

IM
EX
TRANS
HOME
MARINE
GREEN
BARBADOS

PORT INC.



VISION 2030

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.



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PLOTTING A NEW

TIRA



FACTORY



COMPANY

PROFILL

The Port of Bridgetown is an award-winning, full service, international trade seaport located in Barbados and managed by Barbados Port Inc. (BPI). It is by comparison 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 approximately 90% of the 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 shareholders, 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

Senator Lisa Cummins
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

Mr. Esworth Reid
Director

Corporate Secretary
Ms. Karen Forde

Auditor
PricewaterhouseCoopers
SRL

Bankers
Republic Bank
(Barbados) Ltd.
First Citizens Bank
(Barbados) Ltd

Attorney-at-Law
Lystra Kodilinye
Clarke Gittens Farmer
George Walton Payne & Co.
Ralph Thorne



Senior Management Team



Mr. David Jean-Marie
Chief Executive Officer



Mr. Kenneth Atherley
Divisional Manager,
Operations



Mr. Curtis Smith
Divisional Manager,
Human Resources



Capt. Karl Branch
Divisional Manager, Corporate
Development & Strategy



Ms. Karen Forde
Chief Financial Officer &
Corporate Secretary



Mr. Ian Stewart
Manager,
Terminal Operations



Lt. Cmdr. Fernella Cordle
Manager,
Security Services



Capt. Carl Gonsalves
Manager, Marine Services
& Harbour Master



Mr. Glenn Roach
Manager, Quality
Assurance, Employee
Training & Development



Mr. Albert Soudatt
Accountant



Mr. Tedroy Marshall
Manager, Engineering
Services



Mrs. Michelle Webster
Manager, Management
Information Systems



Mrs. Charmaine Soo Chan
Manager, Internal Audit



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



Ms. Jane Brome
Manager, Market Development
& Cruise Operations

Chairman's Review



Senator Lisa Cummins
Chairman

This is the first Report of Barbados Port Inc. (BPI) since my appointment as Chairman on July 1, 2018 and it is my pleasure to use the opportunity to present the contemporary vision of the Bridgetown Port.

This is a moment of change. Nationally, Barbados is without question in a historic period. Out of years of sustained depression, we have begun an aggressive and ambitious structural adjustment program aimed at stimulating growth and effecting transformation into a world-class economy and society. The Port must help to enable that transformation.

New partnerships, new domestic and outward investments in greenfield and brownfield areas of commercial activity, infrastructural and capacity expansion and upgrades, investment in our people through upskilling and retooling, global benchmarking of best practices, innovation and technological development, new and redefined relationships with old, new, traditional and non-traditional partners all must combine as the planks on which the contemporary incarnation of the Bridgetown Port is built.

This is where the Bridgetown Port of 2019 is going and we call it 'The Second Wave of Corporatisation.'

In order to plot a new trajectory, first, we needed as a Board, a group of directors, all outstanding in their various spheres of influence, to understand where we were. And so upon appointment, we received a comprehensive induction which included meetings with senior management and town hall meetings with staff at every level. This has continued throughout the past year. As Chair, with a background in international trade, I made it a point of reference to understand how the nation's sole cargo and cruise port supported, at a conceptual and operational level, the delivery of services to a wide range of stakeholders and clients, domestic and international. One thing is clear, the Port is a complex, fast paced and dynamic place and it has been an intense year of complete immersion. In the process, it has been my absolute pleasure to have had the opportunity to work closely with the BPI management and staff who are exceptional professionals who personify experience, skill, sacrificial dedication, professionalism and hard work above and beyond the call of duty. Collectively as a Board, Management and staff of BPI, I am proud to lead a team that has spent the year assessing where we were, projecting where we needed to be, and then moving together towards a common goal of Port transformation and national development through our individual and collective efforts.

Now, we have a new emerging policy framework on which we will build in the coming year with the addition of a new Master Plan and Investment Plan. So far, we have developed a new Vision, Strategic Plan and identified our Mission Critical objectives. We have a clear vision supported by precise deliverables, time bound targets and individual responsibility through a robust monitoring and evaluation framework.

We now have the Bridgetown Port's 'Vision 2030' as our policy direction.

2018-2019 was a foundation year for Vision 2030 and we set key benchmarks that we needed to reach in order to position us for the second year which we have termed our 'Incremental Year'. That should take us into a 'New Foundation' for our third year which we expect to give way to 'Radical Transformation' and ultimately 'Breakthrough Transformation' in years four and five respectively.

I am pleased to say that the Port has met and exceeded our goals for this Foundation year and has achieved 32% of our Mission Critical objectives. We undertook a holistic review of all contractual arrangements and in some cases ended old outdated contracts which were inconsistent with good corporate practices, revised and renegotiated others and developed new updated rates and policies. We have mapped out the pathway to create deeper integration of the BPI into the upstream and downstream services associated with a major Port and in so doing, have created a new Business vision, Mission, revised the business model and begun to look at new business opportunities and partnerships, local, regional and global, which will position the Port to emerge as a Southern Caribbean Logistics and Transshipment Hub.

But there have been the inevitable challenges along the way.

In the same way that the national economy was challenged by a series of problematic contracts and the associated liabilities, high debt service ratios and rising operational costs, internal to the Port there were similar challenges. Among the first priorities for the new Board were addressing the financial position of the Port, lowering debt service ratios, managing cash flow, collecting receivables, minimizing exposure to liabilities and renegotiating contracts. Stabilizing BPI's financial position was critical. As expected therefore, this period was marked by declining revenues and increasing expenses and this in itself presented some challenges to our operations.

Externally, Barbados' continuing trade deficit meant that this year showed declining exports and increased imports which influenced the revenues of the Port on the cargo side. Despite a general decline in tonnage handled this year, BPI registered a 10-year high in Bulk Cargo, where tonnage handled exceeded 1 million for the first time in 10 years. Some 1, 023, 964 tonnes were handled, 5% more than volumes registered in 2017/18. Our Board has had to rationalize with the team how we can expand our cargo business line, increase revenues and extend our profit margins.

In cruise, homeporting arrivals expanded 4.5%, even though there was a decline in the number of vessel calls and overall passenger numbers. Six cruise ships made inaugural calls at the Port of Bridgetown. Here we have had to rationalize our needs in cruise infrastructure and make key decisions.

OPPORTUNITY

“It is our people who were instrumental in the Port of Bridgetown copping the highly coveted Caribbean Shipping Association’s Multi-Purpose Port of the Year Award 2018, emerging the big winner from among 12 competing Ports across the Caribbean and Latin America.”

Yet despite a challenging period, a source of pride for the BPI was that in keeping with the national wages and salaries agreement for workers, the Company agreed to a 5% increase for workers on a retroactive basis effective 2016.

This was an important decision to make because we believe in supporting our people. It is our people who were instrumental in the Port of Bridgetown copping the highly coveted Caribbean Shipping Association’s Multi-Purpose Port of the Year Award 2018, emerging the big winner from among 12 competing Ports across the Caribbean and Latin America. Winning in the Multi-Purpose Port category confirmed outstanding performance in dependability and flexibility, port efficiency and productivity, port growth and development, security, health, environment and safety. All this is in no small part due to the skill and dedication of our entire team and our partners. Every single success the Port has recorded has been on the shoulders of our team and we value them.

Successes and challenges all combined, we at the Bridgetown Port have been staying the course and with our Mission Critical Objectives met, internal assessment and transformation underway, new Vision, Mission and Strategic Planning completed, we are confident that the BPI will by 2030 become ‘The most innovative, green maritime hub in the world.’ That is our Mission and we like Barbados, will continue to punch above our weight. We will be a part of the transformation of our nation and we will add value. But, we cannot do it alone.

“Sincerest Appreciation”

So we convey our sincerest appreciation to those who have stood alongside and facilitated the Bridgetown Port this past year and beyond. We extend our gratitude to:

The Honourable Mia Mottley, Q.C, M.P., Prime Minister of Barbados

The Government and People of Barbados

**The Honourable Kirk Humphrey, M.P., Minister of Maritime Affairs
and the Blue Economy**

Management and staff of Barbados Port Inc.

Shipping Association of Barbados

The Barbados Workers' Union

Barbados Tourism Investment Inc.

Barbados Tourism Marketing Inc.

Barbados Customs Brokers and Clerks Association

Barbados Cruise Terminal Inc.

Town and Country Development Planning Office

Coastal Zone Management Unit

Customs and Excise Department

Royal Barbados Police Force

Immigration Department

Ministry of Maritime Affairs and the Blue Economy

Ministry of Tourism and International Transport

Ministry of Foreign Affairs and Foreign Trade

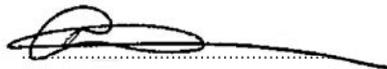
Ministry of Small Business, Entrepreneurship and Commerce

Ministry of Finance, Economic Affairs and Investment

Ministry of Health and Wellness

Ministry of Agriculture and Food Security

Ministry of Transport, Works and Maintenance



Senator Lisa Cummins

Chairman

MISSION CRITICAL DELIVERABLES

Status as at March 31, 2019

Enhanced Port Security

Install Pallet Scanner at Shed 2	Expand and improve the CCTV distribution	Develop a protocol for 100% scanning and pre-scanning of containers	
Truth Verification Test (TVT)	Install Passive IR motion detectors and Geofencing	Outfit a Command Centre	Work with Royal Barbados Police Force to support a K9 unit
●	●	●	●
NOT YET STARTED	IN PROCESS	COMPLETED	ONGOING

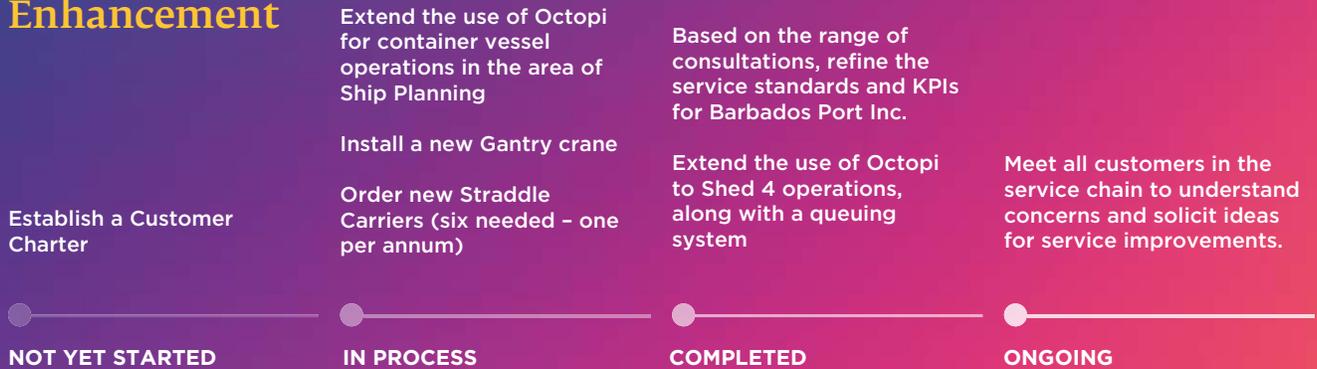
Strategic Planning

	Update the Master Plan (2019-2029)	Conduct a Strategic Planning Review to update the Strategic Plan for Barbados Port Inc.	
	Complete the Business Plan (2019 - 2024)		
●	●	●	●
NOT YET STARTED	IN PROCESS	COMPLETED	ONGOING

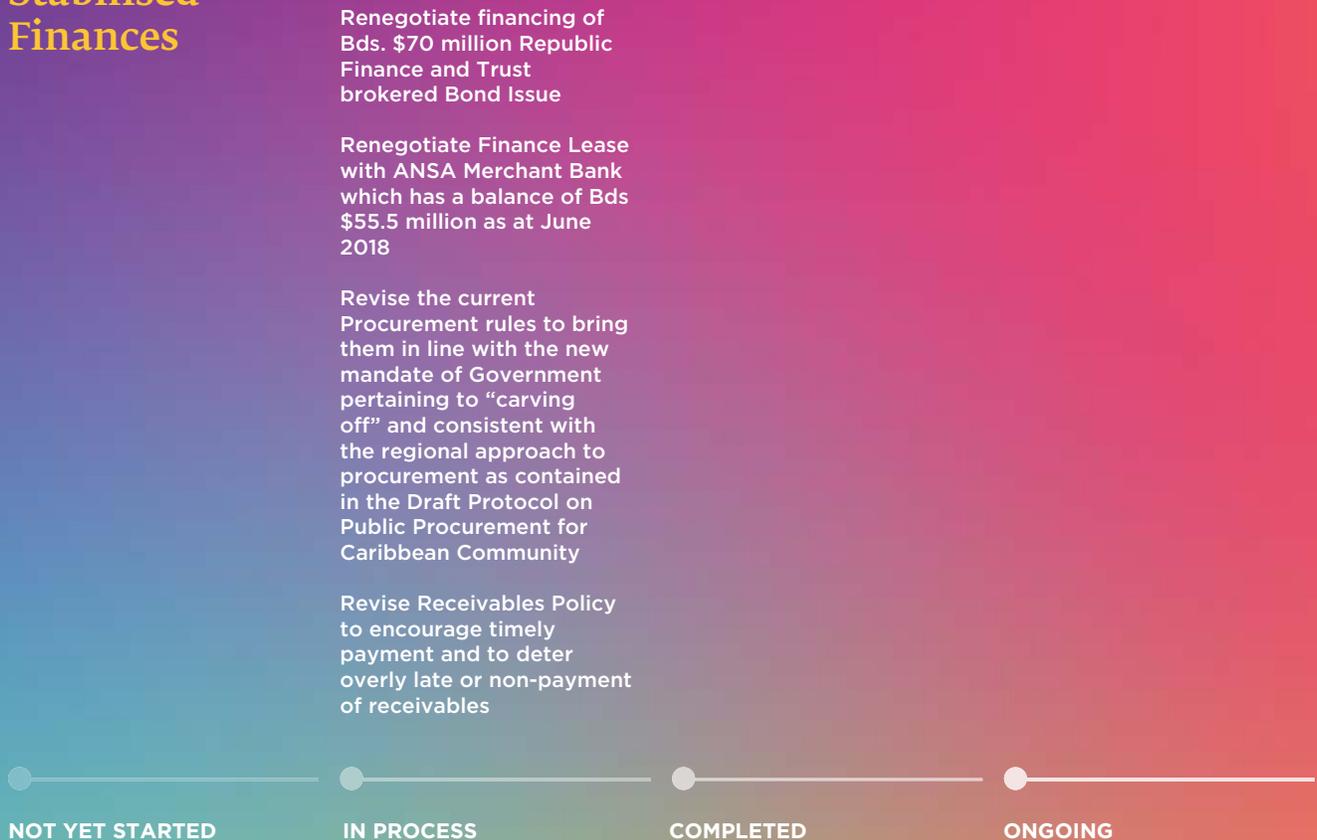
Cruise Service Enhancements

Deploy the tram system to facilitate movement of passengers between		Produce branded directional signage to facilitate movement of passengers	Meet with key customers in the service chain to understand concerns and solicit ideas for service improvements.
Enhance Tour dispatch systems		Introduce a new taxi dispatch system	
●	●	●	●
NOT YET STARTED	IN PROCESS	COMPLETED	ONGOING

Cargo Operations Enhancement



Stabilised Finances



Staff Empowerment

Establish a Training Centre in conjunction with the CMU, TVET and SJPI	<p>Complete Job Evaluation</p> <p>Implement the Performance Appraisal and Performance Management/ Incentive Scheme, to complement the Customer Charter Programme</p> <p>Complete the culture reform programme to address deep seated cultural attitudes that affect performance and worker attitude</p>	<p>Settle wage/salaries increases with the BWU</p> <p>Resolve and negotiate long outstanding increments for Clerical Division with the BWU</p>	
NOT YET STARTED	IN PROCESS	COMPLETED	ONGOING

Leveraging Technology

	Develop IMO Maritime Single Window		
NOT YET STARTED	IN PROCESS	COMPLETED	ONGOING

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	<p>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:</p> <ul style="list-style-type: none"> • Agreement on when the lease ends, • The continuing head tax split, and • review of the maintenance arrangements 	<p>Review the brief on the Fish of Barbados Case. The injunction against the Port with respect to retaking possession of water front 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</p>	<p>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.</p>
IN PROCESS			

Projects

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 and complete the repairs and upgrade to the Speightstown Jetty to make it ready to accommodate tender vessels from cruise ships berthed offshore at Speightstown.

Repair/refurbish the Hilton Jetty

Expand berthing capacity at the Shallow Draught

Complete the planning process, engineering work and business negotiation, to kick-off the Sugar Point Cruise facility.

Install Photovoltaic Solar Panel at BCTI, Old Mechanical Workshop and the Mechanical Shed



Corporate Social Responsibility

Adopt fishing villages in Barbados, and assist in developing the associated infrastructure and facilities, commencing with Pile Bay and Weston.



Financial Performance Review

According to the Central Bank of Barbados (CBB), the forecasted growth for 2019 was projected to be in the range of 0.5% to 1%.

This growth was expected to be influenced by new investments, particularly in the private sector, along with the emerging medical education sector and increased airlift out of the United States to create a strong up-tick in activity. Overall, the outlook for the local economy was for a sustained recovery working within the IMF programme to revitalize the economy. However, while improvement was recorded most notably in the tourism sector, the anticipated overall growth did not occur and in fact there was a decline in the overall economy of 0.1%.

During fiscal year 2019, volumes and revenues were heavily influenced by the business and financial climate and more specifically the activity that did not take place as anticipated. Total Income was registered at \$96.2 Million, 2% down from 2018's revenues of \$98.4 Million.

The performance review indicated that with the exception of passenger levies, there was a decline in all major operations revenue areas. While the reduced excess storage receipts indicated that cargo was being released from the Port at a faster rate, the fall in cargo handling revenue reflected the overall reduction in cargo volumes transiting the Port.

