

ANNUAL REPORT 2017/18

FUTURE READY





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MISSION

To be the most customer focused, cost effective and highly efficient provider of value driven cruise, cargo services and related property development services while providing satisfactory benefits to stakeholders, including customers and employees.

VISION

To be consistently the best of all Caribbean ports by providing quality services and facilities for cargo and cruise operations, and to use this regional leadership as a basis for enhancing international reputation.

COMPANY PROFILE

The Port of Bridgetown is an award-winning, full service, international trade seaport located in Barbados and managed by Barbados Port Inc. (BPI or the Company). It is by comparison a small port, but more important than its size is the diversity of its portfolio. All major cruise lines have chosen the Port of Bridgetown as a port of call and from among them, an impressive listing have chosen Barbados for homeporting operations.

The marine terminal handles all major categories of cargo including:

- Containers (incl. imports and exports of food and beverage products, consumer goods such as furniture, appliances, etc.)
- Liquid bulk (incl. petroleum, molasses, etc.)
- Dry bulk (incl. grain, cement, gravel, etc.)
- Break-bulk (incl. agricultural produce, and other goods intended for the manufacturing, processing and distribution sectors)
- Automobiles

The Port of Bridgetown is International Shipping and Port Facility Security (ISPS) compliant and is renowned for its dependability, reliability and excellent safety record. It is the major point of entry for approximately 90% of the goods used in the manufacturing and retail sectors in Barbados and is dedicated to supporting businesses in the export trade. State of the art cargo handling facilities and technologies support the following services:

- Receipt and delivery of cargo, utilising a variety of cargo handling equipment
- Storage of cargo awaiting delivery or shipment, in covered warehouses or open storage
- Storage of refrigerated and frozen cargo
- Unstuffing/stuffing containers
- Sorting of cargo according to special requirements of consignee
- Rental of cargo handling operations equipment
- Priority access to block-stacked empty containers as requested by ship agents

BPI's sustainability principles guide its journey to becoming a world-class port. They are to:

- Build Long-Term Shareholder Value
- Strengthen Strategic Alignment
- Enhance Corporate Image
- Improve Operating Quality and Efficiency
- Enhance Market Competitiveness
- Create a High-Performance Culture
- Enhance Execution Excellence
- Build Growth-Enabling Infrastructure

These are the value enablers that are applied across the business and that allow the Company to manage its risks and opportunities and to generate value for all stakeholders. They also guide BPI's relationships with shareholders, employees, customers, business partners and community groups. They take into account the external environment, the economic conditions and changing innovation and technology drivers, as well as the societal and environmental issues that have an impact on business.

BOARD OF DIRECTORS 2017/18



Mr. David L. Harding
Chairman



Capt. George N.M. Fergusson
Deputy Chairman



Mr. David Jean-Marie
Managing Director



Mr. Everton Walters
Director



Mr. Neville Rowe
Director



Mr. David Douglas
Director



Mr. Michael J. Weetch
Director



Mr. Keith E. Wilson
Director



Mr. Irvine M. Best
Director



Mr. Calvin N. Alkins
Director



Mrs. Donna S. Cadogan
Director

Ms. Karen Forde
Corporate Secretary

**PricewaterhouseCoopers
SRL**
Auditor

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

**Ms. Lystra Kodilinye
Clarke Gittens Farmer**
Attorney-at-Law

SENIOR MANAGEMENT TEAM



Mr. David Jean-Marie
Chief Executive Officer



Mr. Kenneth Atherley
Divisional Manager,
Operations



Mr. Curtis Smith
Divisional Manager,
Human Resources &
Industrial Relations



Capt. Karl Branch
Divisional Manager,
Corporate Development
& Strategy



Ms. Karen Forde
Chief Financial Officer &
Corporate Secretary



Mr. Ian Stewart
Manager,
Terminal Operations



**Lt. Cmdr.
Fernella Cordle**
Manager, Security
Services



Capt. Carl Gonsalves
Manager, Marine
Services & Harbour
Master



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



Mr. Anderson Leacock
Manager, Property
Management,
Maintenance &
Projects



Mr. Peter Carrington
Manager, Human
Resources/
Administration



Mr. Albert Soudatt
Accountant



Ms. Charmaine Soo Chan
Manager, Internal Audit



Mr. Tedroy Marshall
Manager, Engineering
Services



Ms. Michelle Griffith
Manager, Management
Information Systems

CHAIRMAN'S REVIEW



The extreme vulnerability of the Caribbean was highlighted once again during the period under review, when several islands were affected by hurricanes. Notwithstanding the devastating events of 2017, the Caribbean Development Bank (CDB) in its 2017 Caribbean Economic Review, reported that there was an overall uptick in regional economic growth by 0.6%.

Despite being spared the devastation of a hurricane during 2017, the Barbados economy continued to face significant macroeconomic challenges, with growth estimated at 1%. Consumer prices were up 4%, after rising by less than 2% per annum during the preceding five years. For the first half of the year, imports of consumer goods grew by

2.4%, but an estimated 7.7% downturn during the last two quarters contributed to an overall contraction by year end. Imports of capital goods also declined. Exports meanwhile fell from \$524 Million to \$509.8 Million. The bright spot was activity in the tourism sector, which grew 1.2% in 2017. Long stay arrivals grew 4.4% against a 14.7% upsurge in cruise passenger arrivals, in response to increased cruise ship calls at the Bridgetown Port. For the first quarter of 2018, results were for the most part unchanged and the Barbados economy was estimated to have contracted by 0.7%.

BPI has been monitoring these changes and trends in the market and society closely, given the likely effect on business operations. At the same time however, efforts were directed toward the pursuit of corporate goals and charting a brighter

future for the Port of Bridgetown. Substantial progress was made in reforming operations, increasing capacity, enhancing customer service delivery and improving financial performance.

This year marked the fourth year of continuous growth in revenues generated from operations. This boosted company revenues up 1% over those in the previous year, to a total of \$98.4 Million. Regrettably, even though increases in operating expenses were contained below 1%, profit from operations this year fell 15% below that of last year. The \$5.7 Million write-off of Berth 6 capital works was a major factor influencing this result.

Among the other major achievements this year were a 19.6% expansion in transshipment cargo volumes and a seven-year high in Bulk cargo handled. The Bridgetown Port received a record 498 cruise ships and expanded Homeporting activities to 29 ships, representing 14 lines and carrying 190,133 passengers. Cruise passenger arrivals reached record levels with 826,278 passengers recorded during the period under review. This represented a 6.5% increase over the cruise passenger arrivals during the corresponding period last year. The Port of Bridgetown welcomed 13 cruise ships on first time voyages to Barbados.

The Port also made significant headway in infrastructural development projects. A new multi-lane main entrance was constructed to improve traffic flows and ease congestion. Refurbishment of the Wickham-Lewis Boardwalk and the South Point Lighthouse were completed, making way for increased maritime leisure activities.

Investments in new information technology applications, machinery and equipment significantly enhanced cargo operations. Increased customer use of the online cargo notification and tracking systems has resulted in reduced waiting times for cargo collection and a better service delivery experience. These upgrades are vital to the Port's success in the years to come. Considering the continuing trend of larger vessels sailing from even fewer ocean carriers, and the fact that competition within the maritime industry is set to intensify, there is clearly a need to further modernize the Port's infrastructure and capabilities.

As we enter a new financial year, the Board of Directors and Management convey sincerest appreciation to those who contributed to the efficient operation of the Bridgetown Port. Earlier this year, Mr. Richard Alleyne, Manager Marine Services and Harbour Master at the Bridgetown Port retired after twenty-eight years of service. Mr. Alleyne was trained in Maritime Administration at the International Maritime Organization's college in Sweden. His valuable contribution to the Marine Department and by extension the Port, in developing maritime policies and serving on numerous national committees, is very much appreciated.

We extend our gratitude also to:

- **The Right Honourable Freundel J. Stuart, Q.C, M.P., Prime Minister of Barbados**
- **The Government and People of Barbados**
- **The Honorable Richard L. Sealy, M.P., Minister of Tourism and International Transport**
- **Management and staff of Barbados Port Inc.**
- **Shipping Association of Barbados**
- **The Barbados Workers' Union**
- **Barbados Tourism Investment Inc.**
- **Barbados Tourism Marketing Inc.**
- **Barbados Tourism Product Authority**
- **Barbados Customs Brokers and Clerks Association**
- **Town Planning Department**
- **Coastal Zone Management Unit**
- **Customs and Excise Department**
- **Royal Barbados Police Force**
- **Immigration Department**

- **Ministry of Tourism and International Transport**
- **Ministry of Foreign Affairs and Foreign Trade**
- **Ministry of Trade, Industry, Commerce and International Business**
- **Ministry of Finance and Economic Affairs**
- **Ministry of Health**
- **Ministry of Agriculture**
- **Ministry of Transport and Works**

This annual report for the period April 1, 2017 to March 31, 2018, provides an integrated overview of the corporate strategy, financial and non-financial performance to key stakeholders, employees, customers, shareholders and the community. It reflects BPI's commitment to be the most sustainable port in the region, as it aims to be an employer of choice, a loyal and trusted partner.



FINANCIAL REVIEW

OPERATING PERFORMANCE

Overview

At the end of fiscal year 2017/18, BPI registered its highest operating income in five years. Company revenues totaling \$98.4 Million, was 1% higher than that in the financial year 2016/17, when income totaled \$97.6 Million.

With the exception of cargo handling and other operating revenue segments, all other revenue areas trended upwards. The largest increases were noted in marine services and excess storage revenues.

Operating expenses increased by less than 1%, as a \$2.4 Million increase in administration costs was offset by a \$2.2 Million decline in staff costs. The higher administration costs of \$1.5 Million related to the hosting of the Caribbean Shipping Association's 47th annual general meeting and conference, as well as professional and advisory services engaged during the year. The reduction in staff costs came with a reduced staff complement as a result of attrition.

Despite increased revenues and restrained operating expenses, BPI registered a 15% fall off in profit from operations this year against last year.

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

| | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
|----------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Cargo Handling | 58,626,223 | 49,798,558 | 59,999,870 | 66,164,061 | 64,079,637 |
| Excess Storage | 3,721,196 | 2,326,662 | 2,547,940 | 2,014,664 | 3,152,318 |
| Marine Revenue | 8,255,156 | 6,316,572 | 7,284,410 | 8,504,346 | 9,960,948 |
| Passenger Levy | 8,475,390 | 7,030,862 | 7,960,524 | 8,087,251 | 8,575,897 |
| Other | 8,310,579 | 6,859,171 | 7,740,953 | 9,261,539 | 9,255,384 |
| TOTAL | 87,388,544 | 72,331,825 | 85,533,697 | 94,031,861 | 95,024,184 |

This decline was due to a \$5.7 Million write-off of Berth 6 capital works consequent to a decision to determine a contract with Berth 5 Projects Ltd., signed May 23, 2017 for the construction of Berth 6, a Container Freight Station and offices.

Total comprehensive income fell by \$11 Million to \$7.1 Million most significantly due to the impact of IFRIC 14 on the Company's pension plans, which recognized a \$22.2 Million charge on re-measurement of the pension liability.

Figure 1: Operating Expenses 2013/14 - 2017/18

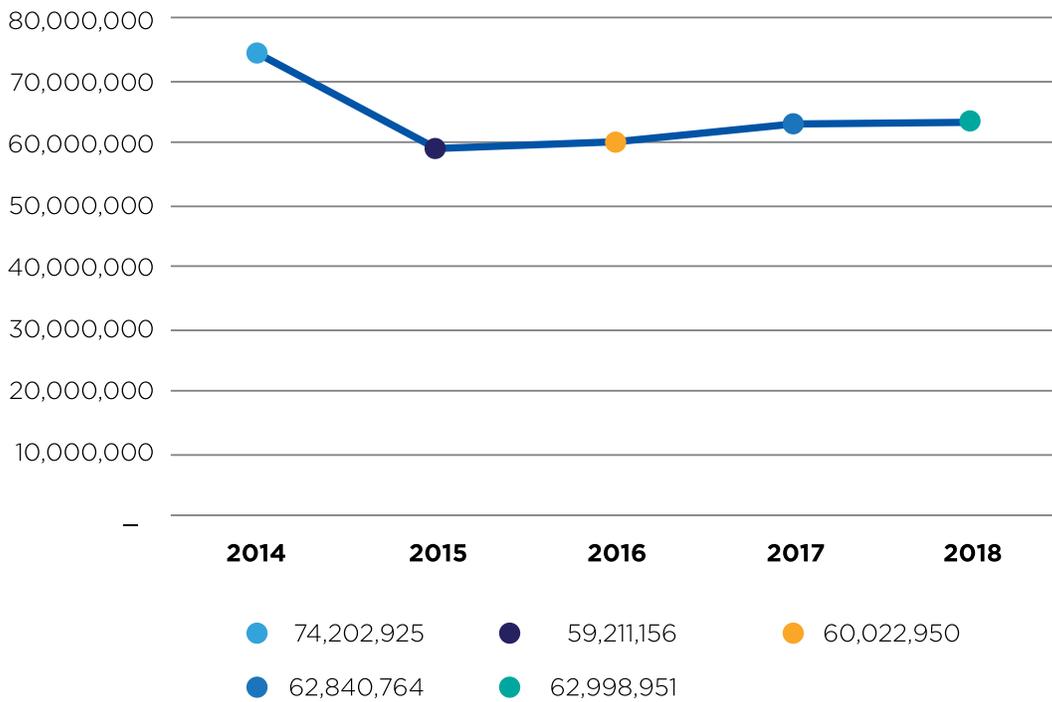
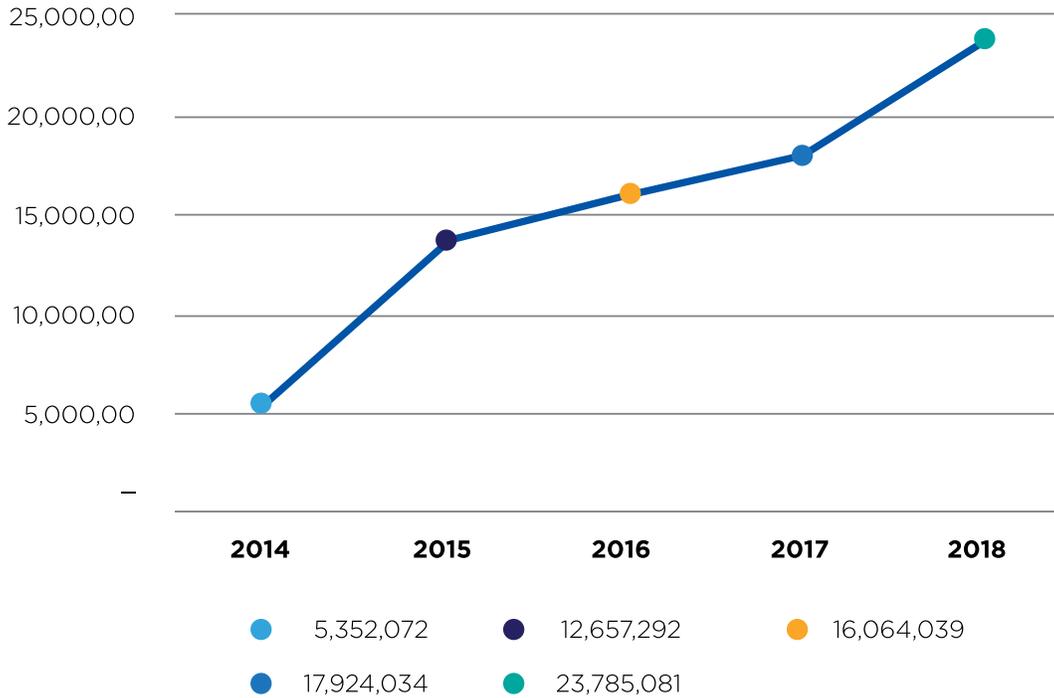


Figure 2: Net Income 2013/14 - 2017/18



STATEMENT OF FINANCIAL POSITION

Overview

A review of the statement of financial position as at March 31, 2018 showed a decline in current assets and liabilities with notable increases in non-current assets, non-current liabilities and total equity.

The \$37.9 Million increase in non-current assets was due most significantly to arrangements of a \$24.2 Million finance lease for the acquisition of a new Crane, as part of the \$34.9 Million increase in capital works in progress.

Higher non-current liabilities were attributed to an increase in the pension retirement fund liability which reached \$17.3 Million, based on the impact of IFRIC 14 as at March 2018, as well as additional liabilities of \$17.3 Million in relation to Berth 6 and the Ansa Merchant Bank Tranche 3 financing of \$24.2 Million.

Liquidity

BPI realised a working capital surplus of \$3.25 Million, the best in five years. The Company’s quick ratio increased to 1.11 due to the reduction in current liabilities.

Activity

Despite working assiduously to reduce its receivables collectability ratio during 2018, it took 60 days to collect outstanding receivables. This is compared to 43 days in the previous year. The Company is continuing to work towards lowering this ratio to 35 days through a combination of process improvement and other approaches.

Leverage

BPI remained highly leveraged as it is a very capital intensive entity. The debt to equity ratio stood at 0.93:1 as compared to 0.81:1 in the year

ending March 31, 2017. This is attributable to the increase in non-current liabilities.

As a highly leveraged entity, debt service costs become a major issue as much needed cash is required to facilitate significant interest payments. Finance costs were \$10.3 Million in the year under review when compared to \$11 Million in the previous year.

Key financial position balances and ratios are reported below:

| TABLE 2: STATEMENT OF POSITION HIGHLIGHTS | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 |
| Current Assets (\$M) | 14.30 | 13.72 | 13.84 | 34.40 | 33.13 |
| Accounts Receivable (\$M) | 7.40 | 7.54 | 6.49 | 8.92 | 12.02 |
| Non-current assets (\$M) | 206.60 | 216.96 | 309.29 | 297.46 | 335.35 |
| Total Assets (\$M) | 220.90 | 230.68 | 323.13 | 331.86 | 368.48 |
| Current Liabilities (\$M) | 55.10 | 64.89 | 32.19 | 35.31 | 29.88 |
| Long-term Liabilities (\$M) | 83.40 | 68.87 | 125.56 | 112.98 | 147.88 |
| Total Equity (\$M) | 82.50 | 96.92 | 165.38 | 183.57 | 190.72 |
| Total Liabilities & Equities (\$M) | 220.90 | 230.68 | 323.13 | 331.86 | 368.48 |
| Working Capital (\$M) | -40.80 | -51.17 | -18.35 | -0.91 | 3.25 |
| Average Receivables (\$M) | 7.65 | 7.47 | 7.02 | 7.71 | 10.47 |
| Total Debt (\$M) | 138.50 | 133.76 | 157.75 | 148.29 | 177.76 |
| Debt/Equity | 1.68 | 1.38 | 0.95 | 0.81 | 0.93 |
| Current Ratio | 0.26 | 0.21 | 0.43 | 0.97 | 1.11 |
| Days to Collect Receivables | 31.95 | 54.75 | 42.67 | 42.51 | 59.64 |

OPERATIONAL PERFORMANCE REVIEW

VESSEL CALLS

The Port of Bridgetown is strategically positioned as a logistics hub. A significant volume of all goods used in the local manufacturing and retail sectors enters via this Port. By far the majority of export volumes are also handled at the seaport and as a multipurpose facility, it also serves as a port of call for cruise ships.

