | 6,024          |
| Other Expenses-TAIRP                                | 18    | 977           | 7,168          |
| Depreciation                                        | 6, 7  | 856           | 888            |
| <b>TOTAL OPERATING EXPENDITURE</b>                  |       | <b>32,394</b> | <b>36,545</b>  |
| <b>NET SURPLUS FOR THE YEAR</b>                     |       | <b>1,212</b>  | <b>(2,162)</b> |

**TAIRP – Tax Administration Infrastructure Reform Project**

**The accompanying notes form an integral part of these financial statements**

**Barbados Revenue Authority**  
**Statement of Cash Flows - Agency Activities**  
**March 31, 2022 with comparative figures for March 31, 2021**  
**(Expressed in BDS \$000)**

|                                                                | Notes | 2022<br>\$    | 2021<br>\$     |
|----------------------------------------------------------------|-------|---------------|----------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                    |       |               |                |
| <b>NET DEFICIT</b>                                             |       | <b>1,212</b>  | <b>(2,162)</b> |
| Add: Depreciation                                              | 6, 7  | 856           | 888            |
| Less: Gain on sale of property plant and equipment             |       | -             | (41)           |
| <b>OPERATING INCOME BEFORE WORKING CAPITAL CHANGES</b>         |       | <b>2,068</b>  | <b>(1,315)</b> |
| (Increase) in Subvention Receivables                           |       | (58)          | (500)          |
| (Increase)/decrease in Staff Loans/Advances                    |       | (12)          | 151            |
| (Increase)/decrease in Prepayments                             |       | (362)         | 5,773          |
| (Increase)/decrease in Other Receivables                       |       | (1)           | 9              |
| (Increase)/decrease in Account Payable and Accrued Liabilities |       | 2,967         | (2,005)        |
| (Decrease)/increase in Unearned Revenue - TAIRP                |       | (1,360)       | (1,377)        |
| <b>NET CHANGE IN ASSETS AND LIABILITIES</b>                    |       | <b>1,174</b>  | <b>2,051</b>   |
| <b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>                |       | <b>3,242</b>  | <b>736</b>     |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                    |       |               |                |
| Acquisition of Assets                                          |       | (412)         | (452)          |
| Proceeds on disposal of property, plant and equipment          |       | -             | 50             |
| <b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>                |       | <b>(412)</b>  | <b>(402)</b>   |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>               |       | <b>2,830</b>  | <b>334</b>     |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>          |       | <b>11,982</b> | <b>11,648</b>  |
| <b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>                |       | <b>14,812</b> | <b>11,982</b>  |

*The accompanying notes form an integral part of these financial statements*

# NOTES TO THE FINANCIAL STATEMENTS – AGENCY ACTIVITIES

(Expressed in BDS \$000)

## 1. Reporting Entity

The Barbados Revenue Authority ("the Authority") is a body corporate owned and established by the Government of Barbados under Section 3 (1) of the Barbados Revenue Authority Act 2014-1. The Authority operates solely in Barbados.

The main activities of the Authority relate to the administration of the specified legislation set out in Schedule 1 of the Act. In addition, the Authority has responsibilities for the enforcement and collection of all forms of duties, taxes, interest, penalty, fees and any amounts payable under the specified enactments, advises the Minister on all matters relating to the Act and the specified enactments and represents Barbados on other matters relating to taxes.

These Financial Statements contain transaction details for the Tax Administration Infrastructure Reform Project ("TAIRP Project"). The Barbados Revenue Authority was assigned the responsibility for managing the TAIRP Project which includes the implementation of the new Tax Administration Management Information System (TAMIS) and the Revenue Enhancement Programme.

## 2. Accounting Policies

### 1.1 *Basis of Preparation*

These financial statements are prepared in accordance with and comply with International Public Sector Accounting Standards. The financial statements are presented in Barbados Dollars (BDS) which is the functional and reporting currency for Barbados and all values are rounded to the nearest thousand (\$000). The accounting policies have been consistently applied to all years presented.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statements is prepared using the indirect method. The financial statements are prepared on an accrual basis.

No changes in accounting policies were made subsequent to the last annual audited financial statements other than the inclusions of 2.3, 2.4, and 3 below, which do not have a material effect on the presentation of these financial statements.

### 1.2 *Reporting Period for the Accrual Basis of Accounting*

The reporting period for these financial statements is the year April 1, 2021 to March 31, 2022.

### 1.3 *Revenue from Exchange Transactions*

Revenue earned by the Authority is recorded through operations when earned.

### 1.4 *Revenue from Non-Exchange Transactions*

The Authority's revenue used to fund its operations is received by way of a subvention from the Government of Barbados. Prior to the beginning of the



financial year, the Authority is required to submit its Estimates of Expenditure for the financial year to be considered for the subvention. Revenue from subventions for a specific period is recognized when a warrant has been issued by the Ministry of Finance.

Revenue from subventions from the TAIRP project is recognised when it is probable that the future economic benefits or services potential associated with the asset (cash, goods, services or property) will flow to the Authority and the fair value of the asset can be measured reliably. Historically, such revenues are recognised when the related expenditure is incurred.

### 1.5 **Expenses**

Expenses are recognized in the period to which they relate.

### 1.6 **Foreign currency transactions**

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates at the balance sheet date. 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.

### 1.7 **Plant and Leasehold Improvements**

All property, plant and equipment are stated at cost less accumulated depreciation. The cost includes expenditure that is directly attributable to the acquisition of the items. Assets costing under \$3,000 individually are expensed at acquisition but if purchased as part of a group and the cumulative cost is in excess of \$3,000, the assets are capitalised.

### 1.8 **Depreciation**

Depreciation on assets is charged on a straight line basis over the useful life of the asset. The half year rule is applied in the calculation of depreciation. Typically the estimated useful lives of different classes of property plant and equipment are as follows:

| <b>Assets</b>                     | <b>Life in Years</b> | <b>Rates (%)</b> |
|-----------------------------------|----------------------|------------------|
| Leasehold Improvements            | 15                   | 6.67             |
| Machinery and Equipment<br>Office | 3 to 10              | 10 to 33         |
| Computer Hardware                 | 5                    | 20               |
| Computer Software                 | 5                    | 20               |
| Furniture and Fittings            | 10                   | 10               |
| Motor Vehicles                    | 7                    | 14               |

### 1.9 **Receivables and Advances**

Receivables and advances are non-derivative financial assets with fixed or determinable payments that are not quoted in the active market. Receivables

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

#### 1.10 **Liabilities**

Financial liabilities include trade and other payables which are initially recorded at fair value and subsequently measured at amortised cost using the effective interest method. The financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

#### 1.11 **Comparatives**

These financial statements are presented with comparative figures for the year April 1, 2020 – March 31, 2021.

