



BARBADOS
PORT INC.

Welcome to a sea of possibilities.

Lighting the way towards sustainable future frontiers

Annual Report

2022
20
23



Vision

Our Vision is to be the most innovative, green maritime hub in the world by 2030.

Mission

To be the most customer focused, cost effective and highly efficient provider of value driven cruise, cargo services and related property development services while providing satisfactory benefits to stakeholders, including customers and employees.

Core Values

SUSTAINABILITY

We prioritise the safety and well-being of our people and environment.

EFFICIENCY

We constantly aim to be more efficient and effective.

RELIABILITY

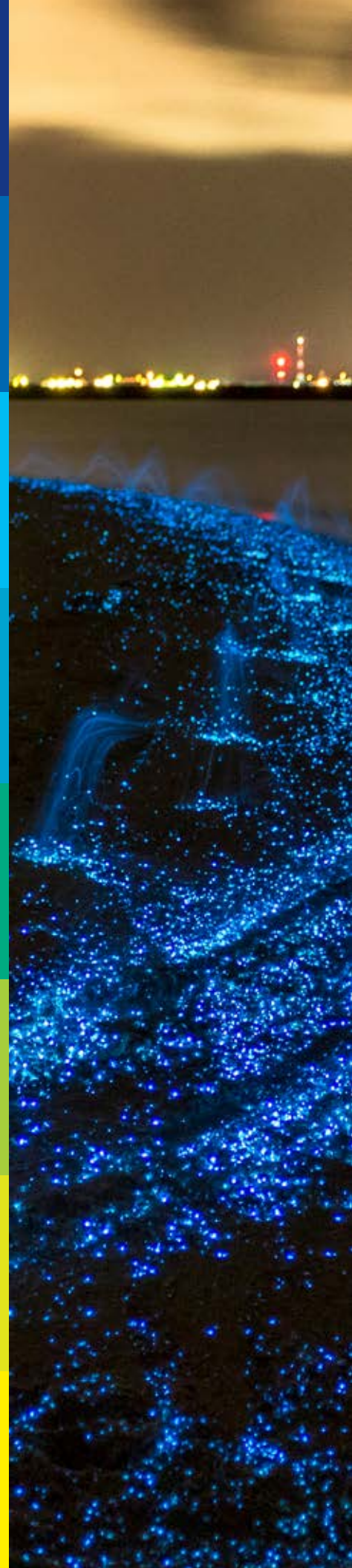
You can depend on us to keep our promises and follow through on our commitments.

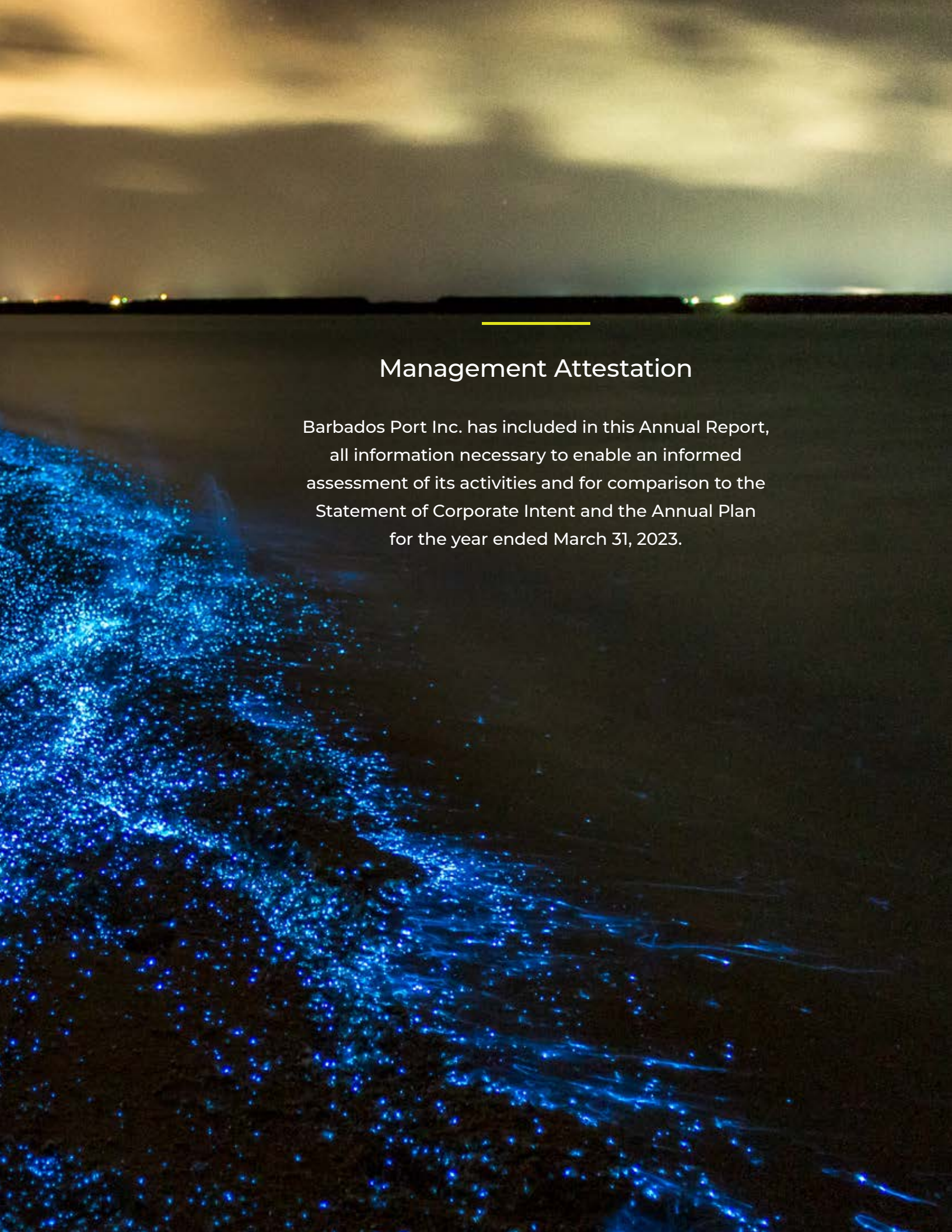
INNOVATION

We explore new options and improved solutions to exceed expectations in everything we do.

TEAMWORK

We work collaboratively towards the achievement of shared goals.





Management Attestation

Barbados Port Inc. has included in this Annual Report, all information necessary to enable an informed assessment of its activities and for comparison to the Statement of Corporate Intent and the Annual Plan for the year ended March 31, 2023.





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Company Profile

The Port of Bridgetown is an award-winning, full service, international trade seaport located in Barbados and managed by Barbados Port Inc. (“BPI” or “the Company”).

It is a small port, but more important than its size is the diversity of its portfolio. All major cruise lines have chosen the Port of Bridgetown as a port of call and from among them, an impressive listing have chosen Barbados for homeporting operations.

The marine terminal handles all major categories of cargo including:

- ▶ Containers (incl. imports and exports of food and beverage products, consumer goods such as furniture, appliances, etc.)
- ▶ Liquid bulk (incl. petroleum, molasses, etc.)
- ▶ Dry bulk (incl. grain, cement, gravel, etc.)
- ▶ Break-bulk (incl. agricultural produce, and other goods intended for the manufacturing, processing and distribution sectors)
- ▶ Automobiles

The Port of Bridgetown is International Shipping and Port Facility Security (ISPS) compliant and is renowned for its dependability, reliability and excellent safety record. It is the major point of entry for goods used in the manufacturing and retail sectors in Barbados and is dedicated to supporting businesses in the export trade. State-of-the-art cargo handling facilities and technologies support the following services:

- ▶ Receipt and delivery of cargo, utilising a variety of cargo handling equipment
- ▶ Storage of cargo awaiting delivery or shipment, in covered warehouses or open storage
- ▶ Storage of refrigerated and frozen cargo
- ▶ Unstuffing/stuffing containers
- ▶ Sorting of cargo according to special requirements of consignee

- ▶ Rental of cargo handling operations equipment
- ▶ Priority access to block-stacked empty containers as requested by ship agents

BPI's sustainability principles guide its journey to becoming a world-class port. They are to:

- ▶ Build Long-Term Shareholder Value
- ▶ Strengthen Strategic Alignment
- ▶ Enhance Corporate Image
- ▶ Improve Operating Quality and Efficiency
- ▶ Enhance Market Competitiveness
- ▶ Create a High-Performance Culture
- ▶ Enhance Execution Excellence
- ▶ Build Growth-Enabling Infrastructure

These are the value enablers that are applied across the business and that allow the Company to manage its risks and opportunities and to generate value for all stakeholders. They also guide BPI's relationships with the shareholder, employees, customers, business partners and community groups. They take into account the external environment, the economic conditions and changing innovation and technology drivers, as well as the societal and environmental issues that have an impact on business.

Board of Directors 2022/23



**The Most Honourable
Peter Odle FB**
Chairman



Mr. Denis Cadogan
Deputy Chairman



Mr. David Jean-Marie
Managing Director



Sir Roy Trotman
Director



Capt. George N.M. Fergusson
Director



Mrs. Lisa Gale
Director



Mr. Iain Thomson
Director



Mr. Ricardo McConney
Director



Ms. Janice Brown
Director



Mr. Reynold Grant
Director



Mrs. Francine Blackman
Director

CORPORATE SECRETARY
Ms. Karen Forde

AUDITOR
PricewaterhouseCoopers SRL

BANKERS
Republic Bank (Barbados) Limited
First Citizens Bank (Barbados) Limited

ATTORNEY-AT-LAW
George Walton Payne & Co.
Ralph Thorne, Q.C.

Senior Management Team



Mr. David Jean-Marie
Chief Executive Officer



Mr. Kenneth Atherley
Advisor, Projects & Port Operations



Mr. Curtis Smith
Divisional Manager, Human Resources & Industrial Relations



Capt. Karl Branch
Divisional Manager, Innovation & Corporate Services



Ms. Karen Forde
Financial Controller & Corporate Secretary



Mr. Ian Stewart
Divisional Manager, Operations



Ms. Jane Brome
Divisional Manager, Business Development & Strategy Ag. (July 1 2022)



Mr. Sheldon Layne
Manager, Terminal Operations



Mr. George Kent Fergusson
Manager, Marine Services & Harbour Master



Mr. Tedroy Marshall
Manager, Engineering Services



Mrs. Michele Webster
Manager, Management Information Systems



Mrs. Charmaine Soo Chan
Manager, Internal Audit & Quality Assurance



Mrs. Nancy Solomon-Batson
Manager, Human Resources/Administration



Ms. Keyshia Barrow
Management Accountant



Ms. Nakita Baptiste
Financial Accountant



Mr. Rommel Edwards
Manager, Digital Innovation & Development



Mr. Leonid Tkach
Manager, Security Services



Mr. Roland Grant
Manager, Property Management, Maintenance & Projects



Welcome to the
**SPEIGHTSTOWN
JETTY**



Chairman's Review



The Most Honourable Peter Odle FB
Chairman

As we transitioned to more normalized economic activity globally with the COVID-19 downgrade to the endemic phase, Barbados Port Inc. (BPI) ended the year with robust results and a sturdy balance sheet.

Amidst several challenges in the global logistics chain, the Port of Bridgetown registered record cargo handling activity. Total cargo volumes handled at 1,488,653 tonnes, represented an 11% increase against tonnage handled for the period April 2021 to March 2022. Container volumes handled also reached record levels 119,773 Twenty Foot Equivalent Units (TEUs), 17.3% increase over last year's volume of 102,103 TEUs. The results in cargo can be attributed to a combination of high demand for consumer goods and multiple supply chain interruptions globally.

Growing confidence in the return to cruising meant the Port welcomed 573,276 cruise passengers on board 351 vessel calls during the financial year. There was significant growth in the homeport segment, with homeporting vessel calls being 52% of cruise calls to the Port of Bridgetown.

Our fiscal health is vital in maintaining the confidence of our industry partners to continue doing business with us. I am therefore happy to report that the 2022/23 financial results indicated significantly improved results over the previous year, with the Company registering net income

of \$29.4 million at the end of the financial year. We have in addition made significant headway in mapping the Port's future state.

Emerging from the negative impacts of COVID-19, we recognize that ports across the world are moving towards new, dynamic approaches to development and making significant strides to improve efficiency. They are diversifying their strategies in order to stay focused and responsive to maritime business demands and opportunities. They are building specialized facilities, developing multipurpose terminals and focusing on becoming large-scale hubs.

Here at home, we also took steps to ensure improved performance of Barbados' logistics supply chain and to reinforce our standing as an efficient logistics hub on both the services and infrastructural sides.

Substantial progress was made in the broader strategy of digitalising the logistics chain through the development of a Port Community System (PCS). These efforts moved the project into Phase 2, which will see a concentration on the development of software modules over an estimated 18-month period by an in-house team. The PCS will create an electronic collaborative hub allowing public and private stakeholders to securely exchange information, documents and authorizations associated with import and export consignments within the Port. This will facilitate continued enhancement of Barbados' competitive edge with greater transparency in Port operations, smoother and more streamlined supply chain management, improved services, secured e-payments, faster release of goods and reduced costs in the logistics chain.

On the infrastructure side, BPI achieved a significant number of milestones in its ongoing projects. Expansion of the Shallow Draught Marina for yachts and pleasure craft moved to an advanced stage of 72% and is on target to meet its February 2024 completion date. The project includes the creation of 70 additional berths for pleasure and commercial craft, new storage and office buildings, commercial unit shops, a restaurant, an open-air market, a minimart, support buildings, fuel dock facilities and swell-attenuating structures.

Plans for construction of the 315-meter-long Berth 6, initiated in January 2023, are moving ahead. In support of our transshipment thrust and our positioning as a logistics hub, we are boosting our cargo handling capacity with the installation of two new gantry cranes at this berth, which will allow for the operation of two cargo ships simultaneously. Dredging will be conducted to allow for a deeper draught after the transplantation of the coral colony in the area is complete. The coral relocation is currently in process, in accordance with guidelines as set out by the Coastal Zone Management Unit.

In line with our strides towards reducing our carbon footprint, energy generation will be increasingly sourced through expansion of photovoltaic (PV) systems in Port and construction of a waste to energy incinerator. A tender was awarded in February 2023 for the PV expansion project. This particular project should generate a total capacity of 2 Megawatts. The incinerator project was delayed somewhat as there were no successful bidders for a turn-key operation. A decision was subsequently taken to invite tenders for the facility design. Submissions for design are currently under evaluation.

BPI, as part of its corporate social responsibility efforts, celebrated the completion and official re-opening of the Speightstown Jetty to the Northern community in April 2022. Its return to service boosted the social experience for residents and visitors, and expanded opportunities for fishing and fisherfolk, for restaurants, bars and retail shops, as well as those in leisure and commercial sailing and marine recreation.

The groundwork was laid for other projects with start dates set for construction in Phase 2 of our Masterplan 2020-2030. Development of bulk handling facilities with the construction of a dedicated aggregate berth, is in keeping with the need of the country to import certain bulk materials for the construction sector. The development of logistics facilities for cargo in the form of a Container Freight Station and a Central Container Examination Facility will change the way we do business in our break-bulk and container operations. Construction of a boat repair facility

under Concession arrangement is also under Phase 2, as well as commercialization of three Lighthouses at North Point, South Point and East Point as part of efforts to diversify the tourism product and create new entrepreneurial opportunities.

Port Transformation

The port's ongoing investment toward improving the quality of life for our surrounding communities is aligned with our intention to grow the business sustainably and responsibly.

A new corporate structure and business model are needed to better support investment in continued process change, asset and capacity expansion.

The new concept contemplates a much wider private sector investment participation and an upgrade of the existing port management model to a more autonomous version of corporatization with spinoff units as separate businesses.

The proposed structure will establish BPI as a holding company with Special Purpose Vehicles (SPVs) created to strategically support investment and financing in the new infrastructure projects.

This would herald the complete evolution of the organisation from a statutory corporation to an autonomous corporation with divestment to Port workers among the targeted shareholders in the subsidiary companies.

We are gearing up for the transition to a Full Free Out Port and the offering of in-house stevedoring services at the start of the 2023/24 financial year. Termination of the stevedoring contract with external parties affords more control over operations while the move to a Full Free Out Port model will improve the efficiency and productivity of overall port operations, while reducing container-related port costs.

Next year will also see a continuation of our investment in the waterfront development projects, continued renewal of our equipment fleet, advancement of our digitalisation and refined development of the new corporate structure. All this is reflective of our continuing commitment to

ensure that the Port of Bridgetown remains on a winning path as a powerful economic catalyst and commercial hub.

I sincerely thank fellow directors on the Board and the management team for the dynamic and rewarding strategic direction they have and continue to provide. Special appreciation also must be given to our employees for their continued commitment. Special thanks also to the many organizations and individuals who have supported and partnered with us in elevating the Port of Bridgetown to the award-winning seaport that it is today. Barbados Port Inc. conveys sincerest appreciation to:

[The Honourable Mia Amor Mottley, Q.C., M.P., Prime Minister of Barbados](#)

[The Government and People of Barbados](#)

[The Honourable Ian Gooding-Edghill, M.P., Minister of Tourism and International Transport](#)

[Senator The Honourable Lisa Cummins, Minister of Energy and Business](#)

[The Honourable, Kerry Symmonds, Senior Minister for the Productive Sectors and Minister of Foreign Affairs and Foreign Trade](#)

[The Shipping Association of Barbados](#)

[The Barbados Workers' Union](#)

[Barbados Tourism Marketing Inc.](#)

[Barbados Tourism Investment Inc.](#)

[Barbados Customs Brokers and Clerks Association](#)

[Town and Country Development Planning Office](#)

[Coastal Zone Management Unit](#)

[Customs and Excise Department](#)

[Royal Barbados Police Force](#)

[Immigration Department](#)

[Ministry of Tourism and International Transport](#)

[Ministry of Foreign Affairs and Foreign Trade](#)

[Ministry of Finance, Economic Affairs and Investment](#)

[Ministry of Health and Wellness](#)

[Ministry of Agriculture and Food Security](#)

[Ministry of Transport, Works and Maintenance](#)



The Most Honourable Peter Odle FB
Chairman





Financial Performance Review

Barbados Port Inc.'s financial results for 2022/23 were significantly improved over the prior year's, reflecting a marked increase in cargo activity and the return to a full season of commercial cruising.

Operating income totaled \$121.0 million, a 16% increase on the 2021/22 results of \$102.1 million. All major revenue areas showed improved performance during the period. Cargo revenues climbed to \$86.8 million, with tonnages transiting the port increasing by 13% over 2021/22 and reaching the highest on

record. Cruise passenger levy revenues came in at \$7.0 million, approximately 42% higher than the \$2.9 million earned in the prior year.

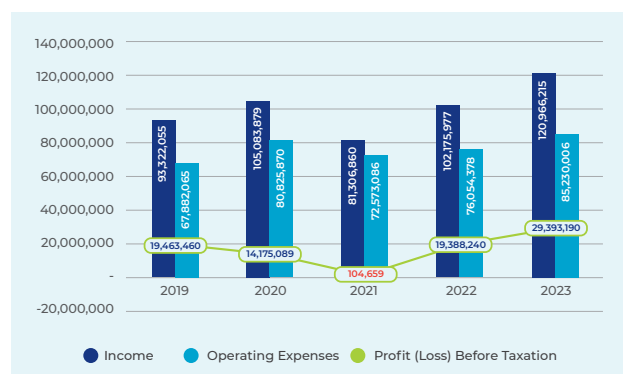
BPI registered a net income of \$29.4 million at the end of the financial year.