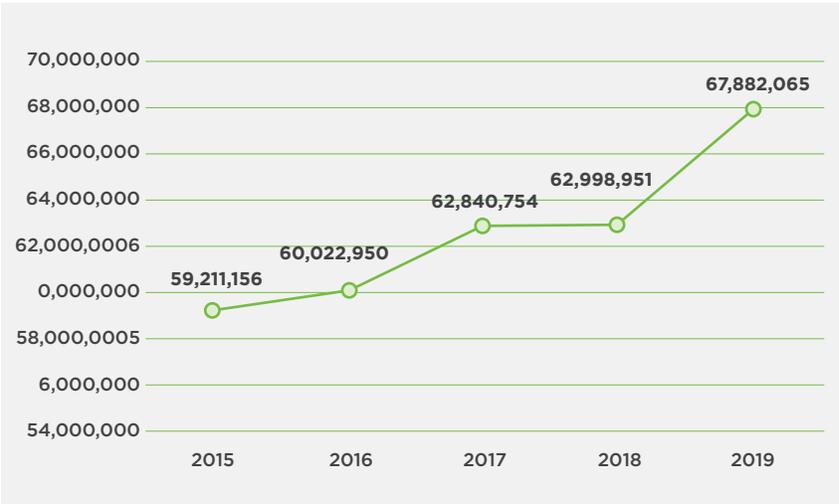
TABLE 1: BREAK DOWN OF REVENUE FROM OPERATIONS (\$)

	2015	2016	2017	2018	2019
Cargo Handling	49,798,558	59,999,870	66,164,061	64,079,637	63,802,359
Excess Storage	2,326,662	2,547,940	2,014,664	3,152,318	1,774,217
Marine Revenue	6,316,572	7,284,410	8,504,346	9,960,948	9,856,829
Passenger Levy	7,030,862	7,960,524	8,087,251	8,575,897	8,910,000
Other	6,859,171	7,740,953	9,261,539	9,255,384	8,978,650
TOTAL	72,331,825	85,533,697	94,031,861	95,024,184	93,322,055

Operating expenses meanwhile grew by \$4.9 Million largely as a result of increased staff costs related to payment of a 5% retro-active remuneration to all employees, as well as, incremental increases with retro-active pay to clerical officers.

Profit before tax was \$19.5 Million, which represented a decline of \$520 000 (2.6%) as a result of the changes in revenues and expenses outlined above.

**FIGURE 1:
OPERATING
EXPENSES
2014/15-
2018/19**



**FIGURE 2:
PROFIT/
(LOSS)
BEFORE
TAXATION**



STATEMENT OF FINANCIAL POSITION

Overview

The financial position of BPI as at March 31, 2019 showed a \$40 Million decline in total assets largely as result of the change in corporation tax rate from 25% to 5.5% which would have caused a reduction of almost \$30 Million in the value of the deferred tax asset. Additionally, BPI has been aggressively pursuing the collection of its receivables which have now fallen by \$5.6 Million. Some of the measures implemented to improve receivables include vigorous pursuit of 100% deposit before servicing vessels, implementation of a finance charge on balances over 90 days, follow up calls with customers, implementation of payment plans for old balances and improved speed of billing.

Current assets declined by \$3.9 Million as a result of a \$5.3 Million decrease in gross trade receivables and an improvement in cash (\$1 Million) and inventory (\$0.6 Million) when compared to the previous year ending March 2018.

During the year, BPI increased contributions to its pension fund which reduced the year-end pension liability by \$5.3 Million. The long-term portion of loans decreased by \$21.8 Million as the Ansa Merchant Bank Tranches 1 & 2 approached the last two years of pay-off.

Liquidity

BPI realized a working capital deficit of \$0.9 Million. This means that the current liabilities of the Company exceeded its current assets. Comparatively, in prior year, there was positive working capital of around \$3 Million. This reduction in available working capital when compared to the prior year, is the result of the dramatic reduction in accounts receivable by \$5 Million along with an increase in cash (\$1 Million) and inventories (\$0.6 Million) while all other groupings of current assets and liabilities remained relatively unchanged. The current ratio also decreased to 1 from 1.1 as a result of the foregoing.

Activity

During 2018/19, it took 54 days to collect outstanding receivables. While this represents an improvement over the previous year's 60 days to collect, greater efforts will be applied to lower this ratio to 35 days as documented in the Strategic Plan. Some measures implemented have already brought down the balances to half of the prior year while others, such as the introduction of a finance charge on balances over 90 days, are expected to yield results in the 2019/2020 financial year.

Leverage

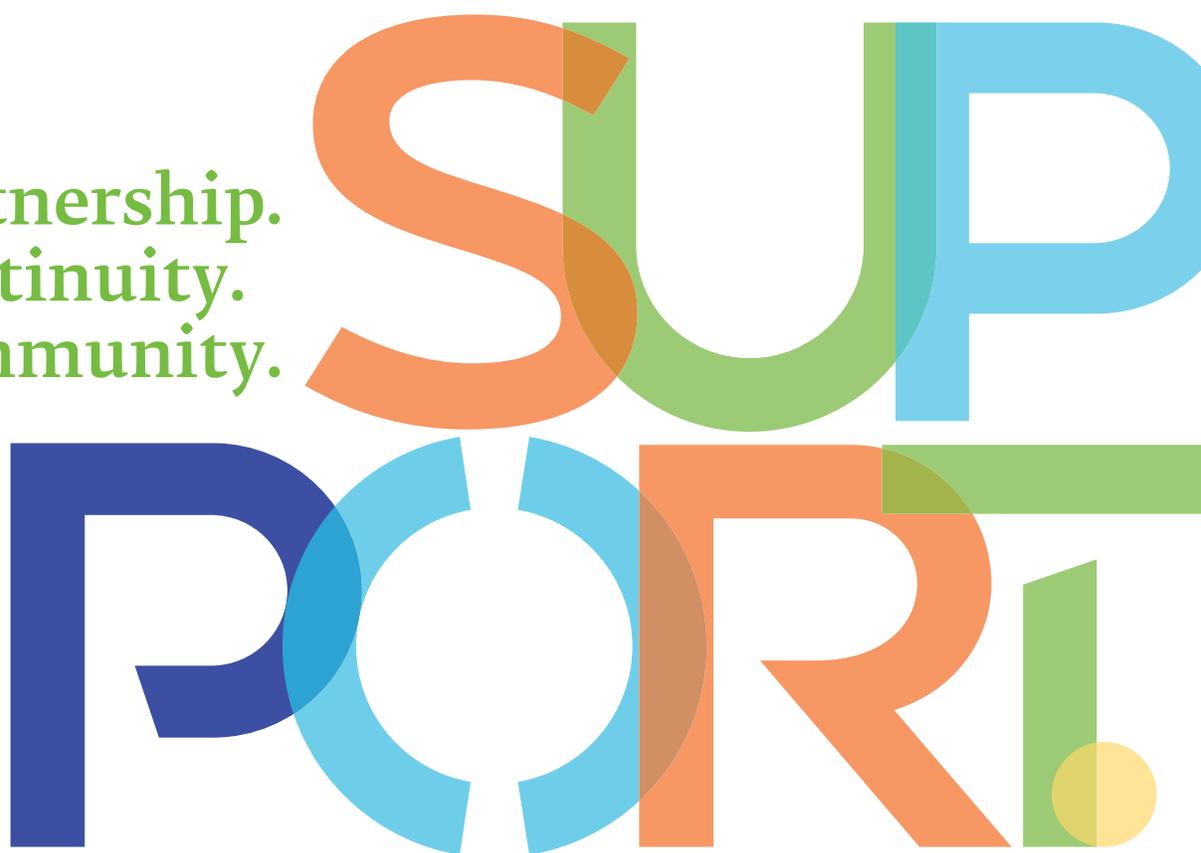
The Company remains highly leveraged, characteristic of its highly capital intensive nature. The debt to equity (D/E) ratio stood at 0.84:1 in the current year as compared to 0.93:1 in 2018. As a highly leveraged entity, debt service cost, in the form of interest payments, is one of the key uses of cash resources. Finance costs were \$9.2 Million in the year under review as compared to \$10.3 Million in the previous year. The reduction in costs and the D/E ratio is the result of final payment being made on a bond facility in September of 2018.

Key financial position balances and ratios are reported below:

TABLE 2: STATEMENT OF POSITION HIGHLIGHTS

	2015	2016	2017	2018	2019
Current Assets (\$M)	13.72	13.84	34.40	33.13	29.17
Accounts Receivables (\$M)	7.54	6.49	8.92	12.02	6.84
Non-current assets (\$M)	216.96	309.29	297.46	335.35	299.49
Total Assets (\$M)	230.68	323.13	331.87	368.48	328.66
Current Liabilities (\$M)	64.89	32.19	35.31	29.88	30.03
Long-term Liabilities (\$M)	68.87	125.56	112.98	147.88	119.91
Total Equity (\$M)	96.92	165.38	183.57	190.72	178.72
Total Liabilities & Equities (\$M)	230.68	323.13	331.87	368.48	328.66
Working Capital (\$M)	-51.17	-18.35	-0.91	3.25	-0.86
Average Receivables (\$M)	7.47	7.01	7.71	10.47	9.43
Total Debt (\$M)	133.77	157.75	148.29	177.76	149.93
Debt/Equity	1.38	0.95	0.81	0.93	0.84
Current Ratio	0.21	0.43	0.97	1.11	0.97
Days to Collect Receivables	54.75	42.67	42.51	59.64	53.95

Partnership.
Continuity.
Community.



Operational Performance Review

VESSEL CALLS

The Port of Bridgetown's geographic position makes it an ideal gateway for international trade and commerce.

During the period April 1, 2018 to March 31, 2019, some 1,495 vessels called at the Port (*see Table 3*). This was significantly down against vessel calls recorded in the previous year, a reflection of fewer cruise ship calls and general cargo calls. The marked reduction in cruise calls came as itineraries normalized against those in the previous year, when Barbados gained as a result of deployments from hurricane battered destinations.

Some 845 cargo vessel calls were recorded, comprised of Container, Break Bulk, Dry Bulk, Molasses, Bulk Sugar, Cement and inter-island vessels as well as Tankers. This year's cargo vessel arrivals compare to 873 in the previous year. Whilst fall offs were noted in General cargo vessels calling at the Deep Water Harbour and Shallow Draught, increased calls were registered at the Bulk Handling Facility.

TABLE 3: BREAKDOWN OF VESSEL CALLS BY MAJOR CATEGORY (2009/10 - 2018/19)

Vessel Calls	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Cruise	438	403	399	357	374	382	412	453	498	420
General Cargo - Deep Water Harbour	550	486	437	403	422	454	499	549	486	470
General Cargo - Shallow Draught	157	120	114	105	99	105	125	123	121	111
Cargo - Bulk Handling Facility (Inc PF)	12	30	17	14	15	7	19	9	6	12
Bulk Sugar	2	3	2	2	1	2	2	1	0	1
Molasses	10	15	11	10	7	7	13	12	7	7
Cargo - Cement Plant	98	84	96	83	124	79	71	68	86	89
Tankers	132	142	135	148	139	138	135	156	167	155
Other Vessels	400	449	396	430	403	364	397	382	239	230
Total Calls	1,799	1,732	1,607	1,552	1,584	1,538	1,673	1,753	1,610	1,495
% Change	-2.49%	-3.72%	-7.22%	-3.42%	2.06%	-2.90%	8.78%	4.78%	-8.16%	-7.14%

Cargo vessel calls represented 56.5% of total calls at the Bridgetown Port during the period under review. The remaining 43.5% were cruise ship calls and reported yacht visits.

CARGO OPERATIONS

Tonnage Handled

The Port recorded a 9% decline in cargo volumes, handling 1,255,134 tonnes in 2018/19, as compared to 1,374,818 tonnes in the previous year (see figure 3).

A breakdown of tonnage handled (see table 4) shows imports of 897,819 representing 72% of all volumes. Imports were however down 4% against those in 2017/18. Exports on the other hand grew 2% to reach 158,988 tonnes in 2018/19 and represented 13% of tonnage handled.

FIGURE 3: TOTAL CARGO (DWH & SD 2013/14 - 2018/19 (TONNES))



TABLE 4: BREAKDOWN OF CARGO HANDLED BY CATEGORY (2009/10 - 2018/19) (TONNES)

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Domestic										
Containerised Discharged	732,523	761,133	741,290	723,245	724,810	730,009	784,920	835,727	816,393	801,484
Breakbulk Discharged	77,291	89,051	86,832	70,934	70,543	76,548	80,359	99,774	92,436	83,645
Direct Delivery	0	0	0	0	0	0	23,000	46,011	29,017	12,690
Total Discharged (Imports)	809,814	850,184	828,122	794,179	795,353	806,557	888,279	981,512	937,846	897,819
% Increase / Decrease	-10.21%	4.99%	-2.59%	-4.10%	0.15%	1.41%	10.13%	10.50%	-4.45%	-4.27%
Containerised Loaded	132,599	137,355	143,113	148,412	159,844	157,641	130,684	147,227	151,585	154,090
Breakbulk Loaded	8,437	7,643	7,245	11,235	5,229	7,810	4,549	4,600	4,000	4,898
Total Loaded (Exports)	141,036	144,998	150,358	159,647	165,073	165,451	135,233	151,827	155,585	158,988
% Increase / Decrease	-10.86%	2.81%	3.70%	6.18%	3.40%	0.23%	-18.26%	12.27%	2.48%	2.19%
Transshipment Containerised										
Transshipment Breakbulk	9,281	8,022	8,014	5,954	7,736	12,400	16,440	17,558	11,070	9,220
Total Transshipment	106,060	74,879	43,872	29,011	46,901	106,295	164,811	222,727	266,368	189,619
% Increase / Decrease	11.05%	-29.40%	-41.41%	-33.87%	61.67%	126.64%	55.05%	35.14%	19.59%	-28.81%
Shifted - Containerised	7,517	10,745	7,284	5,753	4,303	7,920	9,601	12,737	15,019	8,708
% Increase / Decrease	-20.31%	42.94%	-32.21%	-21.02%	-25.20%	84.06%	21.22%	32.66%	17.92%	-42.02%
Total Tonnage Handled	1,064,427	1,080,806	1,029,636	988,590	1,011,630	1,086,223	1,197,924	1,368,803	1,374,818	1,255,134
% Increase / Decrease	-8.63%	1.54%	-4.73%	-3.99%	2.33%	7.37%	10.28%	14.26%	0.44%	-8.71%

“Barbados must therefore focus on increasing the number of boxes it exports, if it is to grow its share of transshipment business.”

The notable 29% reduction in transshipment relates to a shift in the discharge of containers by King Ocean Lines from Barbados to Trinidad. It is noteworthy that while Barbados’ performance in handling these containers has never been questioned, the fact is that in Trinidad, King Ocean is able to load more full containers than in Barbados. A shipping line can extend its profit margin by moving full boxes and decreasing its turnaround time. Barbados must therefore focus on increasing the number of boxes it exports, if it is to grow its share of transshipment business.

Total containerized tonnage handled across all categories of imports, exports, transshipment and shifted cargo measured 1,144,681 tonnes, some 91% of total tonnage handled. Containerized tonnage handled in the previous year was in the same percentile range.

Bulk Cargo handled

Bulk cargo reached its highest level in 10 years (*see Table 5*), during the period under review. Some 1,023,964 tonnes were handled, 5% more than volumes registered in 2017/18. Petroleum products continued to dominate this segment, coming in at 623, 673 tonnes— 61% of cargo handled. The second largest volumes handled were cement, which grew 13% to reach 211, 799 tonnes, some 21% of cargo handled.

TABLE 5: BREAKDOWN OF BULK CARGO HANDLED BY TYPE (2009/10 - 2018/19) (TONNES)

Bulk Cargo Handled	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Commodity										
Sugar	30,302	24,218	21,637	20,751	14,454	12,593	8,783	6,008	5,775	4,859
Molasses	26,523	55,997	44,867	45,254	37,620	41,741	38,151	47,400	54,398	55,828
Fish Oil/Margarine/Fat	800	0	0	1,498	0	0	0	0	0	0
Grain/Agribulk	91,389	76,511	74,836	82,568	74,708	72,210	84,212	65,413	74,118	60,775
Fertilizer	1,385	2,415	1,290	700	1,900	500	701	0	0	0
Petroleum Products	659,535	656,570	638,381	602,866	613,695	582,246	653,502	599,729	635,011	623,673
Limestone	0	0	0	3,700	10,500	1,000	0	0	0	0
Cement	125,528	113,331	115,118	94,767	167,572	130,575	138,318	146,350	186,952	211,799
Hydrated Lime	3,097	637	0	0	0	0	0	0	0	0
Gypsum/Pozzolan Gravel	34,965	30,955	22,434	16,990	36,527	8,210	4,092	8,308	12,519	11,083
Cement Plant Other	0	3,715	1,020	11,819	9,344	0	3,130	15,146	3,043	11,511
Iron Ore	3,000	700	1,424	997	2,864	993	2,501	1,974	2,586	3,758
Dwh Other	9,577	25,455	22,825	3,079	9,846	3,363	38,945	12,000	702	40,678
Total	986,101	990,504	943,832	884,989	979,030	853,431	972,335	902,328	975,105	1,023,964
% Change	-5.35%	0.45%	-4.71%	-6.23%	10.63%	-12.83%	13.93%	-7.20%	8.07%	5.01%

TABLE 6: BREAKDOWN OF CONTAINERS (TEUS) BY STATUS (2008/09 - 2018/19)

TEUs Handled	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Inbound Laden	34,643	35,815	35,109	34,345	34,426	34,713	37,310	39,663	38,807	38,120
Inbound Empty	874	1,446	716	783	833	1,264	1,812	5,319	2,028	1,290
Outbound Laden	6,077	6,302	6,578	6,822	7,341	7,208	6,040	6,765	6,946	7,036
Outbound Empty	30,818	32,524	30,867	28,101	30,697	29,769	33,224	40,072	35,798	35,738
Transshipment	7,997	5,017	2,150	1,384	2,511	7,368	12,323	18,093	22,079	15,313
Total TEUs	80,409	81,104	75,420	71,435	75,808	80,322	90,709	109,912	105,658	97,497
% Change	-8.17%	0.86%	-7.01%	-5.28%	6.12%	5.96%	12.93%	21.17%	-3.87%	-7.72%

Container Traffic

The Bridgetown Port handled 97,497 TEUs during the year, an 8% reduction against those registered in the previous year when 105,658 TEUs were handled (See table 6). Of the total TEUs handled, 39% (38,120 TEUs) were imports while 7% were full exports comprising mainly manufactured and other cargo, including recycled product. Some 35,738 TEUs (37%) were outbound empty containers.

