G·A·I·A Inc.
BARBADOS
'rising higher'

ANNUAL REPORT 2023


G·A·I·A Inc.
BARBADOS
'rising higher'

TABLE OF CONTENTS

VISION

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

CORPORATE MOTTO

"Rising Higher"

MISSION

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

COMMITMENT

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

Board of Directors

The Hon. Dr. Jerry Emtage
Chairman

Mr. Paul Ashby
Deputy Chairman

Mrs. Francine Blackman
Permanent Secretary

Senator Rudy Grant
Ceased office July 1st, 2023

Mrs. Selena McDonald

Mr. Jefferson Payne

Mr. Michael Holder

Ms. Winifred Harewood

Ms. Niska Best

Ms. Connie Smith

Mr. Christian-Kendahl Rock

Dr. Jens Thraenhart

Corporate Secretary	Acton Corporate Services Limited
Auditor	Ernst & Young
Bankers	CIBC First Caribbean International Bank Republic Bank (Barbados) Limited
Attorneys-at-law	Elliot D. Mottley & Co. Ralph A. Thorne, QC, MP Aegis Chambers

Executive Management Team

Mr. Hadley Bourne
Chief Executive Officer

Mr. Hadley Bourne was appointed the Chief Executive Officer, Grantley Adams International Airport Inc. (GAIA Inc.) effective 1 June 2020. Prior to joining the company, he was the Chief Executive Officer of Argyle International Airport (AIA) in St Vincent & the Grenadines from 2016 to 2019. Prior to this he served as Manager, Operations and Services of AIA for nine months. He also served as an Air Traffic Controller and an Aviation Inspector in the Civil Aviation Department, Barbados from the late 90's. A National Development Scholar, Mr. Bourne was awarded three scholarships to pursue his studies gaining a Bachelor of Science degree in Aerospace Engineering with first-class honours; Master of Science in Management with specialization in Human Resources Management and Master of Aviation Management specializing in Aircraft Accident Investigation, Safety Management Assistance, Aviation Quality Assurance and Management Systems. Mr. Bourne is a member of the Royal Aeronautical Society (RAS) and the International Association of Air Safety Investigators (IAASI). With twenty years experience in the field of Aviation and Aerospace business, he is still passionate about this field and its growth in Barbados.

Ms. Karen Walkes
Director of Engineering

Ms. Karen Walkes is currently the Director of Engineering. Prior to joining GAIA Inc. Ms. Walkes held the position of Acting Chief Engineer, Maintenance and Development Unit, Ministry of International Transport. Prior to joining Government, Ms. Walkes worked with Williams Industries Inc. and held the position of Chief Engineer, Caribbean Metals Limited, St. Lucia. Ms. Walkes is a graduate of Columbia University, New York, with a BSc. in Civil Engineering and a MSc. in Structural Engineering/Construction Management. Ms. Walkes also holds a Masters in Business Administration (Distinction) from the University of the West Indies and is a Registered Engineer. Ms. Walkes has recently been elected President of the Lions Club of Barbados Central and re-elected to the Executive of the Barbados Association of Professional Engineers.

Mrs. Flo Jean-Marie
Director of Finance

Mrs. Flo Jean-Marie has been with the company as Director of Finance from September 1st, 2015. A Certified Management Accountant (CMA), Mrs. Jean-Marie attended the University of Cranfield, School of Management in the United Kingdom where she completed a specialist course in General Management. Prior to joining GAIA Inc, Mrs. Jean-Marie worked with the Barbados Agricultural Management Co. Ltd. (BAMC) for 21 years, 18 as Financial Controller. She has also acted in the capacity of General Manager where she led by example, inspired and motivated staff, as well as fostered strong relationships with industry partners. Mrs. Jean-Marie has served as past Chairperson of the Finance Committee of the Sugar Association of the Caribbean (SAC), various in-house committees and as Trust Secretary to the Board of Trustees of the Company's Pension Plan. Mrs. Jean-Marie is also an active volunteer with the Moravian Church.