During the period April 1, 2017 to March 2018, some 1,610 vessel calls were registered at the Port of Bridgetown (see Table 3). This however was 8% down against the 1,753 vessel calls recorded

in the previous year, reflecting a marked decline in cargo vessel visits.

Some 873 cargo vessel calls were recorded, comprised of Container, Break Bulk, Dry Bulk, Molasses, Cement and inter-island vessels as well as Tankers. This year's cargo vessel arrivals compare to 918 in the previous year. Cargo vessel calls represented 54% of total calls at the Bridgetown Port during the period under review. The remaining 46% were cruise ship calls and reported yacht visits.



TABLE 3: BREAKDOWN OF VESSEL CALLS BY MAJOR CATEGORY (2008/09 - 2017/18)

| Vessel Calls | 2008 /2009 | 2009 /2010 | 2010 /2011 | 2011 /2012 | 2012 /2013 | 2013 /2014 | 2014 /2015 | 2015 /2016 | 2016 /2017 | 2017 /2018 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Cruise | 434 | 438 | 403 | 399 | 357 | 374 | 382 | 412 | 453 | 498 |
| General Cargo - Deep Water Harbour | 581 | 550 | 486 | 437 | 403 | 422 | 454 | 499 | 549 | 486 |
| General Cargo - Shallow Draught | 166 | 157 | 120 | 114 | 105 | 99 | 105 | 125 | 123 | 121 |
| Cargo - Bulk Handling Facility (Inc PF) | 12 | 12 | 30 | 17 | 14 | 15 | 7 | 19 | 9 | 6 |
| Bulk Sugar | 2 | 2 | 3 | 2 | 2 | 1 | 2 | 2 | 1 | 0 |
| Molasses | 11 | 10 | 15 | 11 | 10 | 7 | 7 | 13 | 12 | 7 |
| Cargo - Cement Plant | 86 | 98 | 84 | 96 | 83 | 124 | 79 | 71 | 68 | 86 |
| Tankers | 141 | 132 | 142 | 135 | 148 | 139 | 138 | 135 | 156 | 167 |
| Other Vessels | 412 | 400 | 449 | 396 | 430 | 403 | 364 | 397 | 382 | 239 |
| Total Calls | 1,845 | 1,799 | 1,732 | 1,607 | 1,552 | 1,584 | 1,538 | 1,673 | 1,753 | 1,610 |
| % Increase / Decrease | -3.96% | -2.49% | -3.72% | -7.22% | -3.42% | 2.06% | -2.90% | 8.78% | 4.78% | -8.16% |

CARGO OPERATIONS

Tonnage Handled

Despite reduced cargo vessel calls, the Port recorded slightly higher cargo volumes, handling 1,374,818 tonnes in 2017/18, as compared to 1,368,803 tonnes in the previous year (see figure 3).

A breakdown of tonnage handled (see table 4) shows imports of 937,846 tonnes represented 68% of all volumes. Imports were however down 4% against imports in 2016/17. Exports on the other hand grew 2% to reach 155,585 tonnes in 2017/18 and represented 11% of tonnage handled.

FIGURE 3: TOTAL CARGO (DWH & SD) FOR 2013/14 - 2017/18 (TONNES)

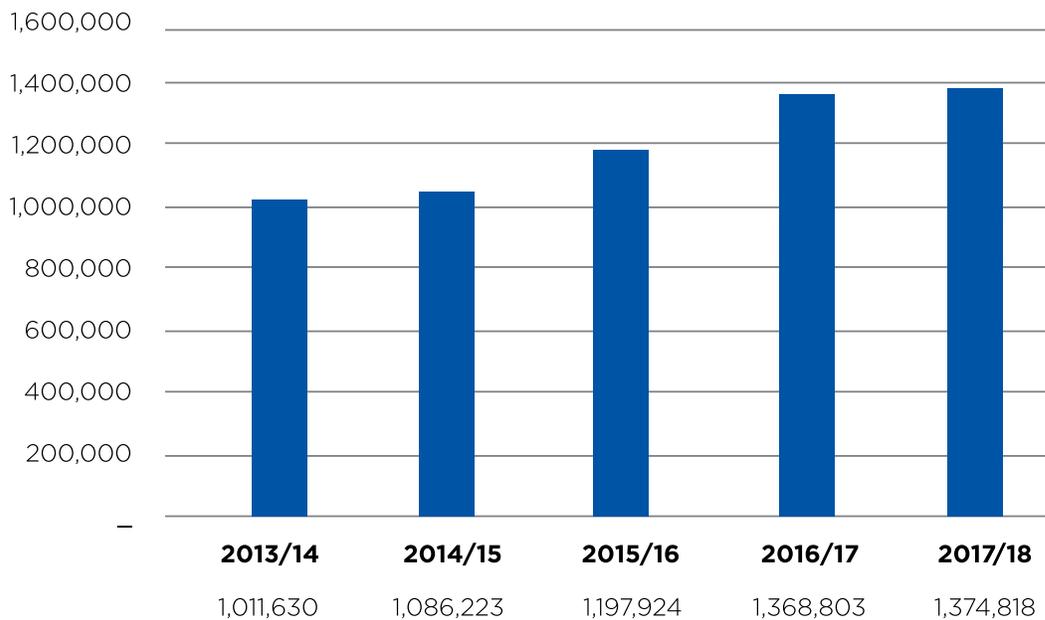


TABLE 4: BREAKDOWN OF CARGO HANDLED BY CATEGORY (2008/09 - 2017/18) (TONNES)

| Cargo Handled | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
|-----------------------------------|------------------|------------------|------------------|------------------|----------------|------------------|------------------|------------------|------------------|------------------|
| Domestic | | | | | | | | | | |
| Containerised Discharged | 787,946 | 732,523 | 761,133 | 741,290 | 723,245 | 724,810 | 730,009 | 784,920 | 835,727 | 816,393 |
| Breakbulk Discharged | 113,920 | 77,291 | 89,051 | 86,832 | 70,934 | 70,543 | 76,548 | 80,359 | 99,774 | 92,436 |
| Direct Delivery | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 23,000 | 46,011 | 29,017 |
| Total discharged (Imports) | 901,866 | 809,814 | 850,184 | 828,122 | 794,179 | 795,353 | 806,557 | 888,279 | 981,512 | 937,846 |
| Change | -6.49% | -10.21% | 4.99% | -2.59% | -4.10% | 0.15% | 1.41% | 10.13% | 10.50% | -4.45% |
| Containerised Loaded | 146,657 | 132,599 | 137,355 | 143,113 | 148,412 | 159,844 | 157,641 | 130,684 | 147,227 | 151,585 |
| Breakbulk Loaded | 11,563 | 8,437 | 7,643 | 7,245 | 11,235 | 5,229 | 7,810 | 4,549 | 4,600 | 4,000 |
| Total Loaded (Exports) | 158,220 | 141,036 | 144,998 | 150,358 | 159,647 | 165,073 | 165,451 | 135,233 | 151,827 | 155,585 |
| Change | -5.88% | -10.86% | 2.81% | 3.70% | 6.18% | 3.40% | 0.23% | -18.26% | 12.27% | 2.48% |
| Transhipment Containerised | 85,025 | 96,779 | 66,857 | 35,858 | 23,057 | 39,165 | 93,895 | 148,371 | 205,169 | 255,298 |
| Transhipment Breakbulk | 10,480 | 9,281 | 8,022 | 8,014 | 5,954 | 7,736 | 12,400 | 16,440 | 17,558 | 11,070 |
| Total Transhipment | 95,505 | 106,060 | 74,879 | 43,872 | 29,011 | 46,901 | 106,295 | 164,811 | 222,727 | 266,368 |
| Change | -35.87% | 11.05% | -29.40% | -41.41% | -33.87% | 61.67% | 126.64% | 55.05% | 35.14% | 19.59% |
| Shifted - Containerised | 9,433 | 7,517 | 10,745 | 7,284 | 5,753 | 4,303 | 7,920 | 9,601 | 12,737 | 15,019 |
| Change | 7.36% | -20.31% | 42.94% | -32.21% | -21.02% | -25.20% | 84.06% | 21.22% | 32.66% | 17.92% |
| Total Tonnage Handled | 1,165,024 | 1,064,427 | 1,080,806 | 1,029,636 | 988,590 | 1,011,630 | 1,086,223 | 1,197,924 | 1,368,803 | 1,374,818 |
| Change | -9.71% | -8.63% | 1.54% | -4.73% | -3.99% | 2.33% | 7.37% | 10.28% | 14.26% | 0.44% |

Transshipment cargo volumes also grew, expanding 19.6% to reach 266,368 tonnes, largely as a result of increased cargo from King Ocean Services, Tropical Shipping and Seaboard Marine shipping lines.

Total containerized tonnage handled across all categories of imports, exports and transshipment cargo measured 1,359,799 tonnes, some 99% of the total 1,374,818 tonnes handled. Containerized tonnage handled in the previous year was in the same percentile of the total. Only 15,019 tonnes or 1% of cargo was classified as shifted.

Bulk Cargo Handled

Bulk cargo reached its highest level in seven years (see Table 5), during the period under review. Some 975,105 tonnes were handled, 8% more than volumes registered in 2016/17. Petroleum products continued to dominate this segment, coming in at 635,011 tonnes, 65% of cargo handled. The second largest volumes handled were cement, which grew 28% to reach 186,952, some 19% of cargo handled.



| TABLE 5: BREAKDOWN OF BULK CARGO HANDLED BY TYPE (TONNES) | | | | | | | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|--|
| Commodity | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | |
| Sugar | 27,481 | 30,302 | 24,218 | 21,637 | 20,751 | 14,454 | 12,593 | 8,783 | 6,008 | 5,775 | |
| Molasses | 60,311 | 26,523 | 55,997 | 44,867 | 45,254 | 37,620 | 41,741 | 38,151 | 47,400 | 54,398 | |
| Fish Oil/Margarine/Fat | 3,550 | 800 | 0 | 0 | 1,498 | 0 | 0 | 0 | 0 | 0 | |
| Grain/Agribulk | 80,708 | 91,389 | 76,511 | 74,836 | 82,568 | 74,708 | 72,210 | 84,212 | 65,413 | 74,118 | |
| Fertilizer | 2,454 | 1,385 | 2,415 | 1,290 | 700 | 1,900 | 500 | 701 | 0 | 0 | |
| Petroleum Products | 685,431 | 659,535 | 656,570 | 638,381 | 602,866 | 613,695 | 582,246 | 653,502 | 599,729 | 635,011 | |
| Limestone | 204 | 0 | 0 | 0 | 3,700 | 10,500 | 1,000 | 0 | 0 | 0 | |
| Cement | 123,919 | 125,528 | 113,331 | 115,118 | 94,767 | 167,572 | 130,575 | 138,318 | 146,350 | 186,952 | |
| Hydrated Lime | 7,710 | 3,097 | 637 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Gypsum/Pozzolan Gravel | 39,520 | 34,965 | 30,955 | 22,434 | 16,990 | 36,527 | 8,210 | 4,092 | 8,308 | 12,519 | |
| Cement Plant Other | 3 | 0 | 3,715 | 1,020 | 11,819 | 9,344 | 0 | 3,130 | 15,146 | 3,043 | |
| Iron Ore | 6,500 | 3,000 | 700 | 1,424 | 997 | 2,864 | 993 | 2,501 | 1,974 | 2,586 | |
| Dwh Other* | 4,000 | 9,577 | 25,455 | 22,825 | 3,079 | 9,846 | 3,363 | 38,945 | 12,000 | 702 | |
| Total | 1,041,791 | 986,101 | 990,504 | 943,832 | 884,989 | 979,030 | 853,431 | 972,335 | 902,328 | 975,104 | |
| Change | -5.17% | -5.35% | 0.45% | -4.71% | -6.23% | 10.63% | -12.83% | 13.93% | -7.20% | 8.07% | |

TABLE 6: BREAKDOWN OF CONTAINERS (TEUS) BY STATUS

| | 2008 /2009 | 2009 /2010 | 2010 /2011 | 2011 /2012 | 2012 /2013 | 2013 /2014 | 2014 /2015 | 2015 /2016 | 2016 /2017 | 2017 /2018 |
|-----------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|
| TEUs Handled | | | | | | | | | | |
| Inbound Laden | 37,169 | 34,643 | 35,815 | 35,109 | 34,345 | 34,426 | 34,713 | 37,310 | 39,663 | 38,807 |
| Inbound Empty | 2,134 | 874 | 1,446 | 716 | 783 | 833 | 1,264 | 1,812 | 5,319 | 2,028 |
| Outbound Laden | 6,724 | 6,077 | 6,302 | 6,578 | 6,822 | 7,341 | 7,208 | 6,040 | 6,765 | 6,946 |
| Outbound Empty | 34,427 | 30,818 | 32,524 | 30,867 | 28,101 | 30,697 | 29,769 | 33,224 | 40,072 | 35,798 |
| Transshipment | 7,108 | 7,997 | 5,017 | 2,150 | 1,384 | 2,511 | 7,368 | 12,323 | 18,093 | 22,079 |
| Total TEUs | 87,562 | 80,409 | 81,104 | 75,420 | 71,435 | 75,808 | 80,322 | 90,709 | 109,911 | 105,658 |
| % Change | -8.62% | -8.17% | 0.86% | -7.01% | -5.28% | 6.12% | 5.96% | 12.93% | 21.17% | -3.87% |

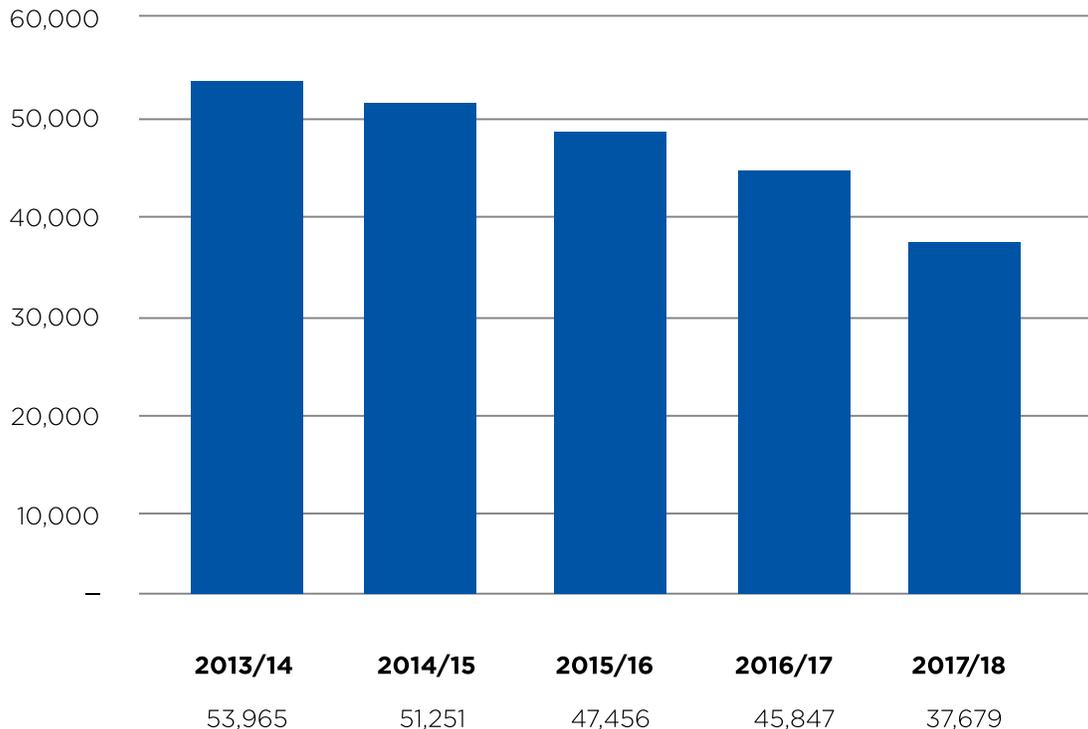
Container Traffic

The Bridgetown Port handled 105,658 TEUs during the year, a 4% reduction against those registered in the previous year when 109,911 TEUs were handled (See table 6). Of the total TEUs, 37% or 38,807, were full imports while 6.6% or 6,946, were full exports comprising mainly manufactured and other cargo, including recycled product. Some 34% were outbound empty containers numbering 35,798.

the dampened demand for imported consumer goods occasioned by fiscal measures imposed to reduce foreign spending. The Port however continues to make additional improvements to discern itself through high-level service delivery in this area of operations.

Personal Effects

The delivery of personal effects continued to slide for the fifth year (see Figure 4). The 37,679 pieces handled this year, represented a 17.8% drop off against the 45,847 pieces in 2016/17. The decline could be attributed to competition from other external entities offering similar service, as well as

FIGURE 4: PERSONAL EFFECTS DELIVERED 2013/14 - 2017/18

CRUISE OPERATIONS

The Bridgetown Port registered a record 498 cruise ship calls during the financial year ended March 31, 2018. This compared to 453 calls during the previous year. Thirteen vessels sailed into Barbados for the first time to a celebratory inaugural welcome, complete with the traditional exchange of plaques. There were the Mein Schiff 4, Viking Sea, Independence of the Seas, Marella Discovery 2, Celebrity Reflection, MSC Fantasia, Columbus, Celebrity Silhouette, Silver Muse, Le Ponant, Costa Pacifica, Viking Sky and Eurodam.

