



# Needham's Point Holdings Ltd.



**2024**  
ANNUAL REPORT



**Needham's Point**  
Holdings Ltd.

**2024**  
ANNUAL REPORT





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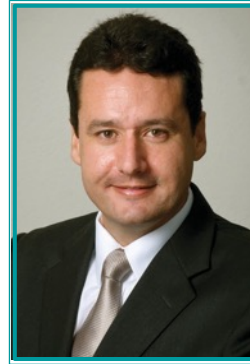
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## BOARD OF DIRECTORS

The Board of Directors at March 31st, 2024



**Mr. Junior Walrond**  
Chairman



**Mr. Alfredo Weatherhead**  
Deputy Chairman



**Mr. Wayne Alleyne**



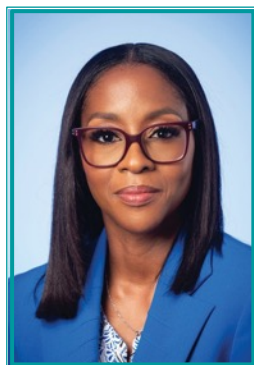
**Mr. Adrian Gomes**



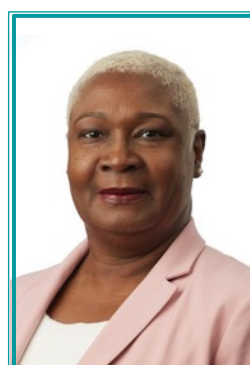
**Mr. Ian Knight**



**Mr. Mark Boxill**



**Ms. Joy-Ann Gilkes**



**Mrs. Francine Blackman**



**Ms. Lisa Harding**



**Chief Executive Officer/Secretary**

Ms. Debra Hughes

**Bankers**

CIBC

**Auditor**

PriceWaterhouseCoopers SRL

## CHAIRMAN'S REPORT

2024 was another profitable year for the company. Growth was led by room revenues which increased by 7.9% to \$45,859,483. This was achieved by following the strategy of increasing the average daily rate (ADR), this financial year the ADR improved by \$25.

The improvement also extended to the food and beverage department which showed a 5.6% growth in revenues during the year, to end at \$18,727,551, the best performance since 2008. This was achieved by improvements to all the food outlets including changes to the menus and service standards that accounted for the rebounding of the revenues in this segment.

The company's full year performance for total revenue was \$67,272,961 compared with \$62,338,004 in the prior year and the hotel contributed \$14.6M in net profits (owner's return) to the company, compared to \$13.9M in

the previous year. Overall, there was a net profit of \$8,017,934 before taxation (2023 - \$9,497,332) a decline of \$1,479,398. The decline was due to the absence of grant income received and depreciation adjustments in 2023, not repeated this year.

Hilton Barbados has been the first and only company in Barbados to be certified by Great Place to Work, an international organization, for the period June, 2024 to June, 2025. This certification recognizes employers who create an outstanding employee experience.

The year was another year of solid growth, and we are pleased to report these positive accomplishments for this year. The future looks optimistic as tourism continues to rebound and the hotel pursues its strategic path of increasing market share and profitability.

The Board held eleven (11) Board of Directors' meetings during the year.

Revenues and ADR - 2023/2024



Junior Walrond  
Chairman



# Needham's Point Holdings Ltd.

|| **FINANCIAL STATEMENTS**  
**March 31, 2024**  
*(expressed in Barbados dollars)*



## Independent auditor's report

To the Shareholders' of Needham's Point Holdings Limited

### Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Needham's Point Holding Limited (the Company) as at March 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with the IFRS for SMEs Accounting Standard.

### What we have audited

The Company's financial statements comprise:

- the balance sheet as at March 31, 2024;
- the statement of changes in equity for the year then ended;
- the statement of comprehensive income for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

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### 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 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 Company 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.

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### Other information

Management is responsible for the other information. The other information comprises of the annual report.

Our opinion on the 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 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 financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

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### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes 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 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 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

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**Other matter**

This report is made solely to the Company's shareholders, as a body, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinion we have formed.

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A handwritten signature in black ink that reads 'Picewat House Coopers SRL'.