### 3. **Cash and Cash Equivalents**

Cash comprises cash on hand and cash at bank.

|                            | <b>2022</b>   | <b>2021</b>   |
|----------------------------|---------------|---------------|
|                            | <b>\$</b>     | <b>\$</b>     |
| Cash in Bank - Operations  | 14,785        | 11,419        |
| Cash in Bank - Pensions    | 20            | 556           |
| Cash on Hand               | 7             | 7             |
| <b>Cash at end of year</b> | <b>14,812</b> | <b>11,982</b> |

### 4. **Subvention Receivable and Staff Loans and Advances**

#### **Subvention Receivable**

Subvention Receivable represents the outstanding subvention due from Government of Barbados.

|                              | <b>2022</b> | <b>2021</b> |
|------------------------------|-------------|-------------|
|                              | <b>\$</b>   | <b>\$</b>   |
| BRA Operations               | <b>558</b>  | <b>500</b>  |
| <b>Subvention Receivable</b> | <b>558</b>  | <b>500</b>  |

5. Staff Loans and Advances

Staff Receivables are recorded as current assets as these are repayable on demand should the employment of a staff member be concluded or terminated. These have not been classified as non-current assets. The following amounts are collectible within one year and within more than one year:

|                          | 2022 | 2021 |
|--------------------------|------|------|
|                          | \$   | \$   |
| Due in 12 months         | 153  | 152  |
| Due in over 12 months    | 276  | 266  |
| Staff Loans and Advances | 429  | 417  |



6.

## Property Plant and Equipment

As at March 31, 2022

|                                                | Leasehold<br>Improvements | Computer<br>Equipment | Office<br>Equipment | Furniture<br>and Fixtures | Vehicles   | Assets Under<br>Construction | Total        |
|------------------------------------------------|---------------------------|-----------------------|---------------------|---------------------------|------------|------------------------------|--------------|
|                                                | \$                        | \$                    | \$                  | \$                        | \$         | \$                           | \$           |
| Cost at April 1, 2021                          | 1,031                     | 1,650                 | 852                 | 409                       | 322        | -                            | 4,264        |
| Additions                                      | -                         | 325                   | -                   | 43                        | -          | -                            | 368          |
| <b>Cost at March 31, 2022</b>                  | <b>1,031</b>              | <b>1,975</b>          | <b>852</b>          | <b>452</b>                | <b>322</b> | <b>-</b>                     | <b>4,632</b> |
| Accumulated Depreciation April 1, 2021         | 195                       | 879                   | 491                 | 92                        | 244        | -                            | 1,900        |
| Depreciation                                   | 71                        | 312                   | 156                 | 31                        | 13         | -                            | 583          |
| <b>Accumulated Depreciation March 31, 2022</b> | <b>266</b>                | <b>1,191</b>          | <b>647</b>          | <b>123</b>                | <b>257</b> | <b>-</b>                     | <b>2,483</b> |
| <b>Net Book Value March 31, 2022</b>           | <b>765</b>                | <b>785</b>            | <b>205</b>          | <b>329</b>                | <b>65</b>  | <b>-</b>                     | <b>2,149</b> |
| Cost at April 1, 2020                          | 508                       | 1,392                 | 818                 | 365                       | 336        | 492                          | 3,911        |
| Additions                                      | 523                       | 258                   | 34                  | 44                        | 92         | 31                           | 982          |
| Disposals                                      |                           |                       |                     |                           | (106)      | (523)                        | (629)        |
| <b>Cost at March 31, 2021</b>                  | <b>1,031</b>              | <b>1,650</b>          | <b>852</b>          | <b>409</b>                | <b>322</b> | <b>-</b>                     | <b>4,264</b> |
| Accumulated Depreciation at April 1, 2020      | 132                       | 598                   | 346                 | 55                        | 303        | -                            | 1,434        |
| Depreciation                                   | 63                        | 281                   | 144                 | 37                        | 30         | -                            | 555          |
| Disposals                                      |                           |                       |                     |                           | (90)       |                              | (90)         |
| <b>Accumulated Depreciation March 31, 2021</b> | <b>195</b>                | <b>879</b>            | <b>491</b>          | <b>92</b>                 | <b>244</b> | <b>-</b>                     | <b>1,899</b> |
| <b>Net Book Value March 31, 2021</b>           | <b>836</b>                | <b>771</b>            | <b>361</b>          | <b>317</b>                | <b>78</b>  | <b>-</b>                     | <b>2,365</b> |

**7. Intangible Assets**  
**As at March 31, 2022**

|                                                | <b>2022</b>  |
|------------------------------------------------|--------------|
|                                                | <b>\$</b>    |
| Cost at April 1, 2021                          | 1,666        |
| Additions                                      | 46           |
| Disposals                                      | -            |
| <b>Cost at March 31, 2022</b>                  | <b>1,712</b> |
| Accumulated Depreciation April 1, 2021         | 1,092        |
| Depreciation                                   | 273          |
| Disposals                                      | -            |
| <b>Accumulated Depreciation March 31, 2022</b> | <b>1,365</b> |
| <b>Net Book Value March 31, 2022</b>           | <b>347</b>   |
| Cost at April 1, 2020                          | 1,666        |
| Additions                                      | -            |
| Disposals                                      | -            |
| <b>Cost at March 31, 2021</b>                  | <b>1,666</b> |
| Accumulated Depreciation at April 1, 2020      | 759          |
| Depreciation                                   | 333          |
| Disposals                                      | -            |
| <b>Accumulated Depreciation March 31, 2021</b> | <b>1,092</b> |
| <b>Net Book Value March 31, 2021</b>           | <b>574</b>   |

## 8. Accounts Payable and Accrued Liabilities

|                                                       | 2022         | 2021         |
|-------------------------------------------------------|--------------|--------------|
|                                                       | \$           | \$           |
| Other Accrued Expenses                                | 2,155        | 1,340        |
| Accrued Utilities                                     | 254          | 163          |
| Accrued Expenses travel and maintenance               | 4            | 394          |
| Accrued Vacation Expenses                             | 2,564        |              |
| <b>Total Accounts payable and accrued liabilities</b> | <b>4,977</b> | <b>1,897</b> |

## 9. Unearned Revenue

Unearned revenue of \$2.669M (2021: \$4,029M) represents funds released by the Ministry of Finance for the acquisition of goods and services for the TAIRP Project for which expenditure has not been incurred.