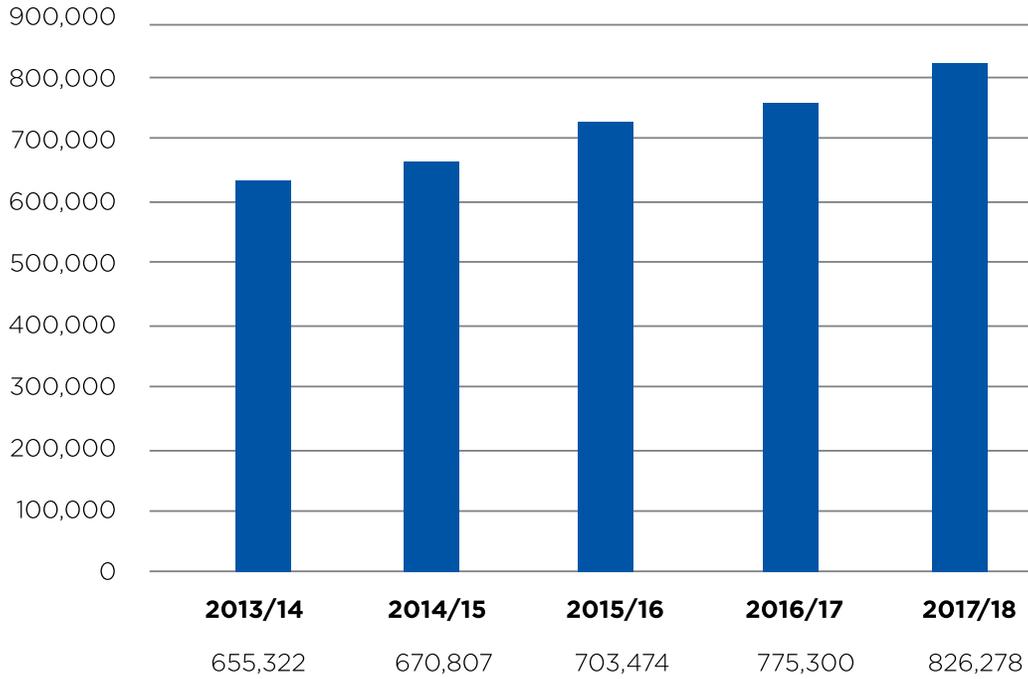
Passenger Arrivals

Cruise passenger arrivals were also recorded as the island's best yet. Friday, December 29, 2017, was a

significant day in the history of Barbados' cruise sector, as the island welcomed its 812,864th cruise passenger and set a new arrivals record for the January to December period. The lucky passengers were couple Tom and Laura Thieman from Dayton, Ohio, USA, who arrived at the Bridgetown Port aboard the Windstar. The two were welcomed by Tourism Minister Richard Sealy, BPI Chief Executive Officer, David Jean-Marie, and other officials. They were presented with a plaque to mark the occasion, as well as celebratory gifts.

Cruise passenger arrivals during the period April 1, 2017 to March 31, 2018 were registered at 826,278, a 6.6% increase over the 775,300 noted for 2016/17 arrivals (See figure 5).

FIGURE 5: CRUISE PASSENGER ARRIVALS



The growth in arrivals reflected an expansion of Barbados’ Homeporting activities. Some 21 ships representing 11 lines and carrying 184,946 passengers (see Appendix 3) used the Port of Bridgetown as

a homeport this year. In the previous year, 19 ships representing 12 lines were homeporting in Barbados with 170,674 passengers.





ENSURING BUSINESS CONTINUITY

Throughout the year, BPI kept a sharp focus on asset management and operational efficiency, to support productivity and profitability.

Improved traffic flows throughout the Port were achieved when the 56-year old main entrance was demolished and a new \$1.1 Million multi-lane facility constructed. The project was completed 5 weeks ahead of schedule, with the new gateway swinging open on October 14, 2017. The new access point boasts dedicated lanes for pedestrians, taxis and tour buses, alleviating much of the congestion that previously existed on cruise ship arrival days. There is now in addition a purpose built multi-storey building fitted with a rain canopy, as well as lunch room, bathroom and holding facilities and operational offices for Port security, Police and Customs personnel. It also houses integrated computerized information, security and telecommunications systems.

Improved cargo flows were also made possible during the year. The acquisition of new cargo handling equipment namely, one STS45 spreader for Gantry crane no.2, four Hyster 8 tonne fork lifts, four Hyster E70 electrical lift-trucks and one Hyster empty container handler, meant better servicing of the vessels bringing lumber and cargo. Having acquired new machinery, the Engineering Department engaged in critical

training in electronic and mechanical maintenance and repairs, organized by equipment suppliers and other specialized training institutes.

The department maintained the entire fleet of cargo handling equipment without any extended periods of downtime through the year. The Infor CMMS system was revised to optimize its use in the daily management and planning of operations within the department and the Storeroom processes were streamlined. A new workshop manager was appointed, bringing a wealth of experience to enhance the oversight of workshop activities as well as monitoring of daily work and productivity. The Customs Examination area in Shed 4 was expanded and has resulted in improved cargo flow and enhanced service to customers.

A Panamax Container (Gantry) crane was ordered, to replace the 1987 Gantry IR1404 currently on Berth 4. This new crane, scheduled for delivery in June 2019, will enhance the Port's lift capacity and support increased productivity. In the meantime, structural repairs to Gantry IR1404 will continue in an effort to extend its useful life.

BPI is committed to addressing the challenges which impact service delivery and operations such as continuous failures of aged components on older cargo handling equipment. As a signatory to the International Maritime Conventions (IMO) and the International Association

of Marine Aids to Navigation and Lighthouse Authorities (IALA), the Port of Bridgetown has to conform to the standards and specifications as stipulated in the conventions of these organizations. The Marine Services Department of BPI, which supplies pilotage, towage and mooring services to all vessels calling at the Bridgetown Port, is responsible for ensuring compliance with these specifications. The department also coordinates the provision of aids to navigation, including lighthouses and buoys, such as those marking the approach channel to the Deep Water Harbour, wrecks and submerged breakwaters. In this regard, polyethylene channel marker buoys were this year acquired as specified for the buoyage system in the region, replacing the metal ones used to mark the channel entrance to the Port.

The department hosted Captain Dickson Rivas, Svitzer's Senior Manager from the Dominican Republic with responsibility for Barbados, when he made a brief call at the Bridgetown Port.

Divisional Managers of Operations and Human Resources along with the Manager, Marine Services held discussions with Captain Rivas on issues relating to health and safety, training for the Tug Masters as well as the availability of the tugs. Svitzer proposed to assist BPI in formulating a maintenance program for the Pilot Launches.

Dry-docking of the Tug, Barbados II, was completed during a one-month period in Martinique. Two marine engineers from BPI accompanied the tug to the dock and assisted in the refit operation, overseen by a Svitzer engineering team. Both the tugs Pelican II and Barbados II successfully completed their Lloyds annual survey, the Radio survey and the Flag State survey during the year, verifying their compliance with required standards.



DRIVING INNOVATION & TECHNOLOGY

BPI is striving to be more flexible and efficient, through greater investment in information technology and process digitisation. This year, the Management Information Systems Department accomplished several of its goals, including the replacement of the old Klein Terminal Operation System (TOS) with a modern cloud-based TOS, OCTOPI.

OCTOPI has reduced the need to establish a larger programming team and interfaces with other in-house developed applications to facilitate yard and ship planning. It is capable of providing real time status reports on all major activities as well as in-depth analysis of data.

Implementation of OCTOPI was coupled with efforts by the Port's programming team to automate activities that formerly captured data on paper and required the processing of multiple copies of documents for multiple sources. This should bring BPI closer to its aim of reducing the billing cycle from several weeks to two days. Thus far, the Marine Services Department's statement of services, pilotage and tug services invoicing has been automated and the invoicing for labour was simplified.

BPI now has an application which will present all of its Key Performance Indicators via a dashboard in real time and which supports planning functions in the critical vessel, gate and yard areas. Maximizing utilization of OCTOPI will require further expansion of network and wireless connectivity in the entire port. Efforts are already underway to acquire new hardware.

Beyond operational enhancements, information technology initiatives were deployed for improved customer service. Customer electronic notifications and cargo tracking facilities were much welcomed and utilized this year. Some 940 customers requested email notification on the readiness of their cargo while 536 requested SMS notifications. Additionally 57,332 customers used the port's cargo tracking portal to check on the status of their cargo and submit their security information. The use of these services resulted in decreased waiting times at the Port's Cargo Gate from 2.54 minutes to 1.09 minutes.

Addressing cyber security concerns, mitigations against threats and the deployment of surveillance systems were also prioritized.



DEVELOPING A HIGH-PERFORMANCE WORKFORCE

BPI aims to offer its employees a safe and motivating environment. The Human Resources and Industrial Relations (HRIR) Division has responsibility for human resource management, training and development, industrial relations, occupational safety and health, pensions and benefits, employee relations and the overall wellbeing of all employees.

As part of its commitment to creating a safety culture that ensures the health and welfare of its workers, BPI's Safety and Health Committee this year spearheaded the implementation of key occupational safety, health and risk management initiatives. Activities included fire and safety training for employees, an upgrade of port signage, a review of the evacuation plan and an evaluation of the health and safety environment of the Port and its environs. Safety audit/inspections of the Port were conducted with the assistance of the Labour Department and the Barbados Fire Service. Emergency procedures for the Administration Building, including Customs & Excise Department, were reviewed and updates implemented with the assistance of Barbados Fire Service. A Safety Sub-Committee was formed within the Engineering Department made up primarily of the department's management and delegates, with the aim of reviewing and enhancing operations within the department to minimize risks. Familiarity with the Safety and Health at Work Act was also enforced through training.

The Medical Facility, which executes the employee wellness programme, continued to provide preventative care and wellness support to staff,

monitoring chronic lifestyle illnesses and acting as First Responder to work related injuries and emergencies. As part of the health education drive, two sensitisation sessions on the Zika Virus were held with 53 attendees, and brochures on breast cancer were disseminated. BPI's staff Nurse attended three medical seminars on Stroke, Haematological Cancers and Lupus. Some 80 employees were enrolled at the Portside Fitness Centre and working on improving their physical fitness.

Human Resource Development

In addition to safeguarding health and wellness, one of BPI's top priorities is training and development. The training, outreach programmes and career advancement opportunities offered are varied, but when combined allows BPI to make great strides towards strengthening the Port's talent pool for tomorrow (see Table 7). The Port this year continued its competency-based training, assessment and certification, and operated as a National/Caribbean Vocational Qualification Centre.

Table 7: HUMAN RESOURCE DEVELOPMENT

| Training | Facilitator | Target Audience | No. of Participants |
|--|---|---|----------------------------|
| CVQ Assessment Level 4 certification | Barbados Port Inc. Training & Development Unit | Employees in Finance, Terminal Operations, and Quality Assurance | 6 |
| CVQ Stevedoring Foundation Skills Level 1 | Barbados Port Inc. Training & Development Unit | Dockers in Terminal Operations | 15 |
| NVQ Stevedoring Level 2 | Barbados Port Inc. Training & Development Unit | Cargo Supervisors and Equipment Operators in Terminal Operations | 9 |
| CVQ Management Level 2 | Barbados Port Inc. Training & Development Unit | Supervisory personnel of various departments | 27 |
| NVQ Occupational Safety and Health Level 2 | Barbados Port Inc. Training & Development Unit | Employees of various departments | 30 |
| Standard of Training, Certification and Watchkeeping (STCW) | Caribbean Fisheries Training and Development Institute, Trinidad, under the auspices of the Samuel Jackman Prescott Polytechnic | Employees in Marine Services | 4 |
| Maritime Safety Information | International and UK Hydrographic Offices | Berthing Masters | 5 |
| High Risk Shiphandling and Emergencies for Pilots | STAR Centre, Florida | Manager, Marine Services, Berthing Masters, Junior Berthing Masters | 7 |
| Pilot Launch Operator training | Barbados Coast Guard | Launch Driver, Assistant Launch Driver, Lineman | 3 |
| Electrical, mechanical and hydraulic training | Liebherr Mechanical | Engineering Services Personnel | 13 |
| Cyber Risk Workshop | Caribbean Shipping Association | Manager MIS Assistant Manager MIS | 2 |
| Lashing and Securing Training | Global Port Training NV | Dockers Equipment Operators Cargo Supervisors | 9 |
| Human Resource Practices and Procedures Workshop | Caribbean Maritime Institute | Local and Regional Human Resource Practitioners including (5 BPI Personnel) | 19 |
| Coaching and Mentorship Workshop | Delaware State University | Barbados Port Inc. and Shipping Association of Barbados staff members | 25 |
| Strategic Leadership and Innovation Workshop | Caribbean Maritime Institute | Employees of various departments | 10 |
| Customs, Terminal and Port Agency Seminar | Caribbean Maritime Institute | Employees of various departments | 5 |
| Excellence from Ship-To-Shore | National Initiative for Service Excellence | Equipment Operators Dispatchers Security Officers | 31 |
| Research Methodology, Data Collection and Data Analysis Training | Ministry of Tourism and International Business | Employees of various departments | 3 |
| First Aid Training | Heart and Stroke Foundation of Barbados | Employees of various departments | 59 |

Other Training

Five of the six Cadets sponsored by the Port successfully completed all requirements for the Oral Examinations with the Maritime Association of Jamaica. Four Cadets were awarded the license of competence to perform duties of Officer in Charge of Navigation Watch Level 3, and one Cadet, to perform duties of Officer in Charge of Engineering Watch Level 3.

The Navigation Cadets were assigned to the Marine Services Department to undergo training in tug and piloting operations, while the Engineering Cadets were assigned to the tugs and pilot launches. It is expected that on successful completion of their training in May 2018, and following evaluations of their performances, they will join BPI as Berthing Masters and Tug Masters, respectively, enhancing the quality of navigational and engineering services delivered at the Bridgetown Port.

Industrial Relations

During the period under review, BPI and the Barbados Workers' Union (BWU) maintained good and healthy industrial relations, which facilitated a harmonious labour management climate at the Bridgetown Port. This positive climate meant the Port operated free of any industrial action, strikes and or disputes. Management was successful in convening regular meetings with the union delegates in various areas of operation to discuss working conditions and other work related matters, and was able to successfully implement processes to enhance the working environment.

This year, the Port completed negotiations with the BWU in the key operational area of Marine Services. The Marine Services Department operates a two-shift system, working Monday to Friday. A review was done to evaluate its operational efficiency and it was determined that during the peak cruise visitor season, overtime payment of wages was excessive. There was also concern about labour fatigue, because of the high number of hours of engagement required. Following discussions with the BWU on the findings, both parties agreed to the implementation of a new shift arrangement consisting of:

A two-shift system working any five in seven days a week. Shift periods from 0500 hours to 1300 hours and 1600 hours to 2400 hours. Two guaranteed off days each week, including at least one weekend a month. The employment of an additional six linesmen and four seamen to complement the existing mooring gang and tug crews.

Collective Agreement

The written Collective Agreement between Barbados Port Inc. and the Shipping Association of Barbados (Employers) and the Barbados Workers' Union (Employees' Representative), was implemented. All employees were sensitized and issued a copy of the Agreement. It was also posted on the Company's intranet for convenient referral.

Negotiations with the BWU are expected to commence to review conditions of employment and a potential wage/salary increase, thereby revising the current Collective Agreement.



Employee Performance Appraisal & Performance Management Systems

Both the Performance Appraisal System and the Performance Reward System were reviewed and the final drafts were submitted to the BWU for discussion.

Job Evaluation

The Caribbean Maritime Institute conducted a joint Job Evaluation Exercise on behalf of the Company and the Barbados Workers' Union. The process is ongoing and the final report is now to be discussed between the parties.



PROMOTING SUSTAINABLE DEVELOPMENT

BPI is a strong advocate for the promotion of ocean and environmental sustainability and strives continuously to mitigate any environmental threats in its operations. These efforts are undertaken in collaboration with key stakeholders.

This year, BPI shared its expertise with the Ministry of Tourism and International Transport, the International Maritime Office and the Regional Marine Pollution Emergency Information and Training Center, taking part in a feasibility study for the Port Waste Regional Reception Facilities Plan for Caribbean small island developing states. The discussion examined present facilities and services offered by Barbados in fulfilling its obligations under the International Convention for the Prevention of Pollution from Ships (MARPOL). A tour of the Port's reception area and incinerator was also included.

When Exercise Tradewinds 2017 was held in Barbados June 6-13, 2017, BPI hosted 10 vessels from regional and international Coast Guards and facilitated the movement of military and civilian

equipment. Tradewinds 2017 was a Caribbean-focused training exercise designed to help participants better respond to natural disasters, land and maritime threats. The exercise included U.S. military and security agency personnel, along with 19 partner nations.

As part of the Division of Energy and Telecommunications' Public Sector Smart Energy Program, Government is moving to develop a Locational Guidance Report which will identify areas suitable for the installation of select ocean energy technologies. BPI's Marine Services Unit offered invaluable input for the Ocean Energy Studies undertaken by Geographic Information Systems Specialist with the project, Dr. Kimberly Baldwin. BPI's contribution focused on shipping routes in and around Barbados, chart publication, local dive sites and notices to mariners.

The Port's pursuit of energy efficiency extended to a changeover to LED street lighting along the breakwater berth, administration building car park, cruise terminal car park, sheds ramp lighting and container park no.1.

At the start of this financial year, boat owners and pedestrians regained full access to the heavily traversed waterway and walkway— the Wickham-Lewis Boardwalk when it was reopened after a year-long closure for refurbishment.

At the same time, BPI entered into a refurbishment and maintenance agreement with Hinds Transport to undertake work at the East Point Lighthouse, at Ragged Point. In April 2017, the keys to the Lighthouse were ceremoniously handed over to signal the commencement of construction. Hinds Transport, in celebration of its 60th anniversary, undertook the restoration of the 1875, 97-foot-high lighthouse, at its own expense, as a gift to the island. At March 2018, the project was 95% completed. The floors of the lighthouse were replaced and the exterior painted. The roof has been replaced on the lighthouse keeper's building, the walls have been restored, the plumbing was redone and the windows replaced. Electrical work is in progress.

On March 29, 2018, a commissioning ceremony was held to celebrate the complete restoration of Gordon's Lighthouse. Built in 1852, Gordon's Lighthouse, also known as South Point Lighthouse, is the oldest on the island. Innotech Equipment Inc. was tasked with renovating the iconic structure, featured on the 25 cent coin.

While no longer navigational aids, lighthouses still serve as markers for boat races and passing ships and are preserved as critical elements of Barbados' maritime history. Plans are in the works to commercialize the lighthouses as places of interest to visitors.





BUILDING STRONG PARTNERSHIPS

Cooperation with stakeholders is essential to achieving the corporate goals outlined. BPI enters into smart partnerships and networks aimed at knowledge sharing, synergy and combining capacity to drive innovation and value creation.

BPI, in collaboration with the Shipping Association of Barbados played a leading role when Barbados was chosen as the venue of the Caribbean Shipping Association's (CSA) 47th Annual General Meeting, Conference and Exhibition. Hosted from October 9-11, 2017 at the Hilton Hotel, the event extended to some of the largest and most influential supply chain interests, including shipping lines, ship's agents, customs and maritime authorities, port and terminal operators across the hemisphere. Over 300 participants drawn from 20 countries from across the Caribbean, North, Central and South America and Europe were able to optimize networking opportunities and gleaned the most up to date information on industry trends and concerns. Subjects covered included port and cyber security, port privatisation, technology, the growing presence and influence of mega-carriers

and liner consolidations and the resultant fierce competition among ports. The conference ended with a Gala Banquet and Awards ceremony when the winners of the annual Caribbean Port Awards including Port of the Year, were announced, and BPI Chief Executive Officer, Mr. David Jean-Marie, was re-elected unopposed, as President of the CSA.