Personal Effects

The Port of Bridgetown continued to lose market share in the delivery of personal effects during the period under review. The 37,679 pieces handled this year, represented an 18% decline against the 45,847 pieces in 2017/18 (see Figure 4). The Port nevertheless continues to make additional improvements to discern itself against competing external entities offering similar services, through exceptional service delivery in this area of operations.

FIGURE 4: DELIVERY OF PERSONAL EFFECTS

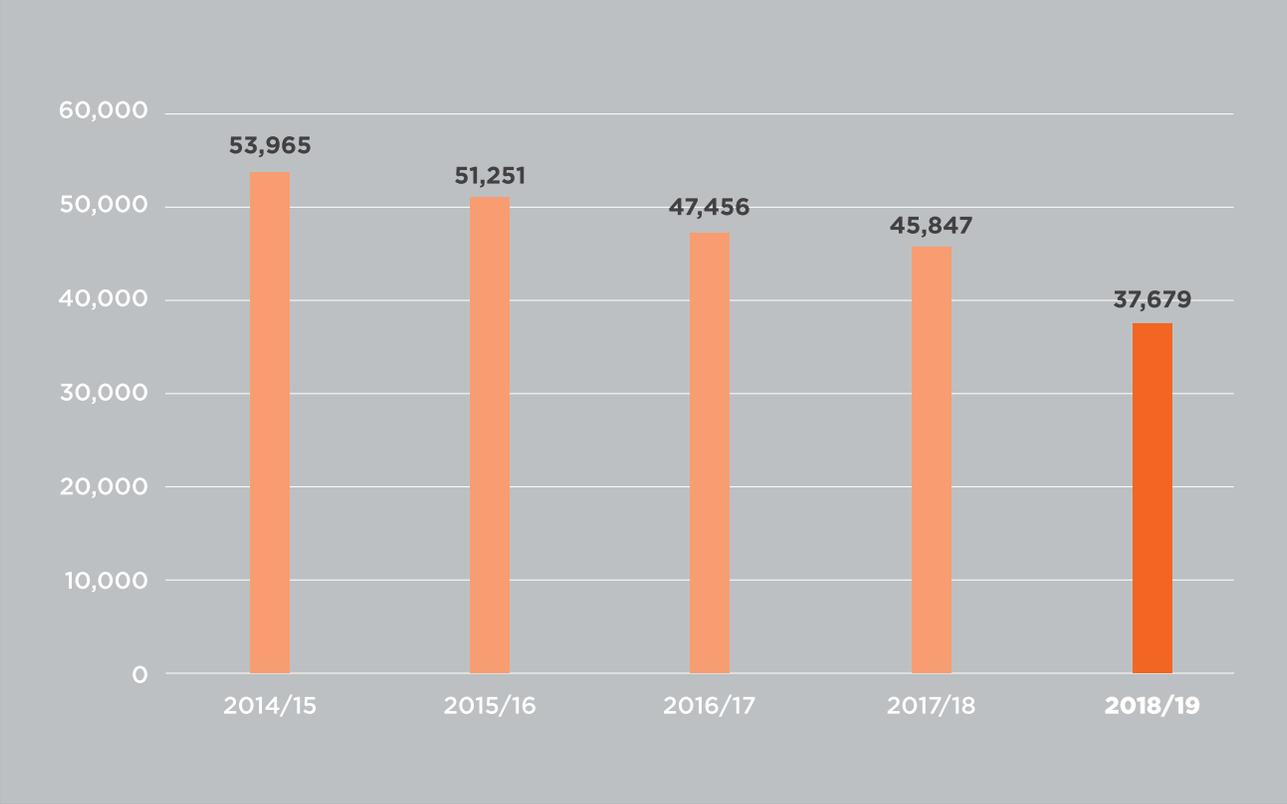
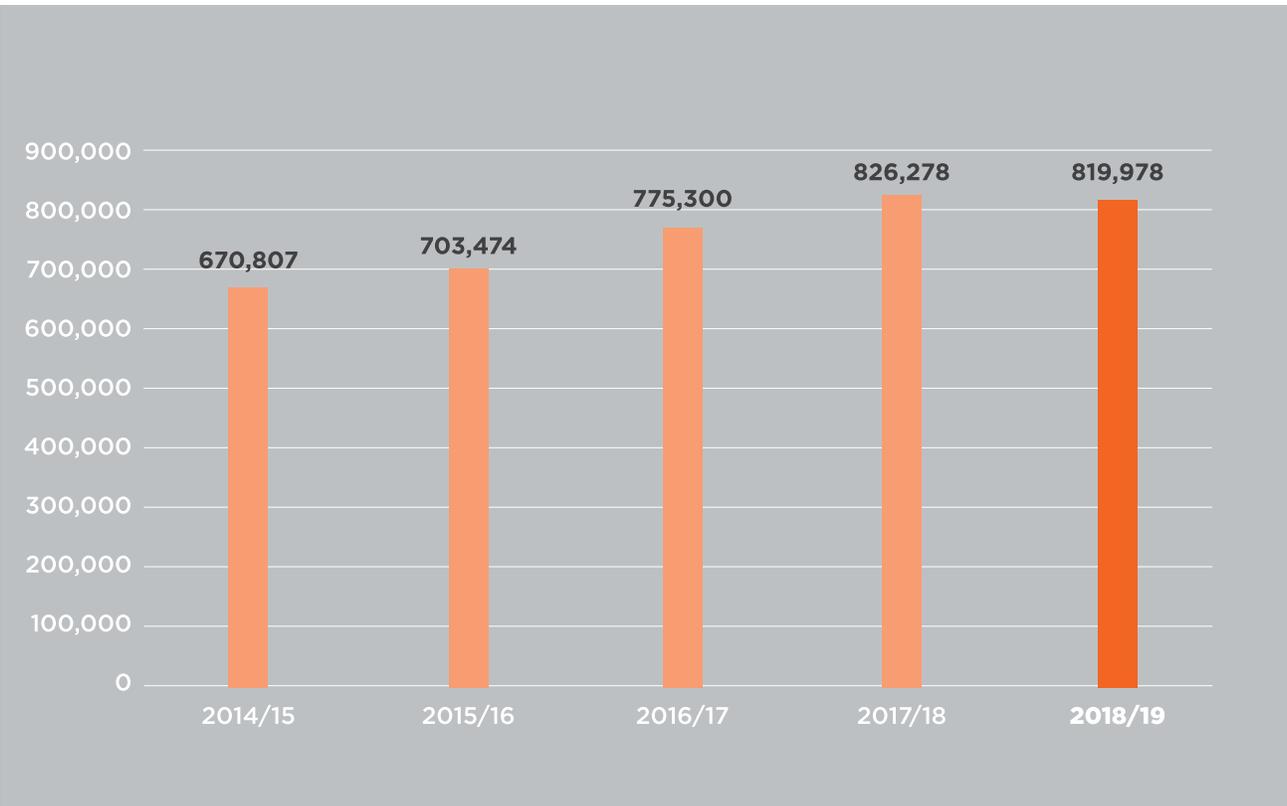


FIGURE 5: CRUISE PASSENGER ARRIVALS



CRUISE OPERATIONS

The Bridgetown Port welcomed 421 cruise ship calls during the financial year ended March 31, 2019. This compares to 467 calls during the previous year, when vessels were deployed to Barbados from hurricane-affected islands. Six vessels sailed into Barbados for the first time to a celebratory inaugural welcome, complete with the traditional exchange of plaques. These were the Carnival Breeze, Marella Explorer, AidaPerla, MSC Preziosa, Norwegian Escape and Le Champlain.

Passenger arrivals

Cruise passenger arrivals during the period April 1, 2018 to March 31, 2019 were registered at 819,978, a 0.8% decline against the 826,278 noted for 2017/18 arrivals (**See figure 5**).

There was some growth registered in Barbados' homeporting activities. Some 28 ships, representing 14 lines and carrying 199,024 passengers used the Port of Bridgetown as a homeport this year. This represents a 4.7% increase in the number of homeport arrivals when compared to the previous year, when 29 ships representing 14 lines were homeporting in Barbados with 190,133 passengers.

P&O vessels Azura and Britannia accounted for 33% of the total arriving passengers (66,657 passengers). Marella Cruises vessels Marella Celebration and Explorer, accounted for 24% of the arrivals with 47,986 passengers. AIDA Cruises vessel AIDA Perla accounted for 33,346 arriving passengers, representing 17% of the total arriving passengers (**See Appendix 3**).

Ensuring Business Continuity

This year, BPI initiated exploration of a new model for the organization to drive cargo, cruise and property development, while supporting productivity and profitability.

Cognisant that the environment in which BPI offers its services and interacts with customers must facilitate enhanced performance, one of the major projects commenced in January 2019 was construction of a new Administration Building. The new three-storey building which will replace the 40-year old existing building, is set to be completed over the next 15 months at an estimated cost of \$20 million. The new facility, which will also house BPI's parent Ministry— the Ministry of Maritime Affairs and the Blue Economy, will be jointly owned (50-50) by BPI and BPI's Defined Benefit Pension Plan (BPIDBPP). Through the joint company, One Port Investments Inc., the building will be leased, for 20 years, after which ownership will revert to BPI.

The construction of the new offices demonstrates BPI's dedication to modernising its infrastructure and capabilities. While it is expected that this building will become an important part of the corporate landscape, it will also serve as a technology driven output centre supporting the cargo and cruise portfolios.

The new building is also designed to embrace our push toward greater energy efficiency. Photovoltaic installation on the roof of the building and the carports will provide 40% of power required to operate the building.

Other major construction projects completed during the year were a tour bus shelter, a dedicated facility for housing the recharging stations for cruise passenger trams, refurbishment of the Taxi Associations' recreational facility and a new cargo scanning area for Customs and Excise Operations.

“The new acquisitions will complement the Port’s green initiatives aimed at energy efficiency and zero emissions.”

In keeping with our efficiency drive, BPI also sought to acquire new cargo handling equipment during the year, to better service cargo vessels. One new Hyster Empty Container Handler was received, assembled and commissioned and assembly of the new Panamax Container (Gantry) crane is underway. The new crane will boast enhanced lift capacity and support increased productivity.

Having acquired new machinery, the Engineering Department engaged in critical training in electronic and mechanical maintenance and repairs, organized by equipment suppliers and other specialized training institutes.

The Department’s efforts to maintain the entire fleet of cargo handling equipment was however not without challenges. Chief among the challenges experienced throughout the year were continuous failures of aged components and older equipment and difficulty in acquiring parts as several components are obsolete, and no longer in production.

Some success was however noted in keeping downtime to manageable levels and in bringing services more in line with acceptable levels. Acquisition of new equipment will continue in a bid to replace the ageing fleet. The new acquisitions will complement the Port’s green initiatives aimed at energy efficiency and zero emissions. An active review of electrical and mechanical systems on the older fleet of equipment is also slated, with planned upgrades to prolong working life until replacements can be facilitated.

As part of efforts to reduce congestion and enhance the customer experience at Shed 4, the Shallow Draught Shed was re-opened for the temporary storage and delivery of fruit. BPI also explored the implementation of Lean Six-Sigma methodologies at Shed 4, in line with its intention to boost process efficiencies. BPI formally accepted a proposal from Mr. Rod Morgan of RPM Academy to use the Lean Six-Sigma Process as a pilot project, with a goal of improving the entire commercial operation process from the notification to customer/agent of cargo arrival to the customer/agent exiting the Port facilities with their cargo, customs and fees paid. The project is a collaborative effort, as terminal operations span multiple agencies and stakeholders, namely the Customs and Excise Department, Barbados Revenue Authority, the Port Health and Plant Quarantine Units.

To date, the project team has been trained in the Lean methodology and process flows of the current state of operations were created. Manual data collection was performed, a customer focus group session was held and all data was analysed. Once completed, a future state action plan will be developed to promote efficiency and improve communication. It is envisioned that the project will see the implementation of a notification/booking system for cargo collection; joint/simultaneous agency examinations of cargo; visibility boards and improved signage to promote efficiency and improve communication.

As a signatory to the International Maritime Conventions (IMO) and the International Association of Marine Aids to Navigation and Lighthouse Authorities (IALA), the Port of Bridgetown has to conform to the standards and specifications as laid out in the conventions of these organizations. The Marine Services Department of BPI, which supplies pilotage, towage and mooring services to all vessels calling at the Bridgetown Port is responsible for ensuring compliance with these specifications.

The IMO held its first audit of Barbados during the period July 7-16, 2018. Conventions audited and passed by BPI were the International Convention for the Prevention of Pollution from Ships (MARPOL) and the International Convention for the Safety of Life at Sea (SOLAS 1974). The IMO Member Audit Scheme was intended to provide Member States with a comprehensive and objective assessment of how it administers and implements those mandatory IMO instruments which are covered by the scheme to which they are signatory.

With respect to marine vessels, both tugs, the Pelican II and Barbados II, successfully completed their Lloyds annual survey, the Radio survey and the Flag State survey during the year, verifying their compliance with required standards.

Driving Innovation & Technology

The Management Information Systems (MIS) Department this year continued to make strides in information technology strengthening and process digitization.

Terminal Operating System

With migration to the new cloud-based Terminal Operating System, OCTOPI, BPI achieved full integration of its operational applications used in the management of manifests, delivery orders, personal effects cargo, monitoring of reefer containers and management of cargo gates. Greater integration allowed for faster turnaround times in cargo handling. Introduction of this system on April 8, 2018, allowed BPI to track all its Key Performance Indicators (KPIs) relating to container and cargo activities in the port daily via a dashboard in real time— a facility from which the Terminal Operations Department has benefited significantly.

Monitoring the key elements of the operation on a continual basis ensured that the optimal operational performance was realized. The monitoring was backed by several supporting initiatives including:

- Requests to shipping lines to submit vessel plans so that operational staff can engage the Stevedores in aspects of the operational planning ahead of each vessel call.
- Mentorship of managers on their responsibilities during vessel operations.
- Greater collaboration between engineering and operational staff on equipment repairs and maintenance schedules relative to operational demands on a daily basis.
- Expansion of training on heavy-duty equipment to new operators, including attachments to Manzanilla International Terminal, Panama.

The above efforts combined to see greater consistency in the efficiency of vessel operations, as reflected in the KPIs— Average Moves Per Crane Per Hour, Average Truck Turnaround Time and Average Dwell Time for Full Container Loads (FCL Directly Delivery Containers) and Less than Container Load (LCL) (See **Table 6 and Figure 6**).

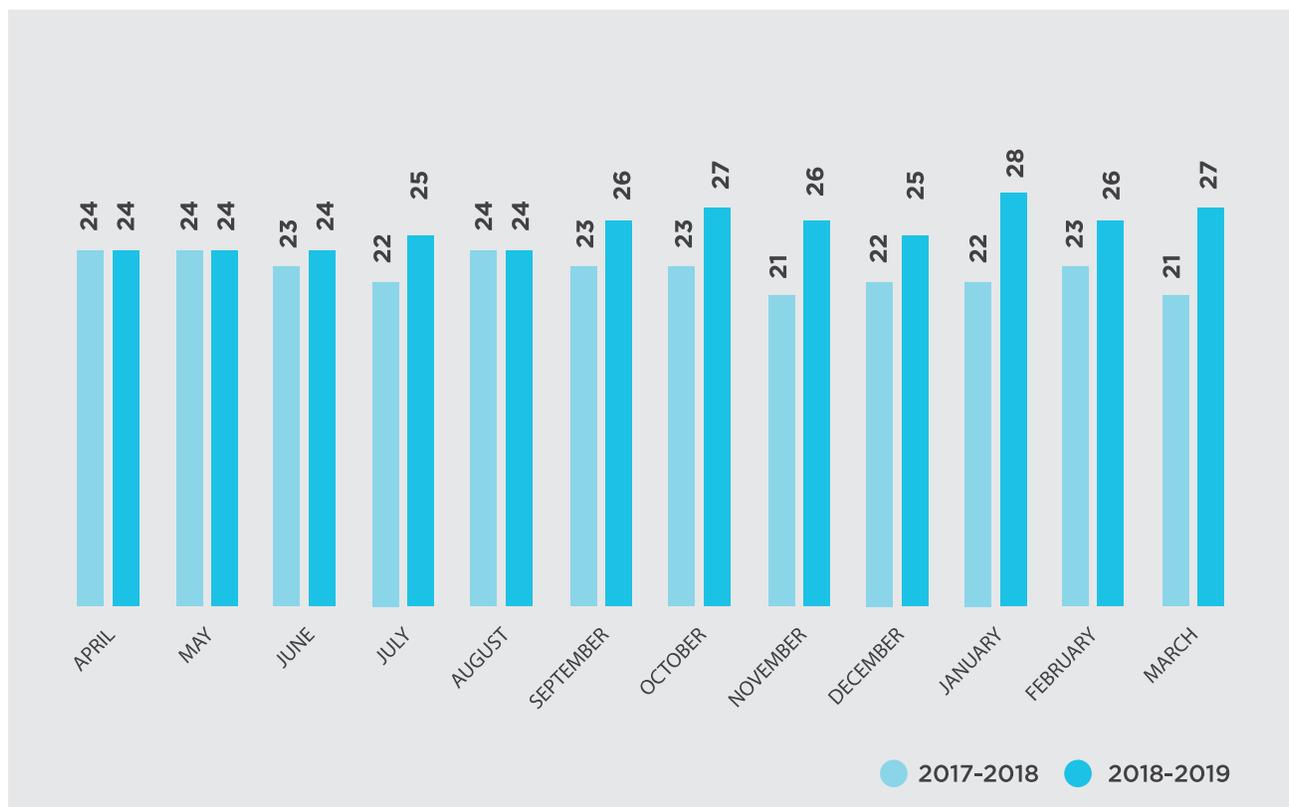
Moves Per Crane Hour/Crane increased from 23 to 26 on average, while Truck Turnaround Time decreased from 75 minutes in 2017/18 to an average of 49 minutes and Dwell time for full containers directly delivered averaged out steadily at 7 days and improved from 5 to 4 days for LCL (less than container load) cargo.

