



**Needham's Point
Holdings Ltd.**



2025

ANNUAL REPORT



Needham's Point
Holdings Ltd.

2025

ANNUAL REPORT





TABLE OF CONTENTS

4	Board of Directors
5	Chief Executive Officer/Secretary
5	Auditor
5	Bankers
6	Chairman's Report
10	Auditor's Report
13	Balance Sheet
15	Statement of Changes in Equity
16	Statement of Comprehensive Income
17	Statement of Cash Flows
18	Notes to Financial Statements

BOARD OF DIRECTORS

The Board of Directors at March 31st, 2025



Mr. Junior Walrond
Chairman



Mr. Alfredo Weatherhead
Deputy Chairman



Mr. Wayne Alleyne



Mr. Adrian Gomes



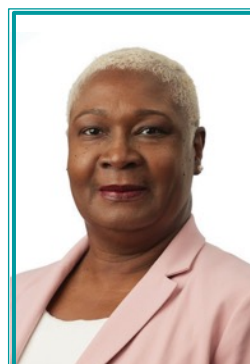
Mr. Ian Knight



Mr. Mark Boxill



Ms. Joy-Ann Gilkes



Mrs. Francine Blackman



Ms. Lisa Harding



Chief Executive Officer/Secretary
Ms. Debra Hughes

Bankers
CIBC

Auditor
PriceWaterhouseCoopers SRL



CHAIRMAN'S REPORT

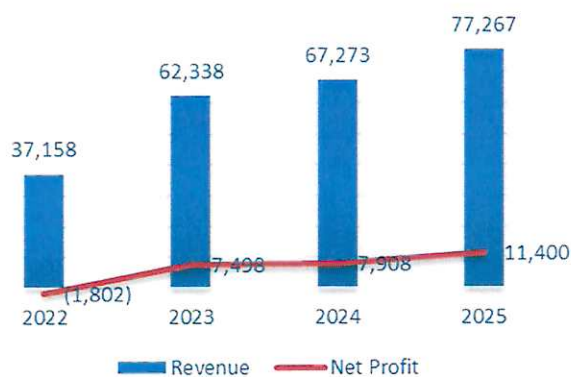
The financial year ended March 31st, 2025, has been the most profitable year for the company since the hotel's reopening in 2005 with a profit of \$11,399,878. For the past 4 years since 2021, the company has achieved annual increases in revenues and profitability each year. Revenues have grown from \$37M in 2022 to \$77M in 2025 and operating profits from an operating loss of \$1.8M in 2022 to \$11.4M in 2025.

Compared to 2024, the hotel continued to improve revenues with room revenues growing by 21.8%. This was achieved by following the strategy of increasing the average daily rate (ADR), this year the ADR improved by \$116.

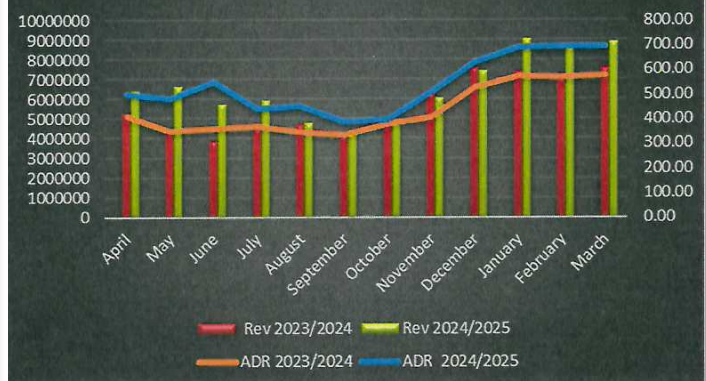
There were major enhancements to the F&B department during the period with the rebranding of Careenage Bar to the 'The Rum Stop' and the refurbishment of The Grille. The banqueting and meeting rooms were closed to facilitate a complete upgrade and despite the closure there was only a minimal impact as revenues were only down by 1.5% compared to same period last year.