Bridgetown, Barbados  
November 25, 2025

# Needham's Point Holdings Limited

## Balance Sheet

As of March 31, 2024

(expressed in Barbados dollars)

	2024	Restated 2023
	\$	\$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents (note 4)	26,490,446	22,618,278
Trade and other receivables (note 5)	9,133,272	6,806,879
Due from related parties (note 6)	1,030,911	489,552
Taxation recoverable	1,104	111,344
Inventories (note 7)	1,194,242	1,440,604
Current portion of deferred transaction costs (note 11)	26,515	105,041
	<u>37,876,490</u>	31,571,698
<b>Non-current assets</b>		
Property, plant and equipment (note 8)	199,005,016	200,000,000
Construction deposits (note 9)	–	172,917
Long-term portion of deferred transaction costs (note 11)	78,525	30,046
	<u>236,960,031</u>	231,774,661
<b>Liabilities and Equity</b>		
<b>Current liabilities</b>		
Trade and other payables (note 10)	22,150,087	19,054,033
Due to related parties (note 6)	1,010,870	740,795
Borrowings (note 11)	8,284,063	6,273,983
	<u>31,445,020</u>	26,068,811
<b>Non-current liabilities</b>		
Borrowings (note 11)	9,640,396	17,738,930
Preference shares (note 12)	12,439,701	12,439,701
	<u>22,080,097</u>	30,178,631
<b>Total non-current liabilities</b>	<u>22,080,097</u>	30,178,631
<b>Total liabilities</b>	<u>53,525,117</u>	56,247,442

# Needham's Point Holdings Limited

Balance Sheet ...continued

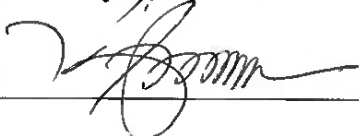
As at March 31, 2024


(expressed in Barbados dollars)

	2024	Restated 2023
	\$	\$
<b>Shareholder's Equity</b>		
Share capital (note 13)	98,682,283	98,682,283
Revaluation surplus	27,144,132	27,144,132
Retained earnings	57,608,499	49,700,804
	<u>183,434,914</u>	<u>175,527,219</u>
<b>Total liabilities and equity</b>	<u>236,960,031</u>	<u>231,774,661</u>

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

Approved by the Board of Directors on November 18th, 2025

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

# Needham's Point Holdings Limited

## Statement of Changes in Equity For year ended March 31, 2024

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(expressed in Barbados dollars)

	Share capital \$	Revaluation surplus \$	Retained earnings \$	Total \$
<b>Balance - March 31, 2022</b>	98,682,283	17,428,585	40,203,472	156,314,340
Profit for the year - restated	–	–	9,497,332	9,497,332
Revaluation adjustment (note 8) - restated	–	9,715,547	–	9,715,547
<b>Balance - March 31, 2023</b>	98,682,283	27,144,132	49,700,804	175,527,219
Profit for the year	–	–	7,907,695	7,907,695
<b>Balance - March 31, 2024</b>	<b>98,682,283</b>	<b>27,144,132</b>	<b>57,608,499</b>	<b>183,434,914</b>

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

# Needham's Point Holdings Limited

## Statement of Comprehensive Income

For year ended March 31, 2024

(expressed in Barbados dollars)

	2024 \$	Restated 2023 \$
<b>Income</b>		
Sales and room revenue	67,272,961	62,338,004
<b>Cost of sales</b> (note 16)	<u>(6,885,606)</u>	(6,413,034)
<b>Gross profit</b>	60,387,355	55,924,970
<b>Direct expenses</b> (note 16)	<u>(18,272,511)</u>	(17,435,111)
<b>Departmental profit</b>	42,114,844	38,489,859
<b>Other income</b> (note 17)	—	1,070,205
	<u>42,114,844</u>	<u>39,560,064</u>
<b>Expenses</b>		
Marketing and administrative expenses (note 16)	<u>(28,576,015)</u>	(25,950,732)
<b>Income before finance and fixed charges</b>	<u>13,538,829</u>	13,609,332
<b>Finance and fixed charges</b>		
Interest and bank charges	(1,388,899)	(1,224,619)
Depreciation (note 8)	(4,131,996)	(2,894,545)
Gain on disposal of plant and equipment	—	7,164
	<u>(5,520,895)</u>	(4,112,000)
<b>Profit before tax</b>	8,017,934	9,497,332
Income tax expense	<u>(110,239)</u>	—
<b>Profit for the year</b>	<u>7,907,695</u>	9,497,332
<b>Other comprehensive income for the year</b>		
Changes in revaluation surplus for property (note 8)	—	9,715,547
<b>Other comprehensive income for the year</b>	—	9,715,547
<b>Total comprehensive income for the year</b>	<u>7,907,695</u>	<u>19,212,879</u>