## 10. Contractual Commitments

The Authority recognises all contractual commitments. Commitments are estimated at \$3.9M, representing outstanding costs of contracts for services or supplies under the TAIRP Project, the maintenance for software licenses and to the ongoing procurement for software solutions to enhance compliance efficiency under the Foreign Account Tax Compliance Act and the Common Reporting Standards.

## 11. Retiring Benefits

The Authority has implemented its pension plan, the Barbados Revenue Authority Pension Plan ("the Plan"), and the retiring benefits represent the expenditure incurred under the Plan and gratuities and pensions paid to retirees. The Plan is a hybrid plan, comprising a Defined Benefit Section and a Defined Contribution Section.

The Plan is registered with the Financial Services Commission under the Occupational Pension Benefits Act Cap 350B ("the Act").

### 11.1 Defined Benefit Plan

Employees who transitioned to the Authority from one of the legacy agencies (excluding those who transitioned as temporary officers with less than five years of public service at April 1, 2014) are entitled to receive retirement benefits under this section of the Plan. The benefits provided under the Defined Benefit Section of the Plan were designed to provide its members with the same retirement level of benefits as those provided under the Pensions Act, Chapter 25 of the laws of Barbados.

Pension benefits to be paid to members of the Defined Benefit Section of the Plan are funded via the Authority's annual subvention. This section of the Plan is closed to new entrants. Risks to which the Defined Benefit Section exposes the Authority are minimised as the Government of Barbados is committed to funding this obligation.

Under the Plan’s Trust Deed and in accordance with the Act, the Actuary is required to evaluate the financial position of the Plan every three (3) years and recommend the future contribution rate for the Authority. The required contribution rate is in accordance with the minimum funding requirements set out in the Act. The most recent actuarial valuation of the Plan was performed as at April 1, 2019 with the following key results for this Section on a going concern basis:

|                                  | <b>As at<br/>April 1, 2019<br/>\$000s</b> |
|----------------------------------|-------------------------------------------|
| Going concern assets             | -                                         |
| Going concern liabilities        | (40,748)                                  |
| Going concern unfunded liability | <u>(40,748)</u>                           |

The Actuary recommended a contribution rate of 30.15% of the annual covered payroll of the Defined Benefit Section to amortize the deficit over 15 years. The Act requires the funding of going concern deficit; however the Government of Barbados has indicated its intent to settle the obligations not in the manner prescribed but as they become due.

**11.2 Defined Contribution Plan**

Staff members recruited by the Authority along with those who transitioned as temporary officers with less than five years of public service at April 1, 2014 are eligible for membership under the Defined Contribution Section of the Plan. Members of the Defined Contribution Section of the Plan are required to make contributions. These contributions are matched by the Authority.

The Trustees of the Plan have selected the range of pooled managed funds from which members of the Defined Contribution Section may choose to invest their contributions and those made by the Authority on their behalf.

The key results from the actuarial valuation at April 1, 2019 for this Section are as follows:

|                                                      | <b>As at<br/>April 1, 2019<br/>\$000s</b> |
|------------------------------------------------------|-------------------------------------------|
| Going concern assets                                 | 870                                       |
| Going concern liabilities                            | <u>(870)</u>                              |
| <b>Going concern surplus/<br/>unfunded liability</b> | <u>-</u>                                  |



The Actuary assumed in the actuarial valuation that the Authority would make an immediate lump sum payment of \$870,000 to fund this Section's past service liability.

The Defined Contribution Section requires that members contribute 3 per cent of Pensionable Earnings below the NIS Insured Earnings Ceiling maximum, plus 8 per cent of Pensionable Earnings in excess of the NIS Insured Earnings ceiling and that the Authority matches this level of contribution and pays any expenses incurred.

## 12. Related Party Transactions

The Authority is a commercial State Owned Enterprise responsible for the administration of taxes. The Authority considers related party transactions to be those with Government owned entities or State Owned Enterprises. The Authority engages in related party transactions with the following parties as stated below:-

|                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Treasury Department                                  | The Treasury Department manages and remits salary related expenditure on behalf of the Barbados Revenue Authority from the subvention due.                                                                                                                                                                                                                                                                                         |
| Ministry of Housing & Lands                          | The Ministry of Housing & Lands negotiates and manages rental space on behalf of the Barbados Revenue Authority free of charge to the Authority.                                                                                                                                                                                                                                                                                   |
| Customs and Excise Department                        | The Authority purchased equipment on behalf of the Customs and Excise Department through the TAIRP project. All payments are made by the Authority. All equipment purchase on behalf of the Customs and Excise Department was transferred to Customs and Excise Department at March 31, 2021, and is therefore no longer recorded in the financial statements of the Authority.                                                    |
| MIST                                                 | The Ministry of Innovation Science and Smart Technology administers the EzPay payment platform for the Authority. The facility allows for the settlement of taxes using the Authority online portals.                                                                                                                                                                                                                              |
| Barbados Licencing Authority                         | The Authority acts as the collection agency in respect of all Barbados Licencing Authority transactions. The Authority also maintains the information technology platform through which licencing transactions are facilitated. The Authority is required to review and collect third party information to substantiate all licencing transactions and to provide feedback on police matters related to the information collected. |
| Ministry of Finance, Economic Affairs and Investment | Betting and gaming receipts are collected by the Authority.                                                                                                                                                                                                                                                                                                                                                                        |

### 13. Key Management Personnel Compensation

|                           | 2022<br>\$   | 2021<br>\$   |
|---------------------------|--------------|--------------|
| Board of Directors        | 97           | 97           |
| Senior Management         | 1,550        | 1,542        |
| <b>Total Compensation</b> | <b>1,647</b> | <b>1,639</b> |

### 14. Financial Risk Management

Exposure to the following risks arise in the normal course of the Authority's operations. The note presents information about the Authority's exposure to each of the below mentioned risks and policies and procedures for managing risk. The Senior Management team has overall responsibility for the establishment and oversight of the Authority's risk management framework, for monitoring the Authority's risk management policies. The management team periodically reports to the Board of Directors on its activities.

#### 14.1 Credit Risk

Credit risk is the risk of financial loss to the Authority if a customer or counterparty to financial instruments fails to meet its contractual obligations, and arises primarily from the Authority's cash and cash equivalents, other receivables and loans receivable.

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Authority has no significant concentration of credit risk attached to accounts receivables which comprise mainly loans to staff members from which monthly salary deductions are made by the Authority to ensure settlement.

Cash and cash equivalents are held with reputable financial institutions, which present minimal risk of default. The high volume of cash transactions makes cash inherently more susceptible to error but this is mitigated by the implementation of proper internal controls for example regular surprise cash counts.