BPI collaborated with Barbados Tourism Product Authority in hosting the Cornell Sailing Events, a series of trans-Atlantic yacht races starting in Europe and finishing in Barbados between November 2017 and January 2018. BPI accommodated the foreign yachts at the Shallow Draught Yacht pier and the inner basin of the Carenage. Some 60 boats participated in the race, which featured 3 itineraries: the Islands Odyssey, which started in Santa Cruz de Tenerife in October 2017 and finished in Barbados in November/December 2017; The Atlantic Odyssey, which ended in Barbados in December 2017; and the Caribbean Odyssey, which finished here in late January 2018.

FULFILLING CORPORATE SOCIAL RESPONSIBILITIES

Most seaports conduct educational outreach programs for communities they serve. These efforts usually have a primary goal of good corporate citizenship, but they can also ignite interest in careers in trade, transportation and ports. BPI offers free open-air tours to share information on its operations and the very important role that it plays in driving economic activity. In addition, BPI is a frequent participant in national career showcases and has been proactive in cultivating career interest among future employee candidates.

During the period under review, 312 students from five primary schools, one secondary school and two summer camps visited the Bridgetown Port. The students, ranging from 5 to 16 years of age, gained some insight into major areas of operation, while witnessing equipment, tools and technology in operation.

BPI's participation in three career showcases during the year exposed 1,950 tertiary level students to possible maritime professions. Staff from the Market Development & Cruise Operations,

Terminal Operations, Security Services, Marine Services, Engineering and Human Resources Departments were onsite to answer questions, share educational literature and demonstrate marine equipment.

The Marine Services Department also facilitated the placement of four students from the Samuel Jackman Prescod Technical Institute who were completing their Maritime Operations and Marine Diesel Engineering courses. These students were assigned for 6 weeks to the tugs.

Community support is also a big part of BPI's corporate social responsibility. This year, the Company donated \$10,000 worth of fans, blood pressure monitors, and refrigerators to the Geriatric Hospital. BPI has forged close ties with the Hospital to stay abreast of its most pressing needs, and assist in providing quality healthcare for the senior residents. The donation is an important part of BPI's community outreach programme, now in its fifth year.

FUTURE PROSPECTS AND DIRECTION



The economic outlook is challenging with new requirements demanded but also new growth opportunities to explore. Looking ahead, a strong focus will be placed on infrastructural development in a bid to improve operational and financial performance.

Much of the efforts during the next financial year will be directed at the continued implementation of the Port's Master Plan and improving a Bridgetown cruise facility with a view to eventual implementation. Major investments will also be undertaken in all business segments to support market retention, growth and new business. BPI will explore the possible use of the Port as a small logistics center in un-stuffing/re-packaging and/or reassembly or cargo and will continue to push for increased revenues by attracting additional shipping lines to the Port of Bridgetown. BPI

has successfully completed negotiations for two major shipping lines to commence utilization of the Port. They are Crowley Shipping, starting voyages from November 2018 and COSTCO Shipping China, sharing with other lines from August 2018 and seeking to have its own vessel from the second quarter of 2019.

The cargo equipment replacement program will continue with the upgrade of fork-lifts and straddle carriers and for operational improvement. Cargo normally stored at Shed 4 and discharged from Shallow Draft vessels, will now be processed in the Shallow Draft shed. This initiative will improve working conditions for all regulatory agencies and will enhance services for customers.

BPI is committed to new investments in technology to foster a seamless digital transformation of its business processes. The HRIR Department will



be undergoing major changes with the shifting of its routine functions to an electronic Human Resource Information System (HRIS) system. The Port has selected Orange HRM as the preferred system as it is highly user friendly with features that will enhance internal communications. It is projected that this process should be completed by the end of July 2018 with the system fully functional by September 2018.

To further improve its service delivery, the HRIR Department is seeking to establish Quality Teams within operational departments to monitor, review and recommend improved work processes and procedures. All policies and procedures manuals are to be reviewed and an employee quality recognition scheme is to be implemented. BPI will also implement modified competency-based assessment and internal verification procedures for the conduct of annual stevedoring operations audits, to ensure maintenance of quality (occupational) standards.

As changes continue to be made throughout the Port, BPI will continue to engage the BWU and staff on processes to enhance operational efficiencies, to improve performance and create value for its stakeholders

David Jean-Marie

.....
David Jean-Marie
Managing Director and Chief Executive Officer

MILESTONES IN 2017/18

- The Bridgetown Port registered a 19.6% expansion in transshipment cargo volumes.
- The Bridgetown Port received a record 498 cruise ships and expanded Homeporting activities to 29 ships, representing 14 lines and carrying 184,946 passengers.
- Cruise passenger arrivals reached record levels with 826,278 passengers recorded during the period under review. This represented a 6.5% increase over the cruise passenger arrivals during the corresponding period last year.
- The Port made significant headway in infrastructural development projects. A new multi-lane main entrance was constructed to improve traffic flows and ease congestion.
- At the start of this financial year, boat owners and pedestrians regained full access to the island's most heavily traversed waterway and walkway- the Wickham-Lewis Boardwalk, when it was reopened after a year-long period of closure for refurbishment.
- BPI and other industry stakeholders celebrated the restoration of the South Point Lighthouse.
- BPI replaced the old Klein Terminal Operation System (TOS) with a modern cloud-based TOS, OCTOPI.
- BPI coordinated the Caribbean Shipping Association's (CSA) 47th Annual General Meeting, Conference and Exhibition, hosted in Barbados October 9-11, 2017. Over 300 participants attended, among them some of the largest and most influential supply chain interests, shipping lines, ship's agents, customs and maritime authorities, port and terminal operators.



Barbados Port Inc.

Financial Statements

March 31, 2018

(expressed in Barbados dollars)





Board of Directors

(Until May 25, 2018, except where stated)

David Harding - Chairman
Captain George Fergusson - Deputy Chairman
David Jean-Marie - Managing Director
Calvin Alkins
David Douglas
Everton Walters
Irvine Best
Keith Wilson
Donna Cadogan
Michael Weetch (resigned March 15, 2018)
Neville Rowe (resigned April 14, 2018)

(Appointed July 1, 2018)

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

Secretary

David Jean-Marie (until January 14, 2018)
Karen Forde (from January 15, 2018)

Attorney-at-law

Lystra Kodilinye
Clarke Gittens and Farmer

Bankers

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

Auditor

PricewaterhouseCoopers SRL



Independent auditor's report

To the Shareholder of Barbados Port Inc.

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Barbados Port Inc. (the Company) as at March 31, 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

The Company's financial statements comprise:

- the statement of financial position as at March 31, 2018;
- the statement of changes in equity for the year then ended;
- the statement of comprehensive income for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

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

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

Independence

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

Other information

Management is responsible for the other information. The other information comprises the Annual Report for the year ended March 31, 2018 (but does not include the financial statements and our auditor's report thereon), which is expected to be made available to us after this auditor's report date.



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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

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

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Other Matter

This report is made solely to the Company's shareholder, as a body corporate, in accordance with Barbados Port Inc. (Transfer of Management and Vesting of Assets), Cap. 285B section 7(1). Our audit work has been undertaken so that we might state to the Company's shareholder those matters we are required to state in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholder as a body corporate, for our audit work, for this report, or for the opinion we have formed.

PricewaterhouseCoopers SRH

Bridgetown, Barbados
January 27, 2020

Statement of Financial Position

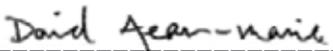
As at March 31, 2018

(expressed in Barbados dollars)

| | 2018 \$ | 2017 \$ |
|--|--------------------|-------------|
| Assets | | |
| Current assets | | |
| Cash resources (note 4) | 14,176,639 | 19,846,467 |
| Accounts receivable (note 5) | 12,019,061 | 8,921,959 |
| Other receivables and prepaid expenses (note 6) | 1,171,113 | 1,239,231 |
| Inventories (note 7) | 5,764,227 | 4,395,095 |
| | 33,131,040 | 34,402,752 |
| Non-current assets | | |
| Financial investments (note 8) | 4,004,581 | 12,446,367 |
| Investment in associated company (note 9) | 721,511 | 810,259 |
| Property, plant and equipment (note 10) | 254,714,238 | 253,423,094 |
| Capital works in progress (note 11) | 38,857,475 | 4,038,310 |
| Deferred tax asset (note 12) | 36,098,163 | 26,745,098 |
| Deferred expenses (note 13) | 953,333 | - |
| | 335,349,301 | 297,463,128 |
| | 368,480,341 | 331,865,880 |
| Liabilities and equity | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities (note 14) | 6,256,350 | 6,116,439 |
| Current portion of long-term loans (note 15) | 23,627,906 | 29,198,109 |
| | 29,884,256 | 35,314,548 |
| Non-current liabilities | | |
| Accounts payable (note 14) | 17,373,855 | - |
| Long-term loans (note 15) | 107,981,258 | 108,412,534 |
| Retirement benefit obligations (note 16) | 22,523,289 | 4,568,382 |
| | 147,878,402 | 112,980,916 |
| | 177,762,658 | 148,295,464 |
| Equity | | |
| Share capital (note 17) | 100 | 100 |
| Capital contributions (note 18) | 78,683,280 | 78,683,280 |
| Port Fund | 100,000 | 100,000 |
| Fair value reserve | 15,943 | (473) |
| Retained earnings | 111,918,360 | 104,787,509 |
| | 190,717,683 | 183,570,416 |
| | 368,480,341 | 331,865,880 |

Approved by the Board of Directors on December 17, 2019


 Chairman


 Director

Statement of Changes in Equity

For the year ended March 31, 2018

(expressed in Barbados dollars)

| | Share Capital \$ | Capital Contributions \$ | Port Fund \$ | Fair Value Reserve \$ | Retained Earnings \$ | Total \$ |
|--|------------------------|--------------------------------|--------------------|-----------------------------|----------------------------|--------------|
| Balance at March 31, 2016 | 100 | 78,683,280 | 100,000 | - | 86,594,110 | 165,377,490 |
| Net income for the year | - | - | - | - | 17,924,034 | 17,924,034 |
| Other comprehensive income for the year | - | - | - | (473) | 269,365 | 268,892 |
| Total comprehensive income for the year | - | - | - | (473) | 18,193,399 | 18,192,926 |
| Balance at March 31, 2017 | 100 | 78,683,280 | 100,000 | (473) | 104,787,509 | 183,570,416 |
| Net income for the year | - | - | - | - | 23,785,081 | 23,785,081 |
| Other comprehensive income/(loss) for the year | - | - | - | 16,416 | (16,654,230) | (16,637,814) |
| Total comprehensive income for the year | - | - | - | 16,416 | 7,130,851 | 7,147,267 |
| Balance at March 31, 2018 | 100 | 78,683,280 | 100,000 | 15,943 | 111,918,360 | 190,717,683 |

Statement of Comprehensive Income

For the year ended March 31, 2018

(expressed in Barbados dollars)

| | 2018 \$ | 2017 \$ |
|--|-------------------|------------|
| Revenue | 64,079,637 | 66,164,061 |
| Cargo handling | 3,152,318 | 2,014,664 |
| Excess storage | 9,960,948 | 8,504,346 |
| Marine revenue | 8,575,897 | 8,087,251 |
| Passenger levy | 9,255,384 | 9,261,539 |
| Other (note 19) | | |
| | 95,024,184 | 94,031,861 |
| Other operating income | | |
| Rent | 1,396,063 | 1,430,914 |
| Gain on disposal of plant and equipment | 10,263 | 37,034 |
| Miscellaneous | 1,957,627 | 2,056,855 |
| Interest income | 51,054 | 86,087 |
| | 3,415,007 | 3,610,890 |
| Total operating income | 98,439,191 | 97,642,751 |
| Expenses | | |
| Administration | 13,307,811 | 10,905,376 |
| Staff costs (note 21) | 32,062,393 | 34,274,630 |
| Other expenses | 17,628,747 | 17,660,758 |
| | 62,998,951 | 62,840,764 |
| Other expenses | | |
| Write-off of capital works in progress (note 11) | 5,691,850 | - |
| | 68,690,801 | 62,840,764 |
| Profit from operations | 29,748,390 | 34,801,987 |

Statement of Comprehensive Income *continued*

For the year ended March 31, 2018

(expressed in Barbados dollars)

| | 2018 \$ | 2017 \$ |
|--|---------------------|--------------|
| Profit from operations brought forward | 29,748,390 | 34,801,987 |
| Finance costs | (10,276,216) | (11,054,802) |
| Profit before taxation and share of net income of associated company | 19,472,174 | 23,747,185 |
| Share of net income of associated company (note 9) | 511,252 | 368,141 |
| Profit before taxation | 19,983,426 | 24,115,326 |
| Taxation charge (note 22) | 3,801,655 | (6,191,292) |
| Net income for the year | 23,785,081 | 17,924,034 |
| Other comprehensive income: | | |
| <i>Items that will not be reclassified to income:</i> | | |
| Remeasurement of retirement benefit obligations (note 16) | (22,205,640) | 359,153 |
| Deferred tax credit/(charge) on remeasurements of retirement benefit obligations | 5,551,410 | (89,788) |
| Unrealised gain/(loss) on available-for-sale financial investments | 16,416 | (473) |
| Other comprehensive (loss)/income for the year | (16,637,814) | 268,892 |
| Total comprehensive income for the year | 7,147,267 | 18,192,926 |

Statement of Cash Flows

For the year ended March 31, 2018

(expressed in Barbados dollars)

| | 2018 \$ | 2017 \$ |
|---|---------------------|---------------------|
| Cash flows from operating activities | | |
| Profit before taxation | 19,983,426 | 24,115,326 |
| Adjustments for: | | |
| Depreciation | 11,470,553 | 12,196,569 |
| Gain on disposal of property, plant and equipment | (10,263) | (37,033) |
| Write-off of capital work in progress | 5,691,850 | - |
| Interest and dividend income | (51,054) | (86,087) |
| Finance costs | 10,276,216 | 11,054,802 |
| Share of net income of associated company | (511,252) | (368,141) |
| Pension and other post-retirement benefits | 1,621,950 | 2,053,028 |
| Amortisation of deferred expenses | 46,667 | - |
| Amortisation of deferred grant | - | (211,299) |
| Operating profit before working capital changes | 48,518,093 | 48,717,165 |
| Increase in restricted cash (current) | (696,613) | - |
| Increase in accounts receivable | (3,097,102) | (2,431,319) |
| Decrease/(increase) in other receivables and prepaid expenses | 68,118 | (303,018) |
| Increase in inventories | (1,369,132) | (962,482) |
| Increase/(decrease) in accounts payable and accrued liabilities | 139,910 | (157,521) |
| Cash generated from operations | 43,563,274 | 44,862,825 |
| Finance costs paid | (9,330,822) | (5,321,829) |
| Pension and other post-retirement benefits' contributions | (5,872,684) | (6,882,315) |
| Net cash generated from operating activities | 28,359,768 | 32,658,681 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (1,449,634) | (1,375,262) |
| Expenditure on capital works in progress | (10,706,849) | (7,302,690) |
| Proceeds from disposal of property, plant and equipment | 12,497 | 40,000 |
| Interest and dividend income received | 51,054 | 86,087 |
| Purchase of financial investments | (7,026,967) | (11,957,037) |
| Proceeds on disposal of financial investments | 15,485,169 | 4,914,000 |
| Dividend received from associated company | 600,000 | 337,500 |
| Deferred expenses incurred | (1,000,000) | - |
| Net cash used in investing activities | (4,034,730) | (15,257,402) |
| Cash flows from financing activities | | |
| Loan received | 2,626,145 | 16,351,000 |
| Repayment of long-term loans | (33,317,624) | (18,991,518) |
| Net cash used in financing activities | (30,691,479) | (2,640,518) |
| Net (decrease)/increase in cash and cash equivalents | (6,366,441) | 14,760,761 |
| Cash and cash equivalents - beginning of year | 10,815,478 | (3,945,283) |
| Cash and cash equivalents - end of year (note 4) | 4,449,037 | 10,815,478 |
| Non-cash investing and financing activities (note 28) | | |

Notes to Financial Statements

March 31, 2018

(expressed in Barbados dollars)

1. Establishment of Barbados Port Inc.

The Barbados Port Authority was established by the Barbados Port Authority Act, Cap 285B, as amended by the Barbados Port Authority (Amendment) Acts 1978-33 and 1987-37. The Act as initially amended was proclaimed on January 1, 1979.

Upon the commencement of the Act on January 1, 1979 all property (other than land and buildings) belonging to the Crown and used exclusively for the purpose of the Port Department and Port Contractors (Barbados) Limited was transferred to and vested in the Authority, and all liabilities of the Port Department and Port Contractors (Barbados) Limited existing at the commencement of the Act were assumed and assured by the Authority.

The Act was repealed on December 19, 2003 and a new Act, the Barbados Port Inc. (Transfer of Management and Vesting of Assets) Act 2003, was proclaimed.

The Act was passed:

- a) To provide for the Port of Bridgetown to be managed by Barbados Port Inc., a Company incorporated under the Companies Act, for the purpose of enabling the Port to operate as a commercial entity.
- b) To transfer the assets and liabilities of the Government of Barbados in relation to the operation of the Port of Bridgetown to Barbados Port Inc.
- c) To repeal the Barbados Port Authority Act.

The main provisions of the Act are disclosed below.

Commencement of Operations

The Port shall be operated by the Company from the date of the commencement of this Act.

Transfer of Assets, Liabilities, Rights, etc.

For the purposes of the Act:

1. The lands of the Port shall be leased to the Company by the Crown for such period as the Crown determines.
2. All:
 - a) Assets in relation to the operation of the Port that were vested in the Authority immediately before the commencement of this Act;

Notes to Financial Statements

March 31, 2018

(expressed in Barbados dollars)

1. Establishment of Barbados Port Inc. ...continued

Transfer of Assets, Liabilities, Rights, etc. ...continued

- b) Liabilities that were incurred by or on behalf of the Authority in relation to the operation of the Port and subsisting immediately before the commencement of this Act; and
- c) Rights to set, collect and retain port dues and charges for the provision and use of port facilities and services

are transferred and vested in the Company, and by virtue of this Act and without further assurance, transfer or other formality are to be held with effect from the date of the commencement of this Act, by the Company to the same extent and interest and in the same manner as they were vested in or held by the Authority.

All contracts entered into by or on behalf of the Authority in relation to the operation of the Port before the commencement of this Act, shall be deemed to have been entered into by or on behalf of the Company from the date of the commencement of this Act.

In respect of the operation of the Port:

- a) All rights, privileges, duties or obligations conferred or imposed upon the Authority; and
- b) All powers and remedies as to the taking and resisting of legal proceedings for the ascertaining, perfecting or enforcing of all rights or liabilities vested in the Authority immediately before the commencement of this Act, shall be deemed to be conferred or imposed on the Company.