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

# Needham's Point Holdings Limited

## Statement of Cash Flows

For year ended March 31, 2024

(expressed in Barbados dollars)

	2024	2023
	\$	\$
<b>Cash flows from operating activities</b>		
Profit for the year	8,017,934	9,497,332
Adjustment for:		
Depreciation	4,131,996	2,894,545
Gain on disposal of assets	–	(7,164)
Finance costs	1,388,899	1,224,619
Amortisation of loan costs	30,047	45,695
Operating profit before working capital changes	13,568,876	13,655,027
Increase in trade and other receivables	(2,326,393)	(2,584,344)
Increase in due from related parties	(541,359)	(125,328)
Decrease/(increase) in inventories	246,362	(400,582)
Increase in trade and other payables	3,096,055	1,683,452
Decrease in due to related parties	270,075	395,119
Cash generated from operations	14,313,616	12,623,344
Interest paid	(1,388,899)	(1,224,619)
Net cash generated from operating activities	12,924,717	11,398,725
<b>Cash flows used in investing activities</b>		
Purchase of property, plant and equipment	(2,964,095)	(3,203,206)
Proceeds from disposal of property and equipment	–	31,373
Transfer of construction deposits	–	633,253
Net cash used in investing activities	(2,964,095)	(2,538,580)
<b>Cash flows from financing activities</b>		
Deferred charges on loans	(6,088,454)	–
Loan advances	–	(802,038)
Loan repayments	–	186,383
Net cash generated from financing activities	(6,088,454)	(615,655)
<b>Increase in cash for the year</b>	3,872,168	8,244,490
<b>Cash - beginning of year</b>	22,618,278	14,373,788
<b>Cash - end of year</b>	26,490,446	22,618,278

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

# Needham's Point Holdings Limited

Notes to Financial Statements

March 31, 2024

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(expressed in Barbados dollars)

## 1 Incorporation, principal activity and management

The Company was incorporated under the Companies Act of Barbados on January 13, 1999 and commenced operations on November 27, 2000. The ultimate beneficial shareholder is the Government of Barbados. The principal activity of the Company is the ownership and operation of the Hilton Barbados as a resort/corporate hotel aimed at the higher end of the executive and incentive market.

The registered office of the Company is located at #4 Stafford House, The Garrison, St. Michael.

The Company and Hilton International have entered into a formal management agreement for management of the Hotel. The initial operating term of management is for 20 years. The annual management fee charged by Hilton International Co. is calculated as a percentage of revenue and the adjusted net operating profit.

## 2 Significant accounting policies

### a) Basis of preparation

These financial statements have been prepared in accordance with the IFRS for SMEs Accounting Standard (the IFRS for SMEs) and have been prepared under the historical cost convention except for the revaluation of property, plant and equipment as disclosed in note 8.

The preparation of financial statements in conformity with the IFRS for SMEs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Although these estimates are based on management's best knowledge of current events and conditions, actual results could differ from these estimates (note 3).

These financial statements were approved by the Board of Directors on November 18, 2025. The Board of Directors have the power to amend the financial statements after issue.

### b) Cash

Cash comprise cash at bank and short-term deposits with maturity periods from the date of acquisition of less than three months.

### c) Financial instruments

A financial instrument is any contract that gives rise to both a financial asset in one entity and a financial liability or equity of another entity. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

#### *Financial assets*

Financial assets are recognised initially at transaction price. Financial assets which are considered to basic financial assets as defined in Section 11 of the IFRS for SMEs are subsequently measured at amortised cost using the effective interest method.

#### *Financial liabilities*

The Company's financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method.

# Needham's Point Holdings Limited

Notes to Financial Statements

March 31, 2024

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(expressed in Barbados dollars)

## 2 Significant accounting policies ...continued

### d) Trade receivables

Trade receivables are carried at anticipated realisable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at the year end. Bad debts are written off during the year in which they are identified.

### e) Related party balances and transactions

Two parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individual or corporate entities.

### f) Inventories

Inventories are stated at the lower of cost and net realisable value, cost being determined on a first-in, first-out (FIFO) basis. Net realisable value is the estimate of the selling price in the ordinary course of business, less selling expenses.