#### 14.2 Exposure to credit risk

The carrying amount of the financial assets represents the maximum credit exposure. The maximum credit exposure at the reporting date was:-

|                                     | 2022<br>\$    | 2021<br>\$    |
|-------------------------------------|---------------|---------------|
| Cash and Bank                       | 14,812        | 11,982        |
| Staff receivables                   | 429           | 417           |
| Other Receivables                   | 10            | 9             |
| <b>Maximum Credit Risk Exposure</b> | <b>15,251</b> | <b>12,408</b> |

### 14.3 **Liquidity Risk**

Liquidity risk is the risk that the Authority will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the availability of funding through an adequate amount of committed credit facilities. The Authority's liquidity risk is minimal as the Authority is economically dependent on the Government of Barbados for its financing, and the management of the Authority monitors budgets, and budgets commitments and the timing of its cash flows.

### 14.4 **Operational Risk**

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Authority's processes, personnel, technology and infrastructure, and from external factors other than credit, market or liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Authority's operations.

The Authority's objective is to manage operational risk by developing and implementing controls within the operation that would mitigate this risk. Compliance with the Authority's policies is supported by a programme of periodic reviews undertaken by the Internal Audit Department and the Risk Management Unit. The results of these reviews are discussed with Management and the Board.

## 15. **Revenue**

|                                                     | <b>2022</b>   | <b>2021</b>   |
|-----------------------------------------------------|---------------|---------------|
|                                                     | <b>\$</b>     | <b>\$</b>     |
| Subvention from Government - BRA                    | 32,246        | 32,467        |
| Income – TAIRP                                      | 1,360         | 1,867         |
| <b>Total revenue from non-exchange transactions</b> | <b>33,606</b> | <b>34,334</b> |
| <b>Total revenue from exchange transactions</b>     | <b>-</b>      | <b>49</b>     |
| <b>Total Revenue</b>                                | <b>33,606</b> | <b>34,383</b> |

Revenue from exchange transactions includes gain on sale of vehicle of \$- (2021: \$41,000), discounts earned \$- (2021 \$6,000) and dishonoured cheques \$ - (2021:\$2,000).

16. **Personnel Expenses**

|                                 | <b>2022</b>          | <b>2021</b>          |
|---------------------------------|----------------------|----------------------|
|                                 | <b>\$</b>            | <b>\$</b>            |
| Personal Emoluments             | 21,422               | 19,281               |
| Employers Contributions         | 1,743                | 1,793                |
| Retirement Benefits             | 1,001                | 1,391                |
| <b>Total Personnel Expenses</b> | <b><u>24,166</u></b> | <b><u>22,465</u></b> |

17. **Operating Expenses**

|                                 | <b>2022</b>       | <b>2021</b>       |
|---------------------------------|-------------------|-------------------|
|                                 | <b>\$</b>         | <b>\$</b>         |
| Other operating expenses        | 312               | 119               |
| Postage                         | 218               | 137               |
| Board & Tribunal expenses       | 130               | 127               |
| Bank Charges                    | 77                | 76                |
| Conferences                     | 30                | 44                |
| Hospitality                     | 15                | 35                |
| Special Payments                | 6                 | 12                |
| Uniforms                        | -                 | 4                 |
| <b>Total Operating Expenses</b> | <b><u>788</u></b> | <b><u>554</u></b> |



18. **Other Expenses**

|                                              | Notes | 2022         | 2021          |
|----------------------------------------------|-------|--------------|---------------|
|                                              |       | \$           | \$            |
| <b>Barbados Revenue Authority Expenses</b>   |       |              |               |
| Maintenance of Property                      |       | 2,761        | 2,844         |
| Utilities                                    |       | 1,690        | 1,367         |
| Operating Expenses                           | 17    | 788          | 554           |
| Professional Services                        |       | 641          | 541           |
| Supplies and Materials                       |       | 384          | 516           |
| Structures                                   |       | 12           | 95            |
| Subscriptions to International Organisations |       | 71           | 61            |
| Rental of Property                           |       | 10           | 22            |
| Library Books and Publications               |       | 14           | 18            |
| Travel                                       |       | 24           | 6             |
|                                              |       | <u>6,395</u> | <u>6,024</u>  |
| <b>TAIRP Expenses</b>                        |       |              |               |
| Structures                                   |       | 977          | 258           |
| Scanning Equipment - Customs & Excise Dept.  |       | -            | 5,301         |
| Professional Services                        |       | -            | 1,609         |
|                                              |       | <u>977</u>   | <u>7,168</u>  |
| <b>Total Other Expenses</b>                  |       | <u>7,372</u> | <u>13,192</u> |



# FINANCIAL STATEMENTS

Administered Activities



**Barbados Revenue Authority**  
**Statement of Financial Position - Administered Activities - Treasury**  
**March 31, 2022 with comparative figures for March 31, 2021**  
**(Expressed in BDS \$'000)**

|                          | Notes | 2022<br>\$'000   | 2021<br>\$'000   |
|--------------------------|-------|------------------|------------------|
| <b>TOTAL ASSETS</b>      |       |                  |                  |
| <b>Current Assets</b>    |       |                  |                  |
| Cash and Bank            | 6     | 22,772           | 91,245           |
| Tax Receivables (Net)    | 7     | 2,385,726        | 2,130,554        |
| Other Receivables        | 8     | 505,926          | 567,816          |
| <b>Total Assets</b>      |       | <b>2,914,424</b> | <b>2,789,615</b> |
| <b>TOTAL LIABILITIES</b> |       |                  |                  |
| Due to Treasury          | 9     | 2,396,829        | 2,177,443        |
| Tax Refunds Payable      | 10    | 516,270          | 611,883          |
| Deferred Revenue         | 11    | 1,325            | 289              |
| <b>Total Liabilities</b> |       | <b>2,914,424</b> | <b>2,789,615</b> |

