



# **BARBADOS PORT INC**

## **Annual Report 2014**

*(April 1st – March 31st)*



## MISSION STATEMENT

To be a high quality provider of Marine, Cargo and Passenger Handling and other related services to Seaport users locally and world-wide.

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# BOARD OF DIRECTORS

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David Harding ..... Chairman

Capt. George Fergusson.....Deputy Chairman

David Jean-Marie .....Managing Director

Everton Walters .....Director

Michael Weetch .....Director

Karen Henry.....Director

Neville Rowe.....Director

David Douglas.....Director

Keith Wilson.....Director

Calvin Alkins.....Director

Irvine Best.....Director

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## Corporate Secretary

David Jean-Marie

## Bankers

Republic Bank (Barbados) Limited  
(formerly Barbados National Bank Inc.)

## Auditor

PricewaterhouseCoopers SRL

RBC Royal Bank (Barbados) Limited  
(formerly RBTT)

## Attorneys-at-Law

Lystra Kodilinye

First Citizens Bank (Barbados) Limited  
(formerly Bank of Butterfield)

# BOARD OF DIRECTORS

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**David Harding**  
Chairman



**Capt. George Fergusson**  
Deputy Chairman



**David Jean-Marie**  
Managing Director



**Everton Walters**  
Director



**Michael Weetch**  
Director



**Irvine Best**  
Director



**Karen Henry**  
Director



**Neville Rowe**  
Director



**Calvin Alkins**  
Director



**Keith Wilson**  
Director



**David Douglas**  
Director





## MANAGEMENT TEAM



**David Jean-Marie**  
Chief Executive Officer



**Kenneth Atherley**  
Divisional Manager,  
Corporate Development  
& Strategy



**Curtis Smith**  
Divisional Manager,  
Human Resources &  
Industrial Relations



**Carol-Lyn Edghill**  
Manager, Audit Department



**Ian Stewart**  
Manager, Terminal  
Operations



**Anthony Benn**  
Manager, Security Services



**Richard Alleyne**  
Manager, Marine Services  
& Harbour Master



**Freida Nicholls**  
Manager, Market  
Development &  
Public Relations



**Anderson Leacock**  
Manager, Engineering



**Peter Carrington**  
Manager, Human  
Resources/Administration



**Albert Soudatt**  
Accountant



**Karl Branch**  
Manager, Management  
Information Systems



**Glenn Roach**  
Manager, Quality Assurance

# NOTICE OF MEETING

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NOTICE IS HEREBY GIVEN THAT THE EIGHTH ANNUAL GENERAL MEETING of the Shareholder of Barbados Port Inc. (hereinafter called "the Company") will be held at the Board Room, Barbados Port Inc., University Row, Bridgetown, St. Michael on 17<sup>th</sup> February, 2015 at 10:00 a.m. for the following purposes:

1. To receive and consider the financial statements of the Company for the year ended 31<sup>st</sup> March 2014 together with the reports of the Directors and Auditor thereon.
2. To elect Directors of the Company
3. To appoint the Auditor for the ensuing year
4. To transact any other business which may properly come before the meeting.

Dated this 5th day of January 2015.

BY ORDER OF THE BOARD OF DIRECTORS



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David Jean-Marie

Corporate Secretary



# CHAIRMAN'S REPORT

## ANNUAL REPORT 2014

(APRIL 1<sup>ST</sup> – MARCH 31<sup>ST</sup>)



David Harding, Chairman

During the year, the Government of Barbados took the decision that its institutions should make adjustments in their reporting systems, such that the year-ends for Government owned companies and statutory entities, coincide with that of Government. In this regard, this marks the first year in which the financial year for Barbados Port Inc. has been adjusted to end on March 31st.

All operational statistics are therefore reported for the period April 1st, 2013 to March 31st, 2014 and financial

results for the period January 1st, 2013 to March 31st, 2014. The Statistics for the previous two calendar years will be included in appendices for the record.

### OPERATIONAL PERFORMANCE

#### VESSEL CALLS

Barbados received some 1,579 vessel calls during the reporting period, compared to 1,552 vessel calls during the previous period (*Table 1*).

**TABLE 1: BREAKDOWN OF VESSEL CALLS BY MAJOR CATEGORY**

Vessel Calls	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Cruise	471	421	431	506	434	438	403	399	357	374
General Cargo - Deep Water Harbour	681	705	611	621	581	550	486	437	403	422
General Cargo- Shallow Draught	207	199	230	192	166	157	120	114	105	99
Cargo - Bulk Handling Facility (Inc PF)	19	18	32	25	12	12	30	17	14	15
Bulk Sugar	2	2	2	2	2	2	3	2	2	1
Molasses	9	10	11	10	11	10	15	11	10	7
Cargo - Cement Plant	183	198	113	99	86	98	84	96	83	124
Tankers	174	158	154	148	141	132	142	135	148	139
Other Vessels	191	212	171	318	412	400	449	396	430	398
<b>Total Calls</b>	<b>1,937</b>	<b>1,923</b>	<b>1,755</b>	<b>1,921</b>	<b>1,845</b>	<b>1,799</b>	<b>1,732</b>	<b>1,607</b>	<b>1,552</b>	<b>1,579</b>
<b>% Increase / Decrease</b>		<b>-0.72%</b>	<b>8.74%</b>	<b>9.46%</b>	<b>-3.96%</b>	<b>-2.49%</b>	<b>-3.72%</b>	<b>7.22%</b>	<b>3.42%</b>	<b>1.74%</b>





There were 807 cargo vessels calls (51% of the total calls), comprising Containerised, Break bulk, Dry Bulk, Oil, Sugar, Molasses, Cement and Tankers, along with inter-island vessels. In addition, there were 374 cruise vessel calls which represented 24% of the total calls during the captioned period.

A notable trend is the decline in General Cargo vessels working at the Shallow Draught Berth, from 207 in 2004/2005 to 99 in 2013/2014, a decrease of 52% over the period.

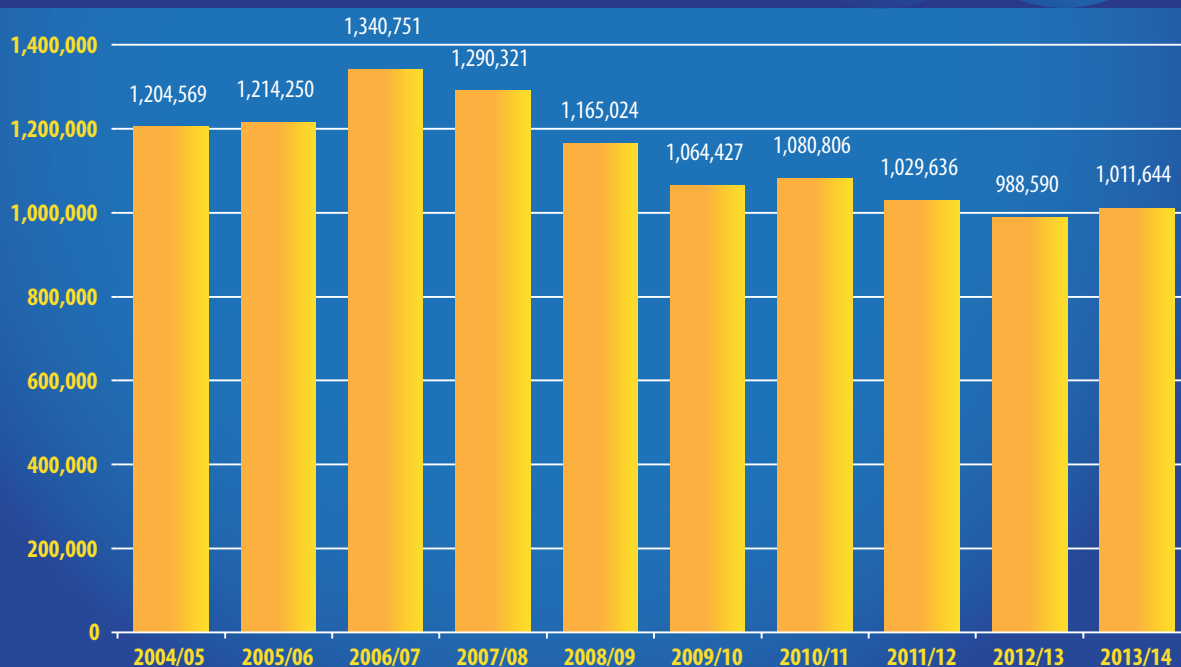
### TONNAGE HANDLED

The total general cargo handled by Barbados Port Inc. during the captioned period was 1,011,644 tonnes compared to 988,590 tonnes in the previous period, a two percent increase (See Figure 1):

A more detailed breakdown of the cargo handled (Table 2) reveals the following:

- I. Imports of 795,353 tonnes represented 79% of the total tonnage arriving at Barbados Port.

**FIGURE 1: TOTAL CARGO (DWH & SD)**



2. Imports expressed in tonnage increased slightly over the previous period.
3. Exports comprised 165,087 tonnes representing 16% of the total tonnage handled by the Port of Bridgetown.
4. Exported tonnage increased by three percent over the previous period. Exports have consistently increased over the five-year period from 141,036 tonnes to 165,087 tonnes (or 17%) from 2009/2010 to 2013/2014.
5. Transshipment levels increased significantly by 62%, from 29,011 tonnes in the previous period to 46,901 tonnes in the captioned period. This was mainly due to transshipment cargo by King Ocean Line.
6. The total containerized tonnage handled across the categories (imports, exports, transshipment and shifted) was 928,136 tonnes, or 92% of the total tonnage.
7. Only 4,303 tonnes of cargo fell in the shifted category, less than one percent of the total tonnage.



**TABLE 2: BREAKDOWN OF CARGO TONNAGE HANDLED BY CATEGORY**

Cargo Handled Category	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
<b>Domestic</b>										
Containerised Discharged	769,351	815,582	853,643	821,494	787,946	732,523	761,133	741,290	723,245	724,810
Breakbulk Discharged	170,786	167,346	149,426	143,015	113,920	77,291	89,051	86,832	70,934	70,543
<b>Total Discharged (Imports)</b>	<b>940,137</b>	<b>982,928</b>	<b>1,003,069</b>	<b>964,509</b>	<b>901,866</b>	<b>809,814</b>	<b>850,184</b>	<b>828,122</b>	<b>794,179</b>	<b>795,353</b>
% Increase / Decrease		4.55%	2.05%	-3.84%	-6.49%	-10.21%	4.99%	-2.59%	-4.10%	0.15%
Containerised Loaded	113,956	107,034	138,158	155,708	146,657	132,599	137,355	143,113	148,412	159,858
Breakbulk Loaded	15,936	11,363	12,340	12,399	11,563	8,437	7,643	7,245	11,235	5,229
<b>Total Loaded (Exports)</b>	<b>129,892</b>	<b>118,397</b>	<b>150,498</b>	<b>168,107</b>	<b>158,220</b>	<b>141,036</b>	<b>144,998</b>	<b>150,358</b>	<b>159,647</b>	<b>165,087</b>
% Increase / Decrease		-8.85%	27.11%	11.70%	-5.88%	-10.86%	2.81%	3.70%	6.18%	3.41%
Transshipment Containerised	118,715	99,168	169,360	139,700	85,025	96,779	66,857	35,858	23,057	39,165
Transshipment Breakbulk	968	3,082	9,095	9,219	10,480	9,281	8,022	8,014	5,954	7,736
<b>Total Transshipment</b>	<b>119,683</b>	<b>102,250</b>	<b>178,455</b>	<b>148,919</b>	<b>95,505</b>	<b>106,060</b>	<b>74,879</b>	<b>43,872</b>	<b>29,011</b>	<b>46,901</b>
% Increase / Decrease		-14.57%	74.53%	-16.55%	-35.87%	11.05%	-29.40%	-41.41%	-33.87%	61.67%
Shifted - Containerised	14,857	10,675	8,729	8,786	9,433	7,517	10,745	7,284	5,753	4,303
% Increase / Decrease		-28.15%	-18.23%	0.65%	7.36%	-20.31%	42.94%	-32.21%	-21.02%	-25.20%
<b>Total Tonnage Handled</b>	<b>1,204,569</b>	<b>1,214,250</b>	<b>1,340,751</b>	<b>1,290,321</b>	<b>1,165,024</b>	<b>1,064,427</b>	<b>1,080,806</b>	<b>1,029,636</b>	<b>988,590</b>	<b>1,011,644</b>
% Increase / Decrease		0.80%	10.42%	-3.76%	-9.71%	-8.63%	1.54%	-4.73%	-3.99%	2.33%

## BULK CARGO HANDLING

Bulk cargo (Table 3) moved from 884,989 tonnes to 979,030 tonnes, an increase of 11%. Following the usual trend, petroleum products (613,695 tonnes) accounted for the main category of bulk cargo handled (63%), followed by Cement (167,572 tonnes), representing 17% of the total bulk handled.