TABLE 1: BREAK DOWN OF REVENUE (\$)

	2019	2020	2021	2022	2023
Cargo Handling	63,802,359	69,349,941	62,336,922	75,879,085	86,821,888
Excess Storage	1,774,217	2,931,683	1,656,194	2,203,777	2,876,459
Marine Revenue	9,856,829	10,279,581	7,582,424	8,815,987	9,495,905
Passenger Levy	8,910,000	9,543,318	-	2,965,775	6,993,176
Other	8,978,650	9,588,039	7,681,435	10,255,419	11,881,053
Sub-total	93,322,055	101,692,562	79,256,975	100,120,043	118,068,481
Other Operating Income	2,867,234	3,391,317	2,049,884	2,055,934	2,897,734
TOTAL	96,189,289	105,083,879	81,306,859	102,175,977	120,966,215

Operating Expenses increased by \$9.2 million or 12%. The most significant increases were noted in:

- i. Utilities & Fuel Costs– With a full cruise season, the cost related to the supply of water to ships increased and at year-end, there was still a significant disputed amount which has been provided for but remains unpaid. Electricity and fuel costs also increased due to cyclic changes in fuel clause adjustments during the year.

FIGURE 1: PROFIT (LOSS) BEFORE TAXATION
2018/19 TO 2022/23 (\$)

- ii. Repairs and maintenance of aging equipment continued to increase as BPI sought to adhere to a robust maintenance plan.
- iii. Promotion & overseas travel costs have increased as the Port of Bridgetown sought to have a presence at the major trade shows, conferences, and one-on-one meetings with cruise lines. With BPI as host, a Port Community System Study tour to several European and Caribbean ports was undertaken and included participants from both BPI and other governmental entities.
- iv. Transportation costs related to
 - o the shuttling of passengers within the Port and
 - o the transport of pilots to ships in light of the unavailability of the pilot launch were significant costs incurred during the year.

Total comprehensive income rose to \$27.8 million from \$18.5 million, due to the increase in profit from operations offset by decreases from re-measurement of retirement obligations.

Statement of Financial Position

Overview

The financial position of Barbados Port Inc. as at March 31, 2023 showed significant improvement on the prior year position. This was primarily as a result of increases in cash, capital projects and long-term loans as the Port continues to build out its portfolio of projects pursuant to the Master Plan 2020-2030.

The \$97.4 million increase in current assets is attributable most significantly to increases in cash. This increase was directly related to the increase in operational activity compared to prior year levels augmented by an additional subscription of \$40 million from NCB Capital Markets along with combined drawdowns of \$89.55 million from an IDB Invest US\$50 million Loan facility.

Non-current asset increases of note relate to:

- (i) Debt service reserve on new financing facilities of \$11.3 million
- (ii) Additional capital works in progress of \$55.6 million

Current liabilities have increased as the first quarterly principal repayment of the US\$50 million IDB Invest Loan is due December 15, 2023.

The increase in long-term liabilities is due to receipt of IDB Loan proceeds as well as an additional subscription from NCB Capital Market as aforementioned.

Liquidity

Barbados Port Inc. realised a working capital surplus of \$96.1 million, significantly improved on the prior year position of \$13.9 million. The quick ratio has increased from 1.6 to 3.5 due to the increase in current assets.

Activity

Cargo activity peaked, while cruise activity bolstered transshipment numbers. Whilst overall trade receivables have decreased, the average age of receivables has increased to 40.76 days from 29.94 days.

Leverage

The Company remains highly leveraged as it is a very capital-intensive entity with a debt-to-equity ratio of 1.03:1, an improvement over the prior financial year. Finance costs were \$6.31 million for the current year compared to \$7.42 million for the previous year.

Key financial position balances and ratios are reported below:

TABLE 2: STATEMENT OF POSITION HIGHLIGHTS (\$ MILLION)

	2019	2020	2021	2022	2023
Current Assets	29.17	47.74	24.83	37.18	134.57
Accounts Receivable	6.84	6.01	2.19	10.26	9.13
Non-current assets	299.49	300.31	310.72	315.11	366.74
Total Assets	328.66	348.05	335.55	352.29	501.31
Current Liabilities	30.03	37.07	10.84	23.27	38.44
Long-term Liabilities	119.91	121.54	124.75	110.51	216.45
Total Equity	178.72	189.44	199.94	218.51	246.42
Total Liabilities & Equity	328.66	348.05	335.53	352.29	501.31
Working Capital	-0.86	10.67	13.99	13.91	96.13
Average Receivables	9.43	6.43	4.10	6.23	9.70
Total Debt	149.94	158.61	135.59	133.78	254.89
Debt/Equity	0.84	0.84	0.68	0.61	1.03
Current Ratio	0.97	1.29	2.29	1.60	3.50
Days to Collect Receivables	53.95	36.76	24.01	29.94	40.76

Dividend to Shareholder

The approved BPI dividend policy includes consideration of Government-related corporate social responsibilities as part of dividend payment.

No cash dividend has been declared for the financial year ended March 31, 2023, however, Barbados Port Inc. continued to contribute through fulfilment of

its corporate social responsibilities as outlined in its dividend policy.

During the financial year ended March 31, 2023, Barbados Port Inc. contributed to Governmental institutions as follows:

ENTITY	AMOUNT CONTRIBUTED
Lewis Wickham Board walk	\$341,058.00
Pile Bay Fishing Facility	\$183,619.05
Maintenance of Lighthouses	\$145,550.00
Millie Ifill/Weston Fishing Facility	\$127,506.05
Ministry of Environment and National Beautification	\$115,160.00
Ministry of Health & Wellness	\$51,000.00
TOTAL	\$963,893.10

Remuneration Paid To Each Board Director Including The Value Of Benefits In Kind

POSITION	COUNT	REMUNERATION
Chairman	1	\$18,000.00
Other Board Members	10	\$72,000.00
TOTAL		\$90,000.00

Remuneration Paid To Senior Management Including All Benefits In Kind

POSITION	COUNT	REMUNERATION
Executive Management	6	\$1,291,007.76
Managers & Assistant Managers	19	\$2,502,240.96
TOTAL		\$3,793,248.72

Fiscal Risk Report

A review of the fiscal risks of Barbados Port Inc. (BPI) for the financial year ended March 31, 2023 and the actions taken to mitigate them is noted below.

Uncompensated Quasi-fiscal Activities

As agreed by its Board, BPI considers the cost of Government-related payments which fall under corporate social responsibilities to be part of its dividend payment to its owners.

Hindrance to Self-regulation

The Cabinet of Barbados on September 3, 2022 agreed to repeal the Tariff Book of Dues and Charges Regulations 1987 and the Barbados Port Authority (Tariff Book of Dues and Charges) (Amendment) Regulations, 2014 to be replaced by the BPI Principal Rates and Charges and Standard Terms and Conditions of Trade. The Cabinet also agreed to the establishment of the Tariff Review and Quality Service Committee. The committee is to be convened.

Labour Market Policies

Continuous dialogue was held with the Barbados Workers' Union throughout the year. However, no new agreements have been entered into.

Request for Government Guarantee by Financing Institutions

No new financing agreements requiring a Government Guarantee have been entered into during the year.

Capital Intensive Nature of Barbados Port Inc.

Barbados Port Inc. adhered to a robust maintenance program to prolong the life of its equipment.

Regional Competition

A Port Community System (PCS) project, initiated in March 2021 continues to advance and is expected to significantly boost the Port's competitiveness on completion. The project is aimed at improved operational efficiency and transparency in the goods clearances and trading processes at the Port of Bridgetown, while reducing turnaround time and costs within the supply chain.

Alternative Cargo Service Providers

BPI sought to enhance its customer service delivery with the offering of new online and automated services. Additions and improvements to such systems include extension of the ePayment Portal to include payments for both commercial and personal cargo.



Mission Critical Deliverables

		NOT YET STARTED	IN PROCESS	COMPLETED	ONGOING
ENHANCED PORT SECURITY 	Expand and improve the CCTV distribution		✓		
	Install Passive IR motion detectors AND Geofencing		✓		
	Acquire an additional Container Scanner, and fix the existing scanners			✓	
	Develop a protocol for 100% scanning and pre-scanning of containers			✓	
	Work with Royal Barbados Police Force to support a K9 unit				✓
	Outfit a Command Centre			✓	
	Resource the Security Department as needed			✓	
	Install Pallet Scanner at Shed 2			✓	
	Truth Verification Test (TVT)		✓		TVT tests are mandatory for new hires.
STRATEGIC PLANNING 	Conduct a Strategic Planning Review to update the Strategic Plan for Barbados Port Inc.			✓	
	Update the Master Plan			✓	
	Complete the Business Plan			✓	
	Strengthen the Brand				✓
CRUISE SERVICE ENHANCEMENTS 	Meet with key customers in the service chain to understand concerns and solicit ideas for service improvements				✓
	Produce branded directional signage to facilitate movement of passengers			✓	
	Deploy the tram system to facilitate movement of passengers			✓	
	Introduce a new taxi dispatch system		✓		
	Enhance Tour dispatch systems			✓	

		NOT YET STARTED	IN PROCESS	COMPLETED	ONGOING
CARGO OPERATIONS ENHANCEMENT 	Meet all customers in the service chain to understand concerns and solicit ideas for service improvements				✓
	Establish a Customer Charter			✓	
	Based on the range of consultations, refine the service standards and KPIs for Barbados Port Inc.			✓	
	Extend the use of Octopi to Shed 4 operations, along with a queuing system			✓	
	Extend the use of Octopi for container vessel operations in the area of Ship Planning		✓		
	Install a new Gantry crane			✓	
	Order new Straddle Carriers (six needed – one per annum)			✓	
STABILISED FINANCES 	Renegotiate financing of Bds. \$70 million Republic Finance and Trust brokered Bond Issue			✓	
	Renegotiate Finance Lease with ANSA Merchant Bank which has a balance of Bds \$55.5 million as at June 2018			✓	
	Revise the current Procurement rules to bring them in line with the new mandate of Government pertaining to “carving off” and consistent with the regional approach to procurement as contained in the Draft Protocol on Public Procurement for Caribbean Community			✓	
	Revise Receivables Policy to encourage timely payment and to deter overly late or non-payment of receivables			✓	
STAFF EMPOWERMENT 	Settle wage/salaries increases with the BWU			✓	
	Resolve and negotiate long outstanding increments for Clerical Division with the BWU			✓	
	Complete Job Evaluation		✓		
	Implement the Performance Appraisal and Performance Management/Incentive Scheme, to complement the Customer Charter Programme		✓		
	Complete the culture reform programme to address deep seated cultural attitudes that affect performance and worker attitude		✓		
	Establish a Training Centre in conjunction with the CMU, TVET and SJPI	✓			

		NOT YET STARTED	IN PROCESS	COMPLETED	ONGOING
LEVERAGING TECHNOLOGY 	Develop IMO Maritime Single Window			✓	
LEGAL 	Work with the Attorneys to complete the process of determining the Global Ports and the Berth 6 contracts – including recognition of damages or other considerations			✓	
	Meet and address the arbitration issue that is currently in abeyance. Arrive at new terms in the management arrangement with Bridgetown Cruise Terminal Inc., addressing the following: • Agreement on when the lease ends, • The continuing head tax split, and • review of the maintenance arrangements			✓	
	Review the brief on the Fish of Barbados Case. The injunction against the Port with respect to retaking possession of waterfront space at the Flour Mill has continued to prevent the port from arriving at a longer term use of at least 2 – 4 acres at the Flour Mill. Though the injection relates to some 3,325sq m of land, the location prevents access to a large area of land behind it. This land has been earmarked for development into a much-needed expanded boat repair yard			✓	
	Meet the deadlines set by IMO to address findings of the IMO Audit. BPI shall sponsor legal resources to be based in the Chief Parliamentary Counsel's Office, to assist in drafting the requisite legislation that will ensure compliance with the Port-specific and other nineteen (19) IMO findings		✓		
	Complete the vesting process of lands in BPI as per the Barbados Port Inc. (Vesting of Assets and Transfer of Management Act)		✓		BPI is currently working with Ministry of Housing and Lands to complete this process of leasing the lands (100+ acres) in the Company.

PROJECTS



	NOT YET STARTED	IN PROCESS	COMPLETED	ONGOING
Establish a joint venture to develop the 4 acres at South Point lighthouse, as a sustainable commercial initiative		✓		
Complete the development of Ragged Point lighthouse and establish a commercial tourism based joint venture at this location		✓		
Assess viability of North Point Lighthouse for Development		✓		
In consultation with the Coastal Zone Management Unit, complete engineering designs for berthing ships offshore at Speightstown		✓		Anchorage points to be developed for small luxury vessels
Repair/refurbish the Existing Speightstown Jetty repairs and upgrade to the Speightstown Jetty to make it ready to accommodate tender vessels from cruise			✓	
Expand berthing capacity at the Shallow Draught (project design, permitting, financing, execution)		✓		Project started February 2022. Financing from IDB Invest.
Development of a new Bulk Handling Berth to handling 100% export /import of aggregate in support of the local construction industry		✓		
Install Photovoltaic Solar Panel at BCTI, Old Mechanical Workshop and the Mechanical Shed		✓		Partial financing through IDB Invest.
Installation of New Waste – Energy Incinerator		✓		Tenders for Project design are under evaluation with ongoing support through Crown Agents.
Construction of a new Cargo Freight Station and Central Container Examination Facility		✓		Designs are completed and submitted to Town Planning for approval. A business case is to be developed to include financing and operating options. Project is earmarked as a PPP.
Adopt fishing villages in Barbados, and assist in developing the associated infrastructure and facilities, commencing with Pile Bay and Weston		✓	✓	
Adopt fishing villages in Barbados, and assist in developing the associated infrastructure and facilities, commencing with Pile Bay and Weston		✓ Weston facility in process	✓ Pile Bay facility completed May 2021.	

CORPORATE SOCIAL RESPONSIBILITY



A comparison of the performance of the entity with the Statement of Corporate Intent and the Annual Plan is noted below:

1	STRATEGIC OBJECTIVE	To develop strategic transshipment alliances			
	Measure	Transshipment cargo is cargo landing in Barbados but intended for other countries. With the expanding of the Panama Canal and other factors, opportunities exist for increased revenues in more of this cargo. This measure is analyzed by looking at the increased number of TEUs handled annually.			
		2022-23 Target	2022-23 Projected	2022-23 Actual	Rationale
	Growth in transshipment TEUS	Increase by 1,600 TEUs	Increase by 5,000 TEUs	12,390	There was an increase in containers handled by one shipping line, along with an increase in homeporting activity. Ship stores are classified as transshipment.

2	STRATEGIC OBJECTIVE	To increase productivity on Cranes			
	Measure	Crane productivity is measured by the number of moves an operator can make an hour. Movements can measure how efficiently the Port is at handling cargo on a vessel and the time a ship spends in the Port.			
		2022-23 Target	2022-23 Projected	2022-23 Actual	Rationale
	Crane Moves per Hour – Gantry 1	n/a	n/a	n/a	This Crane was dismantled having reached the end of its useful life during the period under review.
	Crane Moves per Hour – Gantry 2	30	26	26	There were some less-seasoned operators who gave an average between 24 to 26 moves per hour. However, the productivity rate was also hampered by the lack of straddle carriers available to move containers to and from the crane position.

STRATEGIC OBJECTIVE	To increase productivity on Cranes			
Measure	Crane productivity is measured by the number of moves an operator can make an hour. Movements can measure how efficiently the Port is at handling cargo on a vessel and the time a ship spends in the Port.			
Crane Moves per Hour – Gantry 3	30	28	26	The crane had technical issues where at times, the Port could not take advantage of twin lifting. There were also times when the crane could not move at its designed speed.
Crane Moves per Hour – Mobile	22	20	12	The crane had technical issues and was out of service for the majority of the year.

3

STRATEGIC OBJECTIVE	To increase cruise traffic by 2% per annum			
Measure	The measure considers the projected % increase in cruise passenger arrivals to Barbados annually.			
	2022-23 Target	2022-23 Projected	2022-23 Actual	Rationale
% Growth in Cruise Arrivals	2%	2%	>100%	Passenger arrivals totaled 573,276; as consumer confidence in cruising returned. Passenger arrivals last year reached just 240,887.

4

STRATEGIC OBJECTIVE	To increase the % of homeport cruise passengers from 20% to 40% by 2025			
Measure	This measure considers the percentage of homeporting cruise passengers annually compared to total cruise arrivals.			
	2022-23 Target	2022-23 Projected	2022-23 Actual	Rationale
% Growth in Cruise Arrivals	30%	48%	40%	Vessels were still not sailing at 100% capacity. Homeport vessel calls were however 52% of all cruise calls.





Operational Performance Review

Cargo Operations

The Port of Bridgetown during the period April 2022 to March 2023, registered 1,187 vessel calls. This 7% increase in calls against the previous year was buoyed by increased cargo activity. Vessel calls at the Bulk Handling Facility grew 65% while calls at the Shallow Draught increased from 92 to 111.

Cruise vessels calls increased from 324 in the previous year to 351.

TABLE 3: BREAKDOWN OF VESSEL CALLS BY MAJOR CATEGORY (2012/13 TO 2022/23)

Vessel Calls	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Cruise	374	382	412	453	498	420	414	47	324	351
General Cargo - Deep Water Harbour	422	454	499	549	486	470	482	482	461	485
General Cargo - Shallow Draught	99	105	125	123	121	111	103	94	92	111
Cargo - Bulk Handling Facility (Inc PF)	15	7	19	9	6	12	11	15	20	33
Bulk Sugar	1	2	2	1	0	1	2	2	0	0
Molasses	7	7	13	12	7	7	4	9	4	7
Cargo - Cement Plant	124	79	71	68	86	89	91	69	52	42
Tankers	139	138	135	156	167	155	173	144	159	158
Total Calls	1,181	1,174	1,276	1,371	1,371	1,265	1,280	862	1,112	1,187
% Change	5.26%	-0.59%	8.69%	7.45%	0.00%	-7.73%	1.19%	-32.6	29.0%	6.7%

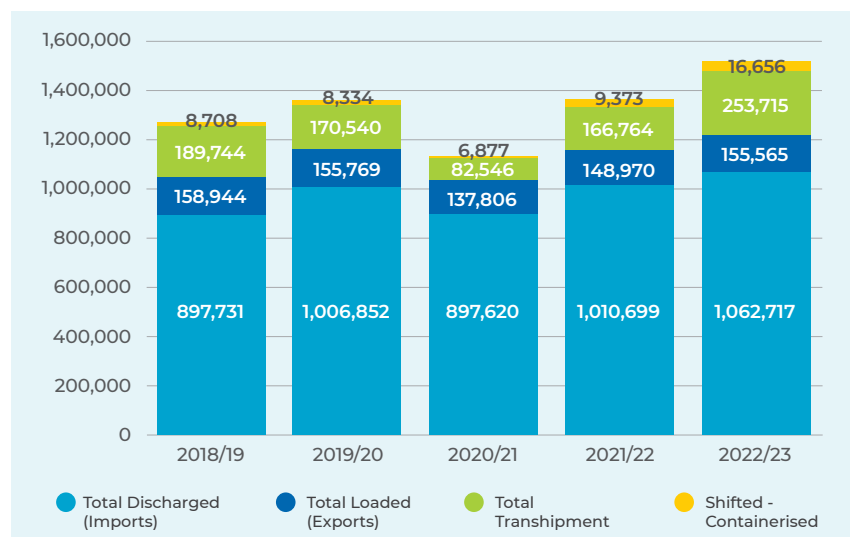
Tonnage Handled

Total cargo volumes handled was 1,488,653 tonnes. This activity represented an increase of 11% against tonnage handled for the period April 2021 to March 2022 (see Figure 2) and registered at the highest level of activity on record.

A breakdown of tonnage handled shows a 5% increase in imports against 2021/22. Import volumes at 1,062,717 tonnes represented 71% of the overall tonnage handled.

