G·A·I·A Inc.
BARBADOS
'rising higher'

ANNUAL REPORT

2021-2022

CONTENTS

VISION

To make Grantley Adams International Airport the best airport of its size anywhere in the world

MISSION

To be a world class provider and facilitator of air transport and related aviation services

CORPORATE MOTTO

"Rising Higher"

COMMITMENT

- To ensure shareholder's confidence
- Maintain a sustainable growth rate of return on investment
- Exceed the service expectation of all current and potential users of GAIA facilities
- Establish and maintain a reputation as an ethical and responsible corporate citizen
- Meet all our statutory and international obligations
- Provide an enabling environment for achieving excellence and growth for all employees, and
- Maintain a safe and environmentally-friendly facility

BOARD OF DIRECTORS

The Hon. Dr. Jerry Emtage
Chairman

Mr. Paul Ashby
Deputy Chairman

Mrs. Donna Cadogan

Senator Rudy Grant

Mrs. Selena McDonald

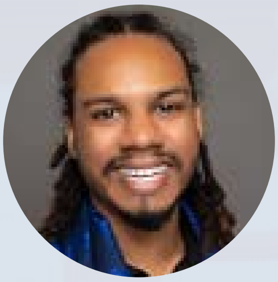
Mr. Jefferson Payne

Mr. Michael Holder

Ms. Winifred Harewood

Ms. Niska Best

Ms. Connie Smith



Mr. Christian-Kendahl Rock

Ms. Petra Roach
Demitted office May 2021

Mr. Craig Hinds
Demitted office December 2021

Dr. Jens Thraenhart
Appointed January 2022

EXECUTIVE MANAGEMENT TEAM

Mr. Hadley Bourne
Chief Executive Officer

Mr. Terry Layne
Deputy Chief Executive Officer
Demitted Office May 2021

Mrs. Flo Jean-Marie
Director of Finance

Ms. Karen Walkes
Director of Engineering

In March 2020, the World Health Organization (WHO) declared the outbreak of the “severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2)”, a pandemic. This resulted in the suspension of commercial flights which drastically reduced passenger arrivals. Unfortunately, the protracted extension of restrictions associated with addressing the control of the pandemic had a negative impact on the Grantley Adams international Airport (GAIA) for the fiscal period ended March 31, 2022.

The rise in variants resulted in continual travel restrictions and quarantine requirements that significantly affected international air travel, causing passenger volumes to remain expectedly below pre-pandemic levels. Nonetheless, we maintained airport operations and ensured the integrity of global supply chains, in particular the smooth flow of medical supplies and other essential goods. During the 2021/22 period, passenger volumes and flight movements increased 70.4% and 13.1% year-on year respectively, but remained significantly below pre-pandemic figures. We also saw cargo throughput return to pre-pandemic levels.

Unfortunately, this report paints a picture of an aviation sector that was severely affected by worldwide travel restrictions introduced during the pandemic. This posed a challenge for our tourism source markets and by extent our passenger arrivals. Thus, for the second consecutive year, we faced some of the most challenging circumstances, requiring decisive and difficult decisions to protect our business. We were forced to into further delaying many of our major CAPEX projects whilst operational costs remained buoyant, since we maintained our staffing levels throughout the COVID period.

By mid-year, we started to see a gradual uptick in passenger movement with the reopening of some territories to international travel. We saw a pent-up demand for travel waiting to be satisfied, especially amongst our north American gateways and to a lesser extent the European markets, however, we have not underestimated the daunting journey ahead for the airport community and our partners in aviation and tourism. Collectively, our aim is to reconnect Barbados with the region and the rest of the world. To achieve this, we have been actively engaged with our health and industry partners to broach risk-based methodologies to restrictions dependent on trends in the various markets such as rates of infections and vaccination levels.

This intervention was necessary, not only to fulfill our responsibility as an economic enabler of commerce, tourism and social connectivity, but also returning to a level of normality following the ravishes of the pandemic. It was paramount to combat any degree of uncertainty for the industry and consumers that we return to a perceived level of normality as expeditiously as possible to maintain the level of confidence that we observed with the pent-up demand and gradual increase in travel. This intercession did bear fruit with significant relaxation in travel protocols in February 2022, which had a positive immediate impact on arrivals, especially from the United Kingdom source markets. These gains however became under threat with the ongoing conflict in Ukraine which has the potential to change the landscape for travel across the world with the possibility of severe financial consequences.

The Grantley Adams International Airport Public Private Partnership (GAIA PPP) process continues to be impacted due to the continued travel restrictions and protocols. This has resulted in the unfortunate stalemate in restructuring the Transaction as the dichotomous views towards forecasted numbers and rate of recovery persists, which is paramount importance to us and potential bidders. As such we remain in an uncharacteristic holding pattern resulting in continuously revised timelines and associated delays.

The Runway Rehabilitation and Expansion Project was delayed as a result of the COVID 19 pandemic and was completed at the end of August 2021. The various engineering and consultation teams have been actively engaged in reviewing the various aspects of the works to ensure the contractual obligations have been met. To ensure the project was not delayed further, exemption status was granted by the Attorney General, Dale D. Marshall, Q.C., M.P. to those associated with the numerous phases to ensure the continuation of works.

On the commercial front, our Concessionaires continued to experience revenue losses as passenger traffic volumes remained well below pre pandemic levels. The previously implemented schedule to waive the minimum annual guarantee (MAG) rents and the concessionaires pay a percentage of their earnings was extended along with the 50% discount on rentals of their fixed contract amounts.

Finally, we wish to thank the Honourable Prime Minister of Barbados, the Ministry of Finance, Economic Affairs & Investment, the Ministry of Tourism & International Transport, the Ministry of Health & Wellness, our several aviation and tourism partners, the management and staff of GAIA Inc, for their continued support and commitment in the face of the many challenges endured by the company. We are confident of a bright future ahead as we continue our recovery journey.

Hadley Bourne
Chief Executive Officer
Grantley Adams International Airport Inc.

Operating Activity

OPERATING ACTIVITY

It was anticipated that visitor arrivals at the Grantley Adams International Airport would increase as management of the COVID-19 pandemic improved. Airport operations were negatively impacted by travel restrictions in the major source markets and by natural disasters occurring locally and in a neighbouring island. However, gradual recovery was experienced during the year mainly due to increased airlift as the travel protocols were relaxed globally and the recommencement of the air-to-sea operation for winter 2021-2022.

Flight activity at the beginning of the first quarter continued to decrease in April 2021 consistent with February and March 2021 as travel restrictions persisted in Canada and United Kingdom. Additionally, the ashfall resulting from the eruption of the La Soufriere Volcano in St. Vincent on 9 April 2021, caused a closure of the airport for approximately one week. This disruption resulted in a 23% decrease in passengers from March 2021. However, there was a steady increase in passenger traffic from May 2021 through August 2021. The reduction in travel restrictions, greater access to vaccines and increased airlift contributed to augmented passenger traffic for the summer period.

The airport suffered a flight capacity reduction on the 2nd and 3rd of July 2021 due to the impact of category 1 Hurricane Elsa, while the normal tapering of the summer peak occurred in September through October 2021. It is pivotal to note that the GAIA welcomed two inaugural flights for the month of October 2021 with the operation of KLM Airlines and Aer Lingus Airlines on October 16th and 20th respectively.

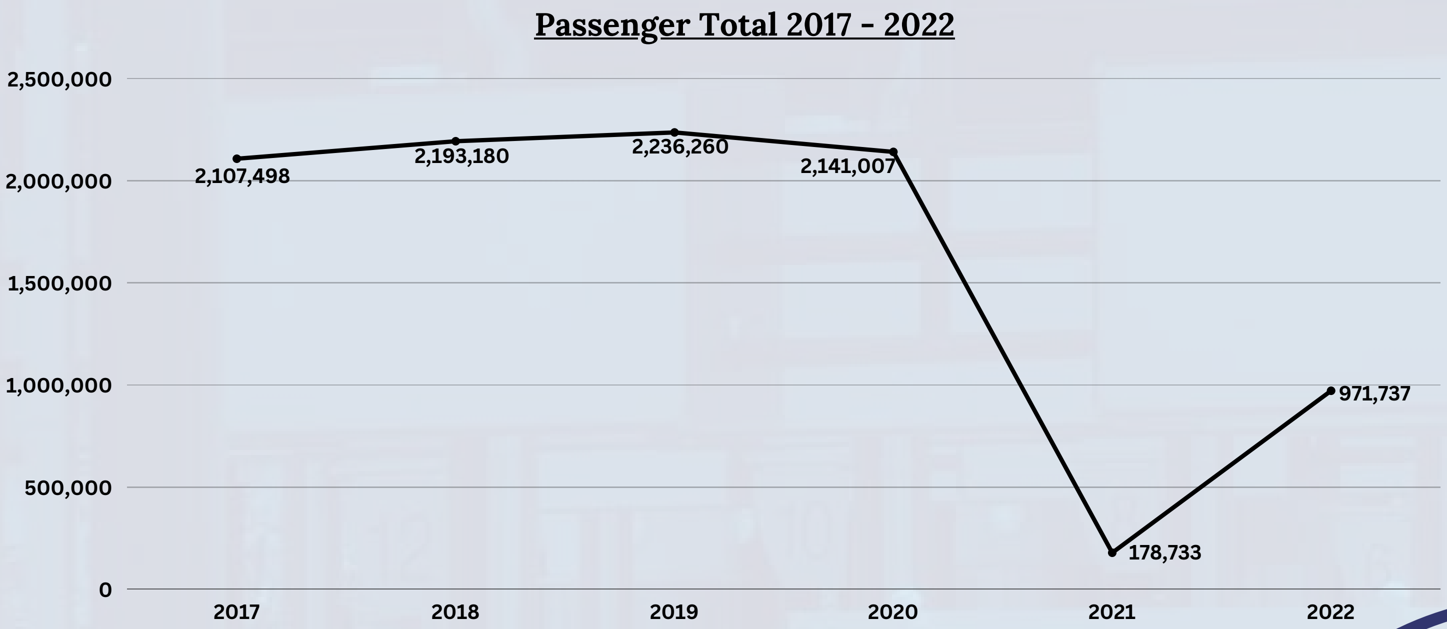
The Air-to-Sea operation commenced on the 4th of November 2021, with four airlines operating: Condor, Eurowings Discover, TUI Airways and TUI Belgium. Airlines in all major source markets augmented their capacity for the winter season. Significantly, there were six (6) inaugural flights for the month of December 2021. There were four (4) repatriation flights for cruise passengers in January 2022 due to the cancellation of some cruises. These were operated by Titan Airways, ORBEST, Condor and Eurowings Discover.

Below is a summary of the passenger performance for the period under review as well as a comparison against the previous five (5) years. Aircraft movements increased by 62% in FY2021 compared to the previous year. This was attributed to the overall increase in capacity for the period under review.

Summary of 2021/2022							
Month	Embarked PAX	Disembarked PAX	Transits PAX	Transfers PAX	Total Passengers	% Change 21/22	Aircraft Movements
April	4,336	3,425	86	226	**8,073**	277.8%	574
May	8,696	9,494	242	493	**18,925**	149.3%	1004
June	12,911	14,651	376	673	**28,611**	132.6%	1064
July	23,162	26,301	1,300	1,095	**51,858**	935.9%	1216
August	32,138	32,753	2,035	1,308	**68,234**	370.4%	1288
September	27,640	30,162	1,658	1,830	**61,290**	311.2%	1112
October	28,746	32,671	2,381	2,539	**66,337**	215.5%	1394
November	45,142	51,075	4,343	2,527	**103,087**	433.2%	1902
December	62,384	71,810	5,221	3,515	**142,930**	308.2%	2632
January	66,321	64,003	0	3,261	**133,585**	416.7%	2598
February	59,688	66,711	0	3,246	**129,645**	1106.7%	2270
March	78,205	77,600	0	3,357	**159,162**	1443.0%	2672
TOTALS	**449,369**	**480,656**	**17,642**	**24,070**	**971,737**		**19726**
Change YoY	**354,807**	**401,422**	**15,298**	**21,477**	**793,004**		**10554**
% Change	375.21%	506.63%	652.65%	828.27%	443.68%		115.07%

Source – GAIA Inc. Monthly Passenger Statistics 2021-2022 ***Figure 1***

The below comparative data for the past six (6) years suggests that while there was a sharp decline in passenger traffic in 2020 due to the COVID-19 pandemic, there has been a tremendous turnaround in the year under review.