It is worthy to note that the volume of cement moved increased significantly by 77% from the previous period due to a need to import cement following a prolonged breakdown of the Arawak Cement Plant. Additionally, petroleum imports increased slightly from 602,866 tonnes to 613,695 in the captioned period, an increase of two percent. Also, sugar exports declined throughout the ten-year period, from 30,633 to 14,454, or 53% from 2004/2005 to 2013/2014.



**TABLE 3: BREAKDOWN OF BULK CARGO TONNAGE HANDLED BY TYPE**

BULK CARGO HANDLED COMMODITY	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
SUGAR	30,633	32,781	31,056	30,845	27,481	30,302	24,218	21,637	20,751	14,454
MOLASSES	47,126	40,956	33,097	40,134	60,311	26,523	55,997	44,867	45,254	37,620
FISH OIL/MARGARINE/FAT	2,698	0	1,500	1,701	3,550	800	0	0	1,498	0
GRAIN/AGRIBULK	87,252	95,643	87,867	94,580	80,708	91,389	76,511	74,836	82,568	74,708
FERTILIZER	3,030	3,716	3,862	3,983	2,454	1,385	2,415	1,290	700	1,900
PETROLEUM PRODUCTS	700,977	702,815	751,049	728,437	685,431	659,535	656,570	638,381	602,866	613,695
LIMESTONE	800	0	7,000	153	204	0	0	0	3,700	10,500
CEMENT	154,791	190,615	119,825	119,277	123,919	125,528	113,331	115,118	94,767	167,572
HYDRATED LIME	10,794	9,691	9,362	9,384	7,710	3,097	637	0	0	0
GYPSUM/POZZOLAN GRAVEL	7,807	32,517	45,412	34,244	39,520	34,965	30,955	22,434	16,990	36,527
CEMENT PLANT OTHER	14,214	40,667	10,460	18,086	3	0	3,715	1,020	11,819	9,344
IRON ORE	3,080	3,075	0	2,221	6,500	3,000	700	1,424	997	2,864
DWH OTHER*	34,020	6,596	49,867	15,535	4,000	9,577	25,455	22,825	3,079	9,846
<b>Total</b>	<b>1,097,222</b>	<b>1,159,072</b>	<b>1,150,357</b>	<b>1,098,580</b>	<b>1,041,791</b>	<b>986,101</b>	<b>990,504</b>	<b>943,832</b>	<b>884,989</b>	<b>979,030</b>
<b>% Increase / Decrease</b>		<b>5.64%</b>	<b>-0.75%</b>	<b>-4.50%</b>	<b>-5.17%</b>	<b>-5.35%</b>	<b>0.45%</b>	<b>-4.71%</b>	<b>-6.23%</b>	<b>10.63%</b>



## CONTAINER TRAFFIC

The Port handled 75,807 TEUs of containers in the 2013 - 2014 period, representing a six percent increase when compared to the 71,435 TEUs which were handled during the previous period (*Table 4*).

Of the total TEUs handled, 45% (34,426 TEUs) were imports while 10% (7,341 TEUs) were full exports comprising



**TABLE 4: BREAKDOWN OF CONTAINERS (TEUs) BY STATUS**

Container TEUs Handled	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Inbound Laden	36,369	38,369	40,161	38,743	37,169	34,643	35,815	35,109	34,345	34,426
Inbound Empty	1,166	1,060	3,691	2,540	2,134	874	1,446	716	783	833
Outbound Laden	5,223	4,876	6,322	7,147	6,724	6,077	6,302	6,578	6,822	7,341
Outbound Empty	30,824	36,323	37,283	34,862	34,427	30,818	32,524	30,867	28,101	30,697
Transshipment	10,717	8,880	15,506	12,530	7,108	7,997	5,017	2,150	1,384	2,511
<b>Total TEUs</b>	<b>84,299</b>	<b>89,507</b>	<b>102,963</b>	<b>95,821</b>	<b>87,562</b>	<b>80,409</b>	<b>81,103</b>	<b>75,419</b>	<b>71,435</b>	<b>75,807</b>
% Increase / Decrease		6.18%	15.03%	-6.94%	-8.62%	-8.17%	0.86%	-7.01%	-5.28%	6.12%

mainly manufactured and other cargo, including recycled product. Some 30,697 TEUs (41%) were outbound empty containers.

## PERSONAL EFFECTS

The Port handled 53,965 pieces of personal effects during the 2013 - 2014 period, a decline of two percent over the previous period of 55,091 pieces (see *Figure 2*). During the year, the decision was taken to enhance the service level in the Shed 2 operations, focused on reducing wait times. The Company has also made proposals to introduce a cost recovery element for the services in this area.

**FIGURE 2: PERSONAL EFFECTS DELIVERED**





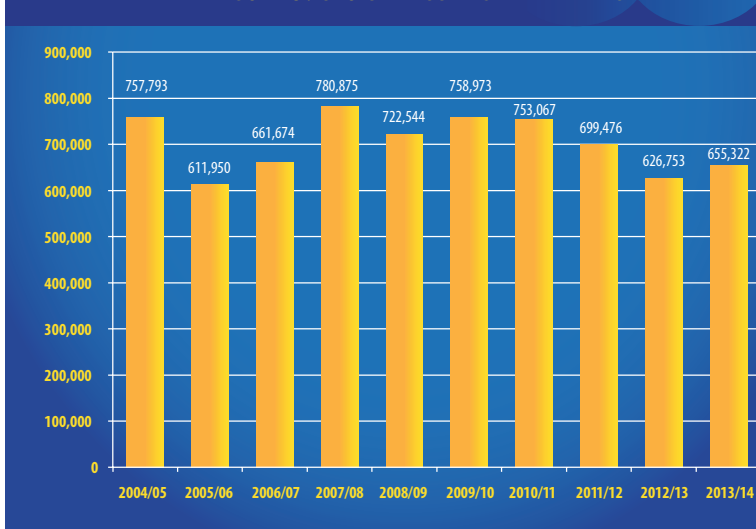
## CRUISE OPERATIONS

Barbados recorded an increase in total cruise passenger arrivals during the period, moving from 626,753 at the end of the previous period (2012/2013) to 655,322 an increase of five percent (see Figure 3).

## PLANT MAINTENANCE

Approximately \$4 Million was incurred on rehabilitating the Sandpit Wharf in the Shallow Draught as well as the Bulk Berth (Flour Mill) revetment.

**FIGURE 3: CRUISE PASSENGER ARRIVALS**



Homeport activity remains an area with strong growth potential. The number of passengers embarking on cruise vessels moved from 84,514 for the year ending March 31st, 2013, to 107,520 for the year ending March 31st, 2014. This represents a 27% increase in embarking passengers:

1. P&O vessels, Ventura and Azura, accounted for 54% of the total embarking passengers (57,825 passengers).
2. Thomson Cruises (Thomson Dream) accounted for 16% of the embarkations with 17,623 passengers.
3. TUI Cruises with 11,165 embarking passengers, represented 10% of the total embarking passengers.

It was also observed that 138,808 passengers arrived on homeport vessels during the year ending March 31st, 2014, representing 21% of the total passenger arrivals at Barbados.

During the year, the LHM Mobile crane was substantially refurbished at a cost of \$3 Million to extend its useful life for at least an additional eight years.

## SUGAR POINT DEVELOPMENT

During the year in review, significant progress was made to advance the Sugar Point Cruise Facility Development Project as follows:

1. Engineering Designs were completed and cost estimates developed based on the designs.
2. Town Planning permission was obtained for the Phase I project, comprising reclamation of 15 acres and construction of two cruise piers.
3. The Master Plan for the commercial build out of Sugar Point was completed.

4. An informative website was created to provide basic information on the Project ([www.sugarpointbarbados.com](http://www.sugarpointbarbados.com)).

The remaining challenges have been the finalisation of the financing aspects of the project, partly due to the added pressure from successive downgrades on the Barbados economy, and the completion of the lease of the seabed to be re-claimed for the Sugar Point facility.

### MANAGEMENT INFORMATION SYSTEMS (MIS)

During the review period, significant progress was made in software development and integration initiatives designed to create efficiencies for customers while adding productivity measurement capacity to the systems as follows:

1. Following the closure of Shed 3, cargo delivery services were integrated into Shed 4, requiring the need for additional information systems capacity at Shed 4.
2. Infrastructure work was finalised to enable the Port to offer WiFi services to staff and customers, including cruise passengers.
3. The Port's website ([www.barbadosport.com](http://www.barbadosport.com)) was re-constructed, with an added e-commerce component.
4. A facility was also developed whereby agents can use The Container Tracking Web Portal to allow customers to track the activity of a container via the internet. <http://portal.barbadosport.com/tracking/containertracking>
5. The Cargo Management Console (Personal Effects) was rewritten (after 10 years) in the form of a web application. This gives customers the ability to check on the status of their personal effects cargo.

6. ShoreTel VOIP Telephone System: The implementation of ShoreTel mobility was completed during the period under review. This functionality allows calls to be routed from cellular phones (using Wi-Fi functionality) through our network and onto our ShoreTel phone system for outward transmission. This will minimise telephone expenses for the Company, especially for officers on overseas travel.
7. Other integrating initiatives were undertaken to streamline internal operations such as the Cashier and Billing modules, as well as security and performance monitoring.

### MARKETING AND PUBLIC RELATIONS

The focus for the year under review continued with the Customer Service Delivery programme within the Company. To this end, specific training was coordinated in the Principles of Successful Customer Relations and Benchmarking.

The National Initiative on Service Excellence (NISE) was engaged to conduct a survey to determine the level of customer service delivery at the Port and assess the areas which required focus to ensure improved quality. Phase I of this survey focused on the Personal Effects Shed.

A new edition of the Port Handbook 2013 – 2015 was produced. Copies have been circulated to advertisers in the publication, stakeholders, and schools, and distributed at cruise conferences overseas.

The Port Page Series was published in local newspapers from mid-October through mid-December. Topics covered in this series were:

- Port Launches On-Line Tracking for barrels



New Web Portal for Shipping Agents



Training in Stevedoring Operations CVQ  
Level II for Operators and Cargo Supervisors

- New Web Portal for Shipping Agents
- Port Day 2013
- Bright Cruise Outlook for Barbados
- Barbados Port Inc Partners with BWU for Staff Certification
- The Bridgetown Port – A Record of Contribution and Service (special Independence feature)
- Cadet Officers Graduate from CMI as BPI Wins Top Award.

The Port Experience Summer Camp, which is in its fifth year was also coordinated. This initiative is a part of the Educational Outreach Programme of Barbados Port Inc. where forty children of staff members and relatives are provided with the opportunity to connect to the Port Experience, namely Port Operations, Cargo Destinations for Imports, Exports, the Cruise Industry, the Environment, and National Security.

## HUMAN RESOURCES MANAGEMENT

During the year in review, the Human Resources Department administered a number of human resource activities in support of the various business units. Work focussed on the following areas:

1. **Employee Training and Development**
2. **Industrial Relations**
3. **Occupational Health and Safety**
4. **Employee Benefits and Administration**

### 1. Employee Training and Development

Training was provided for a total of 361 employees, representing 66% employee participation across the Company. The Training Programme covered the following aspects:

- National/Caribbean Vocational Qualification (N/ CVQ) Centre (Assessors, Internal Verifiers, Centre Coordinators, Stevedoring Operations Foundation Skills Level I)





was therefore able to effectively utilize all available labour and engage in consultations to improve workplace safety.

### 3. Occupational Health and Safety

Work in the areas of Health and Safety was emphasised in order to bring the Port more in line with the requirements of the Safety at Work Act:

- The Safety and Health Manual was revised ensuring compliance with the Safety and Health at Work Act, 2005 -12.

- Safety and Health at Work Act 2005
- Fire Safety & Fire Fighting
- Equipment operation training on the forklifts and cranes
- Occupational Environmental Health & Safety, including HAZMAT Training, First Aid Training and Certification
- Basic Seamanship
- BIMAP Training Programmes, including Stepping into Supervision and Management
- Robbery Prevention & Awareness training conducted by the Royal Barbados Police Force.