### g) Property, plant and equipment

Plant and equipment is stated at historical cost less depreciation. Depreciation is calculated on the straight line method to write off the cost of each asset to their residual values over their estimated useful lives. Land and building are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any accumulated depreciation. Land is not depreciated. The Company depreciates its buildings at 2% per annum. Depreciation rates used are as follows:

Buildings	2%
Furniture, fittings, plant and equipment	10% - 33 $\frac{1}{3}$ %
Computer equipment	33 $\frac{1}{3}$ %
Other operating assets	33 $\frac{1}{3}$ %

Increases in the carrying amount arising on revaluation of land and buildings are credited to revaluation surplus in equity. Decreases that offset previous increases of the same asset are charged against the surplus directly in equity; all other decreases are charged to the statement of comprehensive income or loss.

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.

# Needham's Point Holdings Limited

Notes to Financial Statements

March 31, 2024

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(expressed in Barbados dollars)

## 2 Significant accounting policies ...continued

### h) Impairment

At each reporting date, property, plant and equipment, investments in associates and financial assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the statement of comprehensive income.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (group of related assets) in prior years. A reversal of an impairment loss is recognised immediately in the statement of comprehensive income.

### i) Payables and provisions

Payables are stated at cost. Provisions are recognised when the company has a present legal or constructive obligation as a result of past/current events to record such expense. This is based on estimates and assumptions about the Asset or Liability that are not readily apparent from other sources. The estimates and associated assumptions are based on the historical experience and other factors that are considered to be relevant. The actual results may differ from the estimates. Revisions to accounting estimates are recognized when the Asset/Liability is actualised and the cost is adjusted in the following period.

### j) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective yield method. Any difference between proceeds, net of transaction costs, and the redemption value is recognised in the statement of comprehensive income account over the period of the borrowings.

### k) Revenue recognition

Hotel revenue is recognised on the delivery of services and is recorded net of Value Added Tax.

# Needham's Point Holdings Limited

Notes to Financial Statements

March 31, 2024

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(expressed in Barbados dollars)

## 2 Significant accounting policies ...continued

### l) 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 Company operates ('the functional currency'). The financial statements are presented in Barbados dollars, which is the Company's functional and presentation currency.

#### ii) *Transactions and balances*

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

### m) Taxation

Taxation expense in the statement of comprehensive income comprises current and deferred tax charges.

Current tax charges are based on taxable income for the year, which differ from the income before tax reported because it excludes items that are taxable or deductible in other years, and items that are never taxable or deductible. The company's liability for current tax is calculated at tax rates that have been enacted at balance sheet date.

The company follows the liability method of accounting for deferred tax.

Deferred tax is the tax expected to be paid or recovered on differences between the carrying amounts of assets and liabilities and the corresponding tax bases. Deferred income is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used to determine deferred income tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the temporary differences can be utilised.

# Needham's Point Holdings Limited

Notes to Financial Statements

March 31, 2024

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(expressed in Barbados dollars)

## 2 Significant accounting policies ...continued

### n) Employee benefits

#### *Post-employment benefits*

The Company has a defined contributory retirement plan where employees' participation is voluntary. A maximum of 6% is permitted but only 2.5% contribution is matched by the Company. Enrolment can start after the probationary period. Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

#### *Short-term benefits*

The Company recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. Short-term benefits given by the Company to its employees include salaries and wages, social security contributions, short-term compensated absences, 10% off rooms and food and beverage sales, incentive plans and allowances, meals and uniforms for all team members in the guest service department.

Health benefits (Life, Medical, Dental and Vision) are likewise available to all team members with a 50/50 split between team members and the Company. Coverage is available for families at the team member's expense. For management team members, the Company covers 100% of the cost.

## 3 Critical accounting estimates and judgements

The preparation of financial statements in conformity with the IFRS for SMEs which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, rarely equal the related actual results.

#### *Valuation of land and buildings*

The Company uses professional valuers to determine the fair value of its land and buildings. Valuations are determined through the application of a variety of different valuation methods which are all sensitive to the underlying assumptions chosen.