..... Original Signed

**Chairman**

**March 10, 2023**

..... Original Signed

**Revenue Commissioner**

**March 10, 2023**

The accompanying Notes form an integral part of these financial statements

**Barbados Revenue Authority**  
**Statement of Administered Activity - Treasury**  
**March 31, 2022 with comparative figures for March 31, 2021**  
**(Expressed in BDS \$000)**

|                                                  | <b>2022</b>          | <b>2021</b>          |
|--------------------------------------------------|----------------------|----------------------|
|                                                  | <b>\$'000</b>        | <b>\$'000</b>        |
| <b>Goods &amp; Services</b>                      | <b>619,051</b>       | <b>546,348</b>       |
| Insurance Premium Tax                            | 26,975               | 23,528               |
| Bank Asset Tax                                   | 37,755               | 37,967               |
| Tax on Assets                                    | 6,827                | 7,587                |
| Motor Vehicles Fees                              | 9,236                | 7,661                |
| Public Service Vehicles Fees                     | 6,393                | 4,838                |
| Remittance Tax                                   | -                    | -                    |
| Excise Duties                                    | 11,412               | 10,757               |
| Value Added Tax                                  | 520,453              | 454,010              |
| <br><b>Taxes on Income and Profits</b>           | <br><b>810,060</b>   | <br><b>867,217</b>   |
| Corporation Tax                                  | 456,646              | 558,380              |
| Income Tax                                       | 320,025              | 290,919              |
| Withholding Tax                                  | 33,389               | 17,918               |
| <br><b>Taxes on Property</b>                     | <br><b>149,724</b>   | <br><b>148,511</b>   |
| Land Tax                                         | 149,724              | 148,511              |
| Rent Registration Fees                           | -                    | -                    |
| <br><b>Special Receipts</b>                      | <br><b>33,206</b>    | <br><b>13,943</b>    |
| National Social Responsibility Levy              | -                    | 5                    |
| Betting and Gaming Fees                          | 7,996                | 4,412                |
| Direct Product Development Levy                  | 4,245                | 1,604                |
| Room Rate Levy                                   | 20,965               | 7,922                |
| <br><b>Total Tax Collections</b>                 | <br><b>1,612,041</b> | <br><b>1,576,019</b> |
| <br><b>Non-Tax Collections - Highway revenue</b> | <br><b>12,254</b>    | <br><b>10,435</b>    |
| <b>TOTAL COLLECTIONS</b>                         | <b>1,624,295</b>     | <b>1,586,454</b>     |

The accompanying Notes form an integral part of these financial statements



**Barbados Revenue Authority**  
**Statement of Administered Activity - Treasury**  
**March 31, 2022 with comparative figures for March 31, 2021**  
**(Expressed in BDS \$000)**

|                                             | <b>2022</b>     | <b>2021</b>      |
|---------------------------------------------|-----------------|------------------|
|                                             | <b>\$'000</b>   | <b>\$'000</b>    |
| <b>Net Surplus (Deficit)</b>                | -               | -                |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b> |                 |                  |
| <b>Change in Working Capital items</b>      |                 |                  |
| Increase in Tax Receivables (Net)           | (255,172)       | (199,640)        |
| Decrease / (Increase) in Other Receivables  | 61,890          | (28,262)         |
| Increase in Deferred Revenue                | 1,036           | (5)              |
| Increase in Due To Treasury                 | 219,386         | 93,177           |
| (Decrease)/ Increase in Tax Refunds Payable | (95,613)        | 42,059           |
| Net Change in operating activities          | <b>(68,473)</b> | <b>(92,671)</b>  |
| <b>Financing Activities</b>                 |                 |                  |
| Change in General Fund                      | -               | (26,278)         |
| Change in Cash Balance                      | <b>(68,473)</b> | <b>(118,949)</b> |
| Beginning Cash Balance                      | <b>91,245</b>   | <b>210,194</b>   |
| <b>Ending Cash Balance</b>                  | <b>22,772</b>   | <b>91,245</b>    |

The accompanying Notes form an integral part of these financial statements

# NOTES TO THE FINANCIAL STATEMENTS – ADMINISTERED ACTIVITIES

Notes to the financial statements provide additional information required by statute and accounting standards to explain a particular feature of the financial statements. The notes which follow will also provide explanations and additional disclosures to assist readers' understanding and interpretation of the financial statements.

## 1. Administered Entity

The Treasury is the department in the public service with responsibility for ensuring that systems are in place to ensure the efficient monitoring and reporting of all Government transactions. This includes the supervision of the collection and disbursement of all funds on behalf of the State to ensure that timely, up-to-date information is available for use by its stakeholders.

The Barbados Revenue Authority administers and collects taxes on behalf of the Treasury. Collections net of bank charges are paid over to the Treasury via deposits directly to accounts held at the Central Bank of Barbados and Republic Bank Barbados Limited. The Barbados Revenue Authority does not record revenue in its Administered Financial Statements and all amounts due to the State are recorded as Liabilities – Due To Treasury.

There is no expenditure associated with Administered Activities. Expenditure associated with the day-to-day operations of the Authority is recorded in the Agency Activities financial statements.

The Financial Statements of the Administered Agency are prepared in accordance with the requirements of the International Public Sector Accounting Standards (IPSAS).

For financial reporting purposes, the Barbados Revenue Authority reports separately for agency and administered activities and separate financial statements are prepared for each activity. The purpose of the Financial Statements – Administered Activities is to give information about the tax-related collections, refunds, assets, and liabilities that the Authority administers on behalf of the State. The Authority administers and collects revenue related to the specified enactments outlined in Schedule 1 of the Barbados Revenue Authority Act which include individual income tax, corporation income tax, property tax and vehicle licensing.

## 2. Significant Accounting Policies

These financial statements comply with IPSAS. The measurement base is historical cost. The accrual basis of accounting has been used unless otherwise stated. These policies have been applied consistently in dealing with items considered material in relation to the financial statements.

### **3. Reporting and forecast period**

The reporting period for these financial statements is the year April 1, 2021 to March 31, 2022. Effective November 30, 2021 Barbados completed its transition to a Republic. All references to the Crown and/ or the State are denoted as "the State".

### **4. 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 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 receivables.

## 5. Revenue

### 5.1. Non-exchange Revenue

Payment of tax does not, of itself, entitle the tax payer 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 State's sovereign power. Where possible, such revenue is recognized when the debt to the State arises.

The Revenue as shown in the Statement of Administered Activities reflects only collections by the Barbados Revenue Authority. Therefore, collections by the Customs and Excise Department and the Treasury Department are not included.

| Revenue Type                   | Revenue Recognition Point                                                                                                                                                                                               | Basis of Accounting |
|--------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| Income Tax (source deductions) | When an individual earns income that is subject to PAYE and the necessary payment and/or schedule is submitted to the Authority                                                                                         | Accrual basis       |
| Consolidation Tax              | When an individual earns income that is subject to Consolidation Tax and the necessary payment and/or schedule is submitted to the Authority. This Tax was repealed on March 31, 2016                                   | Accrual basis       |
| Corporation Tax                | When payment is made with accrual of taxes due for the year at end of year                                                                                                                                              | Accrual basis       |
| Withholding Tax                | When an individual is paid interest or dividends subject to the deduction at source. Withholding Taxes also include Charities, Contributions, Deductibles, Dividends, Estate Tax, Exempt Income, Royalties and Pensions | Cash basis          |
| <b>Goods and Services:</b>     |                                                                                                                                                                                                                         |                     |
| Value Added Tax                | When the taxpayer files and an assessment is raised                                                                                                                                                                     | Accrual basis       |
| Highway revenue                | When payment of the fee or charge is made                                                                                                                                                                               | Cash basis          |
| Excise Duties                  | When goods are subject to duty on assessment: on filing by taxpayer or when payment of the levy is made                                                                                                                 | Accrual basis       |
| Bank Asset Tax                 | When the taxpayer files and an assessment is raised                                                                                                                                                                     | Accrual basis       |
| Tax on Assets                  | When the taxpayer files and an assessment is raised                                                                                                                                                                     | Accrual basis       |
| <b>Property Tax:</b>           |                                                                                                                                                                                                                         |                     |
| Land Tax                       | When the tax invoices are issued to the taxpayers. When tax is paid.                                                                                                                                                    | Accrual basis       |
| Rent registration              | When properties are registered for Residential Rental purposes.                                                                                                                                                         | Cash basis          |