Source – GAIA Inc. Monthly Passenger Statistics 2021 - 2022 ***Figure 2***

Scheduled Airlines Serving GAIA

Canada

AIR CANADA	Toronto & Montreal
WESTJET	Toronto

Caribbean & Central America

airantilles	Fort-de-France & Pointe-a-Pitre
Caribbean Airlines	Dominica, Georgetown, Greneda, Kingston,Port of Spain & St. Vincent
interCaribbean	Antigua, Dominica, Grenada, Guyana, St. Lucia & St. Vincent
liat	Antigua, Dominica, Grenada, St. Kitts, St. Lucia, St. Maarten, St. Vincent & Tortola

United Kingdom

Aer Lingus	Manchester
BRITISH AIRWAYS	Gatwick & Heathrow
virgin atlantic	Edinburg, Heathrow & Manchester

United States

American Airlines	Charlotte & Miami
jetBlue	Boston, New Jersey & New York

Unscheduled Airlines Serving GAIA

Caribbean & Central America

GA Grenadine Air Alliance · Mustique Airways · SVG AIR

Germany

Condor · Eurowings discover. · TUI Belgium

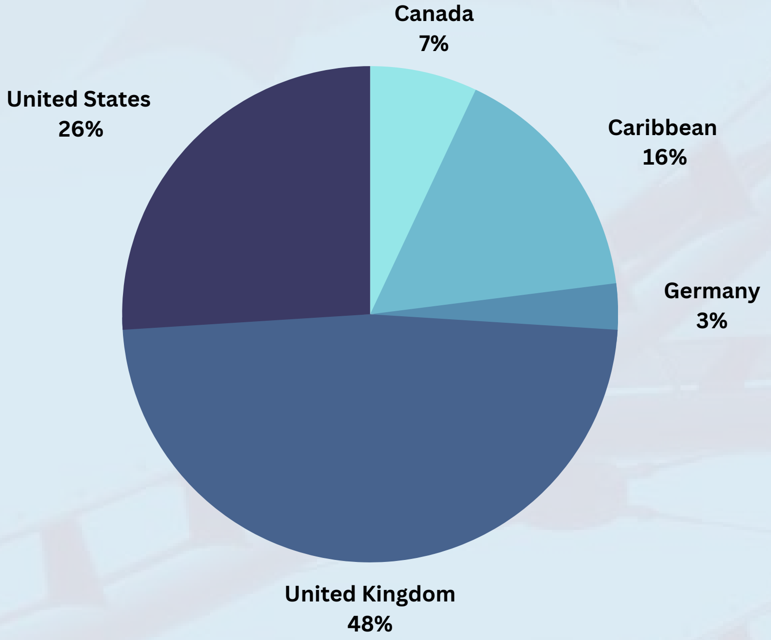
United Kingdom

TUI

Figure 3

Market Share

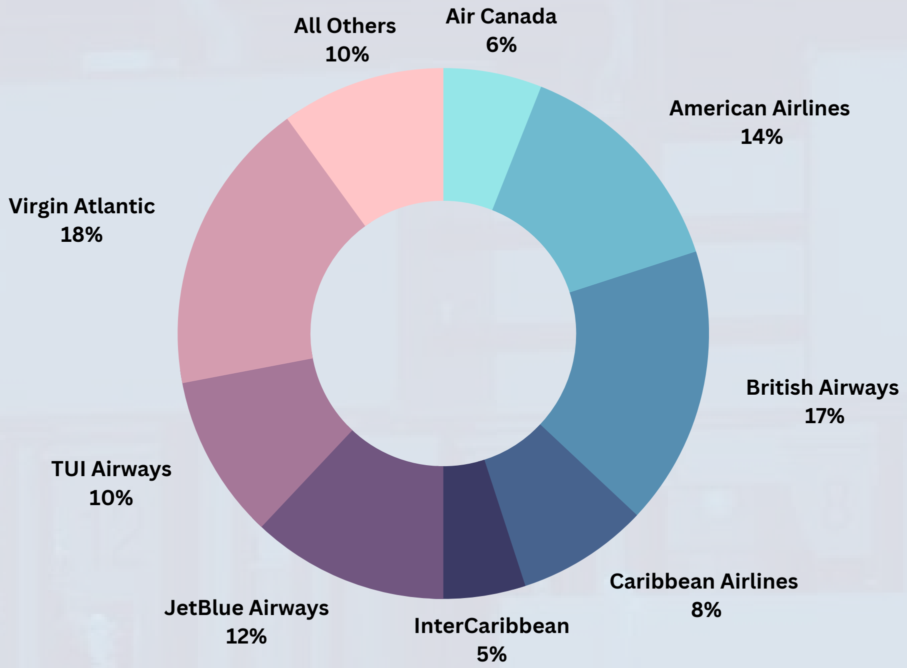
The United Kingdom accounted for nearly half of the passenger traffic with 48% for the year under review. The United States registered just over a quarter of the passenger activity with 26%. The other 26% of the market included the Caribbean, Canada and Germany representing 16%, 7% and 3% respectively.



Source – GAIA Inc. Monthly Passenger Statistics 2021 - 2022 ***Figure 4***

Airlines' Market Share

Figure 5 indicates that Virgin Atlantic slightly outpaced the other airlines for top position in transporting most of the passengers for financial year 2021/22 with 18%. British Airways followed with 17% and American Airlines in third spot with 14%.



Source – GAIA Inc. Monthly Passenger Statistics 2021 - 2022 ***Figure 5***

Cargo/Freight & Mail

During the financial year, five (5) all-cargo carriers operated unloaded and loaded cargo at BGI: Amerijet and Caribbean Airlines from Miami, Air Cargo LLC and Ameriflight from Puerto Rico, and DHL from Trinidad and Venezuela. Cargo was also transported via passenger aircraft including Air Canada, American Airlines, Caribbean Airlines, LIAT and Virgin Atlantic. In addition, KLM Royal Dutch Airlines loaded over 3,000 tonnes in October 2021.

For the financial year 2021/22, there were 10,490,844 kgs of cargo handled which represents an increase of 43%. Mail handled was 158,380 kgs or a decrease of 4.9%. The total cargo and mail handled was 10,649,224 kgs or an overall increase of 42% compared to the previous financial year.

Month	Cargo Loaded (Kgs)	Cargo Unloaded (Kgs)	Total Cargo (Kgs)	Mail Loaded (Kgs)	Mail Unloaded (Kgs)	Total Mail (Kgs)	Total Cargo& Mail (Kgs)
April	135,278	363,118	**498,396**	1,146	10,258	11,404	509,800
May	176,351	462,873	**639,224**	2,234	9,596	11,830	651,054
June	217,808	407,743	**625,551**	1,344	9,222	10,566	636,117
July	225,820	485,629	**711,449**	1,312	11,609	12,921	724,370
August	309,733	525,493	**835,226**	1,336	9,362	10,698	845,924
September	300,434	527,456	**827,890**	1,280	9,843	11,123	839,013
October	349,266	626,625	**975,891**	1,056	11,453	12,509	988,400
November	396,389	943,741	**1,340,130**	3,923	16,078	20,001	1,360,131
December	405,037	837,159	**1,242,196**	1,650	20,411	22,061	1,264,257
January	272,361	615,602	**887,963**	2,214	16,112	18,326	906,289
February	290,356	583,538	**873,894**	485	9,116	9,601	883,495
March	366,271	666,763	**1,033,034**	1,579	5,761	7,340	1,040,374
TOTALS	**3,445,104**	**7,045,740**	**10,490,844**	**19,559**	**138,821**	**158,380**	**10,649,224**
Change YoY	**1,377,514**	**1,792,473**	**3,169,987**	**1,212**	**(9,277)**	**-8065**	**3,161,922**
% Change	66.62%	34.12%	43.30%	6.61%	-6%	-4.85%	42.23%

Source – GAIA Inc. Monthly Passenger Statistics 2021 - 2022 ***Figure 6***

Challenges

Security

- Staffing related to COVID 19.
- Dividing shifts in two to adhere to the adequate physical distancing protocol.
- Delay in sourcing a 3rd desk to process the air to sea passengers which was received mid-way into the winter season.
- Supplementing scanner coverage at the departure checkpoint due to insufficient coverage by G4S. This initiative will be used again for the upcoming winter season.
- Certification Screening was undertaken which further stretched manpower

- Equipment – no operational Explosive Trace Detector machine. Four are required – one on order
- Vehicles are overdue for replacement. Challenges throughout the year resulting at times with only one vehicle operational. Engineering provided an additional vehicle.
- Security Awareness Program for all staff to be rolled out shortly.

Operations

- Staffing challenges regarding sickness and quarantining (COVID 19).
- Additional duties due to enforcing COVID 19 protocols resulted in the need for additional Customer Service Representatives. Increased duties for Traffic Dispatchers and Safety Wardens which at times proved very difficult as they tried to enforce the transportation protocols.
- Gate 14-16 not available for boarding from 2021 until the end of February 2022 due to it being used as a Testing facility. As a result, only Gates 10-13 were available which caused delays.
- On average three (3) buses operational for the season. Unavailability of buses in part due to the increased demand due to COVID and having to transport all arriving passengers to the Gate 14-16 area. In addition, numbers limited to 50 and then 25 per trip.
- On average 3-4 belts from a complement of 7 operational on a consistent basis. Difficulty sourcing parts due to suppliers no longer in business as well as aging scanners. Further setbacks with shipping due to COVID.
- Scanning Room G131 (OB #3 & #4) out of operation for approximately one week in early February 2022 due to Worthing Secured Services staff complaining of an odour, itching, difficulty breathing and other respiratory issues.
- Late confirmation of relief subs for Custodial.
- Change out of some compactors to open skips.
- Challenges using equipment with 220 v as the electrical outlets are designed for 110 v. Engineering unable thus far to make the necessary changes.

Positive Outcomes

- Professional development of staff as they were exposed to new areas of responsibility.
- Development of a cross training program encompassing training in the duties of an Assistant Duty Manager as well as Safety Wardens performing additional duties in the Traffic Department.
- The role of CSR Lead was developed and has proven to be beneficial to the overall supervision and efficiency of the CSR and Baggage departments.

Future Improvements

- Greater Security presence in Arrivals during the peak period.
- Separation of flight crew and staff entering the checkpoint to avoid delays due to one entrance being utilized.
- Use of compactors rather than skips
- Early confirmation of temporary employees for the winter season
- Use of a chute for the disposal of garbage

- Purchase of step-up transformers to allow for the use of equipment with 220v
- Timely maintenance of scanners as recommended by the manufacturer
- Adequate stock of frequently used scanner parts
- Weekly fogging of scanning rooms

Other Operational Matters

Aircraft Parking

Effective Saturday, December 11th, 2021, parking position #23 was officially declared available for use; east of its position accommodated long-term parking for private jets over the Christmas season. Based on demand, this was extended to April 30, 2022.

Travel Protocols

Barbados' travel protocols were officially updated on October 24, 2021. Consequently, the gates 14-16 area was reconfigured to allow for increased queueing space. This improved the passenger flow and processing time where passengers were able to be processed and proceed to the main arrivals terminal. It also reduced and, in some cases, eliminated the tedious process of retrieving bags from the Arrivals Hall for passengers waiting to be transported via taxi from gates 14-16.

On February 26, the Arrivals process was moved from the gates 14-16 area to the Arrivals Hall. The Arrivals Hall was set up for the processing of passengers prior to Immigration and the testing of passengers after Immigration, in the Baggage Hall.

Engineering Projects

ENGINEERING PROJECTS

Activities at the Grantley Adams International Airport continued to be impacted by restrictions set in place in response to COVID-19. Ash fall from the eruption of the La Soufriere Volcano in St. Vincent resulted in the closure of the Airport and suspension of Project Works from the 9th to 19th April 2021. Residual ash continued to impact activities for several weeks following the last ash fall diverting resources for clean-up activities. Activities were also impacted by the passage of Tropical Storm Elsa on the 1st and 2nd July 2021, as resources were again diverted to effect recovery operations.

Improvement of Terminal Facilities

Civil Works to repair the roof of the Departures Terminal was completed under contract by Arthur Construction Inc. in August 2021.
A contract in the sum of $730,433 was awarded to Structural Systems Limited for the replacement of the roof over Gates 14-16 seating area. Construction of the steel frame commenced in March 2021 and was ongoing at the end of the reporting period.