# Needham's Point Holdings Limited

Notes to Financial Statements

March 31, 2024

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(expressed in Barbados dollars)

## 4 Cash and cash equivalents

	2024	2019
	\$	\$
CIBC First Caribbean International Bank		
- operating account BBD	10,949,860	6,411,043
- property, plant and equipment account	1,443,887	2,085,433
- operating account USD	13,921,911	13,569,892
Cashiers and other cash	131,028	87,979
First Citizens Bank - debt reserve account	194	304
First Citizens operating account	43,566	463,627
	<u>26,490,446</u>	<u>22,618,278</u>

## 5 Trade and other receivables

	2024	2023
	\$	\$
(i) Trade receivables:		
Guest ledger	2,569,637	2,430,923
City ledger	2,433,003	2,285,737
	<u>5,002,640</u>	4,716,660
(ii) Other receivables:		
Other miscellaneous receivables	1,661,827	1,012,802
VAT receivables	13,592	14,155
Prepayments	2,554,020	1,248,339
	<u>9,232,079</u>	6,991,956
Less: Provision for doubtful accounts	<u>(98,807)</u>	(185,077)
	<u>9,133,272</u>	6,806,879

# Needham's Point Holdings Limited

Notes to Financial Statements

March 31, 2024

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(expressed in Barbados dollars)

## 5 Trade and other receivables ...continued

In determining the recoverability of trade receivables, management considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, management believes that there is no further credit provision required in excess of the existing provision.

Movements on the provision for impairment of trade receivables are as follows:

	2024	2023
	\$	\$
At April 1	185,077	34,094
Provision (released)/recognised during the year	37,664	192,493
Bad debts written off	<u>(123,934)</u>	<u>(41,510)</u>
At March 31	<u>98,807</u>	<u>185,077</u>

The creation and release of provision for impaired receivables have been included in expenses in the statement of comprehensive income. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash. There are no financial assets other than those listed above that were individually impaired.

# Needham's Point Holdings Limited

Notes to Financial Statements

March 31, 2024

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(expressed in Barbados dollars)

## 6 Due from/(to) related parties

### i) Management fees

The management fee is paid to Hilton International and is charged as a percentage of revenue and the adjusted net operating profit.

The adjusted net operating profit is calculated as the net income for the year after deducting the basic management fee.

### ii) Due from/(to) related parties

	2024	2023
	\$	\$
<b>Due from related parties</b>		
Needham's Point Development Inc.	823,497	489,552
Hilton International Barbados	207,414	—
	<u>1,030,911</u>	<u>489,552</u>
<b>Due to related parties</b>		
Hilton International - Watford	190,365	431,707
Hilton International Miami	—	309,088
Hilton Buenos Aires	13,523	—
Hilton International Barbados	802,885	—
Hilton Toronto	4,097	—
	<u>1,010,870</u>	<u>740,795</u>

The amounts due from and due to related parties are interest-free, unsecured and have no fixed terms of repayment.

	2024	2023
	\$	\$
<b>iii) Key management compensation</b>		
Salaries and other short-term benefits	<u>2,125,148</u>	<u>2,113,470</u>

# Needham's Point Holdings Limited

Notes to Financial Statements

March 31, 2024

(expressed in Barbados dollars)

## 7 Inventories

	2024	2023
	\$	\$
Food	299,636	290,389
Beverage	356,244	395,983
Guest supplies	538,362	754,232
	<u>1,194,242</u>	<u>1,440,604</u>

## 8 Property, plant and equipment

	Land and buildings \$	Furniture, fittings, plant and equipment \$	Computer equipment \$	Total \$
<b>Year ended March 31, 2023</b>				
Opening cost/valuation	196,142,983	6,352,271	764,602	203,259,856
Additions	919,594	2,139,192	144,420	3,203,206
Revaluation adjustment	9,715,547	–	–	9,715,547
Disposals	–	(115,833)	–	(115,833)
<b>Closing cost/valuation</b>	<u>206,778,124</u>	<u>8,375,630</u>	<u>909,022</u>	<u>216,062,776</u>
<b>At March 31, 2023</b>				
Opening accumulated depreciation	9,889,466	2,728,368	642,022	13,259,856
Depreciation on disposals	–	(91,625)	–	(91,625)
Depreciation charge - restated	2,413,458	236,529	244,558	2,894,545
<b>Ending accumulated depreciation</b>	<u>12,302,924</u>	<u>2,873,272</u>	<u>886,580</u>	<u>16,062,776</u>
<b>Net book amount</b>	<u>194,475,200</u>	<u>5,502,358</u>	<u>22,442</u>	<u>200,000,000</u>

# Needham's Point Holdings Limited

Notes to Financial Statements

March 31, 2024

(expressed in Barbados dollars)