The company's full year performance for total revenue was \$77,267,243 compared with \$67,272,961 in the prior year and the hotel contributed \$18.3M in net profits (owner's return) to

Revenue and Profits and 2022 - 2025 (\$000s)



Revenues and ADR 2024/2025





the company, compared to \$14.6M in the previous year. Overall, there was a net profit of \$11,399,878 (2024 - \$7,907,695) an increase of \$3,492,183.

As a result of the increased profitability this year, the company was able to retire its commercial debts as an interest saving measure. The CIBC USD syndicated loan has been almost repaid with only a final payment of \$1M due in April 2025 and there were accelerated payments to First Citizens Bank to bring the loan balance from \$10.8M at the beginning of the year to \$5.6M. It is expected that before the next year end, these balances will be fully repaid.

The refurbishment of the ballroom and conference facilities has been substantially completed during the year. Due to the high demand for these spaces, there is some snagging to be undertaken along with the installation of the ballroom chandeliers and the new doors in the upcoming financial year.

There continue to be improvements to the hotel's plant and during the year installation of the new air

handling units has commenced, and this is expected to be completed next year.

This year is the final year of the existing management agreement with Hilton International to expire December 2025, and Hilton has triggered the automatic renewal for an additional 10 years under the terms of the existing contract. The Board is looking forward to continuing the relationship with Hilton and is currently negotiating more favourable terms for the renewal and a further extension for an additional ten-year term ending in December 2045.

The year was another year of solid growth, and we are pleased to report these positive accomplishments for this year.

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

A handwritten signature in blue ink, appearing to read 'Junior Walrond', written over a horizontal dotted line.

Junior Walrond
Chairman





Needham's Point Holdings Ltd.

|| **FINANCIAL STATEMENTS**
March 31, 2025
(expressed in Barbados dollars)



Independent auditor's report

To the Shareholders of Needham's Point Holding Limited

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Needham's Point Holding Limited (the Company) as at March 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with the IFRS for SMEs Accounting Standard.

What we have audited

The Company's financial statements comprise:

- the balance sheet as at March 31, 2025;
- the statement of changes in equity for the year then ended;
- the statement of comprehensive income for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

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

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

Independence

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

Other information

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

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



In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the IFRS for SMEs Accounting Standard⁵, 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

Other matter

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

A handwritten signature in black ink that reads "Ricardo James Cooper SKL".

Bridgetown, Barbados
November 25, 2025

Needham's Point Holdings Limited

Balance Sheet

As of March 31, 2025

(expressed in Barbados dollars)

	2025	2024
	\$	\$
Assets		
Current assets		
Cash and cash equivalents (note 4)	16,723,136	26,490,446
Trade and other receivables (note 5)	10,728,246	9,133,272
Due from related parties (note 6)	149,653	1,030,911
Taxation recoverable	–	1,104
Inventories (note 7)	1,453,307	1,194,242
Current portion of deferred transaction costs (note 10)	78,525	26,515
	<u>29,132,867</u>	37,876,490
Non-current assets		
Property, plant and equipment (note 8)	201,689,108	199,005,016
Long-term portion of deferred transaction costs (note 10)	–	78,525
	<u>230,821,975</u>	<u>236,960,031</u>

Needham's Point Holdings Limited

Balance Sheet ...continued

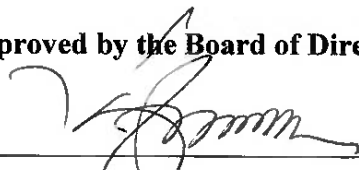
As at March 31, 2025

(expressed in Barbados dollars)


