



Needham's Point
Development Inc.

Annual Report

2020



Needham's Point Development Incorporated



Needham's Point
Development Inc.

Annual Report 2020

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Board of Directors

The Board of Directors at the end of 31st March, 2020 was as follows:



Mr. Junior Walrond
Chairman



Mr. Alfredo Weatherhead
Deputy Chairman



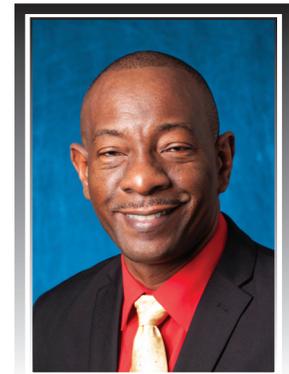
Mr. Wayne Alleyne



Mr. Adrian Gomes



Mr. Ian Knight



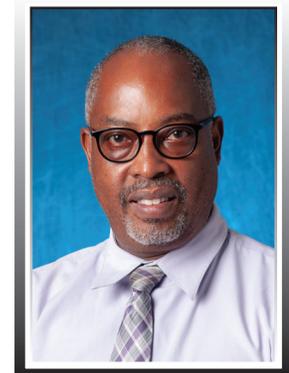
Mr. Mark Boxill



Mr. Luther Jones



Mrs. Donna Cadogan



Mr. Peter Blackman

Chief Executive Officer/Secretary

Ms. Debra Hughes

Auditors

PricewaterhouseCoopers

Bankers

Republic Bank (Barbados) Limited

Chairman's Report

On behalf of the Board of Directors, I have the honour to present the annual report of Needham's Point Development Inc. (NPDI) for the year ended 31st March, 2020.

The income for the year was significantly reduced from \$1,089,618 to \$155,674 as earnings from the share of profits from the associated company, Needham's Point Holdings Ltd fell by 85.7%. At the year-end, the company recorded a loss of \$310,329, compared to the profit of \$465,848 in 2019, a turnaround of \$776,177. The reduced income negatively impacted the solvency of the company. The company has been relying on advances from the associated company to meet its obligations, due to declining cash receipts and the conversion of deposits to Government of Barbados bonds.

During the year under review, Management received an offer from the Barbados Cruising Club (BCC) to purchase the property at Aquatic Gap. The Board rejected the offer to sell the property and has been in discussion with the BCC to settle on the terms for a long term lease. It is expected that an agreement would be reached by both parties in the upcoming year.

The company requested a waiver of the land taxes for the property that was previously occupied by the Old Mobil Refinery site, given that remediation of the property was still required and this continued to hamper NPDI in undertaking its mandate to fully develop the Needham's Point Peninsula. In addition, the funding for the de-bushing of the site during the year was undertaken by the Ministry of Energy, as NPDI was not

in a financial position to do such given the withdrawal of its subvention.

Management continued discussions with the Ministry of Energy and other stakeholders with respect to the remediation of the site. At the end of the year, the Ministry of Energy was in the process of drafting a Terms of Reference for the proposed Site Characterisation Study, which would seek to assess the present day extent, nature and volume of hydrocarbon contamination across the greater Needham's Point area. It is the company's hope that this study is completed early in the next financial year as this should be an impetus to move forward with the remediation of the site.

In light of the potential hazardous nature of the contamination at the Old Mobil Refinery site, the company installed a number of security cameras at strategic locations around the perimeter of the property and these are monitored by the Royal Barbados Police Force at their Command Centre.

The company welcomed Ms. Debra Hughes as the new Chief Executive Officer during the third quarter of the year. The corporate office was relocated to #4 Stafford House, Garrison, St. Michael.

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



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Junior Walrond
Chairman

Needham's Point Development Incorporated

Financial Statements

March 31, 2020

(expressed in Barbados dollars)



Independent auditor's report

To the Shareholder of Needham's Point Development Inc.

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Needham's Point Development Inc. as of March 31, 2020, its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs).

What we have audited

The Company's financial statements comprise:

- the balance sheet as of March 31, 2020;
- 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 a summary of significant accounting policies.

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 Ethics Standards Board for Accountants' Code of Ethics for Professional 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 financial statements and our auditor's report thereon).

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

PricewaterhouseCoopers SRL, The Financial Services Centre, Bishop's Court Hill, P.O. Box 111, St. Michael, BB14004, Barbados, West Indies
T: +246-626-6700, F: +246-436-1275, www.pwc.com/bb



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

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

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

Auditor's responsibilities for the audit of the financial statements

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.