Implementation of OCTOPI, was coupled with efforts to reduce the Port’s billing cycle to 5 days. The project extended to the automation of manual invoices for all services. An invoice turnaround report showing the time between vessel departures and invoice production was developed, along with a Deposit Validation Facility. The facility,

TABLE 6 KEY PERFORMANCE INDICATORS

	2017/18	2018/19												
	Average	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Average
Moves per Hour/crane	23	24	24	24	25	24	26	27	26	25	28	26	27	26
Truck Turnaround Time (mins)	75	74	37	45	43	60	65	47	59	42	39	41	38	49
Dwell Time FCL	7	7	7	7	8	8	7	7	8	7	8	7	7	7
Dwell Time LCL	5	4	4	4	4	5	3	3	3	3	4	4	4	4

FIGURE 6: PRODUCTIVITY RATES CONTAINER HANDLING GANTRY CRANE



“The strengthened communication network means data is captured as it is generated, leading to greater accuracy and faster turnarounds for operations.”

made available to ship agents, allows for online submission of deposit estimates of ship services and associated charges for vessel visits, prior to vessel arrival. In the coming months, OCTOPI will be extended to the planning of vessel discharge and loading and the placement of containers and cargo.

Human Resource Information System

In July 2018, BPI introduced a Human Resources Information System (HRIS), OrangeHRM. It not only manages employee information but also allows employees to track and monitor their personal data. The OrangeHRM intranet also keeps staff informed on all port activities.

With the new HRIS all employee records were digitized and daily record keeping automated, eliminating the need for storage of large volumes of paper files. The Human Resource and Industrial Relations (HRIR) Division has since seen significant advances with improved communication between employees, reduced printing and paper costs, allowing more time to focus on strategic functions.

Network Upgrades

This year, the Port’s wireless network was expanded providing electronic communication coverage to surrounding waterways, berths and container yards. This facilitated the use of mobile tablets in terminal operations, security services and warehouse operations and supported the mobile fleet of tugs, straddle carriers and cranes. The strengthened communication network means data is captured as it is generated, leading to greater accuracy and faster turnarounds for operations. The extended wireless network also bolstered the security posture at the gates by allowing officers the ability to interrogate data on containers their contents and documented seals, at delivery.

The physical network was further upgraded to offer better control, higher capacity, faster throughput and increased uptime for all systems. The infrastructural changes also took into consideration the requirements for an expanded security surveillance network. MIS personnel implemented all these upgrades, a factor important to cost savings and valuable to knowledge building within the Company.

Service Improvements

On the service improvements side, electronic customer notifications and cargo tracking facilities continued to be heavily utilized. Some 889 customers requested email notification on the readiness of their cargo while 578 requested SMS notifications. Additionally 26, 120 customers used the cargo-tracking portal and submitted their security information prior to visiting the port for collection.

Other major activities executed by the department were aimed at addressing cyber security concerns, ensuring measures are in place to mitigate against threats and detect instances of breaches as early as possible. This included increased scrutiny of network activity and staff sensitization sessions. Two MIS employees in addition attended the Caribbean Shipping Association sponsored Cyber Risk Workshop in Miami, Florida. All in-house applications were reviewed to ensure compliance with the European Union’s General Data Protection Act. Beyond reducing the port’s Cyber Security exposure, closer collaboration with Security Department in the deployment of surveillance systems was also prioritized.

Developing a High Performance Workforce

BPI, through its HRIR Division, maintained its commitment to creating a high performance workforce through training and development and by ensuring the occupational safety, health, and overall wellbeing of all employees.

The focus on maintaining a safety culture meant BPI's Safety and Health Committee this year convened regular meetings and implemented key occupational safety, health and risk management initiatives. Safety audit/inspections of the Port were again conducted with the assistance of the Labour Department and the Barbados Fire Service and the emergency evacuation plan was reviewed.

The Medical Facility, which executes the employee wellness programme, continued to provide preventative care and wellness support to staff, monitoring chronic lifestyle illnesses and acting as First Responder to work related injuries and emergencies. The unit conducted staff assessments for blood sugar, cholesterol and Body Mass Index across all departments and encouraged all staff to participate in the Drink Water Today campaign observed on November 14, 2018 as part of World Diabetes Day. Staff were sensitized on topics including Leptospirosis, the importance of adequate sleep, the benefits of regular exercise and reducing sugar intake. On a monthly basis, approximately 100 persons utilised the services of the Medical Facility to seek first aid treatment or general consultation regarding health and wellness.

Human Resource Development

The main driver of the Company's training and development programme (see Table 7). was the strengthening of the internal talent pool. As a National/Caribbean Vocational Qualification Centre, BPI continued its competency-based training, assessment and certification.



TABLE 7: HUMAN RESOURCE DEVELOPMENT

Training	Facilitator	Target Audience	No. of Participants
CVQ Stevedoring Foundation Skills Level 1	Barbados Port Inc. Training & Development Unit	Dockers in Terminal Operations	23
NVQ Stevedoring Level 2	Barbados Port Inc. Training & Development Unit	Cargo Supervisors and Equipment Operators in Terminal Operations	11
CVQ Management Level 2	Barbados Port Inc. Training & Development Unit	Supervisory personnel of various departments	24
NVQ Occupational Safety and Health Level 2	Barbados Port Inc. Training & Development Unit	Employees of various departments	28
Standard of Training, Certification and Watchkeeping (STCW)	Caribbean Fisheries Training and Development Institute, Trinidad, under the auspices of the Samuel Jackman Prescod Institute of Technology	Employees in Marine Services	6
Line Handling	Caribbean Maritime Institute	Employees in Marine Services	7
Maritime Safety Information	International and UK Hydrographic Offices	Berthing Masters	5
High Risk Shiphandling and Emergencies for Pilots	STAR Centre, Florida	Berthing Masters	7
Pilot Launch Operator training	Barbados Coast Guard	Launch Driver, Assistant Launch Driver, Lineman	7
Electrical, mechanical and hydraulic training	Liebherr Mechanical	Supervisory and Mechanical personnel in Engineering Services	13
Bromma STS45 Mechanical and Hydraulics	Bromma	Mechanics	9
Bromma STS45 Electrical and Software Learning	Bromma	Technicians	9
Cyber Risk Workshop	Caribbean Shipping Association	Manager MIS Assistant Manager MIS	2
Lashing & Securing Technology Training	Global Port Training	Dockers, equipment operators, cargo supervisors	9
Cargo Handling Unit Operations	Barbados Port Inc.	Terminal Operations personnel	4
Crane Operations	Barbados Port Inc.	Terminal Operations personnel	2
Forklift operations	Barbados Port Inc.	Terminal Operations personnel	5
Ship Foreman Operations	Barbados Port Inc.	Terminal Operations personnel	6
Human Resource Practices and Procedures Workshop	Port Management Association of the Caribbean	Local and Regional Human Resource Practitioners	5
Maritime & Port Security Training Workshop	Galilee International Management Institute, Israel Organisation of American States (OAS)	Assistant Manager, Security Services	1
Law Enforcement Workshop	Regional Security Systems Caribbean Law Enforcement Foundation	Security Officers	5

TABLE 7: HUMAN RESOURCE DEVELOPMENT

Shore Excellence Workshop for Front Line Cruise Workers	Aquila Training Barbados Tourism Product Authority (BTPA), Florida-Caribbean Cruise Association (FCCA)	Security Services personnel Marine Services personnel Taxi Dispatchers	14
Delivering Excellence from Ship to Shore	NISE	Security Services personnel Equipment Operators Taxi Dispatchers	31
Customs, Terminal and Port Agency seminar	Caribbean Shipping Association Barbados Port Inc. Shipping Association of Barbados	Employees of various departments	5
Certified Port Executive Management Training	Certified Port Executives Programme	Managers	2
Coaching and Mentorship	Port Management Association of the Caribbean, Barbados Port Inc. Shipping Association of Barbados	Employees of various departments	25
Strategic Leadership & Innovation	Caribbean Shipping Association Barbados Port Inc. Shipping Association of Barbados	Employees of various departments	10

Other Training

The Port commenced meetings and training of supervisory level employees in handling employee grievances, conflicts and the flow of communication within the organisation. In compliance with the Sexual Harassment Act 2018, BPI conducted mandatory training amongst employees on its Sexual Harassment Policy and issued a policy statement to the relevant stakeholders.

Employee Performance Appraisal Implementation of performance monitoring at BPI was advanced with the submission of performance goals for each category of employee in the Finance, Human Resources, Marketing and MIS Departments, as well as the Employee Training and Development section of the HRIR Division. The remaining

operational departments within the Port are expected to be brought into the appraisal process by June 2019.

Job Evaluation

With significant changes in labour functions, duties, methodologies and tools BPI management met with the Barbados Workers' Union (BWU) on the recommencement of the Job Evaluation exercise. Discussions on the evaluation scheme are still ongoing, and a decision now needs to be taken on the way forward.

Industrial Relations

During the period under review, BPI and the BWU maintained good and healthy industrial relations, which facilitated a harmonious labour management climate at the Bridgetown

Port. This positive climate meant the Port operated free of any industrial action, strikes and or disputes. Management was successful in convening regular meetings with the union delegates in various areas of operation to discuss working conditions and other work related matters and was able to successfully implement processes to enhance the working environment.

In September, BPI and the BWU reached an accord on salaries and wages. The accord defines a 5% salary and wage increase effective October 1, 2016, with new Salaries/Wages effective October 15, 2018.

On December 13, 2018, BPI and the BWU reached an agreement relative to the payment of outstanding increments to Clerical Officers for 85% of the backpay owed on basic salary only, for the periods commencing June 1, 2008 to June 1, 2018. This agreement took effect on February 1, 2019.

This year the Marine Services Department moved from a two - shift Monday to Friday system to a two - shift any five out of seven day system. This change was required due to changes in the schedule regarding vessels arrival as well as increased vessel activity.

New proposals have been prepared for discussions with the BWU. These will look critically at current manning levels for various tasks, with efforts to create efficiency in operations.

Promoting Sustainable Development

Continuing the pursuit of energy efficiency, the Company this year installed a 400kW photovoltaic (PV) system with the goal of reducing overall electricity consumption from the national grid by at least 20%. In addition, BPI installed low energy consumption LED fixtures for roadway lighting.

Again this year, BPI shared its expertise with several agencies on ocean and environmental sustainability.

When the national Tsunami exercise “Carib Wave 19” was held in March 2019, BPI took on a leading role, working in partnership with the Department of Emergency Management. The exercise was intended to advance tsunami preparedness efforts in the Caribbean and adjacent regions. BPI’s participation allowed the Port to test its tsunami response plan and protocol and to evaluate evacuation, communications and emergency management procedures. The Tug Barbados II was used as an evacuation platform to evade the potential threat from a Tsunami. Approximately 50 cell leaders and volunteers from the staff complement took part in the exercise, which included evacuation to a designated muster point, a debriefing session on return to the Port and an assessment of performance by assigned evaluators. The other principal participants involved in the exercise were the first responders – Fire, Police, Coast Guard, Defence, Marine Police, and other key stakeholders with disaster management responsibilities.

BPI was called on by the Caribbean Institute of Meteorology and Hydrology to assist in a field study dedicated to “Elucidating the Role of Cloud Circulation coupling the Climate” (EURECA), which will be conducted in the Atlantic Ocean off the east coast of Barbados from January 20 to February 20, 2020. EURECA is aimed at improving scientific understanding of the atmosphere and oceanic processes in the tropics and how these influence climate and weather - including hazardous weather and represents the most significant field study in a generation. The EURECA campaign will include four aircraft which will fly regular transits in the area (east of Barbados) identified for the research and four research vessels stationed at designated points in the Atlantic Ocean near Barbados. In addition to these confirmed assets, several international institutions have indicated plans to commit additional assets in the form of aircraft, marine and ground based observation platforms to the field study. The project is seeking BPI’s assistance in facilitating berthing for the marine craft and the movement and storage of equipment.





Building Strong Partnerships

Throughout the year, BPI sought to strengthen its strategic partnerships in the cargo and cruise sectors and the Company's attendance of major international meetings and conferences proved the ideal platform for engagement.

In cruise, BPI attended the annual Seatrade Cruise Global Convention in April 2018, as well as Florida Caribbean Cruise Association Cruise Conference and Trade Show in November 2018. BPI's, and by extension Barbados' presence was boosted by the active engagement of Barbados' Prime Minister Mia Mottley. Prime Minister Mottley met with the owners of each of the major cruise lines as well as the President of the FCCA, Ms. Michelle Paige to discuss opportunities for growth and development within Barbados' cruise tourism sector. The main messages conveyed throughout those meetings were of strong support for the cruise industry by Barbados, and a willingness to partner with Lines on building out the cruise infrastructure in Barbados. BPI was in addition successful in winning the support of major cruise lines in furthering discussions with the view towards the signing of MOUs for investment in the near future.

The four-day conference is designed to foster a better understanding of the inner workings of the cruise industry and help attendees improve their cruise tourism business. Through a specialized forum that blends meetings and workshops with social functions, attendees have a unique opportunity to develop relationships with, promote products to, and learn from approximately 100 executives from FCCA's 18 Member Lines who decide where ships call, what is sold and used onboard, and how to invest in destinations and infrastructure. At the FCCA Conference, BPI Chairman, Senator Cummins, followed up with further discussions on investment opportunities in new cruise facilities. The technical teams for the respective Lines have since been reviewing design concepts for the new cruise facilities that would separate cruise from cargo.

“Here at home, BPI also continued to deepen relations with its partners.”

In the area of cargo, Senator Cummins also took time out to meet with executives of Tropical Shipping to outline the broad vision of the Port in the development of transshipment opportunities and to discuss other cargo services which the Port can offer either independently or in partnership with Lines or Operators. This was followed by a more focused round table discussion with the Florida-based cargo lines, on the new vision for port expansion and performance improvements.

The international events have been vital in laying the platform for engagement with respect to the implementation of the Port’s Master Plan. Here at home, BPI also continued to deepen relations with its partners.

BPI worked closely with its partners the Barbados Tourism Marketing Inc (BTMI) and the Barbados Tourism Product Authority (BTPA) on joint-funded cruise sector initiatives throughout the year. Lending further support to the industry, the Port’s green space along Trevor’s Way was rehabilitated in conjunction with the Barbados Hotel and Tourism Association (BHTA), to facilitate security surveillance coverage for the Royal Barbados Police Force

During the period under review, BPI welcomed a delegation from the Board of Directors of Ports Authority of the Turks and Caicos Islands (TCI). The visit and tour of the Port of Bridgetown was part of a series of calls to regional ports to review some aspects of their operations, particularly stevedoring and fuel handling and climate change adaptation issues. TCI is keen to learn from the operational experience of sister ports in the Caribbean as it embarks on a major redevelopment and modernization of its main port, South Dock, Providenciales.

A delegation from the British Virgin Islands Ports Authority (BVIPA) also visited and toured the Port of Bridgetown. Along with representatives of the Shipping Association of Barbados and the Ministry of Maritime Affairs and the Blue Economy, discussions focused on compliance functions, operations and safety procedures to assist BVIPA in developing its own policies.





Fulfilling Corporate Social Responsibilities

Most seaports conduct educational outreach programs for communities they serve. BPI not only offers free open-air tours but actively participates in national career showcases.

During the period under review, 171 students ranging in age from 5 to 16 years old visited the Bridgetown Port. They were drawn from four primary schools, one secondary school, one summer camp and the Canada based University of McGill and gained key insights into major areas of operations and the role of the Port in driving economic activity.

BPI's participation in two career showcases during the year exposed 1,350 tertiary level students to possible maritime professions. Staff from the Market Development & Cruise Operations, Terminal Operations, Security Services, Marine Services, Engineering and Human Resources Departments were onsite to answer questions, share educational literature and perform equipment demos to students visiting the BPI booth.

The Marine Services Department also facilitated the placement of six students from the Samuel Jackman Prescod Technical Institute who were completing their Maritime Operations and Marine Diesel Engineering courses. These students were assigned to the tugs for a six-week duration.

Community support is also a big part of our corporate social responsibility. BPI donated \$10,000 worth of IV stands and bath chairs to the Geriatric Hospital. BPI has forged close ties with the Hospital to stay abreast of its most pressing needs, and assist in providing quality healthcare for the seniors residing there. The donation is an important part of BPI's community outreach programme now in its sixth year. Other donations were made to

the Department of Emergency Management in support of the Run Tsunami Run and 5k Walk and to the Downs Syndrome Association of Barbados in support of the Rock Your Socks Down Syndrome Awareness campaign.

Throughout the year, BPI made its blue and green spaces available for community-oriented activities. Bim Expo 2018, an exhibition of talent among persons with disabilities was hosted on July 21, 2018 at the Boardwalk at the Careenage, to promote the entrepreneurs' craft and culinary skills. The Chamberlain Bridge, also at the Careenage was made available for the filming of "Race the World" a new turbo-charged driving show featuring six of the best drivers from Britain. Barbados was chosen for filming of the final episode and conclusion to the series, which will be aired on British Television and Sky TV. The final challenge race was held August 18-19, 2018 in Bridgetown with the start and finish points on the Bridge. The Careenage also served as location of choice for Camp Aquarius' annual water activities. The Camp's Kayaking event was held on August 16, 2018 in partnership with the Coastal Zone Management Unit.

“Community support is also a big part of our corporate social responsibility.”

When activities for Barbados Sailing Week were hosted January 15 – 22 2019, BPI's Marine Services Department hosted eleven yachts at the Careenage and three yachts at the Shallow Draught facilities. The Chamberlain Bridge was opened on 23 occasions to facilitate the race times.

Permission was granted to the Barbados Game Fishing Association to moor local and regional participants in a fishing tournament October 12-14, 2018, at the inner basin of the Careenage.



Future Prospects and Direction

In addition to local and regional developments, the Port of Bridgetown's performance is routinely influenced by global events and the trade policies of the United States, Canada, European Union and China.

The forecast for Barbados in 2019 is that economic growth will be flat. While the traded sector is expected to be stagnant with dampened import demand and negligible gains in exports, tourism is expected to perform favourably due to an anticipated expansion of airlift, special events and an increase in cruise ship arrivals.

The Central Bank of Barbados in its 2019 economic outlook report, noted the strength of the economic recovery will largely be influenced by Barbados' ability to implement large-scale commercial projects that can accelerate growth. The Bank noted also that continued emphasis will have to be placed on critical structural reforms to strengthen economic sustainability. Looking ahead therefore, strong focus will continue to be placed on infrastructural development in a bid to improve BPI's operational and financial performance. The quality of Port services will also be enhanced in line with the competitive environment in which the Port has to operate.

At the end of the financial year, BPI was heavily engaged in strategic planning and in updating its Master Plan (2019-2029) to reflect a new policy direction and to outline the physical and human resources capacity needs of the Port. BPI was also working on completion of the Business Plan (2019 - 2024) to inform the financing strategy relative to the agreed Master Plan programme.