## 2. Industrial Relations

The industrial relations climate was healthy and stable throughout the year as a result of the conduct of good industrial relations practices. This environment facilitated excellent cooperation in the workplace between labour and management resulting in an environment free of any industrial action or lost of man-days. Management

- Staff was trained on various aspects of the Act, including their responsibilities, risk assessment and reporting of risks and accidents.
- A Committee was selected to investigate and report of accidents.
- The Emergency Evacuation Plan was completed in compliance with the requirements of the Safety and Health at Work Act.
- The Department gathered data on the way forward to attain the ISO 18001 Safety Standard Certification.

The Medical Facility continued the maintenance of its medical care programme, providing clinical checks to assess the blood sugar, cholesterol and blood pressure levels of employees. It also provided counselling and referral services in facilitating the management of chronic illnesses and lifestyle illnesses, as well as coordinated educational awareness and lecture presentations on health and wellness related issues.





**Port Security Plan:** Port offers value added security services to cruise lines

#### 4. Employee Benefits and Administration

The Company's Defined Contribution Plan as well as the Defined Benefits Plan were administered by the Human Resources Department. These Plans are now registered with the Financial Services Commission.

The total membership of the Defined Contribution Pension Plan at the end of the year was 107.

The membership in the Defined Benefit Pension Plan totalled 476, comprised of 335 active and deferred members, and 141 pensioners.

In addition, the Company provides Group Health coverage for 533 members comprising of 449 employees and 84 retirees, as well as Group Life coverage for all employees throughout the year. The Plans performed reasonably well yielding a favourable loss/claims ratio and as a result the monthly premiums remained stable during the year.

#### PORT SECURITY

The Security function of the Port remained paramount as we maintained ISPS Code compliance throughout the reporting

period, as well as revised the Port Security Plan, trained security officers and offered value added services to cruise lines.

There were serious challenges with the present Taxi operations in the Port. While the Port continues to provide training for members and has tried to improve communications with the executives of the two authorized taxi organisations, major re-structuring of the taxi administration and operation is necessary.

Regionally, the Port has submitted proposals for the establishment of a regional Port Security Body, to exchange information and share experiences in seaport security. The Organization of American States (OAS), through its Committee on Ports, has received this proposal well and is allocating resources for its establishment.

#### FINANCIAL REVIEW

As indicated earlier, the financial and operational year of Barbados Port Inc. was adjusted to the end of March as a policy directive. As a result, the financial period under review is 15 months and not comparable with the December 2012, 12-month financial position. Further to this, with a 15-month

period running January 2013 to March 2014, income results were significantly skewed as this period includes two cruise peak seasons.

A critical highlight of the financial performance is an 'Emphasis on Matter' paragraph included in the Independent Auditor's Report as follows:

*"We draw attention to Note 2 of these financial statements, which states that as of March 31, 2014 the Company's current liabilities exceeded its current assets by \$40,701,448 (December 31, 2012 - \$31,825,364). This, along with other matters as described in Note 2, indicates the existence of a material uncertainty which may cast significant doubt about the ability of Barbados Port Inc. to continue as a going concern. Our opinion is not qualified in respect of this matter."*

This matter is engaging the attention of the Board and Management with an imminent plan to issue a long-term bond to enable consolidation and restructuring of the existing debt and provide adequate working capital in the short-term. The current cash flow difficulty is directly related to large unsustainable debt service amounts due in June and December each year.

Additionally, the Company submitted proposals to revise the tariff, which has not been adjusted for over 25 years; as well

as, proposals to improve efficiencies in keeping with modern port operations and technology.

### Income Performance

Total operating income for the 15-month period ended March 31, 2014 was \$92.5 million with profit from operations being \$14.1 million. Of significance during the period was the impairment adjustment to the tugs which when valued carried a much lower market value than the carrying value.

Total comprehensive income for the 15-month period which comprised two cruise seasons was \$7.3 million compared to \$2.2 million restated for the 12-month period ended December 31, 2012.

### Statement of Financial Position

Table 5 highlights aspects of the financial position for the period 2009 to 2014. The most notable trends are the decline in accounts receivable due to an aggressive collection policy, and the decline in long term liabilities from \$131.5 million in 2009 to \$83.4 million as at March 31, 2014.

The negative highlight during the period was the rapid increase in current liabilities from \$14.4 million in 2009 to \$55.1 million as at March 31, 2014, previously alluded to.

**TABLE 5: STATEMENT OF FINANCIAL POSITION**

### Statement of Position Highlights for the period 2009 to 2014

	2009	2010	2011	2012	2014
Current Assets	17.0	17.7	14.0	13.4	14.3
Accounts receivable	9.3	9.6	8.9	7.9	7.4
Non-current assets	203.0	196.7	193.5	208.3	206.6
Total Assets	220.0	214.5	207.5	221.7	220.9
Current Liabilities	14.4	14.4	23.7	44.2	55.1
Long-term Liabilities	131.5	123.8	110.0	103.6	83.4
Total Equity	74.2	76.2	73.8	73.9	82.5
<b>Total Liabilities &amp; Equity</b>	<b>220.0</b>	<b>214.5</b>	<b>207.5</b>	<b>221.7</b>	<b>220.9</b>



## OTHER

The Company continued to actively participate in regional and international institutions to ensure Barbados' relevance in the maritime industry. Such organisations in which the Port plays a leading role include the Organisation of American States (OAS) Committee on Ports, The Caribbean Shipping Association (CSA) and the Port Management Association of the Caribbean (PMAC).

## OUTLOOK AND SHORT TERM PLANS

The outlook for the year ending March 31st, 2015 anticipates an improvement over the current year under review. It is expected that cargo tonnage and cruise passenger arrivals will increase marginally as the economy improves and homeporting grows, respectively. This should redound to an improved revenues position for the Company.

Barbados Port Inc.'s Board and management intend to initiate measures to improve the operational efficiency of the Company including:

1. Completion of the Strategic Plan and Business Plan for the next five years;
2. Leasing new cargo handling equipment including a Panamax Gantry Crane, additional straddle carriers and forklifts among others;
3. Construction of Berth #5, Phase 2, which would result in an additional 75 metres of berth capacity;
4. Commencement of the Sugar Point Cruise Facility Project;
5. Energy conservation to reduce operational cost of the Company;
6. Revision of the Port Tariff; and,
7. Consultation with the employees' representative aimed at rationalising labour at the Port in keeping with modern practices and technology.

As stated previously, the Company will also issue a long term bond to consolidate its debts resulting in a viable financial situation.

Again, it is imperative that all stakeholders work collectively to ensure the sustainability of Barbados Port Inc. in the collective interest of our Country.

## ACKNOWLEDGEMENTS

The Board of Directors takes this opportunity to offer sincere appreciation to those who have contributed to the effective operation of the Port during the period under review, particularly:

- The Right Honourable Freundel Stuart, Q.C., M.P., Prime Minister of Barbados
- The Government and People of Barbados
- The Honourable Minister, Richard Sealy, M.P., Minister of Tourism and International Transport
- Permanent Secretary, International Transport, Ministry of Tourism and International Transport
- Management and Staff of Barbados Port Inc.
- Shipping Association of Barbados
- The Barbados Workers' Union
- Barbados Tourism Authority
- 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 Commerce and Trade
- Ministry of Finance and Economic Affairs
- Ministry of Health
- Ministry of Agriculture
- Ministry of Transport and Works



David Harding  
Chairman



## APPENDICES



## APPENDIX 1: CRUISE PASSENGER ACTIVITY 2012-2014 (BY OPERATOR)

	CALLS			ARRIVING PASSENGERS		
	2012	2013	2014	2012	2013	2014
AIDA CRUISES	10	10	11	20,111	20,339	22,904
ALL LEISURE GROUP	1	0	0	358	0	0
ARTICA ADVENTURES & CRUISES	0	1	2	0	272	644
ASTOR SHIPPING	1	0	0	278	0	0
ATLANTAGENT	0	0	1	0	0	80
AZAMARA CRUISES	1	1	0	188	560	0
CARNIVAL CRUISE LINES	52	51	52	166,837	173,643	173,070
CELEBRITY CRUISES	31	30	31	72,523	76,927	79,748
CLIPPER CRUISE LINE	1	0	0	3	0	0
CLUB MED CRUISES	4	5	2	1,233	1,094	338
COSTA CRUISES	6	3	8	12,530	5,788	18,733
CRISTAL TRADING	0	1	2	0	5	86
Croisières De France	0	6	15	0	6,263	17,423
CRYSTAL CRUISES	3	2	1	1,901	1,513	1,013
CUNARD LINE LTD.	1	0	2	1,923	0	4,333
DELPHIN SEEREISEN	0	1	2	0	397	642
DISNEY CRUISE LINES	0	0	4	0	0	9,126
FRED OLSEN CRUISES	10	4	4	8,668	3,427	3,787
GLOBAL CRUISE LINE	1	2	1	743	1,418	746
HAPAG LLOYD A/G	2	1	1	667	346	348
HOLLAND AMERICA LINE	21	15	15	29,324	20,837	20,622
KRISTINA CRUISES	6	1	0	1,748	342	0
MAJESTIC CRUISE LINE	7	6	5	1,141	1,049	660
MEDITERRANEAN SHIPPING CO.	0	0	0	0	0	0
MSC CRUISES	2	1	3	3,287	2,274	9,649
NORWEGIAN CRUISE LINE	15	13	11	34,173	27,088	25,852
OCEANIA CRUISE LINE	3	10	11	3,066	10,888	9,889
P & O CRUISES	28	37	25	72,586	94,326	70,237
PHOENIX REISEN BONN	1	0	1	781	0	955
PRINCESS CRUISES	18	12	10	57,168	36,416	29,055
RADISSON SEVEN SEAS CRUISES	2	4	3	1,086	2,173	1,768
RESIDENSEA	0	1	0	0	141	0
ROYAL CARIBBEAN CRUISE LINE	24	45	46	64,842	114,597	115,565
SAGA SHIPPING	4	2	2	1,305	1,058	1,201
SALEN MANAGEMENT	1	1	0	108	94	0
SEA CLOUD CRUISES	10	11	14	572	588	812
SEABOURN CRUISE LINE	4	11	12	1,195	2,390	2,792
SEADREAM YACHT CLUB	7	6	8	658	533	702
SILVERSEA CRUISES	14	15	10	4,098	4,549	2,799
STAR CLIPPERS INC.	21	21	22	3,463	3,642	4,006
THOMSON CRUISES	18	18	21	26,811	27,294	30,221
TUI CRUISES	10	10	12	18,520	18,895	22,652
V - SHIPS	3	0	2	1,507	0	1,050
WAYBELL SHIPPING	1	0	0	292	0	0
WINDSTAR SAIL CRUISES	14	16	18	1,744	2,097	2,301
	358	374	390	617,438	663,263	685,809

## APPENDIX 2 : CRUISE PASSENGER ACTIVITY 2012-2014 (BY MONTH)

MONTH	NUMBER OF CALLS			ARRIVING PASSENGERS			EMBARRING PASSENGERS			DISEMBARKING PASSENGERS										
	2014	2013	%+/( )	2012	%+/( )	2014	2013	%+/( )	2012	%+/( )	2014	2013	%+/( )	2012	%+/( )					
JANUARY	61	64	-4.69%	68	-5.88%	110,997	112,370	-1.22%	105,629	6.38%	27,237	19,315	41.01%	23,961	-19.39%	27,550	19,466	41.53%	24,014	-18.94%
FEBRUARY	59	60	-1.67%	60	0.00%	100,709	96,859	3.97%	100,272	-3.40%	22,981	22,486	2.20%	23,004	-2.25%	22,833	22,538	1.31%	22,842	-1.33%
MARCH	69	65	6.15%	62	4.84%	90,967	101,385	-10.28%	95,398	6.28%	21,220	18,382	15.44%	19,709	-6.73%	21,653	18,454	17.33%	19,450	-5.12%
APRIL	37	34	8.82%	29	17.24%	58,711	49,769	17.97%	55,892	-10.96%	5,027	3,428	46.65%	4,142	-17.24%	5,470	4,004	36.61%	4,834	-17.17%
MAY	13	8	62.50%	6	33.33%	25,450	22,590	12.66%	17,451	29.45%	813	681	19.38%	585	16.41%	882	681	29.52%	599	13.69%
JUNE	7	6	16.67%	5	20.00%	18,318	19,216	-4.67%	13,510	42.24%	651	568	14.61%	584	-2.74%	781	558	39.96%	472	18.22%
JULY	9	8	12.50%	6	33.33%	27,953	25,617	9.12%	14,150	81.04%	681	762	-10.63%	767	-0.65%	674	749	-10.01%	833	-10.08%
AUGUST	6	7	-14.29%	5	40.00%	18,877	21,815	-13.47%	16,343	33.48%	675	643	4.98%	538	19.52%	609	646	-5.73%	448	44.20%
SEPTEMBER	8	7	14.29%	4	75.00%	21,912	19,796	10.69%	12,275	61.27%	631	598	5.52%	479	24.84%	654	614	6.51%	494	24.29%
OCTOBER	14	11	27.27%	10	10.00%	31,850	27,207	17.07%	26,365	3.19%	789	776	1.68%	636	22.01%	822	774	6.20%	641	20.75%
NOVEMBER	44	40	10.00%	41	-2.44%	74,135	63,991	15.85%	67,037	-4.54%	18,815	15,010	25.35%	9,576	56.75%	18,798	16,401	14.61%	9,590	71.02%
DECEMBER	63	64	-1.56%	62	3.23%	105,930	102,648	3.20%	93,116	10.24%	21,860	22,705	-3.72%	16,239	39.82%	21,258	20,615	3.12%	14,989	37.53%
TOTAL	390	374	4.28%	358	4.47%	685,809	663,263	3.40%	617,438	7.42%	121,380	105,354	15.21%	100,220	5.12%	121,984	105,500	15.62%	99,206	6.34%