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

Financial statement presentation

Consistent with the provisions of Section 355.7 of the Companies Act Cap 308, which addressed the preservation of a Statutory Company incorporated under the Companies Act, and in accordance with the substance of the corporatisation plan of the Port, these financial statements were presented from the year to December 31, 2003 as if the Barbados Port Authority had been "continued" as Barbados Port Inc.

Notes to Financial Statements

March 31, 2018

(expressed in Barbados dollars)

2. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

a) Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) under the historical cost convention, as modified by the revaluation of available-for-sale financial investments as disclosed in note 2(g).

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

i) New standards, amendments and interpretations to existing standards effective in the 2018 financial year

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

IAS 7 (Amendment) 'Statement of cash flows' requires entities to explain changes in their liabilities arising from financing activities. As a result the Company has disclosed a net debt reconciliation (note 28).

ii) New standards, amendments and interpretations mandatory for the first time for the financial year beginning April 1, 2017 but not currently relevant to the Company

IAS 12 (Amendment) 'Income taxes' on the recognition of deferred tax assets for unrealised losses clarifies how to account for deferred tax assets related to debt instruments (effective January 1, 2017).

IFRS 12 (Amendment) 'Disclosure of interests in other entities' clarifies that the disclosure requirements of IFRS 12 apply to interests in entities that are classified as held for sale, except for the summarised financial information (effective January 1, 2017).

Notes to Financial Statements

March 31, 2018

(expressed in Barbados dollars)

2. Significant accounting policies ...continued

a) Basis of preparation ...continued

iii) New standards, amendments and interpretations to existing standards that are not yet effective but will be relevant to the Company

Management has reviewed the new standards, amendments and interpretations to existing standards that are not yet effective and has determined that the following are relevant to the Company's operations. The Company has not early adopted the new standards, amendments and interpretations nor has the Company as yet assessed their full impact.

| | |
|---------|---|
| IFRS 9 | 'Financial instruments' simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortised cost and fair value where the basis of classification depends on the Company's business model and the contractual cash flow characteristics of the financial asset (effective January 1, 2018). |
| IFRS 15 | 'Revenue from contracts with customers'. This standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers (effective January 1, 2018). |
| IFRS 15 | Revenue from contracts with customers (Amendments). These amendments comprise clarifications of the guidance on identifying performance obligations, accounting for licenses of intellectual property and the principal versus agent assessment (gross versus net revenue presentation). The IASB has also included additional practical expedients related to transition to the new revenue standard. |
| IFRS 16 | Leases. This standard replaces the current guidance in IAS 17 and is a far reaching change in accounting by lessees in particular. Under IAS 17, lessees are required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet) to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts (effective January 1, 2019). |

Notes to Financial Statements

March 31, 2018

(expressed in Barbados dollars)

2. Significant accounting policies ...continued

b) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on the weighted average cost method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Provision is made for obsolete, slow-moving and defective items.

c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the item. Assets acquired under lease arrangements are stated at an amount equal to the lower of fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Land is not depreciated.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation of property, plant and equipment is provided on a straight-line basis at rates which are expected to write off the assets over their estimated useful lives. The annual rates used for this purpose are as follows:

Leased assets

| | | |
|-------------------------------------|---|----|
| Wharves, breakwater and crossberths | - | 2% |
| Administration building | - | 2% |
| Transit sheds and workshops | - | 4% |
| Other buildings | - | 5% |

Other assets

| | | |
|--|---|---------------------------|
| Watercraft | - | 3% and 5% |
| Cargo handling equipment | - | 10% and 6 $\frac{2}{4}$ % |
| Marine equipment and navigational aids | - | 10% |
| Motor vehicles | - | 20% |
| Pallets | - | 33 $\frac{1}{4}$ % |
| Other equipment and furniture | - | 10% |
| Port expansion asset | - | 2% |

Notes to Financial Statements

March 31, 2018

(expressed in Barbados dollars)

2. Significant accounting policies ...continued

c) Property, plant and equipment ...continued

The assets' useful lives are reviewed, and adjusted if appropriate, at the date of each statement of financial position.

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive income.

d) Foreign currency translation

i) Functional and presentation currency

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

ii) Transactions and balances

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

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

e) Taxation

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the date of the statement of financial position. Management periodically evaluates positions taken in tax returns with respect to situations where applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

The Company follows the liability method of accounting for deferred tax whereby all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes are provided for at the corporation tax rates expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Notes to Financial Statements

March 31, 2018

(expressed in Barbados dollars)

2. Significant accounting policies ...continued

e) Taxation ...continued

Deferred tax assets are only recognised when it is probable that taxable income will be available against which the assets may be utilised.

f) Investment in associated company

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

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

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

g) Financial investments

The Company classifies its financial assets in the following categories:

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

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

i) Available-for-sale

Available-for-sale financial assets are intended to be held for an indefinite period of time and hence are included in non-current assets unless management intends to dispose of the investment within twelve months of the statement of financial position date. They may be sold.

Notes to Financial Statements

March 31, 2018

(expressed in Barbados dollars)

2. Significant accounting policies ...continued

g) Financial investments ...continued

in response to needs for liquidity or changes in interest rates, exchange rates or equity prices. They are measured initially at fair value and are subsequently remeasured at their fair value based on quoted bid prices. Investments without quoted prices are carried at management's valuation based on the net assets of the entity net of any provisions made where there is an indication of impairment. Unrealised gains and losses are recorded in other comprehensive income. Either on the disposal of the asset or if the asset is determined to be impaired, the previously recorded gain or loss is transferred to the statement of comprehensive income.

ii) Loans and receivables

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

iii) Held-to-maturity

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

Purchases and sales of investments are recognised on the trade date which is the date that the Company commits to purchase or sell the asset. Cost of purchase includes transaction costs.

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

Financial assets

A financial asset is considered impaired if its carrying amount exceeds its estimated recoverable amount. The impairment loss for assets carried at amortised cost is calculated as the difference between the carrying amount and the present value of expected future

Notes to Financial Statements

March 31, 2018

(expressed in Barbados dollars)

2. Significant accounting policies ...continued

Financial assets ...continued

cash flows discounted at the original effective interest rate. The impairment loss for an available-for-sale equity security is recognised in income if there has been a significant or prolonged decline in its recoverable amount below cost. Significant or prolonged declines are assessed in relation to the period of time and extent to which the fair value of the equity security is less than its cost.

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

Financial liabilities

The Company's financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method. At the date of the statement of financial position, the following items were classified as financial liabilities: accounts payable and long-term loans.

h) Employee benefits

The Company operates both a defined benefit and a defined contribution pension plan.

i) Defined contribution plan

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. For defined contribution plans, the Company pays contributions to administered pension insurance plans. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

ii) Defined benefit plan

A defined benefit plan is any plan other than a defined contribution plan. The Company operates a defined benefit pension plan for its employees, the assets of which are held in a separate fund administered by a Trustee. The scheme is generally funded through payments from the employees and the Company, and contributions are determined by full independent actuarial calculations every three years.

Notes to Financial Statements

March 31, 2018

(expressed in Barbados dollars)

2. Significant accounting policies ...continued

h) Employee benefits ...continued

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past-service costs are recognised immediately in the statement of comprehensive income.

iii) Other post-retirement benefit obligations

The Company also provides post-retirement medical benefits to their retirees. Fifty percent to sixty percent of the premium is funded by the Company, dependent on the category of employee. The entitlement to these benefits is conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for the Company's defined benefit pension plan.

i) Revenue recognition

i) Cargo handling

Revenue generated from inbound cargo handling is recognised on the delivery of cargo to the consignees or on delivery of auctioned cargo to the buyer.

Revenue generated from outbound cargo and other revenue is recognised on the basis of the usage of the facilities and services provided by the Company.

ii) Excess storage

Revenue generated from excess storage is recognised on the basis of the usage of the storage facilities, which ordinarily exceeds the free storage period at the Port.

Notes to Financial Statements

March 31, 2018

(expressed in Barbados dollars)

2. Significant accounting policies ...continued

i) Revenue recognition ...continued

iii) Marine revenue

Marine revenue is generated on vessels making a Port call in Barbados on the basis of the length or net registered tonnage of the vessel and is recognised as earned.

iv) Passenger levy

Passenger levy is applied to the greater of embarking and disembarking passengers per cruise vessel at the Bridgetown Port and is recognised as earned.

v) Interest income

Interest income is recognised in the statement of comprehensive income on the accrual basis, using the effective interest method.

vi) Dividend income

Dividend income is recognised when the Company's right to receive payment is established.

vii) Rental income

Rental income is recognised on an accrual basis.

viii) Other revenue

Other revenue is recognised on an accrual basis.

j) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Notes to Financial Statements

March 31, 2018

(expressed in Barbados dollars)

2. Significant accounting policies ...continued

k) Accounts receivable

Accounts receivable are recognised initially at fair value and subsequently measured at the anticipated realisable value. A provision for impairment of accounts receivable is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor and default or delinquency in payments are considered indicators that the accounts receivable is impaired. The amount of the provision is the difference between the carrying amount and the anticipated realisable value. The carrying amount of the asset is reduced through the use of the provision for impairment of receivables and the amount of loss is recognised in the statement of comprehensive income within administration expenses. When an account receivable is uncollectible, it is written off against the provision for impairment of receivables and any subsequent recoveries of amounts previously written off are credited against administration expenses.

l) Cash resources

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

m) Accounts payable

Accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less, if not, they are presented as non-current liabilities. Accounts payable are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

n) Long-term loans

Long-term loans are recognised initially at fair value, net of transaction costs incurred. Long-term loans are subsequently stated at amortised cost and any difference between the net proceeds and the redemption value is recognised in the statement of comprehensive income over the period of the long-term loans using the effective interest method. Associated costs are classified as finance costs in the statement of comprehensive income. Long-term loans due within twelve months of the date of the statement of financial position are classified as current liabilities.

General and specific finance costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period

Notes to Financial Statements

March 31, 2018

(expressed in Barbados dollars)

2. Significant accounting policies ...continued

n) Long-term loans ...continued

of time to get ready for their intended use are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other finance costs are recognised in the statement of comprehensive income in the period in which they are incurred.

o) Leases

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

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

p) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation, as a result of past events, if it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

q) Capital grants

Grants related to assets, including non-monetary grants at fair value, are capitalised and presented in the statement of financial position as deferred grants. These grants are amortised over the expected useful lives of the related assets.

Grants relating to costs are deferred and recognised in the statement of comprehensive income over the period necessary to match them with the costs that they are intended to compensate.

Notes to Financial Statements

March 31, 2018

(expressed in Barbados dollars)

3. Critical accounting estimates and judgements

The development of estimates and the exercise of judgement in applying accounting policies may have a material impact on reported assets, liabilities, revenues and expenses. The items which may have a significant effect on the Company's financial statements are set out below:

Pension benefits

The cost of the defined benefit pension plan and other post-employment medical benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future promotional and inflationary salary increases, proportion of employees opting for early retirement, future changes in the NIS ceiling and mortality. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. Assumptions used are disclosed in Note 16.

4. Cash resources

| | 2018 \$ | 2017 \$ |
|--|--------------------|--------------|
| Cash at bank | 17,077,176 | 29,644,486 |
| Government of Barbados Treasury Bill | - | 1,587,680 |
| | 17,077,176 | 31,232,166 |
| Less: non-current restricted cash (note 8) | (2,900,537) | (11,385,699) |
| Cash resources | 14,176,639 | 19,846,467 |
| Less: current restricted cash (see below) | (9,727,602) | (9,030,989) |
| Cash and cash equivalents | 4,449,037 | 10,815,478 |

Notes to Financial Statements

March 31, 2018

(expressed in Barbados dollars)

4. Cash resources ...continued

Included in cash at bank is \$12,628,139 (2017 - \$20,416,688) held in a Debt Service Reserve Account at Republic Finance & Trust (Barbados) Limited to facilitate settlement of principal and interest in relation to the \$70 million bond issue (note 15) as follows:

| | 2018 | 2017 |
|--|--------------------|--------------|
| | \$ | \$ |
| Debt Service Reserve Account | 12,628,139 | 20,416,688 |
| Less: non-current amounts classified in financial investments (note 8) | (2,900,537) | (11,385,699) |
| | 9,727,602 | 9,030,989 |

Significant concentrations of cash resources are as follows:

| | 2018 | 2017 |
|--|-------------------|-------------|
| | \$ | \$ |
| First Citizens Bank (Barbados) Limited (long term issue credit rating BBB by Standard & Poors) | 2,673,763 | 5,570,437 |
| Republic Bank (Barbados) Limited (unrated) | 1,775,274 | 3,657,361 |
| Republic Finance & Trust (Barbados) Corporation (unrated) | 12,628,139 | 20,416,688 |

Notes to Financial Statements

March 31, 2018

(expressed in Barbados dollars)

5. Accounts receivable

| | 2018 \$ | 2017 \$ |
|---|-------------------|------------|
| Trade receivables | 12,498,798 | 9,667,825 |
| Less: Provision for impairment of receivables | (479,737) | (745,866) |
| | 12,019,061 | 8,921,959 |

As at year end, trade receivables of \$9,053,351 (2017 - \$7,184,899) were fully performing.

Trade receivables that are less than three months past due are not considered impaired. As at year end trade receivables of \$2,965,710 (2017 - \$1,737,060) were past due but not considered impaired. The ageing analysis of these receivables is as follows:

| | 2018 \$ | 2017 \$ |
|--------------|------------------|------------|
| Over 30 days | 975,164 | 588,230 |
| Over 60 days | 214,846 | 520,959 |
| Over 90 days | 1,775,700 | 627,871 |
| | 2,965,710 | 1,737,060 |

As at year end, trade receivables of \$479,737 (2017 - \$745,866) were past due, impaired and provided for.

| | 2018 \$ | 2017 \$ |
|-------------------------|-------------------|------------|
| Over 90 days | 479,737 | 745,866 |
| Total trade receivables | 12,498,798 | 9,667,825 |

The movement in the provision for impairment of receivables is as follows:

| | 2018 \$ | 2017 \$ |
|--|------------------|------------|
| Balance - beginning of year | 745,866 | 718,031 |
| Provision recognised | 17,283 | 27,835 |
| Receivables written off during the year as uncollectible | (283,412) | - |
| Balance - end of year | 479,737 | 745,866 |

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

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

Notes to Financial Statements

March 31, 2018

(expressed in Barbados dollars)

6. Other receivables and prepaid expenses

| | 2018 \$ | 2017 \$ |
|-------------------|------------------|------------------|
| Staff receivables | 194,060 | 230,933 |
| Other | 502,200 | 501,600 |
| | <hr/> | <hr/> |
| Other receivables | 696,260 | 732,533 |
| Prepaid expenses | 474,853 | 506,698 |
| | <hr/> | <hr/> |
| | 1,171,113 | 1,239,231 |

No provision for impairment of other receivables was required in 2018 or 2017.

7. Inventories

| | 2018 \$ | 2017 \$ |
|----------------------------------|------------------|------------------|
| Fuel | | |
| Equipment spares | 63,089 | 23,283 |
| Stationery | 6,090,941 | 4,763,732 |
| | <hr/> | <hr/> |
| | 31,425 | 29,308 |
| | <hr/> | <hr/> |
| Less: provision for obsolescence | 6,185,455 | 4,816,323 |
| | (421,228) | (421,228) |
| | <hr/> | <hr/> |
| | 5,764,227 | 4,395,095 |

The Company did not write off inventory in 2018 or 2017.

Notes to Financial Statements

March 31, 2018

(expressed in Barbados dollars)

8. Financial investments

| | 2018 \$ | 2017 \$ |
|--|------------------|------------|
| Barbados Ice Cream Company Limited (Equities) - at market value | | |
| At beginning of the year | 42,469 | - |
| Purchases at cost | 26,926 | 42,942 |
| Unrealised gain/(loss) included in other comprehensive income | 16,416 | (473) |
| | 85,811 | 42,469 |
| Loans and receivables: | | |
| Debt Service Reserve Account at Republic Finance & Trust (Barbados) Limited (note 4) | 2,900,537 | 11,385,699 |
| Ansa Finance Lease Reserve Account at First Citizens Bank | 995,000 | 995,000 |
| Term deposits at Republic Bank (Barbados) Limited | 23,233 | 23,199 |
| | 3,918,770 | 12,403,898 |
| | 4,004,581 | 12,446,367 |

The Debt Service Reserve at Republic Finance & Trust (Barbados) Limited is held to facilitate settlement of the non-current portion of the principal outstanding and future interest payments on the \$70 million bond. The total funds held in the account at year end were \$12,628,139 (2017 - \$20,416,688) (note 4). The Ansa Finance Lease Reserve Account is being held in connection with a financing lease from Ansa Merchant Bank. Term deposits at Republic Bank (Barbados) Limited have been pledged as security.

The maturity dates of the Company's loans and receivables are tied to the long-term loans against which they are secured.

No provision for impairment of financial investments was required in 2018 and 2017.

The fair value of loans and receivables at year end was \$4,004,581 (2017 - \$12,446,367).