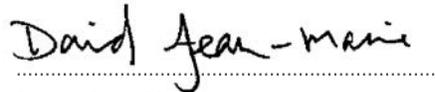
Among the major investments under consideration are expanded infrastructure to address port capacity constraints and the separation of cruise and cargo operations at the Deep Water Harbour.

“Employee training will be directed toward building a high-performance culture organization and managing the related changes.”

The construction of a cruise facility in the North of the island is to be explored, while considerations for the Shallow Draught include berth extensions and the construction of ancillary facilities for yachts. Berth 4 is also scheduled for rehabilitation works. The cargo equipment replacement program will continue with full assembly of the new Gantry Crane and new acquisitions to complement the Port’s green initiatives aimed at energy efficiency and zero emissions. Greening and beautification of the Port’s Bulk Facility is also under consideration. New technology will be leveraged as part of the overall security strategy to establish a more secure port and BPI will be optimising the logistical processes in the port with the implementation of Lean 6 Sigma as part of its service enhancements.

As part of BPI’s continued commitment to human resource development, implementation of the Performance Appraisal and a Performance Management/Incentive Scheme will be prioritized. Further, employee training will be directed toward building a high-performance culture organization and managing the related changes.

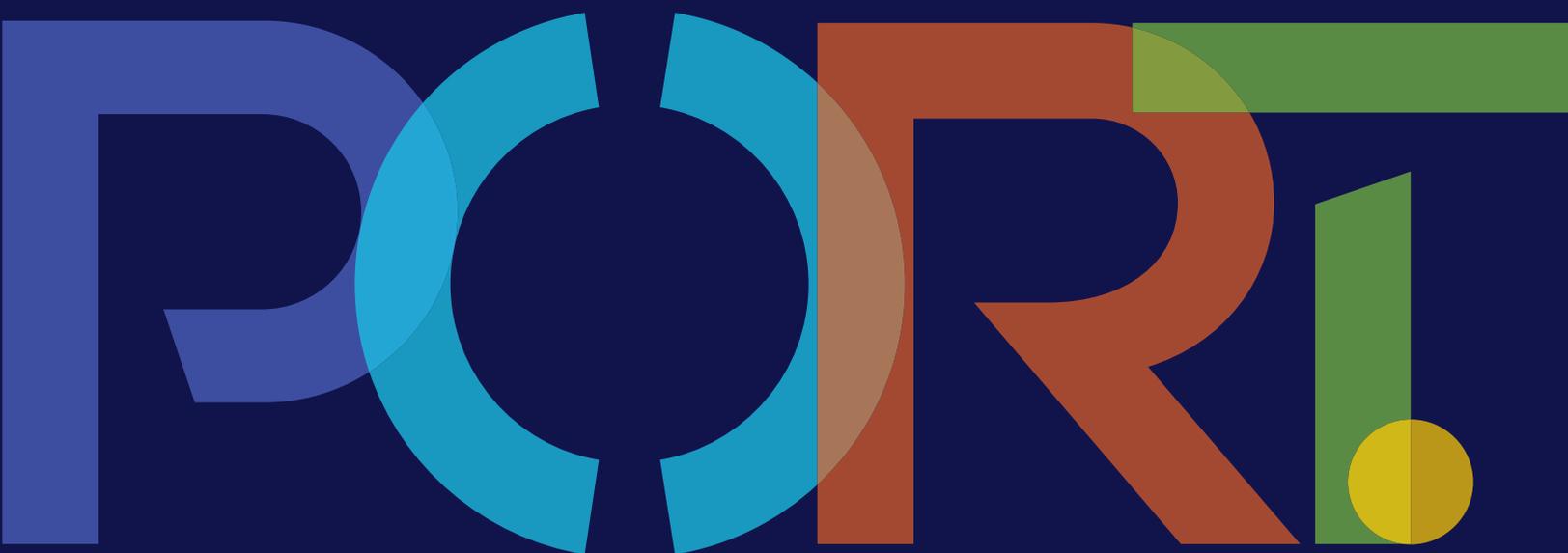
Promoting and maintaining consistent, high quality relationships with various stakeholders, relevant government agencies and the maritime industry is especially important to the Company. Barbados Port Inc. will therefore continue to engage all parties as it endeavours to enhance operational efficiencies, create value and improve performance.



David Jean-Marie

Managing Director and Chief Executive Officer

Milestones in 2018/19





➤ **The Port of Bridgetown emerged winner of the Multi-Purpose Port of the Year Award 2018. The announcement was made during the banquet and awards closing ceremony of the 2018 Caribbean Shipping Association (CSA) 47th annual general meeting and conference, held in Panama City, October 8-10, 2018.**

➤ Throughout the year, BPI sought to strengthen its strategic partnerships in the cargo and cruise sectors and the Company's attendance of major international meetings and conferences proved the ideal platform for engagement. In cruise, BPI attended the annual Seatrade Cruise Global Convention in April 2018, as well as Florida Caribbean Cruise Association Cruise Conference and Trade Show in November 2018. BPI's, and by extension Barbados' presence was boosted by the active engagement of Barbados' Prime Minister Mia Mottley. Prime Minister Mottley met with the owners of each of the major cruise lines as well as the President of the FCCA, Ms. Michelle Paige to discuss opportunities for growth and development within Barbados' cruise tourism sector. The main messages conveyed throughout those meetings were of strong support for the cruise industry by Barbados, and a willingness to partner with Lines on building out the cruise infrastructure in Barbados. BPI was in addition successful in winning the support of major cruise lines in furthering discussions with the view towards the signing of MOUs for investment in the near future. At the FCCA Conference, BPI Chairman, Senator Lisa Cummins, followed up with further discussions on investment opportunities in new cruise facilities. The technical teams for the respective Lines have since been reviewing design concepts for the new cruise facilities that would separate cruise from cargo.



➤ In the area of cargo, BPI Chairman, Senator Lisa Cummins took time out to meet with executives of Tropical Shipping to outline the broad vision of the Port in the development of transshipment opportunities and to discuss other cargo services which the Port can offer either independently or in partnership with Lines or Operators. This was followed by a more focused round table discussion with the Florida-based cargo lines, on the new vision for port expansion and performance improvements. The international events have been vital in laying the platform for engagement with respect to the implementation of the Port's Master Plan.



- Bulk Cargo handled exceeded 1 Million tonnes, the highest in 10 years.
- Home porting arrivals in Cruise increased 4.7% over arrivals in 2017/18.

➤ As part of efforts to reduce congestion and enhance the customer experience, BPI began the exploration of Lean Six-Sigma methodologies, in line with the intention to boost process efficiencies. BPI formally accepted a proposal from Mr. Rod Morgan of RPM Academy to use the Lean Six-Sigma Process as a pilot project, with a goal of improving the entire commercial operation process from the notification to customer/agent of cargo arrival to the customer/agent exiting the Port facilities with their cargo, customs and fees paid. The project is a collaborative effort, as terminal operations span multiple agencies and stakeholders, namely the Customs and Excise Department, Barbados Revenue Authority, the Port Health and Plant Quarantine Units.



- In keeping with our efficiency drive, BPI acquired new cargo handling equipment to better service cargo vessels. One new Hyster Empty Container Handler was received, assembled and commissioned and assembly of the new Panamax Container (Gantry) crane is underway. The new crane will boast enhanced lift capacity and support increased productivity.
- Minister of Maritime Affairs and the Blue Economy, Hon. Kirk Humphrey M.P., set things in motion during the groundbreaking ceremony hosted on December 14, 2018 to signal the start of construction of the new Port Administration building. The construction of the new offices demonstrates BPI's dedication to modernising its infrastructure and capabilities. While it is expected that this building will become an important part of the corporate landscape, it will also serve as



a technology driven output centre supporting the cargo and cruise portfolios. The new building is also designed to embrace our push toward greater energy efficiency. Photovoltaic installation on the roof of the building and the carports will provide 40% of power required to operate the building.

- Continuing the pursuit of energy efficiency, the Company this year installed a 400kW photovoltaic (PV) system with the goal of reducing overall electricity consumption from the national grid by at least 20%. In addition, BPI installed low energy consumption LED fixtures for roadway lighting.

▶ With migration to the new cloud-based Terminal Operating System, OCTOPI, BPI achieved full integration of its operational applications used in the management of manifests, delivery orders, personal effects cargo, monitoring of reefer containers and management of cargo gates. Greater integration allowed for faster turnaround times in cargo handling. Introduction of this system on April 8, 2018, allowed BPI to track all its Key Performance Indicators (KPIs) relating to container and cargo activities in the port daily via a dashboard in real time— a facility from which the Terminal Operations Department has benefited significantly.



▶ The Port's wireless network was expanded providing electronic communication coverage to surrounding waterways, berths and container yards. This facilitated the use of mobile tablets in terminal operations, security services and warehouse operations and supported the mobile fleet of tugs, straddle carriers and cranes. The strengthened communication network means data is captured as it is generated, leading to greater accuracy and faster turnarounds for operations. The extended wireless network also bolstered the security posture at the gates by allowing officers the ability to interrogate data on containers, their contents and documented seals, at delivery. The physical network was further upgraded to offer better control, higher capacity, faster throughput and increased uptime for all systems. The infrastructural changes also took into consideration the requirements for an expanded security surveillance network. BPI employees implemented all these



upgrades, a factor important to cost savings and valuable to knowledge building within the Company.

▶ The new Human Resource Information System, Orange HRM, was official launched on October 1, 2018. With the new HRIS all employee records were digitized and daily record keeping automated, eliminating the need for storage of large volumes of paper files. The Human Resource and Industrial

Relations (HRIR) Division has since seen significant advances with improved communication between employees, reduced printing and paper costs, allowing more time to focus on strategic functions.

APPENDIX 1: CRUISE PASSENGER ACTIVITY (BY OPERATOR)

ALL CRUISE ACTIVITY	CALLS			ARRIVALS		
	2016/17	2017/18	2018/19	2016/17	2017/18	2018/19
OPERATOR						
AIDA CRUISES	11	11	10	22,836	23,175	33,346
ALL LEISURE GROUP	1	0	0	426	0	0
ASTOR SHIPPING CO	1	1	1	480	378	426
ASTORIA SHIPPING	0	1	0	0	167	0
ATLANTAGENT	2	0	2	153	0	90
AZAMARA CRUISES	0	2	0	0	1,221	0
CARNIVAL CRUISE LINES	52	32	56	129,356	80,755	142,030
CELEBRITY CRUISES	28	36	29	70,759	95,165	75,673
CLUB MED CRUISES	8	10	6	2,287	2,234	1,634
COLOMBIA CRUISE SERVICES	1	1	1	338	324	390
COMPAGNE DES ILES DU PONANT	1	0	0	208	0	0
COSTA CRUISES	9	13	10	25,176	35,551	27,812
CRUISE & MARITIME VOYAGES	0	3	1	0	3,325	1,206
CRYSTAL CRUISES	0	2	0	0	1,264	0
CUNARD LINE LTD	2	4	3	3,670	9,052	7,067
DISNEY CRUISE LINES	0	5	2	0	13,058	6,329
EPIC CRUISE LTD	0	0	2	0	0	1,756
FRED OLSEN CRUISES	9	7	8	7,535	4,978	5,537
GLOBAL CRUISE LINE	2	0	0	1,529	0	0
HAPAG LLOYD	0	2	0	0	745	0
HOLLAND AMERICA LINE	16	11	11	24,997	19,926	19,739
MAJESTIC CRUISE LINE	15	9	8	1,828	1,594	1,167
MARELLA CRUISES	0	31	41	0	52,201	68,387
MSC CRUISES	11	13	10	27,479	44,446	36,766

APPENDIX 1: CRUISE PASSENGER ACTIVITY (BY OPERATOR) CONTINUED

ALL CRUISE ACTIVITY	CALLS			ARRIVALS		
	2016/17	2017/18	2018/19	2016/17	2017/18	2018/19
NORWEGIAN CRUISE LINE	9	16	27	27,904	41,504	70,000
OCEANIA CRUISE LINE	14	6	7	11,174	4,643	6,590
OPTIMUM SHIP MANAGEMENT	2	0	0	1	0	0
P & O CRUISES	25	42	29	75,868	95,859	85,139
PONANT cruises	0	3	4	0	318	355
PRINCESS CRUISES	13	14	15	41,642	44,030	42,671
PULLMANTUR CRUISES	13	16	1	17,945	15,932	1,435
REGENT SEVEN SEAS CRUISES	4	4	4	2,553	1,846	2,295
RESIDENSEA	0	1	0	0	90	0
ROYAL CARIBBEAN CRUISE LINE	62	56	37	184,056	164,775	126,255
SAGA SHIPPING	3	1	1	1,124	617	581
SEA CLOUD CRUISES	10	12	12	716	770	724
SEABOURN CRUISE LINE	5	15	11	2,114	6,563	4,805
SEADREAM YACHT CLUB	14	14	7	1,334	1,120	518
SILVERSEA CRUISES	12	15	10	3,813	4,717	3,389
STAR CLIPPERS INC.	18	18	19	3,380	3,466	3,746
THOMSON CRUISES	2	0	0	2,564	0	0
TUI CRUISES	31	13	12	64,182	31,272	29,647
V - SHIPS	2	3	2	864	1,145	504
VIKING OCEAN CRUISES	12	14	10	10,592	10,734	9,135
WEST INDIES CRUISE LINE	10	10	0	1,367	809	0
WINDSTAR SAIL CRUISES	23	31	9	3,050	6,509	1,491
WORLD CRUISE AGENCY	0	0	2	0	0	1,343
TOTAL	453	498	420	775,300	826,278	819,978

APPENDIX 2: CRUISE PASSENGER ACTIVITY (BY MONTH)

MONTH	NUMBER OF CALLS			ARRIVING PASSENGERS			EMBARKING PASSENGERS			DISEMBARKING PASSENGERS							
	2016/17	2017/18	2018/19	% +/-	2016/17	2017/18	2018/19	% +/-	2016/17	2017/18	2018/19	% +/-	2016/17	2017/18	2018/19	% +/-	
APRIL	28	55	33	96.43%	-66.67%	50,805	86,690	62,934	-37.75%	2,777	9,304	7,832	-15.82%	3,238	9,499	8,353	-12.06%
MAY	12	16	13	33.33%	-23.08%	20,697	21,860	22,188	1.48%	821	1,123	1,182	5.25%	704	1,099	1,111	1.09%
JUNE	12	11	8	-8.33%	-37.50%	20,786	22,300	20,069	-11.12%	1,205	657	1,006	53.12%	1,210	654	1,069	-45.95%
JULY	11	5	6	-54.55%	16.67%	19,086	14,387	18,930	24.00%	903	680	687	1.03%	909	667	704	-26.62%
AUGUST	9	7	7	-22.22%	0.00%	20,570	20,506	21,837	6.10%	903	838	974	16.23%	889	852	934	-4.16%
SEPTEMBER	6	4	8	-33.33%	50.00%	16,793	9,182	23,085	60.23%	641	432	694	60.65%	694	486	735	-29.97%
OCTOBER	8	13	8	62.50%	-62.50%	15,525	20,371	19,000	-7.22%	647	107	891	732.71%	636	152	878	-76.10%
NOVEMBER	54	62	55	14.81%	-12.73%	89,892	97,183	113,903	14.68%	20,946	20,577	25,781	25.29%	21,188	22,667	26,010	6.98%
DECEMBER	85	104	78	22.35%	-33.33%	142,202	156,063	146,585	-6.47%	26,803	33,532	30,330	-9.55%	25,821	32,212	29,138	24.75%
JANUARY	81	82	77	1.23%	-6.49%	147,786	152,371	141,801	-7.45%	28,316	29,357	33,738	14.92%	28,603	29,291	34,200	2.41%
FEBRUARY	71	62	59	-12.68%	-5.08%	122,432	100,342	111,346	9.88%	25,896	27,662	30,866	11.58%	25,782	28,041	30,494	8.76%
MARCH	76	77	68	1.32%	-13.24%	108,726	125,023	118,300	-5.68%	22,908	23,750	29,028	22.22%	22,754	24,592	29,046	8.08%
TOTAL	453	498	420	9.93%	-15.66%	775,300	826,278	819,978	-0.76%	132,766	148,019	163,009	10.13%	132,428	150,212	162,672	8.29%

APPENDIX 3 HOMERPORTING ACTIVITY

VESSEL	OPERATOR	2016/17				2017/18				2018/19			
		CALLS	ARRIVALS	DISEMBARKED	EMBARKED	CALLS	ARRIVALS	DISEMBARKED	EMBARKED	CALLS	ARRIVALS	DISEMBARKED	EMBARKED
AIDADIVA	AIDA CRUISES	11	22,836	7,746	7,799	10	21,067	8,734	8,720	0	0	0	0
AIDAPERLA	AIDA CRUISES	0	0	0	0	0	0	0	0	10	33,346	15,631	15,746
VOYAGER	ALL LEISURE GROUP	1	426	412	288	0	0	0	0	0	0	0	0
SERENISSIMA	ATLANTAGENT	0	0	0	0	0	0	0	0	2	90	89	155
BRAEMAR	FRED OLSEN CRUISES	6	4,771	4,231	4,297	6	4,174	3,817	3,906	6	4,111	3,806	3,992
MARELLA DISCOVERY	MARELLA CRUISES	0	0	0	0	23	42,013	26,552	26,522	4	7,387	4,820	4,749
MARELLA EXPLORER	MARELLA CRUISES	0	0	0	0	0	0	0	0	21	40,599	24,259	24,475
ADONIA	P & O CRUISES	0	0	0	0	10	6,182	5,621	5,138	0	0	0	0
AZURA	P & O CRUISES	9	27,561	27,076	26,976	11	31,803	28,465	28,831	10	30,576	30,043	30,032
BRITANNIA	P & O CRUISES	10	36,094	33,485	33,715	10	35,189	32,776	32,633	10	36,081	33,470	33,608
SEA CLOUD II	SEA CLOUD CRUISES	7	554	485	395	5	403	389	416	4	292	290	242
SEA CLOUD"	SEA CLOUD CRUISES	3	162	159	92	7	367	350	315	8	432	395	405
SEABOURN ODYSSEY	SEABOURN CRUISE LINE	3	1,289	1,069	1,104	13	5,721	4,395	4,410	11	4,805	3,747	3,821
SEABOURN QUEST	SEABOURN CRUISE LINE	0	0	0	0	1	426	132	137	0	0	0	0