Aerodrome Development

In November 2019 following an international bidding process, GAIA Inc. entered into contract with a joint venture between Dexter Construction Company Limited (Canada) and Jada Builders Inc. (Barbados) for the rehabilitation and expansion of pavements at the airport. The Project, which is funded in part by the Caribbean Development Bank (CDB) includes the following works: Overlay of the pavement of the entire runway; Rehabilitation and expansion of pavement of taxiway and parking aprons; Construction of Southern Apron area; Construction of A380 Apron Position; Rehabilitation of Landside roads. These works substantially upgrade the aircraft movement areas at the Airport and the expansion of parking capacity and facilities to accommodate both large Category F aircraft and provide FBO apron facilities for business jets and regional aircraft. The project works, originally scheduled for completion in November 2020, were impacted by Change Orders, COVID-19 related delays and other issues and were substantially completed in August 2021.

Final Measure was completed and Final Construction Value including all variations but excluding Claims is US$46,641,608, being an increase of US$1,954,040 over the original Contract Sum. The Claims Package was submitted by the Contractor with total claims in the sum of USD$6,562,431, of which US$2,707,708 was approved by the Engineering Consultant on assessment. On review GAIA Inc. had no objections to the assessment.

The Contractor objected to components of the assessment and the sum remaining in dispute is currently US$3,068,941. In seeking amicable resolution, the Contractor has requested negotiations between the parties prior to any submission to the Disputes Resolution Board. GAIA Inc. sought a legal opinion on 30th March 2022 to inform its position in this matter.

Due to financial constraints other works and a consultancy associated with the CDB loan facility (Car Park Electric Vehicle Charging Equipment; Apron Lighting LED retrofitting; West Sub-Station Building Construction; Fixed-Base Operator Management (FBO) Policy and Guidelines Consultancy) were suspended awaiting full funding. The Sustainability Management Plan Consultancy was awarded to Integrated Sustainability in August 2021 in the sum of US$119,950. From September 2021to March 2022 several workshops were conducted. This consultancy is expected to be completed with the submission of the Sustainability Management Plan in September 2022.

Commercial Activity

COMMERCIAL ACTIVITY

Lease Renewals and New Leases

The concessions programme continued even in the face of the challenges associated with the COVID-19 pandemic. The business community demonstrated some level of confidence that traffic would rebound as is evidenced by the number of leases that were negotiated and/or executed during the period under review. These include the following:

- Negotiations commenced with the following airlines for the renewal of their office leases:
  - Virgin Atlantic
  - JetBlue
  - British Airways

- Negotiations for renewal of leases continued with the following for various concessions at the airport:
  - Duty Free Caribbean Ltd. for Colombian Emeralds and Bijoux Terner
  - GCS Ltd for their souvenir stores (Caribbean Kidz and Ganzee)
  - Mudiwa's Creations for the provision of handcrafted jewelry and accessories
  - Banks (Barbados) Breweries Limited for the landside bar
  - Go Car Rentals and ANSA Motors (Barbados) Ltd. for car rental concessions at the airport

- Negotiations commenced with SITA for rental of space for its ground to air telecommunications equipment.
- A new contract was signed with Nazinga's Treasures, a local small business providing handcrafted jewelry and novelty items.

In addition to the foregoing, GAIA Inc. played a role in stimulating the Small & Medium-sized Enterprises (SME) sector, by hosting a Vendors' Extravaganza in December of 2021. This event provided an opportunity for vendors to sell various products including vegetables, handcrafted jewelry and accessories, clothing, books and stationery and sundries.

On the Horizon

GAIA Inc. continued negotiations for the provision of foreign exchange services at the airport. It is envisaged that contract negotiations will conclude shortly, and the new foreign exchange service provider will commence trade during the summer of 2022.

Work also continued on the construction of the fixed base operation (FBO) for the Private Aircraft Services. The building is nearing completion and it is anticipated that this new facility will open during the first quarter of the financial year 2022/2023.

Discussions have commenced with another entity for a new FBO on the southside of the airport. The site has been selected for the facility and drawings are being developed. It is anticipated that the lease negotiations will conclude by the end of the third quarter of the financial year 2022/2023 and that the facility will open for business during the upcoming financial year.

Assistance Offered to Tenants

In order to help preserve their viability, GAIA Inc. continued to work with tenants throughout the course of the pandemic and other challenges faced throughout the year, including challenges related to the ashfall from the La Soufriere Volcano in St. Vincent in April of 2022 and Hurricane Elsa in July of the same year. The adjustments made to the opening hours for concessions continued in light of the reduced flight activity when compared to the opening hours prior to April 2020.In addition, the 50% discount for office rentals at Terminal 1 as well as for the taxi franchises were continued.The suspension of the minimum annual guaranteed rents for the concessionaires also continued. The concessionaires therefore only paid a percentage of gross revenues.

Outlook

With the increase in vaccination rates in our source markets, the relaxation of the protocols coupled with the reopening of business sectors around the world, increased airlift into the country and the pent-up demand for travel, the outlook for business development at Grantley Adams International Airport looks more favourable than it did for the last financial year. Traffic continues to increase, and it is anticipated that by the end of the financial year 2022/2023, passenger numbers will rise to some 1.2M. The new Private Aircraft Services FBO which is scheduled to be opened during the first quarter of the financial year and the Executive Air FBO that is anticipated to come on stream during the next financial year are both expected to assist in increasing passenger throughput and increased revenue streams to GAIA Inc.

However, the downside risks include the possible emergence of new strains of the COVID-19, the Russian invasion of Ukraine, economic sanctions on Russia, shortage of supplies, increased cost of fuel and the resultant increase cost of living. According to the US Energy Information Administration, Short Term Energy Outlook the price of WTI crude oil averaged US$68.21 per barrel in 2021. This price is expected to increase to US$98.20 per barrel in 2023. These events on the world stage could diminish the anticipated increase in travel and by extension, business development at GAIA and the returns to GAIA Inc.

Human Resources

HUMAN RESOURCES

The operations at the Grantley Adams International Airport continued to be impacted by the COVID-19 pandemic during the period under review and the HR team continued its effort to ensure that our internal protocols were periodically reviewed and redistributed to staff in line with updated directives as issued by the Ministry of Health and Wellness.

Representatives from the Ministry of Health and Wellness facilitated sensitization sessions at the Airport to aid in the understanding of the situation surrounding the COVID-19 pandemic. Topics covered included how the virus is transmitted, the variants, the protocols, the process for contact tracing, and the implications of quarantine and isolation.

In support of the COVID-19 vaccine initiative rolled out by the Government of Barbados, the mobile vaccination unit visited the airport on two occasions during the month of November 2021 where persons from the airport community and surrounding districts came out to be vaccinated. While not mandatory for the employees of GAIA Inc, they were encouraged to review the information provided to be able to make informed decisions.

The team also worked with the Ministry of Health and Wellness to ensure that primary contacts were quickly identified and tested in line with the protocols. During the period under review, we had 123 confirmed positive cases where persons were placed in isolation for at least 10 days which represented approximately 26% of our staff complement. Employees placed in quarantine or isolation receive benefits in line with the company's sick leave policy and persons placed in isolation were issued with care packages.

Training & Development

We continue to provide essential training and learning opportunities for staff across the company. Training was facilitated as follows:

- Lock Out/Tag Out (LOTO) training for members of the Engineering team which was facilitated by REA Envirohealth International. The workshop covered the minimum performance requirements and criteria of an effective programme for the control of hazardous energy, as well as the considerations and practical aspects for utilizing LOTO procedures.

Members of the Engineering Department participating in the LOTO workshop

- Annual training for the Custodial team geared to provide the team with updated information as it relates to the correct cleaning techniques to be used especially in a COVID-19 environment.

- Screener's Certification Course – This course forms part of the annual training for Security Officers at GAIA Inc. and seeks to reinforce the skills and knowledge needed to protect the airport from acts of unlawful interference and prevent danger for users of the airport.

- Hold Baggage Screening Certification – Nineteen (19) Security Officers successfully completed the training having scored above 90% on the final assessment. The aim of the course was to ensure that there is a pool of persons trained to provide support in Hold Baggage Screening at the airport.
- Shot-Gun Recertification Training and Handling Exercise – This course forms part of the annual training requirement for the Safety & Wildlife team and was facilitated by the Barbados Clay Target Shooting Association. At the end of the training the Wildlife/Safety Officers were re-certified to use the shotgun as part of the wildlife mitigation programme at the Airport.

- ICAB Annual Conference 2021 – Members of the Finance department participated in the Institute of Chartered Accountants of Barbados' Annual Conference which was held over two days via zoom as part of Accountants' Week under the theme "Purpose, Passion, Possibilities".

- Manual Lifting Training - The Baggage handlers participated in Manual Lifting Training facilitated by REA Envirohealth International.

- Customer Engagement & Excellence Workshops facilitated by the BTMI for frontline employees in the Operations department. The sessions covered customer service quality, disability sensitivity, and Barbados as a heritage and tourism destination.

Participants – Customer Engagement & Excellence Workshops

Participants -Disability Awareness Session

Participants – Heritage Tour - Bridgetown

Financial Highlights

FINANCIAL HIGHLIGHTS

Annual Plan

The impact of the COVID-19 pandemic continued to be felt in the aviation industry and the operations of the Company. A global pandemic was declared in March 2020 and like in many countries, businesses were forced to cease or limit operations for long periods of time. Various measures were taken to contain the spread of the virus including travel bans, quarantines, physical distancing, and closures of non-essential services, which triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Consequently, airlines were forced to reduce flights. These actions significantly impacted the profitability and cash flow of the Company. Globally, the health and travel protocols have evolved over time and have effectively contained the virus.

Although some uncertainty still exists, there are optimistic signs of recovery. The Company's financial position has improved over the current fiscal year, but the future remains somewhat unpredictable and uncertain given its dependence on external influences within the various source markets.

Passenger volumes were greater than the Annual Plan by some 200,500 passengers resulting in increased operating revenue of about $12 million when compared with the Plan. The fiscal year produced a pre-tax loss of $28 million compared with a projected loss of $43 million, the net result being some $14 million better than Plan. The improvement recorded this year was definite progress particularly as the COVID-19 impact continued to be felt but should be excluded from trends and performance measurements. The main results are seen in the Table below.

	Audited Period Ending 31-Mar-22	Annual Plan Period Ending 31-Mar-22	Variance Actual vs Plan 31-Mar-22
Revenue Passengers	**953,848**	**753,328**	**200,520**
Operating Revenue	$42,500,737	$30,080,389	$12,420,348
Operating Expenses	$47,037,403	$47,939,935	$902,532
Pre-Tax Profit/(Loss)	($28,436,983)	($42,594,032)	$14,157,049
Aeronautical Revenue	$27,984,570	$21,762,551	$6,222,019
Non-aeronautical revenue	$14,516,167	$8,317,838	$6,198,329
EBITDA	($4,659,602)	($17,859,546)	$13,199,944
Debt Service	$4,674,541	$5,851,517	$1,176,976
Long-term debt	$145,982,209	$150,782,150	($4,799,941)

Key Highlights - Table 1

Dividend Payable to the Government

The impact of COVID-19 continued to be felt with only partial recovery being experienced during this financial year. No dividend was therefore declared at March 2022.

Remuneration paid to Board of Directors and Management (including all benefits)

The following Table contains the remuneration paid including all benefits, to the Directors and Executive Management during the financial year ended March 2022. The number of Directors sitting at the end of the year was twelve (12).

Position	Count	Remuneration
Chairman	1	$ 37,500.00
Directors	11	$ 101,454.26
Executive Management	4	$ 753,877.00

Table 2

Report on Fiscal Risks
Fiscal risks are factors that may cause actual outcomes to deviate from expectations or forecasts. The review of the fiscal risks of the Company for the year ended March 2022 are highlighted below.

Impact of COVID-19
The COVID-19 pandemic could be described as a catastrophic risk which could not have been anticipated. It continued throughout this year to adversely affect the financial performance of the Company. The impact on the Company's operations was unpredictable and uncontrollable.

Ashfall – La Soufriere Volcano
The La Soufriere Volcano in St. Vincent erupted in April 2021 for the first time in 40 years, sending ash way into the sky to eventually cover Barbados for several days. Consequently, the airport suffered another closure and cessation of commercial activity, further impacting the financial results.

Economic:
The impact of the pandemic continued to be felt during this financial year and added to that was the effects of the ashfall. The return of passenger traffic created the environment for some concessionaires to reopen though not to 100% capacity.

Working capital support was received by way of a new loan facility of B$65.2 million, which was also used to repay an existing US dollar loan. Given the relationship with the concessions and passenger volumes, several of the businesses recommenced business activity. However, GAIA Inc. continued its support to the concessionaires given that circumstances and recovery were not yet at a sustainable level. Suspension of the minimum annual guarantee (MAG) rents for the year and discounted office rentals by 50% of fixed contract amounts, remained in place.