	2025	2024
	\$	\$
Liabilities and Equity		
Current liabilities		
Trade and other payables (note 9)	16,666,230	22,150,087
Due to related parties (note 6)	1,767,868	1,010,870
Borrowings (note 10)	6,655,410	8,284,063
Taxation payable	431,619	—
	<u>25,521,127</u>	<u>31,445,020</u>
Non-current liabilities		
Borrowings (note 10)	—	9,640,396
Preference shares (note 11)	12,439,701	12,439,701
	<u>12,439,701</u>	<u>22,080,097</u>
Total non-current liabilities	<u>12,439,701</u>	<u>22,080,097</u>
Total liabilities	<u>37,960,828</u>	<u>53,525,117</u>
Shareholder's Equity		
Share capital (note 12)	98,682,283	98,682,283
Revaluation surplus	27,144,132	27,144,132
Retained earnings	67,034,732	57,608,499
	<u>192,861,147</u>	<u>183,434,914</u>
Total liabilities and equity	<u>230,821,975</u>	<u>236,960,031</u>

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

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



Director



Director

Needham's Point Holdings Limited

Statement of Changes in Equity For the year ended March 31, 2025

(expressed in Barbados dollars)

	Share capital \$	Revaluation surplus \$	Retained earnings \$	Total \$
Balance - March 31, 2023	98,682,283	27,144,132	49,700,804	175,527,219
Profit for the year	—	—	7,907,695	7,907,695
Balance - March 31, 2024	98,682,283	27,144,132	57,608,499	183,434,914
Dividends paid	—	—	(1,973,645)	(1,973,645)
Profit for the year	—	—	11,399,878	11,399,878
Balance - March 31, 2025	98,682,283	27,144,132	67,034,732	192,861,147

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

Needham's Point Holdings Limited

Statement of Comprehensive Income

For the year ended March 31, 2025

(expressed in Barbados dollars)

	2025 \$	2024 \$
Income		
Sales and room revenue	77,267,243	67,272,961
Cost of sales (note 13)	<u>(7,023,838)</u>	<u>(6,885,606)</u>
Gross profit	70,243,405	60,387,355
Direct expenses (note 13)	<u>(20,837,175)</u>	<u>(18,272,511)</u>
Departmental profit	49,406,230	42,114,844
Other income	<u>2,250</u>	<u>—</u>
	<u>49,408,480</u>	<u>42,114,844</u>
Expenses		
Marketing and administrative expenses (note 13)	<u>(32,540,144)</u>	<u>(28,576,015)</u>
Income before finance and fixed charges	<u>16,868,336</u>	<u>13,538,829</u>
Finance and fixed charges		
Interest and bank charges	(913,544)	(1,388,899)
Depreciation (note 8)	<u>(4,027,537)</u>	<u>(4,131,996)</u>
	<u>(4,941,081)</u>	<u>(5,520,895)</u>
Profit before tax	11,927,255	8,017,934
Income tax expense (note 14)	<u>(527,377)</u>	<u>(110,239)</u>
Total comprehensive income for the year	<u>11,399,878</u>	<u>7,907,695</u>

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

Needham's Point Holdings Limited

Statement of Cash Flows

For the year ended March 31, 2025

(expressed in Barbados dollars)

	2025	2024
	\$	\$
Cash flows from operating activities		
Profit before tax	11,927,255	8,017,934
Adjustment for:		
Depreciation	4,027,537	4,131,996
Finance costs	913,544	1,388,899
Amortisation of loan costs	26,515	30,047
Operating profit before working capital changes	16,894,851	13,568,876
Increase in trade and other receivables	(1,594,974)	(2,326,393)
Decrease/(increase) in due from related parties	881,258	(541,359)
(Increase)/decrease in inventories	(259,065)	246,362
(Decrease)/increase in trade and other payables	(5,483,857)	3,096,055
Increase in due to related parties	756,998	270,075
Cash generated from operations	11,195,211	14,313,616
Interest paid	(913,544)	(1,388,899)
Taxes paid	(94,654)	–
Net cash generated from operating activities	10,187,013	12,924,717
Cash flows used in investing activities		
Purchase of property, plant and equipment	(6,711,629)	(2,964,095)
Cash flows from financing activities		
Repayment of long term loans	(11,269,049)	(6,088,454)
Dividend paid	(1,973,645)	–
Net cash used in financing activities	(13,242,694)	(6,088,454)
(Decrease)/increase in cash for the year	(9,767,310)	3,872,168
Cash - beginning of year	26,490,446	22,618,278
Cash - end of year	16,723,136	26,490,446