APPENDIX 3 HOMEPORTING ACTIVITY CONTINUED

		2016/17			2017/18			2018/19					
SEADREAM I	SEADREAM YACHT CLUB	14	1,334	1,243	1,208	12	988	946	897	7	518	491	566
SEADREAM II	SEADREAM YACHT CLUB	0	0	0	0	2	132	123	152	0	0	0	0
SILVER SPIRIT	SILVERSEA CRUISES	6	2,170	1,860	2,184	0	0	0	0	3	1,584	957	891
SILVER WHISPER	SILVERSEA CRUISES	1	301	300	326	3	964	946	925	2	659	642	419
SILVER WIND	SILVERSEA CRUISES	0	0	0	0	8	1,961	1,559	1,645	5	1,146	1,094	1,341
ROYAL CLIPPER	STAR CLIPPERS	17	3,254	3,103	2,985	17	3,337	3,127	3,079	18	3,623	3,381	3,380
STAR FLYER	STAR CLIPPERS	1	126	122	143	1	129	121	144	1	123	116	140
THOMSON CELEBRATION	THOMSON CRUISES	2	2,564	2,049	1,923	0	0	0	0	0	0	0	0
TUI DISCOVERY	THOMSON CRUISES	20	36,795	22,987	23,049	0	0	0	0	0	0	0	0
MEIN SCHIFF 3	TUI CRUISES	0	0	0	0	11	26,385	10,851	10,970	1	2,470	1,135	854
MEIN SCHIFF 5	TUI CRUISES	11	27,387	10,560	10,626	1	2,578	1,039	1,031	12	29,691	12,072	12,113
WIND STAR	WINDSTAR CRUISES	18	2,387	2,359	2,364	4	498	479	353	3	304	255	244
STAR BREEZE	WINDSTAR CRUISES	1	0	0	148	5	629	442	452	2	394	308	292
STAR LEGEND	WINDSTAR CRUISES	1	175	172	191	0	0	0	0	0	0	0	0
STAR PRIDE	WINDSTAR CRUISES	3	488	475	505	0	0	0	0	4	793	560	588
WIND SURF	WINDSTAR CRUISES	0	0	0	0	21	5,187	4,235	4,314	0	0	0	0
		145	170,674	119,893	120,318	181	190,133	135,099	134,990	144	199,024	137,561	138,053

FINANCIAL STATEMENTS

MARCH 31, 2019 | (EXPRESSED IN BARBADOS DOLLARS)

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Board of Directors, Officers and Advisors

MARCH 31, 2019

Board of Directors

(Until May 25, 2018, except where stated)

David Harding	- Chairman
Captain George Fergusson	- Deputy Chairman
David Jean-Marie	- Managing Director
Calvin Alkins	
David Douglas	
Everton Walters	
Irvine Best	
Keith Wilson	
Donna Cadogan	- Permanent Secretary (Ministry of Tourism and International Transport)
Neville Rowe	- (resigned April 14, 2018)

(Appointed July 1, 2018)

Lisa Cummins	- Chairman
Denis Cadogan	- Deputy Chairman
David Jean-Marie	- Managing Director
Lisa Gale	
Ricardo McConney	
Janice Brown	
Iain Thomson	
Reynold Grant	
Captain George Fergusson	
Sir Roy Trotman	- Barbados Workers' Union Representative
Esworth Reid	- Permanent Secretary (Ministry of Maritime Affairs and the Blue Economy)

Secretary

Karen Forde

Attorney-at-law

Lystra Kodilinye
Clarke Gittens and Farmer
George Walton Payne & Co.
Ralph Thorne

Bankers

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

Auditor

PricewaterhouseCoopers SRL



Independent auditor's report

To the Shareholder of Barbados Port Inc.

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Barbados Port Inc. (the Company) as at March 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

The Company's financial statements comprise:

- the statement of financial position as at March 31, 2019;
- 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 for the year ended March 31, 2019 (but does not include the financial statements and our auditor's report thereon), which is expected to be made available to us after this auditor's report date.

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



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 when it becomes available 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.

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 financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

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 corporate, in accordance with Barbados Port Inc. (Transfer of Management and Vesting of Assets), Cap. 285B section 7(1). Our audit work has been undertaken so that we might state to the Company's shareholder those matters we are required to state 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 SRW

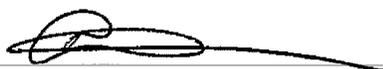
Bridgetown, Barbados
January 27, 2020

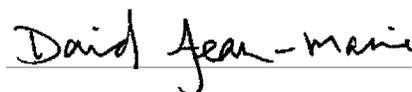
Statement of Financial Position

AS AT MARCH 31, 2019
(EXPRESSED IN BARBADOS DOLLARS)

	2019 \$	2018 \$
Assets		
Current assets		
Cash resources (note 4)	15,238,094	14,176,639
Accounts receivable (note 5)	6,842,994	12,019,061
Other receivables and prepaid expenses (note 6)	739,943	1,171,113
Inventories (note 7)	6,349,512	5,764,227
	29,170,543	33,131,040
Non-current assets		
Financial investments (note 8)	3,536,136	4,004,581
Investment in associated company (note 9)	1,104,297	721,511
Property, plant and equipment (note 10)	244,969,189	254,714,238
Capital works in progress (note 11)	42,018,998	38,857,475
Deferred tax asset (note 12)	6,943,266	36,098,163
Deferred expenses (note 13)	913,333	953,333
	299,485,219	335,349,301
Total assets	328,655,762	368,480,341
Liabilities and equity		
Current liabilities		
Accounts payable and accrued liabilities (note 14)	6,274,310	6,256,350
Current portion of long-term loans (note 15)	23,758,055	23,627,906
	30,032,365	29,884,256
Non-current liabilities		
Accounts payable (note 14)	16,373,855	17,373,855
Long-term loans (note 15)	86,272,461	107,981,258
Retirement benefit obligations (note 16)	17,252,856	22,523,289
	119,899,172	147,878,402
Total liabilities	149,931,537	177,762,658
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	15,943
Retained earnings	99,913,484	111,918,360
	178,724,225	190,717,683
Total equity	178,724,225	190,717,683
Total liabilities and equity	328,655,762	368,480,341

Approved by the Board of Directors on December 17, 2019

 Chairman

 Director

Statement of Changes in Equity

FOR THE YEAR ENDED MARCH 31, 2019
(EXPRESSED IN BARBADOS DOLLARS)

	Share capital \$	Capital contributions \$	Port Fund \$	Fair value reserve \$	Retained earnings \$	Total \$
Balance at March 31, 2017	100	78,683,280	100,000	(473)	104,787,509	183,570,416
Net income for the year	-	-	-	-	23,785,081	23,785,081
Other comprehensive income/ (loss) for the year	-	-	-	16,416	(16,654,230)	(16,637,814)
Total comprehensive income for the year	-	-	-	16,416	7,130,851	7,147,267
Balance at March 31, 2018 as originally presented	100	78,683,280	100,000	15,943	111,918,360	190,717,683
Loss allowance adjustment (note 5)	-	-	-	-	(330,691)	(330,691)
Restated total equity as at April 1, 2018	100	78,683,280	100,000	15,943	111,587,669	190,386,992
Net loss for the year	-	-	-	-	(12,907,397)	(12,907,397)
Other comprehensive income/ (loss) for the year	-	-	-	11,418	1,731,946	1,743,364
Total comprehensive income for the year	-	-	-	11,418	(11,175,451)	(11,164,033)
Write-off of intragovernmental debt (note 29)	-	-	-	-	(498,734)	(498,734)
Balance at March 31, 2019	100	78,683,280	100,000	27,361	99,913,484	178,724,225

Statement of Comprehensive Income

FOR THE YEAR ENDED MARCH 31, 2019
(EXPRESSED IN BARBADOS DOLLARS)

	2019 \$	2018 \$
Revenue		
Cargo handling	63,802,359	64,079,637
Excess storage	1,774,217	3,152,318
Marine revenue	9,856,829	9,960,948
Passenger levy	8,910,000	8,575,897
Other (note 19)	8,978,650	9,255,384
	93,322,055	95,024,184
Other operating income		
Rent	1,498,222	1,396,063
(Loss)/gain on disposal of plant and equipment	(54,073)	10,263
Miscellaneous	1,417,334	1,957,627
Interest income	5,751	51,054
	2,867,234	3,415,007
Total operating income	96,189,289	98,439,191
Expenses		
Administration	11,756,306	13,307,811
Staff costs (note 21)	38,604,242	32,062,393
Other expenses	17,521,517	17,628,747
	67,882,065	62,998,951
Other expenses		
Write-off of capital works in progress (note 11)	-	5,691,850
	67,882,065	68,690,801
Profit from operations	28,307,224	29,748,390

Statement of Comprehensive Income ...continued

FOR THE YEAR ENDED MARCH 31, 2019
(EXPRESSED IN BARBADOS DOLLARS)

	2019 \$	2018 \$
Profit from operations brought forward	28,307,224	29,748,390
Finance costs	(9,226,550)	(10,276,216)
Profit before taxation and share of net income of associated company	19,080,674	19,472,174
Share of net income of associated company (note 9)	382,786	511,252
Profit before taxation	19,463,460	19,983,426
Taxation charge (note 22)	(32,370,857)	3,801,655
Net (loss)/income for the year	(12,907,397)	23,785,081
Other comprehensive income:		
<i>Items that will not be reclassified to income:</i>		
Remeasurement of retirement benefit obligations (note 16)	(1,484,014)	(22,205,640)
Deferred tax credit on remeasurements of retirement benefit obligations	3,215,960	5,551,410
Unrealised gain on financial assets at fair value through other comprehensive income	11,418	16,416
Other comprehensive income/(loss) for the year	1,743,364	(16,637,814)
Total comprehensive (loss)/income for the year	(11,164,033)	7,147,267

Statement of Cash Flows

FOR THE YEAR ENDED MARCH 31, 2019
(EXPRESSED IN BARBADOS DOLLARS)

	2019	2018
	\$	\$
Cash flows from operating activities		
Profit before taxation	19,463,460	19,983,426
Adjustments for:		
Depreciation	11,619,502	11,470,553
Loss/(gain) on disposal of property, plant and equipment	54,073	(10,263)
Write-off of capital work in progress	-	5,691,850
Interest and dividend income	(5,751)	(51,054)
Finance costs	9,226,550	10,276,216
Share of net income of associated company	(382,786)	(511,252)
Pension and other post-retirement benefits	1,093,278	1,621,950
Amortisation of deferred expenses	40,000	46,667
Operating profit before working capital changes	41,108,326	48,518,093
Decrease/(increase) in restricted cash (current)	4,585,938	(696,613)
Decrease/(increase) in accounts receivable	4,677,333	(3,097,102)
Decrease in other receivables and prepaid expenses	431,170	68,118
Increase in inventories	(585,285)	(1,369,132)
Increase in accounts payable and accrued liabilities	17,960	139,910
Cash generated from operations	50,235,442	43,563,274
Finance costs paid	(7,188,560)	(9,330,822)
Pension and other post-retirement benefits' contributions	(7,847,725)	(5,872,684)
Net cash generated from operating activities	35,199,157	28,359,768
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,010,818)	(1,449,634)
Expenditure on capital works in progress	(4,398,654)	(10,706,849)
Proceeds from disposal of property, plant and equipment	-	12,497
Interest and dividend income received	750	51,054
Purchase of financial investments	(7,317,747)	(7,026,967)
Proceeds on disposal of financial investments	7,802,611	15,485,169
Dividend received from associated company	-	600,000
Deferred expenses incurred	-	(1,000,000)
Net cash used in investing activities	(4,923,858)	(4,034,730)
Cash flows from financing activities		
Loan (paid)/received	(1,000,000)	2,626,145
Repayment of long-term loans	(23,627,906)	(33,317,624)
Net cash used in financing activities	(24,627,906)	(30,691,479)
Net (decrease)/increase in cash and cash equivalents	5,647,393	(6,366,441)
Cash and cash equivalents - beginning of year	4,449,037	10,815,478
Cash and cash equivalents - end of year (note 4)	10,096,430	4,449,037

Non-cash investing and financing activities (note 28)

Notes to Financial Statements

MARCH 31, 2019
(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 Crown 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 Financial Statements

MARCH 31, 2019
(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.

The Company's principal place of business is at University Row, St. Michael, Barbados.

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.

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 Company 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 (OCI) as disclosed in note 2(g).

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 Company'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 Financial Statements

MARCH 31, 2019
(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 2019 financial year***

The Company adopted the following amendment to existing standards in the current year.

IFRS 9 'Financial instruments' simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortised cost and fair value where the basis of classification depends on the Company's business model and the contractual cash flow characteristics of the financial asset. It also includes an expected credit losses model which replaced the current incurred loss impairment model (effective January 1, 2018).

IFRS 15 'Revenue from contracts with customers'. This standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers (effective January 1, 2018).

IFRS 15 Revenue from contracts with customers (Amendments). These amendments comprise clarifications of the guidance on identifying performance obligations, accounting for licenses of intellectual property and the principal versus agent assessment (gross versus net revenue presentation). The IASB has also included additional practical expedients related to transition to the new revenue standard.

ii) ***New standards, amendments and interpretations mandatory for the first time for the financial year beginning April 1, 2018 but not currently relevant to the Company***

Amendment to IFRS 2, 'Share based payments', on clarifying how to account for certain types of share-based payment transactions (effective January 1, 2018).

Amendment to IFRS 4, 'Insurance contracts', regarding the implementation of IFRS 9 "Financial instruments" (effective January 1, 2018).

Amendment to IAS 40, 'Investment property' relating to transfers of investment property (effective January 1, 2018).

Annual improvements 2014 - 2016 to IFRS 1, 'First-time adoption of IFRS' regarding the deletion of short-term exemptions for first time adopters regarding IFRS 7, IAS 19 and IFRS 10 (effective January 1, 2018).

Annual improvements 2014 - 2016 to IAS 28, 'Investment in associates and joint-ventures' regarding measuring an associate or joint venture at fair value (effective January 1, 2018).

IFRIC 22, 'Foreign currency transactions and advance consideration' this addresses foreign currency transactions or parts of transactions where there is consideration that is denominated or priced in a foreign currency (effective January 1, 2018).

Notes to Financial Statements

MARCH 31, 2019
(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 Company

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 Company's operations. The Company has not early adopted the new standards, amendments and interpretations nor has the Company as yet assessed their full impact.

IFRS 16 Leases. This standard replaces the current guidance in IAS 17 and is a far reaching change in accounting by lessees in particular. Under IAS 17, lessees are required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet) to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts (effective January 1, 2019).

Amendments to IAS 1 and IAS 8 on the definition of material. These amendments to IAS 1, 'Presentation of financial statements', and IAS 8, 'Accounting policies, changes in accounting estimates and errors', and consequential amendments to other IFRSs: i) use a consistent definition of materiality throughout IFRSs and the Conceptual Framework for Financial Reporting; ii) clarify the explanation of the definition of material; and iii) incorporate some of the guidance in IAS 1 about immaterial information (effective January 1, 2019).

Amendments to IAS 19, 'Employee benefits' on plan amendment, curtailment or settlement. These amendments require an entity to:

- Use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- Recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. (effective January 1, 2019).

Amendment to IFRS 9, Financial instruments', on prepayment features with negative compensation and modification of financial liabilities. This amendment confirmed two points: (1) that reasonable compensation for prepayments can be both negative or positive cash flows when considering whether a financial asset solely has cash flows that are principal and interest and (2) that when a financial liability measured at amortised cost is modified without this resulting in de-recognition, a gain or loss should be recognised immediately in profit or loss. The gain or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate. This means that the difference cannot be spread over the remaining life of the instrument which may be a change in practice from IAS 39 (effective January 1, 2019).

Notes to Financial Statements

MARCH 31, 2019
(EXPRESSED IN BARBADOS DOLLARS)

2 Significant accounting policies ...continued

b) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on the weighted average cost method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. 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 Company 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:

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 6 $\frac{2}{3}$ %
Marine equipment and navigational aids	-	10%
Motor vehicles	-	20%
Pallets	-	33 $\frac{1}{3}$ %
Other equipment and furniture	-	10%
Port expansion asset	-	2%

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.

Notes to Financial Statements

MARCH 31, 2019
(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 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.

Translation differences on non-monetary financial assets such as equities classified as available-for-sale are included in the fair value reserve in equity.

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 Company 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.

f) Investment in associated company

Associates are entities over which the Company has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Company's investment in associated company includes goodwill (net of any accumulated impairment loss) identified on acquisition.

Notes to Financial Statements

MARCH 31, 2019
(EXPRESSED IN BARBADOS DOLLARS)

2 Significant accounting policies ...continued

f) Investment in associated company ...continued

The Company's share of its associates' post-acquisition profits or losses and post-acquisition movements is recognised in the statement of comprehensive income. The cumulative post-acquisition movements in reserves are adjusted against the carrying amount of the investment. When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The Company determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in share of income of associated company, in the statement of comprehensive income.

g) Financial investments

(In accordance with IFRS 9 - from April 1, 2018)

The Company 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 Company 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).

The Company 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 Company 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 Company has transferred substantially all the risks and rewards of ownership.

Notes to Financial Statements

MARCH 31, 2019
(EXPRESSED IN BARBADOS DOLLARS)

2 Significant accounting policies ...continued

g) Financial investments ...continued

(In accordance with IFRS 9 - from April 1, 2018) ...continued

(ii) Measurement

At initial recognition, the Company 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 Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company 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 profit or loss and presented in other gains/(losses). Impairment losses are presented as a separate line item in the statement of profit or loss.
- **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 profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). 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 profit or loss.
- **FVPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company'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 profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Company'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.

Notes to Financial Statements

MARCH 31, 2019
(EXPRESSED IN BARBADOS DOLLARS)

2 Significant accounting policies ...continued

g) Financial investments ...continued

(In accordance with IFRS 9 - from April 1, 2018) ...continued

Impairment

The Company assesses on a forward-looking basis the expected credit losses 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.

(In accordance with IAS 39 - until March 31, 2018)

The Company classified its financial assets in the following categories:

- i) *Available-for-sale*
- ii) *Loans and receivables*
- iii) *Held-to-maturity*

Management determined the classification of its financial assets at initial recognition. The classification depended on the purpose for which the financial assets were acquired.