## 8 Property, plant and equipment ...continued

	Land and buildings \$	Furniture, fittings, plant and equipment \$	Computer equipment \$	Total \$
<b>Year ended March 31, 2024</b>				
Opening cost/valuation	206,778,124	8,375,630	909,022	216,062,776
Additions	983,210	1,716,786	437,016	3,137,012
<b>Closing cost/valuation</b>	<b>207,761,334</b>	<b>10,092,416</b>	<b>1,346,038</b>	<b>219,199,788</b>
<b>At March 31, 2024</b>				
Opening accumulated depreciation	12,302,924	2,873,272	886,580	16,062,776
Depreciation charge	2,167,000	1,848,811	116,185	4,131,996
<b>Ending accumulated depreciation</b>	<b>14,469,924</b>	<b>4,722,083</b>	<b>1,002,765</b>	<b>20,194,772</b>
<b>Net book amount</b>	<b>193,291,410</b>	<b>5,370,333</b>	<b>343,273</b>	<b>199,005,016</b>

On June 15, 2023, the company's property, plant and equipment was revalued by an independent professional valuer who determined that the fair value of the property, plant and equipment is not less than \$200,000,000. As a result, the market value of the assets has increased from the previous 2022 estimated at \$190,000,000. The increase in the carrying valuation of \$11,714,896 has been recorded in the financial statements and revaluation surplus has been increased by the same sum. The carrying value of the land and buildings would have been \$283,166,592 (2023 - \$277,874,962) if the land and buildings had been carried under the cost model.

## 9 Construction deposits

	2024 \$	2023 \$
Balance - end of year	—	172,917

During the year the Company commenced construction on a new beachside restaurant. These amounts relate to the deposits for the purchase of furniture, plant and equipment and the costs paid to the contractor.

# Needham's Point Holdings Limited

Notes to Financial Statements

March 31, 2024

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(expressed in Barbados dollars)

## 10 Trade and other payables

	2024	2023
	\$	\$
Trade payables	3,291,446	2,962,112
Accrued expenses	7,734,262	9,219,301
Advance deposits	7,296,626	2,600,051
Other payables	3,827,753	4,272,569
	<u>22,150,087</u>	<u>19,054,033</u>

## 11 Borrowings

### i) Short term borrowing/related party transactions

	2024	2023
	\$	\$
a) CIBC First Caribbean International Bank	7,059,144	5,816,138
b) First Citizens Bank Barbados Limited	1,224,919	457,845
	<u>8,284,063</u>	<u>6,273,983</u>

### ii) Long term borrowing

	2024	2023
	\$	\$
a) CIBC First Caribbean International Bank	7,059,144	12,689,750
b) First Citizens Bank Barbados Limited	10,865,315	11,323,163
	<u>17,924,459</u>	<u>24,012,913</u>
Less: current portion (i)	<u>(8,284,063)</u>	<u>(6,273,983)</u>
	<u>9,640,396</u>	<u>17,738,930</u>

# Needham's Point Holdings Limited

Notes to Financial Statements

March 31, 2024

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(expressed in Barbados dollars)

## 9 Borrowings ...continued

### ii) Long term borrowing ...continued

- a) The loan balance of \$7,059,144 in 2024 (2023 - \$12,689,750) represent the remaining of the drawdown on the syndicated \$61,000,000 (US\$30,500,000) senior loan from CIBC FirstCaribbean International Bank for the construction of the new Hilton Barbados. The loan bears interest at 6% (2023 - 3 month LIBOR plus 2.25% per annum payable quarterly this equated to 2.4525%). It is secured by a charge over the 65,031 square metres of land at Needham's Point along with the pledge of 32,417,648 common shares held by Needham's Point Development Inc. At year end, accrued interest of \$Nil (2023 - \$Nil) was recorded.

The loan is secured by:

- The insurance policy for property at Needham's Point for the sum of \$208,368,500.
  - Certificate of charge for the sum of BS\$1,000,000 and US\$15,500,000.
- b) The loan balance of \$10,865,315 represents a loan facility with First Citizens Bank (Barbados) Limited as at March 31, 2021, to cover the furniture, fixtures and equipment refurbishment for the hotel. The loan was restructured to extend the term to thirteen (13) years repayable via quarterly blended payments inclusive of principal and interest. The interest rate was adjusted to 5.5% and interest only payments will be required for the first two (2) years commencing June 2021, thereafter the loan is to be amortised over a nine year period, repayable in quarterly blended payments of \$306,230.