5.1 Non-exchange Revenue (cont...)

| Revenue Type                               | Revenue Recognition Point                                                                                       | Basis of Accounting |
|--------------------------------------------|-----------------------------------------------------------------------------------------------------------------|---------------------|
| <b>Special Receipts:</b>                   |                                                                                                                 |                     |
| Municipal Solid Waste Tax                  | When invoices are issued to the taxpayers. This tax was repealed in 2014.                                       | Accrual basis       |
| National Social Responsibility Levy (NSRL) | When the taxpayer files and an assessment is raised. This tax was repealed on July 1, 2018.                     | Accrual basis       |
| Room Rate Levy                             | When the taxpayer files and an assessment is raised.                                                            | Accrual basis       |
| Product Development Levy                   | When the taxpayer files and an assessment is raised.                                                            | Accrual basis       |
| Insurance Premium Tax                      | When the taxpayer files and an assessment is raised                                                             | Accrual Basis       |
| Betting and Gaming Licences and Fees       | From fees and licences collected by Gaming Institutions.                                                        | Accrual Basis       |
| Non Tax Highway Revenue                    | From the issuance of drivers' licences, Highway Code booklets, visitors' permits etc. when payment is received. | Cash Basis          |

6. Cash and Bank

Cash and Bank refers to amounts received in the Authority's offices or by its agents up to March 31, 2022 but not yet deposited to the Treasury Department's bank accounts. The Authority deposits funds to the Treasury's accounts on a daily basis.

Five bank accounts are held by the Authority with respect to administered activities: the Refunds account from which refunds to taxpayers are honoured, an inactive account initially established to facilitate the VAT Loan Fund and three revenue accounts into which revenue collected is deposited and transferred to the Treasury daily.

Cash and Bank consists of the following:

|                 |                 | 2022          | 2021          |
|-----------------|-----------------|---------------|---------------|
|                 |                 | \$'000        | \$'000        |
| Refunds Account | Balance at Bank | 10,633        | 44,362        |
| Deposit Account | Balance at Bank | 12,139        | 46,883        |
|                 |                 | <u>22,772</u> | <u>91,245</u> |

## 7. Receivables

### 7.1. Receivables

Tax receivables represent all amounts due and payable by taxpayers for a tax year at the end of the fiscal year and include taxes, interest, penalties, and other amounts assessed or estimated by the Authority but not yet collected.

These financial statements do not reflect tax receivables prior to tax year 2013, for Individual Income tax (\$316M) and Corporation tax (\$419M). These receivables dated back as far as calendar year 1968 for which some of these amounts cannot be verified. A review exercise is currently ongoing to verify all outstanding receivable balances.

#### Net Receivables

| <u>Value Added Tax</u>       | <b>2022</b>      | <b>2021</b>      |
|------------------------------|------------------|------------------|
|                              | <b>\$ 000's</b>  | <b>\$ 000's</b>  |
| <b>Opening Balance</b>       | <b>1,082,544</b> | <b>1,091,811</b> |
| Prior year change            | -                | (33,401)         |
| Principal                    | (17,239)         | (17,179)         |
| Penalty                      | 14,904           | (14,083)         |
| Interest                     | 73,427           | 55,396           |
| Amnesty                      | -                | -                |
|                              | <b>1,153,636</b> | <b>1,082,544</b> |
| Provision for doubtful debts | (23,073)         | (21,651)         |
| <b>Closing Balance</b>       | <b>1,130,563</b> | <b>1,060,893</b> |

| <u>Excise Tax</u>            | <b>2022</b>     | <b>2021</b>     |
|------------------------------|-----------------|-----------------|
|                              | <b>\$ 000's</b> | <b>\$ 000's</b> |
| <b>Opening Balance</b>       | <b>2,495</b>    | <b>3,531</b>    |
| Prior year change            | -               | (855)           |
| Principal                    | 2,162           | 370             |
| Penalty                      | 219             | (82)            |
| Interest                     | 282             | (469)           |
|                              | <b>5,158</b>    | <b>2,495</b>    |
| Provision for doubtful debts | (103)           | (50)            |
| <b>Closing Balance</b>       | <b>5,055</b>    | <b>2,445</b>    |

**Net Receivables (cont...)**

| <b><u>Corporation Tax</u></b> | <b>2022</b>     | <b>2021</b>     |
|-------------------------------|-----------------|-----------------|
|                               | <b>\$ 000's</b> | <b>\$ 000's</b> |
| <b>Opening Balance</b>        | <b>249,675</b>  | <b>306,687</b>  |
| Prior year change             | -               | 5,529           |
| Principal                     | 19,620          | (69,864)        |
| Penalty                       | (269)           | (212)           |
| Interest                      | 6,038           | 7,535           |
| Amnesty                       | -               | -               |
|                               | <b>275,064</b>  | <b>249,675</b>  |
| Provision for doubtful debts  | (5,501)         | (4,994)         |
| <b>Closing Balance</b>        | <b>269,563</b>  | <b>244,681</b>  |

| <b><u>Income Tax</u></b>     | <b>2022</b>     | <b>2021</b>     |
|------------------------------|-----------------|-----------------|
|                              | <b>\$ 000's</b> | <b>\$ 000's</b> |
| <b>Opening Balance</b>       | <b>335,218</b>  | <b>149,579</b>  |
| Prior year change            | -               | (9,472)         |
| Principal                    | 112,527         | 124,723         |
| Penalty                      | 2,786           | 21,594          |
| Interest                     | (17,193)        | 48,794          |
| Amnesty                      | -               | -               |
|                              | <b>433,338</b>  | <b>335,218</b>  |
| Provision for doubtful debts | (8,666)         | (6,704)         |
| <b>Closing Balance</b>       | <b>424,672</b>  | <b>328,514</b>  |

| <b><u>Consolidation Tax</u></b> | <b>2022</b>     | <b>2021</b>     |
|---------------------------------|-----------------|-----------------|
|                                 | <b>\$ 000's</b> | <b>\$ 000's</b> |
| <b>Opening Balance</b>          | <b>8,677</b>    | <b>8,200</b>    |
| Prior year change               | -               | 501             |
| Principal                       | 229             | (24)            |
|                                 | <b>8,906</b>    | <b>8,677</b>    |
| Provision for doubtful debts    | (178)           | (174)           |
| <b>Closing Balance</b>          | <b>8,728</b>    | <b>8, 503</b>   |