## APPENDIX 3 : HOME PORT CRUISE PASSENGER ACTIVITY 2012-2014 ( BY VESSEL )

OPERATOR	VESSELL	2012				2013				2014			
		CALLS	ARRIVED	DISEMBARKED	EMBARKED	CALLS	ARRIVED	DISEMBARKED	EMBARKED	CALLS	ARRIVED	DISEMBARKED	EMBARKED
AIDA CRUISES	AIDALUNA	9	18,743	7,820	7,895	9	18,871	8,066	8,057	10	20,746	8,822	8,829
ARTICA ADVENTURES & CRUISES	MINERVA	0	0	0	0	1	272	233	293	2	644	612	471
ATLANTAGENT	SERENISSIMA	0	0	0	0	0	0	0	0	1	80	78	76
CELEBRITY CRUISES	AZAMARA JOURNEY	1	188	122	0	0	0	0	0	0	0	0	0
FRED OLSEN CRUISES	BRAEMAR	7	6,388	6,163	6,206	0	0	0	0	0	0	0	0
KRISTINA CRUISES	KRISTINA KATARINA	6	1,748	1,680	1,805	1	342	329	220	0	0	0	0
NOBLE CALEDONIAN	ISLAND SKY	1	108	102	105	1	94	94	0	0	0	0	0
P & O CRUISES	AZURA	7	21,475	18,230	18,221	13	38,784	24,839	25,012	10	30,333	29,819	30,019
P & O CRUISES	VENTURA	12	36,903	25,987	26,261	14	40,617	25,212	25,386	10	30,347	30,108	30,181
SEA CLOUD CRUISES	SEA CLOUD II	5	323	299	263	3	213	213	221	5	316	271	250
SEA CLOUD CRUISES	SEA CLOUD"	5	249	216	175	8	375	357	328	9	496	474	467
SEABOURN CRUISES	SEABOURN SPIRIT	1	199	172	178	10	1967	1651	1549	10	1946	1622	1554
SEADREAM YACHT CO	SEADREAM I	3	254	219	212	1	110	110	104	8	702	531	593
SEADREAM YACHT CO	SEADREAM II	4	404	378	343	5	423	355	270	0	0	0	0
SILVERSEA CRUISES	SILVER CLOUD	5	1,230	1,159	1,062	6	1511	722	553	4	989	485	504
SILVERSEA CRUISES	SILVER EXPLORER	1	75	75	24	1	76	52	58	1	62	62	8
SILVERSEA CRUISES	SILVER SPIRIT	2	815	710	589	3	1480	667	568	2	948	446	415
SILVERSEA CRUISES	SILVER WHISPER	6	1,978	1,551	1,372	5	1482	1048	1065	3	800	737	805
STAR CLIPPERS	ROYAL CLIPPER	19	3,359	3,195	3,204	20	3,496	3,332	3,474	21	3,910	3,673	3,564
STAR CLIPPERS	STAR FLYER	2	104	104	150	1	146	146	154	1	96	88	145
THOMSON	THOMSON DREAM	18	26,811	18,123	18,146	18	27294	17978	17948	16	23988	14424	14209
THOMSON	THOMSON CELEBRATION	0	0	0	0	0	0	0	0	5	6233	4461	4504
TUI CRUISES	MEIN SCHIFF	3	5,436	2,854	3,002	7	13,311	5,683	5,640	4	7,258	3,818	3,881
TUI CRUISES	MEIN SCHIFF II	0	0	0	0	3	5,584	3,379	3,348	8	15,394	9,002	9,097
WINDSTAR SAIL CRUISES	WIND SPIRIT	14	1,744	1,737	1,753	0	0	0	0	0	0	0	0
WINDSTAR SAIL CRUISES	WIND STAR	0	0	0	0	"	"0#	"0\$	%&0	18	2301	2286	2261
<b>TOTAL</b>		<b>131</b>	<b>128,534</b>	<b>90,896</b>	<b>90,966</b>	<b>133</b>	<b>156,756</b>	<b>94,772</b>	<b>94,658</b>	<b>148</b>	<b>147,589</b>	<b>111,819</b>	<b>111,833</b>

**BARBADOS PORT INC.**  
Financial Statements  
March 31, 2014  
(expressed in Barbados dollars)



## **Barbados Port Inc.**

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(expressed in Barbados dollars)

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## **Barbados Port Inc.**

Board of Directors, Officers and Advisors

**For the period ended March 31, 2014**

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(expressed in Barbados dollars)

### **Board of Directors**

David Harding	- Chairman
Captain George Fergusson	- Deputy Chairman
David Jean-Marie	- Managing Director
Calvin Alkins	- Director
David Douglas	- Director
Everton Walters	- Director
Gabrielle Springer	- Director (Resigned March 2013)
Irvine Best	- Director
Karen Henry	- Director
Keith Wilson	- Director
Michael Weetch	- Director
Neville Rowe	- Director
Dr. Robin Mahon	- Director (Resigned March 2013)

### **Secretary**

David Jean-Marie

### **Attorney-at-law**

Lystra Kodilinye

### **Bankers**

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

### **Auditor**

PricewaterhouseCoopers SRL



## INDEPENDENT AUDITOR'S REPORT

**To the Shareholder of  
Barbados Port Inc.**

We have audited the accompanying financial statements of **Barbados Port Inc.** ('the Company'), which comprise the statement of financial position as of March 31, 2014 and the statements of comprehensive income, changes in equity and cash flows for the period from January 1, 2013 to March 31, 2014, and notes comprising a summary of significant accounting policies and other explanatory notes.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these 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.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

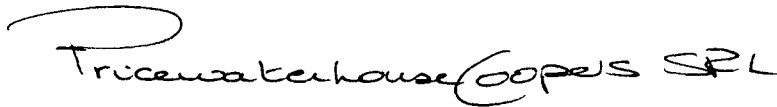


*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of **Barbados Port Inc.** as of March 31, 2014 and its financial performance and its cash flows for the period from January 1, 2013 to March 31, 2014 in accordance with International Financial Reporting Standards.

*Emphasis of Matter*

We draw attention to Note 2 to these financial statements, which states that as of March 31, 2014 the Company's current liabilities exceeded its current assets by \$40,701,448 (December 31, 2012 - \$31,825,364). This, along with other matters as described in Note 2, indicates the existence of a material uncertainty which may cast significant doubt about the ability of **Barbados Port Inc.** to continue as a going concern. Our opinion is not qualified in respect of this matter.

A handwritten signature in black ink that reads "Tricewaterhouse Coopers SPL". The signature is written in a cursive, flowing style.

December 19, 2014  
Bridgetown, Barbados



## Barbados Port Inc.

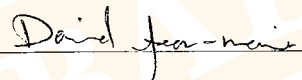
### Statement of Financial Position As of March 31, 2014

(expressed in Barbados dollars)

	2014 \$	Restated December 31, 2012 \$	Restated January 1, 2012 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents (note 5)	3,076,920	1,595,399	1,395,809
Accounts receivable (note 6)	7,386,042	7,909,959	8,859,393
Other receivables and prepaid expenses (note 7)	1,608,262	1,246,292	931,421
Inventories (note 8)	2,278,029	2,602,105	2,805,941
	<u>14,349,253</u>	<u>13,353,755</u>	<u>13,992,564</u>
<b>Non-current assets</b>			
Financial investments (note 9)	17,740,200	16,711,361	17,995,652
Investment in associated company (note 10)	1,075,161	1,299,279	1,387,344
Property, plant and equipment (note 11)	161,461,900	166,798,763	171,714,241
Capital works in progress (note 12)	26,298,701	23,492,580	2,411,554
	<u>206,575,962</u>	<u>208,301,983</u>	<u>193,508,791</u>
<b>Total assets</b>	<u>220,925,215</u>	<u>221,655,738</u>	<u>207,501,355</u>
<b>Liabilities and equity</b>			
<b>Current liabilities</b>			
Bank overdraft (note 5)	18,525,453	12,161,951	5,854,996
Accounts payable and accrued liabilities (note 13)	7,524,381	5,600,749	4,765,862
Due to associated company (note 14)	–	1,704,821	1,462,431
Current portion of long-term loans (note 15)	29,000,867	25,711,598	12,513,059
	<u>55,050,701</u>	<u>45,179,119</u>	<u>24,596,348</u>
<b>Non-current liabilities</b>			
Deferred capital grant (note 16)	774,762	1,126,926	608,571
Long-term loans (note 15)	68,036,019	83,044,332	93,813,111
Retirement benefit obligations (note 17)	14,550,742	17,062,425	15,420,545
	<u>83,361,523</u>	<u>101,233,683</u>	<u>109,842,227</u>
<b>Total liabilities</b>	<u>138,412,224</u>	<u>146,412,802</u>	<u>134,438,575</u>
<b>Equity</b>			
Share capital (note 18)	100	100	100
Capital contributions (note 19)	29,145,080	29,145,080	29,145,080
Port Fund	100,000	100,000	100,000
Fair value reserve	249,999	249,999	230,768
Retained earnings	53,017,812	45,747,757	43,586,832
	<u>82,512,991</u>	<u>75,242,936</u>	<u>73,062,780</u>
<b>Total equity</b>	<u>82,512,991</u>	<u>75,242,936</u>	<u>73,062,780</u>
<b>Total liabilities and equity</b>	<u>220,925,215</u>	<u>221,655,738</u>	<u>207,501,355</u>

Approved by the Board of Directors on December 16, 2014

 Director

 Director

## Barbados Port Inc.

### Statement of Changes in Equity

**For the period from January 1, 2013 to March 31, 2014**

(with comparative figures for the year ended December 31, 2012)

(expressed in Barbados dollars)

	Share capital \$	Capital contributions \$	Port Fund \$	Fair value reserve \$	Retained earnings \$	Total \$
<b>Balance at January 1, 2012 - as previously reported</b>	100	29,145,080	100,000	230,768	44,304,163	73,780,111
Effect of change in accounting policy (note 30)	–	–	–	–	(717,331)	(717,331)
<b>Balance at January 1, 2012 - restated</b>	100	29,145,080	100,000	230,768	43,586,832	73,062,780
Net income for the year	–	–	–	–	562,176	562,176
Other comprehensive income for the year	–	–	–	19,231	1,598,749	1,617,980
Total comprehensive income for the year	–	–	–	19,231	2,160,925	2,180,156
<b>Balance at December 31, 2012</b>	100	29,145,080	100,000	249,999	45,747,757	75,242,936
Net income for the period	–	–	–	–	5,352,072	5,352,072
Other comprehensive income for the period	–	–	–	–	1,917,983	1,917,983
Total comprehensive income for the period	–	–	–	–	7,270,055	7,270,055
<b>Balance at March 31, 2014</b>	100	29,145,080	100,000	249,999	53,017,812	82,512,991

## Barbados Port Inc.

### Statement of Comprehensive Income

**For the period from January 1, 2013 to March 31, 2014**

(with comparative figures for the year ended December 31, 2012)

(expressed in Barbados dollars)

	<b>2014</b>	<b>Restated</b>
	<b>\$</b>	<b>2012</b>
		<b>\$</b>
<b>Revenue</b>		
Cargo handling	58,626,223	46,379,809
Excess storage	3,721,196	2,825,110
Marine revenue	8,255,156	5,837,259
Passenger levy	8,475,390	4,991,282
Other (note 20)	8,310,579	6,342,415
	<b>87,388,544</b>	<b>66,375,875</b>
<b>Other operating income</b>		
Rent	2,136,010	1,679,384
Gain/(loss) on disposal of plant and equipment	212,444	(37,521)
Miscellaneous	2,781,828	1,101,421
	<b>5,130,282</b>	<b>2,743,284</b>
<b>Total operating income</b>	<b>92,518,826</b>	<b>69,119,159</b>
<b>Expenses</b>		
Administration	10,363,455	9,103,038
Staff costs (note 22)	46,250,113	38,594,334
Other expenses	17,589,357	13,959,664
	<b>74,202,925</b>	<b>61,657,036</b>
Operating income before the following:	<b>18,315,901</b>	<b>7,462,123</b>