The loan is secured by a second registered mortgage over the fixed and floating assets of Needham's Point Holdings Limited stamped to cover \$11,500,000 and a lien over a debt service account, to be funded by a minimum of six months payments.

	2024	2023
	\$	\$
<b>Deferred transaction costs</b>		
Bond issue fees incurred	1,898,045	1,898,045
Amortisation of deferred transaction costs	<u>(1,793,005)</u>	<u>(1,762,958)</u>
	105,040	135,087
Less current portion	<u>(26,515)</u>	<u>(30,046)</u>
	<u>78,525</u>	<u>105,041</u>

# Needham's Point Holdings Limited

Notes to Financial Statements

March 31, 2024

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(expressed in Barbados dollars)

## 12 Preference shares

On July 23, 2021, the Company entered into a Deed of Grant and Equity Investment agreement with the Enterprise Growth Fund Limited for funding under the Barbados Employment and Sustainable Transformational (BEST) Program. The program provides for funding under several classes and the company has been approved and received funding under the following classes:

	2024	2023
	\$	\$
Re-engagement of employees	11,212,712	11,212,712
Working capital	1,106,100	1,106,100
Transformation investments	120,889	120,889
	<u>12,439,701</u>	<u>12,439,701</u>
	2024	2023
	\$	\$
BEST Preference shares	12,312,271	12,312,271
Subscription for shares	127,430	127,430
	<u>12,439,701</u>	<u>12,439,701</u>

During the year in exchange for the funding received, the Company shall issue fixed-rate non-cumulative redeemable preference shares of a class designated BEST Redeemable Preference Shares at a value of \$12,312,271.

The dividend payable is as follows:

- a. for the period commencing the calculation base year (July 2023) and ending at the end of the financial year following the third anniversary of the base year; 0% of the stated capital of the BEST shares.
- b. for the period commencing the next financial year following the third anniversary and ending at the end of the financial year following the sixth anniversary of the base year; 2% of the stated capital of the BEST shares.
- c. for the period commencing the next financial year following the sixth anniversary and ending at the end of the financial year following the ninth anniversary of the base year; 5% of the stated capital of the BEST shares.
- d. for the period commencing the next financial year following the ninth anniversary of the base year; 7% of the stated capital of the BEST shares.

# Needham's Point Holdings Limited

Notes to Financial Statements

March 31, 2024

(expressed in Barbados dollars)

## 13 Share capital

The Company is authorized to issue an unlimited number of common shares without nominal or par value. At March 31, 2024 and March 31, 2023, 98,682,283 shares had been issued and outstanding.

## 14 Taxation

The tax on the Company's profit for the year differs from the theoretical amount that would arise using the statutory rate as follows:

	2024 \$	2023 \$
Profit for the year	<u>8,017,934</u>	<u>9,168,771</u>
Tax calculated at statutory rate of 5.5% (2023 - 5.5%)	440,986	504,282
Tax effect of sliding scale tax rate	24,129	–
Tax effect of deferred tax not recognised	(566,010)	–
Tax effect of market development allowance	(89,021)	(13,390)
Tax effect of the utilisation of the Tourism Development Act relief	(54,077)	(756,321)
Tax effect of expenses deductible for tax	134,116	(200,645)
Tax effect of expenses not deductible for tax	<u>220,116</u>	<u>466,074</u>
Tax charge for the year	<u>110,239</u>	–

### Taxable losses

Income year	Balance b/fwd \$	Incurred \$	Utilised \$	Expired \$	Balance c/fwd \$	Expiry Date
2021	20,877,790	–	(1,884,206)	–	18,993,584	2028

At year end, the Company has not recognised a deferred tax asset in relation to unutilized tax losses of \$18,993,584 (2023 - \$20,887,790) due to the uncertainty of future taxable income against which the tax losses can be utilised. These tax losses will expire in 2028.

The delayed tax depreciation has no expiry date. The expiry dates of the Tourism Development expenditure are disclosed in note 15.