Notes to Financial Statements

March 31, 2018

(expressed in Barbados dollars)

9. Investment in associated company

| | 2018 \$ | 2017 \$ |
|--|------------------|------------|
| Bridgetown Cruise Terminals, Inc. | | |
| 750,000 Class 'A' common shares (30% interest) - at cost | 750,000 | 750,000 |
| Increase in equity value over cost to end of previous year | 60,259 | 29,618 |
| | 810,259 | 779,618 |
| Share of net income for the year | 511,252 | 368,141 |
| Dividends received | (600,000) | (337,500) |
| Balance end of year | 721,511 | 810,259 |

The results of the associated company as of March 31, 2018 and 2017 are as follows:

| | Assets \$ | Liabilities \$ | Revenues \$ | Net Income \$ |
|-------------|------------------|-------------------|------------------|------------------|
| 2018 | 3,398,551 | 1,174,765 | 4,270,802 | 1,522,954 |
| 2017 | 3,981,289 | 1,280,426 | 4,285,498 | 1,227,138 |

Notes to Financial Statements

March 31, 2018

(expressed in Barbados dollars)

10. Property, plant and equipment

| | Land \$ | Buildings, sheds, workshop and incinerator \$ | Wharfs and breakwater \$ | Watercraft, tugs, etc. \$ | Cargo handling equipment, vehicles, other equipment and navigational aids \$ | Port expansion asset \$ | Total \$ |
|---|------------|--|-----------------------------------|---------------------------------|--|----------------------------------|---------------|
| At March 31, 2016 | | | | | | | |
| Cost | 58,709,261 | 28,584,603 | 87,692,996 | 4,956,680 | 109,070,435 | 78,068,622 | 367,082,597 |
| Accumulated depreciation | - | (22,029,242) | (16,591,600) | (3,162,013) | (92,816,066) | (12,878,542) | (147,477,463) |
| Net book amount | 58,709,261 | 6,555,361 | 71,101,396 | 1,794,667 | 16,254,369 | 65,190,080 | 219,605,134 |
| Year ended March 31, 2017 | | | | | | | |
| Opening net book amount | 58,709,261 | 6,555,361 | 71,101,396 | 1,794,667 | 16,254,369 | 65,190,080 | 219,605,134 |
| Transferred from capital works in progress | 1,761,300 | 634,271 | - | 203,810 | 42,042,853 | - | 44,642,234 |
| Additions | 394,569 | 16,586 | - | - | 964,107 | - | 1,375,262 |
| Reclassification | - | (100,596) | - | - | 100,596 | - | - |
| Disposals at cost | - | - | - | - | (188,807) | - | (188,807) |
| Accumulated depreciation on disposals | - | - | - | - | 185,840 | - | 185,840 |
| Depreciation for year | - | (611,269) | (1,753,860) | (264,079) | (8,005,989) | (1,561,372) | (12,196,569) |
| Closing net book amount | 60,865,130 | 6,494,353 | 69,347,536 | 1,734,398 | 51,352,969 | 63,628,708 | 253,423,094 |
| At March 31, 2017 | | | | | | | |
| Cost | 60,865,130 | 29,134,864 | 87,692,996 | 5,160,490 | 151,989,184 | 78,068,622 | 412,911,286 |
| Accumulated depreciation | - | (22,640,511) | (18,345,460) | (3,426,092) | (100,636,215) | (14,439,914) | (159,488,192) |
| Net book amount | 60,865,130 | 6,494,353 | 69,347,536 | 1,734,398 | 51,352,969 | 63,628,708 | 253,423,094 |

Notes to Financial Statements

March 31, 2018

(expressed in Barbados dollars)

10. Property, plant and equipment ...continued

| | Land \$ | Buildings, sheds, workshop and incinerator \$ | Wharfs and breakwater \$ | Watercraft, tugs, etc. \$ | Cargo handling equipment, vehicles, other equipment and navigational aids \$ | Port expansion asset \$ | Total \$ |
|---|-------------------|--|-----------------------------------|---------------------------------|--|----------------------------------|--------------------|
| Year ended March 31, 2018 | | | | | | | |
| Opening net book amount | 60,865,130 | 6,494,353 | 69,347,536 | 1,734,398 | 51,352,969 | 63,628,708 | 253,423,094 |
| Transferred from capital works in progress | 869,124 | 3,374,858 | 1,492,801 | 29,647 | 5,547,867 | - | 11,314,297 |
| Additions | 41,234 | 211,989 | - | - | 1,196,411 | - | 1,449,634 |
| Reclassification | - | (4,989) | - | - | 4,989 | - | - |
| Disposals at cost | - | - | - | - | (104,485) | - | (104,485) |
| Accumulated depreciation on disposals | - | - | - | - | 102,251 | - | 102,251 |
| Depreciation for year | - | (770,307) | (1,781,309) | (274,161) | (7,083,404) | (1,561,372) | (11,470,553) |
| Closing net book amount | 61,775,488 | 9,305,904 | 69,059,028 | 1,489,884 | 51,016,598 | 62,067,336 | 254,714,238 |
| At March 31, 2018 | | | | | | | |
| Cost | 61,775,488 | 32,716,722 | 89,185,797 | 5,190,137 | 158,633,966 | 78,068,622 | 425,570,732 |
| Accumulated depreciation | - | (23,410,818) | (20,126,769) | (3,700,253) | (107,617,368) | (16,001,286) | (170,856,494) |
| Net book amount | 61,775,488 | 9,305,904 | 69,059,028 | 1,489,884 | 51,016,598 | 62,067,336 | 254,714,238 |

Notes to Financial Statements

March 31, 2018

(expressed in Barbados dollars)

11. Capital works in progress

| | Berth 6 project \$ | Other \$ | Total \$ |
|--|-----------------------|-------------------|-------------------|
| At March 31, 2016 | | | |
| Cost | - | 41,440,314 | 41,440,314 |
| Year ended March 31, 2017 | | | |
| Opening net book amount | - | 41,440,314 | 41,440,314 |
| Additions | 1,304,500 | 5,998,190 | 7,302,690 |
| Transfers to property, plant and equipment | - | (44,642,234) | (44,642,234) |
| Expensed | - | (62,460) | (62,460) |
| Closing net book amount | 1,304,500 | 2,733,810 | 4,038,310 |
| At March 31, 2017 | | | |
| Cost | 1,304,500 | 2,733,810 | 4,038,310 |
| Year ended March 31, 2018 | | | |
| Opening net book amount | 1,304,500 | 2,733,810 | 4,038,310 |
| Additions | 18,695,500 | 33,587,916 | 52,283,416 |
| Transfers to property, plant and equipment | - | (11,314,297) | (11,314,297) |
| Expensed | (5,691,850) | (458,104) | (6,149,954) |
| Closing net book amount | 14,308,150 | 24,549,325 | 38,857,475 |
| At March 31, 2018 | | | |
| Cost | 14,308,150 | 24,549,325 | 38,857,475 |

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

Notes to Financial Statements

March 31, 2018

(expressed in Barbados dollars)

12. Deferred tax asset

| | 2018 \$ | 2017 \$ |
|---|-------------------|-------------|
| Deferred tax asset - beginning of year | 26,745,098 | 33,026,178 |
| Deferred tax credit/(charge) (note 22) | 3,801,655 | (6,191,292) |
| Deferred tax credit/(charge) relating to components of other comprehensive income | 5,551,410 | (89,788) |
| | 36,098,163 | 26,745,098 |

The deferred tax asset consists of the following components:

| | 2018 \$ | 2017 \$ |
|--|--------------------|-------------|
| Delayed tax depreciation | 77,706,173 | 69,870,446 |
| Retirement benefit obligations | 22,523,289 | 4,568,382 |
| Qualifying capital expenditure (note 23) | 44,163,189 | 32,541,564 |
| | 144,392,651 | 106,980,392 |
| Deferred tax asset at corporation tax rate of 25% (2017 - 25%) | 36,098,163 | 26,745,098 |

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

13. Deferred expenses

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

| | 2018 \$ |
|----------------------------------|----------------|
| Year ended March 31, 2018 | |
| Additions | 1,000,000 |
| Amortisation | (46,667) |
| Closing net book amount | 953,333 |
| At March 31, 2018 | |
| Cost | 1,000,000 |
| Accumulated amortisation | (46,667) |
| Net book amount | 953,333 |

Notes to Financial Statements

March 31, 2018

(expressed in Barbados dollars)

14. Accounts payable and accrued liabilities

| | 2018 \$ | 2017 \$ |
|--------------------------------|-------------------|------------|
| Current liabilities | | |
| Accounts payable | 1,951,464 | 1,868,377 |
| Accrued liabilities | 4,121,470 | 3,379,491 |
| Interest payable | - | 75,602 |
| VAT payable | 183,416 | 792,969 |
| | 6,256,350 | 6,116,439 |
| Non-current liabilities | | |
| Berth 5 Projects Limited | 17,373,855 | - |
| | 23,630,205 | 6,116,439 |

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

15. Long-term loans

| | 2018 \$ | 2017 \$ |
|--|---------------------|--------------|
| i) RBC Royal Bank Barbados - Port Rehabilitation Project | - | 4,480,112 |
| ii) Republic Finance & Trust (Barbados) Limited - \$50M | 4,387,174 | 12,717,786 |
| iii) Republic Finance & Trust (Barbados) Limited - \$70M | 70,847,447 | 79,878,436 |
| iv) Ansa Finance Lease Liability | 56,374,543 | 40,534,309 |
| | 131,609,164 | 137,610,643 |
| Less: current portion | (23,627,906) | (29,198,109) |
| | 107,981,258 | 108,412,534 |

Notes to Financial Statements

March 31, 2018

(expressed in Barbados dollars)

15. Long-term loans ...continued

- i) This bond was obtained from RBC Royal Bank (Barbados) Limited in order to assist in the funding of the Port Rehabilitation Project. It commenced on July 1, 2003 and bore interest fixed at the rate of 6.75%. The bond of \$34,000,000 was repayable by 26 semi-annual instalments of principal and interest from the period December 31, 2005 to July 1, 2018. Interest capitalised during the moratorium period of July 2003 to June 2005 amounted to \$4,827,641. Repayment of the bond commenced on December 31, 2005 and the outstanding amount owed to the Bank is \$Nil (2017 - \$4,480,112) as the bond was duly repaid effective December 31, 2017.

- ii) This bond facility arranged by Republic Finance & Trust (Barbados) Limited was obtained on October 31, 2008 to refinance a portion of existing debt, including pension liabilities and to fund ongoing capital works. The bond of \$50,000,000 is for a term of 10 years and bears interest at the rate of 7.0% fixed. Interest is to be paid quarterly during the term of the facility, with a moratorium on principal repayments during the first three years. Commencing December 31, 2011 and ending September 30, 2018, the bond is to be repaid by 28 blended quarterly payments of \$2,274,076. The outstanding amount owed to the bondholders is \$4,387,174 (2017 - \$12,717,786). The bond facility is secured by a Government of Barbados guarantee.

- iii) This bond was issued through Republic Finance & Trust (Barbados) Limited for the purposes of refinancing existing loans and working capital management. The bond was fully subscribed as at March 31, 2017; net subscriptions totalled \$70,000,000 and capitalised interest to March 31, 2017 totalled \$9,878,436. The bond bears interest fixed at 7.5%, with a moratorium on principal and interest payments for the first 3 years, during which interest is capitalised. Commencing June 30, 2017 and ending March 31, 2024, the bond is to be repaid by 28 blended quarterly payments of \$3,692,951.53. This bond is secured by a mortgage over the fixed and floating assets of the Company stamped to cover \$87,500,000; a charge over the Debt Service Reserve Account funded at \$7,000,000 per annum; and a letter of comfort from the Government of Barbados to the extent of \$70,000,000. The total in the Debt Service Reserve Account at year end was \$12,628,139 (2017 - \$20,416,688) (note 4).

- iv) On March 14, 2014 the Company entered into a finance lease, which had been arranged and financed through ANSA Merchant Bank Limited was entered into for the purchase of operational equipment. The face value of the lease in respect of Tranche 1 and 2 was US\$23,396,494 which represented 100% of the cost of the equipment being leased. The lease bears interest at the rate of 7.25%, with a moratorium on principal and interest payments for the first 18 months, during which interest is capitalised.

Notes to Financial Statements

March 31, 2018

(expressed in Barbados dollars)

15. Long-term loans ...continued

Existing monthly lease payments of \$958,189 commenced on November 11, 2015. The lease is secured by a letter of comfort from the Government of Barbados, a charge over the Ansa Finance Lease Reserve Account, a one time assignment of US\$9.12 million in revenues and a sale option agreement which will entitle the lessor to require the Government of Barbados to purchase the equipment at a fixed price in the event of default by the Company.

On October 4, 2017 the Company entered into an agreement for Tranche 3 of the existing lease agreement. The face value of the new tranche is US\$11,998,750, which represents 100% of the cost of the equipment being leased. The lease bears interest at the rate of 8.00%, with a moratorium on principal and interest payments for the first 18 months, during which interest is capitalised.

| | 2018 | 2017 |
|---|---------------------|-------------|
| | \$ | \$ |
| Gross finance lease liabilities - minimum lease payments | | |
| No later than 1 year | 11,498,272 | 11,498,272 |
| Later than 1 year and no later than 5 years | 47,005,055 | 35,453,004 |
| Later than 5 years | 10,756,766 | - |
| | 69,260,093 | 46,951,276 |
| Future finance charges on finance lease liabilities | (12,885,550) | (6,416,967) |
| Present value of finance lease liabilities: | 56,374,543 | 40,534,309 |
| The present value of finance lease liabilities is as follows: | | |
| No later than 1 year | 11,059,173 | 11,059,173 |
| Later than 1 year and no later than 5 years | 38,598,378 | 29,475,136 |
| Later than 5 years | 6,716,992 | - |
| | 56,374,543 | 40,534,309 |

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

The fair value of the Company's fixed rate borrowings was \$139,758,641 (2017 - \$141,925,064) at the end of the year.

Notes to Financial Statements

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(expressed in Barbados dollars)

16. Retirement benefit obligations

The Company maintained a non-contributory defined benefit plan with the Insurance Corporation of Barbados Limited until November 30, 2005. Employees were eligible to join that plan on January 1 following one year's continuous service. The Company withdrew from this Statutory Corporation Pension Fund (SCPF) in order to establish a new plan in keeping with the requirements of the Barbados Port Inc. (Transfer of Management and Vesting of Assets) Act 2003. The Company created a new Defined Benefit (DB) Plan for employees who were previously part of the SCPF, as well as a Defined Contribution (DC) Plan for new employees.

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

The Company also offers post-retirement medical benefits to its employees, pensioners and their dependents. These medical benefits are offered under a scheme which is insured with an insurance provider. Period-end surplus and obligations are as follows:

| | 2018 | 2017 |
|----------------------------------|--------------------------|------------------|
| | \$ | \$ |
| Pension plan | 17,288,395 | (480,309) |
| Post-retirement medical benefits | 5,234,894 | 5,048,691 |
| | <u>22,523,289</u> | <u>4,568,382</u> |

Notes to Financial Statements

March 31, 2018

(expressed in Barbados dollars)

16. Retirement benefit obligations ...continued

Pension plan

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

| | 2018 | 2017 |
|-------------------------------------|---------------------|--------------|
| | \$ | \$ |
| Present value of funded obligations | 61,456,172 | 61,162,450 |
| Fair value of plan assets | (67,588,695) | (61,642,759) |
| Effect of IFRIC 14 | 23,420,918 | - |
| Pension plan liability/(surplus) | 17,288,395 | (480,309) |

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

| | 2018 | 2017 |
|--|--------------------|-------------|
| | \$ | \$ |
| Present value of funded obligations - beginning of year | 61,162,450 | 58,679,357 |
| Current service cost | 1,258,609 | 1,320,910 |
| Interest cost | 4,627,328 | 4,459,216 |
| Benefits paid | (4,168,590) | (3,603,093) |
| Actuarial (gains)/losses on retirement benefit obligations | (1,423,625) | 306,060 |
| Present value of funded obligations - end of year | 61,456,172 | 61,162,450 |

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

| | 2018 | 2017 |
|---------------------------------|--------------------|-------------|
| | \$ | \$ |
| Plan assets - beginning of year | 61,642,759 | 53,628,012 |
| Actual return on plan assets | 4,364,934 | 4,852,704 |
| Contributions - total | 5,749,592 | 6,765,136 |
| Benefits paid | (4,168,590) | (3,603,093) |
| Plan assets - end of year | 67,588,695 | 61,642,759 |

Notes to Financial Statements

March 31, 2018

(expressed in Barbados dollars)

16. Retirement benefit obligations ...continued

Pension plan ...continued

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

| | 2018 \$ | 2017 \$ |
|--|--------------------|-------------|
| Net (surplus)/liability - beginning of year | (480,309) | 5,051,344 |
| Contributions paid | (5,749,592) | (6,765,136) |
| Expense recognised in the statement of comprehensive income | 1,047,359 | 1,501,426 |
| Actuarial losses/(gains) recognised in the statement of other comprehensive income | 22,470,937 | (267,943) |
| Net liability/(surplus) - end of year | 17,288,395 | (480,309) |

Expense recognised in the statement of comprehensive income:

| | 2018 \$ | 2017 \$ |
|--------------------------------|--------------------|-------------|
| Current service cost | 1,258,609 | 1,320,910 |
| Interest cost | 4,627,328 | 4,459,216 |
| Expected return on plan assets | (4,838,578) | (4,278,700) |
| | 1,047,359 | 1,501,426 |
| Actual return on plan assets | 4,364,934 | 4,852,704 |

Expense recognised in the statement of other comprehensive income:

| | 2018 \$ | 2017 \$ |
|--|---------------------|------------|
| Actuarial gains/(losses) on retirement benefit obligations | 1,423,625 | (306,060) |
| Return on plan assets excluding amounts included in interest expense | (473,644) | 574,003 |
| Effect of IFRIC 14 | (23,420,918) | - |
| | (22,470,937) | 267,943 |

Notes to Financial Statements

March 31, 2018

(expressed in Barbados dollars)

16. Retirement benefit obligations ...continued

Pension plan ...continued

| | 2018 | 2017 |
|---------------------------------------|--------------------|-------------|
| | % | % |
| Plan assets are comprised as follows: | | |
| Bonds | 49.0 | 49.9 |
| Equities | 45.0 | 43.0 |
| Deposits | 5.0 | 4.9 |
| Other assets | 1.0 | 2.2 |
| | <hr/> 100.0 | <hr/> 100.0 |
| Net assets | | |

Retirement benefit obligations

Through its defined benefit pension plan, the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The plan liabilities are calculated using a discount rate set with reference to Government of Barbados bond yields; if plan assets underperform this yield, this will create a deficit. The plan holds a significant proportion of equities, which are expected to outperform government bonds in the long-term while providing volatility and risk in the short-term.

The pension investment committee invests the funds for the defined benefits section of the plan and amends the asset allocation as necessary to meet the objectives. The bonds held by the plan represent primarily investments in Government of Barbados securities. There are limited (6%) (2017 - 6%) investments in corporate bonds.

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

Notes to Financial Statements

March 31, 2018

(expressed in Barbados dollars)

16. Retirement benefit obligations ...continued

Pension plan ...continued

Changes in bond yields

A decrease in Government of Barbados bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plan's bond holdings.

Life expectancy

The primary obligation of the plan is to provide benefits for the life of the member. As such, increases in life expectancy will result in an increase in the plan's liabilities. A sensitivity analysis of changes in life expectancy indicates this risk is not very material.

Expected contributions for the year ending March 31, 2019 are \$7,229,927.

The weighted average duration of the defined benefit plan is 12.66 (2017 - 12.84) years.