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

Needham's Point Holdings Limited

Notes to Financial Statements

March 31, 2025

(expressed in Barbados dollars)

1 Incorporation, principal activity and management

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

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

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

2 Significant accounting policies

a) Basis of preparation

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

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

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

b) Cash

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

c) Financial instruments

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

Financial assets

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

Financial liabilities

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

Needham's Point Holdings Limited

Notes to Financial Statements

March 31, 2025

(expressed in Barbados dollars)

2 Significant accounting policies ...continued

d) Trade receivables

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

e) Related party balances and transactions

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

f) Inventories

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

g) Property, plant and equipment

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

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

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

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount.

Needham's Point Holdings Limited

Notes to Financial Statements

March 31, 2025

(expressed in Barbados dollars)

2 Significant accounting policies ...continued

h) Impairment

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

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

i) Payables and provisions

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

j) Borrowings

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

k) Revenue recognition

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

Needham's Point Holdings Limited

Notes to Financial Statements

March 31, 2025

(expressed in Barbados dollars)

2 Significant accounting policies ...continued

l) Foreign currency translation

i) Functional and presentation currency

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

ii) Transactions and balances

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

m) Taxation

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

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

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

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

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

Needham's Point Holdings Limited

Notes to Financial Statements

March 31, 2025

(expressed in Barbados dollars)

2 Significant accounting policies ...continued

n) Employee benefits

Post-employment benefits

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

Short-term benefits

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

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

3 Critical accounting estimates and judgements

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

Valuation of land and buildings

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

Depreciation of buildings

The Company depreciates its buildings at 2% per annum of the residual value between the valuation of the property as a whole and the estimated value of the land based on annual assessments of the land value made by management.

Needham's Point Holdings Limited

Notes to Financial Statements

March 31, 2025

(expressed in Barbados dollars)

2 Significant accounting policies ...continued

n) Employee benefits

Post-employment benefits

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

Short-term benefits

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

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

3 Critical accounting estimates and judgements

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

Valuation of land and buildings

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

Depreciation of buildings

The Company depreciates its buildings at 2% per annum of the residual value between the valuation of the property as a whole and the estimated value of the land based on annual assessments of the land value made by management.

Needham's Point Holdings Limited

Notes to Financial Statements

March 31, 2025

(expressed in Barbados dollars)

4 Cash and cash equivalents

	2025	2024
	\$	\$
CIBC First Caribbean International Bank		
- operating account BBD	9,119,409	10,949,860
- property, plant and equipment account	846,051	1,443,887
- operating account USD	5,721,851	13,921,911
Cashiers and other cash	110,279	131,028
First Citizens Bank - debt reserve account	882,062	194
First Citizens operating account	43,484	43,566
	<u>16,723,136</u>	<u>26,490,446</u>

5 Trade and other receivables

	2025	2024
	\$	\$
(i) Trade receivables:		
Guest ledger	2,321,723	2,569,637
City ledger	5,050,788	2,433,003
	<u>7,372,511</u>	<u>5,002,640</u>
(ii) Other receivables:		
Other miscellaneous receivables	1,321,815	1,661,827
VAT receivables	407,903	13,592
Prepayments	1,648,533	2,554,020
	<u>10,750,762</u>	<u>9,232,079</u>
Less: Provision for doubtful accounts	<u>(22,516)</u>	<u>(98,807)</u>
	<u>10,728,246</u>	<u>9,133,272</u>

Needham's Point Holdings Limited

Notes to Financial Statements

March 31, 2025

(expressed in Barbados dollars)

5 Trade and other receivables ...continued

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

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

	2025	2024
	\$	\$
At April 1	98,807	185,077
Provision recognised during the year	4,093	37,664
Bad debts written off	<u>(80,384)</u>	<u>(123,934)</u>
At March 31	<u>22,516</u>	<u>98,807</u>