# Needham's Point Holdings Limited

Notes to Financial Statements

March 31, 2024

(expressed in Barbados dollars)

## 15 Tourism Development Act relief

The Company is an approved hotel under the Tourism Development Act and as such it is entitled to set-off the cost of certain qualifying capital expenditure incurred on buildings and amenities against taxable income for the next fifteen years from the date of such expenditure. The amount available for set-off is as follows:

Income year	Balance b/fwd \$	Incurred \$	Utilised \$	Expired \$	Balance c/fwd \$	Expiry date
2020	610,599	–	(610,599)	–	–	2034
2021	431,013	–	(431,013)	–	–	2035
2022	493,908	–	(493,908)	–	–	2036
2023	919,595	–	(919,595)	–	–	2037
2024	–	983,210	(983,210)	–	–	2038
	2,455,115	983,210	(3,438,325)	–	–	

## 16 Expenses by nature

### a) Cost of sales

	2024 \$	2023 \$
Food	6,331,795	5,785,907
Beverage	553,811	627,127
	<b>6,885,606</b>	<b>6,413,034</b>

### b) Direct expenses

	2024 \$	2023 \$
Salaries and other staff costs	11,436,753	10,463,129
Cleaning and laundry	1,988,216	2,318,027
Supplies including executive lounge	2,433,020	1,914,520
Other expenses	479,593	1,267,473
Music and entertainment	752,080	480,671
Commissions	1,182,849	991,291
	<b>18,272,511</b>	<b>17,435,111</b>

# Needham's Point Holdings Limited

Notes to Financial Statements

March 31, 2024

(expressed in Barbados dollars)

## 16 Expenses by nature ...continued

### c) Marketing and administrative expenses

	2024	2023
	\$	\$
Wages and salaries	8,085,134	7,139,750
Utilities	4,364,621	4,204,359
Management fees (note 6)	3,593,907	3,450,614
Property and maintenance	1,980,310	1,449,314
Selling and marketing	1,694,677	1,207,481
Miscellaneous expenses	2,560,017	2,546,884
Insurance	2,553,223	2,129,044
Credit card expenses	1,573,832	1,369,251
Land tax	1,015,313	1,015,313
Professional fees	76,692	166,965
Bad debts written off	37,663	192,493
Security	1,177	183,058
IT costs	974,938	865,363
Travel	64,511	30,843
	<u>28,576,015</u>	<u>25,950,732</u>

## 17 Other income

	2024	2023
	\$	\$
BEST program grants	—	1,070,205

During the financial year the company received lockdown and low-season grants under the Barbados Employment and Sustainable and Transformation Programme for the periods of February to June 2021.

## 18 Contingent liability

Per the Amending Agreement dated November 10, 2003 between the Company and Hilton International Co., the Company received US\$5,000,000 noted as Key Money to be used US\$2,500,000 for the purchase of fixed assets and US\$2,500,000 for pre-opening expenses. In the event that the operation agreement between Hilton International and the Company is terminated before 20 full calendar years through no fault of Hilton International, then the Company shall repay to Hilton a proportion of the Key Money based on the unexpired portion of the 20 years.

# Needham's Point Holdings Limited

Notes to Financial Statements

March 31, 2024

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(expressed in Barbados dollars)

## 19 Prior year adjustment

During the current financial year, it was identified that depreciation expense on land and buildings for the year ended March 31, 2023 was overstated by \$1,999,349. This error was corrected within the current year financial statements.

This change has resulted in a restatement of the following line items for the year ended March 31, 2023:

### Year ended March 31, 2023

- a) Revaluation surplus
- b) Retained earnings
- c) Depreciation
- d) Other comprehensive income

	As previously reported \$	Adjustment \$	Restated March 31, 2023 \$
<b>Balance sheet (extract)</b>			
Revaluation surplus	29,143,481	(1,999,349)	27,144,132
Retained earnings	47,701,455	1,999,349	49,700,804
<b>Total equity</b>	<b>76,844,936</b>	<b>–</b>	<b>76,844,936</b>
<b>Statement of comprehensive income (extract)</b>			
Depreciation	(4,893,894)	1,999,349	(2,894,545)
Loss for the year	7,497,983	1,999,349	9,497,332
Other comprehensive income	11,714,896	(1,999,349)	9,715,547
<b>Total comprehensive income</b>	<b>19,212,879</b>	<b>–</b>	<b>19,212,879</b>

## 20 Subsequent events

During the year the High Court awarded a claim to a former employee who brought a case for wrongful dismissal after being dismissed by a disciplinary committee under the Employment Rights Act. To the date of this report, the High Court has not made an assessment of damages.