**Net Receivables (cont...)**

| <b><u>National Social Responsibility</u></b> | <b>2022</b>     | <b>2021</b>     |
|----------------------------------------------|-----------------|-----------------|
|                                              | <b>\$ 000's</b> | <b>\$ 000's</b> |
| <b>Opening Balance</b>                       | <b>4,991</b>    | <b>4,620</b>    |
| Prior year change                            | -               | (54)            |
| Principal                                    | (152)           | 2               |
| Penalty                                      | (12)            | (4)             |
| Interest                                     | 304             | 427             |
|                                              | <b>5,131</b>    | <b>4,991</b>    |
| Provision for doubtful debts                 | (103)           | (100)           |
| <b>Closing Balance</b>                       | <b>5,028</b>    | <b>4,891</b>    |

| <b><u>Land Tax</u></b> | <b>2022</b>     | <b>2021</b>     |
|------------------------|-----------------|-----------------|
|                        | <b>\$ 000's</b> | <b>\$ 000's</b> |
| <b>Opening Balance</b> | <b>415,831</b>  | <b>351,196</b>  |
| Prior year change      | -               | (15,244)        |
| Principal              | 22,283          | 59,060          |
| Penalty                | 4,796           | 1,624           |
| Interest               | 26,269          | 19,195          |
| <b>Closing Balance</b> | <b>469,179</b>  | <b>415,831</b>  |

| <b><u>Municipal Solid Waste Tax</u></b> | <b>2022</b>     | <b>2021</b>     |
|-----------------------------------------|-----------------|-----------------|
|                                         | <b>\$ 000's</b> | <b>\$ 000's</b> |
| <b>Opening Balance</b>                  | <b>33,654</b>   | <b>31,691</b>   |
| Prior year change                       | -               | (104)           |
| Principal                               | (105)           | -               |
| Penalty                                 | (6)             | (6)             |
| Interest                                | 2,624           | 2,073           |
|                                         | <b>36,167</b>   | <b>33,654</b>   |
| Provision for doubtful debts            | (723)           | (673)           |
| <b>Closing Balance</b>                  | <b>35,444</b>   | <b>32,981</b>   |



**Net Receivables (cont...)**

| <b><u>Withholding Taxes</u></b> | <b>2022</b>     | <b>2021</b>     |
|---------------------------------|-----------------|-----------------|
|                                 | <b>\$ 000's</b> | <b>\$ 000's</b> |
| <b>Opening Balance</b>          | <b>6,059</b>    | <b>5,148</b>    |
| Prior years change              | -               | 2,927           |
| Principal                       | 4,300           | (2,015)         |
| Penalty                         | (194)           | (46)            |
| Interest                        | 250             | 47              |
|                                 | <b>10,415</b>   | 6,059           |
| Provision for doubtful debts    | (208)           | (121)           |
| <b>Closing Balance</b>          | <b>10,207</b>   | <b>5,938</b>    |

| <b><u>Premium Taxes</u></b>  | <b>2022</b>     | <b>2021</b>     |
|------------------------------|-----------------|-----------------|
|                              | <b>\$ 000's</b> | <b>\$ 000's</b> |
| <b>Opening Balance</b>       | <b>2,528</b>    | <b>238</b>      |
| Prior year change            | -               | 12,010          |
| Principal                    | 6,862           | (9,720)         |
|                              | 9,390           | 2,528           |
| Provision for doubtful debts | (188)           | (51)            |
| <b>Closing Balance</b>       | <b>9,202</b>    | <b>2,477</b>    |

| <b><u>Product Development Levy</u></b> | <b>2022</b>     | <b>2021</b>     |
|----------------------------------------|-----------------|-----------------|
|                                        | <b>\$ 000's</b> | <b>\$ 000's</b> |
| <b>Opening Balance</b>                 | <b>3,557</b>    | <b>2,807</b>    |
| Prior year change                      | -               | 9               |
| Principal                              | 774             | 686             |
| Penalty                                | 20              | 25              |
| Interest                               | 11              | 30              |
|                                        | 4,362           | 3,557           |
| Provision for doubtful debts           | (87)            | (71)            |
| <b>Closing Balance</b>                 | <b>4,275</b>    | <b>3,486</b>    |

**Net Receivables (cont...)**

| <b><u>Room Rate Levy</u></b> | <b>2022</b>     | <b>2021</b>     |
|------------------------------|-----------------|-----------------|
|                              | <b>\$ 000's</b> | <b>\$ 000's</b> |
| <b>Opening Balance</b>       | <b>10,335</b>   | <b>7,499</b>    |
| Prior year change            | -               | 522             |
| Principal                    | 3,163           | 2,031           |
| Penalty                      | 34              | 139             |
| Interest                     | 13              | 144             |
|                              | 13,545          | 10,335          |
| Provision for doubtful debts | (271)           | (207)           |
| <b>Closing Balance</b>       | <b>13,274</b>   | <b>10,128</b>   |

| <b><u>Tax on Assets</u></b>  | <b>2022</b>     | <b>2021</b>     |
|------------------------------|-----------------|-----------------|
|                              | <b>\$ 000's</b> | <b>\$ 000's</b> |
| <b>Opening Balance</b>       | <b>3,277</b>    | <b>-</b>        |
| Prior year change            | -               | 1,356           |
| Principal                    | (3,002)         | 1,921           |
|                              | 275             | 3,277           |
| Provision for doubtful debts | (6)             | (66)            |
| <b>Closing Balance</b>       | <b>269</b>      | <b>3,211</b>    |

| <b><u>Tax on Bank Assets</u></b> | <b>2022</b>     | <b>2021</b>     |
|----------------------------------|-----------------|-----------------|
|                                  | <b>\$ 000's</b> | <b>\$ 000's</b> |
| <b>Opening Balance</b>           | <b>6,436</b>    | <b>-</b>        |
| Prior year change                | -               | 394             |
| Principal                        | (6,436)         | 6,042           |
|                                  | -               | 6,436           |
| Provision for doubtful debts     | -               | (129)           |
| <b>Closing Balance</b>           | <b>-</b>        | <b>6,307</b>    |