Other Matter

This report is made solely to the Company's shareholder, 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.

A handwritten signature in blue ink that reads "PricewaterhouseCoopers SRL". The signature is written over a faint, stylized outline of a city skyline.

Bridgetown, Barbados
July 31, 2020

Needham's Point Development Inc.

Balance Sheet

As of March 31, 2020

(expressed in Barbados dollars)

	2020	2019
	\$	\$
Assets		
Current assets		
Cash and cash equivalents (note 4)	46,874	270,515
Trade and other receivables (note 5)	257,286	220,818
Prepaid expenses	4,848	5,578
Total current assets	309,008	496,911
Non-current assets		
Investments (note 6)	33,384,942	33,252,649
Held to maturity financial asset (note 7)	911,525	911,525
Property, plant and equipment (note 8)	31,591,624	31,580,614
Total non-current assets	65,888,091	65,744,788
Total assets	66,197,099	66,241,699
Liabilities and Equity		
Current liabilities		
Trade and other payables	342,794	173,374
Due to associated company (note 9)	99,395	191,264
Total liabilities	442,189	364,638
Equity		
Share capital (note 10)	73,661,568	73,473,390
Revaluation surplus (note 6)	6,259,328	6,259,328
Accumulated deficit	(14,165,986)	(13,855,657)
Total equity	65,754,910	65,877,061
Total liabilities and equity	66,197,099	66,241,699

Approved by the Board of Directors on July 29, 2020



Director



Director

Needham's Point Development Inc.

Statement of Changes in Equity For year ended March 31, 2020

(expressed in Barbados dollars)

	Share capital \$	Revaluation surplus \$	Accumulated deficit \$	Total \$
Balance - March 31, 2018	73,214,402	22,937,380	(15,717,936)	80,433,846
Shares issued during the year (note 10)	258,988	—	—	258,988
Adjustment to revaluation surplus (note 6)	—	(16,678,052)	—	(16,678,052)
Total comprehensive income for the year	—	—	465,848	465,848
Write off of intragovernmental debt (note 15)	—	—	1,396,431	1,396,431
Balance - March 31, 2019	73,473,390	6,259,328	(13,855,657)	65,877,061
Shares issued during the year (note 10)	188,178	—	—	188,178
Total comprehensive loss for the year	—	—	(310,329)	(310,329)
Balance - March 31, 2020	73,661,568	6,259,328	(14,165,986)	65,754,910

Needham's Point Development Inc.

Statement of Comprehensive Income

For year ended March 31, 2020

(expressed in Barbados dollars)

	2020	2019
	\$	\$
Income		
Share of net income of associated company (note 6)	132,293	1,061,053
Interest income	9,415	18,065
Other income	13,966	10,500
	<hr/>	<hr/>
	155,674	1,089,618
Expenses		
Salaries and staff costs (note 13)	52,052	198,029
Directors fees	6,220	8,180
Office expenses	10,963	20,252
Depreciation (note 8)	39,863	32,457
Audit and accounting fees	21,917	28,944
Training expenses	5,420	–
Bank charges	1,162	3,754
Professional fees	6,958	–
Conference and meeting expenses	955	3,504
Land tax	253,031	203,572
Legal fees	28,375	30,000
Computer software	109	7,681
Rent	7,711	31,408
Utilities	2,607	14,790
Advertising and promotion	16,791	10,661
Insurance	10,689	13,663
Gain on disposal of asset	–	(22,000)
Repairs and maintenance	1,180	38,875
	<hr/>	<hr/>
Total expenses	466,003	623,770
	<hr/>	<hr/>
Total comprehensive (loss)/income for the year	(310,329)	465,848

Needham's Point Development Inc.

Statement of Cash Flows

For year ended March 31, 2020

(expressed in Barbados dollars)