Barbados' exports totaling 155,565 tonnes was higher than the 148,970 tonnes exported in the previous year and just slightly down from pre-COVID exports of 155,796 tonnes in 2019/20. The export tonnage represented 4% of the tonnage handled for 2022/23 (see Table 4).

FIGURE 2: TOTAL CARGO HANDLED (TONNES)



Transhipment cargo tonnage continued to grow, moving from 166,764 tonnes to 253,715 tonnes this year, the highest since 2017/18.

Total containerized tonnage handled across all categories of imports, exports, transhipment

and shifted cargo was 1,339,692 tonnes in 2022/23 as compared to 1,193,373 tonnes in 2021/22. Containerized cargo represented 90% of all tonnage handled. Last year's containerized figure represented 89% of the overall tonnage handled.

TABLE 4: BREAKDOWN OF CARGO HANDLED BY CATEGORY 2013/14-2022/23(TONNES)

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20 ^R	2020/21 ^R	2021/22 ^R	2022/23
Domestic										
Containerised Discharged	724,810	730,009	784,920	835,727	816,393	801,396	864,236	792,679	880,686	928,025
Breakbulk Discharged	70,543	76,548	80,359	99,774	92,436	83,645	101,659	67,289	81,008	90,642
Direct Delivery	0	0	23,000	46,011	29,017	12,690	40,957	37,652	49,005	44,050
Total Discharged (Imports)	795,353	806,557	888,279	981,512	937,846	897,731	1,006,852	897,620	1,010,699	1,062,717
% Increase / Decrease	0.15%	1.41%	10.13%	10.50%	-4.45%	-4.27%	12.16%	-10.85%	12.60%	5.15%
Containerised Loaded	159,844	157,641	130,684	147,227	151,585	154,046	151,502	133,006	142,261	150,272
Breakbulk Loaded	5,229	7,810	4,549	4,600	4,000	4,898	4,294	4,800	6,709	5,293
Total Loaded (Exports)	165,073	165,451	135,233	151,827	155,585	158,944	155,796	137,806	148,970	155,565
% Increase / Decrease	3.40%	0.23%	-18.26%	12.27%	2.48%	2.19%	-1.98%	-11.55%	8.10%	4.43%
Transshipment Containerised	39,165	93,895	148,371	205,169	255,298	180,524	162,087	78,336	161,053	244,739
Transshipment Breakbulk	7,736	12,400	16,440	17,558	11,070	9,220	8,453	4,210	5,711	8,976
Total Transshipment	46,901	106,295	164,811	222,727	266,368	189,744	170,540	82,546	166,764	253,715
% Increase / Decrease	61.67%	126.64%	55.05%	35.14%	19.59%	-28.81%	-10.12%	-51.60%	102.03%	52.14%
Shifted - Containerised	4,303	7,920	9,601	12,737	15,019	8,708	8,334	6,877	9,373	16,656
% Increase / Decrease	-25.20%	84.06%	21.22%	32.66%	17.92%	-42.02%	-4.29%	-17.48%	36.29%	77.70%
Total Tonnage Handled^R	1,011,630	1,086,223	1,197,924	1,368,803	1,374,818	1,255,127	1,341,522	1,124,849	1,335,806	1,488,653
% Increase / Decrease	2.33%	7.37%	10.28%	14.26%	0.44%	-8.71%	6.88%	-16.15%	18.75%	11.44%

^R-Revised 2019/20, 2020/21 and 2021/22

Bulk Cargo Handled

Bulk Cargo handled this year grew 5.6% over that handled in the previous year (see Table 5). Some 932,256 tonnes were handled in 2022/23 as compared to 882,370 tonnes last year. Petroleum products continued to dominate this segment, registering at 554,237 tonnes, some 59% of all

bulk cargo handled this year. The second largest volumes handled were cement, at 93,490 tonnes representing 10% of the cargo handled.

With the depletion of sand from local quarries, imports of this commodity were initiated this year, coming in at 108,579 tonnes.

TABLE 5: BREAKDOWN OF BULK CARGO HANDLED BY TYPE 2012/13 – 2022/23 (TONNES)

Commodity	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22 ^R	2022/23
Sugar	14,454	12,593	8,783	6,008	5,775	4,859	8,194	5,218	0	0
Molasses	37,620	41,741	38,151	47,400	54,398	55,828	38,067	74,057	45,944	70,755
Fish Oil/ Margarine/Fat	0	0	0	0	0	0	0	0	0	0
Grain/Agribulk	74,708	72,210	84,212	65,413	74,118	60,775	76,017	56,737	40,235	75,969
Fertilizer	1,900	500	701	0	0	0	0	0	0	0
Petroleum Products	613,695	582,246	653,502	599,729	635,011	623,673	676,462	496,284	597,405	554,237
Limestone	10,500	1,000	0	0	0	0	0	150	0	950
Cement	167,572	130,575	138,318	146,350	186,952	211,799	206,797	144,638	148,873	93,490
Gypsum/ Pozzolan Gravel	36,527	8,210	4,092	8,308	12,519	11,083	10,509	9,895	12,225	36,48
Cement Plant Other	9,344	0	3,130	15,146	3,043	11,511	1,893	26,314	0	0
Iron Ore	2,864	993	2,501	1,974	2,586	3,758	1,794	2,316	1,805	0
Sand	0	0	0	0	0	0	0	0	0	56,343
Dwh Other	9,846	3,363	38,945	12,000	702	40,678	52,203	64,710	35,882	24,626
Total	979,030	853,431	972,335	902,328	975,104	1,023,964	1,071,936	880,319	881,053	932,256
% Change	10.63%	-12.83%	13.93%	-7.20%	8.07%	5.01%	4.68%	-17.88%	0.23%	5.65%

^R-Revised



Container Traffic

The Port of Bridgetown handled 119,773 TEUs during the year, a 17.3% increase over last year's volume of 102,123 TEUs, and the highest recorded (**See Table 6**). Of the total TEUs handled, 36.7% (44,056 TEUs) were imports while 5.8% were full exports comprising mainly manufactured and other cargo, including recycled product. Some 39,335 TEUs (33%) were outbound empty containers.

The Port's key performance indicators (KPIs) are tracked through OCTOPI, the Terminal Operating System (**See Table 7**). This year, Moves Per Hour/ Crane averaged 26 moves (**see Figure 3**), on target

and in line with the previous year's moves. The Truck Turnaround Time reduced from an average 50 minutes in 2021/22 to an average of 46 minutes but was still well below the target of 35 minutes. The Dwell Time for full reefer containers was on target at 3 days from the North Gate and 2 days at the BICO locations, while the Dwell Time for dry containers directly delivered remained at 6 days and on target, this year. The Dwell Time for Less than Container Load (LCL) containers being stripped also remained on target at 3 days.

TABLE 6: BREAKDOWN OF CONTAINERS (TEUS) BY STATUS 2013/14 – 2022/23

TEUs Handled	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22 ^R	2022/23
Inbound Laden	34,426	34,713	37,310	39,663	38,807	38,120	41,041	37,441	41,781	44,056
Inbound Empty	833	1,264	1,812	5,319	2,028	1,290	1,185	673	815	1,152
Outbound Laden	7,341	7,208	6,040	6,765	6,946	7,036	6,987	6,112	6,533	6,937
Outbound Empty	30,697	29,769	33,224	40,072	35,798	35,738	36,662	32,089	37,091	39,335
Transshipment	2,511	7,368	12,323	18,093	22,079	15,313	13,549	7,785	15,903	28,293
Total TEUs	75,808	80,322	90,709	109,912	105,658	97,497	99,424	84,100	102,123	119,773
% Change	6.12%	5.96%	12.93%	21.17%	-3.87%	-7.72%	1.98%	-15.40%	21.41%	17.28%

^R Revised 2021/22



TABLE 7: KEY PERFORMANCE INDICATORS

	2021/22	2022/23	2022/23												
	Average	Target	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Yearly Average
Crane Productivity (Moves per Hour/crane)	26	26	30	26	26	27	26	26	25	23	23	23	26	27	26
Truck Turnaround Time (mins)	50	35	38	42	43	42	39	35	43	50	66	62	46	44	46
Container Traffic (TEUs)		n/a	8,883	10,429	8,413	9,691	9,276	9,491	9,042	12,087	12,074	10,963	9,073	10,389	9,947
Gate Moves-North Gate (containers)		n/a	3,851	4,624	4,628	4,413	4,582	4,836	4,229	4,489	5,017	4,727	4,353	4,846	4,550
Dwell Time FCL- Dry (days)	6	6	6	7	6	6	6	6	6	6	7	9	6	6	6
Dwell Time FCL North Gate- Reefer (days)	2	3	3	3	2	2	3	3	3	2	4	3	2	2	3
Dwell Time BICO- Reefer (days)	1	3	1	1	1	1	2	1	2	2	2	3	1	3	2
Dwell Time LCL (days)	3	3	2	3	2	3	3	3	3	3	5	7	3	4	3

FIGURE 3: PRODUCTIVITY RATE – GANTRY CRANE

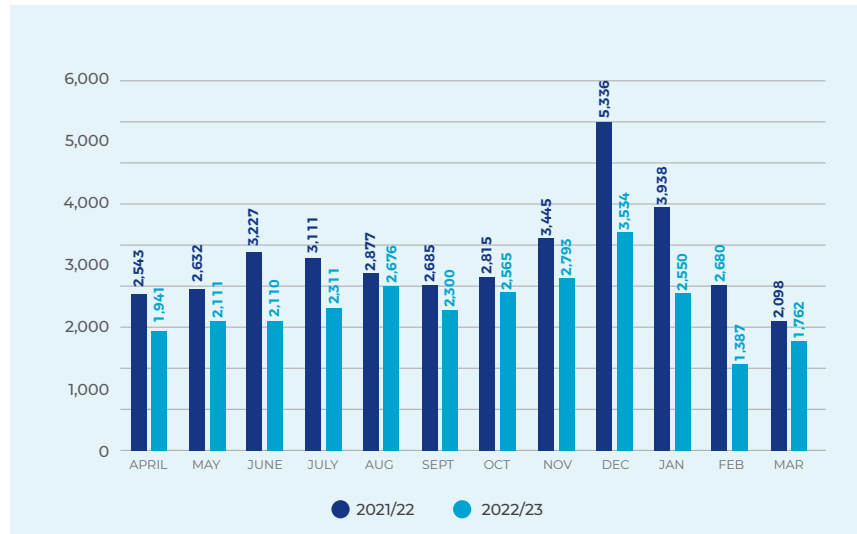


Personal Effects

Personal packages delivered totaled 28,040 pieces and represented a 25% decline against the 37,387 pieces delivered in 2021/22 (see Figure 4).

Reduced activity in this segment reflected increased competition from private companies offering alternative solutions to consumers following the return to travel and shopping and demand for imports, as countries emerged from the COVID-19 pandemic.

FIGURE 4: PERSONAL EFFECTS DELIVERED (SHED 2)



Cruise Operations

Passenger arrivals

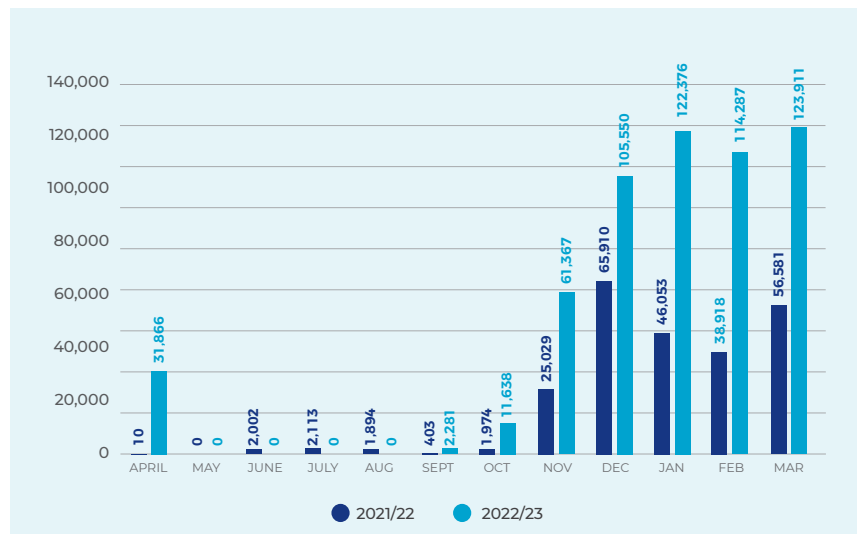
Three hundred and fifty-one (351) cruise calls were registered at the Port of Bridgetown this year, as compared to a total of 324 calls registered during the prior year. Some 52% or 184 of these calls were homeport calls.

While passenger arrivals last year reached just 240,887, arrivals this year totaled 573,276, as consumer confidence in cruising returned (See Figure 5).

Fourteen vessels made inaugural calls at Bridgetown.

The outlook for Winter 2023/24 suggests a return to the levels prior to the 2019/2020 cruise season, with some 392 vessel calls scheduled and a projected passenger capacity totaling 715,527.

FIGURE 5: CRUISE PASSENGER ARRIVALS



Cruise Facilities

BPI invested significantly in upgrading its facilities and terminals for cruise business.

Following the return of the Cruise Terminal from Bridgetown Cruise Terminal Inc., a major improvement plan was executed to upgrade the shopping facility. In addition to repairs to the roof and internal infrastructure, BPI

undertook lighting upgrades and general improvement of the décor to make the facility ready for the winter season 2022/23.

A full entertainment programme was scheduled at the Terminal with weekly performances by local musicians as part of our enhanced visitor experience package. New directional and safety signage was installed from

the Breakwater to the Cruise Terminal through to the Taxi Dispatch Centre to ensure easier transit throughout the Port.

The Cruise Transfer Terminal which houses our homeporting operations, was also enhanced with the installation of three additional state-of-the-art scanners, doubling our passenger processing capacity; new kiosks used by Immigration and Embarkation agents to facilitate guest check-in; improved décor and air-conditioning installation.

The Main Gate was equipped with new facilities for passenger flow and screening as part of our improved security protocols and Quarantine facilities were refurbished as part of the Port's readiness to handle any suspected cases of infectious diseases.

Mooring Points

While enhancing facilities at Bridgetown, the Company increased its collaboration with Barbados Tourism Marketing Inc. (BTMI) on cruise marketing strategies, exploring the creation of new satellite berthing facilities for smaller luxury vessels.

Four mooring points for super yachts were added on the West Coast and work continues with the Coastal Zone Management Unit to add two mooring points for small cruise vessels in the Speightstown Bay area.

The Speightstown Jetty, officially re-opened in April 2022 after extensive refurbishment, will prove a valuable infrastructure support to inland connectivity at St. Peter for cruise guests, just as it has for other pleasure craft vessel owners.

Passenger Head Tax Increase

Following a decision by Government to increase the 30-year-old passenger head tax rate, the Port hosted meetings with major cruise lines and the Florida Caribbean Cruise Association (FCCA) to give notice of adjustment of the head tax from US\$6 to US\$12, effective November 1, 2024.

The rationale for the increase is within the context of fulfilling national and port specific infrastructure developmental objectives. None of the cruise lines opposed the proposed adjustments.



Investing in a Sustainable Future

The Port Master Plan 2020-2030 and the Business Plan 2021-2026 identify a number of infrastructural projects which are important in diversifying port revenue, improving physical capacity, upgrading the plant and attaining the full green port status.

The Master Plan defines the major elements of the Port's infrastructural build-out over the next 10 years with the following projects considered as pivotal:

Shallow Draught Marina Re-development

The contractor, Preconco, began construction work in January 2022 toward a completion date of February 2024. Key components of the project include:

- Construction of an additional 70 berths
- Construction of a commercial building
- Storage facilities for boat owners/operators
- Construction of a fish and farmer's market
- Construction of a minimart
- Construction of a fuel dock
- Construction of wave attenuation structures to reduce disruption from high energy events such as winter swells and hurricanes.
- Construction of a Roll On/Roll Off dock for ferry and inter-island schooner services.

Project Status:

- Continued services infrastructure construction
- Phase 1 west road completed
- SW Berth replacement slab design, layout and production commenced
- Continued Commercial Building. Insitu works ongoing; roof beam, roof slab, water tank, precast columns first floor terrace installed. East side plastering commenced
- Continued Mini Mart construction. Intermediate ring beam cast, final ring beam and roof slab cast, formwork stripped
- Continued East Storage Building ground floor fit out. Ground floor fit out complete

- Office unit fit-out complete
- Reviewed Fish/Farmers' Market structural and architectural design
- Continued installation of streetlights
- Continued West Swell Attenuation Structure construction (85% completed)
- Finalized Pier structural designs for approval of the Engineer
- Continued Telecommunication Room construction

To support the work of Government in developing a regional ferry system, the Roll On Roll Off (RORO) berth was completed to safely accommodate ferry services for the movement of passengers and cargo. The Port continues to explore partnerships to establish business and supply chain alliances by cooperating with Export Barbados (BIDC), Invest Barbados and all other entities interested in establishing entities services in Barbados.

The current ratio of Work Done to Contract Sum (72%) juxtaposed with Elapsed Time (57%) indicates that the Project is currently ahead of schedule.

Berth 6 (North Cargo Berth)

The Berth 6 expansion project is intended to cater mainly to container cargo ships, thus allowing remaining berths to facilitate cruise ship traffic. This will enable the Port to increase operational efficiency and optimize existing space available for development to meet increasing future berthing requirements and container throughput demands.

The project, set to be completed by July 2024, involves construction of a new 315-metre-long berth with draught of 13 meters to accommodate large vessels, and an adjacent 10 acres of container terminal space to support the expected increased container traffic and other cargo. It is designed to accommodate two Panamax gantry cranes, thereby allowing the servicing of two vessels, simultaneously.

The contractor, Berth 5 Projects Limited, mobilized the project in January 2023 and is expected to complete the works in 18 months.

Pre-construction work includes the relocation of coral reef colonies within the project zone to a new safe location.

Project Status:

- Finalisation of design and order placement of combi wall material.
- Contractor continued work to finalize construction drawings for civil works.
- Acquired requisite performance bond and insurances.
- Conducted requisite coral training, met with CZMU, investigated coral relocation sites (including water quality sampling) and developed site selection report.
- Formal coral relocation plan submitted to town planning department.

The current ratio of Work Done to Contract Sum (5%) juxtaposed with Elapsed Time (11%) indicate that the Project is theoretically slightly behind schedule.

Aggregate Storage Berth

The work to develop an aggregate berth continues in collaboration with the C.O. Williams Construction engineering team to meet the following needs:

- Create land for the storage of imported aggregate and sand.
- Establish a plant on the site for the production of aggregate in different sizes for both the local and export market.
- Provide continual supply of sand to the local market.

Project Status:

- The Environmental Social Impact Assessment (ESIA) Report was submitted to the Planning and Development Department on March 21, 2023. The Department has 28 days to request clarification regarding the content of the document or grant approval.
- Once approved, the ESIA must be presented to the public for a period of 21 days before Barbados Port Inc. can host the Town Hall meeting.

- The Port has formally requested support from IDB PPP Unit to conduct a Project Readiness Assessment (PRA) on the Bulk /Aggregate Handling Facility. The PRA support will provide Barbados Port Inc. with an independent assessment of the quality of project preparation as well as the risks and information gaps that must be addressed for the Project to move forward.

Other Capital Projects

Signal Station Refurbishment

The new Signal Station located on the Breakwater in Port is 99% complete. The Station, which serves as the control tower for vessels, is an essential link between land and sea. Vessels arriving at or departing the Port of Bridgetown are required to contact the Station.

The new structure will be outfitted with modern traffic tracking systems, improved communication technologies, and recording systems. It will be integrated with the national vessel traffic systems, focused on security.