## Barbados Port Inc.

### Statement of Comprehensive Income

**For the period from January 1, 2013 to March 31, 2014**

(with comparative figures for the year ended December 31, 2012)

(expressed in Barbados dollars)

	2014 \$	Restated 2012 \$
<b>Other (expenses)/income</b>		
Interest income	722,856	582,286
Dividend income	55,769	34,615
Impairment loss on property, plant and equipment (note 11)	(5,005,722)	—
	<u>(4,227,097)</u>	<u>616,901</u>
<b>Profit from operations</b>	<b>14,088,804</b>	<b>8,079,024</b>
Finance costs	<u>(9,375,114)</u>	<u>(7,878,783)</u>
<b>Profit before taxation and share of net income of associated company</b>	<b>4,713,690</b>	<b>200,241</b>
Share of net income of associated company (note 10)	<u>638,382</u>	<u>361,935</u>
<b>Net income for the period</b>	<b>5,352,072</b>	<b>562,176</b>
<b>Other comprehensive income:</b>		
<i>Items that will not be reclassified to income:</i>		
Remeasurement of retirement benefit obligations	1,917,983	1,598,749
<i>Items that may be subsequently reclassified to income:</i>		
Unrealised gain on available-for-sale financial investments	—	19,231
<b>Other comprehensive income for the period</b>	<b>1,917,983</b>	<b>1,617,980</b>
<b>Total comprehensive income for the period</b>	<b>7,270,055</b>	<b>2,180,156</b>



## Barbados Port Inc.

### Statement of Cash Flows

**For the period from January 1, 2013 to March 31, 2014**

(with comparative figures for the year ended December 31, 2012)

(expressed in Barbados dollars)

	2014 \$	Restated 2012 \$
<b>Cash flows from operating activities</b>		
Net income for the period	5,352,072	562,176
Adjustments for:		
Depreciation	8,268,704	6,440,669
(Gain)/loss on disposal of property, plant and equipment	(212,444)	37,521
Interest and dividend income	(778,625)	(616,901)
Finance costs	9,375,114	7,878,783
Share of net income of associated company	(638,382)	(361,935)
Pension and other post-retirement benefits	4,070,715	3,319,936
Impairment of property, plant and equipment	5,005,722	–
Amortisation of deferred grant	(352,164)	–
Operating profit before working capital changes	30,090,712	17,260,249
Decrease in accounts receivable	523,917	949,434
Increase in other receivables and prepaid expenses	(340,816)	(314,871)
Decrease in inventories	324,076	203,836
Increase in accounts payable and accrued liabilities	1,039,818	825,512
(Decrease)/increase in amount due to associated company	(1,704,821)	242,390
Cash generated from operations	29,932,886	19,166,550
Finance costs paid	(6,863,185)	(6,205,033)
Pension and other post-retirement benefits' contributions	(4,664,415)	(79,307)
<b>Net cash generated from operating activities</b>	<b>18,405,286</b>	<b>12,882,210</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(462,511)	(118,863)
Expenditure on capital works in progress	(10,281,173)	(22,542,375)
Proceeds from disposal of property, plant and equipment	212,444	17,500
Interest and dividend income received	626,631	632,173
Purchase of financial investments	(898,057)	(1,110,062)
Proceeds on disposal of financial investments	–	2,398,311
Dividend received from associated company	862,500	450,000
<b>Net cash used in investing activities</b>	<b>(9,940,166)</b>	<b>(20,273,316)</b>
<b>Cash flows from financing activities</b>		
Grant received	–	518,355
Loan received	721,510	13,278,490
Repayment of long-term loans	(14,068,611)	(12,513,104)
<b>Net cash (used in)/generated from financing activities</b>	<b>(13,347,101)</b>	<b>1,283,741</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(4,881,981)</b>	<b>(6,107,365)</b>
<b>Cash and cash equivalents - beginning of period</b>	<b>(10,566,552)</b>	<b>(4,459,187)</b>
<b>Cash and cash equivalents - end of period (note 5)</b>	<b>(15,448,533)</b>	<b>(10,566,552)</b>

# Barbados Port Inc.

Notes to Financial Statements

March 31, 2014

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(expressed in Barbados dollars)

## 1 Establishment of the 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 the 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 the Barbados Port Inc.
- c) To repeal the Barbados Port Authority Act.

The main provisions of the Act are disclosed below.

### *Commencement of Operations*

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

### *Transfer of Assets, Liabilities, Rights, etc*

For the purposes of the Act:

1. The lands of the Port shall be leased to the Company by the Crown for such period as the Crown determines.
2. All:
  - a) Assets in relation to the operation of the Port that were vested in the Authority immediately before the commencement of this Act;
  - b) Liabilities that were incurred by or on behalf of the Authority in relation to the operation of the Port and subsisting immediately before the commencement of this Act; and
  - c) Rights to set, collect and retain port dues and charges for the provision and use of port facilities and services

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

# Barbados Port Inc.

Notes to Financial Statements

March 31, 2014

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(expressed in Barbados dollars)

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

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

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

In respect of the operation of the Port:

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

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

### **Financial statement presentation**

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

During 2013, the Company changed its year end from December 31 to March 31, the year end of the Government of Barbados.

## 2 Continuing operations

At period end the Company's current liabilities exceeded its current assets by \$40,701,448 (2012 - \$31,825,364). Included in current liabilities are amounts due in respect of the Company's long term loans of \$29,000,867 (2012 - \$25,711,598) of which \$23,820,014 (2012 - \$22,530,745) are guaranteed by the Government of Barbados. On December 31, 2014 the Company is due to repay \$14,000,000, of which \$10,000,000 is secured by a Letter of Comfort from the Government of Barbados and \$1,500,000 is secured by an assignment of Government of Barbados Treasury Note 5.875%. Management have commenced discussions with the Company's bankers with a view to re-structuring and rescheduling the Company's existing loan commitments. However, at the date of release of these financial statements, these negotiations have not been concluded.

The Company has commenced a program of bond issuance. The Company entered into a Letter of Undertaking with Republic Bank (Barbados) Limited dated April 25, 2014 for the issuance of up to \$107,500,000 of bonds in two tranches. As at the date of the financial statements \$23.5 million of bonds were subscribed and the Company had commitments of \$20.5 million. The \$14 million loan is intended to be repaid through this bond issuance.

If the financing arrangements in respect of the \$14,000,000 loan are not completed by December 31, 2014, alternative financing arrangements will have to be made with the bank. These conditions result in a material uncertainty about the Company's ability to continue as a going concern.

## Barbados Port Inc.

Notes to Financial Statements  
March 31, 2014

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(expressed in Barbados dollars)

### 3 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 assets.

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 4.

#### i) New standards, amendments and interpretations adopted by the Company

IAS 1 (amendment)	'Presentation of financial statements' (effective July 1, 2012)
IAS 19 (amendment)	'Employee benefits' (effective January 1, 2013)
IFRS 12	'Disclosures of interests in other entities' (effective January 1, 2013)
IFRS 13	'Fair value measurement' (effective January 1, 2013)

#### ii) New standards, amendments and interpretations mandatory for the first time for the financial period beginning January 1, 2013 but not currently relevant to the Company

IFRS 1 (amendment)	'First time adoption' on government loans (effective January 1, 2013)
IFRS 7 (amendment)	'Financial instruments; Disclosures on offsetting financial assets and financial liabilities' (effective January 1, 2013)
IFRS 10	'Consolidated financial statements' (effective January 1, 2013)
IFRS 11	'Joint arrangements' (effective January 1, 2013)
IAS 27 (revised 2011)	'Separate financial statements' (effective January 1, 2013)
IAS 28 (revised 2011)	'Associates and joint ventures'
IFRIC 20	'Stripping costs in the production phase of a surface mine' (effective January 1, 2013)

#### iii) New standards, amendments and interpretations issued but not yet effective for the financial period beginning January 1, 2013 and not early adopted

IAS 36, (amendment) 'Impairment of assets' addresses the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.

IFRS 9, 'Financial instruments', retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortised cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset.



# Barbados Port Inc.

Notes to Financial Statements

March 31, 2014

(expressed in Barbados dollars)

## 3 Significant accounting policies ...continued

### b) Inventories

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

### c) Property, plant and equipment

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

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

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

#### Leased assets

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

#### Other assets

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

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

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

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

## Barbados Port Inc.

Notes to Financial Statements

March 31, 2014

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(expressed in Barbados dollars)

### 3 Significant accounting policies ...continued

#### d) Foreign currency translation

##### i) Functional and presentation currency

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

##### ii) Transactions and balances

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

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

#### e) Taxation

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

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

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

## Barbados Port Inc.

Notes to Financial Statements

March 31, 2014

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(expressed in Barbados dollars)

### 3 Significant accounting policies ...continued

#### 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 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 the statement of 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.

## Barbados Port Inc.

Notes to Financial Statements

March 31, 2014

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(expressed in Barbados dollars)

### 3 Significant accounting policies ...continued

#### g) Financial investments ...continued

##### 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.

Interest income arising on financial investments is accrued using the effective yield method and is included in the statement of comprehensive income. Dividends are recorded in comprehensive income when the right to receive payment is established.

#### **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 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.



## Barbados Port Inc.

Notes to Financial Statements

March 31, 2014

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(expressed in Barbados dollars)

### 3 Significant accounting policies ...continued

#### g) Financial investments ...continued

##### *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: bank overdraft, accounts payable, due to associated company 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 and interim valuations in years where a full valuation has not been performed.

##### *Employee benefits*

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

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

## Barbados Port Inc.

### Notes to Financial Statements

March 31, 2014

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(expressed in Barbados dollars)

### 3 Significant accounting policies ...continued

#### h) Employee benefits ...continued

##### 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.

##### 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 recognized 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.

# Barbados Port Inc.

Notes to Financial Statements

March 31, 2014

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(expressed in Barbados dollars)

## 3 Significant accounting policies ...continued

### j) Impairment of non-financial assets

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

### k) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at the anticipated realisable value. A provision for impairment of trade receivables 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 trade 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 a trade 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 and cash equivalents

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

### m) Accounts payable

Accounts payable are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

### n) Long-term loans

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

General and specific finance costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other finance costs are recognised in the statement of comprehensive income in the period in which they are incurred.

## Barbados Port Inc.

Notes to Financial Statements

March 31, 2014

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(expressed in Barbados dollars)

### 3 Significant accounting policies ...continued

#### 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.



## Barbados Port Inc.

### Notes to Financial Statements

March 31, 2014

(expressed in Barbados dollars)

#### 4 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, expected rates of return on assets of the plan, future pension increases, future salary increases, proportion of employees opting for early retirement, future changes in the NIS ceiling and inflation. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. Assumptions used are disclosed in Note 17.

##### *Impairment of available-for-sale financial assets*

The Company follows the guidance of IAS 39 to determine when an available-for-sale financial asset is impaired. This determination requires significant judgement. In making this judgement, the Company evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flows.

#### 5 Cash and cash equivalents

	2014 \$	2012 \$
Cash at bank	3,076,920	1,595,399
Bank overdraft	(18,525,453)	(12,161,951)
	<u>(15,448,533)</u>	<u>(10,566,552)</u>

Significant concentrations of cash and cash equivalents are as follows:

	2014 \$	2012 \$
First Citizens Bank (Barbados) Limited	2,542,398	1,199,120
Republic Bank (Barbados) Limited (unrated)	(17,992,371)	(11,767,113)

The following have been pledged as security as at March 31, 2014:

- First legal debenture over the fixed and floating assets of the Company stamped to cover the amount of \$14,400,000.
- Hypothecation of term deposit #2051620 in the amount of \$8,000.
- Hypothecation of term deposit in the amount of \$12,000.
- Letter of comfort from the Government of Barbados to the extent of \$10,000,000.

## Barbados Port Inc.

### Notes to Financial Statements

March 31, 2014

(expressed in Barbados dollars)

#### 6 Accounts receivable

	2014 \$	2012 \$
Trade receivables	8,013,666	8,391,203
Less: Provision for impairment of receivables	(627,624)	(481,244)
	<u>7,386,042</u>	<u>7,909,959</u>

As at period end, trade receivables of \$5,112,081 (2012 - \$3,778,116) were fully performing.