Critical plant maintenance was performed while the facility was underutilized however other capex projects had to be shelved due to lack of cash. The work on the rehabilitation of the runway and pavements proceeded and was completed in August 2021.

Health:
GAIA Inc. supported the Government of Barbados and the Ministry of Health and Wellness in all efforts to control the spread of COVID-19, by responding to all the necessary changes made to the health protocols as COVID testing and processing of passengers were facilitated.

Employment:
Despite the economic challenges, employment was maintained at the pre-COVID levels in support of the Government's policies relative to maintaining employment levels to minimize the pressure on the national social security system.

The workers' representative supported the Company's efforts in the development and implementation of the safety protocols for staff and no issues were identified.

Credit risk
Credit risk arises from the possibility that customers may not make timely payments or may default on their obligations to the Company. With the gradual improvement in revenue generation, the levels of receivable increased with the rise in economic activity. Concessionaires continued to enjoy a waiver of MAG rents for the year and office rentals were discounted by 50% of fixed contract amounts.

Foreign Currency
Some transactions were denominated in United States dollars, but the foreign currency risk remained low as the Barbados dollar is pegged to the United States dollar. The foreign currency loan which existed at March 2021 was fully settled by the new borrowing in local dollars and a small exchange loss was reported on the transaction. New borrowing in Barbados dollars will eliminate currency risk on loans.

The loan from Caribbean Development Bank (CDB) is denominated in United States dollars and the currency risk is minimized as the earnings used in servicing the debt are also denominated in United States dollars.

Liquidity Risk
The modest rebound in passenger volumes generated increased earning capacity of the GAIA which served to improve the Company's cash flow resources. Much of an airport's expenses is fixed and requires a relatively high level of cash to maintain operations. The conclusion of the new loan facility in August 2021 provided the necessary working capital, which was augmented by cash generated from operations. The Company was able to satisfy the operating obligations for the year.

Interest Rate Risk
The Company was exposed to interest rate risk through its debt with FirstCaribbean International Bank which interest was pegged to LIBOR, which for many years was used in the global financial industry as the benchmark for setting rates charged on adjustable-rate loans. LIBOR is therefore impacted by global activity and over time has increased/reduced in accordance with the market. That risk was eliminated on the liquidation of the loan balance in August 2021 when the new facility was completed and funds disbursed.

The new borrowing is denominated in Barbados dollars and carries a fixed interest rate for 10 years. This eliminates the risk associated with changes in interest rates and that associated with debt servicing. It also provides certainty with respect to budgeting and forecasting.

Capital Management
No changes were made to the Company's capital structure.

Overall Performance

The fiscal year 2021/22 has been one of challenges. The COVID-19 pandemic resulted in border closures and the collapse of global air travel which crippled the aviation industry world-wide. The Government of Barbados temporarily implemented various levels and periods of shutdown under the Emergency Management Act since the onset of the pandemic in March 2020 to protect the country's health and economy. The temporary suspension of commercial flights and the standstill of economic activity delivered a severe blow to the Company's revenue and profitability. The results of this year reflected the unusual and unpredictable operations experienced.

Revenue passengers grew by approximately 439%, total revenue earned increased by 34% [$27.2 million] and as at 31 March 2022, the Company recorded a net loss of $27.6 million compared with a loss of $43.5 million in 2021, an improvement of $15.8 million [36%]. EBITDA was a negative $4.7 million, an improvement over last year by 82%, when it was a negative $25.5 million. The net operating results are summarized in Table 3.

	2022	2021
Revenues	42,377,801	15,188,668
Expenses	47,038,835	40,703,117
Earnings (loss) before depreciation, interest and taxes	(4,661,034)	(25,514,449)
Depreciation	19,101,408	17,917,779
Finance costs	4,674,541	592,578
Tax (credit) charge	(792,388)	(542,144)
Net earnings (loss)	(27,644,595)	(43,482,662)
Total Assets	282,286,924	261,495,321

Table 3

Revenue

Passenger volumes for the fiscal year are seen in Table 4. The devastation of air travel globally caused by the COVID-19 pandemic is reflected in the 92% drop in passenger traffic in 2021. The traffic partially recovered during the current year, recording a 439% increase, or some 776,753 passengers. That was approximately 57% of the pre-COVID position. It is anticipated that passenger confidence will grow stronger leading the way to full recovery during the next financial year.

Table 4. Revenue Passengers (Fiscal Year)

	2021	2022
Embarked	77,382	448,617
Disembarked	79,707	480,405
Transfers	2,593	24,070
Charters	17,413	756
Total	177,095	953,848
Change in passengers	-1,973,961	776,753
% change	-91.8%	438.6%

Table 4

At year-end, total operating revenue was $42.4 million, compared with $15.2 million earned in fiscal year 2021 and was approximately 46% of the pre-COVID results. Net Loss for the year was $27.6 million compared with a $43.5 million loss in the previous year. There were improvements across all categories of revenue, the exception being the one-off gain recorded in 2021. Comparative figures are seen in Table 5 below.

Table 5. Revenue Categories

	2021	2022	Change	Change %
Aeronautical revenue	$	$	$	
Passenger service charges	4,638,906	23,404,710	18,765,804	404.5%
Direct charges to airlines	1,762,513	4,579,860	2,817,347	159.8%
	6,401,419	27,984,570	21,583,151	337.2%
Non-aeronautical revenue				
Concessions and rentals	2,514,741	8,812,117	6,297,376	250.4%
Services charged	629,132	909,267	280,135	44.5%
Lease of lands	1,416,155	1,435,972	19,817	1.4%
Car park revenue	96,670	356,922	260,252	269.2%
Gain on derecognition of investments	3,206,395	0	-3,206,395	-100.0%
Other income	924,156	2,878,953	1,954,797	211.5%
	8,787,249	14,393,231	5,605,982	63.8%
Total Revenue	15,188,668	42,377,801	27,189,133	179.0%
Aeronautical revenue as % total revenue	42.1%	66.0%		
Non-aeronautical revenue as % total revenue	57.9%	34.0%		

Table 5

Aeronautical revenue recorded a 337% increase over 2021 fiscal resulting from the rebound in passenger traffic experienced.

Non-aeronautical revenue also grew 64% as some concessionaires recommenced operations, while some continued to receive rent relief for the fiscal period in support. The $3.2 million of gain on derecognition of investments on the redemption of the Government Bonds was a one-off receipt in 2021.

Concessions and Rentals earned $8.8 million or approximately 21% of total revenue compared with earnings in 2021 of $2.5 million and 16.6% of total revenue. This increase of $6.3 million was attributable to the partial recovery experienced in passenger numbers, a reflection of the increase in passenger spend. The Company acknowledged that recovery was not yet at the level to sustain the reintroduction of the minimum annual guarantee (MAG) rents and so concessionaires continued to benefit from a waiver for the year and office rentals were discounted by 50% of contract amounts, only paying a percentage of gross revenue. It is expected that this relief will be extended until consistent commercial activity resumes.

Table 6. Accounts as a percentage of Total Revenue

$'000	2021	2022	2021	2022
Revenue				
Passenger service charges	4,639	23,405	30.5%	55.2%
Direct charges to airlines	1,763	4,580	11.6%	10.8%
Aeronautical revenue	6,401	27,985	42.1%	66.0%
Concessions and rentals	2,515	8,812	16.6%	20.8%
Services charged	629	909	4.1%	2.1%
Lease of lands	1,416	1,436	9.3%	3.4%
Car park revenue	97	357	0.6%	0.8%
Gain on derecognition of investments	3,206	0	21.1%	0.0%
Other income	924	2,879	6.1%	6.8%
Non-aeronautical revenue	8,787	14,393	57.9%	34.0%
Total Revenue	**15,189**	**42,378**	**100.0%**	**100.0%**
Total Expenses	**59,213**	**70,815**	**389.9%**	**167.1%**
Income(loss) before taxation	-44,025	-28,437	-289.9%	-67.1%
Taxation	-542	-792	-3.6%	-1.9%
Net income(Loss)	**-43,483**	**-27,645**	**-286.3%**	**-65.2%**

Table 6

As fiscal year 2021 was severely impacted by the COVID-19 pandemic and was anomalous in all ways, the common sizing presented in Table 6 should not be considered in assessing trends.

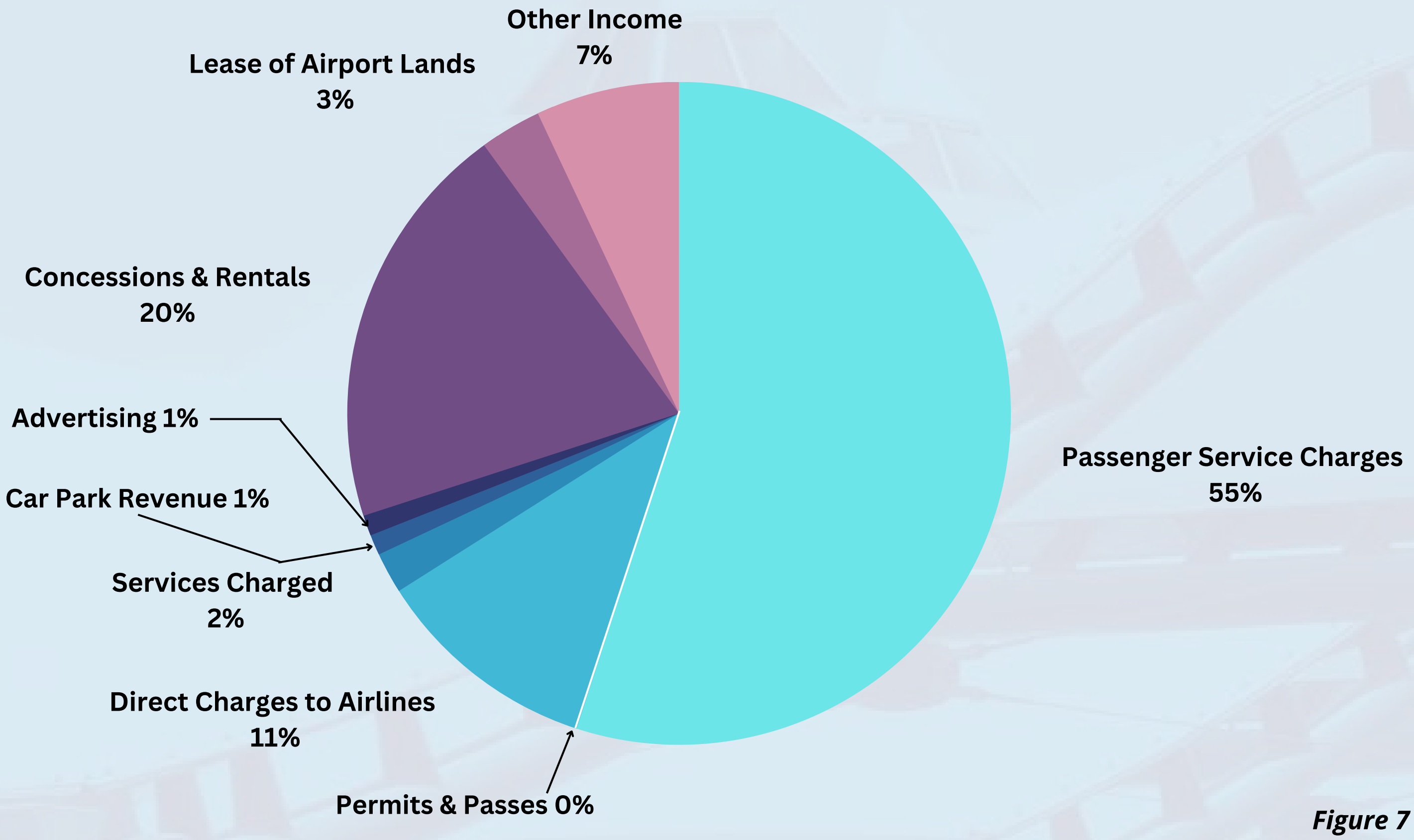


Figure 7

Expenditure

Total expenses were $70.8 million, approximately $11.6 million (16%) higher than expenditure incurred in 2021 ($59.2 million). The increase is attributed mainly to an increase in operational activity as passenger traffic grew steadily in the period.

Employment expenses remained the largest single expense at $23.5 million on par with the previous year's $23.4 million. The shareholder determined that employment would be maintained despite the harsh impact of the COVID-19 pandemic as one of the stabilizing measures in the economy.