Proposed Customs House

The plans to refurbish the former Administration building of Barbados Port Inc. for occupation by the Customs and Excise Department (CED) were advanced. The Ministry of Housing, Lands and Rural Development worked with CED to find a suitable location to adequately house its staff during the construction period.

Architectural drawings were completed and approved, and preparations are being made for the works to be tendered. On completion, the building will generate additional revenues through rental to government.



Green Port Initiatives

Barbados Port Inc.'s aspiration to become a green maritime hub meant continued work toward the reduction of its carbon footprint.

Waste to Energy Incinerator

Approval was granted from IDB Invest (IDBI) at the request of Crown Agents to engage a Design Consultant for the waste to energy incinerator. The Procurement Plan was also circulated to the Tenders and Procurement Committee for their review.

The Port was unsuccessful in securing a bidder for a turnkey facility and subsequently a decision was taken to hire an engineering firm for design. Tenders closed on February 27, 2023. The design period is estimated at three to four months after which the Port will tender for the construction of the facility.

Photovoltaics

Continuing its expansion of the photovoltaics (PV) system, Barbados Port Inc. sought to procure the services of a firm to supply and install turnkey systems. A request for Expressions of Interest for the supply and installation of at least five (5) solar PV systems on the roofs of properties located at the Port of Bridgetown was placed in traditional media with a response date of September 5, 2022. A tender was awarded in February 2023. This particular project should generate a total capacity of 2 Megawatts.

The Company has already invested in PV as an alternative power source, an effort which will be boosted with the installation of the additional PV as well as the new waste to energy facility. The Port is already producing 15% of its total electricity consumption and by 2025, expects to produce close to 50% of total consumption.

Hybrid Fleet

BPI is adding five twin-lift hybrid straddle carriers to its cargo handling fleet during 2023/24, which will be expanded in 2024/25 by an additional five twin-lift hybrid straddle carriers. The equipment is required to replace the ageing fleet and will complement the Port's green initiatives aimed at energy efficiency and zero emissions, in addition to enhanced customer service through reduced truck turnaround time and faster container discharge/load times.

Trade Facilitation Enhancement

Efforts are continuing to improve local logistics performance as well as the experience of doing business with the Port.

Sub-committee of the Social Partnership on Performance and Efficiency at the Port of Bridgetown

Barbados Port Inc. since 2019 has been collaborating even closer with its stakeholders to improve the local logistics sector performance as well as the experience of doing business at the Port. A Sub-committee of the Social Partnership was established to examine Port Performance and Efficiency and has been functioning according to a prescribed workplan to effect change in key areas through operational interventions, policy interventions, information technology enhancements and private sector-led initiatives.

The sub-committee is chaired by the Minister of Tourism and International Transport, with representatives drawn from Barbados Port Inc., Customs & Excise Department, Regulatory and Law Enforcement Agencies based in the Port, the Congress of Trade Unions & Staff Associations of Barbados (CTUSAB), National Union of Public Workers (NUPW), Barbados Workers' Union (BWU), private sector agencies including Barbados Manufacturers Association (BMA), Barbados Chamber of Commerce & Industry (BCCI), the Barbados Private Sector Agency (BPSA), as well

as service providers including the Barbados Customs Brokers & Clerks Association, the Shipping Association of Barbados (SAB) and Transport Intermediaries of Barbados (TIB).

Between September and December 2022, the Port escalated the monthly meetings to weekly meetings of the Committee members to advance several areas that needed attention. The result at the end of the financial year has been significant improvement in the progress for a number of tasks. With respect to the original workplan, a total of 48 out of 66 tasks were either completed or significantly advanced. Major elements of the tasks undertaken this year are reported below.

Digitalisation of Processes:

IMO Maritime Single Window (MSW)

The Maritime Single Window (MSW) is a mandatory requirement for national governments to introduce electronic information exchange between ships and ports under the FAL Convention. The MSW aims to address the issue of non-harmonized reporting obligations by linking all information flows required by regulatory agencies with respect to the arrival, stay and departure of ships, persons and cargo, via a single portal.

Project Status:

- The virtual tunnel between the Joint Regional Communications Centre (JRCC) and Barbados Port Inc. was set up. The software and file transfer queue will be configured after JRCC has completed additional development. When complete, this will facilitate the movement of data from JRCC to the Barbados MSW.
- The Port commenced work on a blockchain application to ensure the integrity of data used to create a digital certificate of clearance on pre-arrival. The concept of pre-clearance will improve risk management and reduce turnaround times.
- The MSW berthing module pilot application was deployed. It was observed that the sample agents had successfully added container information to various vessels without requiring assistance.
- A dashboard was created which gives insights into marine traffic information in real time.

- Discussions are ongoing with executive personnel from CARICOM Implementation Agency for Crime and Security (IMPACS) to commence the final phase of the project, which aims to streamline and standardize reporting obligations.
- Meetings are ongoing with the Legislative Drafter of the Facilitation of International Maritime Traffic (FAL) Act and the Director of Maritime Affairs on the Legislation required to govern the use of the MSW.
- A schematic of electronic cargo information flows across agencies was conceptualized in anticipation of the proposed omnibus legislation considered necessary, to govern information flow between the national e-systems governing trade, namely the MSW, the Port Community System (PCS), the national Electronic Single Window (ESW) and the Customs software ASYCUDA World.

Port Community System (PCS) Project

The PCS project supports the creation of an online system accessible to Customs and Excise, other Government Agencies, agents and shipping lines, and those involved in logistics and freight forwarding, terminal and warehouse operations and

the processing and clearance of cargo. It will enable greater efficiency, a reduction in operating costs and a more sustainable approach to management of port operations. It will also support improved documentary conformity through simplification, standardisation, rationalisation (reducing paperwork), the harmonisation of clearance processes and procedures, as well as information sharing between trade actors through a single platform.

Project Status:

- A Software Development Plan was submitted to Caribbean Development Bank (CDB).
- The Inception Report was completed.
- Situational Analysis Report was completed.
- A Study Tour to Amsterdam and Rotterdam in the Netherlands, London and Felixstowe in the United Kingdom and Kingston, Jamaica was completed during the period May 7-21, 2022, to examine best practices in PCS development.
- The Implementation Roadmap for the development of the software modules was completed.
- The PCS Steering Committee approved the Implementation Roadmap to guide the



development of the PCS in January 2023.

- Two additional software programmers were recruited in accordance with the PCS grant agreement.
- A sensitization webinar entitled, 'Establishment of a Barbados Port Community System: Path Forward' was hosted with featured presentations on the governance framework, organization, scope, benefits, and the timeline for the Barbados PCS rollout.
- Development work continues.

Container Freight Station (CFS) & Central Container Examination Facility (CCEF)

Development of logistics facilities for cargo in the form of a Container Freight Station and a Central Container Examination Facility will change the way we do business in our break-bulk and container operations.

Project Status:

- Plans for the project were submitted to the Town and Country Development Planning Office (TCDPO) and approved.
- The Port subsequently invited firms to submit proposals for the preparation of a Request for Proposal to support the bids for the finance, construction, and operation of the Facility. These will be evaluated early in the 2023/24 financial year.

Service Level Agreements

To further complement the work of the Sub-Committee, Barbados Port Inc. sought to develop and formalise Service Level Agreements (SLAs) with Government agencies operating within the Port of Bridgetown, under an Inter-agency Committee. The SLAs will assist in addressing exigent challenges and removing obstacles to the harmonisation of Port operations. The aim is also to improve customer service, increase efficiency, improve communication and transparency of operational processes.

Draft SLAs were completed and sent to Customs, Immigration Department, Port Health, Plant Quarantine, Veterinary Services, and the Department of Commerce and Consumer Affairs for their review and comments. Work continues with the agencies to finalise the respective agreements.

Corporate Governance Enhancement

Whistleblower Policy

In line with efforts to enhance corporate governance, a Whistleblower Policy was introduced.

RePORTit, run on the Convercent software system via the corporate website, makes it easy to report an incident about workplace issues like financial and auditing concerns, harassment, theft, substance abuse and unsafe conditions.

Staff sensitisation sessions, under the theme "Speak Up, Be Heard", were organised along with the publication of an e-book, which was disseminated to staff via their department heads.

ISO 9001:2015

February 8, 2023, marked the first anniversary of Barbados Port Inc.'s ISO 9001 certification by Lloyds Register of Quality Assurance (LRQA).

Becoming ISO 9001:2015 certified enhanced the Port's competitiveness as a full service, international trade seaport, and better positions it to meet the ever-changing demands and expectations within the maritime transport sector. The Company is required to keep improving and updating its Quality Management System (QMS) so that it remains effective and adds value to the business.

The first of two surveillance assessments conducted in February 2023, reviewed the compliance of the Port's management system against ISO 9001:2015. The departments assessed were Business Development & Corporate Communications, Purchasing, Subcontractor/Vendor Management, Marine Services, Property Maintenance, Facilities Management and Projects, and Cargo & Cruise Operations. Minor non-conformities were closed and no new non-conformities identified during this assessment. The next assessment will be conducted in 2024.

Strategic Partnerships

In tandem with Government's efforts focusing on deepening and strengthening its existing bilateral relationships, the Port has been engaging potential strategic partners across the Caribbean, North America, and Europe as well as also seeking to develop new non-traditional partners in Africa, Asia, Eastern Europe, the Gulf States and Latin America.

The Government of Barbados has signed a Sister Port Agreement with the Port of Tema, Ghana and is concluding another with Port of Mombasa, Kenya. It is hoped that these enhanced relations will lead to the development of new trade lanes, with the Port of Bridgetown positioned as a hub for transshipment through the Caribbean. Similarly, in leveraging new and existing bilateral relations, it is anticipated that this will enhance commercial opportunities through increased trade.

Barbados Port Inc. continued discussions on the exploration of new transshipment business with Guyana and Suriname and as well as cooperation with the Special Envoy to Guyana and Suriname in the Prime Minister's Office to deepen and strengthen existing relationships between the countries.

In support of these initiatives, the Port continued to engage resources to explore business opportunities with partner agencies. The Company also drafted a Memorandum of Understanding (MOU) with Export Barbados (BIDC), which is to be finalised and executed.

Digital Innovation

The Port is embracing energy transition, digitisation and innovation in a bid to be more efficient, reliable and competitive. Digitisation initiatives are concerned with either better control and management of the Port and port infrastructure or improved efficiency of logistics processes.

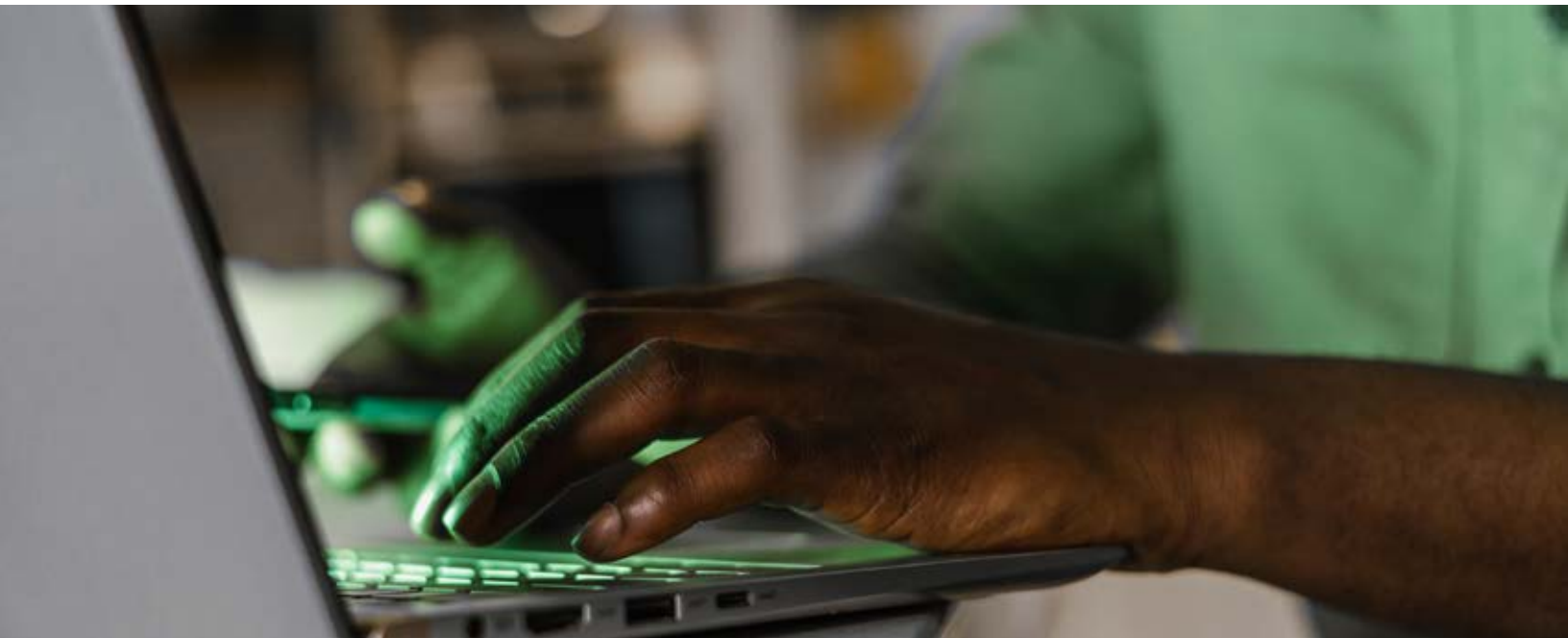
The digital strategy aims at continued enhancement of Barbados Port Inc.'s competitive edge by capitalizing on new opportunities for greater value creation in doing business, increasing operational efficiencies and transparency, reducing cost, reducing greenhouse emissions, and improving services for sustained growth.

Cargo Tracking Portal

The Cargo Tracking application was upgraded. During the period under review, there were 90,263 cargo tracking portal visitors. 775 customers signed up for SMS notifications on cargo readiness for collection and 1,341 customers signed up for the email notifications.

ePayment Platform

The ePayment Platform has led to a significant increase in the Port's digital footprint as more transactions are processed without intervention from port personnel. The platform expedites the collection of revenue, removes business hours and





geographical constraints, reduces human errors, and minimizes delays.

It was this year amended to allow payments for personal cargo in addition to commercial cargo payments.

Cybersecurity

During the period under review, there was one unsuccessful cyber-attack.

The Port's firewalls were upgraded to offer increased throughput, speed and network performance. Additional capability was also added for endpoint protection. Given the increased volume of remote work now being employed and the increased threats within the online environment, Mobile Device Management was an important part of this exercise. A stepped-up daily monitoring program was instituted, with regular checks being undertaken to detect any questionable or suspicious network activity and when necessary, to undertake preventative measures to secure the Port's network.

The Port's Disaster Recover cloud service, DRaaS, was expanded to protect eighteen servers. A New

Domain Controller was also incorporated, beginning the process of upgrading internal network structures and enforcing greater control over network activities.

The single sign-on Identity and Access Management (IAM) system used by the Port's external applications was upgraded. This new version has quite an extensive number of security upgrades such as the ability to recover authentication codes and application health monitoring.

As part of continuous adaptation to the changing cybersecurity landscape, an Authentication Verification Hash (AVH) was introduced to the e-Payment Platform. This feature is designed to mitigate Man-In-The-Middle cyberattacks.

In keeping with cybersecurity best practices, a robust user audit was completed to mitigate the risk of unauthorized access to the port's systems. This task involved ensuring that the lists containing retired, resigned, and deceased employees were correctly transferred to an inactive state.

Enhanced Border Security

Barbados Port Inc. is compliant with the provisions of the International Ship and Port Facility Security (ISPS) Code. During the period under review, considerable progress was achieved through the implementation of processes and projects aimed at strengthening ISPS compliance, whilst reducing business risks.

The Port focused on technology upgrade and human resources development to meet new performance standards geared towards the reduction of both threats to Port assets as well as business-related risks.

New or updated technologies centered around the following:

- Training designed to create a fully operational Unmanned Aerial Vehicle / Drone Unit with not only capability to provide enhanced port

security surveillance and operational oversight from a terminal/security operations perspective, but also other port wide uses and application such as building, roof, light tower inspections, damage assessment, mapping, surveying, port monitoring and traffic control, cinematography, and video production.

- Sourcing, acquisition, and implementation of computer-based training modules in Imaging for X-Ray Scanners.
- With continued Port development to areas such as the Shallow Draught Marina and the Speightstown Jetty, network coverage was expanded and upgraded to support security initiatives for CCTV and drone coverage. This reinforced the Port's ability to provide security coverage to its remote location in real time, from a centralized operational hub.



Developing An Engaged & Empowered Workforce

The Company's industrial relations climate remained stable, facilitated by healthy discussions amongst the workers and management on any minor issues that may have arisen. There was no industrial action, no strikes or disputes during the period of review.

Renegotiation of Collective Agreement

Barbados Port Inc., the Shipping Association of Barbados (Employers) and the Barbados Workers' Union (BWU) (Employees' Representative) are the signatories to a written Collective Agreement which governs the working arrangements at the Port of Bridgetown. Since signature of the Agreement on September 12, 2014, the nature of port operations has changed significantly regionally and internationally, in a manner that directly and indirectly impacts our local operations. The Port requires a workforce that operates according to modern-day practices, has a more commercially oriented outlook, is more flexible, agile, trained to a higher standard, and capable of achieving performance levels in line with international best practice of how services are delivered.

The Company this year sought to pursue labour reform with a careful evaluation of alternative approaches that will maximise efficiency and minimise labour dislocation and risks to stakeholders. Proposals for revision of collective agreement were submitted to the Barbados Workers' Union and negotiations commenced in January 2023 aimed at revising inhibitive or restrictive labour practices including:

- Flexibility of start times
- Interchangeability of labour across operations
- Revisions to block time
- Transferability of labour between ship to shore and shore to ship
- Realignment of some job functions in keeping with best practices
- Alignment of the Port Registration and Disciplinary Committee to the Employment Rights Act.

With respect to Port digitalization, a meeting with the BWU was facilitated regarding the launch of the Port Community System (PCS).

Transitioning Stevedoring In-house

Following the decision by the Board of Directors that the Company should take over responsibility for the provision of the stevedoring services, previously provided by private stevedoring entities, port management proceeded with plans to effect the change in April 2023. The Port engaged the shipping lines which call at Barbados, in developing operational plans and Standard Operating Procedures (SOPs). Stevedore training was conducted as follows: Level 1- 38 persons; Level 2- 52 persons; Level 3- 16 persons. Discussions also commenced and concluded with the BWU regarding the transitioning of stevedoring services into Port Operations. Following discussions, two stevedoring coordinators were hired on a Fixed term Contract basis for one year, to ensure a smooth transition.

Performance Management

A Performance Management System was developed to measure and monitor the performance of all employees including management, as well as the overall performance of the organisation. Key Performance Indicators (KPIs) have been identified for application in gauging performance. It is expected that the new system on approval, will be implemented in the new financial year.

Employee Engagement

At the start of the year under review, the Port celebrated 267 of its long-serving employees in a presentation of commemorative plaques. The Company discerns itself among those organizations retaining a significantly high number of long-serving staff, with two reaching the 40-year milestone; eleven having served 35-39 years; seventeen who served 30-34 years and one

hundred and twenty-four having served 25-29 years. Eighty-eight more have served between 20 and 24 years; while twenty marked 15 years of service and seven reached 10 years of service.

Training

During the period under review, the Company coordinated both targeted and cross-departmental training sessions aimed at honing skills in specialised areas such as terminal operations, marine and security services. Targeted training was in addition extended to engineering and digital applications. Emphasis was placed on health and safety, customer service, supervisory management and effective communication with offerings in business and report writing and hazard communication.