	2020	2019
	\$	\$
Cash flows from operating activities		
Net (loss)/income for the year	(310,329)	465,848
Adjustments for:		
Depreciation	39,863	32,457
Interest income	(9,415)	(28,565)
Gain on disposal of assets	-	(22,000)
Share of net profit of associated company	(132,293)	(1,049,321)
	<hr/>	<hr/>
Operating loss before working capital changes	(412,174)	(613,313)
Increase in trade and other receivables	(36,438)	(3,698)
Decrease in due from associated company	-	355,768
(Decrease)/increase in due to associated company	(91,869)	191,264
Decrease in prepaid expenses	730	3,938
Increase in trade and other payables	169,420	19,854
	<hr/>	<hr/>
Net cash used in operating activities	(370,361)	(46,187)
Interest received	9,415	28,565
	<hr/>	<hr/>
Net cash used in operating activities	(360,946)	(17,622)
	<hr/>	<hr/>
Cash flow from investing activities		
Purchase of fixed assets	(50,873)	(75,655)
Proceeds on disposal of assets	-	22,000
Investment in Series B Bonds	-	(911,525)
	<hr/>	<hr/>
Net cash used in investing activities	(50,873)	(965,180)
	<hr/>	<hr/>
Cash flows from financing activities		
Proceeds from issuance of new shares	188,178	258,988
	<hr/>	<hr/>
Net cash from financing activities	188,178	258,988
	<hr/>	<hr/>
Decrease in cash for the year	(223,641)	(723,814)
	<hr/>	<hr/>
Cash and cash equivalents - beginning of year	270,515	994,329
	<hr/>	<hr/>
Cash and cash equivalents - end of year (note 4)	46,874	270,515
	<hr/>	<hr/>

Needham's Point Development Inc.

Notes to Financial Statements

March 31, 2020

(expressed in Barbados dollars)

1 Incorporation and principal activity

The Company was incorporated under the Companies Act of Barbados on August 22, 1996. The principal activity of the Company is to oversee the development of the lands at Needham's Point in accordance with the master plan approved by Cabinet. The sole shareholder is the Government of Barbados.

The principal place of business is located at #4 Stafford House, The Garrison, St. Michael.

2 Significant accounting policies

a) Basis of preparation

These financial statements have been prepared in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs), and have been prepared under the historical cost convention except for the revaluation of property in the company's associate as disclosed in note 6.

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.

b) Cash and cash equivalents

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

c) Taxation

Taxation expense in the statement of 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 Development Inc.

Notes to Financial Statements

March 31, 2020

(expressed in Barbados dollars)

2 Significant accounting policies ...continued

d) Foreign currency translation

i) *Functional and presentation currency*

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

ii) *Translation and balances*

Assets and liabilities expressed in foreign currencies are translated into Barbados dollars at the rates of exchange ruling at the balance sheet date. Transactions arising during the year involving foreign currencies are translated at the rates of exchange ruling on the dates of the transactions. Differences arising from fluctuations in exchange rates are included in the statement comprehensive of income.

e) 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

The Company classifies its financial assets in the following categories: cash and cash equivalents, trade and other receivables, amounts due from associate company and assets held to maturity. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

Held to maturity investments are recorded at fair value and are non-derivative financial assets with fixed or determinable payments and fixed maturity that the entity has the positive intention to hold to maturity.

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. At the balance sheet date, the following items were classified as financial liabilities: trade accounts payable.

f) Employee 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, incentive plans and allowances.

Needham's Point Development Inc.

Notes to Financial Statements

March 31, 2020

(expressed in Barbados dollars)

2 Significant accounting policies ...continued

g) Property, plant and equipment

Property, plant and equipment are 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. Land is not depreciated.

Depreciation rates are used as follows:

Furniture and office equipment	20% - 33 $\frac{1}{3}$ %
Motor vehicle	20%

h) Investments

The investment in Needham's Point Holdings Limited (NPHL) (an associated company) is accounted for on the equity method as set out in Note 6.

The Company's other investments are classified as available-for-sale. These are investment securities intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity, changes in interest rates or equity prices. These investments are initially recognised at cost and subsequently re-measured at fair value based on stock exchange closing prices. Investment securities not listed on an official exchange are carried at cost as no other reliable estimate of fair value is currently available. All realised and unrealized gains and losses are included in the statement of comprehensive income.

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. There are no material critical accounting estimates or judgements required to prepare these financial statements.

4 Cash and cash equivalents

	2020	2019
	\$	\$
Cash at bank and on hand	28,305	260,182
Short-term bank deposits	17,169	10,333
Petty cash	1,400	—
	<hr/>	
	46,874	270,515
	<hr/>	

The effective interest rate on short-term bank deposit was 1.0% (2019 - 0%).

Needham's Point Development Inc.