- i) *Available-for-sale*

Available-for-sale financial assets were intended to be held for an indefinite period of time and hence were included in non-current assets unless management intended to dispose of the investment within twelve months of the statement of financial position date. They could be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices. They are measured initially at fair value and were subsequently remeasured at their fair value based on quoted bid prices. Investments without quoted prices were carried at management's valuation based on the net assets of the entity net of any provisions made where there is an indication of impairment. Unrealised gains and losses were recorded in other comprehensive income. Either on the disposal of the asset or if the asset was determined to be impaired, the previously recorded gain or loss was transferred to the statement of comprehensive income.

- ii) *Loans and receivables*

Loans and receivables were non-derivative financial assets with fixed or determinable payments that were not quoted in an active market. These assets were initially measured at fair value which is the cash consideration to originate or purchase the loan plus transaction costs - and were subsequently measured at amortised cost using the effective interest method less provision for impairment. The Company's loans and receivables comprised government bonds and fixed deposits.

Notes to Financial Statements

MARCH 31, 2019
(EXPRESSED IN BARBADOS DOLLARS)

2 Significant accounting policies ...continued

g) Financial investments ...continued

iii) Held-to-maturity

Held-to-maturity financial assets were non-derivative financial instruments with fixed or determinable payments and fixed maturities that management had both the intent and ability to hold to maturity. They were initially recognised at fair value including transaction costs and subsequently measured at amortised cost, using the effective interest method less provision for impairment if any.

Purchases and sales of investments were recognised on the trade date which was the date that the Company committed to purchase or sell the asset. Cost of purchase included transaction costs.

Financial assets were de-recognised when the rights to receive cash flows from the investments had expired or had been transferred and the Company had transferred substantially all risks and rewards of ownership.

Financial assets

A financial asset was considered impaired if its carrying amount exceeded its estimated recoverable amount. The impairment loss for assets carried at amortised cost was calculated as the difference between the carrying amount and the present value of expected future cash flows discounted at the original effective interest rate. The impairment loss for an available-for-sale equity security was recognised in income if there has been a significant or prolonged decline in its recoverable amount below cost. Significant or prolonged declines are assessed in relation to the period of time and extent to which the fair value of the equity security is less than its cost.

Except for equity securities, if in a subsequent period, the amount of the impairment loss decreased and the decrease could be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss was reversed, and the amount of the reversal was recognised in income. For equity securities, any subsequent increases in fair value after an impairment had occurred were recognised in other comprehensive income.

Notes to Financial Statements

MARCH 31, 2019
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2 Significant accounting policies ...continued

h) Employee benefits

The Company 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 Company pays fixed contributions into a separate entity. For defined contribution plans, the Company pays contributions to administered pension insurance plans. The Company 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 Company 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 employees and the Company, 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 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 Company also provides post-retirement medical benefits to their retirees. Fifty percent to sixty percent of the premium is funded by the Company, 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 Company's defined benefit pension plan.

Notes to Financial Statements

MARCH 31, 2019
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2 Significant accounting policies ...continued

i) 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 Company.

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.

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 Company'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.

Notes to Financial Statements

MARCH 31, 2019
(EXPRESSED IN BARBADOS DOLLARS)

2 Significant accounting policies ...continued

j) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. 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.

k) Accounts receivable

(In accordance with IFRS 9 - from April 1, 2018)

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 Company 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, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before March 31, 2018 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 Company 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.

(In accordance with IAS 39 - until March 31, 2018)

The amount of the provision was the difference between the carrying amount and the anticipated realisable value. The carrying amount of the asset was reduced through the use of the provision for impairment of receivables and the amount of loss was recognised in the statement of comprehensive income within administration expenses. When an account receivable was uncollectible, it was written off against the provision for impairment of receivables and any subsequent recoveries of amounts previously written off were credited against administration expenses.

l) Cash resources

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

Notes to Financial Statements

MARCH 31, 2019
(EXPRESSED IN BARBADOS DOLLARS)

2 Significant accounting policies ...continued

m) 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.

n) 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.

o) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

Assets leased out under operating leases are included in property, plant and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with similar property, plant and equipment. Rental income is recognised on a straight-line basis over the lease term.

p) Provisions

Provisions are recognised when the Company 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.

q) 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.

Notes to Financial Statements

MARCH 31, 2019
(EXPRESSED IN BARBADOS DOLLARS)

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 Company'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 16.

4 Cash resources

	2019 \$	2018 \$
Cash at bank	17,336,020	17,077,176
Less: non-current restricted cash (note 8)	(2,097,926)	(2,900,537)
Cash resources	15,238,094	14,176,639
Less: current restricted cash (see below)	(5,141,664)	(9,727,602)
Cash and cash equivalents	10,096,430	4,449,037

Included in cash at bank is \$7,239,590 (2018 - \$12,628,139) held in a Debt Service Reserve Account at Republic Finance & Trust (Barbados) Limited to facilitate settlement of principal and interest in relation to the \$70 million bond issue (note 15) as follows:

	2019 \$	2018 \$
Debt Service Reserve Account	7,239,590	12,628,139
Less: non-current amounts classified in financial investments (note 8)	(2,097,926)	(2,900,537)
Current amounts classified in cash resources	5,141,664	9,727,602

Notes to Financial Statements

MARCH 31, 2019
(EXPRESSED IN BARBADOS DOLLARS)

4 Cash resources ...continued

Significant concentrations of cash at bank are as follows:

	2019 \$	2018 \$
First Citizens Bank (Barbados) Limited (long term issue credit rating BBB by Standard & Poors)	4,213,406	2,673,763
Republic Bank (Barbados) Limited (unrated)	5,883,024	1,775,274
Republic Finance & Trust (Barbados) Corporation (unrated)	7,239,590	12,628,139

5 Accounts receivable

	2019 \$	2018 \$
Trade receivables	7,196,426	12,498,798
Less: Loss allowance	(353,432)	(479,737)
	6,842,994	12,019,061

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

March 31, 2019	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
Expected loss rate	5.8%	4.1%	5.2%	6.2%	
Trade receivables	3,450,451	1,572,332	351,263	1,822,380	7,196,426
Loss allowance	198,647	64,906	18,438	113,270	395,261
March 31, 2018	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
Expected loss rate	6.8%	4.1%	5.2%	6.2%	
Trade receivables	9,065,749	962,766	214,846	2,255,437	12,498,798
Loss allowance	619,221	39,743	11,277	140,187	810,428

Notes to Financial Statements

MARCH 31, 2019
(EXPRESSED IN BARBADOS DOLLARS)

5 Accounts receivable ...continued

The closing loss allowance for trade receivables as at March 31, 2019 reconciles to the opening loss allowance as follows:

	2019 \$	2018 \$
March 31 - calculated under IAS 39	479,737	745,866
Amounts restated through opening retained earnings	330,691	-
Opening loss allowance as at April 1, 2018 calculated under IFRS 9	810,428	745,866
(Decrease)/increase in loss allowance recognised in profit or loss during the year	(415,167)	17,283
	395,261	763,149
Receivables written off during the year as uncollectible	(41,829)	(283,412)
At March 31	353,432	479,737

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

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

6 Other receivables and prepaid expenses

	2019 \$	2018 \$
Staff receivables	213,296	194,060
Other	1,600	502,200
Other receivables	214,896	696,260
Prepaid expenses	525,047	474,853
	739,943	1,171,113

No loss allowance in respect of other receivables was required in 2019 or 2018.

Notes to Financial Statements

MARCH 31, 2019
(EXPRESSED IN BARBADOS DOLLARS)

7 Inventories

	2019 \$	2018 \$
Fuel	136,632	63,089
Equipment spares	6,587,386	6,090,941
Stationery	46,722	31,425
	6,770,740	6,185,455
Less: provision for obsolescence	(421,228)	(421,228)
	6,349,512	5,764,227

The Company did not write off inventory in 2019 or 2018.

Notes to Financial Statements

MARCH 31, 2019
(EXPRESSED IN BARBADOS DOLLARS)

8 Financial investments

	2019 \$	2018 \$
Financial assets at fair value through OCI		
Barbados Ice Cream Company Limited (Equities)		
At beginning of the year	85,811	42,469
Purchases at cost	22,905	26,926
Unrealised gain included in other comprehensive income	11,418	16,416
At end of year	120,134	85,811
Financial assets at amortised cost		
Debt Service Reserve Account at Republic Finance & Trust (Barbados) Limited (note 4)		
	2,097,926	2,900,537
Ansa Finance Lease Reserve Account at First Citizens Bank		
	995,000	995,000
Term deposits at Republic Bank (Barbados) Limited		
	23,235	23,233
Government Bond Series B 2033		
	299,841	-
	3,416,002	3,918,770
	3,536,136	4,004,581

The Debt Service Reserve at Republic Finance & Trust (Barbados) Limited is held to facilitate settlement of the non-current portion of the principal outstanding and future interest payments on the \$70 million bond. The total funds held in the account at year end were \$7,239,590 (2018 - \$12,628,139) (note 4). The Ansa Finance Lease Reserve Account is being held in connection with a financing lease from Ansa Merchant Bank. Term deposits at Republic Bank (Barbados) Limited have been pledged as security.

In exchange for its Treasury bill for \$300,000 which matured on September 30, 2018, on October 1, 2018 the Company received a Series B Government Bond comprised of eleven (11) amortising strips. This 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.

The maturity dates of the Company's financial assets at amortised cost are tied to the long-term loans against which they are secured.

No loss allowances on financial investments was required in 2019 and 2018.

The fair value of financial assets at year end was \$3,536,136 (2018 - \$4,004,581).

Notes to Financial Statements

MARCH 31, 2019
(EXPRESSED IN BARBADOS DOLLARS)

9 Investment in associated company

	2019 \$	2018 \$
Bridgetown Cruise Terminals, Inc.		
750,000 Class 'A' common shares (30% interest) - at cost	750,000	750,000
(Decrease)/increase in equity value over cost to end of previous year	(28,489)	60,259
	721,511	810,259
Share of net income for the year	382,786	511,252
Dividends received	-	(600,000)
Balance end of year	1,104,297	721,511

The results of the associated company as of March 31, 2019 and 2018 are as follows:

	Assets \$	Liabilities \$	Revenues \$	Net Income \$
2019	4,329,640	663,522	3,985,471	1,457,174
2018	3,398,551	1,174,765	4,270,802	1,522,954

Notes to Financial Statements

MARCH 31, 2019
(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, 2017							
Cost	60,865,130	29,134,864	87,692,996	5,160,490	151,989,184	78,068,622	412,911,286
Accumulated depreciation	-	(22,640,511)	(18,345,460)	(3,426,092)	(100,636,215)	(14,439,914)	(159,488,192)
Net book amount	60,865,130	6,494,353	69,347,536	1,734,398	51,352,969	63,628,708	253,423,094
Year ended March 31, 2018							
Opening net book amount	60,865,130	6,494,353	69,347,536	1,734,398	51,352,969	63,628,708	253,423,094
Transferred from capital works in progress	869,124	3,374,858	1,492,801	29,647	5,547,867	-	11,314,297
Additions	41,234	211,989	-	-	1,196,411	-	1,449,634
Reclassification	-	(4,989)	-	-	4,989	-	-
Disposals at cost	-	-	-	-	(104,485)	-	(104,485)
Accumulated depreciation on disposals	-	-	-	-	102,251	-	102,251
Depreciation for year	-	(770,307)	(1,781,309)	(274,161)	(7,083,404)	(1,561,372)	(11,470,553)
Closing net book amount	61,775,488	9,305,904	69,059,028	1,489,884	51,016,598	62,067,336	254,714,238
At March 31, 2018							
Cost	61,775,488	32,716,722	89,185,797	5,190,137	158,633,966	78,068,622	425,570,732
Accumulated depreciation	-	(23,410,818)	(20,126,769)	(3,700,253)	(107,617,368)	(16,001,286)	(170,856,494)
Net book amount	61,775,488	9,305,904	69,059,028	1,489,884	51,016,598	62,067,336	254,714,238

Notes to Financial Statements

MARCH 31, 2019
(EXPRESSED IN BARBADOS DOLLARS)

10 Property, plant and equipment ...continued

	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
	\$	\$	\$	\$	\$	\$	\$
Year ended March 31, 2019							
Opening net book amount	61,775,488	9,305,904	69,059,028	1,489,884	51,016,598	62,067,336	254,714,238
Transferred from capital works in progress	-	336,358	-	-	581,350	-	917,708
Additions	-	191,720	-	-	903,738	-	1,095,458
Adjustments	-	-	-	-	(84,640)	-	(84,640)
Disposals at cost	-	-	-	-	(1,454,076)	-	(1,454,076)
Accumulated depreciation on disposals	-	-	-	-	1,400,003	-	1,400,003
Depreciation for year	-	(807,865)	(1,783,716)	(274,902)	(7,191,647)	(1,561,372)	(11,619,502)
Closing net book amount	61,775,488	9,026,117	67,275,312	1,214,982	45,171,326	60,505,964	244,969,189
At March 31, 2019							
Cost	61,775,488	33,244,800	89,185,797	5,190,137	158,580,338	78,068,622	426,045,182
Accumulated depreciation	-	(24,218,683)	(21,910,485)	(3,975,155)	(113,409,012)	(17,562,658)	(181,075,993)
Net book amount	61,775,488	9,026,117	67,275,312	1,214,982	45,171,326	60,505,964	244,969,189

Notes to Financial Statements

MARCH 31, 2019
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11 Capital works in progress

	Berth 6 project \$	Other \$	Total \$
At March 31, 2017			
Cost	1,304,500	2,733,810	4,038,310
Year ended March 31, 2018			
Opening net book amount	1,304,500	2,733,810	4,038,310
Additions	18,695,500	33,587,916	52,283,416
Transfers to property, plant and equipment	-	(11,314,297)	(11,314,297)
Expensed	(5,691,850)	(458,104)	(6,149,954)
Closing net book amount	14,308,150	24,549,325	38,857,475
At March 31, 2018			
Cost	14,308,150	24,549,325	38,857,475
Year ended March 31, 2019			
Opening net book amount	14,308,150	24,549,325	38,857,475
Additions	-	4,398,654	4,398,654
Transfers to property, plant and equipment	-	(917,708)	(917,708)
Expensed	-	(319,423)	(319,423)
Closing net book amount	14,308,150	27,710,848	42,018,998
At March 31, 2019			
Cost	14,308,150	27,710,848	42,018,998

On May 23, 2017, the Company entered into a contractual agreement for the construction of Berth 6 and related projects at a cost of \$189,001,293 (Note 14). By letter dated June 22, 2018, the Company was instructed by its shareholder to put matters related to this matter on hold. Following a valuation of the works performed under the agreement, \$5,691,850 was written off.

Notes to Financial Statements

MARCH 31, 2019
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12 Deferred tax asset

	2019 \$	2018 \$
Deferred tax asset - beginning of year	36,098,163	26,745,098
Effect of remeasurement of DTA brought forward through income	(31,290,906)	-
Effect of remeasurement of DTA brought forward through OCI	3,134,339	-
	7,941,596	26,745,098
Deferred tax (charge)/credit (note 22)	(1,079,951)	3,801,655
Deferred tax charge relating to components of other comprehensive income	81,621	5,551,410
Deferred tax asset - end of year	6,943,266	36,098,163

The deferred tax asset consists of the following components:

	2019 \$	2018 \$
Delayed tax depreciation	84,336,933	77,706,173
Retirement benefit obligations (note 16)	17,252,856	22,523,289
Qualifying capital expenditure (note 23)	24,651,410	44,163,189
	126,241,199	144,392,651
Deferred tax asset at corporation tax rate of 5.5% (2018 - 25%)	6,943,266	36,098,163

The expiry dates of qualifying capital expenditure are disclosed in Note 23. The other temporary differences have no expiry dates.

Notes to Financial Statements

MARCH 31, 2019
(EXPRESSED IN BARBADOS DOLLARS)

13 Deferred expenses

The Company has signed a rental agreement with the Barbados Investment and Development Corporation to rent a parcel of land for the construction of new offices. The rental agreement is being amortised over its life of twenty-five years.

	2019 \$	2018 \$
At beginning of the year	953,333	-
Additions	-	1,000,000
Amortisation	(40,000)	(46,667)
Closing net book amount	913,333	953,333
At March 31, 2019		
Cost	1,000,000	1,000,000
Accumulated amortisation	(86,667)	(46,667)
Net book amount	913,333	953,333

14 Accounts payable and accrued liabilities

	2019 \$	2018 \$
Current liabilities		
Accounts payable	1,290,103	1,951,464
Accrued liabilities	4,984,207	4,121,470
VAT payable	-	183,416
	6,274,310	6,256,350
Non-current liabilities		
Berth 5 Projects Limited	16,373,855	17,373,855
	22,648,165	23,630,205

On May 23, 2017, the Company entered into a contractual agreement for the construction of Berth 6 and related projects at a cost of \$189,001,293. For advanced works related to the project, a payment of \$20 million was payable. Payment was deferred to May 17, 2019 and subsequently to May 17, 2020.

Notes to Financial Statements

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15 Long-term loans

	2019	2018
	\$	\$
i) Republic Finance & Trust (Barbados) Limited - \$50M	-	4,387,174
ii) Republic Finance & Trust (Barbados) Limited - \$70M	61,119,846	70,847,447
iii) Ansa Finance Lease Liability	48,910,670	56,374,543
	110,030,516	131,609,164
Less: current portion	(23,758,055)	(23,627,906)
	86,272,461	107,981,258

- i) This bond facility arranged by Republic Finance & Trust (Barbados) Limited was obtained on October 31, 2008 to refinance a portion of existing debt, including pension liabilities and to fund ongoing capital works. The bond of \$50,000,000 was for a term of 10 years and bore interest at the rate of 7.0% fixed. Interest was to be paid quarterly during the term of the facility, with a moratorium on principal repayments during the first three years. Commencing December 31, 2011 and ending September 30, 2018, the bond was to be repaid by 28 blended quarterly payments of \$2,274,076. The bond facility was secured by a Government of Barbados guarantee.
- ii) This bond was issued through Republic Finance & Trust (Barbados) Limited for the purposes of refinancing existing loans and working capital management. The bond was fully subscribed as at March 31, 2017; net subscriptions totalled \$70,000,000 and capitalised interest to March 31, 2017 totalled \$9,878,436. The bond bears interest fixed at 7.5%, with a moratorium on principal and interest payments for the first 3 years, during which interest is capitalised. Commencing June 30, 2017 and ending March 31, 2024, the bond is to be repaid by 28 blended quarterly payments of \$3,692,951.53. This bond is secured by a mortgage over the fixed and floating assets of the Company stamped to cover \$87,500,000 and a charge over the Debt Service Reserve Account funded at \$7,000,000 per annum. The total in the Debt Service Reserve Account at year end was \$7,239,590 (2018 - \$12,628,139) (note 4).
- iii) On March 14, 2014 the Company entered into a finance lease, which had been arranged and financed through ANSA Merchant Bank Limited was entered into 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 Company.