Mr. Pietrick Voyer
Director of Operations
Appointed October 2022

Mr. Pietrick Voyer is currently the Director of Operations. Mr Voyer has an academic and professional background especially focused on aviation and airports. He is a graduate of Cranfield University, with an MSc in Airport Planning and Management. Starting his career as a Passenger Service Agent in the USA in 2010, Mr. Voyer has since developed a strong understanding of airport operations and business. Prior to joining GAIA Inc., Mr. Voyer worked with Munich Airport International as a Senior Consultant/Project Manager where he led international teams in developing airport infrastructure and operations around the world in America, Europe, the Middle-East and Central Asia. He has also worked for Aeroport de Paris Group where he was supporting the engineering team for airport systems implementation at both main Paris airports. Mr. Voyer also worked for Etihad Airways at Abu Dhabi, where he was heading and lead the transformation of the airline ground operation. Always ready to share knowledge, Mr. Voyer participates in international conferences as a member of panels in the airport industry, but also takes the time to share his experiences with the younger generation. With his extensive international experience, Mr. Voyer brings worldwide knowledge to GAIA Inc.

Chief Executive Officer's Message

Dear Stakeholders,

I am pleased to report to you on the Grantley Adams International Airport's performance for the financial year 2023 and provide you with a look ahead to 2024.

THE 2023 REVIEW

As we review the 2022/23 fiscal period, the coronavirus pandemic became less threatening throughout the year, which was evident in the significant recovery in passenger movement. We are pleased with the progress made as we served 1.71 million passengers, representing an 80% increase over the previous period whilst handling 26,552 total aircraft movements, a 35% increase compared to the 2021/22 fiscal period.

This resounding recovery in air traffic, which overcame the first quarter influence of the Omicron Coronavirus variant, outlined the strong desire to travel which continued throughout the year. The airlines' high load factors and airfares also reflect the significant demand for leisure travel.

STAKEHOLDER ENGAGEMENT AND OPERATIONAL PERFORMANCE

As we work towards further growth and efficiency, we continuously engage our stakeholders and network partners to improve the customer experience and overall provision of service as an airport community. One area of evidential success and the outcome of the collaborative effort is reflected in our baggage handling delivery process, where wait times in excess of a couple hours in some circumstances have been reduced to within industry parameters.

STRATEGIC DECISIONS

The board of directors took the decision based on the information presented by their advisory team to terminate the Financial Advisory Services Agreement (FASA) between Grantley Adams International Airport Inc. (GAIA Inc.) and the International Finance Corporation (IFC), for the provision of advisory services for the expansion and redevelopment of the airport with private sector participation on a public private partnership basis.

This decision was not taken without significant discussion and consideration; however, subsequent to the signing of the FASA, the Covid-19 pandemic had a detrimental impact on the wider economy, particularly the aviation sector. As such, the initial response to this event suggested a need for the transaction to be restructured. Unfortunately, after numerous in-depth discussions with the IFC's transaction advisory team to review the proposed transaction, to explore solutions which could have been amendable to both GAIA Inc. and Bidders, we recognised that the structure which was being suggested was not in the best interest of the organisation and would have presented challenges for GAIA Inc.
and its shareholder, the Government of Barbados.

Following this termination, the shareholder sought to build on the Barbados-UAE State-to-State MOU aimed towards closer cooperation of commercial activities and investigating opportunities for Public-Private Partnership focused on investment, development and operation of the airport, a cargo hub, expanded airlift and additional luxury hotel capacity. These discussions are being led by Prof. Avinash Persaud, Special Envoy to the Prime Minister on Investment and Financial Services and the Office of H. H. Sheikh Ahmed Dalmook Al Maktoum of Dubai.

A LOOK AHEAD

Let us now give a preview of 2024. At GAIA Inc. we commenced the year with passenger levels at approximately 80% of the 2019 volume. Although passenger forecasting has been somewhat challenging based on the uncertainties associated with advanced and pre-bookings, across the industry we are anticipating significant growth despite the challenges experienced due to extended wait times for the delivery of aircraft and a lack of crew and ground handling personnel. We have seen an increased demand for pre-summer travel, which could periodically match the pre-pandemic levels. Optimistically, we have assumed that this year will match 2019 passenger volumes with the anticipated growth in regional capacity, although on the current pace we are 85% and 90% of that figure. However, this realisation depends heavily on the demand for air travel which currently continues to soar. Moreover, the economic stability within our various source markets, such as the conflict in Europe amongst other things, can negatively impact on our anticipated growth.