Expected maturity analysis of undiscounted pension benefits:

| | Less than a year \$m | Between 1-2 years \$m | Between 2-5 years \$m | Over 5 years \$m | Total \$m |
|------------------|-------------------------------------|--------------------------------------|--------------------------------------|---------------------------------|----------------------|
| Pension benefits | 4.42 | 4.33 | 15.43 | 25.98 | 50.16 |

Principal actuarial assumptions used for accounting purposes were:

| | 2018 % | 2017 % |
|---|-------------------|-------------------|
| Discount rate | 7.75 | 7.75 |
| Future promotional salary increases | 2.00 | 2.00 |
| Future inflationary salary increases | 3.00 | 3.00 |
| Proportion of employees opting for early retirement | 10.00 | 10.00 |
| Future changes in NIS ceiling | 3.50 | 3.50 |
| Mortality | AA | AA |

Notes to Financial Statements

March 31, 2018

(expressed in Barbados dollars)

16. Retirement benefit obligations ...continued

Pension plan ...continued

The sensitivity of the present value of funded obligations to changes in the weighted principal assumptions is as follows:

| | Impact on present value of funded obligations | | |
|--------------------|---|------------------------|------------------------|
| | Change in assumption | Increase in assumption | Decrease in assumption |
| Discount rate | 1% | (5,808,270) | 6,987,938 |
| Salary growth rate | 0.5% | 1,999,274 | (1,774,822) |
| Life expectancy | 1 year | 3,301,413 | n/a |

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the obligations to significant actuarial assumptions, the same method (present value of the funded obligations calculated with the projected unit credit method at the end of the year) has been applied as when calculating the pension plan liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

Post-retirement medical benefits

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

| | 2018 | 2017 |
|-------------------------------------|------------------|-----------|
| | \$ | \$ |
| Present value of funded obligations | 5,234,894 | 5,048,691 |

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

Notes to Financial Statements

March 31, 2018

(expressed in Barbados dollars)

16. Retirement benefit obligations ...continued

Post-retirement medical benefits ...continued

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

| | 2018 | 2017 |
|---|------------------|-------------|
| | \$ | \$ |
| Present value of funded obligations - beginning of year | 5,048,691 | 4,705,479 |
| Current service cost | 179,756 | 136,376 |
| Interest cost | 393,469 | 365,419 |
| Past service cost - vested benefits | 1,366 | 49,807 |
| Benefits paid | (123,092) | (117,179) |
| Actuarial gains on obligations | (265,296) | (91,211) |
| Present value of funded obligations - end of year | 5,234,894 | 5,048,691 |

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

| | 2018 | 2017 |
|---|------------------|-------------|
| | \$ | \$ |
| Net liability - beginning of year | 5,048,691 | 4,705,479 |
| Contributions paid | (123,092) | (117,179) |
| Expense recognised in the statement of comprehensive income | 574,591 | 551,602 |
| Actuarial gains recognised in the statement of other comprehensive income | (265,296) | (91,211) |
| Net liability - end of year | 5,234,894 | 5,048,691 |

Expense recognised in the statement of comprehensive income:

| | 2018 | 2017 |
|-------------------------------------|----------------|-------------|
| | \$ | \$ |
| Current service cost | 179,756 | 136,376 |
| Interest cost | 393,469 | 365,419 |
| Past service cost - vested benefits | 1,366 | 49,807 |
| | 574,591 | 551,602 |

Notes to Financial Statements

March 31, 2018

(expressed in Barbados dollars)

16. Retirement benefit obligations ...continued

Post-retirement medical benefits ...continued

The effect of a 1% movement in the assumed medical cost trend is as follows:

| | Increase | Decrease |
|------------------------------|-----------------|-----------------|
| | \$ | \$ |
| Effect on funded obligations | 811,409 | 662,351 |

Principal actuarial assumptions used for accounting purposes were:

| | 2018 | 2017 |
|---|--------------|-------------|
| | % | % |
| Discount rate | 7.75 | 7.75 |
| Medical cost inflation | 4.00 | 4.00 |
| Proportion of employees opting for early retirement | 10.00 | 10.00 |

The amounts recognised in the statement of financial position and the statement of comprehensive income for pension and other post-retirement benefits are determined actuarially using several assumptions. The primary assumptions used in determining the amounts recognised are disclosed above along with an analysis of the sensitivity of these assumptions.

The discount rate is determined based on the estimate of yield on long-term Government Bonds that have maturity dates approximating the terms of the Company's obligation. The estimate of expected rate of change in the National Insurance Scheme ceiling is determined based on inflationary factors. Any changes in these assumptions will impact the amounts recorded in the financial statements for these obligations.

It is reasonably possible, based on existing knowledge, that outcomes within the next financial year that are different from these assumptions could require a material adjustment to the carrying amount reflected in the financial statements.

Notes to Financial Statements

March 31, 2018

(expressed in Barbados dollars)

17. Share capital

Authorised

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

Issued

| | 2018 | 2017 |
|--|-------------|-------------|
| | \$ | \$ |
| 100 (2017 - 100) common shares, stated value | 100 | 100 |

18. Capital contributions

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

| | 2018 | 2017 |
|---|--------------------------|-------------------|
| | \$ | \$ |
| Value of leased assets of \$42,310,845 less long-term loan obligations of \$28,229,630 at January 1, 1979, under the lease agreement with the Crown. | 14,081,215 | 14,081,215 |
| Value of the other assets less other liabilities of the former Port Department and Port Contractors (Barbados) Limited at January 1, 1979, transferred to, or assumed by Barbados Port Inc., less the amount of \$100,000 allocated to the Port Fund as established under Section 7(l) of the Barbados Port Authority Act, Cap. 285B. | 15,063,865 | 15,063,865 |
| Capital transfer - Berth 5 Project | 49,538,200 | 49,538,200 |
| | <u>78,683,280</u> | <u>78,683,280</u> |

Notes to Financial Statements

March 31, 2018

(expressed in Barbados dollars)

18. Capital contributions ...continued

Leased assets and long term obligations under lease agreement with the Crown.

- a) The freehold land and buildings and the static facilities at the Port of Bridgetown belonging to the Crown (other than the land and buildings and related wharf facilities of the bulk handling facility) which were valued at \$42,310,845 at January 1, 1979 are being leased for a period of 50 years from January 1, 1979 at a yearly rent of \$100.
- b) Under the terms of the lease agreement, the Port will have the option to renew the lease for a further term of 50 years from the expiration of the original lease period and will be responsible for the maintenance and insurance of the leased assets and for the payment of property taxes thereon, and will receive the income from the subletting of any part or parts of the properties.
- c) Under the terms of the lease agreement, the Port also undertook to reimburse the Crown for the debt servicing assumed by the Crown in connection with Loan Contract dated February 21, 1975 and made between the Government of Barbados and Inter-American Development Bank for a loan of US\$9,100,000 or the equivalent thereof in other currencies, to partially finance the Project for the Expansion and Improvement of the Port of Bridgetown; and to assume the liability to the Crown for long term loans made by the Crown for the construction of the Deep Water Harbour which amounted to \$3,320,236 and \$6,709,394 at January 1, 1979. This loan was fully repaid in 1994.
- d) Since the terms of the lease transactions are significantly affected by the relationship between the Port and the Crown, the economic substance rather than the legal form of the lease has been recognised by the Company in its accounting treatment of the capital lease, and the actual cost of, or values assigned to the leased assets and the actual related long-term obligations under the lease have been reflected in its financial statements with the excess of the cost of or values assigned to leased assets over the loan obligations being shown as a capital contribution by the Government of Barbados.
- e) In correspondence from the Director of Finance and Economic Affairs to the Accountant-General in 2016, it was detailed that funding received from CAF was to be appropriated as a capital transfer to Barbados Port Inc. The purpose for the funds was to construct an extension to Berth 5 and yachting facilities.

Notes to Financial Statements

March 31, 2018

(expressed in Barbados dollars)

19. Revenue - other

| | 2018 \$ | 2017 \$ |
|----------------------------------|------------------|------------|
| Bulk handling terminal | 553,806 | 577,549 |
| Sugar levy | - | 68,583 |
| Auction sales | 220,432 | 90,375 |
| Garbage disposal | 1,239,234 | 1,094,681 |
| Security services | 6,958,501 | 7,131,874 |
| Taxi and tour buses registration | 164,410 | 182,373 |
| Photo identification | 119,001 | 116,104 |
| | 9,255,384 | 9,261,539 |

20. Expenses by nature

| | 2018 \$ | 2017 \$ |
|--------------------------------|-------------------|------------|
| Staff costs (note 21) | 32,062,393 | 34,274,630 |
| Repairs and maintenance | 6,158,193 | 5,675,488 |
| Utilities | 2,689,311 | 2,285,073 |
| Advertising and promotions | 1,254,646 | 302,732 |
| Depreciation (note 10) | 11,470,553 | 12,196,569 |
| Amortisation of deferred grant | - | (211,299) |
| Insurance | 892,775 | 958,586 |
| Professional fees | 877,041 | 353,396 |
| Other | 7,594,039 | 7,005,589 |
| | 62,998,951 | 62,840,764 |

Notes to Financial Statements

March 31, 2018

(expressed in Barbados dollars)

21. Staff costs

| | 2018 \$ | 2017 \$ |
|----------------------------------|-------------------|------------|
| Payroll costs and benefits | 30,195,645 | 32,058,619 |
| Pension expenses | | |
| - defined benefit | 1,047,359 | 1,501,426 |
| - defined contribution | 244,798 | 162,983 |
| Post-retirement medical benefits | 574,591 | 551,602 |
| | 32,062,393 | 34,274,630 |

22. Taxation

| | 2018 \$ | 2017 \$ |
|--|--------------------|------------|
| Deferred tax (credit)/charge (note 12) | (3,801,655) | 6,191,292 |

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

| | 2018 \$ | 2017 \$ |
|--|---------------------|------------|
| Profit before taxation | 19,983,426 | 24,115,326 |
| Taxation calculated at 25% (2017 - 25%) | 4,995,857 | 6,028,832 |
| Expenses not deductible for tax purposes | 2,312,028 | 1,390,924 |
| Income not subject to tax | - | (52,825) |
| Market development and other allowances | (161,441) | (157,813) |
| Qualifying capital expenditure incurred | (10,810,206) | (967,045) |
| Associated company's results reported net of tax | (127,813) | (92,035) |
| (Over)/under provision of prior year tax | (10,080) | 41,254 |
| | (3,801,655) | 6,191,292 |

Notes to Financial Statements

March 31, 2018

(expressed in Barbados dollars)

23. Qualifying capital expenditure

In accordance with the Barbados Port Inc. (Exemption from Taxation) Act, 2011-21 the Company is granted income tax concessions in respect of expenditure of a capital nature on the expansion or development of the Port. The approved capital expenditure available for deduction is as follows:

| Year of income | B/fwd \$ | Utilised \$ | Incurred \$ | C/fwd \$ | Expiry Date |
|----------------|-------------------|---------------------|-------------------|-------------------|-------------|
| 2016 | 28,673,383 | (28,673,383) | - | - | |
| 2017 | 3,868,181 | (2,949,816) | - | 918,365 | 2036 |
| 2018 | - | - | 43,244,824 | 43,244,824 | 2037 |
| | <u>32,541,564</u> | <u>(31,623,199)</u> | <u>43,244,824</u> | <u>44,163,189</u> | |

24. Financial risk management

a) Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, set appropriate risk limits and controls, and monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and structured environment in which all employees understand their roles and obligations.

Notes to Financial Statements

March 31, 2018

(expressed in Barbados dollars)

24. Financial risk management ...continued

a) Financial risk factors ...continued

i) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

1) Currency risk

The Company's exposure to currency risk arises from purchases that are denominated in a currency other than the functional currency of the Company mainly the US Dollar and from the US Dollar denominated long-term loan which it holds. This risk is however considered not to be significant as the US Dollar is fixed with the Barbados dollar.

2) Interest rate risk

Cash flow interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates.

The Company is exposed to cash flow interest rate risk in respect of its term deposits and long term loans.

Management reviews the rates on a regular basis along with the cost of putting alternative financing in place to determine the most cost effective source of borrowings. Management has entered into long term loans which bear interest at fixed rates and hence limit the Company's exposure to cash flow interest rate risk.

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

Fixed rate instruments

| | 2018 | 2017 |
|-----------------------|--------------------|-------------|
| | \$ | \$ |
| Financial assets | 3,918,770 | 12,403,898 |
| Financial liabilities | 131,609,164 | 137,610,643 |

Notes to Financial Statements

March 31, 2018

(expressed in Barbados dollars)

24. Financial risk management ...continued

a) Financial risk factors ...continued

3) Price risk

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

ii) Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. The Company's credit risk arises principally from the Company's receivables from customers and loans and receivables.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

| | 2018 | | 2017 | |
|---|-------------------|---------------|------------|--------|
| | \$ | % | \$ | % |
| Cash resources | 14,176,639 | 46.01 | 19,846,467 | 47.36 |
| Accounts receivable | 12,019,061 | 39.01 | 8,921,959 | 21.29 |
| Other receivables | 696,260 | 2.26 | 732,533 | 1.75 |
| Financial investments (loans and receivables) | 3,918,770 | 12.72 | 12,403,898 | 29.60 |
| | 30,810,730 | 100.00 | 41,904,857 | 100.00 |

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Company's revenue is attributable to customers' credit sales and the demographics of the customers' geographical location, including default risk of the industry and the country in which customers operate. Credit is granted to authorised shipping agents only who are registered in a prescribed manner, and who are mandated to provide a bond through a financial institution as security to the Company. Additionally, shipping agents are normally required to pre-pay a deposit of one hundred and ten (110) percent of the anticipated revenue per ship visit. This has the effect of significantly reducing credit risk.

Management has instituted standard repayment periods for credit sales and monitors each receivable balance on a weekly basis with regard to credit sales granted and payments received.

Notes to Financial Statements

March 31, 2018

(expressed in Barbados dollars)

24. Financial risk management ...continued

a) Financial risk factors ...continued

iii) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and the availability of funding through an adequate amount of committed credit facilities to meet reasonable expectations of short-term obligations. Where necessary, management seeks to renegotiate repayment terms on long term loans. The Company's liquidity management involves projecting cash flows and monitoring statement of financial position ratios.

The table below analyses the Company's financial assets and liabilities into relevant maturity groupings based on the remaining period at the date of the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

| 2018 | Carrying Amount \$ | Contractual cash flows \$ | 0 to 12 months \$ | 1 to 2 years \$ | 2 to 5 years \$ | More than 5 years \$ |
|-----------------------|--------------------------|---------------------------------|-------------------------|-----------------------|-----------------------|----------------------------|
| Assets | | | | | | |
| Cash resources | 14,176,639 | 14,176,639 | 14,176,639 | - | - | - |
| Accounts receivable | 12,019,061 | 12,019,061 | 12,019,061 | - | - | - |
| Other receivables | 696,260 | 696,260 | 696,260 | - | - | - |
| Financial investments | 3,918,770 | 3,918,770 | 3,918,770 | - | - | - |
| | 30,810,730 | 30,810,730 | 30,810,730 | - | - | - |
| Liabilities | | | | | | |
| Long-term loans | 131,609,164 | 231,505,550 | 30,795,248 | 35,505,096 | 93,696,954 | 71,508,251 |
| Accounts payable | 19,508,735 | 19,508,735 | 2,134,880 | 17,373,855 | - | - |
| | 151,117,899 | 251,014,285 | 32,930,128 | 52,878,951 | 93,696,954 | 71,508,251 |
| Liquidity gap | (120,307,169) | (220,203,555) | (2,119,398) | (52,878,951) | (93,696,954) | (71,508,251) |

Notes to Financial Statements

March 31, 2018

(expressed in Barbados dollars)

24. Financial risk management ...continued

a) Financial risk factors ...continued

iii) Liquidity risk ...continued

| 2017 | Carrying Amount \$ | Contractual cash flows \$ | 0 to 12 months \$ | 1 to 2 years \$ | 2 to 5 years \$ | More than 5 years \$ |
|-----------------------|--------------------|---------------------------|-------------------|-----------------|-----------------|----------------------|
| Assets | | | | | | |
| Cash resources | 19,846,467 | 19,846,467 | 19,846,467 | - | - | - |
| Accounts receivable | 8,921,959 | 8,921,959 | 8,921,959 | - | - | - |
| Other receivables | 732,533 | 732,533 | 732,533 | - | - | - |
| Financial investments | 12,403,898 | 12,403,898 | 12,403,898 | - | - | - |
| | 41,904,857 | 41,904,857 | 41,904,857 | - | - | - |
| Liabilities | | | | | | |
| Long-term loans | 137,610,643 | 168,890,448 | 38,568,165 | 32,358,520 | 68,360,151 | 29,603,612 |
| Accounts payable | 2,736,948 | 2,736,948 | 2,736,948 | - | - | - |
| | 140,347,591 | 171,627,396 | 41,305,113 | 32,358,520 | 68,360,151 | 29,603,612 |
| Liquidity gap | (98,442,734) | (129,722,539) | (599,744) | (32,358,520) | (68,360,151) | (29,603,612) |

Notes to Financial Statements

March 31, 2018

(expressed in Barbados dollars)

24. Financial risk management ...continued

a) Financial risk factors ...continued

iv) Fair value of financial instruments

Financial instruments carried at fair value in the financial statements are measured in accordance with a fair value hierarchy. This hierarchy is as follows:

- Level 1 - unadjusted quoted prices in active markets for identical instruments.
- Level 2 - inputs other than quoted prices in Level 1 that are observable for the instrument, either directly or indirectly.
- Level 3 - inputs for the instrument that are not based on observable market data.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange or other independent source, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The Company considers that market transactions should occur with sufficient frequency that is appropriate for the particular market, when measured over a continuous period preceding the date of the financial statements. If there is no data available to substantiate the frequency of market transactions of a financial instrument, then the Company does not consider the instrument to be traded in an active market.

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

b) Fair value of financial assets and liabilities

Fair value amounts represent estimates of the consideration that would currently be agreed upon between knowledgeable, willing parties who are under no compulsion to act and is best evidenced by a quoted market price, if one exists.

The Company's financial assets and liabilities as disclosed in the statement of financial position are considered by management to approximate their fair value except for loans and receivables and long-term loans, the fair values of which are designated as level 3 and disclosed in notes 8 and 15.

c) Capital risk management

The Company manages equity and long-term loans as capital. The Board's policy is to maintain a strong capital base so as to maintain creditor and market confidence and to sustain future development of the business.

There were no changes to the Company's approach to capital management during the year.

Notes to Financial Statements

March 31, 2018

(expressed in Barbados dollars)

25. Contingent liabilities

As of March 31, 2018 and 2017, there exist a number of legal claims against the Company, the outcome of which could not be determined with reasonable certainty. No provision for any liability that may result has been made in these financial statements. Settlement, if any, concerning these claims, will be recorded in the period in which they are realised.

The Company has bonds in favour of the Comptroller of Customs in the amount of \$28,000.

26. Related party transactions

1) The following transactions were carried out with the associated company during the year:

| | 2018 | 2017 |
|---------------------------------------|------------------|-----------|
| | \$ | \$ |
| i) Portion of passenger head tax paid | 1,363,359 | 1,204,553 |
| ii) Security service charge | 110,880 | 109,152 |

2) Key management

| | 2018 | 2017 |
|--------------------------------------|------------------|-----------|
| | \$ | \$ |
| Directors' fees | 90,000 | 90,000 |
| Salaries and other employee benefits | 2,061,457 | 1,951,102 |

There were no loans to key management at March 31, 2018 and 2017.