Trade receivables that are less than three months past due are not considered impaired. As at period end trade receivables of \$2,273,961 (2012 - \$4,131,843) were past due but not considered impaired. The ageing analysis of these receivables is as follows:

	2014 \$	2012 \$
Over 30 days	903,731	1,317,505
Over 60 days	199,774	787,185
Over 90 days	1,170,456	2,027,153
	<u>2,273,961</u>	<u>4,131,843</u>

As at period end, trade receivables of \$627,624 (2012 - \$481,244) were past due, impaired and provided for.

	2014 \$	2012 \$
Over 90 days	627,624	481,244
Total trade receivables	<u>8,013,666</u>	<u>8,391,203</u>

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

	2014 \$	2012 \$
Balance - beginning of period	481,244	254,879
Write back of provision	(100,112)	(151,512)
Increase in provision	246,492	377,877
Balance - end of period	<u>627,624</u>	<u>481,244</u>

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.

## Barbados Port Inc.

Notes to Financial Statements

March 31, 2014

(expressed in Barbados dollars)

### 7 Other receivables and prepaid expenses

	2014 \$	2012 \$
Staff receivables	463,204	529,936
Dividend receivable	21,154	—
Other	3,000	200
	<hr/>	<hr/>
Other receivables	487,358	530,136
Prepaid expenses	1,120,904	716,156
	<hr/>	<hr/>
	1,608,262	1,246,292

No provision for impairment on these receivables was required in 2014 or 2012.

### 8 Inventories

	2014 \$	2012 \$
Fuel	76,820	65,280
General supplies	—	4,486
Equipment spares	2,575,728	2,706,165
Stationery	46,709	56,205
	<hr/>	<hr/>
	2,699,257	2,832,136
Less: provision for obsolescence	(421,228)	(230,031)
	<hr/>	<hr/>
	2,278,029	2,602,105

The Company wrote off inventory of \$191,197 (2012 - \$102,124) directly to the statement of comprehensive income during the period.

## Barbados Port Inc.

### Notes to Financial Statements

March 31, 2014

(expressed in Barbados dollars)

#### 9 Financial investments

	2014 \$	2012 \$
<b>Available-for-sale:</b>		
Insurance Corporation of Barbados Limited (Equities) - at market value		
At January 1	499,999	480,768
Unrealised gain included in other comprehensive income	–	19,231
At March 31, 2014 and December 31, 2012	499,999	499,999
<b>Loans and receivables:</b>		
Term deposits at Republic Bank (Barbados) Limited	21,948	21,948
Debt Service Reserve Account at First Citizens Bank (Barbados) Limited	2,591,648	2,522,758
US\$ Bond Holders Account at First Citizens Bank (Barbados) Limited	6,981,136	6,151,969
	9,594,732	8,696,675
<b>Held-to-maturity:</b>		
Government of Barbados Treasury Note 5.875% (January 1, 2009 - October 31, 2014)	1,536,719	1,514,687
Government of Barbados Treasury Note 7.25% (March 1, 2007 - December 31, 2014)	6,108,750	6,000,000
	7,645,469	7,514,687
	17,740,200	16,711,361

Government of Barbados Treasury Note 5.875% was held by RBC Royal Bank (Barbados) Limited as security for a loan to assist in financing the Dredging Project and was released when this loan was fully repaid in February 2012. This Treasury Note is now held by First Citizens Bank (Barbados) Limited as part of the security for the \$14 million loan obtained during 2012. The term deposits at Republic Bank (Barbados) Limited, the debt service reserve account and the Government of Barbados Treasury Note 7.25% are being held by First Citizens Bank (Barbados) Limited in connection with the \$25 million loan whilst the US\$ bond holders account is being used as part of the security against the combination facility of US \$7.5 million and Bds\$5.0 million obtained from First Citizens Bank (Barbados) Limited.

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 2014 and 2012.

The fair value of loans and receivables and held-to-maturity financial investments at period end was \$9,594,732 (2012 - \$8,696,675) and \$7,978,702 (2012 - \$7,853,850) respectively.

## Barbados Port Inc.

Notes to Financial Statements

March 31, 2014

(expressed in Barbados dollars)

### 10 Investment in associated company

	2014 \$	2012 \$
<b>Bridgetown Cruise Terminals, Inc.</b>		
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	549,279	637,344
	<b>1,299,279</b>	1,387,344
Share of net income for the period	638,382	361,935
Dividends received	(862,500)	(450,000)
Balance end of period	<b>1,075,161</b>	1,299,279

The results of the associated company as of March 31, 2014 and December 31, 2012 are as follows:

	Assets \$	Liabilities \$	Revenues \$	Net Income \$
15 month period ended March 31, 2014	<b>4,742,435</b>	<b>1,158,565</b>	<b>4,196,043</b>	<b>2,127,940</b>
Year ended December 31, 2012	5,302,580	971,650	5,584,597	1,206,454



**Barbados Port Inc.**  
Notes to Financial Statements  
March 31, 2014

(expressed in Barbados dollars)

**11 Property, plant and equipment**

**At December 31, 2011**

	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 \$
Cost	52,309,305	26,811,480	23,503,167	29,694,492	91,127,073	78,128,427	301,573,944
Accumulated depreciation	—	(19,353,299)	(13,310,035)	(12,148,541)	(78,800,334)	(6,247,494)	(129,859,703)
Net book amount	52,309,305	7,458,181	10,193,132	17,545,951	12,326,739	71,880,933	171,714,241

**Year ended December 31, 2012**

Opening net book amount	52,309,305	7,458,181	10,193,132	17,545,951	12,326,739	71,880,933	171,714,241
Transferred from capital works in progress	—	578,445	—	—	882,904	—	1,461,349
Additions	—	—	—	—	118,863	—	118,863
Disposals	—	—	—	—	—	(59,805)	(59,805)
Accumulated depreciation on disposals	—	—	—	—	—	4,784	4,784
Depreciation for year	—	(694,989)	(470,063)	(995,012)	(2,719,233)	(1,561,372)	(6,440,669)
Closing net book amount	52,309,305	7,341,637	9,723,069	16,550,939	10,609,273	70,264,540	166,798,763

**At December 31, 2012**

Cost	52,309,305	27,389,925	23,503,167	29,694,492	92,128,840	78,068,622	303,094,351
Accumulated depreciation	—	(20,048,288)	(13,780,098)	(13,143,553)	(81,519,567)	(7,804,082)	(136,295,588)
Net book amount	52,309,305	7,341,637	9,723,069	16,550,939	10,609,273	70,264,540	166,798,763

## Barbados Port Inc.

Notes to Financial Statements

March 31, 2014

(expressed in Barbados dollars)

### 11 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 \$
<b>Period from January 1, 2013 to March 31, 2014</b>							
Opening net book amount	52,309,305	7,341,637	9,723,069	16,550,939	10,609,273	70,264,540	166,798,763
Transferred from capital works in progress	2,082,743	359,154	—	—	5,033,155	—	7,475,052
Additions	—	—	—	—	462,511	—	462,511
Disposals	—	—	—	—	(228,779)	—	(228,779)
Accumulated depreciation on disposals	—	—	—	—	228,779	—	228,779
Impairment loss	—	—	—	(5,005,722)	—	—	(5,005,722)
Depreciation for period	—	(744,791)	(587,579)	(1,243,826)	(3,740,792)	(1,951,716)	(8,268,704)
<b>Closing net book amount</b>	<b>54,392,048</b>	<b>6,956,000</b>	<b>9,135,490</b>	<b>10,301,391</b>	<b>12,364,147</b>	<b>68,312,824</b>	<b>161,461,900</b>

**At March 31, 2014**

## Barbados Port Inc.

### Notes to Financial Statements March 31, 2014

(expressed in Barbados dollars)

#### 11 Property, plant and equipment ...continued

Certain items included in watercraft and tugs have been provided as collateral in respect of borrowings as disclosed in note 15.

The carrying amount of the tugs has been reduced to the recoverable amount of \$7,960,000 through recognition of an impairment loss. The recoverable amount of the tugs is equivalent to their fair value less costs to sell based on the post balance sheet date sale of the tugs to a third party. This valuation is considered to be level 2 in the fair value hierarchy.

#### 12 Capital works in progress

	Cruise Pier project \$	Other \$	Total \$
<b>At December 31, 2011</b>			
Cost	—	2,411,554	2,411,554
<b>Year ended December 31, 2012</b>			
Opening net book amount	—	2,411,554	2,411,554
Additions	20,165,942	2,511,267	22,677,209
Transfers to property, plant and equipment	—	(1,461,349)	(1,461,349)
Expensed	—	(134,834)	(134,834)
Closing net book amount	20,165,942	3,326,638	23,492,580
<b>At December 31, 2012</b>			
Cost	20,165,942	3,326,638	23,492,580
<b>Period from January 1, 2013 to March 31, 2014</b>			
Opening net book amount	20,165,942	3,326,638	23,492,580
Additions	2,364,463	8,190,871	10,555,334
Transfers to property, plant and equipment	—	(7,475,052)	(7,475,052)
Expensed	—	(274,161)	(274,161)
Closing net book amount	22,530,405	3,768,296	26,298,701
<b>At March 31, 2014</b>			
Cost	22,530,405	3,768,296	26,298,701

During 2012, the Company commenced work on the design phase of the new Cruise Pier project. It is anticipated that the total cost of the project will be \$220 million. Financing arrangements for the project are currently being negotiated.

## Barbados Port Inc.

### Notes to Financial Statements

March 31, 2014

(expressed in Barbados dollars)

#### 13 Accounts payable and accrued liabilities

	2014 \$	Restated 2012 \$
Accounts payable	1,291,434	837,281
Accrued liabilities	5,060,500	4,269,687
Interest payable	883,814	151,600
VAT payable	288,633	342,181
	<u>7,524,381</u>	<u>5,600,749</u>

#### 14 Due to associated company

	2014 \$	2012 \$
Bridgetown Cruise Terminals, Inc.	—	1,704,821
	<u>—</u>	<u>1,704,821</u>

This amount was interest-free, unsecured and without written terms of repayment.

#### 15 Long-term loans

	2014 \$	2012 \$
i) RBC Royal Bank Barbados - Port Rehabilitation Project	13,440,337	16,427,079
ii) a) First Citizens Bank (Barbados) Limited - Series 1	2,598,381	4,330,636
b) First Citizens Bank (Barbados) Limited - Series 2	9,415,895	10,864,493
iii) a) First Citizens Bank (Barbados) Limited (US\$7.5M)	14,347,583	13,319,987
b) First Citizens Bank (Barbados) Limited (\$5M)	8,380,246	7,779,785
iv) Republic Bank (Barbados) Limited	34,854,444	42,755,460
v) First Citizens Bank (Barbados) Limited	14,000,000	13,278,490
	<u>97,036,886</u>	<u>108,755,930</u>
Less: current portion	<u>(29,000,867)</u>	<u>(25,711,598)</u>
	<u>68,036,019</u>	<u>83,044,332</u>

## Barbados Port Inc.

Notes to Financial Statements  
March 31, 2014

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(expressed in Barbados dollars)

### 15 Long-term loans ...continued

- i) This loan 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 bears interest fixed at the rate of 6.75%. The loan of \$34,000,000 is repayable by 26 semi-annual instalments of principal and interest from the period December 31, 2005 to July 1, 2018. Interest capitalized during the moratorium period of July 2003 to June 2005 amounted to \$4,827,641. Repayment of the loan commenced on December 31, 2005 and the outstanding amount owed to the Bank is \$13,440,337 (2012 - \$16,427,079). The loan is secured by a Government of Barbados guarantee.
- ii) The loan from First Citizens Bank (Barbados) Limited commenced on July 22, 2007. The loan of \$25,000,000 is in two series as follows:
  - a) Series 1 - \$12,500,000 bears interest fixed at 5.375%. This series is repayable by 16 semi-annual installments of \$866,127 plus interest payable on June 30 and December 31 beginning December 31, 2007 and ending June 30, 2015. Interest capitalized during the moratorium period of July 2005 to June 2007 amounted to \$1,358,037. Repayment of this series commenced on December 31, 2007 and the outstanding amount owing to the Bank is \$2,598,381 (2012 - \$4,330,636).
  - b) Series 2 - \$12,500,000 bears interest fixed at 6.25%. This series is repayable by 22 semi-annual installments of \$724,300 plus interest payable on June 30 and December 31 beginning December 31, 2009 and ending June 30, 2020. Interest capitalized during the moratorium period of July 2005 to June 2009 amounted to \$3,434,590. Repayment of the loan commenced on December 31, 2010 and the outstanding amount owing to the Bank is \$9,415,895 (2012 - \$10,864,493).