Two people this year gained the Certified Port Executive accreditation, while eight completed the Standards of Training Certification & Watch-Keeping for Seafarers (STCW).

Safety, Health & Environment

During the year, thirty-four (34) contractor safety inductions were conducted, and all projects were completed without lost time injuries. Major projects included the Shallow Draught Marina Expansion (Ongoing), and Decommissioning of Gantry Crane #1.

Table 8 presents a snapshot of incidences reported during the year:

TABLE 8: INCIDENT REPORTING

Indicator	Definition	2022/23
Recordable Incidents	Any workplace-caused injury or illness that comes under one or more of the following categories: Death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness.	31
Lost Workdays	Total days lost due to a work-related injury or illness.	464
Vehicular Accidents	Lost time injury cases that have resulted in medical expenses for the Port	2
Lost Time injury Frequency Rate	The number of lost days compared to the cumulative work hours. Industry average is 11.2 days	7.3
Total Incidents	Total reported accidents & incidents	77
Major Incident Categories	Three most frequent incident categories:	
	Property Damage	11%
	Struck By	24%
	Slip, Trip & Fall	28%
Corrective Actions Status	Completed	43%
	In Progress	0
	Pending	57%

Our Corporate Social Responsibility

The Company is undertaking two major projects as part of its corporate social responsibility obligation - comprehensive refurbishment of the Millie Ifill Fish Market at Weston St. James and construction of a Fire station within the Port of Bridgetown.

Millie Ifill Fish Market

Work is set to get underway at the Millie Ifill Fishing Facility.

In February 2023, BPI hosted a stakeholder engagement forum aimed at sharing project information, building a relationship with local community and registering comments/questions raised for incorporation into the project. The objective is to upgrade fishing facilities to meet requisite sanitary standards. The initiative is part of a

wider undertaking of the Government of Barbados to upgrade the island's fishing facilities. The new facility at Weston will address several shortcomings at the existing facility, particularly as it relates to sanitization, storage and amenities.

Port Fire Station

The new fire station will provide emergency service to the capital city, Bridgetown and its environs. A building within the Port, which formerly housed the mechanical workshop, and located close to the main entrance, is being redesigned and configured to create the new station. It will be outfitted with two fire tenders.

The project is ongoing.

Educational Outreach

With the restart of tours of the Port in January 2023, several queries were received. The Company hosted students from four (4) secondary schools and also facilitated students from a Canada-based University.



Looking To The Future

Emerging from the pandemic, forward thinking companies would have reviewed their purpose, mission and goals to determine the best opportunities to achieve their corporate objectives. Our performance report clearly indicates that we also have been proactively looking at strategies for maximization of port value and that we have made significant progress in our priorities.

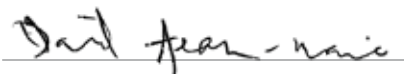
We recognize however that global trade is changing following the rationalization of pandemic related piled up inventories, the resolution of port congestion, as well as the economic and industrial deceleration occurring in the US and Europe. Though it is predicted that container shipping will leave the extraordinary pandemic years behind in 2023 with increasing demand adjustment, the outlook for shipping globally remains mixed.

On the cruise side, travel remains resilient with pent-up demand and savings supporting activity. The Caribbean, Mediterranean and Alaska are anticipated to experience the largest capacity increases in 2023, with new vessel deployment in 2023 and 2024, offset only partially by ship retirements.

Against this evolving backdrop, ports in general, the Port of Bridgetown being no exception, are expected to become even larger drivers of innovation and revenue for their local economies. Our ongoing capital improvement programme is intended to modernize our infrastructure and support the growth of operations as well as those national investment plans which are reliant on expanded and efficient port facilities. The new corporate structure being contemplated will lend to the agility required to optimize the operating model across strategy, structures, processes, people, and technology.

Barbados Port Inc. is an organization on the move toward new frontiers.

I am confident we are charting the right course, backed by the plan, the people and the conviction to ensure long-term competitive, transformative and sustainable growth.



David Jean-Marie
Managing Director and Chief Executive Officer

A close-up, profile view of a man working at a port. He is wearing a grey baseball cap, a dark polo shirt, and a bright yellow safety vest. He is wearing blue and black work gloves and is operating a large metal valve or control mechanism. In the background, there are large white shipping containers, one of which has the word "SEACON" visible in blue and red. The scene is brightly lit, suggesting a sunny day.

Milestones in 2022/23



The Speightstown Jetty

April 6, 2022, the Speightstown Jetty was officially re-opened following extensive refurbishment.



Two-week study tour

Starting May 10, 2022, Barbados Port Inc. led a delegation including the Customs Department, the Ministry of Health and Wellness, the Ministry of Agriculture and Food Security, the Department of Commerce, the Shipping Association of Barbados and the Chamber of Commerce and Industry on a two-week study tour to examine best practices of Ports in Port Community System implementation. The tour, partially funded by the Commonwealth Secretariat, included visits to Rotterdam, Netherlands, the UK and Jamaica.



Removal of Ship to Shore Grantry Crane

October 7, 2022, the 32-year-old Ship to Shore Grantry Crane (G1) was removed from service, having reached the end of its useful life, utilizing a controlled collapse procedure.



2022 Inspire Awards

BPI in October 2022 was presented the Innovation Award in the 2022 Inspire Awards for implementation of new technologies.



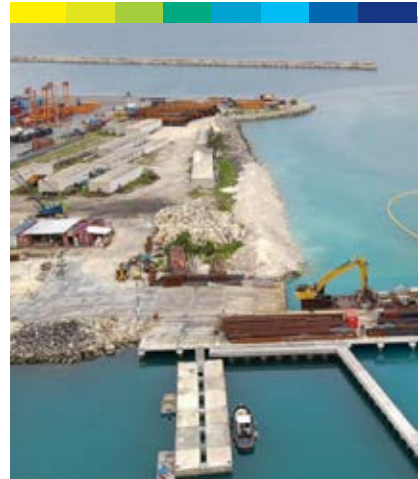
MSC Global inaugural visits

On November 29, 2022, the Port of Bridgetown welcomed two inaugural cruise vessel visits from the world's leading privately held shipping and logistics conglomerate, MSC Global. Calling at Bridgetown for the first time were MSC Seaside and MSC Seashore.



First call by LNG powered Arvia

On January 20, 2023, the 5,200 passenger capacity, LNG powered Arvia, made her first call at Bridgetown. The P&O cruise line vessel has chosen Barbados as a homeport.



Berth 6 Construction

The Berth 6 Construction project was mobilized in January 2023, with preconstruction work initiated.



Welcoming 14 cruise ships

The Port of Bridgetown welcomed 14 cruise ships on first time visits to Barbados during winter 2022/23.



Joining the International Port Community Systems Association (IPCSA)

Barbados Port Inc. (BPI) joined the International Port Community Systems Association (IPCSA) in May 2022. In the early stages of its port community system (PCS) research, BPI identified IPCSA as a reference point for the project, and the association has proved to be a great resource from concept, through project implementation. The relationship with IPCSA is aligned with our broader vision for international trade.

APPENDIX 1 CRUISE PASSENGER ARRIVALS																
	CALLS				ARRIVING PASSENGERS				DISEMBARKING PASSENGERS				EMBARKING PASSENGERS			
Month	2020/21	2021/22	2022/23	% +/-	2020/21	2021/22	2022/23	% +/-	2020/21	2021/22	2022/23	% +/-	2020/21	2021/22	2022/23	% +/-
April	4	7	25	100%	1	10	31,797	100%	0	3	10,001	100%	0	5	8,807	100%
May	20	3	0	-100%	51	0	0	0%	14	0	0	0%	7	0	0	0.00%
June	8	4	0	-100%	0	2,002	0	-100%	0	11	0	-100%	0	14	0	-100%
July	8	9	0	-100%	0	2,113	0	-100%	0	63	0	-100%	0	215	0	-100%
August	6	12	0	-100%	0	1,894	0	-100%	0	345	0	-100%	0	335	0	-100%
September	0	4	1	-75%	0	403	2,281	100%	0	289	3	-98.96%	0	318	2	-99.37%
October	3	8	9	12%	0	1,974	11,638	100%	0	468	381	-18.59%	0	524	324	-38.17%
November	2	27	39	44%	76	24,816	62,483	100%	66	8,158	17,507	100%	40	8,816	18,939	100%
December	1	70	70	0%	0	65,892	105,550	60%	0	16,452	29,552	79.63%	12	17,973	30,149	67.75%
January	1	60	67	11%	0	46,054	122,376	100%	0	15,108	35,941	100%	0	13,549	35,964	100%
February	1	57	66	16%	0	38,918	114,287	100%	0	13,753	37,712	100%	2	15,734	38,271	100%
March	1	61	74	21%	0	56,609	123,911	100%	0	19,104	43,223	100%	0	19,418	43,674	100%
TOTAL	55	322	351	9.0%	128	240,685	574,323	100%	80	73,754	174,320	100%	61	76,901	176,130	100%





Consolidated Financial Statements

March 31, 2023
(expressed in Barbados dollars)

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Board of Directors, Officers and Advisors

March 31, 2023

Board of Directors

The Most Honourable Peter Odle FB	- Chairman
Denis Cadogan	- Deputy Chairman
David Jean-Marie	- Managing Director
Lisa Gale	
Ricardo McConney	
Janice Brown	
Iain Thomson	- (demitted May 25, 2022; reinstated August 30, 2022)
Reynold Grant	
Captain George Fergusson	
Sir Roy Trotman	- Barbados Workers' Union Representative
Donna Cadogan	- Permanent Secretary - Ministry of Tourism and International Transport (demitted May 24, 2022)
Francine Blackman	- Permanent Secretary - Ministry of Tourism and International Transport (appointed May 24, 2022)

Corporate Secretary

Karen Forde

Attorneys-at-law

George Walton Payne & Co.
Ralph Thorne, Q.C.

Bankers

Republic Bank (Barbados) Limited
First Citizens Bank (Barbados) Limited
FirstCaribbean International Bank (Barbados) Limited

Auditor

PricewaterhouseCoopers SRL



Independent auditor's report

To the Shareholder of Barbados Port Inc.

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Barbados Port Inc. (the Company) and its subsidiary (together 'the Group') as at March 31, 2023, and their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at March 31, 2023;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the *consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Other information

Management is responsible for the other information. The other information comprises the Annual Report (but does not include the consolidated financial statements and our auditor's report thereon), which is expected to be made available to us after this auditor's report date.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other matter

This report is made solely to the Company's shareholder, as a body corporate, in accordance with Section 147 of the Companies Act of Barbados. Our audit work has been undertaken so that we might state to the Company's shareholder those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholder as a body corporate, for our audit work, for this report, or for the opinion we have formed.

PricewaterhouseCoopers SRL

Bridgetown, Barbados
July 28, 2023

Consolidated Statement of Financial Position

As at March 31, 2023

(expressed in Barbados dollars)

	2023 \$	2022 \$
Assets		
Current assets		
Cash at bank (note 4)	116,142,771	17,671,942
Accounts receivable (note 5)	9,132,781	10,260,364
Other receivables and prepaid expenses (note 6)	3,445,212	2,624,825
Inventories (note 7)	5,847,346	6,624,666
	134,568,110	37,181,797
Non-current assets		
Financial investments (note 8)	15,215,450	3,859,920
Investment in associated company (note 9)	1,084,358	1,121,297
Property, plant and equipment (note 10)	260,359,495	274,604,020
Right of use assets (note 11)	3,061,206	3,464,065
Capital works in progress (note 12)	81,677,213	26,043,799
Pension plan asset (note 13)	4,057,378	4,902,248
Deferred tax asset (note 14)	1,289,814	1,116,148
	366,744,914	315,111,497
Total assets	501,313,024	352,293,294

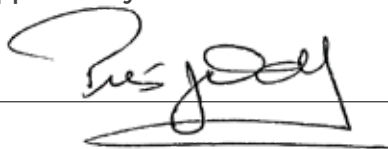
Consolidated Statement of Financial Position ...CONTINUED

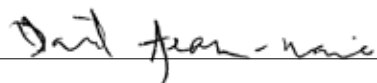
As at March 31, 2023

(expressed in Barbados dollars)

	2023 \$	2022 \$
Liabilities and equity		
Current liabilities		
Accounts payable and accrued liabilities (note 15)	13,938,086	9,249,910
Corporation tax payable	112,301	55,327
Current portion of loans (note 16)	18,379,091	8,429,091
Current portion of lease liabilities (note 11)	6,009,765	5,538,898
	38,439,243	23,273,226
Non-current liabilities		
Long-term loans (note 16)	202,741,818	91,570,909
Lease liabilities (note 11)	7,796,059	13,805,824
Post-retirement medical benefits obligation (note 13)	5,917,109	5,133,045
	216,454,986	110,509,778
Total liabilities	254,894,229	133,783,004
Equity		
Share capital (note 17)	100	100
Capital contributions (note 18)	78,683,280	78,683,280
Port fund	100,000	100,000
Fair value reserve	27,361	27,361
Retained earnings	158,803,463	131,379,799
	237,614,204	210,190,540
Capital and reserves attributable to the owner of Barbados Port Inc.	8,804,591	8,319,750
Non-controlling interest		
Total equity	246,418,795	218,510,290
Total liabilities and equity	501,313,024	352,293,294

Approved by the Board of Directors on 26 July 2023

 Chairman

 Director

Consolidated Statement of Changes in Equity

For the year ended March 31, 2023
(expressed in Barbados dollars)

	Attributable to the owner of Barbados Port Inc.						
	Share capital contributions	Capital fund	Port fund	Fair value reserve	replacement fund	Retained earnings	Non-controlling interest
	\$	\$	\$	\$	\$	\$	\$
Balance at March 31, 2021	100	78,683,280	100,000	27,361	21,250	113,226,740	7,885,410
Net income for the year	–	–	–	–	–	18,855,420	363,090
Other comprehensive loss	–	–	–	–	–	(702,361)	–
Total comprehensive income for the year	–	–	–	–	–	18,153,059	363,090
Changes in capital replacement fund	–	–	–	–	(21,250)	–	71,250
Balance at March 31, 2022	100	78,683,280	100,000	27,361	–	131,379,799	8,319,750
						210,190,540	218,510,290

Consolidated Statement of Changes in Equity ...CONTINUED

For the year ended March 31, 2023
(expressed in Barbados dollars)

	Share capital \$	Capital contributions \$	Port fund \$	Fair value reserve \$	Retained earnings \$	Total	Non- controlling interest \$	Total \$
Balance at March 31, 2022	100	78,683,280	100,000	27,361	131,379,799	210,190,540	8,319,750	218,510,290
Net income for the year	–	–	–	–	29,030,060	29,030,060	413,591	29,443,651
Other comprehensive loss	–	–	–	–	(1,606,396)	(1,606,396)	–	(1,606,396)
Total comprehensive income for the year	–	–	–	–	27,423,664	27,423,664	413,591	27,837,255
Changes in capital replacement fund	–	–	–	–	–	–	71,250	71,250
Balance at March 31, 2023	100	78,683,280	100,000	27,361	158,803,463	237,614,204	8,804,591	246,418,795

Consolidated Statement of Comprehensive Income

For the year ended March 31, 2023
(expressed in Barbados dollars)

	2023 \$	2022 \$
Revenue		
Cargo handling	86,821,888	75,879,085
Excess storage	2,876,459	2,203,777
Marine revenue	9,495,905	8,815,987
Passenger levy	6,993,176	2,965,775
Rent	2,880,170	1,950,101
Other (note 19)	11,881,053	10,255,419
	120,948,651	102,070,144
Other operating income		
Loss on disposal of plant and equipment	(184,524)	–
Miscellaneous	162,306	70,596
Interest income	39,782	35,237
	17,564	105,833
Total operating income	120,966,215	102,175,977
Expenses		
Administration	19,594,473	14,103,523
Staff costs (note 21)	37,739,640	37,283,818
Other expenses	27,895,893	24,667,037
	85,230,006	76,054,378
Profit from operations	35,736,209	26,121,599

Consolidated Statement of Comprehensive Income ...CONTINUED

For the year ended March 31, 2023
(expressed in Barbados dollars)

	2023 \$	2022 \$
Profit from operations	35,736,209	26,121,599
Finance costs	(6,306,080)	(7,417,025)
Income before taxation and share of net (loss)/income of associated company	29,430,129	18,704,574
Share of net (loss)/income of associated company (note 9)	(36,939)	683,666
Income before taxation	29,393,190	19,388,240
Taxation (note 22)	50,461	(169,730)
Net income for the year	29,443,651	19,218,510
Net income is attributable to:		
Owner of Barbados Port Inc.	29,030,060	18,855,420
Non-controlling interest	413,591	363,090
	29,443,651	19,218,510
Other comprehensive income:		
<i>Items that will not be reclassified to income:</i>		
Remeasurement of retirement benefit obligations (note 13)	(1,670,795)	(690,865)
Deferred tax credit/(charge) on remeasurement of retirement benefit obligations (note 14)	64,399	(11,496)
Other comprehensive loss for the year	(1,606,396)	(702,361)
Total comprehensive income for the year	27,837,255	18,516,149
Total comprehensive income for the year is attributable to:		
Owner of Barbados Port Inc.	27,423,664	18,153,059
Non-controlling interest	413,591	363,090
	27,837,255	18,516,149

Consolidated Statement of Cash Flows

For the year ended March 31, 2023
(expressed in Barbados dollars)

	2023 \$	2022 \$
Cash flows from operating activities		
Income before taxation	29,393,190	19,388,240
Adjustments for:		
Depreciation	17,419,148	17,279,624
Loss on disposal of property, plant and equipment	184,524	–
Interest income	(39,782)	(35,237)
Finance costs	6,306,080	7,417,025
Share of net loss/(income) of associated company	36,939	(683,666)
Pension and other post-retirement benefits	1,629,991	1,264,905
Write back of capital replacement fund	(21,250)	(21,250)
Capital work in progress expensed	1,127,135	201,781
Amortisation of right of use assets	402,859	402,859
Operating profit before working capital changes	56,438,834	45,214,281
Decrease/(increase) in accounts receivable	1,127,493	(8,072,877)
Increase in other receivables and prepaid expenses	(820,387)	(360,843)
Decrease/(increase) in inventories	777,320	(253,010)
Increase in accounts payable and accrued liabilities	4,688,176	4,466,324
Cash generated by operations	62,211,436	40,993,875
Finance costs paid	(6,306,080)	(7,417,025)
Taxes paid	(1,833)	(1,833)
Pension and other post-retirement benefits' contributions	(1,671,852)	(1,112,175)
Net cash generated from operating activities	54,231,671	32,462,842
Cash flows from investing activities		
Purchase of property, plant, and equipment	(1,103,310)	(5,338,175)
Expenditure on capital works in progress	(59,016,386)	(17,477,797)
Increase in debt service reserve	(11,340,817)	–
Repayment of bond principal	11,201	–
Interest and dividend income received	35,209	9,734
Net cash used in investing activities	(71,414,103)	(22,806,238)
Carried forward	(17,182,432)	9,656,604

Consolidated Statement of Cash Flows...CONTINUED

For the year ended March 31, 2023
(expressed in Barbados dollars)

	2023 \$	2022 \$
Carried forward	(17,182,432)	9,656,604
Cash flows from financing activities		
Loan received	129,550,000	–
Net increase in capital replacement fund	71,250	71,250
Repayment of finance leases	(5,538,898)	(6,059,414)
Repayment of loans	(8,429,091)	–
Net cash generated from/(used in) financing activities	115,653,261	(5,988,164)
Net increase in cash and cash equivalents	98,470,829	3,668,440
Cash and cash equivalents - beginning of year	17,671,942	14,003,502
Cash and cash equivalents - end of year (note 4)	116,142,771	17,671,942

Notes to the Consolidated Financial Statements

March 31, 2023

(expressed in Barbados dollars)

1. Establishment of Barbados Port Inc.

The Barbados Port Authority was established by the Barbados Port Authority Act, Cap 285B, as amended by the Barbados Port Authority (Amendment) Acts 1978-33 and 1987-37. The Act as initially amended was proclaimed on January 1, 1979.