All other operating costs including depreciation incurred increases totalling about $11.5 million over the previous year by about $14.6 million as a result of the increased commercial activity.

At year-end, depreciation of $19.1 million was $1.2 million higher than in 2021 attributable to the capital projects completed mainly major components of the runway and pavements.

Statement of Financial Position

Current assets were $49.2 million up from $36.8 million as at 31 March 2021. Cash resources were positively impacted by the increase in operations activity and were augmented by loan proceeds from a facility which was concluded circa mid-year. Accounts receivable increased due to the growth in revenue and the majority of the outstanding VAT refundable was collected. The current assets consisted primarily of cash and accounts receivable.

Total assets at year-end were $282.2 million. Capital assets net of accumulated depreciation were $232.1 million. The major asset balances include terminal buildings, runways, taxiways, motor vehicles, furniture and equipment, security equipment and common-use equipment. Still feeling the impact of the COVID-19 pandemic, capital spending was for the second year, limited mainly to the rehabilitation works on the runway and pavements and only necessary work. Other works and consultancies associated with the CDB loan facility are: Perimeter Fencing replacement; Car Park Electric Vehicle Charging Equipment; Apron Lighting LED retrofitting; West Sub-Station Building Construction; Sustainability Management Plan Consultancy; Fixed-Base Operator Management (FBO) Policy and Guidelines Consultancy. These sub-projects complement the pavement enhancement project to address security, environmental and compliance issues and building institutional capacity. Pavement works completed during the year were transferred from Work-in-Progress to the asset account.

The severe impact of COVID-19 necessitated borrowing which served to repay overdraft balance of $10.2 million and provide working capital for the year. Accounts payable decreased by $9.5 million to end the year at $15.2 million, reflecting settlement of obligations during the year. The current portion of long-term loans was $65.2 million representing the balance of the new facility from FCIB in accordance with IAS 1 (revised).

The long-term loan from FCIB was reclassified to current portion of loans as loan covenants were not met this year. The other long-term loan from CDB was not reclassified. This balance was $80.8 million increasing from $57.7 million at March last year. For the year ended March 2022, the Company recorded an accumulated deficit of $30.7 million compared with a deficit of $3.1 million at March 2021. This erosion of earnings was the result of the significant decline in revenues and profitability due to the impact of the COVID-19 pandemic.

Financial ratios

While operations showed improvements this year, the financial performance remained negative and profitability ratios continued to be negative. Cash resources were bolstered by proceeds from the new long-term loan and the liquidity position improved. The reclassification of the FCIB long-term loan of $65.2 million resulted a major increase in current liabilities. If adjustment were made for the reclassification, at year-end working capital would have been $31.6 million and the current ratio 3.0, better than last year's working capital deficit of $15.9 million and current ratio of 0.7.

The debt-equity ratio was 1.38:1 compared with a ratio of 0.79:1 in 2021. The Company remains highly leveraged this year due to the continuing impact of the pandemic, which resulted in loss of profitability, creating the need to seek substantial external funding and giving rise to the erosion of net equity. The new debt of $65.2 million was placed on book along with the final drawdown of $23.0 million on the CDB facility.

The debt service coverage ratio remained negative at -1.0 [2021: -1.59]. The loan interest payments were some $4.7 million compared with $593K in the previous year. This position, however, is expected to continue to improve as profitability returns.

The ratios are found below in Table 7.

	2021	2022
Net Income(Loss)	(43,482,662)	(27,644,595)
Profitability Ratios:		
Net Income(Loss) % of Revenue	-286.3%	-65.2%
Return on total assets	-16.5%	-10.2%
Return on fixed assets	-20.1%	-12.1%
Return on Equity	-25.9%	-20.9%
Liquidity Ratios:		
Current ratio	0.7	3.0
Working Capital $'M	-$15.9	$31.6
Efficiency Ratios:		
AR days (DSO)	77	101
AR Turnover Ratio	1.5	5.7
Solvency Ratios:		
Debt-to-Assets ratio	0.44	0.58
Debt-equity ratio	0.79	1.38
Debt-Capital ratio	0.44	0.58
Asset-to-Equity ratio	1.79	2.38
Debt-to-EBITDA ratio	-4.51	-35.09
LT Debt-Capital ratio	0.28	0.55
Funded Debt to EBITDA	-2.87	-31.32
Net Debt to EBITDA	-2.05	-24.65
Coverage Ratios:		
Debt Service Coverage Ratio (befor	-1.59	-1.00

Table 7

Outlook

In the year under review, the United Kingdom accounted for approximately 48% of passenger volumes. The increase in interest rates in UK occurring in June 2022 and rising cost of living is cause for concern as that situation is likely to impact discretionary spending such as travel. Rising energy prices are also expected to continue to drive up prices. As real income declines UK-based Economists are saying that rising inflationary pressures are dampening activity and demand across the UK economy. This situation has the potential to negatively impact travel to Barbados.

The USA accounted for about 26% of traffic volumes in 2021/22. Some forecasts suggest that USA travel will still be lagging pre-pandemic levels. It is anticipated that corporate travel and face-to-face meetings will continue to be an important part of doing business and will make a positive impact on future travel. In addition, it is thought that the rise in combination of business and leisure travel will continue to trend positively.

Travel within the Caribbean region remained depressed throughout the year and represented approximately 16% of traffic volumes. A detailed assessment would determine the appropriate fixes to enhance sustained future activity.

The expectation is that recovery will continue and that the next financial year will be reflective of this trend.

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Grantley Adams International Airport Inc.

Financial Statements

For the year ended 31 March 2022
(Expressed in Barbados Dollars)

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GRANTLEY ADAMS INTERNATIONAL AIRPORT INC.

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For the year ended 31 March 2022

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDER OF GRANTLEY ADAMS INTERNATIONAL AIRPORT INC.

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of Grantley Adams International Airport Inc. ("the Company"), which comprise the statement of financial position as at 31 March 2022, and the statement of comprehensive loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2022 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for Qualified Opinion

Non-compliance with IAS 1 (revised)

At 31 March 2022, the Company was in breach of the financial covenants under the loan agreements with two of its lenders. As a result of the breaches, under IAS 1 (revised): "*Presentation of Financial Statements*", the Company is required to reclassify its loan balances from long-term loans to the current portion of loans as it does not have an unconditional right to defer its settlement for at least twelve months after that date. However, for one of its loan arrangements, the Company has not reclassified the loan balances from its long-term classification in the statement of financial position and is therefore reporting understated current liabilities of $80,777,600 (2021: $57,697,499) as at year end. This is not in accordance with the requirements of IAS 1 (revised). The Company was also in breach as at 31 March 2021 under the same loan agreement, and the prior year auditor's report was qualified in a similar manner.

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 are independent of the Company in accordance with the International Ethics Standards Board of Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 a] in the financial statements, which indicates that due to the continuing impact of the global pandemic, the Company suffered net losses of $27,644,595 (2021 - $43,482,662) for the year ended 31 March 2022 and had an accumulated deficit position as at 31 March 2022 of $30,714,997 (2021 - $3,070,402). As stated in Note 2 a], these events or conditions, along with the uncertainty of the duration of the global pandemic, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDER OF GRANTLEY ADAMS INTERNATIONAL AIRPORT INC.

Report on the Audit of the Financial Statements (Continued)

Responsibilities of Management and the Board of Directors for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, 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.

The Board of Directors is 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.

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDER OF GRANTLEY ADAMS INTERNATIONAL AIRPORT INC.

Report on the Audit of the Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)
We communicate with the Board of Directors 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, in accordance with Section 147 of the Companies Act of Barbados. Our audit work has been undertaken so that we might state to the Company's shareholder those matters we are required to state 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, for our audit work, for this report, or for the qualified opinion we have formed.

Ernst & Young Ltd
Barbados
20 July 2022

GRANTLEY ADAMS INTERNATIONAL AIRPORT INC.

Statement of Financial Position
As of 31 March 2022

	Notes	2022 $	2021 $
Assets			
Cash	4	31,086,750	20,780,208
Accounts receivable	5	11,593,690	3,180,563
Prepayments		1,430,245	307,337
VAT refundable		3,145,872	10,792,669
Inventory	6	1,955,013	1,752,835
Income tax refundable		17,156	17,156
		49,228,726	36,830,768
Property, plant and equipment	7	232,065,370	219,977,340
Work-in-progress	8	34,640	4,521,173
Deferred tax asset	14	937,827	145,439
Right-of-use asset	15	20,361	20,601
Total assets		282,286,924	261,495,321
Liabilities			
Current liabilities			
Bank overdraft	4	-	10,210,396
Accounts payable and accrued liabilities	9	15,217,199	24,711,308
Airport service charge fees payable (net)	10	352,609	263,971
Taxation payable		94,509	94,509
Current portion of long-term loans	11	65,204,609	15,493,780
		80,868,926	50,773,964
Long-term loans	11	80,777,600	57,697,499
Retentions payable	12	1,133,328	4,698,888
Deferred income	13	749,652	1,922,949
Lease liability	15	21,058	21,066
Total liabilities		163,550,564	115,114,366
Shareholder's equity			
Share capital	16	100	100
Capital contributions	17	149,451,257	149,451,257
Deficit		(30,714,997)	(3,070,402)
		118,736,360	146,380,955
Total liabilities and shareholder's equity		282,286,924	261,495,321

The accompanying notes form part of these financial statements.

Approved by the Board of Directors on 13 July 2022 and signed on its behalf by:

....Director ....Director

GRANTLEY ADAMS INTERNATIONAL AIRPORT INC.

Statement of Comprehensive Loss
For the year ended 31 March 2022

	Notes	2022 $	2021 $
Income			
Revenue from contracts with customers	19	29,627,990	7,285,268
Gain on derecognition of investments		-	3,206,395
Revenue for lease contracts	20	10,049,823	3,830,028
Other income	21	2,822,924	651,969
Interest income		27	120,878
Foreign exchange (loss) gain		(122,963)	94,130
		42,377,801	15,188,668
Expenses			
Employment costs		23,515,153	23,375,512
Depreciation	7	19,101,408	17,917,779
Utilities		5,592,442	4,317,255
Repairs and maintenance		5,112,311	2,371,611
Finance costs		4,674,541	592,578
Security screening charge		4,612,616	3,459,305
Office and general expenses		3,583,710	2,459,672
Insurance		2,057,193	2,029,991
Professional fees		1,109,580	609,654
Bad debt expense (net of recoveries)		336,497	866,857
Contract maintenance expenses		930,451	1,070,157
Directors' fees and expenses		138,954	141,671
Other expense inventory write-off		48,496	-
Interest in lease liability	15	1,192	1,192
Depreciation on ROU asset	15	240	240
		70,814,784	59,213,474
Loss before taxation		(28,436,983)	(44,024,806)
Taxation	14	(792,388)	(542,144)
Net loss and total comprehensive loss for the year		(27,644,595)	(43,482,662)

The accompanying notes form part of these financial statements.

GRANTLEY ADAMS INTERNATIONAL AIRPORT INC.

Statement of Changes in Equity
For the year ended 31 March 2022

	Share capital $	Capital contributions $	Retained Earnings (deficit) $	Total $
Balance as of 31 March 2020	100	149,451,257	40,412,260	189,863,617
Total comprehensive loss for the year	-	-	(43,482,662)	(43,482,662)
Balance as of 31 March 2021	100	149,451,257	(3,070,402)	146,380,955
Total comprehensive loss for the year	-	-	(27,644,595)	(27,644,595)
Balance as of 31 March 2022	100	149,451,257	(30,714,997)	118,736,360

The accompanying notes form part of these financial statements.

GRANTLEY ADAMS INTERNATIONAL AIRPORT INC.