Notes to Financial Statements

March 31, 2020

(expressed in Barbados dollars)

5 Trade and other receivables

	2020	2019
	\$	\$
Trade receivables	390,850	404,950
Other receivables	92,386	41,818
	<u>483,236</u>	<u>446,768</u>
Less: provision for impairment of receivables	(225,950)	(225,950)
	<u>257,286</u>	<u>220,818</u>

6 Investments

	2020	2019
	\$	\$
Associated company:		
Investment in Needham's Point Holdings Limited at cost - 32.85% (2019 - 32.85%)	32,417,648	32,417,648
Share of revaluation surplus of associated company - beginning of year	6,259,928	22,937,380
- adjustment to revaluation reserve (i)	-	(16,678,052)
	<u>6,259,328</u>	<u>6,259,328</u>
Share of accumulated net losses of associated company		
- beginning of year	(5,516,327)	(8,144,175)
- Share of the net income of associated company for year	132,293	1,061,053
- Adjustment to share of net profits (ii)	-	1,566,795
	<u>(5,384,034)</u>	<u>(5,516,327)</u>
- end of year		
Share of the net assets of the associated company - end of year	33,292,942	33,160,649
Available-for-sale:		
Southern Golf & Country Club - 92,000 Class B shares	92,000	92,000
	<u>33,384,942</u>	<u>33,252,649</u>

(i) In the prior year a valuation of the assets of the associated company was done by Terra Caribbean who assessed the value of the assets at a lower value than the book carrying value. Accordingly, an adjustment has been made to the revaluation reserve in the associated company to pick up the Company's share of the fall in value.

(ii) Adjustment to share of net profits in 2019 relates to the write-off of intragovernmental debt (note 15). Accordingly, an adjustment has been made to the share of net profits of the associated company.

Needham's Point Development Inc.

Notes to Financial Statements

March 31, 2020

(expressed in Barbados dollars)

7 Held to maturity financial asset

	2020	2019
	\$	\$
Government of Barbados treasure note	<u>911,525</u>	<u>911,525</u>

11 Series B amortising strips issued by the Government of Barbados with maturities of 5, 6, 7, 8, 9, 10, 11, 12, 13, 14 and 15 years. Interest rates at 1% per annum for the first 5 years, 2.5% per annum for year 4 and 3.75% per annum for year 5 to maturity. Interest payments quarterly

Needham's Point Development Inc.

Notes to Financial Statements

March 31, 2020

(expressed in Barbados dollars)

8 Property, plant and equipment

	Land \$	Furniture and office equipment \$	Leasehold improvements \$	Motor vehicles \$	Total \$
Year ended					
March 31, 2019					
Opening net book amount	31,497,483	14,486	–	25,447	31,537,416
Additions	–	4,698	–	70,957	75,655
Disposals - cost	–	–	–	(49,642)	(49,642)
Disposal - accumulated depreciation	–	–	–	49,642	49,642
Depreciation charge	–	(5,002)	–	(27,455)	(32,457)
Closing net book amount	31,497,483	14,182	–	68,949	31,580,614
At March 31, 2019					
Cost	31,497,483	235,177	22,299	137,407	31,892,366
Accumulated depreciation	–	(220,995)	(22,299)	(68,458)	(311,752)
Net book amount	31,497,483	14,182	–	68,949	31,580,614
Year ended					
March 31, 2020					
Opening net book amount	31,497,483	14,182	–	68,949	31,580,614
Additions	–	46,742	4,131	–	50,873
Depreciation charge	–	(12,663)	(826)	(26,374)	(39,863)
Closing net book amount	31,497,483	48,261	3,305	42,575	31,591,624
At March 31, 2020					
Cost	31,497,483	281,919	26,430	137,407	31,943,239
Accumulated depreciation	–	(233,658)	(23,125)	(94,832)	(351,615)
Net book amount	31,497,483	48,261	3,305	42,575	31,591,624

Needham's Point Development Inc.

Notes to Financial Statements

March 31, 2020

(expressed in Barbados dollars)

9 Related party transactions

i) Due to associated company

	2020	2019
	\$	\$
Needham's Point Holdings Limited	<u>99,395</u>	191,264

The amount due to associated company is unsecured, interest free and has no fixed repayment date.

ii) Key management compensation

	2020	2019
	\$	\$
Salaries and other short-term benefits	<u>37,107</u>	67,264

10 Share capital

The company is authorised to issue an unlimited number of common shares without nominal or par value. During the year ended March 31, 2020, an additional 188,178 shares (2019 - 258,988) were issued to the Government of Barbados for \$188,178. The share capital is made up of \$23,941,965, (2019 - \$23,753,787) in cash and \$49,719,603 (2019 - \$49,719,603) representing the value of land on which the hotel is situated, that was initially transferred into the company by the Government of Barbados.