These loans are secured against the Debt Service Reserve Account as disclosed in note 9 and certain items of property, plant and equipment as disclosed in note 11.

- iii) This loan from First Citizens Bank (Barbados) Limited issued January 2007, was obtained to finance the Port's capital works programme and is a combination facility of US\$7.5million and Bds\$5.0million as follows:
  - a) US\$ Facility - This facility bears interest fixed at 8.25% for the first 7 years, thereafter floating at US prime rate with a floor of 7.75% and a ceiling of 9.0%. This facility is repayable by variable semi-annual payments of principal and interest. Interest is capitalized during the moratorium period of 7 years. The Bank disbursed US\$4,215,000 and capitalized interest at March 31, 2014 of US\$2,958,792 (2012 - US\$2,444,993).
  - b) Bds\$ Facility - This facility bears interest fixed at 8.25% for the first 7 years, thereafter floating at 1.5% discount to First Citizens Bank (Barbados) Limited's corporate prime rate with a floor of 7.75% and a ceiling of 9.0%. This facility is repayable by variable semi-annual payments of principal and interest. Interest is capitalized during the moratorium period of 7 years. This amount was fully disbursed and capitalized interest at March 31, 2014 is \$3,380,246 (2012 - \$2,779,785).

This loan is secured against the US\$ Bond Holders Account as disclosed in note 9 and certain items of property, plant and equipment as disclosed in note 11. Commencing June 2014 the loans are to be repaid by semi-annual payments of principal and interest, with stepped-up principal payments during the 8 year repayment period.



## Barbados Port Inc.

### Notes to Financial Statements

March 31, 2014

(expressed in Barbados dollars)

#### 15 Long-term loans ...continued

- iv) This loan from Republic Bank (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 loan 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 loan is to be repaid by 28 blended quarterly payments of \$2,274,076. The amount owed to the Bank is \$34,854,444 (2012 - \$42,755,460). The loan is secured by a Government of Barbados guarantee.
- v) The loan from First Citizens Bank (Barbados) Limited was obtained on February 15, 2012 to finance 70% of the cost of preparation of detailed planning documents in relation to a proposed project which involves the construction of a new cruise terminal. The loan of \$14,000,000 bears interest at the rate of 7.0%. Interest only is payable monthly in arrears. The loan is secured by an assignment of Government of Barbados Treasury Note 5.875% of \$1,500,000 and a Letter of Comfort from the Ministry of Finance and Economic Affairs on behalf of the Government of Barbados for \$10,000,000. The principal was repayable in full in December 31, 2012. An extension has been granted until December 31, 2014.

The maturity of loan balances has been disclosed in note 26 (a)(iii).

The fair value of the Company's fixed rate borrowings was \$100,182,078 (2012 - \$100,086,540) at the end of the period.

#### 16 Deferred capital grant

The Company has obtained capital grants from the Barbados Competitiveness Programme Implementation Unit to partly fund the acquisition of the Klein Port Management Systems, as follows:

	2014 \$	2012 \$
Balance - beginning of year	1,126,926	608,571
Grants received	—	518,355
Amortisation	(352,164)	—
Balance - end of year	774,762	1,126,926

During the period, the system was completed and transferred to property, plant and equipment. The system is being amortised over its useful life of four years.

## Barbados Port Inc.

Notes to Financial Statements

March 31, 2014

(expressed in Barbados dollars)

### 17 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 Port 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 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 obligations are as follows:

	2014 \$	Restated 2012 \$
Pension plan	9,114,519	11,722,026
Post-retirement medical benefits	5,436,223	5,340,399
	<u>14,550,742</u>	<u>17,062,425</u>

#### *Pension plan*

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

	2014 \$	Restated 2012 \$
Present value of funded obligations	60,949,174	59,569,125
Fair value of plan assets	<u>(51,834,655)</u>	<u>(47,847,099)</u>
Pension plan liability	<u>9,114,519</u>	<u>11,722,026</u>

## Barbados Port Inc.

Notes to Financial Statements

March 31, 2014

(expressed in Barbados dollars)

### 17 Retirement benefit obligations ...continued

#### *Pension plan ...continued*

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

	2014 \$	Restated 2012 \$
Present value of funded obligations - beginning of period	59,569,125	57,877,776
Current service cost	2,175,187	1,853,416
Interest cost	5,650,600	4,428,375
Benefits paid	(4,655,885)	(3,328,313)
Actuarial gain on obligations	(1,789,853)	(1,262,129)
Present value of funded obligations - end of period	<u>60,949,174</u>	<u>59,569,125</u>

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

	2014 \$	Restated 2012 \$
Plan assets - beginning of period	47,847,099	47,154,839
Expected return on plan assets	4,630,356	3,525,616
Contributions - total	4,562,621	2,286
Benefits paid	(4,655,885)	(3,328,313)
Actuarial (losses)/gains on plan assets	(549,536)	492,671
Plan assets - end of period	<u>51,834,655</u>	<u>47,847,099</u>

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

	2014 \$	Restated 2012 \$
Net liability - beginning of period	11,722,026	10,722,937
Contributions paid	(4,562,621)	(2,286)
Expense recognised in the statement of comprehensive income	3,195,431	2,756,175
Actuarial gain recognised in the statement of other comprehensive income	(1,240,317)	(1,754,800)
Net liability - end of period	<u>9,114,519</u>	<u>11,722,026</u>

# Barbados Port Inc.

Notes to Financial Statements

March 31, 2014

(expressed in Barbados dollars)

## 17 Retirement benefit obligations ...continued

### *Pension plan ...continued*

Expense recognised in the statement of comprehensive income:

	2014 \$	Restated 2012 \$
Current service cost	2,175,187	1,853,416
Interest cost	5,650,600	4,428,375
Expected return on plan assets	(4,630,356)	(3,525,616)
	<b>3,195,431</b>	<b>2,756,175</b>
Actual return on plan assets	<b>4,081,134</b>	<b>4,018,287</b>

Expense recognised in the statement of other comprehensive income:

	2014 \$	Restated 2012 \$
Actuarial gains on retirement benefit obligations	1,789,853	1,262,129
Return on plan assets excluding amounts included in interest expense	(549,536)	492,671
	<b>1,240,317</b>	<b>1,754,800</b>

	2014 %	Restated 2012 %
Plan assets are comprised as follows:		
Bonds	63.03	62.40
Equities	34.83	22.02
Deposits	—	9.64
Other assets	2.14	5.94
Net assets	<b>100.00</b>	<b>100.00</b>

## Barbados Port Inc.

### Notes to Financial Statements

March 31, 2014

(expressed in Barbados dollars)

#### 17 Retirement benefit obligations ...continued

##### *Pension plan ...continued*

##### **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 (15%) 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.

##### **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, 2015 are \$7,450,028.

The weighted average duration of the defined benefit plan is 11.05 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	3.35	4.57	13.83	28.76	50.51



## Barbados Port Inc.

### Notes to Financial Statements

March 31, 2014

(expressed in Barbados dollars)

#### 17 Retirement benefit obligations ...continued

Principal actuarial assumptions used for accounting purposes were:

	2014 %	2012 %
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

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

	Impact on present value of funded obligations		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1%	6,090,933	7,374,500
Salary growth rate	0.5%	2,621,912	2,311,703
Life expectancy	1 year	3,200,381	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 period.

## Barbados Port Inc.

Notes to Financial Statements

March 31, 2014

(expressed in Barbados dollars)

### 17 Retirement benefit obligations ...continued

#### *Post-retirement medical benefits*

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

	2014 \$	Restated 2012 \$
Present value of funded obligations	5,436,223	5,340,399

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

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

	2014 \$	Restated 2012 \$
Present value of funded obligations - beginning of period	5,340,399	4,697,608
Current service cost	271,418	195,119
Interest cost	525,566	368,642
Past service cost - vested benefits	78,300	—
Benefits paid	(101,794)	(77,021)
Actuarial (gains)/losses on obligations	(677,666)	156,051
Present value of funded obligations - end of period	5,436,223	5,340,399

## Barbados Port Inc.

Notes to Financial Statements

March 31, 2014

(expressed in Barbados dollars)

### 17 Retirement benefit obligations ...continued

#### *Post-retirement medical benefits ...continued*

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

	2014 \$	Restated 2012 \$
Net liability - beginning of period	5,340,399	4,697,608
Contributions paid	(101,794)	(77,021)
Expense recognised in the statement of comprehensive income	875,284	563,761
Actuarial (gains)/losses recognised in the statement of other comprehensive income	(677,666)	156,051
Net liability - end of period	5,436,223	5,340,399

Expense recognised in the statement of comprehensive income:

	2014 \$	2012 \$
Current service cost	271,418	195,119
Interest cost	525,566	368,642
Past service cost - vested benefits	78,300	—
	875,284	563,761

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

	Increase \$	Decrease \$
Effect on the current service cost and interest cost	957,359	670,132
Effect on funded obligations	6,430,933	4,639,869

## Barbados Port Inc.

Notes to Financial Statements

March 31, 2014

(expressed in Barbados dollars)

### 17 Retirement benefit obligations ...continued

#### *Post-retirement medical benefits ...continued*

Principal actuarial assumptions used for accounting purposes were:

	2014 %	Restated 2012 %
Discount rate	7.75	7.75
Medical cost inflation	5.00	5.00
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.

### 18 Share capital

#### Authorised

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

#### Issued

	2014 \$	2012 \$
100 (2012 - 100) common shares, stated value	100	100

## Barbados Port Inc.

Notes to Financial Statements

March 31, 2014

(expressed in Barbados dollars)

### 19 Capital contributions

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

	2014 \$	2012 \$
Value of leased assets of \$42,310,845 less long-term loan obligations of \$28,229,630 at January 1, 1979, under the lease agreement with the Crown.	14,081,215	14,081,215
Value of the other assets less other liabilities of the former Port Department and Port Contractors (Barbados) Limited at January 1, 1979, transferred to, or assumed by Barbados Port Inc, less the amount of \$100,000 allocated to the Port Fund as established under Section 7(I) of the Barbados Port Authority Act, Cap. 285B.	15,063,865	15,063,865
	<b>29,145,080</b>	<b>29,145,080</b>

#### *Leased assets and long-term obligations under lease agreement with the Crown*

- 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.
- 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.
- 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.
- 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.



## Barbados Port Inc.

Notes to Financial Statements

March 31, 2014

(expressed in Barbados dollars)

### 20 Revenue - other

	2014 \$	2012 \$
Bulk handling terminal	1,023,109	1,050,748
Sugar levy	207,225	247,379
Auction sales	381,557	433,368
Garbage disposal	891,058	616,505
Security services	5,578,513	3,848,293
Taxi and tour buses registration	198,242	121,072
Photo identification	30,875	25,050
	<u>8,310,579</u>	<u>6,342,415</u>

### 21 Expenses by nature

	2014 \$	Restated 2012 \$
Staff costs (note 22)	46,250,113	38,594,334
Repairs and maintenance	9,672,817	7,518,995
Utilities	3,680,283	3,333,758
Advertising and promotions	446,040	280,893
Depreciation	8,268,704	6,440,669
Amortisation of deferred grant	(352,164)	—
Insurance	1,279,732	1,072,267
Professional fees	472,575	477,200
Other	4,484,825	3,938,920
	<u>74,202,925</u>	<u>61,657,036</u>

### 22 Staff costs

	2014 \$	Restated 2012 \$
Payroll costs and benefits	42,025,254	35,167,806
Pension expenses		
- defined benefit	3,195,431	2,756,175
- defined contribution	154,144	106,592
Post-retirement medical benefits	875,284	563,761
	<u>46,250,113</u>	<u>38,594,334</u>

## Barbados Port Inc.

### Notes to Financial Statements

March 31, 2014

(expressed in Barbados dollars)

#### 23 Taxation

The tax on the Company's net income for the period differs from the theoretical amount that would arise using the basic tax rate as follows:

	2014 \$	Restated 2012 \$
Net income for the period	5,352,072	562,176
Taxation calculated at 25% (2012 - 25%)	1,338,018	140,544
Expenses not deductible for tax purposes	656,989	528,617
Income not subject to tax	(101,983)	(8,654)
Market development and other allowances	(223,775)	(203,177)
Qualifying capital expenditure	(1,968,675)	(3,171,653)
Movement in deferred tax asset not recognized	459,022	2,975,226
Associated company's results reported net of tax	(159,596)	(90,484)
Prior year under provision of current and deferred tax	—	(170,419)
	—	—

There is a potential deferred tax asset which has not been recognised in the financial statements since it is uncertain that taxable profits will be available against which the deferred tax asset can be utilised.