In anticipation of the expected growth and to deliver the performance and quality that our customers expect of us, we have been working with our service providers and internal teams to enhance our infrastructure and capacity whilst implementing the latest technology, geared towards faster and smoother operations for our passengers. Notwithstanding the process we are undertaking with privatising the airport, this revitalisation is necessary to meet current demands and re-energise an infrastructure that, in most cases, has exceeded its manufacturer-recommended lifespan.

At this juncture, I wish to thank our employees who have kept our airport operational in difficult times and under arduous circumstances due to their determination and vigorous dedication. Without this commitment, we would not have been able to be in the position to meet the rapid post pandemic recovery. Similarly, I would like to state our appreciation and gratitude to our business partners and the wider airport community for their continued support and confidence in GAIA Inc. Finally, I would like to thank the Grantley Adams International Airport Inc. Board of Directors for their confidence in the management team and the continued support as we navigate these unchartered landscapes. With this concerted effort and approach, we will be on course to repositioning Grantley Adams International Airport as the beacon and logistical hub in regional aviation.

Hadley Bourne

Hadley Bourne
Chief Executive Officer

Operating Activity

OPERATING ACTIVITY

According to the Central Bank of Barbados Economic Review 2022 pertaining to Tourism, "Barbados' recovery was broadly in line with expectation". Specifically, 67% of actual tourist arrivals outpaced the 2022 forecast. This recovery could likely be attributed to the return of Crop Over during the 2022 summer period. On the other hand, the 31% lower traffic is due to the cancellation of several air-to-sea flights: Condor, Eurowings, TUI and TUI Belgium from the German and British markets between January and February 2022.

Following the relaxation of global travel restrictions, increasing confidence and pent-up demand in the travel sector, Grantley Adams International Airport registered a relatively strong passenger arrival in the latter half of the financial year 2022/23. The first half of the financial period under review suffered from reduced airlift in major source markets due to some fluctuation in flight activity during the year like the previous financial year. The start of the summer period recorded a decrease in passenger traffic, which was consistent with trends for May pre-pandemic and overall, could be attributed to the end of the winter season. Specifically, the discontinuation of seasonal flights including Aer Lingus, United Airlines and West Jet, as well as the termination of scheduled summer services from the US (Newark and Boston) contributed to this decline. September represented the lowest passenger traffic total for the financial year.

Notably, the discontinuation of COVID-19 testing for passengers arriving at BGI effective August 20, 2022, contributed significantly to a smoother passenger flow pre-immigration and positively impacted passenger arrivals into the country. Copa Airlines resumed operations between Panama and Barbados on June 15, 2022, following a hiatus from the pandemic. There was a marginal increase in passenger traffic for July and August 2022, compared to the start of summer, likely due to the return of the Crop Over Festival.

While Summer 2022 passenger traffic was below par, there was a steady increase for Winter 2022/23, except for a slight decline in February 2023. Airlines in all major source markets increased their capacity for the winter season and seasonal flights resumed operations. In that regard, KLM recommenced its yearly seasonal winter service on October 18, 2022, operating between Amsterdam and Barbados via Trinidad on the outbound leg, three days per week. Similarly, Aer Lingus resumed operations between Manchester and Barbados on November 2, 2022, three days weekly, and United Airlines recommenced flights from Newark and Washington, on November 19 and 20, 2022 respectively, operating once weekly. Virgin Atlantic commenced an additional flight between London Heathrow and Barbados on 24 October 24, 2022. In November, American Airlines resumed operations on Saturdays between Charlotte and Barbados.

The Air-to-Sea operation commenced on November 3, 2022, with three airlines operating: Condor, Eurowings Discover and TUI Airways. British Airways and Virgin Atlantic augmented capacity for this operation with flights from London Gatwick every other week from December 13, and London Heathrow/Manchester from January 21, 2023, respectively. TUI Netherlands also contributed to the air-to-sea operation with movements twice monthly in February and March 2023.

First Day of Air-to-Sea Operation Nov. 3, 2022

It is pivotal to note that GAIA welcomed two inaugural flights in March, with InterCaribbean introducing flights from St. Kitts and Grenada on March 12 and 14, 2023, respectively. Similar to commercial flight activity, there was an increase in private flights handled by IAM Jet Centre, Private Aircraft Services and MJet FBO during the last two weeks of December 2022. The opening of the new South Ramp facilitated this operation.