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

6 Due from/(to) related parties

i) Management fees

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

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

Needham's Point Holdings Limited

Notes to Financial Statements

March 31, 2025

(expressed in Barbados dollars)

6 Due from/(to) related parties ...continued

ii) Due from/(to) related parties

	2025	2024
	\$	\$
Due from related parties		
Needham's Point Development Inc.	149,653	823,497
Hilton International Barbados	—	207,414
	<u>149,653</u>	<u>1,030,911</u>
Due to related parties		
Hilton International - Watford	148,191	190,365
Hilton Buenos Aires	—	13,523
Hilton International Barbados	1,619,677	802,885
Hilton Toronto	—	4,097
	<u>1,767,868</u>	<u>1,010,870</u>

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

iii) Key management compensation

	2025	2024
	\$	\$
Salaries and other short-term benefits	<u>2,274,179</u>	<u>2,125,148</u>

7 Inventories

	2025	2024
	\$	\$
Food	322,810	299,636
Beverage	472,594	356,244
Guest supplies	657,903	538,362
	<u>1,453,307</u>	<u>1,194,242</u>

Needham's Point Holdings Limited

Notes to Financial Statements

March 31, 2025

(expressed in Barbados dollars)

8 Property, plant and equipment

	Land and buildings \$	Furniture, fittings, plant and equipment \$	Computer equipment \$	Total \$
Year ended March 31, 2024				
Opening cost/valuation	206,778,124	8,375,630	909,022	216,062,776
Additions	983,210	1,716,786	437,016	3,137,012
Closing cost/valuation	207,761,334	10,092,416	1,346,038	219,199,788
At March 31, 2024				
Opening accumulated depreciation	12,302,924	2,873,272	886,580	16,062,776
Depreciation charge	2,167,000	1,848,811	116,185	4,131,996
Closing accumulated depreciation	14,469,924	4,722,083	1,002,765	20,194,772
Net book amount	193,291,410	5,370,333	343,273	199,005,016
Year ended March 31, 2025				
Opening cost/valuation	207,761,334	10,092,416	1,346,038	219,199,788
Additions	3,009,462	3,620,505	81,662	6,711,629
Closing cost/valuation	210,770,796	13,712,921	1,427,700	225,911,417
At March 31, 2025				
Opening accumulated depreciation	14,469,924	4,722,083	1,002,765	20,194,772
Depreciation charge	2,443,460	1,394,077	190,000	4,027,537
Ending accumulated depreciation	16,913,384	6,116,160	1,192,765	24,222,309
Net book amount	193,857,412	7,596,761	234,935	201,689,108

On June 15, 2023, the company's property, plant and equipment was revalued by an independent professional valuer who determined that the fair value of the property, plant and equipment is not less than \$200,000,000. As a result, the market value of the assets has increased from the previous 2022 estimated at \$190,000,000. The increase in the carrying valuation of \$9,715,547 has been recorded in the financial statements and revaluation surplus has been increased by the same sum. The carrying value of the land and buildings would have been \$283,166,592 (2024 - \$272,928,930) if the land and buildings had been carried under the cost model.

Needham's Point Holdings Limited

Notes to Financial Statements

March 31, 2025

(expressed in Barbados dollars)

9 Trade and other payables

	2025	2024
	\$	\$
Trade payables	4,158,999	3,291,446
Accrued expenses	4,949,132	7,734,262
Advance deposits	3,530,024	7,296,626
Other payables	4,028,075	3,827,753
	<u>16,666,230</u>	<u>22,150,087</u>