Statement of Cash Flows
For the year ended 31 March 2022

	2022 $	2021 $
Cash flows from operating activities		
Loss before taxation	(28,436,983)	(44,024,806)
Adjustments for:		
Depreciation (Note 7)	19,101,408	17,917,779
Depreciation on ROU asset (Note 15)	240	240
Finance costs	4,674,541	592,578
Interest on lease liability (Note 15)	1,192	1,192
Loss on disposal of plant and equipment (Note 21)	-	37,811
Interest income	(27)	(120,878)
Gain on derecognition of investments	-	(3,206,395)
Operating loss before working capital changes	(4,659,629)	(28,802,479)
(Increase) decrease in accounts receivable	(8,413,127)	13,666,698
(Increase) decrease in prepayments	(1,122,908)	5,397
Decrease (increase) in VAT refundable	7,646,797	(9,683,778)
Increase in inventory	(202,178)	(229,211)
(Decrease) increase in accounts payable and accrued liabilities	(9,494,109)	13,971,397
(Decrease) increase in retentions payable	(3,565,560)	2,951,864
Cash used in operating activities	(19,810,714)	(8,120,112)
Corporation tax paid	-	(377,068)
Withholding tax paid	-	(17,156)
Interest paid	(4,754,770)	(2,690,079)
Net cash used in operating activities	(24,565,484)	(11,204,415)
Cash flows from investing activities		
Additions to property, plant and equipment (Note 7)	(5,785,097)	(927,013)
Additions to work-in-progress (Note 8)	(20,839,544)	(37,934,756)
Interest received	27	236,298
Redemption of short-term securities	-	5,000,000
Redemption of bonds	-	10,041,041
Net cash used in investing activities	(26,624,614)	(23,584,430)

GRANTLEY ADAMS INTERNATIONAL AIRPORT INC.

Statement of Cash Flows (Continued)
For the year ended 31 March 2022

	2022 $	2021 $
Cash flows from financing activities		
Loan repayments (Note 11)	(15,699,337)	(1,350,000)
Long term loan proceeds (Note 11)	88,284,710	10,000,000
Short term loan proceeds	-	1,350,000
Capitalization of interest on loans	205,557	618,780
Grant funds received (Note 13)	-	2,400,000
Deferred income (Note 13)	(1,173,297)	(477,051)
Principal repayment on lease contract	(8)	(8)
Net cash from financing activities	71,617,625	12,541,721
Net increase (decrease) in cash for the year	20,427,527	(22,247,124)
Cash beginning of the year	10,306,366	32,553,490
Cash – end of the year (Note 4)	30,733,893	10,306,366

The accompanying notes form part of these financial statements.

1. Incorporation and principal activity

Grantley Adams International Airport Inc. ("GAIA Inc." or "the Company") was incorporated in Barbados on 13 October 1998. The Government of Barbados is the sole shareholder of the Company whose registered office is located at Grantley Adams International Airport, Seawell, Christ Church.

The Company is fully responsible for the commercial operations and management of the Airport in accordance with the Grantley Adams International Airport, (Transfer of Management and Vesting of Assets) Act (Act 2003-3). As a result, all assets and liabilities of the Airport with the exception of land are vested in the Company. The land is the subject of a lease between the Company and the Government of Barbados (Note 15).

2. Significant accounting policies

These financial statements are prepared in accordance with International Financial Reporting Standards.

The most significant accounting policies are summarized below:

a] Basis of accounting and financial preparation

The financial statements have been prepared on a historical cost basis. These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

Since 31 March 2020, the consequences of the COVID-19 have materially and adversely affected the operations of the Company, resulting in a reduction in all categories of revenue. The Company suffered net losses of $27,644,595 (2021 - $43,482,662) for the year ended 31 March 2022 and had an accumulated deficit position at 31 March 2022 of $30,714,997 (2021 - $3,070,402).

During the prior year, the Company entered into a new loan arrangement with FirstCaribbean International Bank (FCIB) for $65,204,609, to refinance an existing loan for $15,204,609 (inclusive of accrued interest) and to provide working capital of $50,000,000. The commitment letter was signed in January 2021 and financial close was achieved on 11 August 2021.

It is uncertain whether, and when, the Company will return to profitability and positive cash flows from operations. These uncertainties cast significant doubt on the Company's ability to continue as a going concern.

2. Significant accounting policies (Continued)

b] New accounting policies/improvements adopted

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the annual financial statements for the year ended 31 March 2021. The following interpretations and standards became effective and were adopted in the current year.

The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

Amendments to IFRS 3 - Reference to the Conceptual Framework (effective 1 January 2022)

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to a previous version of the IASB's Conceptual Framework (the 1989 Framework) with a reference to the current version issued in March 2018 (the Conceptual Framework) without significantly changing its requirements.

The amendments add an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date. At the same time, the amendments add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

This amendment resulted in no material change to the financial statements.

Amendments to IAS 16 – Property, Plant and Equipment: Proceeds before Intended Use (effective 1 January 2022)

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

This amendment resulted in no material change to the financial statements.

2. Significant accounting policies (Continued)

b] New accounting policies/improvements adopted (Continued)

Amendments to IAS 37 Onerous Contracts – Costs of Fulfilling a Contract (effective 1 January 2022)

In May 2020, the IASB issued amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a 'directly related cost approach'. The costs that relate directly to a contract to provide goods or services include both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract as well as costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

This amendment resulted in no material change to the financial statements.

Amendments to IFRS 16 Covid-19 Related Rent Concessions beyond 30 June 2021 (effective 1 April 2021)

In March 2021, the Board amended the conditions of the practical expedient in IFRS 16 that provides relief to lessees from applying the IFRS 16 guidance on lease modifications to rent concessions arising as a direct consequence of the Covid-19 pandemic.

In the reporting period in which a lessee first applies the 2021 amendment, the lessee will not be required to disclose the information required by paragraph 28(f) of IAS 8.

In accordance with paragraph 2 of IFRS 16, a lessee is required to apply the relief consistently to eligible contracts with similar characteristics and in similar circumstances, irrespective of whether the contract became eligible for the practical expedient before or after the amendment.

2. Significant accounting policies (Continued)

b] New accounting policies/improvements adopted (Continued)

Standards in issue not yet effective
The following is a list of standards and interpretations that are not yet effective up to the date of issuance of the Company's financial statements. These standards and interpretations may be applicable to the Company at a future date and will be adopted when they become effective. The Company is currently assessing the impact of adopting these standards and interpretations.

IFRS 17 Insurance Contracts (effective 1 January 2023)
In May 2017, the IASB issued IFRS 17 Insurance Contracts ("IFRS 17"), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features.

A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. The Company adopted IFRS 9 and 15 for the first time in the year ended 30 September 2019 and intends to adopt IFRS 17 when it becomes effective.

Amendments to IAS 1 – Classification of Liabilities as Current and Non-current (effective 1 January 2023)
In January 2020, the Board issued amendments to paragraphs 69 to 76 of IAS 1 Presentation of Financial Statements to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

2. Significant accounting policies (Continued)

b] New accounting policies/improvements adopted (Continued)

Standards in issue not yet effective (Continued)

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument, would the terms of a liability not impact its classification.

Amendments to IAS 1 – Classification of Liabilities as Current and Non-current (effective 1 January 2023)

Many entities will find themselves already in compliance with the amendments. However, entities need to consider whether some of the amendments may impact their current practice.

Entities need to carefully consider whether there are any aspects of the amendments that suggest that terms of their existing loan agreements should be renegotiated. In this context, it is important to highlight that the amendments must be applied retrospectively.

Amendments to IAS 8 – Definition of Accounting Estimates (effective 1 January 2023)

In January 2020, the Board issued amendments to paragraphs 69 to 76 of IAS 1 Presentation of Financial Statements to specify the requirements for classifying liabilities as current or non-current.

The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument, would the terms of a liability not impact its classification

Many entities will find themselves already in compliance with the amendments. However, entities need to consider whether some of the amendments may impact their current practice.

Entities need to carefully consider whether there are any aspects of the amendments that suggest that terms of their existing loan agreements should be renegotiated. In this context, it is important to highlight that the amendments must be applied retrospectively.

2. Significant accounting policies (Continued)

b] New accounting policies/improvements adopted (Continued)

Standards in issue not yet effective (Continued)

Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Polices (effective 1 January 2023)
In February 2021, the Board issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements (the PS), in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures.

The amendments aim to help entities provide accounting policy disclosures that are more useful by:

• Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies

• Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy

Earlier application of the amendments to IAS 1 is permitted as long as this fact is disclosed.

The amendments may impact the accounting policy disclosures of entities. Determining whether accounting policies are material or not requires use of judgement. Therefore, entities are encouraged to revisit their accounting policy information disclosures to ensure consistency with the amended standard.

Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective 1 January 2023)
In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability.

2. Significant accounting policies (Continued)

b] New accounting policies/improvements adopted (Continued)

Standards in issue not yet effective (Continued)

Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective 1 January 2023) ***(Continued)***

An entity should apply the amendments to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, it should also recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations.

Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

In December 2015, the IASB decided to defer the effective date of the amendments until such time as it has finalised any amendments that result from its research project on the equity method. Early application of the amendments is still permitted.

The amendments address the conflict between IFRS 10 Financial statements and IAS 28 Investments in Associates and Joint Ventures in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture.

Improvements to International Financial Reporting Standards

The annual improvements process for the IASB deals with non-urgent but necessary clarifications and amendments to IFRS.

c] Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements that are relevant to the Company's activities are disclosed below:

IFRS – Subject of Amendment

IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities.

IAS 41 Agriculture – Taxation in fair value measurements.

2. Significant accounting policies (Continued)

d] Revenue recognition

Revenue from contracts with customers
Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the good or service before transferring them to the customer.

Rendering for lease contracts
Revenue from lease contracts is recognized based on the terms of the lease contract, which is made of fixed and variable charges. The fixed charges are recognized at the end of each month the concessionaire occupies the rental space. The variable charges are recognized when the underlying data used for the charges is readily determinable.

Interest income
Interest income is recognized using the effective interest method.

Other income
Other income is recognized on an accrual basis.

e] Taxation

The taxation charge is determined on the basis of tax effect accounting, using the liability method whereby the future tax liability resulting from temporary differences is provided for at the estimated future corporation tax rate that is expected to apply to the period when the liability is settled.

Deferred tax assets relating to the carry forward of unused tax losses are recognized to the extent that it is probable that future taxable income will be available against which the unused tax losses can be utilized.

f] Currency

These financial statements are expressed in Barbados dollars which is also the functional currency. Monetary assets and liabilities denominated in currencies other than Barbados dollars are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities and transactions denominated in currencies other than Barbados dollars are translated at the rate of exchange ruling at the date of the transaction. Foreign exchange gains or losses are included in profit and loss within the Statement of Comprehensive Income.

g] Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. Where the carrying value of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market conditions

2. Significant accounting policies (Continued)

h] Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and/or accumulated impairment losses, if any. Depreciation of plant and equipment is charged using the straight-line method over the useful lives of the assets which are estimated as follows:

Common use terminal and security equipment	5 years
Computer equipment	3 years
Furniture and equipment	8-10 years
Leasehold improvements – buildings	50 years
Leasehold improvements – other	10-20 years
Motor vehicles	5-10 years
Navigation equipment	3-15 years
Runways, taxiways and pavements	15-20 years

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

i] Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. On this basis, the receivables are grouped according to the characteristics of shared credit risk and the days of default presented by the balances. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment

The Company considers a financial asset in default when contractual payments are 90 days past due.

Purchased or originated credit impaired (POCI) assets are financial assets that are credit impaired initial recognition. POCI assets are recorded at fair value at the initial and interest income is subsequently recognized based on a credit adjustment. ECLs are only recognized or released to the extent that there is a subsequent change in the expected credit losses.

2. Significant accounting policies (Continued)

j] Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Land	86 years

The right-of-use assets are also subject to impairment. Refer to the accounting policy 2g] *Impairment of non-financial assets.*

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

2. Significant accounting policies (Continued)

j] Leases (Continued)

ii) Lease liabilities (continued)
In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets
The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor
Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

k] Loans and borrowings
After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in income when the liabilities are derecognized.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

l] Pension costs
The Company has provided a defined contribution pension scheme for its eligible employees, providing for fixed rates of contribution based on the level of employees' remuneration. Contributions are charged to comprehensive income in the year to which they relate. The Company provides no other post-retirement benefits.

m] Inventory
Inventory is valued at the lower of cost or net realizable value, all related costs are included in the valuation of the item. Inventory consists of consumables and supplies for use in the operating activities.

2. Significant accounting policies (Continued)

n] Government Grants

The Grant is being recognized as income on a systematic basis over the periods that the related costs for which the grant is intended to compensate, are expensed.

3. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires that management make judgments, estimates and assumptions that affect the amounts reported of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future. The key assumptions concerning the future and other key sources of estimating uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next financial year are discussed below.

Impairment of non-financial assets
The Company determines whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

Impairment of financial assets
The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Impairment of financial assets (Continued)
For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

4. Cash

	2022 $	2021 $
Cash in banks	31,086,750	20,780,208
Bank overdraft (e)	-	(10,210,396)
Balance at 31 March	31,086,750	10,569,812
Restricted cash (a)	(352,857)	(263,446)
Balance as disclosed in statement of cash flows (b)	30,733,893	10,306,366

Balance at bank amounting to $320,574 (2021 - $31,644) bears interest at 0.005% (2021 - 0.01%) per annum, the remainder is non-interest bearing.