Needham's Point Development Inc.

Notes to Financial Statements

March 31, 2020

(expressed in Barbados dollars)

11 Taxation

The tax on the company's income for the year/period differs from the theoretical amount that would arise using the statutory tax rate as follows:

	2020 \$	2019 \$
(Loss)/income for the year	<u>(310,329)</u>	465,848
Tax calculated at statutory rate of 5.5% (2019 - 5.5%)	(17,068)	25,622
Tax effect of decrease in the tax rate	–	938,021
Share of loss of associate not deductible for tax	(7,276)	(58,358)
Expenses not deductible for tax	1,605	1,650
Tax effect of losses expiring	5,890	10,322
Movement in deferred tax asset not recognised	<u>16,849</u>	(917,257)
Tax charge for the year	<u>–</u>	–

At year end the company has a deferred tax asset which has not been recognised due to the uncertainty of future taxable income against which the deferred tax asset can be utilised. The deferred tax asset consists of the following components:

	2020 \$	2019 \$
Delayed tax depreciation	312,178	273,141
Unutilised tax losses (note 12)	<u>4,200,341</u>	3,933,049
	<u>4,512,519</u>	4,206,190
Deferred tax asset at tax rate of 5.5% (2019 - 5.5%)	<u>248,189</u>	231,340

The delayed tax depreciation has no expiry date. The expiry dates for the unutilised tax losses are disclosed in note 12.

Needham's Point Development Inc.

Notes to Financial Statements

March 31, 2020

(expressed in Barbados dollars)

12 Tax losses

Tax losses are available for set off against future taxable income are as follows:

Year	Balance b/fwd. \$	Incurred \$	Expired \$	Balance c/fwd. \$	Expiry date
2011	107,092	—	(107,092)	—	2020
2012	131,035	—	—	131,035	2021
2013	334,431	—	—	334,431	2022
2014	96,200	—	—	96,200	2023
2015	498,317	—	—	498,317	2022
2016	654,972	—	—	654,972	2023
2017	551,244	—	—	551,244	2024
2018	977,368	—	—	977,368	2025
2019	582,390	—	—	582,390	2026
2020	—	374,384	—	374,384	2027
	<u>3,933,049</u>	<u>374,384</u>	<u>(107,092)</u>	<u>4,200,341</u>	

The losses are as computed by the company in its corporation tax return and have as yet, neither been confirmed nor disputed by the Commissioner of the Barbados Revenue Authority.

13 Employee benefits

	2020 \$	2019 \$
Salaries, wages and allowances	47,977	189,399
National Insurance Scheme contributions	3,144	6,982
Pension contributions	931	1,648
	<u>52,052</u>	<u>198,029</u>
Number of persons employed at March 31, 2020	<u>6</u>	<u>6</u>

Needham's Point Development Inc.

Notes to Financial Statements

March 31, 2020

(expressed in Barbados dollars)

14 Contingent liability

The Company is in arbitration with R.J Associates Limited with regards to the resolution of an ongoing matter. At the date of this report, the matter has not yet been finalised.

15 Write-off of intragovernmental debt

As at January 31, 2019, the Ministry of Finance, Economic Affairs and Investment instructed state owned enterprises and other public bodies to write off intragovernmental debt (including tax refunds and budgetary transfers which have not been made) incurred prior to September 1, 2018 effective December 31, 2018. The following balances were written off during the year:

	2020 \$
VAT receivable	222,498
Associated company balance	(52,134)
Adjustment to share of net income for associated company	<u>(1,566,795)</u>
Net adjustment recorded through statement of changes in equity	<u>(1,396,431)</u>

16 Subsequent events

Subsequent to March 31, 2020 the COVID19 global pandemic has had a negative impact on Barbados. The Company has a significant investment in Needham's Point Holdings Limited that owns the Hilton Hotel who's occupancy dropped from 90% in mid-March to single digits by month end. Since the mandatory shutdowns locally and internationally, the occupancies of the hotel have dropped to less than 3% for the first quarter of the new financial year. The projections for the remaining quarters of the financial year are currently forecasting increases into the 10s, 20s and 30s by the end of the calendar year and the 50s for the subsequent 12 months. This however, is dependent on the rates of infections and recoveries in the source markets and the resumption of commercial flights into Barbados.



Needham's Point Development Incorporated
#4 Stafford House, The Garrison
St. Michael, Barbados