On October 4, 2017 the Company 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.

Notes to Financial Statements

MARCH 31, 2019
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15 Long-term loans ...continued

	2019	2018
	\$	\$
Gross finance lease liabilities - minimum lease payments		
No later than 1 year	16,108,281	11,498,272
Later than 1 year and no later than 5 years	37,043,808	47,005,055
Later than 5 years	4,610,369	10,756,766
	57,762,458	69,260,093
Future finance charges on finance lease liabilities	(8,851,098)	(12,885,550)
Present value of finance lease liabilities:	48,911,360	56,374,543
The present value of finance lease liabilities is as follows:		
No later than 1 year	15,431,174	11,059,173
Later than 1 year and no later than 5 years	30,486,338	38,598,378
Later than 5 years	2,993,848	6,716,992
	48,911,360	56,374,543

The maturity of loan balances has been disclosed in note 24 (a)(iii).

The fair value of the Company's fixed rate borrowings was \$115,111,648 (2018 - \$139,758,641) at the end of the year.

16 Retirement benefit obligations

The Company 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 Company 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 Company 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 Company has recorded an additional liability due to IFRIC (International Financial Reporting Interpretations Committee) 14. An additional liability exists if the present value of future special payments (minimum funding payments) exceeds the current statement of financial position liability. At March 31, 2019, the present value of the future special payments was \$(6,084,908) (2018 - \$23,420,918) and the Company's defined benefit plan showed an asset on the statement of financial position of \$5,160,265 (2018 - \$6,132,523), resulting in an additional liability of \$12,175,745 (2018 - \$17,288,395) due to IFRIC 14.

Notes to Financial Statements

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(EXPRESSED IN BARBADOS DOLLARS)

16 Retirement benefit obligations ...continued

The Company 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:

	2019 \$	2018 \$
Pension plan	12,175,745	17,288,395
Post-retirement medical benefits	5,077,111	5,234,894
	17,252,856	22,523,289

Pension plan

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

	2019 \$	2018 \$
Present value of funded obligations	63,474,882	61,456,172
Fair value of plan assets	(68,635,146)	(67,588,695)
Effect of IFRIC 14	17,336,009	23,420,918
Pension plan liability	12,175,745	17,288,395

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

	2019 \$	2018 \$
Present value of funded obligations - beginning of year	61,456,172	61,162,450
Current service cost	1,233,278	1,258,609
Interest cost	4,651,568	4,627,328
Benefits paid	(4,105,161)	(4,168,590)
Actuarial losses/(gains) on retirement benefit obligations	239,025	(1,423,625)
Present value of funded obligations - end of year	63,474,882	61,456,172

Notes to Financial Statements

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(EXPRESSED IN BARBADOS DOLLARS)

16 Retirement benefit obligations ...continued

Pension plan ...continued

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

	2019 \$	2018 \$
Plan assets - beginning of year	67,588,695	61,642,759
Actual return on plan assets	(2,578,331)	4,364,934
Contributions - total	7,729,943	5,749,592
Benefits paid	(4,105,161)	(4,168,590)
Plan assets - end of year	68,635,146	67,588,695

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

	2019 \$	2018 \$
Net liability/(surplus) - beginning of year	17,288,395	(480,309)
Contributions paid	(7,729,943)	(5,749,592)
Expense recognised in the statement of comprehensive income	506,261	1,047,359
Actuarial losses recognised in the statement of other comprehensive income	2,111,032	22,470,937
Net liability - end of year	12,175,745	17,288,395

Expense recognised in the statement of comprehensive income:

	2019 \$	2018 \$
Current service cost	1,233,278	1,258,609
Interest cost	4,651,568	4,627,328
Expected return on plan assets	(5,378,585)	(4,838,578)
	506,261	1,047,359
Actual return on plan assets	(2,578,331)	4,364,934

Notes to Financial Statements

MARCH 31, 2019
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16 Retirement benefit obligations ...continued

Pension plan ...continued

Expense recognised in other comprehensive income:

	2019	2018
	\$	\$
Actuarial (losses)/gains on retirement benefit obligations	(239,025)	1,423,625
Return on plan assets excluding amounts included in interest expense	(7,956,915)	(473,644)
Effect of IFRIC 14	6,084,908	(23,420,918)
	(2,111,032)	(22,470,937)

	2019	2018
	%	%
Plan assets are comprised as follows:		
Bonds	35.0	49.0
Equities	48.2	45.0
Deposits	3.1	5.0
Other assets	13.7	1.0
Net assets	100.0	100.0

Retirement benefit obligations

Through its defined benefit pension plan, the Company 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 (6%) (2018 - 6%) investments in corporate bonds.

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

Notes to Financial Statements

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16 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, 2020 are \$7,258,842.

The weighted average duration of the defined benefit plan is 12.76 (2018 - 12.66) 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	4.17	5.33	15.81	26.36	51.67

Principal actuarial assumptions used for accounting purposes were:

	2019 %	2018 %
Discount rate	7.75	7.75
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

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16 Retirement benefit obligations ...continued

Pension plan ...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%	(6,014,353)	7,239,225
Salary growth rate	0.5%	2,264,918	(2,001,111)
Life expectancy	1 year	3,446,963	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.

Post-retirement medical benefits

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

	2019	2018
	\$	\$
Present value of funded obligations	5,077,111	5,234,894

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

Notes to Financial Statements

MARCH 31, 2019
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16 Retirement benefit obligations ...continued

Post-retirement medical benefits ...continued

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

	2019 \$	2018 \$
Present value of funded obligations - beginning of year	5,234,894	5,048,691
Current service cost	178,234	179,756
Interest cost	408,047	393,469
Past service cost - vested benefits	736	1,366
Benefits paid	(117,782)	(123,092)
Actuarial gains on obligations	(627,018)	(265,296)
Present value of funded obligations - end of year	5,077,111	5,234,894

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

	2019 \$	2018 \$
Net liability - beginning of year	5,234,894	5,048,691
Contributions paid	(117,782)	(123,092)
Expense recognised in the statement of comprehensive income	587,017	574,591
Actuarial gains recognised in the statement of other comprehensive income	(627,018)	(265,296)
Net liability - end of year	5,077,111	5,234,894

Expense recognised in the statement of comprehensive income:

	2019 \$	2018 \$
Current service cost	178,234	179,756
Interest cost	408,047	393,469
Past service cost - vested benefits	736	1,366
	587,017	574,591

Notes to Financial Statements

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16 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	791,135	645,687

Principal actuarial assumptions used for accounting purposes were:

	2019	2018
	%	%
Discount rate	7.75	7.75
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 Company'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.

17 Share capital

Authorised

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

Issued

	2019	2018
	\$	\$
100 (2018 - 100) common shares, stated value	100	100

Notes to Financial Statements

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18 Capital contributions

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

	2019 \$	2018 \$
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(I) 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 Crown.

- a) The freehold land and buildings and the static facilities at the Port of Bridgetown belonging to 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 Crown for the debt servicing assumed by 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 Crown for long term loans made by 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 Financial Statements

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18 Capital contributions ...continued

- d) Since the terms of the lease transactions are significantly affected by the relationship between the Port and the Crown, the economic substance rather than the legal form of the lease has been recognised by the Company 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 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

	2019 \$	2018 \$
Bulk handling terminal	610,940	553,806
Auction sales	73,609	220,432
Garbage disposal	1,137,826	1,239,234
Security services	6,826,723	6,958,501
Taxi and tour buses registration	207,225	164,410
Photo identification	122,327	119,001
	8,978,650	9,255,384

20 Expenses by nature

	2019 \$	2018 \$
Staff costs (note 21)	38,604,242	32,062,393
Repairs and maintenance	5,902,015	6,158,193
Utilities	2,803,576	2,689,311
Advertising and promotions	265,175	1,254,646
Depreciation (note 10)	11,619,502	11,470,553
Insurance	1,027,818	892,775
Professional fees	854,413	877,041
Other	6,805,324	7,594,039
	67,882,065	62,998,951

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21 Staff costs

	2019 \$	2018 \$
Payroll costs and benefits	37,229,108	30,195,645
Pension expenses		
- defined benefit	506,261	1,047,359
- defined contribution	281,856	244,798
Post-retirement medical benefits	587,017	574,591
	38,604,242	32,062,393

22 Taxation

	2019 \$	2018 \$
Deferred tax charge/(credit) (note 12)	32,370,857	(3,801,655)

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

	2019 \$	2018 \$
Profit before taxation	19,463,460	19,983,426
Taxation calculated at 5.5% (2018 - 25%)	1,070,490	4,995,857
Effect of change in tax rate during the year on opening deferred tax balance	31,290,906	-
Expenses not deductible for tax purposes	206,570	2,312,028
Tax allowances	-	(161,441)
Qualifying capital expenditure incurred	(176,056)	(10,810,206)
Associated company's results reported net of tax	(21,053)	(127,813)
(Over)/under provision of prior year tax	-	(10,080)
	32,370,857	(3,801,655)

Notes to Financial Statements

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23 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 \$	Utilised \$	Incurred \$	C/fwd \$	Expiry date
2017	918,365	(918,365)	-	-	
2018	43,244,824	(21,794,439)	-	21,450,385	2037
2019	-	-	3,201,025	3,201,025	2038
	<u>44,163,189</u>	<u>(22,712,804)</u>	<u>3,201,025</u>	<u>24,651,410</u>	

24 Financial risk management

a) Financial risk factors

The Company'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 Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company'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 Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, 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 Company's activities. The Company, 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.

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24 Financial risk management ...continued

a) Financial risk factors ...continued

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 Company'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 Company's exposure to currency risk arises from purchases that are denominated in a currency other than the functional currency of the Company 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 Company is exposed to cash flow interest rate risk in respect of its term deposits and long term loans.

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. Management has entered into long term loans which bear interest at fixed rates and hence limit the Company's exposure to cash flow interest rate risk.

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

Fixed rate instruments

	2019	2018
	\$	\$
Financial assets	3,416,002	3,918,770
Financial liabilities	110,030,516	131,609,164

3) Price risk

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

Notes to Financial Statements

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24 Financial risk management ...continued

a) Financial risk factors ...continued

ii) Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. The Company'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:

	2019		2018	
	\$	%	\$	%
Cash resources	15,238,094	59.26	14,176,639	46.01
Accounts receivable	6,842,994	26.61	12,019,061	39.01
Other receivables	214,896	0.84	696,260	2.26
Financial investments				
Financial assets at amortised cost	3,416,002	13.29	3,918,770	12.72
	25,711,986	100.00	30,810,730	100.00

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Company'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 Company. 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 2019 or 2018.

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24 Financial risk management ...continued

a) Financial risk factors ...continued

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 Company's liquidity management involves projecting cash flows and monitoring statement of financial position ratios.

The table below analyses the Company'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.

2019	Carrying amount \$	Contractual cash flows \$	0 to 12 months \$	1 to 2 years \$	2 to 5 years \$	More than 5 years \$
Assets						
Cash resources	15,238,094	15,238,094	15,238,094	-	-	-
Accounts receivable	6,842,994	6,842,994	6,842,994	-	-	-
Other receivables	214,896	214,896	214,896	-	-	-
Financial investments	3,416,002	3,497,470	3,119,152	2,991	59,044	316,283
	25,711,986	25,793,454	25,415,136	2,991	59,044	316,283
Liabilities						
Long-term loans	110,030,516	131,695,498	30,895,087	32,431,757	63,758,645	4,610,009
Accounts payable	17,663,958	17,663,958	1,290,103	16,373,855	-	-
	127,694,474	149,359,456	32,185,190	48,805,612	63,758,645	4,610,009
Liquidity gap	(101,982,488)	(123,566,002)	(6,770,054)	(48,802,621)	(63,699,601)	(4,293,726)

Notes to Financial Statements

MARCH 31, 2019
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24 Financial risk management ...continued

a) Financial risk factors ...continued

iii) Liquidity risk ...continued

2018

Assets

Cash resources	14,176,639	14,176,639	-	-	-	-
Accounts receivable	12,019,061	12,019,061	-	-	-	-
Other receivables	696,260	696,260	-	-	-	-
Financial investments	3,918,770	3,918,770	-	-	-	-
	30,810,730	30,810,730	-	-	-	-

Liabilities

Long-term loans	131,609,164	231,505,550	30,795,248	35,505,096	93,696,954	71,508,251
Accounts payable	19,508,735	19,508,735	2,134,880	17,373,855	-	-
	151,117,899	251,014,285	32,930,128	52,878,951	93,696,954	71,508,251

Liquidity gap

	(120,307,169)	(220,203,555)	(2,119,398)	(52,878,951)	(93,696,954)	(71,508,251)
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Notes to Financial Statements

MARCH 31, 2019
(EXPRESSED IN BARBADOS DOLLARS)

24 Financial risk management ...continued

a) Financial risk factors ...continued

iv) 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.

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 Company 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 Company does not consider the instrument to be traded in an active market.

The Company's equity securities in the Barbados Ice Cream Company Limited was designated a Level 3 financial asset.

b) Fair value of financial assets and liabilities

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 Company'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 15.

c) Capital risk management

The Company manages equity and long-term loans 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 Company's approach to capital management during the year.

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25 Contingent liabilities

As of March 31, 2019 and 2018, there exist a number of legal claims against the Company, 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 Company 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:

	2019 \$	2018 \$
i) Portion of passenger head tax paid	1,323,850	1,363,359
ii) Security service charge	111,884	110,880

- 2) Key management

	2019 \$	2018 \$
Directors' fees	72,900	90,000
Salaries and other employee benefits	2,445,626	2,061,457

There were no loans to key management at March 31, 2019 or 2018.

Transactions with entities which have common directors of the Company are as follows:

	2019 \$	2018 \$
Marine charges	11,859	-
Miscellaneous services	-	456,745
Cargo handling	917,999	11,519,534
	929,858	11,976,279
Brokerage fee expenses	109,857	104,477

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27 Operating leases

The Company sublets parts of the property it leases from the Crown. The future minimum lease payments receivable under terms of the leases are as follows:

	2019	2018
	\$	\$
Less than one year	1,488,935	1,531,110
Between one and five years	696,827	1,080,022
More than 5 years	9,857,298	10,496,376

During the year \$1,498,222 (2018 - \$1,396,063) was recognised as rental income in the statement of comprehensive income.

In 2014, the Company entered into a fifteen year operating lease with Svitzer Barbados for the provision of tug charter services. The future minimum lease payments payable under the terms of the leases are as follows:

	2019	2018
	\$	\$
No later than one year	3,187,223	3,244,559
Later than 1 year and no later than 5 years	12,736,279	12,987,127
Later than 5 years	16,714,001	20,294,053

Notes to Financial Statements

MARCH 31, 2019
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28 Cash flow information

a) Non-cash investing and financing activities

	2019 \$	2018 \$
Acquisition of capital works in progress by means of advanced works obligation related to the Berth 6 Design Phase Financing	-	17,373,855
Acquisition of capital works in progress by means of finance lease	-	24,202,712
Capitalised interest	2,049,257	487,289

b) Net debt reconciliation

	2019 \$	2018 \$
Cash resources	15,238,094	14,176,639
Financial investments (financial assets at amortised cost)	3,416,002	3,918,770
Accounts payable - non-current portion	(16,373,855)	(17,373,855)
Long-term loans - current portion	(23,758,055)	(23,627,906)
Long-term loans	(86,272,461)	(107,981,258)
Net debt	(107,750,275)	(130,887,610)
Cash and financial investments	18,654,096	18,095,409
Accounts payable - non-current and long-term loans - fixed interest rates	(126,404,371)	(148,983,019)
	(107,750,275)	(130,887,610)

Notes to Financial Statements

MARCH 31, 2019
(EXPRESSED IN BARBADOS DOLLARS)

28 Cash flow information ...continued

	Cash	Investments	Accounts payable non-current	Finance leases due within one year	Finance leases due after one year	Long term due within one year	Long term due after one year	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Net debt as at April 1, 2018	14,176,639	3,918,770	(17,373,855)	(9,513,130)	(46,861,413)	(14,114,775)	(61,119,846)	(130,887,610)
Cash flows	1,061,455	(507,771)	1,000,000	9,513,130	-	14,114,775	-	25,181,589
Non-cash flows:								
Other non-cash movements	-	5,003	-	-	(2,049,257)	-	-	(2,044,254)
Reclassifications	-	-	-	(13,280,106)	13,280,106	(10,477,949)	10,477,949	-
	15,238,094	3,416,002	(16,373,855)	(13,280,106)	(35,630,564)	(10,477,949)	(50,641,897)	(107,750,275)

	Cash	Investments	Accounts payable non-current	Finance leases due within one year	Finance leases due after one year	Long term due within one year	Long term due after one year	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Net debt as at April 1, 2017	19,846,467	12,403,898	-	(8,849,767)	(31,684,542)	(20,348,342)	(76,727,992)	(105,360,278)
Cash flows	(5,669,828)	(8,485,128)	-	8,849,767	-	20,348,342	1,493,371	16,536,524
Non-cash flows:								
Acquisitions - finance leases	-	-	-	-	(24,202,712)	-	-	(24,202,712)
Other non cash movements	-	-	(17,373,855)	(487,289)	-	-	-	(17,861,144)
Reclassifications	-	-	-	(9,025,841)	9,025,841	(14,114,775)	14,114,775	-
	14,176,639	3,918,770	(17,373,855)	(9,513,130)	(46,861,413)	(14,114,775)	(61,119,846)	(130,887,610)

Notes to Financial Statements

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29 Write-off of intragovernmental debt

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

	\$
Government institutions	
Comptroller of Customs	44,233
Caribbean Examinations Council	92
Barbados Defence Force	26,409
Barbados Tourism Investment Inc.	428,000
	<hr/>
	498,734

Since these amounts were not settled in cash, they have been excluded from the statement of cash flows.

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REPORT

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