Upon the commencement of the Act on January 1, 1979, all property (other than land and buildings) belonging to the State and used exclusively for the purpose of the Port Department and Port Contractors (Barbados) Limited was transferred to and vested in the Authority, and all liabilities of the Port Department and Port Contractors (Barbados) Limited existing at the commencement of the Act were assumed and assured by the Authority.

The Act was repealed on December 19, 2003, and a new Act, the Barbados Port Inc. (Transfer of Management and Vesting of Assets) Act 2003, was proclaimed.

The Act was passed:

- a) To provide for the Port of Bridgetown to be managed by Barbados Port Inc., a Company incorporated under the Companies Act, for the purpose of enabling the Port to operate as a commercial entity.
- b) To transfer the assets and liabilities of the Government of Barbados in relation to the operation of the Port of Bridgetown to Barbados Port Inc.
- c) To repeal the Barbados Port Authority Act.

The main provisions of the Act are disclosed below.

Commencement of Operations

The Port shall be operated by the Company from the date of the commencement of this Act.

Transfer of Assets, Liabilities, Rights, etc.

For the purposes of the Act:

1. The lands of the Port shall be leased to the Company by the Crown for such period as the Crown determines.
2. All:
 - a) Assets in relation to the operation of the Port that were vested in the Authority immediately before the commencement of this Act;
 - b) Liabilities that were incurred by or on behalf of the Authority in relation to the operation of the Port and subsisting immediately before the commencement of this Act; and
 - c) Rights to set, collect and retain port dues and charges for the provision and use of port facilities and services are transferred and vested in the Company, and by virtue of this Act and without further assurance, transfer or other formality are to be held with effect from the date of the commencement of this Act, by the Company to the same extent and interest and in the same manner as they were vested in or held by the Authority.

Notes to the Consolidated Financial Statements

March 31, 2023

(expressed in Barbados dollars)

1. Establishment of the Barbados Port Inc. ...continued

Transfer of Assets, Liabilities, Rights, etc. ...continued

All contracts entered into by or on behalf of the Authority in relation to the operation of the Port before the commencement of this Act, shall be deemed to have been entered into by or on behalf of the Company from the date of the commencement of this Act.

In respect of the operation of the Port:

- a) All rights, privileges, duties or obligations conferred or imposed upon the Authority; and
- b) All powers and remedies as to the taking and resisting of legal proceedings for the ascertaining, perfecting or enforcing of all rights or liabilities vested in the Authority immediately before the commencement of this Act, shall be deemed to be conferred or imposed on the Company.

Financial statement presentation

Consistent with the provisions of Section 355.7 of the Companies Act Cap 308, which addressed the preservation of a Statutory Company incorporated under the Companies Act, and in accordance with the substance of the corporatisation plan of the Port, these financial statements were presented from the year to December 31, 2003 as if the Barbados Port Authority had been "continued" as Barbados Port Inc.

Group structure

Barbados Port Inc. acquired a controlling interest in One Port Investments Inc. during 2021. The Company and its subsidiary are referred to as the Group.

The Group's principal place of business is at "Cube Blue", Prescod Boulevard, Bridgetown, St. Michael, Barbados.

2. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

a) Basis of preparation

The financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) under the historical cost convention, as modified by the revaluation of financial investments at fair value through other comprehensive income (FVOCI) as disclosed in note 2(h).

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

Notes to the Consolidated Financial Statements

March 31, 2023

(expressed in Barbados dollars)

2. Significant accounting policies ...continued

a) Basis of preparation ...continued

i) *New standards, amendments and interpretations to existing standards effective in the 2023 financial year and adopted by the Group*

Amendments to IFRS 3, 'Business combinations' update a reference in IFRS 3 to the conceptual framework for financial reporting without changing the accounting requirements for business combinations (effective January 1, 2022).

Amendments to IAS 16, 'Property, plant and equipment' prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related costs in profit or loss (effective January 1, 2022).

Amendments to IAS 37, 'Provisions, contingent liabilities and contingent assets' specify which costs a company includes when assessing whether a contract will be loss-making (effective January 1, 2022).

ii) *New standards, amendments and interpretations to existing standards effective in the 2023 financial year but not currently relevant to the Group*

Annual improvements making minor amendments to IFRS 1, 'First-time Adoption of IFRS', IFRS 9, 'Financial instruments', IAS 41, 'Agriculture' and the Illustrative Examples accompanying IFRS 16, 'Leases'.

IFRIC Agenda decision - Lessor forgiveness of lease payments (IFRS 9 and IFRS 16)

In October 2022, the IASB finalised the agenda decision approved by the IFRS Interpretation Committee (IFRS IC) on 'Lessor Forgiveness of Lease Payments (IFRS 9 and IFRS 16)'. The agenda decision addresses the accounting from the perspective of the lessor, and in particular:

- how the expected credit loss ('ECL') model in IFRS 9 should be applied to the operating lease receivable when the lessor expects to forgive payments due from the lessee under the lease contract before the rent concession is granted.
- whether to apply the derecognition requirements in IFRS 9 or the lease modification requirements in IFRS 16 when accounting for the rent concession.

iii) *New standards, amendments and interpretations to existing standards that are not yet effective but will be relevant to the Group*

Management has reviewed the new standards, amendments and interpretations to existing standards that are not yet effective and has determined that the following are relevant to the Group's operations. The Group has not early adopted the new standards, amendments and interpretations nor has the Group as yet assessed their full impact.

Notes to the Consolidated Financial Statements

March 31, 2023

(expressed in Barbados dollars)

2. Significant accounting policies ...continued

a) Basis of preparation ...continued

iii) New standards, amendments and interpretations to existing standards that are not yet effective but will be relevant to the Group ...continued

Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8. The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies (effective annual periods beginning on or after January 1, 2023).

Amendment to IAS 12 - Deferred tax related to assets and liabilities arising from a single transaction. These amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences (effective annual periods beginning on or after January 1, 2023).

Amendment to IAS 1 - Non-current liabilities with covenants. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions (effective annual periods beginning on or after January 1, 2024).

b) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on the weighted average cost method. Provision is made for obsolete, slow-moving and defective items.

c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the item. Assets acquired under lease arrangements are stated at an amount equal to the lower of fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Land is not depreciated.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation of property, plant and equipment is provided on a straight-line basis at rates which are expected to write off the assets over their estimated useful lives. The annual rates used for this purpose are as follows:

Notes to the Consolidated Financial Statements

March 31, 2023

(expressed in Barbados dollars)

2. Significant accounting policies ...continued

c) Property, plant and equipment

Leased assets

Wharves, breakwater and crossberths	-	2%
Administration building	-	2%
Transit sheds and workshops	-	4%
Other buildings	-	5%

Other assets

Watercraft	-	3% and 5%
Cargo handling equipment	-	10% and 6⅔%
Marine equipment and navigational aids	-	10%
Motor vehicles	-	20%
Pallets	-	33⅓%
Other equipment and furniture	-	10%
Port expansion asset	-	2%
Computer equipment	-	25%

The assets' useful lives are reviewed, and adjusted if appropriate, at the date of each statement of financial position.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive income.

d) Foreign currency translation

i) *Functional and presentation currency*

Items included in the financial statements are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). The financial statements are presented in Barbados dollars, which is the Group's functional and presentation currency.

Notes to the Consolidated Financial Statements

March 31, 2023

(expressed in Barbados dollars)

2. Significant accounting policies ...continued

d) Foreign currency translation

ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in income.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in income as part of the fair value gain or loss, and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

e) Taxation

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the date of the statement of financial position. Management periodically evaluates positions taken in tax returns with respect to situations where applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

The Group follows the liability method of accounting for deferred tax whereby all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes are provided for at the corporation tax rates expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are only recognised when it is probable that taxable income will be available against which the assets may be utilised.

Notes to the Consolidated Financial Statements

March 31, 2023

(expressed in Barbados dollars)

2. Significant accounting policies ...continued

f) Principles of consolidation

i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (refer to note 9).

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the statement of financial position, statement of changes in equity and statement of comprehensive income.

The Group recognises non-controlling interests in an acquired entity either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. This decision is made on an acquisition-by-acquisition basis. For the non-controlling interest in One Port Investments Inc. the Group elected to recognise the non-controlling interest at its proportionate share of the acquired net identifiable assets.

ii) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and the consideration paid or received is recognised in a separate reserve within equity attributable to the owner.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in income. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to income.

Notes to the Consolidated Financial Statements

March 31, 2023

(expressed in Barbados dollars)

2. Significant accounting policies ...continued

f) Principles of consolidation ...continued

ii) Changes in ownership interests ...continued

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to income where appropriate.

g) Investment in associated company

Associates are entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in income or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 2(k).

h) Financial investments

The Group classifies its financial assets in the following measurement categories:

- those to be measured at amortised cost, and
- those to be measured subsequently at fair value through OCI.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded in OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

Notes to the Consolidated Financial Statements

March 31, 2023

(expressed in Barbados dollars)

2. Significant accounting policies ...continued

h) Financial investments ...continued

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

i) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

ii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in the statement of comprehensive income and presented in other gains/(losses). Impairment losses are presented as a separate line item in the statement of comprehensive income.
- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in income. When the financial asset is derecognised, the cumulative gain or loss previously recognised in the fair value reserve is reclassified from reserves to retained earnings. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses), and impairment expenses are presented as separate line item in the statement of comprehensive income.

Notes to the Consolidated Financial Statements

March 31, 2023

(expressed in Barbados dollars)

2. Significant accounting policies ...continued

h) Financial investments ...continued

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to income or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in income or loss as other income when the Group's right to receive payments is established. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment

The Group assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

i) Employee benefits

The Group operates both a defined benefit and a defined contribution pension plan.

i) Defined contribution plan

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. For defined contribution plans, the Group pays contributions to administered pension insurance plans. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

ii) Defined benefit plan

A defined benefit plan is any plan other than a defined contribution plan. The Group operates a defined benefit pension plan for its employees, the assets of which are held in a separate fund administered by a Trustee. The scheme is generally funded through payments from the Group, and contributions are determined by full independent actuarial calculations every three years.

Employee benefits

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of the

Notes to the Consolidated Financial Statements

March 31, 2023

(expressed in Barbados dollars)

2. Significant accounting policies ...continued

i) Employee benefits ...continued

defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past-service costs are recognised immediately in the statement of comprehensive income.

iii) Other post-retirement benefit obligations

The Group also provides post-retirement medical benefits to their retirees. Fifty percent to sixty percent of the premium is funded by the Group, dependent on the category of employee. The entitlement to these benefits is conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for the Group's defined benefit pension plan.

j) Revenue recognition

i) Cargo handling

Revenue generated from inbound cargo handling is recognised on the delivery of cargo to the consignees or on delivery of auctioned cargo to the buyer.

Revenue generated from outbound cargo and other revenue is recognised on the basis of the usage of the facilities and services provided by the Group.

ii) Excess storage

Revenue generated from excess storage is recognised on the basis of the usage of the storage facilities, which ordinarily exceeds the free storage period at the Port.

iii) Marine revenue

Marine revenue is generated on vessels making a Port call in Barbados on the basis of the length or net registered tonnage of the vessel and is recognised as earned.

iv) Passenger levy

Passenger levy is applied to the greater of embarking and disembarking passengers per cruise vessel at the Bridgetown Port and is recognised as earned.

Notes to the Consolidated Financial Statements

March 31, 2023

(expressed in Barbados dollars)

2. Significant accounting policies ...continued

j) Revenue recognition ...continued

v) *Interest income*

Interest income is recognised in the statement of comprehensive income on the accrual basis, using the effective interest method.

vi) *Dividend income*

Dividend income is recognised when the Group's right to receive payment is established.

vii) *Rental income*

Rental income is recognised on an accrual basis.

viii) *Other revenue*

Other revenue is recognised on an accrual basis.

k) Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

l) Accounts receivable

Accounts receivable are amounts due from customers for services performed in the ordinary course of business. They are generally due for settlement within 30 days and are therefore all classified as current. Accounts receivable are recognised initially at the amount of consideration that is unconditional, when they are recognised at fair value. The Group holds the accounts receivable with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

To measure the expected credit losses, accounts receivable have been grouped based on shared credit risk characteristics and the days past due.

Notes to the Consolidated Financial Statements

March 31, 2023

(expressed in Barbados dollars)

2. Significant accounting policies ...continued

l) Accounts receivable ...continued

The expected loss rates are based on the payment profiles of sales over a period of 12 months before March 31, 2021 and the corresponding historical credit losses experienced within this period.

The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified its 100% deposit policy and its monopolistic position to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

m) Cash resources and cash and cash equivalents

Cash resources comprise cash and bank balances and short-term deposits. Cash equivalents comprise cash resources with original maturities of three months or less.

n) Accounts payable

Accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less, if not, they are presented as non-current liabilities. Accounts payable are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

o) Long-term loans

Long-term loans are recognised initially at fair value, net of transaction costs incurred. Long-term loans are subsequently stated at amortised cost and any difference between the net proceeds and the redemption value is recognised in the statement of comprehensive income over the period of the long-term loans using the effective interest method. Associated costs are classified as finance costs in the statement of comprehensive income. Long-term loans due within twelve months of the date of the statement of financial position are classified as current liabilities.

General and specific finance costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other finance costs are recognised in the statement of comprehensive income in the period in which they are incurred.

p) Leases

The Group leases equipment, watercraft and land.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Notes to the Consolidated Financial Statements

March 31, 2023

(expressed in Barbados dollars)

2. Significant accounting policies ...continued

p) Leases ...continued

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements, except for the equipment lease, do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of fixed payments.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the Group's leases, the Group's incremental borrowing rate is used, being the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

When there has not been recent third-party financing, to determine the incremental borrowing rate, the Group:

- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, and
- makes adjustments specific to the lease, e.g. term and security.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and

Notes to the Consolidated Financial Statements

March 31, 2023

(expressed in Barbados dollars)

2. Significant accounting policies ...continued

p) Leases ...continued

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Extension options are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The extension option held is exercisable only by the Group and not by the lessor. An extension option is included in the Group's land lease.

q) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation, as a result of past events, if it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

r) Capital grants

Grants related to assets, including non-monetary grants at fair value, are capitalised and presented in the statement of financial position as deferred grants. These grants are amortised over the expected useful lives of the related assets.

Grants relating to costs are deferred and recognised in the statement of comprehensive income over the period necessary to match them with the costs that they are intended to compensate.

3. Critical accounting estimates and judgements

The development of estimates and the exercise of judgement in applying accounting policies may have a material impact on reported assets, liabilities, revenues and expenses. The items which may have a significant effect on the Group's financial statements are set out below:

Pension benefits

The cost of the defined benefit pension plan and other post-employment medical benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future promotional and inflationary salary increases, proportion of employees opting for early retirement, future changes in the NIS ceiling and mortality. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. Assumptions used are disclosed in note 13.

Notes to the Consolidated Financial Statements

March 31, 2023

(expressed in Barbados dollars)

4. Cash resources

	2023 \$	2022 \$
Cash at bank	116,142,771	17,671,942

Significant concentrations of cash at bank are as follows:

	2023 \$	2022 \$
First Citizens Bank (Barbados) Limited (long term issue credit rating BBB- by Standard & Poors)	13,064,030	7,599,635
Republic Bank (Barbados) Limited (unrated)	57,386,589	10,072,307
FirstCaribbean International Bank (Barbados) Limited (unrated)	45,692,152	—

Notes to the Consolidated Financial Statements

March 31, 2023

(expressed in Barbados dollars)

5. Accounts receivable

	2023 \$	2022 \$
Trade receivables	9,411,924	10,503,107
Less: loss allowance	(279,143)	(242,743)
	9,132,781	10,260,364

The expected credit losses on trade receivables have been measured as follows:

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
March 31, 2023					
Expected loss rate	3.6%	2.4%	2.4%	2.5%	
Trade receivables	\$4,448,201	\$2,969,857	\$513,918	\$1,479,948	\$9,411,924
Loss allowance	\$160,242	\$69,890	\$12,489	\$36,522	\$279,143

March 31, 2022

Expected loss rate	2.6%	2.0%	2.1%	2.1%	
Trade receivables	\$4,678,768	\$2,441,671	\$1,517,480	1,865,188	\$10,503,107
Loss allowance	\$123,547	\$49,263	\$31,223	38,710	\$242,743

The closing loss allowance for trade receivables as at March 31 reconciles to the opening loss allowance as follows:

	2023 \$	2022 \$
Opening loss allowance	242,743	734,887
Increase/(decrease) in loss allowance recognised in income during the year	36,400	(492,144)
Closing loss allowance	279,143	242,743

The carrying value of accounts receivable is considered to approximate fair value because of their short-term maturity.

The Group does not hold any collateral on its accounts receivable.

Notes to the Consolidated Financial Statements

March 31, 2023

(expressed in Barbados dollars)

6. Other receivables and prepaid expenses

	2023 \$	2022 \$
Staff receivables	288,041	279,635
VAT receivable	2,431,941	1,888,893
Other	55,113	50,778
Other receivables	2,775,095	2,219,306
Prepaid expenses	670,117	405,519
	3,445,212	2,624,825

No loss allowance in respect of other receivables was required in 2023 or 2022.

7. Inventories

	2023 \$	2022 \$
Fuel	30,350	18,041
Equipment spares	6,217,948	7,000,690
Stationery	20,276	27,163
	6,268,574	7,045,894
Less: provision for obsolescence	(421,228)	(421,228)
	5,847,346	6,624,666

The Group did not write off inventory in 2023 or 2022.

Notes to the Consolidated Financial Statements

March 31, 2023

(expressed in Barbados dollars)

8. Financial investments

	2023 \$	2022 \$
Financial assets at fair value through OCI		
Barbados Ice Cream Company Limited (Equities)		
At beginning and end of the year	120,135	120,135
Financial assets at amortised cost		
IDB Invest Debt Service Reserve Account (note 16)	11,340,817	–
NCB Capital Markets (Barbados) Limited		
Debt Service Reserve Account (note 16)	2,448,363	2,422,452
Ansa Finance Lease Reserve Account at First Citizens Bank	995,000	995,000
Term deposits at Republic Bank (Barbados) Limited	23,243	23,240
Government of Barbados Series B Bond 2033	287,892	299,093
	15,095,315	3,739,785
	15,215,450	3,859,920

The IDB Invest (IDBI) Debt Service Reserve Account at First Caribbean International (Barbados) Bank Limited is held to facilitate settlement of the non-current portion of the principal outstanding and future interest payments on the US\$50 million loan. (note 16)

The Debt Service Reserve Account at NCB Capital Markets (Barbados) Limited is held to facilitate settlement of the non-current portion of the principal outstanding and future interest payments on the \$100 million bond.

The Ansa Finance Lease Reserve Account is being held in connection with a financing lease from Ansa Merchant Bank.

The Government of Barbados Series B Bond comprises of eleven (11) amortising strips. The bond matures on September 30, 2033, and has the following interest profile: 1.0% per annum for the first 3 years, 2.5% per annum for year 4 and 3.75% to maturity.

No loss allowance on financial investments was required in 2023 and 2022.

The fair value of financial assets at year end was \$15,164,378 (2022 - \$3,799,353).

Notes to the Consolidated Financial Statements

March 31, 2023

(expressed in Barbados dollars)

9. Investment in associated company

Bridgetown Cruise Terminals, Inc.