Peak activity resumed close to pre-pandemic activity, which the airport welcomed while acknowledging its impact on infrastructural capacity. Specifically, increases in airlift put a strain on existing infrastructure when multiple airlines arrive or depart simultaneously. The Operations Department is committed to continuous improvement, and strategies were implemented such as increased staff at key touchpoints to minimise congestion and improve passenger flow during peak periods. Another challenge encountered was related to the ageing equipment such as conveyor belts, which also hampered operations periodically.

Finally, on-going safety risks associated with the presence and generation of Foreign Object Debris (FOD) continued to pose a threat to operations. The Safety Team increased patrols and airport staff engagement to highlight and enforce best practices to manage FOD.

Protocols during Travel Restrictions
Restricted commercial air travel due to COVID-19 continued to have negative effects on the airport operation. With the introduction of health protocols and vaccination requirements, restrictions to air travel, it was necessary to reconfigure the extended area where all arriving passengers were processed by their arrival status. In that area all services were performed.

This meant that:
- Apron buses transported all arriving passengers to Gate 13; this was later changed to Gate 14.
- Ministry of Health & Wellness staffing increased significantly and consisted of nurses, swabbing teams, doctors, data entry clerks.
- GAIA Operations provided Airport Security, Customer Service, buses and Automated Passport Control Kiosks to perform the landed operation.
- Immigration provided landed clearance.
- GAIA Inc. provided a taxi shuttle service and later direct hotel transfers as per the Chief Medical Officer's instructions.
- Airlines, GAIA Inc. and Customs agreed to facilitate passengers' luggage who required further health interviews.

Embarked Passengers Entering the Gates 14 area

The Gate 14 operation was discontinued and moved to the Arrivals Hall where the following changes continued to occur:

- The travel protocols were changed in May 2022 to accommodate the arrival of fully vaccinated passengers without a PCR/Rapid Antigen test. The arrival process remained unchanged as the passengers still needed to have their vaccination status checked.
- On 20 August 2022, the testing of unvaccinated passengers was discontinued. This change resulted in smoother passenger flows pre-Immigration. Adjustments were also made to the staffing levels of Customer Service Representatives.