Cash balances are comprised as follows:

(a) $352,857 (2021 - $263,446) being held on account and payable to the Government of Barbados for funds received for the Airport Service Charge fee.
(b) $ 8,096,239 (2021 - $0) representing Debt Service Charge on FCIB Loan (refer to Note 11).
(c) $4,472,238 (2021 - $3,284,854) representing a refundable fee held by the CDB and $8,098,210 (2021 - $9,918,516) which represents the remaining funds from the loan disbursement from CDB (Refer to Note 11).
(d) $1,070,859 (2021 - $2,175,376) representing the balance of grant funds received for interest support on CDB loan interest. (Refer to Note 13).

The Company's overdraft facility with FirstCaribbean International Bank with a limit of $12,000,000 expired on financial close of the new loan on 11 August 2021. Interest was charged at a rate of 5.75% per annum.

5. Accounts receivable

	2022 $	2021 $
Trade receivables	15,477,880	6,091,637
Less: allowance for expected credit losses	(3,903,862)	(3,880,986)
Net trade receivables	11,574,018	2,210,651
Other receivables	145,575	1,095,815
Less: allowance for expected credit losses	(125,903)	(125,903)
	11,593,690	3,180,563

5. Accounts receivable (Continued)

Trade receivables are non-interest bearing are generally on terms ranging from 15 to 60 days. Included in the trade receivables is $1,281,810 (2021 - $687,653) owed from related parties, for which a provision of $243,243 (2021 - $588,722) has been recorded.

Movements in the provision for expected credit losses of receivables were as follows:

	2022 $	2021 $
Balance at beginning of year	4,006,889	4,226,785
Charge for the year	1,444,390	1,471,692
Recoveries	(1,421,514)	(1,691,588)
Balance at end of year	4,029,765	4,006,889

At 31 March, the ageing analysis of net trade receivables is as follows:

	Total $	0-30 days $	31-60 days $	61-90 days $	> 90 days $
2022	11,574,018	6,925,498	3,647,077	469,832	531,611
2021	2,210,651	615,553	891,576	372,041	331,481

6. Inventory

	2022 $	2021 $
Spare parts and supplies	1,955,013	1,752,835

7. Property, plant and equipment

	Leasehold improvements $	Runways, Taxiways and pavements $	Furniture and equipment $	Motor vehicles $	Security equipment $	Navigation equipment $	Computer equipment $	Common use equipment $	Total $
Cost									
At 31 March 2020	201,750,943	36,620,907	28,625,314	14,834,898	14,092,906	5,519,903	17,029,558	3,556,202	322,030,631
Transfers (Note 8)	-	76,817,714	-	-	-	-	-	-	76,817,714
Additions	17,541	-	68,521	62,804	753,008	-	25,139	-	927,013
Disposals	-	-	(10,258)	(92,829)	-	-	(37,461)	-	(140,548)
At 31 March 2021	201,768,484	113,438,621	28,683,577	14,804,873	14,845,914	5,519,903	17,017,236	3,556,202	399,634,810
Transfers (Note 8)	-	25,404,341	-	-	-	-	-	-	25,404,341
Additions	-	5,415,418	335,047	-	11,959	-	22,673	-	5,785,097
At 31 March 2022	201,768,484	144,258,380	29,018,624	14,804,873	14,857,873	5,519,903	17,039,909	3,556,202	430,824,248
Accumulated depreciation									
At 31 March 2020	65,285,881	26,772,283	21,562,886	12,327,394	12,290,576	5,519,903	14,527,303	3,556,202	161,842,428
Depreciation	5,675,172	7,404,463	1,471,218	1,040,549	872,123	-	1,454,254	-	17,917,779
Disposals	-	-	(9,579)	(55,697)	-	-	(37,461)	-	(102,737)
At 31 March 2021	70,961,053	34,176,746	23,024,525	13,312,246	13,162,699	5,519,903	15,944,096	3,556,202	179,657,470
Depreciation	5,604,524	9,613,792	1,374,170	820,777	615,854	-	1,072,291	-	19,101,408
At 31 March 2022	76,565,577	43,790,538	24,398,695	14,133,023	13,778,553	5,519,903	17,016,387	3,556,202	198,758,878
Net book value									
At 31 March 2022	125,202,907	100,467,842	4,619,929	671,850	1,079,320	-	23,522	-	232,065,370
At 31 March 2021	130,807,431	79,261,875	5,659,052	1,492,627	1,683,215	-	1,073,140	-	219,977,340

8. Work-in-progress

	2022 $	2021 $
Balance at 1 April	4,521,173	41,264,969
Additions	20,839,544	37,934,756
Borrowing costs capitalized	821,389	2,139,162
Transfers to Property Plant & Equipment (Note 7)	(25,404,341)	(76,817,714)
Transfers to other accounts	(743,125)	-
Balance at 31 March	34,640	4,521,173

Work-in-progress at 31 March is nil (2021 - $4,116,392) for the Pavement Rehabilitation and $36,640 (2021 - $404,781) for other leasehold improvements. Work-in-progress is transferred to Property, Plant & Equipment based on the issuance of completion of works statements by contracted engineers and experts. During the year $25,404,341 (2021 - $76,817,714) in respect to the runway redevelopment costs were completed and transferred to Property Plant & Equipment (Note 7) and $743,125 (2021 - nil) related to other costs, were expensed.

9. Accounts payable and accrued liabilities

	2022 $	2021 $
Trade payables	10,857,090	22,978,011
Other payables and accruals	3,725,718	1,456,951
Deposits	634,391	276,346
Accounts payable and accrued liabilities	15,217,199	24,711,308

Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled generally on terms ranging from 30 to 60 days. Included in the trade payables $43,974 (2021 - $110,209) due to related parties. (See Note 18).

Other payables are non-interest bearing and have an average term of two months.

10. Airport Service Charge Fees Payable (net)

The balance represents airport service charge levied on departing passengers and being collected by GAIA Inc. on behalf of the Government of Barbados. At 31 March 2022, the net amount due to the Government of Barbados was $352,609 (2021 - $263,971).

11. Long-term loans

	2022 $	2021 $
CIBC-FCIB	65,204,609	15,493,780
Caribbean Development Bank	80,777,600	57,697,499
	145,982,209	73,191,279
Less: Current portion		
CIBC-FCIB	(65,204,609)	(15,493,780)
Long-term portion	80,777,600	57,697,499

FirstCaribbean International Bank

On 22 January 2021, the Company accepted the terms for a new loan facility with FCIB for $65,204,609. These proceeds would refinance the USD loan and accumulated interest ($15,204,609) and provide working capital of $50,000,000 necessitated by the impact of COVID-19 on the business.

The loan is for a period of 10 years and is to be repaid in equal quarterly installments based on a 15 year amortization schedule following a moratorium on principal repayment of 6 quarters. The outstanding balance at the end of the repayment period is due on maturity. Interest is being charged at a rate of 5.75% fixed for 10 years and is payable quarterly.

The loan is secured by a first fixed and floating charge over all assets excluding Terminal Buildings assets owned or pledge to the Government of Barbados, the assignment of Passenger Service Charges and Airline Charges due to the Borrower through IATA agreement and a registered charge over Debt Service Reserve Account in the amount of $8,096,239. The Security is ranked for payment on a *pari passu* basis with Caribbean Development Bank.

At 31 March 2022, the Company was in breach of the financial covenants under the loan agreement with CIBC FCIB. As a result of the breach, under IAS 1 (revised): "Presentation of Financial Statements", the Company is required to reclassify the loan balance from long-term loans to the current portion of loans as it does not have an unconditional right to defer its settlement for at least twelve months after that date. The Company has reclassified the loan balance of $65,204,609 from its long-term to current classification in the statement of financial position and also received a waiver from the financial institution subsequent to the year end.

11. Long-term loans (Continued)

Caribbean Development Bank

On 31 December 2018, the Company signed a loan agreement with the Caribbean Development Bank (CDB) for a sum of US$40,388,800, consisting of a Special Funds Resources (SFR) Portion and the Ordinary Capital Resources (OCR) Portion. The SFR Portion will not exceed the equivalent of US$6,000,000 and the OCR portion will not exceed the equivalent of US$34,388,800. The loan is for the rehabilitation and expansion of runways, aprons, taxiways and pavement surfaces.

The loan is secured by a legal mortgage over the leasehold property excluding buildings, plant and machinery; a fixed charge on other fixed assets, both present and future; and a floating charge on other property and assets, both present and future. The Security is ranked for payment on a *pari passu* basis.

At 31 March 2022 and 2021, the Company was in breach of the financial covenants under the CDB loan agreement. As a result of the breach, under IAS 1 (revised): "Presentation of Financial Statements", the Company is required to reclassify the loan balance from long-term loans to the current portion of loans as it does not have an unconditional right to defer its settlement for at least twelve months after that date. However, the Company has not reclassified the loan balance from its long-term classification in the statement of financial position and is therefore reporting understated current liabilities of $80,777,600 (2021: $57,697,499) as at year end.

A Commitment Fee, accruing 60 days after the date of the Loan Agreement, is charged at 1% per annum on the amount of the OCR Portion undrawn, and is payable quarterly.

The interest rate on the OCR Portion is variable and is currently set at a rate of 3.3% per annum calculated on the outstanding amount and is payable quarterly. The rate will be reviewed quarterly and may be adjusted (+/-) on 1 January, 1 April, 1 July and 1 October of each year.

The interest rate on the SFR Portion is fixed at a rate of 2.50% per annum and is also calculated on the outstanding amount and payable quarterly.

The loan (both SFR and OCR Portions) is to be repaid over 48 equal quarterly installments which commence after the expiration of the five-year moratorium from the date of the Loan Agreement of 31 December 2018.

The total amount disbursed at the reporting date was $80,777,600 (2021 - $57,697,499).

12. Retentions payable

These represent amounts due to certain contractors upon successful completion of works under the terms of the respective contracts, which range from 6 to 12 months.

13. Deferred income

	2022 $	2021 $
Balance – beginning of year	1,922,949	-
Income from Grants during the year	1,107,809	2,400,000
Grant revenue for the year	(2,281,106)	(477,051)
Balance – end of year	749,652	1,922,949

The Government of Barbados (GoB) has provided grant funding for 50% of the interest cost on the CDB Loan for three years (Note 13). The interest cost was estimated at US$3,600,000 over the three-year period. The funds will be released for the sole purpose of paying interest on the CDB Loan. The first payment of US$1,200,000 was received from the GoB on 20 November 2020 and BDS$1,173,297 has been recognized as grant income for the current financial year and is presented within Other Income within the Statement of Comprehensive Income.

14. Taxation

	2022 $	2021 $
Statement of income		
Change in tax rates on opening deferred taxes	-	144,789
Deferred tax credit	(792,388)	(717,618)
Under accrual of prior year taxes	-	30,685
Balance – end of year	(792,388)	(542,144)

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

14. Taxation (Continued)

	2022 $	2021 $
Loss before taxation	(28,436,983)	(44,024,806)
Corporation tax at 5.5% (2021 – 5.5%)	(1,564,034)	(2,421,364)
Effect of depreciation on assets not subject to wear and tear	278,936	278,929
Effect of other amounts not allowed for tax purposes	4,275	13,196
Effect of rate change on opening deferred tax liability	-	144,789
Effect of items not subject to tax	-	(176,352)
Deferred tax asset not recognized	488,435	1,587,973
Under accrual of prior year taxes	-	30,685
Tax credit	(792,388)	(542,144)

	2022 $	2021 $
Deferred tax (asset) liability		
Balance – beginning of year	(145,439)	396,705
Effect of rate change on opening deferred tax liability	-	144,789
Underaccrual of prior year taxes	-	30,685
Deferred tax credit for the year	(792,388)	(717,618)
Balance – end of year	(937,827)	(145,439)

The deferred tax asset is made up as follows:

	2022 $	2021 $
Accelerated capital allowances	(905,144)	(133,533)
Expected credit losses	(32,683)	(11,906)
	(937,827)	(145,439)

Tax losses

The tax losses which were available for set off in the future against otherwise taxable income for corporation tax purposes were as follows:

14. Taxation (Continued)

Tax losses (Continued)

Income year	B/fwd $	Incurred $	C/fwd $	Expiry date
2021	28,872,234	-	28,872,234	2028
2022	-	8,880,640	8,880,640	2029
	28,872,234	8,880,640	37,752,874	

The tax losses were as computed by the Company in its corporation tax returns and had as yet neither been confirmed nor disputed by the Barbados Revenue Authority. As at 31 March 2022, the Company has tax losses of $37,752,874 (2021 - $28,872,234) available to be carried forward and applied against future taxable income within seven years from when losses were incurred. A deferred tax asset of $1,132,586 (2021 - $866,167) has not been recognized as there is no future certainty that taxable income will be available against which the temporary differences can be utilized.