750,000 Class 'A' common shares (30%)

	2023 \$	2022 \$
Summarised statement of financial position		
Total current assets	3,719,268	4,581,772
Total non-current assets	–	1,715
Total current liabilities	119,613	845,830
Total non-current liabilities	–	–
Net assets	3,599,655	3,737,657
Reconciliation to carrying amounts		
Opening net assets April 1	3,737,657	1,458,770
Net (loss)/income and total comprehensive (loss)/income for the year	(123,130)	2,278,887
Closing net assets	3,614,527	3,737,657
Group's share in %	30%	30%
Group's share in \$	1,084,358	1,121,297

	2023 \$	2022 \$
Summarised statement of comprehensive income		
Revenue	60,585	373,119
Net (loss)/income and total comprehensive (loss)/income for the year	(123,130)	2,278,887
Group's share in \$	(36,939)	683,666

Notes to the Consolidated Financial Statements

March 31, 2023

(expressed in Barbados dollars)

10 Property, plant and equipment

	Land	Buildings, sheds, workshop and incinerator	Wharfs and breakwater	Watercraft, tugs, etc.	Cargo handling equipment, vehicles, other equipment and navigational aids	Port expansion asset	Total
	\$	\$	\$	\$	\$	\$	\$
At March 31, 2021							
Cost	61,977,826	49,296,731	85,742,998	5,190,137	205,928,260	78,068,622	486,204,574
Accumulated depreciation	–	(26,307,318)	(25,064,782)	(4,505,114)	(136,297,825)	(20,685,402)	(212,860,441)
Net book amount	61,977,826	22,989,413	60,678,216	685,023	69,630,435	57,383,220	273,344,133
Year ended March 31, 2022							
Opening net book amount	61,977,826	22,989,413	60,678,216	685,023	69,630,435	57,383,220	273,344,133
Transferred from capital works in progress	307,596	25,202	7,613,458	–	5,255,080	–	13,201,336
Additions	–	3,911,284	–	–	1,426,891	–	5,338,175
Depreciation for year	–	(1,100,845)	(1,848,685)	(204,532)	(12,564,190)	(1,561,372)	(17,279,624)
Closing net book amount	62,285,422	25,825,054	66,442,989	480,491	63,748,216	55,821,848	274,604,020
At March 31, 2022							
Cost	62,285,422	53,233,217	93,356,456	5,190,137	212,373,571	78,068,622	504,507,425
Accumulated depreciation	–	(27,408,163)	(26,913,467)	(4,709,646)	(148,625,355)	(22,246,774)	(229,903,405)
Net book amount	62,285,422	25,825,054	66,442,989	480,491	63,748,216	55,821,848	274,604,020

Notes to the Consolidated Financial Statements

March 31, 2023
(expressed in Barbados dollars)

11. Property, plant and equipment ...continued

	Land \$	Buildings, sheds, workshop and incinerator \$	Wharfs and breakwater \$	Watercraft, etc. \$	Cargo handling equipment, vehicles, other equipment and navigational aids \$	Port expansion asset \$	Total \$
Year ended March 31, 2023							
Opening net book amount	62,285,422	25,825,054	66,442,989	480,491	63,748,216	55,821,848	274,604,020
Transferred from capital works in progress	117,339	605,379	341,058	-	1,192,061	-	2,255,837
Additions	-	130,257	1,788	-	971,265	-	1,103,310
Disposals at cost	-	-	-	-	(15,390,458)	-	(15,390,458)
Accumulated depreciation on disposals	-	-	-	-	15,205,934	-	15,205,934
Depreciation for year	-	(1,301,995)	(1,869,189)	(204,532)	(12,482,060)	(1,561,372)	(17,419,148)
Closing net book amount	62,402,761	25,258,695	64,916,646	275,959	53,244,958	54,260,476	260,359,495
At March 31, 2023							
Cost	62,402,761	53,968,853	93,699,302	5,190,137	199,146,439	78,068,622	492,476,114
Accumulated depreciation	-	(28,710,158)	(28,782,656)	(4,914,178)	(145,901,481)	(23,808,146)	(232,116,619)
Net book amount	62,402,761	25,258,695	64,916,646	275,959	53,244,958	54,260,476	260,359,495

Notes to the Consolidated Financial Statements

March 31, 2023

(expressed in Barbados dollars)

11. Leases

Amounts recognised at year end

i) Amounts recognised in the statement of financial position

The statement of financial position discloses the following amounts relating to leases:

	2023 \$	2022 \$
Right-of-use assets		
Land	793,333	833,333
Watercraft (tugs)	2,267,873	2,630,732
	3,061,206	3,464,065
Lease liabilities		
Current	6,009,765	5,538,898
Non-current	7,796,060	13,805,824
	13,805,825	19,344,722

Included in property, plant and equipment are assets held under finance leases with a net book value of \$13,593,814 (2022 - \$16,954,871).

ii) Amounts recognised in the statement of comprehensive income

The statement of comprehensive income discloses the following amounts relating to leases:

	2023 \$	2022 \$
Depreciation and amortisation charge of right-of-use assets		
Land	40,000	40,000
Watercraft (tugs)	362,859	362,859
	402,859	402,859
Interest expense (included in finance costs)	1,426,325	1,858,243

Land recognised as a right of use asset is in respect of the Group's twenty-five-year lease agreement with the Barbados Investment and Development Corporation to rent a parcel of land. As payment was made in advance, there is no related lease liability for this asset.

Notes to the Consolidated Financial Statements

March 31, 2023

(expressed in Barbados dollars)

11. Leases ...continued

Amounts recognised at year end ...continued

ii) Amounts recognised in the statement of comprehensive income ...continued

Watercraft recognised as a right-of-use asset is in respect of the Group's lease with Svitzer (Barbados) Ltd. (Svitzer). In 2014, the Group entered into a fifteen-year operating lease with Svitzer for the provision of marine services including the charter of tugs. The related lease liability is disclosed in this note.

On March 14, 2014 the Group entered into a finance lease, which had been arranged and financed through ANSA Merchant Bank Limited for the purchase of operational equipment. The face value of the lease in respect of Tranche 1 and 2 was US\$23,396,494 which represented 100% of the cost of the equipment being leased. The lease bears interest at the rate of 7.25%, with a moratorium on principal and interest payments for the first 18 months, during which interest is capitalised.

Existing monthly lease payments of \$958,189 commenced on November 11, 2015. The lease is secured by a letter of comfort from the Government of Barbados, a charge over the Ansa Finance Lease Reserve Account, a one time assignment of US\$9.12 million in revenues and a sale option agreement which will entitle the lessor to require the Government of Barbados to purchase the equipment at a fixed price in the event of default by the Group. Deeds of security of US\$13.48 million are in place in favour of First Citizens Trustee Services Limited.

On October 4, 2017 the Group entered into an agreement for Tranche 3 of the existing lease agreement. The face value of the new tranche is US\$11,998,750, which represents 100% of the cost of the equipment being leased. The lease bears interest at the rate of 8.00%, with a moratorium on principal and interest payments for the first 18 months, during which interest is capitalised. The related lease liability is disclosed in Note 17.

The total cash outflow for leases in 2023 was \$6,965,222 (2022 - \$7,923,412).

Notes to the Consolidated Financial Statements

March 31, 2023

(expressed in Barbados dollars)

12. Capital works in progress

	Berth 6 project \$	Other \$	Total \$
At March 31, 2021			
Cost	14,308,150	7,660,969	21,969,119
Year ended March 31, 2022			
Opening net book amount	14,308,150	7,660,969	21,969,119
Additions	–	17,477,797	17,477,797
Transfers to property, plant and equipment	–	(13,201,336)	(13,201,336)
Expensed	–	(201,781)	(201,781)
Closing net book amount	14,308,150	11,735,649	26,043,799
At March 31, 2022			
Cost	14,308,150	11,735,649	26,043,799
Year ended March 31, 2023			
Opening net book amount	14,308,150	11,735,649	26,043,799
Additions	17,945,840	41,070,546	59,016,386
Transfers to property, plant and equipment	–	(2,255,837)	(2,255,837)
Expensed	–	(1,127,135)	(1,127,135)
Closing net book amount	32,253,990	49,423,223	81,677,213
At March 31, 2023			
Cost	32,253,990	49,423,223	81,677,213

On May 23, 2017, the Group entered into a contractual agreement for the construction of Berth 6 and related projects at a cost of \$189,001,293. By letter dated June 22, 2018, the Group was instructed by its shareholder to put matters related to this project on hold. Following a valuation of the works performed under the agreement, \$5,691,850 was written off of the total costs incurred of \$20,000,000. In January 2023, construction of Berth 6 restarted with a project cost of \$108,377,626.

Notes to the Consolidated Financial Statements

March 31, 2023

(expressed in Barbados dollars)

13. Retirement benefit obligations

The Group maintained a non-contributory defined benefit plan with the Insurance Corporation of Barbados Limited until November 30, 2005. Employees were eligible to join that plan on January 1 following one year's continuous service. The Group withdrew from this Statutory Corporation Pension Fund (SCPF) in order to establish a new plan in keeping with the requirements of the Barbados Port Inc. (Transfer of Management and Vesting of Assets) Act 2003. The Group created a new Defined Benefit (DB) Plan for employees who were previously part of the SCPF, as well as a Defined Contribution (DC) Plan for new employees.

The Group also offers post-retirement medical benefits to its employees, pensioners and their dependents. These medical benefits are offered under a scheme which is insured with an insurance provider. Period-end surplus and obligations are as follows:

	2023 \$	2022 \$
Pension plan	4,057,378	4,902,248
Post-retirement medical benefits	(5,917,109)	(5,133,045)
	(1,859,731)	(230,797)

Pension plan

The amounts recognised in the statement of financial position for the pension plan asset are as follows:

	2023 \$	2022 \$
Present value of funded obligations	(58,316,587)	(60,216,048)
Fair value of plan assets	76,554,286	80,719,795
Effect of asset ceiling	(14,180,321)	(15,601,499)
Pension plan asset	4,057,378	4,902,248

Changes in the present value of funded obligations are as follows:

	2023 \$	2022 \$
Present value of funded obligations - beginning of year	60,216,048	62,238,313
Current service cost	955,871	1,078,647
Interest cost	4,843,767	4,739,206
Benefits paid	(4,919,204)	(4,331,813)
Actuarial gains on retirement benefit obligations	(2,779,895)	(3,508,305)
Present value of funded obligations - end of year	58,316,587	60,216,048

Notes to the Consolidated Financial Statements

March 31, 2023

(expressed in Barbados dollars)

13. Retirement benefit obligations ...continued

Pension plan ...continued

Changes in the fair value of plan assets are as follows:

	2023 \$	2022 \$
Plan assets - beginning of year	80,719,795	76,460,442
Actual return on plan assets	(769,197)	7,614,296
Contributions - total	1,522,892	976,870
Benefits paid	(4,919,204)	(4,331,813)
Plan assets - end of year	76,554,286	80,719,795

Movements in the net asset recognised in the statement of financial position:

	2023 \$	2022 \$
Net asset - beginning of year	4,902,248	6,022,544
Contributions paid	1,522,892	976,870
Expense recognised in the statement of comprehensive income	(567,476)	(657,641)
Actuarial loss recognised in the statement of other comprehensive income	(1,800,286)	(1,439,525)
Net asset - end of year	4,057,378	4,902,248

Expense recognised in the statement of comprehensive income:

	2023 \$	2022 \$
Current service cost	955,871	1,078,647
Interest cost	4,843,767	4,739,206
Expected return on plan assets	(6,519,285)	(5,795,680)
Interest on effect of asset ceiling	1,287,123	635,468
	567,476	657,641
Actual return on plan assets	(769,197)	7,614,296

Notes to the Consolidated Financial Statements

March 31, 2023

(expressed in Barbados dollars)

13. Retirement benefit obligations ...continued

Pension plan ...continued

Expense/(income) recognised in other comprehensive income:

	2023 \$	2022 \$
Gain from change in assumptions	–	1,112,541
Actuarial gains on retirement benefit obligations	2,779,895	2,395,764
Return on plan assets excluding amounts included in interest expense	(7,288,482)	1,818,615
Effect of asset ceiling	2,708,301	(6,766,445)
	(1,800,286)	(1,439,525)

	2023 %	2022 %
Plan assets are comprised as follows:		
Bonds	38.8	34.7
Equities	46.2	46.3
Deposits	4.3	8.8
Other assets	10.7	10.2
Net assets	100.0	100.0

Through its defined benefit pension plan, the Group is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The plan liabilities are calculated using a discount rate set with reference to Government of Barbados bond yields; if plan assets underperform this yield, this will create a deficit. The plan holds a significant proportion of equities, which are expected to outperform government bonds in the long-term while providing volatility and risk in the short-term.

The pension investment committee invests the funds for the defined benefits section of the plan and amends the asset allocation as necessary to meet the objectives. The bonds held by the plan represent primarily investments in Government of Barbados securities. There are limited 2% (2022 - 5%) investments in corporate bonds.

The Group believes that due to the long-term nature of the plan liabilities, a level of continuing equity investment is an appropriate element of the Group's long-term strategy to manage the plan efficiently.

Notes to the Consolidated Financial Statements

March 31, 2023

(expressed in Barbados dollars)

13. Retirement benefit obligations ...continued

Pension plan ...continued

Changes in bond yields

A decrease in Government of Barbados bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plan's bond holdings.

Life expectancy

The primary obligation of the plan is to provide benefits for the life of the member. As such, increases in life expectancy will result in an increase in the plan's liabilities. A sensitivity analysis of changes in life expectancy indicates this risk is not very material.

Expected contributions for the year ending March 31, 2024, are \$1,049,878.

The weighted average duration of the defined benefit plan is 11.65 (2023 - 11.95) years.

Expected maturity analysis of undiscounted pension benefits:

	Less than a year \$m	Between 1-2 years \$m	Between 2-5 years \$m	Over 5 years \$m	Total \$m
Pension benefits	5.58	4.39	14.50	26.83	51.30

Principal actuarial assumptions used for accounting purposes were:

	2023 %	2022 %
Discount rate	8.25	8.25
Future promotional salary increases	2.00	2.00
Future inflationary salary increases	3.00	3.00
Proportion of employees opting for early retirement	10.00	10.00
Future changes in NIS ceiling	3.50	3.50
Mortality	AA	AA

Notes to the Consolidated Financial Statements

March 31, 2023

(expressed in Barbados dollars)

13. Retirement benefit obligations ...continued

Pension plan ...continued

Life expectancy ...continued

The sensitivity of the present value of funded obligations to changes in the weighted principal assumptions is as follows:

	Impact on present value of funded obligations		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1%	5,033,029	5,972,187
Salary growth rate	0.5%	1,685,323	1,496,623
Life expectancy	1 year	3,253,199	n/a

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the obligations to significant actuarial assumptions, the same method (present value of the funded obligations calculated with the projected unit credit method at the end of the year) has been applied as when calculating the pension plan liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

The amounts recognised in the statement of financial position for the post-retirement medical benefits are as follows:

	2023 \$	2022 \$
Present value of funded obligations	5,917,109	5,133,045

The Group fully funds the post-retirement medical benefits as there are no plan assets.

Notes to the Consolidated Financial Statements

March 31, 2023

(expressed in Barbados dollars)

13. Retirement benefit obligations ...continued

Post-retirement medical benefits

Changes in the present value of funded obligations are as follows:

	2023 \$	2022 \$
Present value of funded obligations - beginning of year	5,133,045	5,409,746
Current service cost	162,226	179,353
Interest cost	430,715	427,911
Past service cost - vested benefits	469,574	–
Benefits paid	(148,960)	(135,305)
Actuarial gains on obligations	(129,491)	(748,660)
Present value of funded obligations - end of year	5,917,109	5,133,045

Movements in the net liability recognised in the statement of financial position:

	2023 \$	2022 \$
Net liability - beginning of year	5,133,045	5,409,746
Contributions paid	(148,960)	(135,305)
Expense recognised in the statement of comprehensive income	1,062,515	607,264
Actuarial gains recognised in the statement of other comprehensive income	(129,491)	(748,660)
Net liability - end of year	5,917,109	5,133,045

Expense recognised in the statement of comprehensive income:

	2023 \$	2022 \$
Current service cost	162,226	179,353
Interest cost	430,715	427,911
Past service cost - vested benefits	469,574	–
	1,062,515	607,264

Notes to the Consolidated Financial Statements

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(expressed in Barbados dollars)

14. Retirement benefit obligations ...continued

Post-retirement medical benefits ...continued

The effect of a 1% movement in the assumed medical cost trend is as follows:

	Increase \$	Decrease \$
Effect on funded obligations	763,673	852,265

Principal actuarial assumptions used for accounting purposes were:

	2023 %	2022 %
Discount rate	8.25	8.25
Medical cost inflation	4.00	4.00
Proportion of employees opting for early retirement	10.00	10.00

The amounts recognised in the statement of financial position and the statement of comprehensive income for pension and other post-retirement benefits are determined actuarially using several assumptions. The primary assumptions used in determining the amounts recognised are disclosed above along with an analysis of the sensitivity of these assumptions.

The discount rate is determined based on the estimate of yield on long-term Government Bonds that have maturity dates approximating the terms of the Group's obligation. The estimate of expected rate of change in the National Insurance Scheme ceiling is determined based on inflationary factors. Any changes in these assumptions will impact the amounts recorded in the financial statements for these obligations.

It is reasonably possible, based on existing knowledge, that outcomes within the next financial year that are different from these assumptions could require a material adjustment to the carrying amount reflected in the financial statements.

Notes to the Consolidated Financial Statements

March 31, 2023

(expressed in Barbados dollars)

14. Deferred tax asset

	2023 \$	2022 \$
Deferred tax asset (DTA) - beginning of year	1,116,148	1,242,047
Effect of remeasurement of DTA brought forward through income (note 22)	(172,738)	160,760
Effect of remeasurement of DTA brought forward through OCI	34,251	(25,745)
	977,661	1,377,062
Deferred tax credit/(charge) (note 22)	282,005	(275,163)
Deferred tax credit relating to components of other comprehensive income	30,148	14,249
Deferred tax asset - end of year	1,289,814	1,116,148

The deferred tax asset consists of the following components:

	2023 \$	2022 \$
Delayed tax depreciation	31,373,768	41,647,367
Unutilised tax loss (note 23)	10,015,999	10,465,646
Retirement benefit liability/(asset) (note 13)	1,859,731	230,797
Qualifying capital expenditure (note 23)	27,790,993	1,351,911
Loss allowance	279,143	242,743
Right-of-use asset	161,795	176,320
	71,481,429	54,114,784
Deferred tax asset at effective corporation tax rate of 1.80% (2022 - 2.06%)	1,289,814	1,116,148

The expiry dates of the unutilised tax loss and qualifying capital expenditure are disclosed in note 23. The other temporary differences have no expiry dates.

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March 31, 2023

(expressed in Barbados dollars)

15. Accounts payable and accrued liabilities

	2023 \$	2022 \$
Current liabilities		
Accounts payable	9,698,934	5,049,614
Accrued liabilities	4,239,152	4,200,296
	13,938,086	9,249,910

16. Long-term loans

	2023 \$	2022 \$
(i) Barbados Port Inc. Multi Tranche Fixed Rate Corporate Bonds - \$140M (2022 - \$100M)	131,570,909	100,000,000
(ii) Inter-American Investment Corporation - US\$90M	89,550,000	—
	221,120,909	100,000,000
Less current portion	(18,379,091)	(8,429,091)
	202,741,818	91,570,909

- (i) The bonds were issued through NCB Capital Markets (Barbados) Limited for the purpose of refinancing existing loans and working capital management. Barbados Central Securities Depository Inc. acts as trustee. The bonds are comprised of three tranches with interest rates of 4.2%, 5.0% and 5.5% and mature in 2025, 2030 and 2035 respectively. There was a moratorium on principal payments for the first 2 years until June 2022. The bonds are repayable by quarterly principal payments of \$2,107,273 plus interest up to March 2025; \$3,932,000 plus interest up to March 2030; and \$750,000 plus interest up to March 2035. During the year the bond was reopened and an additional BDS\$40,000,000 was subscribed.