10 Borrowings

i) Short term borrowing/related party transactions

	2025	2024
	\$	\$
a) CIBC First Caribbean International Bank	1,097,778	7,059,144
b) First Citizens Bank Barbados Limited	5,557,632	1,224,919
	<u>6,655,410</u>	<u>8,284,063</u>

ii) Long term borrowing

	2025	2024
	\$	\$
a) CIBC First Caribbean International Bank	1,097,778	7,059,144
b) First Citizens Bank Barbados Limited	5,557,632	10,865,315
	<u>6,655,410</u>	<u>17,924,459</u>
Less: current portion (i)	<u>(6,655,410)</u>	<u>(8,284,063)</u>
	<u>–</u>	<u>9,640,396</u>

- a) The loan balance of \$1,097,778 in 2025 (2024 - \$7,059,144) represent the remaining of the drawdown on the syndicated \$61,000,000 (US\$30,500,000) senior loan from CIBC FirstCaribbean International Bank for the construction of the new Hilton Barbados. The loan bears interest at 6 % (2024 - 6%). It is secured by a charge over the 65,031 square metres of land at Needham's Point along with the pledge of 32,417,648 common shares held by Needham's Point Development Inc. At year end, accrued interest of \$Nil (2024 - \$Nil) was recorded.

The loan is secured by:

- The insurance policy for property at Needham's Point for the sum of \$208,368,500.
- Certificate of charge for the sum of BS\$1,000,000 and US\$15,500,000.

Needham's Point Holdings Limited

Notes to Financial Statements

March 31, 2025

(expressed in Barbados dollars)

10 Borrowings ...continued

ii) Long term borrowing ...continued

- b) The loan balance of \$5,557,632 represents a loan facility with First Citizens Bank (Barbados) Limited as at March 31, 2025, to cover the furniture, fixtures and equipment refurbishment for the hotel. The loan was restructured to extend the term to thirteen (13) years repayable via quarterly blended payments inclusive of principal and interest. The interest rate was adjusted to 5.5% and interest only payments will be required for the first two (2) years commencing June 2021, thereafter the loan is to be amortised over a nine year period, repayable in quarterly blended payments of \$306,230. During the financial year, a lump sum payment of \$5,000,000 was made to reduce the loan principal. The company intend to repay the balance on the loan, during the upcoming financial year.

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

	2025	2024
	\$	\$
Deferred transaction costs		
Bond issue fees incurred	1,898,045	1,898,045
Amortisation of deferred transaction costs	<u>(1,819,520)</u>	<u>(1,793,005)</u>
	78,525	105,040
Less current portion	<u>(78,525)</u>	<u>(26,515)</u>
	<u>–</u>	<u>78,525</u>

11 Preference shares

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

	2025	2024
	\$	\$
Re-engagement of employees	11,212,712	11,212,712
Working capital	1,106,100	1,106,100
Transformation investments	<u>120,889</u>	<u>120,889</u>
	<u>12,439,701</u>	<u>12,439,701</u>

Needham's Point Holdings Limited

Notes to Financial Statements

March 31, 2025

(expressed in Barbados dollars)

11 Preference shares ...continued

	2025 \$	2024 \$
BEST Preference shares	12,312,271	12,312,271
Subscription for shares	127,430	127,430
	<u>12,439,701</u>	<u>12,439,701</u>

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

The dividend payable is as follows:

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

12 Share capital

The Company is authorized to issue an unlimited number of common shares without nominal or par value. At March 31, 2025 and March 31, 2024, 98,682,283 shares had been issued and outstanding.

13 Expenses by nature

a) Cost of sales

	2025 \$	2024 \$
Food	6,292,677	6,331,795
Beverage	731,161	553,811
	<u>7,023,838</u>	<u>6,885,606</u>

Needham's Point Holdings Limited

Notes to Financial Statements

March 31, 2025

(expressed in Barbados dollars)