The unrecognised deferred tax asset consists of the following components:

	2014 \$	Restated 2012 \$
Delayed tax depreciation	53,692,854	43,064,342
Interest receivable	(130,781)	—
Retirement benefit obligations	14,550,742	17,062,425
Unutilised tax losses (note 24)	14,985,143	30,927,783
Qualifying capital expenditure (note 25)	20,820,102	12,945,403
	103,918,060	103,999,953
Unrecognised deferred tax asset at corporation tax rate of 25% (2012 - 25%)	25,979,515	25,999,988

The deferred tax asset of \$25,979,515 (2012 - \$25,999,988) has not been recognised in the financial statements due to the uncertainty of recoverability. The expiry dates of tax losses are disclosed in Note 24. The other temporary differences have no expiry dates.

## Barbados Port Inc.

Notes to Financial Statements

March 31, 2014

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### 24 Tax losses

Tax losses of the Company which are available for set off against future taxable income for corporation tax purposes are as follows:

Year of income	Losses b/fwd \$	Utilised \$	Losses c/fwd \$	Expiry date
2006	12,107,563	(12,107,563)	—	
2007	15,525,473	(3,835,077)	11,690,396	2016
2008	1,855,292	—	1,855,292	2017
2011	1,439,455	—	1,439,455	2020
	<u>30,927,783</u>	<u>(15,942,640)</u>	<u>14,985,143</u>	

These losses are as computed by the Company in its corporation tax returns and have as yet neither been confirmed nor disputed by the Commissioner of Inland Revenue.

### 25 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 \$	Incurred \$	C/fwd \$	Expiry date
2011	258,792	—	258,792	2030
2012	12,686,611	—	12,686,611	2031
2014	—	7,874,699	7,874,699	2033
	<u>12,945,403</u>	<u>7,874,699</u>	<u>20,820,102</u>	

## Barbados Port Inc.

Notes to Financial Statements

March 31, 2014

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(expressed in Barbados dollars)

### 26 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.

#### 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\$ 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.

## Barbados Port Inc.

Notes to Financial Statements

March 31, 2014

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### 26 Financial risk management ...continued

#### a) Financial risk factors ...continued

##### i) Market risk ...continued

##### 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*

	2014 \$	2012 \$
Financial assets	17,240,200	16,211,361
Financial liabilities	97,036,886	108,755,930

Management considers a reasonably possible change to interest rates to be 1%. The table below shows the impact of this change on the statement of comprehensive income.

	2014 \$	2012 \$
+/- 1%	970,369	1,087,559

##### 3) Price risk

The Company is exposed to price risk arising from changes in the equity price of its holding in the Insurance Corporation of Barbados Limited. If the equity price of Insurance Corporation of Barbados Ltd. was to increase or decrease by 10% with all other variables held constant, the fair value reserve within equity would increase or decrease by \$49,999 (2012 - \$49,999).

## Barbados Port Inc.

Notes to Financial Statements  
March 31, 2014

(expressed in Barbados dollars)

### 26 Financial risk management ...continued

#### a) Financial risk factors ...continued

##### ii) Credit risk

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

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

	2014		2012	
	\$	%	\$	%
Cash and cash equivalents	3,076,920	10.91	1,595,399	6.08
Accounts receivable	7,386,042	26.20	7,909,959	30.14
Other receivables	487,358	1.73	530,136	2.02
Loans and receivables	9,594,732	34.04	8,696,675	33.13
Held-to-maturity investments	7,645,469	27.12	7,514,687	28.63
	28,190,521	100.00	26,246,856	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 ninety (90) 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.



## Barbados Port Inc.

### Notes to Financial Statements

March 31, 2014

(expressed in Barbados dollars)

#### 26 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 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.

	Carrying amount \$	Contractual cash flows \$	0 to 12 months \$	1 to 2 years \$	2 to 5 years \$	More than 5 years \$
<b>2014</b>						
<b>Assets</b>						
Cash	3,076,920	3,076,920	3,076,920	—	—	—
Accounts receivable	7,386,042	7,386,042	7,386,042	—	—	—
Other receivables	487,358	487,358	487,358	—	—	—
Financial investments	17,240,201	10,653,648	10,653,648	—	—	—
	<b>28,190,521</b>	<b>21,603,968</b>	<b>21,603,968</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Liabilities</b>						
Long-term loans	97,036,886	116,295,335	34,690,096	19,273,718	49,547,187	12,784,334
Accounts payable	1,291,434	1,291,434	1,291,434	—	—	—
	<b>98,328,320</b>	<b>117,586,769</b>	<b>35,981,530</b>	<b>19,273,718</b>	<b>49,547,187</b>	<b>12,784,334</b>
<b>Liquidity gap</b>	<b>(70,137,799)</b>	<b>(95,982,801)</b>	<b>(14,377,560)</b>	<b>(19,273,718)</b>	<b>(49,547,187)</b>	<b>(12,784,334)</b>

## Barbados Port Inc.

Notes to Financial Statements

March 31, 2014

(expressed in Barbados dollars)

### 26 Financial risk management ...continued

#### a) Financial risk factors ...continued

##### iii) Liquidity risk ...continued

	Carrying amount \$	Contractual cash flows \$	0 to 12 months \$	1 to 2 years \$	2 to 5 years \$	More than 5 years \$
<b>2012</b>						
<b>Assets</b>						
Cash	1,595,399	1,595,399	1,595,399	—	—	—
Accounts receivable	7,909,959	7,909,959	7,909,959	—	—	—
Other receivables	530,136	530,136	530,136	—	—	—
Financial investments	16,211,362	9,640,557	1,416,087	8,088,532	67,969	67,969
	26,246,856	19,676,051	11,451,581	8,088,532	67,969	67,969
<b>Liabilities</b>						
Long-term loans	108,755,930	121,930,350	17,227,217	40,013,549	62,974,796	1,714,788
Accounts payable	837,281	837,281	837,281	—	—	—
Due to associated company	1,704,821	1,704,821	1,704,821	—	—	—
	111,298,032	124,472,452	19,769,319	40,013,549	62,974,796	1,714,788
<b>Liquidity gap</b>	(85,051,176)	(104,796,401)	(8,317,738)	(31,925,017)	(62,906,827)	(1,646,819)

## Barbados Port Inc.

Notes to Financial Statements

March 31, 2014

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(expressed in Barbados dollars)

### 26 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 Insurance Corporation of Barbados Limited have been designated a Level 1 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 fair value of available-for-sale financial instruments which are traded is based on quoted bid market prices at the date of the financial statements.

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 held-to-maturity financial investments and long-term loans, the fair values of which are disclosed in notes 9 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.

## Barbados Port Inc.

### Notes to Financial Statements

March 31, 2014

(expressed in Barbados dollars)

#### 27 Contingent liabilities

As of March 31, 2014 and December 31, 2012, 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 realized.

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

#### 28 Related party transactions

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

	2014 \$	2012 \$
i) Portion of passenger head tax paid	4,721,175	2,092,209
ii) Security service charge	136,800	110,592

2) Key management

	2014 \$	2012 \$
Directors' fees	111,900	90,000
Salaries and other employee benefits	2,429,850	1,943,988

There were no loans to key management at March 31, 2014 and December 31, 2012.

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

	2014 \$	2012 \$
Rental income	287,640	109,587
Miscellaneous services	375,353	33,264
Cargo handling	11,641,306	1,828,537
	<u>12,304,299</u>	<u>1,971,388</u>

## Barbados Port Inc.

Notes to Financial Statements

March 31, 2014

(expressed in Barbados dollars)

### 29 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:

	2014 \$	2012 \$
Less than one year	1,387,255	1,227,089
Between one and five years	732,769	1,407,558
More than 5 years	8,822,532	—

During the period \$2,136,010 (2012 - \$1,679,384) was recognised as rental income in the statement of comprehensive income.

### 30 Restatements

#### a) Change in accounting policy

The Company adopted IAS 19 (revised 2011), 'Employee benefits' on January 1, 2012. The revised employee benefits standard introduces changes to the recognition, measurement, presentation and disclosure of post employment benefits. The standard also requires net interest expense/income to be calculated as the product of the net defined benefit liability/asset and the discount rate as determined at the beginning of the year. The effect of this is to remove the previous concept of recognising an expected return on plan assets.

#### b) Vacation pay accrual

The Company revised its previously recorded vacation pay accrual to include the liability relating to all staff levels.

The effects of the change to the accounting policy and the revision to the vacation pay accrual are shown in the following tables:

#### Impact of changes on statement of financial position

	2014 \$	Adopt IAS 19 (revised 2011) \$	As presented 2014 \$
<b>Non-current liabilities</b>			
Retirement benefit obligations	17,430,081	(2,879,339)	14,550,742
<b>Equity</b>			
Retained earnings	51,446,818	1,570,994	53,017,812

## Barbados Port Inc.

Notes to Financial Statements

March 31, 2014

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### 30 Restatements ...continued

#### Impact of changes on statement of financial position

	2012 \$	Adopt IAS 19 (revised 2011) \$	Vacation accrual \$	As restated 2012 \$
<b>Current liabilities</b>				
Accounts payable and accrued liabilities	4,621,147	—	979,602	5,600,749
<b>Non-current liabilities</b>				
Retirement benefit obligations	19,379,112	(2,316,687)	—	17,062,425
<b>Equity</b>				
Retained earnings	44,410,672	2,316,687	(979,602)	45,747,757
	<b>January 1, 2012 \$</b>	<b>Adopt IAS 19 (revised 2011) \$</b>	<b>Vacation accrual \$</b>	<b>As restated January 1, 2012 \$</b>
<b>Current liabilities</b>				
Accounts payable and accrued liabilities	3,899,240	—	866,622	4,765,862
<b>Non-current liabilities</b>				
Retirement benefit obligations	15,569,836	(149,291)	—	15,420,545
<b>Equity</b>				
Retained earnings	44,304,163	149,291	(866,622)	43,586,832



## Barbados Port Inc.

Notes to Financial Statements

March 31, 2014

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### 30 Restatements ...continued

#### Impact of changes on the statement of comprehensive income:

	For the period from January 1, 2013 to March 31, 2014 \$	Adopt IAS 19 (revised 2011) \$	As presented for the period from January 1, 2013 to March 31, 2014 \$
<b>Expenses:</b>			
Staff costs	47,770,722	(1,520,609)	46,250,113
<b>Other comprehensive income:</b>			
<i>Items that will not be reclassified to income:</i>			
Remeasurement of retirement benefit obligations	—	1,917,983	1,917,983

	For the year ended December 31, 2012 \$	Adopt IAS 19 (revised 2011) \$	Vacation accrual \$	As restated for the year ended December 31, 2012 \$
<b>Expenses:</b>				
Staff costs	39,050,001	(568,647)	112,980	38,594,334
<b>Other comprehensive income:</b>				
<i>Items that will not be reclassified to income:</i>				
Remeasurement of retirement benefit obligation	—	1,598,749	—	1,598,749

## Barbados Port Inc.

Notes to Financial Statements

March 31, 2014

(expressed in Barbados dollars)

### 30 Restatements ...continued

#### Impact of changes on the statement of changes in equity:

	<b>Retained earnings \$</b>
<b>Balance as at January 1, 2012 as previously reported</b>	44,304,163
Actuarial gains on retirement benefit obligations	149,291
Vacation pay accrual	(866,622)
	<u>(717,331)</u>
<b>Balance as at January 1, 2012 as restated</b>	<u>43,586,832</u>
<b>Net income for the year as previously reported - December 31, 2012</b>	106,509
Actuarial gains on employee benefit obligation	568,647
Vacation pay accrual	(112,980)
	<u>455,667</u>
<b>Net income for the year as restated</b>	<u>562,176</u>
<b>Other comprehensive income for the year as previously reported - December 31, 2012</b>	19,231
Remeasurement of retirement benefit obligations	1,598,749
<b>Other comprehensive income for the year as restated</b>	<u>1,617,980</u>
<b>Total comprehensive income for the year as previously reported - December 31, 2012</b>	125,740
Actuarial gains on retirement benefit obligations	568,647
Remeasurement of retirement benefit obligations	1,598,749
Vacation pay accrual	(112,980)
	<u>2,054,416</u>
<b>Total comprehensive income for the year as restated</b>	<u>2,180,156</u>
<b>Balance as at December 31, 2012 as previously reported</b>	44,410,672
Remeasurement of retirement benefit obligations	2,316,687
Vacation pay accrual	(979,602)
	<u>1,337,085</u>
<b>Balance as at December 31, 2012 as restated</b>	<u>45,747,757</u>