At its board meeting on September 14, 2021, via resolution, the directors agreed to the listing of the multi tranche fixed rate corporate bonds on the Barbados Stock Exchange. During the year the listing was placed on hold.

Notes to the Consolidated Financial Statements

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(expressed in Barbados dollars)

16. Long-term loans ...continued

- (ii) On December 30, 2021, the Group signed off on financing of up to US\$50,000,000 with Inter-American Investment Corporation (as lender of the IDB Invest Loan). This was subsequently increased to US\$90,000,000. To date, two disbursements comprising tranche I in the amount of US\$45,000,000 (2022 - \$Nil) have been received. Repayment of principal commences December 15, 2023 on a quarterly basis as follows:

Quarters	% of principal repayable
December 2023 and March 2024	5
June 2024 to March 2025	0.25
June 2025 to March 2027	3.75
June 2027 to March 2028	3.5
June 2028 to March 2029	3.125
June 2029 to March 2030	3.75

The Group has the option exercisable no more than once during the life of the loan to defer instalments of principal due prior to March 15, 2031 for a period not exceeding two consecutive interest periods. The loan is repayable in full by December 15, 2031.

In respect of tranche I of US\$45,000,000 interest shall be charged and paid: (a) from the date of disbursement until September 15, 2023, at a floating rate equal to the sum of LIBOR (see *Interest rate benchmark reform* below) plus the spread (4.00% per annum prior to December 15, 2022 and 3.00% per annum subsequently); (b) from September 15, 2023 until December 15, 2023, at a floating rate equal to the sum of Term SOFR plus 0.26161 plus the spread; and (c) at all times from December 15, 2023 through payment in full of the principal amount, at a fixed rate per annum equal to 4.19315%. Interest is payable from time to time on the 15th of March, June, September and December of each year. The interest rate at year end was 7.866290%.

Interest rate benchmark reform

LIBOR is the most widely referenced benchmark interest rate across the globe for derivatives, bonds, loans and other floating rate instruments; however, there is a regulator-led push to transition the market away from LIBOR and certain other benchmark rates to alternative benchmark rates (ABRs) that are based on actual overnight transactions.

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(expressed in Barbados dollars)

16. Long-term loans ...continued

On March 5, 2021, the Financial Conduct Authority (FCA), the regulator of the ICE Benchmark Administration (IBA) which administers LIBOR, announced the permanent cessation or loss of representativeness of all 35 LIBOR benchmark settings currently published by the IBA as of June 30, 2023.

Progress in and risks arising from the transition to alternative benchmark interest rates

The transition from IBORs to alternative benchmark interest rates will impact financial instruments such as the IDB Invest loan referencing IBOR rates for terms that extend beyond June 30, 2023. Transition activities are focused on two broad streams of work: (i) developing new alternative risk-free rate linked products, and (ii) converting existing LIBOR based contracts to alternative risk-free rates. To assist in the transition the IDB Invest loan includes appropriate language referencing ABR which will allow automatic transition to such, upon the cessation of IBORs. In addition, LIBOR will be replaced by the Secured Overnight Financing Rate (SOFR), which many experts consider to be a more accurate and more secure pricing benchmark.

Security for the Group's long-term loans has been provided by way of legal mortgage over the Group's real property, tangible moveable property, debt service reserve accounts, intellectual property, investments, shares, dividends, interest and monetary claims and the assignment of proceeds of insurance policies, debt service reserve accounts and monetary claims. The security is entitled to pari passu treatment among the bondholders and IDBI in respect of the liens and charges.

The fair value of the Group's fixed rate borrowings was \$205,742,280 (2022 - \$91,681,229) at the end of the year.

17. Share capital

Authorised

The Company is authorised to issue an unlimited number of common shares without nominal or par value.

Issued

	2023 \$	2022 \$
100 (2021 - 100) common shares, stated value	100	100

Notes to the Consolidated Financial Statements

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18. Capital contributions

Capital contributions made by the sole shareholder, the Government of Barbados, comprise the following:

	2023 \$	2022 \$
Value of leased assets of \$42,310,845 less long-term loan obligations of \$28,229,630 at January 1, 1979, under the lease agreement with the Crown.	14,081,215	14,081,215
Value of the other assets less other liabilities of the former Port Department and Port Contractors (Barbados) Limited at January 1, 1979, transferred to, or assumed by Barbados Port Inc., less the amount of \$100,000 allocated to the Port Fund as established under Section 7(l) of the Barbados Port Authority Act, Cap. 285B.	15,063,865	15,063,865
Capital transfer - Berth 5 Project	49,538,200	49,538,200
	78,683,280	78,683,280

Leased assets and long-term obligations under lease agreement with the State (formerly the Crown).

- a) The freehold land and buildings and the static facilities at the Port of Bridgetown belonging to the State (formerly the Crown) (other than the land and buildings and related wharf facilities of the bulk handling facility) which were valued at \$42,310,845 at January 1, 1979 are being leased for a period of 50 years from January 1, 1979 at a yearly rent of \$100.
- b) Under the terms of the lease agreement, the Port will have the option to renew the lease for a further term of 50 years from the expiration of the original lease period and will be responsible for the maintenance and insurance of the leased assets and for the payment of property taxes thereon, and will receive the income from the subletting of any part or parts of the properties.
- c) Under the terms of the lease agreement, the Port also undertook to reimburse the State (formerly the Crown) for the debt servicing assumed by the State (formerly the Crown) in connection with Loan Contract dated February 21, 1975 and made between the Government of Barbados and Inter-American Development Bank for a loan of US\$9,100,000 or the equivalent thereof in other currencies, to partially finance the Project for the Expansion and Improvement of the Port of Bridgetown; and to assume the liability to the State (formerly the Crown) for long term loans made by the State (formerly the Crown) for the construction of the Deep Water Harbour which amounted to \$3,320,236 and \$6,709,394 at January 1, 1979. This loan was fully repaid in 1994.

Notes to the Consolidated Financial Statements

March 31, 2023

(expressed in Barbados dollars)

18. Capital contributions ...continued

- d) Since the terms of the lease transactions are significantly affected by the relationship between the Port and the State (formerly the Crown), the economic substance rather than the legal form of the lease has been recognised by the Group in its accounting treatment of the capital lease, and the actual cost of, or values assigned to the leased assets and the actual related long-term obligations under the lease have been reflected in its financial statements with the excess of the cost of or values assigned to leased assets over the loan obligations being shown as a capital contribution by the Government of Barbados.
- e) In correspondence from the Director of Finance and Economic Affairs to the Accountant-General in 2016, it was detailed that funding received from the Latin American Development Bank (CAF) was to be appropriated as a capital transfer to Barbados Port Inc. The purpose for the funds was to construct an extension to Berth 5 and yachting facilities.

19. Revenue - other

	2023 \$	2022 \$
Bulk handling terminal	1,234,569	602,260
Auction sales	153,162	—
Garbage disposal	634,489	827,311
Security services	7,793,969	6,856,076
Taxi and tour buses registration	181,846	103,281
Miscellaneous revenue	1,841,813	1,823,300
Photo identification	41,205	43,191
	11,881,053	10,255,419

20. Expenses by nature

	2023 \$	2022 \$
Staff costs (note 21)	37,739,640	37,283,818
Repairs and maintenance	9,087,398	6,687,981
Utilities	5,628,262	2,947,942
Advertising and promotions	476,065	91,127
Depreciation (note 10)	17,419,148	17,279,624
Amortisation of right-of-use assets (note 11)	402,859	402,859
Insurance	2,256,188	2,084,863
Professional fees	1,664,862	1,643,122
Rent expense	80,357	79,226
Other	10,475,227	7,553,816
	85,230,006	76,054,378

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21. Staff costs

	2023 \$	2022 \$
Payroll costs and benefits	35,746,471	35,701,549
Pension expenses		
- defined benefit	567,476	657,641
- defined contribution	363,178	317,364
Post-retirement medical benefits	1,062,515	607,264
	37,739,640	37,283,818

23. Taxation

	2023 \$	2022 \$
Current tax charge	58,806	55,327
Deferred tax (release)/charge (note 14)	(109,267)	114,403
	(50,461)	169,730

The tax on the Group's income before taxation differs from the theoretical amount that would arise using the basic tax rate as follows:

	2023 \$	2022 \$
Income before taxation	29,393,190	19,388,240
Taxation calculated at 5.5%	1,616,625	1,066,353
Effect of change in tax rate during the year on opening deferred tax balance	172,738	(160,760)
Tax effect of rate at which deferred tax asset is computed	(2,121,855)	(1,608,028)
Expenses not deductible for tax purposes	740,542	1,174,402
Income not subject to tax	–	(37,602)
Tax effect of sliding scale tax rates	(3,172)	(272)
Over provision of current year deferred tax	(464,670)	–
Under/(over) provision of prior year deferred tax	9,331	(264,363)
	(50,461)	169,730

Notes to the Consolidated Financial Statements

March 31, 2023

(expressed in Barbados dollars)

23. Unutilised tax losses and qualifying capital expenditure

Unutilised tax losses

The tax losses of the Group which are available for set off against future taxable income for corporation tax purposes are as follows:

Year of income	Tax b/fwd \$	Adjustment \$	Tax c/fwd \$	Expiry date
2021	10,465,646	(449,647)	10,015,999	2028

The tax losses are as computed by the Group in its corporation tax returns and have as yet neither been confirmed nor disputed by the Barbados Revenue Authority.

Qualifying capital expenditure

In accordance with the Barbados Port Inc. (Exemption from Taxation) Act, 2011-21 the Company is granted income tax concessions in respect of expenditure of a capital nature on the expansion or development of the Port. The approved capital expenditure available for deduction is as follows:

Year of income	B/fwd \$	Adjustment	Utilised \$	Incurred \$	C/fwd \$	Expiry date
2022	1,351,911	(399,085)	(952,823)	–	–	
2023	–	–	(21,637,024)	49,428,017	27,790,993	2042
	1,351,911	(399,085)	(22,589,847)	49,428,017	27,790,993	

24. Financial risk management

a) Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

Notes to the Consolidated Financial Statements

March 31, 2023

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24. Financial risk management ...continued

a) Financial risk factors ...continued

The Group's risk management policies are established to identify and analyse the risks faced by the Group, set appropriate risk limits and controls, and monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and structured environment in which all employees understand their roles and obligations.

i) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

1) Currency risk

The Group's exposure to currency risk arises from purchases that are denominated in a currency other than the functional currency of the Group mainly the US Dollar and from the US Dollar denominated long-term loan which it holds. This risk is however considered not to be significant as the US Dollar is fixed with the Barbados dollar.

2) Interest rate risk

Cash flow interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates.

The Group's term deposits, lease liabilities and long-term loans are issued at fixed rates and hence limit the Group's exposure to cash flow interest rate risk. Management reviews the rates on a regular basis along with the cost of putting alternative financing in place to determine the most cost-effective source of borrowings.

Notes to the Consolidated Financial Statements

March 31, 2023

(expressed in Barbados dollars)

24. Financial risk management ...continued

a) Financial risk factors ...continued

i) Market risk ...continued

2) Interest rate risk ...continued

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was as follows:

Fixed rate instruments

	2023 \$	2022 \$
Financial assets	15,095,315	3,739,785
Financial liabilities	234,926,734	119,344,723

3) Price risk

The Group is not significantly exposed to price risk arising from changes in equity prices.

ii) Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. The Group's credit risk arises principally from cash resources, receivables from customers and financial assets at amortised cost.

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

	2023		2022	
	\$	%	\$	%
Cash resources	116,142,771	81.14	17,671,942	52.15
Accounts receivable	9,132,781	6.38	10,260,364	30.27
Other receivables	2,775,095	1.94	2,219,306	6.55
Financial investments	15,095,315	10.54	3,739,785	11.03
	143,145,962	100.00	33,891,397	100.00

Notes to the Consolidated Financial Statements

March 31, 2023

(expressed in Barbados dollars)

24. Financial risk management ...continued

a) Financial risk factors ...continued

ii) Credit risk ...continued

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Group's revenue is attributable to customers' credit sales and the demographics of the customers' geographical location, including default risk of the industry and the country in which customers operate. Credit is granted to authorised shipping agents only who are registered in a prescribed manner, and who are mandated to provide a bond through a financial institution as security to the Group. Additionally, shipping agents are normally required to pre-pay a deposit of one hundred and ten (110) percent of the anticipated revenue per ship visit. This has the effect of significantly reducing credit risk.

Management has instituted standard repayment periods for credit sales and monitors each receivable balance on a weekly basis with regard to credit sales granted and payments received.

Financial investments (financial assets at amortised cost)

All of the entity's debt investments at amortised cost are considered to have low credit risk. No loss allowance was considered necessary in 2023 or 2022.

iii) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and the availability of funding through an adequate amount of committed credit facilities to meet reasonable expectations of short-term obligations. Where necessary, management seeks to renegotiate repayment terms on long term loans. The Group's liquidity management involves projecting cash flows and monitoring statement of financial position ratios.

The table below analyses the Group's financial assets and liabilities into relevant maturity groupings based on the remaining period at the date of the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

24. Financial risk management ...continued

iii) **Liquidity risk** ...continued

Liquidity gap

Notes to the Consolidated Financial Statements

March 31, 2023
(expressed in Barbados dollars)

24. Financial risk management ...continued

a) Financial risk factors ...continued

iii) Liquidity risk ...continued

2022	Carrying amount \$	Contractual cash flows \$	0 to 12 months \$	1 to 2 years \$	2 to 5 years \$	More than 5 years \$
Assets						
Cash resources	17,671,942	17,671,942	17,671,942	—	—	—
Accounts receivable	10,260,364	10,260,364	10,260,364	—	—	—
Other receivables	2,219,306	2,219,306	2,219,306	—	—	—
Financial investments	3,739,785	3,739,785	3,739,785	—	—	—
	33,891,397	33,891,397	33,891,397	—	—	—
Liabilities						
Accounts payable and accrued liabilities	9,249,910	9,249,910	9,249,910	—	—	—
Lease liabilities	19,344,722	22,839,487	6,965,222	6,967,465	7,065,639	1,841,161
Long-term loans	100,000,000	122,800,216	13,025,816	12,683,054	55,630,217	41,461,129
	128,594,632	154,889,613	29,240,948	19,650,519	62,695,856	43,302,290
Liquidity gap	(94,703,235)	(120,998,216)	4,650,449	(19,650,519)	(62,695,856)	(43,302,290)

Notes to the Consolidated Financial Statements

March 31, 2023

(expressed in Barbados dollars)

24. Financial risk management ...continued

b) Fair value of financial assets and liabilities

i) Fair value of financial instruments

Financial instruments carried at fair value in the financial statements are measured in accordance with a fair value hierarchy. This hierarchy is as follows:

- Level 1 - unadjusted quoted prices in active markets for identical instruments.
- Level 2 - inputs other than quoted prices in Level 1 that are observable for the instrument, either directly or indirectly.
- Level 3 - inputs for the instrument that are not based on observable market data and financial assets carried at amortised cost.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange or other independent source, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The Group considers that market transactions should occur with sufficient frequency that is appropriate for the particular market, when measured over a continuous period preceding the date of the financial statements. If there is no data available to substantiate the frequency of market transactions of a financial instrument, then the Group does not consider the instrument to be traded in an active market.

Fair value amounts represent estimates of the consideration that would currently be agreed upon between knowledgeable, willing parties who are under no compulsion to act and is best evidenced by a quoted market price, if one exists.

The Group's equity securities in the Barbados Ice Cream Company Limited was designated a Level 3 financial asset. There was no movement in these securities for the year.

The Group's financial assets and liabilities as disclosed in the statement of financial position are considered by management to approximate their fair value except for financial assets at amortised cost and long-term loans, the fair values of which are designated as level 3 and disclosed in notes 8 and 16.

c) Capital risk management

The Group manages lease liabilities, long-term loans and equity as capital. The Board's policy is to maintain a strong capital base so as to maintain creditor and market confidence and to sustain future development of the business.

There were no changes to the Group's approach to capital management during the year.

Notes to the Consolidated Financial Statements

March 31, 2023

(expressed in Barbados dollars)

25. Contingent liabilities

As of March 31, 2023 and 2022, there exist a number of legal claims against the Group, the outcome of which could not be determined with reasonable certainty. No provision for any liability that may result has been made in these financial statements. Settlement, if any, concerning these claims, will be recorded in the period in which they are realised.

The Group has bonds in favour of the Comptroller of Customs in the amount of \$20,000.

26. Related party transactions

- 1) The following transactions were carried out with the associated company during the year:

	2023 \$	2022 \$
Purchase of leasehold improvements	–	3,500,000
Security service charge	–	21,010

- 2) Key management:

	2023 \$	2022 \$
Directors' fees	90,000	90,000
Salaries and other employee benefits	2,578,498	2,553,886

There were no transactions with entities which have common directors of the Group.

Notes to the Consolidated Financial Statements

March 31, 2023

(expressed in Barbados dollars)

27 Operating leases

The Group sublets parts of the property it leases from the State (formerly the Crown). The future minimum lease payments receivable under terms of the leases are as follows:

	2023 \$	2022 \$
Less than one year	2,615,584	3,002,833
Between one and five years	517,750	2,454,352
More than 5 years	8,189,751	12,627,072

During the year \$2,880,170 (2022 - \$1,905,101) was recognised as rental income in the statement of comprehensive income.

28 Cash flow information

a) Net debt reconciliation

	2023 \$	2023 \$
Cash resources	116,142,771	17,671,942
Financial investments (financial assets at amortised cost)	15,095,315	3,739,785
Current portion of long-term loans	(18,379,091)	(8,429,091)
Long-term loans	(202,741,818)	(91,570,909)
Current portion of lease liabilities	(6,009,765)	(5,538,898)
Lease liabilities	(7,796,059)	(13,805,824)
Net debt	(103,688,647)	(97,932,995)
Cash and financial investments	131,238,086	21,411,727
Long-term loans and lease liabilities	(234,926,733)	(119,344,722)
	(103,688,647)	(97,932,995)

Notes to the Consolidated Financial Statements

March 31, 2023
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28 Cash flow information ...continued

	Cash	Financial	Lease	Lease	Long-term	Long-term	Total
	\$	investments	liabilities	liabilities	loans due	loans due	\$
			due within	due after	within one	after one	
			one year	one year	year	year	
	\$	\$	\$	\$	\$	\$	\$
Net debt as at							
April 1, 2023	17,671,942	3,739,785	(5,538,898)	(13,805,824)	(8,429,091)	(91,570,909)	(97,932,995)
Cash flows	98,470,829	11,355,530	5,538,898	–	8,429,091	(129,550,000)	(5,755,652)
Non-cash flows:							
Reclassifications	–	–	(6,009,765)	6,009,765	(18,379,091)	18,379,091	–
	116,142,771	15,095,315	(6,009,765)	(7,796,059)	(18,379,091)	(202,741,818)	(103,688,647)
Net debt as at							
April 1, 2022	14,003,502	3,714,283	(6,059,414)	(19,344,722)	–	(100,000,000)	(107,686,351)
Cash flows	3,668,440	–	6,059,414	–	–	–	9,727,854
Non-cash flows:							
Other non-cash movements	–	25,502	–	–	–	–	25,502
Reclassifications	–	–	(5,538,898)	5,538,898	(8,429,091)	8,429,091	–
	17,671,942	3,739,785	(5,538,898)	(13,805,824)	(8,429,091)	(91,570,909)	(97,932,995)







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