13 Expenses by nature ...continued

b) Direct expenses

	2025	2024
	\$	\$
Salaries and other staff costs	12,585,569	11,436,753
Cleaning and laundry	2,824,814	1,988,216
Supplies including executive lounge	1,955,852	2,433,020
Other expenses	933,778	479,593
Music and entertainment	668,426	752,080
Commissions	1,868,736	1,182,849
	20,837,175	18,272,511

c) Marketing and administrative expenses

	2025	2024
	\$	\$
Wages and salaries	9,148,807	8,085,134
Utilities	4,663,591	4,364,621
Management fees (note 6)	4,348,265	3,593,907
Property and maintenance	2,604,403	1,980,310
Selling and marketing	1,821,042	1,694,677
Miscellaneous expenses	2,562,440	2,560,017
Insurance	3,087,172	2,553,223
Credit card expenses	1,724,008	1,573,832
Land tax	1,367,117	1,015,313
Professional fees	153,050	76,692
Bad debts written off	4,093	37,663
Security	101,250	1,177
IT costs	897,885	974,938
Travel	57,021	64,511
	32,540,144	28,576,015

Needham's Point Holdings Limited

Notes to Financial Statements

March 31, 2025

(expressed in Barbados dollars)

14 Taxation

Barbados - Corporation Tax Reform 2024

The Inclusive Framework on Base Erosion and Profit Shifting (BEPS) was established in June 2016 and brings together 142 countries and jurisdictions to collaborate on the implementation of the Organisation of Economic Co-Operation and Development (OECD)/G20 BEPS Package. As of June 9, 2023, 139 members of the G20 Inclusive Framework on Base Erosion and Profit Shifting (the Inclusive Framework), including Barbados, agreed to implement the Two-Pillar solution to address the tax challenges arising from the digitalisation of the global economy.

The OECD's implementation of a reform to the international tax system aims to ensure that multinational enterprises (MNEs) with consolidated revenue in excess of EUR€750m, known as "in-scope" companies, will be subject to a minimum 15 per cent tax rate from the end of 2023 onwards in each jurisdiction in which the MNE operates. These are known as the Global Anti-Base Erosion (GloBE) Rules. The tax imposed under the GloBE Rules is a "top-up tax" calculated and applied at a jurisdictional level. The GloBE Rules use a standardised base and definition of covered taxes to identify those jurisdictions where an MNE is subject to an Effective Tax Rate (ETR) below 15%. It then imposes a coordinated tax charge that brings the MNE's effective tax rate on that income up to the minimum rate (after taking into account a substance-based carve-out).

Effective January 1, 2024, the Income Tax Act, Cap. 73 was amended to increase the corporation tax rate to 9%. This increased tax rate will impact all corporate entities other than those that fall within the stipulated exclusions under the GloBE Rules.

Needham's Point Holdings Limited

Notes to Financial Statements

March 31, 2025

(expressed in Barbados dollars)

14 Taxation ...continued

Reconciliation of taxable income

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

	2025	2024
	\$	\$
Profit for the year	<u>11,927,255</u>	8,017,934
Tax calculated at statutory rate of 9% (2024 - 5.5%)	1,073,453	440,986
Tax effect of sliding scale tax rate	–	24,129
Tax effect of deferred tax not recognised	(643,648)	(566,010)
Tax effect of market development allowance	(81,947)	(89,021)
Tax effect of the utilisation of the Tourism Development Act relief	–	(54,077)
Tax effect of expenses deductible for tax	(42,608)	134,116
Tax effect of expenses not deductible for tax	<u>222,127</u>	220,116
Tax charge for the year	<u>527,377</u>	110,239

Taxable losses

Income year	Balance b/fwd \$	Incurred \$	Utilised \$	Expired \$	Balance c/fwd \$	Expiry Date
2021	18,993,584	(5,859,745)	–	–	13,133,839	2028

At year end, the Company has not recognised a deferred tax asset in relation to unutilized tax losses of \$13,133,839 (2024 - \$18,993,584) due to the uncertainty of future taxable income against which the tax losses can be utilised. These tax losses will expire in 2028.

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

The delayed tax depreciation has no expiry date.

Needham's Point Holdings Limited

Notes to Financial Statements

March 31, 2025

(expressed in Barbados dollars)

15 Contingent liability

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

16 Subsequent events

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

Notes

Notes