**Net Receivables (cont...)****Consolidated**

|                                                 | <b>2022</b>             | <b>2021</b>             |
|-------------------------------------------------|-------------------------|-------------------------|
|                                                 | <b>\$ 000's</b>         | <b>\$ 000's</b>         |
| <b>Opening Balance</b>                          | <b>2,165,282</b>        | <b>1,963,007</b>        |
| Prior year change                               | -                       | (35,882)                |
| Principal                                       | 144,985                 | 96,033                  |
| Penalty                                         | 22,279                  | 8,949                   |
| Interest                                        | 92,021                  | 133,172                 |
|                                                 | <u>2,424,567</u>        | <u>2,165,279</u>        |
| Provision for doubtful debts                    | (39,107)                | (34,991)                |
| <b>Closing Balance</b>                          | <b><u>2,385,460</u></b> | <b><u>2,130,288</u></b> |
| <b><u>Highway Revenue</u></b>                   | <b><u>2022</u></b>      | <b><u>2021</u></b>      |
|                                                 | <b><u>\$ 000's</u></b>  | <b><u>\$ 000's</u></b>  |
| <b>Closing Balance</b>                          | <b><u>266</u></b>       | <b><u>266</u></b>       |
| <b>Total Receivable (Net) at March 31, 2022</b> | <b><u>2,385,726</u></b> | <b><u>2,130,554</u></b> |

**7.1. Provision for Doubtful Debts**

The Authority utilizes a rate of 2% to provide for doubtful receivables. Allowance for doubtful accounts on total receivables is calculated at \$39M, (2021: \$35M)

|                                           | <b>2022</b>          | <b>2021</b>          |
|-------------------------------------------|----------------------|----------------------|
|                                           | <b>\$ 000's</b>      | <b>\$ 000's</b>      |
| Value Added Tax                           | 23,073               | 21,651               |
| Corporation tax                           | 5,501                | 4,994                |
| Income Tax                                | 8,667                | 6,704                |
| Consolidation Tax                         | 178                  | 174                  |
| Municipal Solid Waste Tax                 | 723                  | 673                  |
| National Social Responsibility Levy       | 103                  | 100                  |
| Excise Duties                             | 103                  | 51                   |
| Withholding Tax                           | 208                  | 121                  |
| Room Rate Levy                            | 271                  | 207                  |
| Product Development Levy                  | 87                   | 71                   |
| Insurance Premium Tax                     | 188                  | 50                   |
| Bank Asset Tax                            | -                    | 129                  |
| Tax on Assets                             | <u>6</u>             | <u>66</u>            |
| <b>Total provision for doubtful debts</b> | <b><u>39,107</u></b> | <b><u>34,991</u></b> |

## 8. Other Receivables

This represents amounts due from the Treasury to honour outstanding tax refunds and to cover the financial charge associated with the electronic banking transactions. No provision is reflected for Other Receivables since these funds are not deemed to be doubtful.

## 9. Due To Treasury

This represents taxes assessed or billed but not yet received which are to be paid over to the Treasury.

|                        | 2022             | 2021             |
|------------------------|------------------|------------------|
|                        | \$ 000's         | \$ 000's         |
| <b>Opening Balance</b> | <b>2,177,443</b> | <b>2,084,266</b> |
| Accounts Receivable    | 255,172          | 202,336          |
| Collections            | 707,801          | 606,900          |
| Deposits               | (743,587)        | (716,059)        |
| <b>Closing Balance</b> | <b>2,396,829</b> | <b>2,177,443</b> |

## 10. Taxes Refunds Payable

Amounts payable to taxpayers include refunds and related interest estimated by the Authority that were unpaid at March 31, 2022. A reconciliation exercise was conducted to review both the current and legacy tax systems to verify the amounts due to taxpayers and as such the balances have been adjusted to reflect the refunds due at March 31, 2022.

**10.1.**

|                         | <b>2022</b>     | <b>2021</b>     |
|-------------------------|-----------------|-----------------|
|                         | <b>\$ 000's</b> | <b>\$ 000's</b> |
| <b>Opening Balance</b>  | <b>611,883</b>  | <b>569,824</b>  |
| Prior year adjustment   | 21,631          | -               |
| Assessments             | 197,359         | 376,629         |
| Current year adjustment | (202,323)       | -               |
| Refunds paid            | (112,280)       | (334,570)       |
| <b>Closing Balance</b>  | <b>516,270</b>  | <b>611,883</b>  |

**10.2. Refunds Payable by Tax Type**

|                                          | <b>2022</b>     | <b>2021</b>     |
|------------------------------------------|-----------------|-----------------|
|                                          | <b>\$ 000's</b> | <b>\$ 000's</b> |
| Value Added Tax                          | 276,160         | 196,492         |
| Corporation Tax                          | 92,488          | 193,889         |
| Interest re: Corporation Tax             | 65,017          | 113,002         |
| Income Tax                               | 34,397          | 52,884          |
| Interest re: Income Tax                  | 32,989          | 49,231          |
| Reverse Tax Credits                      | 12,898          | 4,136           |
| Consolidation Tax                        | 690             | 603             |
| Highway Revenue Refunds                  | 332             | 358             |
| Land Tax                                 | 124             | 124             |
| Tax Certificates                         | 980             | 1,098           |
| Interest re: Tax Certificates            | 195             | 66              |
| <b>Total Refunds Payable by Tax Type</b> | <b>516,270</b>  | <b>611,883</b>  |



11. Deferred Revenue

Deferred Revenue represents overpayments of taxes in the current year that relate to a future accounting period. At March 2022 Deferred Revenue for prepaid land tax activities stood at \$1.3M (2021: \$289K).

12. Land Tax- Rebates, Waivers & Discounts

The taxable event is the issuance of the Land Tax invoice for the taxable period, which is the fiscal year (April 1, 2021 to March 31, 2022). Discounts are given based on the Land Tax Act Cap 78. Rebates and waivers are also given based on Ministerial Policy to certain sectors of the economy. Rebates, Waivers & Discounts 2022: \$94M (2021: \$86M)

12.1. Rebates, Waivers & Discounts on Land Tax

|                                                           | 2022          | 2021          |
|-----------------------------------------------------------|---------------|---------------|
|                                                           | \$ 000's      | \$ 000's      |
| Rebates                                                   | 73,901        | 67,754        |
| Waivers                                                   | 5,589         | 3,789         |
| Discounts                                                 | 14,874        | 14,705        |
| <b>Total Rebates, Waivers &amp; Discounts on Land Tax</b> | <b>94,364</b> | <b>86,248</b> |



**BARBADOS  
REVENUE AUTHORITY**

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