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

| | 2018 | 2017 |
|------------------------|-------------------|------------|
| | \$ | \$ |
| Rental income | - | 19,552 |
| Miscellaneous services | 456,745 | 427,559 |
| Cargo handling | 11,519,534 | 11,606,029 |
| | 11,976,279 | 12,053,140 |
| Brokerage fee expenses | 104,477 | 6,164 |

Notes to Financial Statements

March 31, 2018

(expressed in Barbados dollars)

27. Operating leases

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

| | 2018 | 2017 |
|----------------------------|-------------------|------------|
| | \$ | \$ |
| Less than one year | 1,531,110 | 1,510,316 |
| Between one and five years | 1,080,022 | 709,597 |
| More than 5 years | 10,496,376 | 10,101,114 |

During the year \$1,396,063 (2017 - \$1,430,914) was recognised as rental income in the statement of comprehensive income.

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

| | 2018 | 2017 |
|---|-------------------|------------|
| | \$ | \$ |
| No later than one year | 3,244,559 | 3,244,559 |
| Later than 1 year and no later than 5 years | 12,987,127 | 12,987,127 |
| Later than 5 years | 20,294,053 | 23,538,612 |

Notes to Financial Statements

March 31, 2018

(expressed in Barbados dollars)

28. Cash flow information

a) Non-cash investing and financing activities

| | 2018 \$ | 2017 \$ |
|--|-------------------|------------|
| Acquisition of capital works in progress by means of advanced works obligation related to the Berth 6 Design Phase | 17,373,855 | - |
| Acquisition of capital works in progress by means of finance lease | 24,202,712 | - |
| Capitalised interest | 487,289 | - |

b) Net debt reconciliation

| | \$ |
|--|----------------------|
| Cash resources | 14,176,639 |
| Financial investments | 3,918,770 |
| Accounts payable - non-current portion | (17,373,855) |
| Long-term loans - current portion | (23,627,906) |
| Long-term loans | (107,981,258) |
| Net debt | (130,887,610) |
| Cash and financial investments | 18,095,409 |
| Accounts payable - non-current and long-term loans - fixed interest rates | (148,983,019) |
| | (130,887,610) |

Notes to Financial Statements

March 31, 2018

(expressed in Barbados dollars)

28. Cash flow information ...continued

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

29. Subsequent events

- i) Subsequent to year-end, the Government of Barbados announced changes to the corporate tax rate from 30% to a sliding scale starting from 5.5% to 1% effective January 1, 2019.
- ii) As at January 31, 2019, the Ministry of Finance, Economic Affairs and Investment instructed state-owned enterprises and other public bodies to write off intragovernmental debt (including tax refunds and budgetary transfers which have not been made) incurred prior to September 1, 2018 effective December 31, 2018.

APPENDICES



| APPENDIX 1: CRUISE PASSENGER ACTIVITY (BY OPERATOR) | | | | | | |
|---|---------|---------|---------|----------|---------|---------|
| OPERATOR | CALLS | | | ARRIVALS | | |
| | 2015/16 | 2016/17 | 2017/18 | 2015/16 | 2016/17 | 2017/18 |
| AIDA CRUISES | 12 | 11 | 11 | 25,549 | 22,836 | 23,175 |
| ALL LEISURE GROUP | 3 | 1 | 0 | 1,144 | 426 | 0 |
| ARTICA ADVENTURES & CRUISES | 1 | 0 | 0 | 192 | 0 | 0 |
| ASTOR SHIPPING CO | 1 | 1 | 1 | 506 | 480 | 378 |
| ASTORIA SHIPPING | 0 | 0 | 1 | 0 | 0 | 167 |
| ATLANTAGENT | 2 | 2 | 0 | 162 | 153 | 0 |
| AZAMARA CRUISES | 0 | 0 | 2 | 0 | 0 | 1,221 |
| CARNIVAL CRUISE LINES | 50 | 52 | 32 | 167,930 | 129,356 | 80,755 |
| CELEBRITY CRUISES | 31 | 28 | 36 | 78,705 | 70,759 | 95,165 |
| CLUB MED CRUISES | 7 | 8 | 10 | 2,094 | 2,287 | 2,234 |
| COLOMBIA CRUISE SERVICES | 0 | 1 | 1 | 0 | 338 | 324 |
| COMPAGNIE DU PONANT | 0 | 1 | 3 | 0 | 208 | 318 |
| COSTA CRUISES | 9 | 9 | 13 | 22,925 | 25,176 | 35,551 |
| CRISTAL TRADING | 1 | 0 | 0 | 3 | 0 | 0 |
| CRUISE & MARITIME VOYAGES | 0 | 0 | 3 | 0 | 0 | 3,325 |
| CRYSTAL CRUISES | 1 | 0 | 2 | 929 | 0 | 1,264 |
| CUNARD LINE LTD | 2 | 2 | 4 | 4,268 | 3,670 | 9,052 |
| DISNEY CRUISE LINES | 4 | 0 | 5 | 9,478 | 0 | 13,058 |
| EPIC CRUISE LTD | 2 | 0 | 0 | 2,012 | 0 | 0 |
| FRED OLSEN CRUISES | 7 | 9 | 7 | 4,926 | 7,535 | 4,978 |
| GLOBAL CRUISE LINE | 1 | 2 | 0 | 735 | 1,529 | 0 |
| HAPAG LLOYD | 0 | 0 | 2 | 0 | 0 | 745 |
| HOLLAND AMERICA LINE | 13 | 16 | 11 | 19,164 | 24,997 | 19,926 |
| MAJESTIC CRUISE LINE | 10 | 15 | 9 | 1,272 | 1,828 | 1,594 |
| MARELLA CRUISES | 0 | 0 | 31 | 0 | 0 | 52,201 |
| MSC CRUISES | 11 | 11 | 13 | 31,666 | 27,479 | 44,446 |
| NORWEGIAN CRUISE LINE | 5 | 9 | 16 | 18,388 | 27,904 | 41,504 |
| OCEANIA CRUISE LINE | 7 | 14 | 6 | 4,841 | 11,174 | 4,643 |
| OPTIMUM SHIP MANAGEMENT | 1 | 2 | 0 | 89 | 1 | 0 |

| APPENDIX 1: CRUISE PASSENGER ACTIVITY (BY OPERATOR) <i>Continued</i> | | | | | | |
|---|----------------|----------------|----------------|-----------------|----------------|----------------|
| | CALLS | | | ARRIVALS | | |
| OPERATOR | 2015/16 | 2016/17 | 2017/18 | 2015/16 | 2016/17 | 2017/18 |
| P & O CRUISES | 37 | 25 | 42 | 89,430 | 75,868 | 95,859 |
| PRINCESS CRUISES | 13 | 13 | 14 | 39,831 | 41,642 | 44,030 |
| PULLMANTUR CRUISES | 0 | 13 | 16 | 0 | 17,945 | 15,932 |
| REGENT SEVEN SEAS CRUISES | 1 | 4 | 4 | 433 | 2,553 | 1,846 |
| RESIDENSEA | 1 | 0 | 1 | 106 | 0 | 90 |
| ROYAL CARIBBEAN CRUISE LINE | 54 | 62 | 56 | 161,175 | 184,056 | 164,775 |
| SAGA SHIPPING | 3 | 3 | 1 | 1,531 | 1,124 | 617 |
| SEA CLOUD CRUISES | 15 | 10 | 12 | 981 | 716 | 770 |
| SEABOURN CRUISE LINE | 2 | 5 | 15 | 869 | 2,114 | 6,563 |
| SEADREAM YACHT CLUB | 13 | 14 | 14 | 1,288 | 1,334 | 1,120 |
| SILVERSEA CRUISES | 12 | 12 | 15 | 3,679 | 3,813 | 4,717 |
| STAR CLIPPERS INC. | 22 | 18 | 18 | 3,732 | 3,380 | 3,466 |
| THOMSON CRUISES | 22 | 2 | 0 | 27,362 | 2,564 | 0 |
| TUI CRUISES | 11 | 31 | 13 | 27,359 | 64,182 | 31,272 |
| V - SHIPS | 0 | 2 | 3 | 0 | 864 | 1,145 |
| VIKING OCEAN CRUISES | 0 | 12 | 14 | 0 | 10,592 | 10,734 |
| WEST INDIES CRUISE LINE | 7 | 10 | 10 | 550 | 1,367 | 809 |
| WINDSTAR SAIL CRUISES | 18 | 23 | 31 | 2,109 | 3,050 | 6,509 |
| | | | | | | |
| TOTAL | 412 | 453 | 498 | 757,413 | 775,300 | 826,278 |

APPENDIX 2: CRUISE PASSENGER ACTIVITY (BY MONTH)

| MONTH | NUMBER OF CALLS | | | | ARRIVING PASSENGERS | | | | EMBARKING PASSENGERS | | | | DISEMBARKING PASSENGERS | | | | | | | | |
|-------|-----------------|---------|---------|---------|---------------------|---------|---------|---------|----------------------|---------|---------|---------|-------------------------|---------|---------|---------|---------|---------|---------|---------|---------|
| | 2015/16 | 2016/17 | % +/- | 2017/18 | 2015/16 | 2016/17 | % +/- | 2017/18 | 2015/16 | 2016/17 | % +/- | 2017/18 | 2015/16 | 2016/17 | % +/- | 2017/18 | 2015/16 | 2016/17 | % +/- | 2017/18 | % +/- |
| APR | 35 | 28 | -20.00% | 55 | 66,879 | 50,805 | -24.03% | 86,690 | 3,057 | 2,777 | -9.16% | 9,304 | 3,296 | 3,238 | -1.76% | 9,499 | 3,238 | 3,238 | -1.76% | 9,499 | 193.36% |
| MAY | 7 | 12 | 71.43% | 16 | 23,550 | 20,697 | -12.11% | 21,860 | 629 | 821 | 30.52% | 1,123 | 634 | 704 | 11.04% | 1,099 | 634 | 704 | 11.04% | 1,099 | 56.11% |
| JUN | 7 | 12 | 71.43% | 11 | 24,518 | 20,786 | -15.22% | 22,300 | 592 | 1,205 | 103.55% | 657 | 603 | 1,210 | 100.66% | 654 | 603 | 1,210 | 100.66% | 654 | -45.95% |
| JUL | 7 | 11 | 57.14% | 5 | 25,314 | 19,086 | -24.60% | 14,387 | 619 | 903 | 45.88% | 680 | 663 | 909 | 37.10% | 667 | 663 | 909 | 37.10% | 667 | -26.62% |
| AUG | 10 | 9 | -10.00% | 7 | 21,548 | 20,570 | -4.54% | 20,506 | 694 | 903 | 30.12% | 838 | 617 | 889 | 44.08% | 852 | 617 | 889 | 44.08% | 852 | -4.16% |
| SEP | 8 | 6 | -25.00% | 4 | 23,322 | 16,793 | -28.00% | 9,182 | 649 | 641 | -1.23% | 432 | 518 | 694 | 33.98% | 486 | 518 | 694 | 33.98% | 486 | -29.97% |
| OCT | 14 | 8 | -42.86% | 13 | 36,086 | 15,525 | -56.98% | 20,371 | 545 | 647 | 18.72% | 107 | 543 | 636 | 17.13% | 152 | 543 | 636 | 17.13% | 152 | -76.10% |
| NOV | 52 | 54 | 3.85% | 62 | 93,499 | 89,892 | -3.86% | 97,183 | 21,402 | 20,946 | -2.13% | 20,577 | 21,112 | 21,188 | 0.36% | 22,667 | 21,112 | 21,188 | 0.36% | 22,667 | 6.98% |
| DEC | 73 | 85 | 16.44% | 104 | 107,916 | 142,202 | 31.77% | 156,063 | 26,032 | 26,803 | 2.96% | 33,532 | 25,225 | 25,821 | 2.36% | 32,212 | 25,225 | 25,821 | 2.36% | 32,212 | 24.75% |
| JAN | 81 | 81 | 0.00% | 82 | 146,828 | 147,786 | 0.65% | 152,371 | 32,796 | 28,316 | -13.66% | 29,357 | 32,766 | 28,603 | -12.71% | 29,291 | 32,766 | 28,603 | -12.71% | 29,291 | 2.41% |
| FEB | 61 | 71 | 16.39% | 62 | 103,732 | 122,432 | 18.03% | 100,342 | 25,598 | 25,896 | 1.16% | 27,662 | 25,774 | 25,782 | 0.03% | 28,041 | 25,774 | 25,782 | 0.03% | 28,041 | 8.76% |
| MAR | 57 | 76 | 33.33% | 77 | 84,221 | 108,726 | 29.10% | 125,023 | 21,393 | 22,908 | 7.08% | 23,750 | 21,583 | 22,754 | 5.43% | 24,592 | 21,583 | 22,754 | 5.43% | 24,592 | 8.08% |
| TOTAL | 412 | 453 | 9.95% | 498 | 757,413 | 775,300 | 2.36% | 826,278 | 134,006 | 132,766 | -0.93% | 148,019 | 133,334 | 132,428 | -0.68% | 150,212 | 133,334 | 132,428 | -0.68% | 150,212 | 13.43% |

APPENDIX 3: HOMEPORTRING

| VESSEL | OPERATOR | 2015/16 | | | | 2016/17 | | | | 2017/18 | | | |
|---------------------|-----------------------------|---------|----------|--------------|----------|---------|----------|--------------|----------|---------|----------|--------------|----------|
| | | CALLS | ARRIVALS | DISSEMBARKED | EMBARKED | CALLS | ARRIVALS | DISSEMBARKED | EMBARKED | CALLS | ARRIVALS | DISSEMBARKED | EMBARKED |
| AIDADIVA | AIDA CRUISES | 10 | 21,319 | 8,709 | 8,498 | 11 | 22,836 | 7,746 | 7,799 | 10 | 21,067 | 8,734 | 8,720 |
| VOYAGER | ALL LEISURE GROUP | 3 | 1,144 | 1,061 | 1,074 | 1 | 426 | 412 | 288 | 0 | 0 | 0 | 0 |
| MINERVA | ARTICA ADVENTURES & CRUISES | 1 | 192 | 178 | 279 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SERENISSIMA | ATLANTAGENT | 2 | 162 | 159 | 158 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| BRAEMAR | FRED OLSEN CRUISES | 5 | 3,726 | 2,483 | 2,627 | 6 | 4,771 | 4,231 | 4,297 | 6 | 4,174 | 3,817 | 3,906 |
| MARELLA DISCOVERY | MARELLA CRUISES | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 23 | 42,013 | 26,552 | 26,522 |
| ADONIA | P & O CRUISES | 9 | 6,097 | 5,676 | 5,497 | 0 | 0 | 0 | 0 | 10 | 6,182 | 5,621 | 5,138 |
| AZURA | P & O CRUISES | 10 | 30,683 | 30,133 | 30,336 | 9 | 27,561 | 27,076 | 26,976 | 11 | 31,803 | 28,465 | 28,831 |
| BRITANNIA | P & O CRUISES | 10 | 36,464 | 35,965 | 36,088 | 10 | 36,094 | 33,485 | 33,715 | 10 | 35,189 | 32,776 | 32,633 |
| VENTURA | P & O CRUISES | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SEA CLOUD II | SEA CLOUD CRUISES | 5 | 424 | 399 | 300 | 7 | 554 | 485 | 395 | 5 | 403 | 389 | 416 |
| SEA CLOUD" | SEA CLOUD CRUISES | 10 | 557 | 524 | 430 | 3 | 162 | 159 | 92 | 7 | 367 | 350 | 315 |
| SEABOURN ODYSSEY | SEABOURN CRUISE LINE | 0 | 0 | 0 | 0 | 3 | 1,289 | 1,069 | 1,104 | 13 | 5,721 | 4,395 | 4,410 |
| SEABOURN QUEST | SEABOURN CRUISE LINE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 426 | 132 | 137 |
| SEADREAM I | SEADREAM YACHT CLUB | 11 | 1,111 | 1,047 | 1,015 | 14 | 1,334 | 1,243 | 1,208 | 12 | 988 | 946 | 897 |
| SEADREAM II | SEADREAM YACHT CLUB | 2 | 177 | 173 | 129 | 0 | 0 | 0 | 0 | 2 | 132 | 123 | 152 |
| SILVER SPIRIT | SILVERSEA CRUISES | 1 | 491 | 323 | 209 | 6 | 2,170 | 1,860 | 2,184 | 0 | 0 | 0 | 0 |
| SILVER WHISPER | SILVERSEA CRUISES | 6 | 1,821 | 1,561 | 1,433 | 1 | 301 | 300 | 326 | 3 | 964 | 946 | 925 |
| SILVER WIND | SILVERSEA CRUISES | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 8 | 1,961 | 1,559 | 1,645 |
| ROYAL CLIPPER | STAR CLIPPERS | 21 | 3,620 | 3,336 | 3,282 | 17 | 3,254 | 3,103 | 2,985 | 17 | 3,337 | 3,127 | 3,079 |
| STAR FLYER | STAR CLIPPERS | 1 | 112 | 112 | 160 | 1 | 126 | 122 | 143 | 1 | 129 | 121 | 144 |
| THOMSON CELEBRATION | THOMSON CRUISES | 21 | 25,941 | 17,572 | 17,583 | 2 | 2,564 | 2,049 | 1,923 | 0 | 0 | 0 | 0 |
| TUI DISCOVERY | THOMSON CRUISES | 0 | 0 | 0 | 0 | 20 | 36,795 | 22,987 | 23,049 | 0 | 0 | 0 | 0 |
| THOMSON DREAM | THOMSON CRUISES | 1 | 1,421 | 9 | 6 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| MEIN SCHIFF 3 | TUI CRUISES | 11 | 27,359 | 12,066 | 12,371 | 0 | 0 | 0 | 0 | 11 | 26,385 | 10,851 | 10,970 |
| MEIN SCHIFF 5 | TUI CRUISES | 0 | 0 | 0 | 0 | 11 | 27,387 | 10,560 | 10,626 | 1 | 2,578 | 1,039 | 1,031 |
| WIND STAR | WINDSTAR CRUISES | 15 | 1,785 | 1,777 | 1,728 | 18 | 2,387 | 2,359 | 2,364 | 4 | 498 | 479 | 353 |
| STAR BREEZE | WINDSTAR CRUISES | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 148 | 5 | 629 | 442 | 452 |
| STAR LEGEND | WINDSTAR CRUISES | 0 | 0 | 0 | 0 | 1 | 175 | 172 | 191 | 0 | 0 | 0 | 0 |
| STAR PRIDE | WINDSTAR CRUISES | 0 | 0 | 0 | 0 | 3 | 488 | 475 | 505 | 0 | 0 | 0 | 0 |
| WIND SURF | WINDSTAR CRUISES | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 21 | 5,187 | 4,235 | 4,314 |
| | | 155 | 164,606 | 123,263 | 123,203 | 145 | 170,674 | 119,893 | 120,318 | 160 | 184,946 | 130,864 | 130,676 |

Notes



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BARBADOS PORT INC.
UNIVERSITY ROW, BRIDGETOWN, ST. MICHAEL, BARBADOS
(246) 434-6100 | INFO@BARBADOSPORT.COM | WWW.BARBADOSPORT.COM