15. Leases

a] Company as lessor
The Company sub-leases plots of land to third parties as well as leases space within the Airport property to concessionaires. The lease amount consists of a fixed monthly fee and a variable component based on the level of activity by the concessionaire.

Future minimum rentals receivable are as follows:

	2022 $	2021 $
Within one year	11,516,716	11,082,140

b] Company as lessee

The Company entered into a land lease with the Ministry of Housing and Lands for a period initially of seventy-five years, with an option to renew for a further twenty-five years.

15. Leases (Continued)

b] Company as lessee

Set out below are the carrying amount of right of use recognized and the movements during the period:

	2022 $	2021 $
Right of use asset		
Balance – 1 April	20,601	20,841
Depreciation	(240)	(240)
Balance – 31 March	20,361	20,601

Set out below is the carrying amount of the lease liability and the movements during the period:

	2022 $	2021 $
Lease liability		
Balance – 1 April	21,066	21,074
Accretion of interest	1,192	1,192
Payments	(1,200)	(1,200)
Balance – 31 March	21,058	21,066

The following are the amounts recognized in profit or loss:

	2022 $	2021 $
Depreciation of right of use assets	240	240
Interest expense on lease liabilities	1,192	1,192
Total amount recognized in profit or loss	1,432	1,432

16. Share capital

The Company is authorized to issue an unlimited number of common shares without nominal or par value. The Company's issued share capital comprises:

	2022 $	2021 $
100 (2021 - 100) common shares	100	100

17. Capital contributions

These represent cash advances and equity contributions by the Government of Barbados to the Company, net of payments made on its behalf.

18. Related party transactions

The following transactions were carried out with related parties during the year:

	2022 $	2021 $
a] State-controlled entities		
Revenue		
Caribbean ARI Inc.	993,560	478,668
Caribbean Aircraft Handling Company Limited	267,638	233,550
BADMC	386,904	159,964
Caribbean International Airways Limited	142,869	107,034
Payments		
Director of National Insurance	4,032,236	4,334,270
Barbados Revenue Authority	1,040,349	1,675,966
Caribbean Aircraft Handling Company Limited	77,958	29,891

b] Compensation

Key management comprises directors and management of the Company.

Compensation of these individuals was as follows:

	2022 $	2021 $
Salaries and other short-term employee benefits	707,339	781,194
Post-employment benefits	46,538	26,262
Directors' fees and expenses	138,954	141,671
	892,831	949,127

19. Revenue for contracts with customers

Segments

	2022 $	2021 $
Passenger service charges	23,404,710	4,638,906
Direct charges to airlines	4,579,860	1,762,513
Service charges	909,267	629,132
Carpark revenue	356,922	96,670
Permits and passes	178,965	57,179
Advertising	198,266	100,868
	29,627,990	7,285,268

Timing of revenue recognition

	2022 $	2021 $
Services transferred at a point in time	29,250,759	7,127,221
Services transferred over time	377,231	158,047
	29,627,990	7,285,268

Performance obligations

The performance obligation is satisfied over time and payment is generally made upon completion of the service and acceptance by the customer. The terms of payment are determined prior to approval and can be cash or credit for a period of 15 - 60 days.

20. Revenue from lease contracts

	2022 $	2021 $
Concessions and rentals	8,613,851	2,413,873
Lease of airport lands	1,435,972	1,416,155
	10,049,823	3,830,028

21. Other income

	2022	2021
	$	$
Loss on disposal of property, plant and equipment	-	(37,811)
Grant income	2,281,256	477,521
Other miscellaneous income	541,668	212,259
	2,822,924	651,969

22. Financial risk management objectives and policies

The Company's principal financial liabilities are accounts payable and long-term loans. The Company has various financial assets such as cash and short-term deposits, treasury bills, treasury notes, loan receivable and accounts receivable.

The main risks arising from the Company's financial instruments are credit risk, foreign currency, liquidity risk and interest rate risk. The Board of Directors reviews and agrees policies for managing each of these which are summarized below.

Credit risk

Credit risk arises from the possibility that counterparties may default on their obligations to the Company. The amount of the Company's maximum exposure to credit risk is indicated by the carrying amount of its financial assets.

Concentration of credit risk

Concentrations of credit risk may arise from exposures to a single debtor or Company of debtors having a common characteristic such that their ability to meet their obligations is expected to be affected similarly by changes in economic or other conditions.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for various customers with similar loss patterns. The calculation reflects the probability-weighted outcome and reasonable and supportable information that is available at the reporting date about past events, current conditions.

The Company is subject to credit risk on its accounts receivable from customers who are based throughout the world. The Company believes that this risk is mitigated first by the due diligence procedures executed by the Ministry of Tourism and International Transport regarding the financial and reputational risk of a new airline landing in Barbados. Management also performs credit evaluations and regular reviews of accounts receivable.

22. Financial risk management objectives and policies (Continued)

The Company trades only with recognized, creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis. The maximum exposure is the carrying amount as disclosed in Note 5. For transactions that do not occur in the country of the relevant operating unit, the Company does not offer credit terms without the approval of management

With respect to credit risk arising from the other financial assets of the Company, which comprise cash, short-term deposits and investments, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. The credit quality of each individual security is internally assessed based on the financial strength, reputation and ability of the counterparty to honour its obligations and approved by the Finance Committee, which is in accordance with internal policy guidelines.

Foreign currency risk
Certain of the Company's transactions are denominated in United States dollars but as the Barbados dollar is fixed to the United States dollar, there is no significant currency risk exposure. Management monitors its exposure to foreign currency fluctuations and employs appropriate strategies to mitigate any potential losses.

Liquidity credit risk
The Company monitors its liquidity risk by considering the maturity of its financial assets and projected cash flows from operations.

Where possible, the Company utilizes surplus internal funds to a large extent to finance its operations and ongoing projects. However, the Company also utilizes available credit facilities and other financing options where required.

The table below summarizes the maturity profile of the Company's financial liabilities at 31 March based on contractual undiscounted payments.

31 March 2022

	Less than 3 months $	3 months – 1 year $	2-5 Years $	>5 years $	Total $
Trade payables	10,236,481	620,609	-	-	10,857,090
Long-term loans	-	-	39,265,164	106,717,045	145,982,209

22. Financial risk management objectives and policies (Continued)

31 March 2021

	Less than 3 months $	3 months – 1 year $	2-5 Years $	>5 years $	Total $
Trade payables	17,935,040	5,042,971	-	-	22,978,011
Long-term loans	-	15,493,780	7,164,333	50,533,166	73,191,279

Interest rate risk
The Company is exposed to 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. The occurrence of an adverse change in interest rates may result in a financial loss to the Company.

The Company manages its interest rate risk by a number of measures, including where feasible, the selection of assets which best match the maturity of liabilities, fixed rate debt instruments and by the regular review of the Company's cash flow, debt service and banking requirements.

The following table demonstrates the sensitivity to a reasonably possible change in interest rate, with other variables held constant of the Company's income before taxation. There is no impact on the Company's equity.

Increase/decrease in basis points	2022 Effect on profit before tax	2021 Effect on profit before tax
+-50	+-722,725	+-370,547

Capital management
The primary objective of the Company's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximize shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to the shareholder, return capital to the shareholder or issue new shares.

22. Financial risk management objectives and policies (Continued)

Fair values

The methods and assumptions used to estimate the fair value of each class of financial instruments for which it is practical to estimate a value are as follows:

Financial assets and liabilities

The carrying value of short-term financial assets and liabilities is a reasonable estimate of their fair value because of the short maturity of these instruments. Short-term financial assets comprise cash, short-term deposits and accounts receivable. Short-term financial liabilities comprise current portion of long-term loans and accounts payable.

The fair value of investments is deemed not significantly different from carrying value as the Company intends to hold these to maturity. The fair value of variable rate debt approximates carrying value. The fair value of fixed rate debt is determined using discounted cash flow models.

Set out below is a comparison by category of carrying values and fair values of all of the Company's financial instruments, that are carried in the financial statements.

	Carrying value		**Fair value**	
	2022	**2021**	**2022**	**2021**
	$	**$**	**$**	**$**
Financial assets				
Cash	31,086,750	20,780,208	31,086,750	20,780,208
Accounts receivable	11,593,690	3,180,563	11,593,690	3,180,563
Other receivables	3,145,872	10,792,669	3,145,872	10,792,669

	Carrying value		**Fair value**	
	2022	**2021**	**2022**	**2021**
	$	**$**	**$**	**$**
Financial liabilities				
Bank overdraft	-	10,210,396	-	10,210,396
Accounts payable	15,217,199	24,711,308	15,217,199	24,711,308
Long-term Loans	145,982,209	73,191,279	145,982,209	73,191,279

23. Pensions

During the year, the contributions made to the defined contribution plan by the Company amounted to $549,293 (2021 - $585,247). These amounts are disclosed in "Employment Costs" in the Statement of Comprehensive Income.

24. Commitments and contingencies

At 31 March 2022, the Company has contracted for certain expenditure in the amount of $19,104,228 (2021 - $23,944,580).

Under the Financial Advisory Services Agreement with International Finance Corporation (IFC), the following commitments are noted:

i. On completion of the Request for Proposal (RFP), which includes preparation of draft legal documentation, a payment of US$175,000 is due;
ii. If the Project is not closed successfully in 12 months from the date of the launch of the RFP, a monthly retainer of US$20,000 will be charged until closure of the transaction;
iii. Within 20 days of the PPP Transaction Closing Date, a Success Fee of US$1,080,000 is payable to IFC by the Company, if not collected from the winning bidder.

There are claims pending against the Company and the Company is also the plaintiff in certain legal actions and other claims. The claims pending from DexterJada of approximately US$3.1 million is as a result of cost overruns and other contingent events occurring over the course of the Pavement Works Project. This matter is with the attorney-at-law for a legal opinion. It is the opinion of the directors, based on the advice of the Company's attorneys-at-law that any liability arising out of the claims and actions with the exception of DexterJada is not likely to be material. In relation to claims brought by the Company the outcomes at this stage are uncertain and hence there is no recognition of any contingent assets.

25. Subsequent events

a] COVID-19

Since March 2020, the spread of COVID-19 has severely impacted many economies around the globe. In many countries, businesses were forced to cease or limit operations for long periods of time. Various measures taken to contain the spread of the virus included travel bans, quarantines, physical distancing, and closures of non-essential services, which triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. As a result, airlines reduced flights and severed significant numbers of their employees. These actions collectively, significantly impacted the profitability and cash flow of the Company. Globally, the health and travel protocols have evolved over time and have effectively contained the virus.

25. Subsequent events (Continued)

a] COVID-19 (Continued)

While cases continue to be recorded, the travel protocols have been relaxed such that fully vaccinated travellers to Barbados will no longer be required to do pre-flight testing and unvaccinated travellers will no longer be required to quarantine. While there continues to be improvement in the global picture, and there are optimistic signs of recovery, the uncertainty still exists and the duration of the consequences remain unsure. Projecting a path to recovery is based largely on pandemic management and governments' ability to contain the spread of new variants, provide assurance through the promotion of effective safety measures and improvement in the global distribution of vaccines. The Company's financial position has improved over the current fiscal year, but the future remains somewhat unpredictable and uncertain given its dependence on external influences within the various source markets. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Company for future periods.

b] Status of public private partnership

The Government of Barbados (GoB) agreed that Grantley Adams International Airport Inc. should take measures to enhance the operations of its commercial activities and to enter into a public private partnership (PPP) arrangement with an experienced airport operator. It also agreed to engage the International Finance Corporation (IFC) as Lead Advisor in the designing and structuring of the Proposal for a PPP. Due to the impact of COVID-19 a decision was made to restructure the transaction to ensure that it was still attractive to both bidders and GAIA Inc./GoB. In May 2021, the Cabinet introduced the enabling legislation into Parliament, and it was passed in the Lower House of Parliament in June 2021. Revised draft bidding documents are under review as the process is continuing towards finalizing the transaction within the shortest possible timeframe.