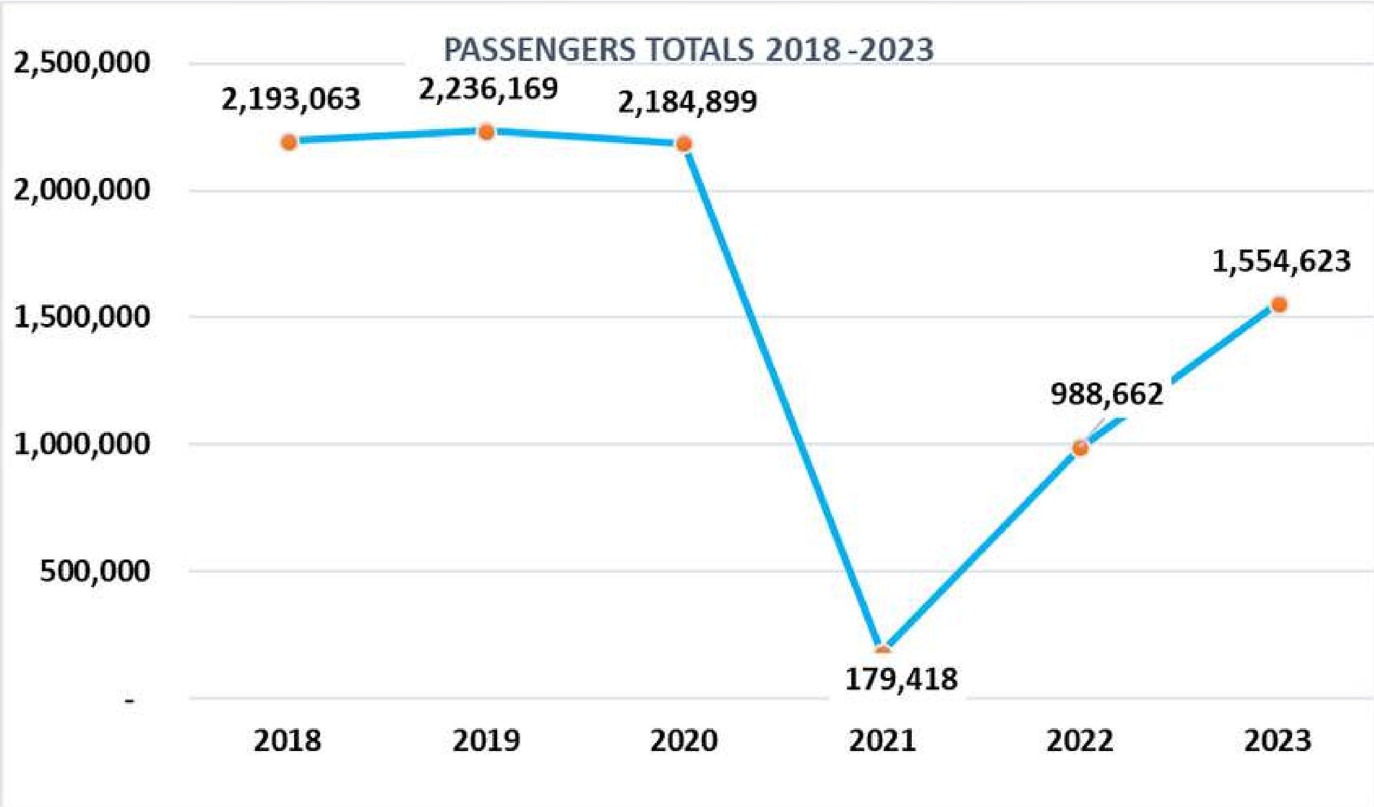
Passenger Performance

Below is a summary of the passenger performance for the period under review as well as a comparison against the previous five years. Aircraft movements increased by 35% in FY2023 compared to the previous year. This was attributed to the overall increase in capacity for the period under review.

Passenger Traffic - Financial Year 2022 - 2023 (April 2022 - March 2023)						
Month	Embarked PAX	Disembarked PAX	Transits PAX	Transfer PAX	Total Passengers	Aircraft Movements
April	65,144	62,034	3,883	3,326	134,347	2,404
May	43,140	44,906	4,164	2,681	94,891	1,750
June	42,630	45,320	4,563	3,230	95,743	1,680
July	49,576	55,177	5,693	3,967	114,413	1,912
August	53,455	51,680	5,573	3,588	114,296	1,958
September	40,862	44,940	5,148	3,382	94,332	1,560
October	44,356	52,208	4,610	3,399	104,573	1,782
November	75,385	82,905	6,931	3,877	169,098	2,348
December	92,163	101,076	7,566	4,194	204,999	2,860
January	103,757	105,564	8,297	2,880	220,498	2,836
February	99,728	105,123	5,762	2,426	213,039	2,520
March	109,212	108,321	6,305	4,611	228,449	2,964
Total	819,408	859,254	68,495	41,561	1,788,678	26,574
FY 2021/22	449,369	480,656	34,912	23,433	988,370	19,726
Change (%)	82.35%	78.77%	96.19%	77.36%	80.97%	34.72%

Source – GAIA Inc. Monthly Passenger Statistics 2022-2023 ***Table 1***

Comparison with Previous Five Years 2018 - 2023



Source - GAIA Inc. Monthly Passenger Statistics 2018-2023 **_Figure 1_**

Figure 1 describes the passenger traffic loads between 2018 to 2023. The traffic passenger movements amounted to 2,193,063 in 2018 and trended upward in 2019. Notably, there was a slight downward shift in passenger movements in the Financial Year 2020. However, with the onset of the COVID-19 pandemic, commercial air transportation globally came to a standstill especially in the sectors that tourism was derived. Therefore, the sharp fall to less than 200,000 passenger movements for the FY 2021 is explained by a drastic reduction in commercial air traffic especially from the source markets. In 2021, the recovery process was initialized worldwide with the interventions of travel protocols and specific health requirements, which contributed to source markets being reopened for tourism and travel.

The outward shift from 179,418 to 988,662 ending FY 2022 represents an inverse relation between protocol reduction and increased air travel. The reduction in or removal of travel protocols and entry requirements further indicates that the confidence level has returned to air travel. Given these variables, the source markets are fully accessible as shown in the continuity of the trendline to 1,554,623 in FY2023.

Diagram 1 and Table 2 below highlights the destinations airlines operate to and from Barbados.

Diagram 1

Scheduled Airlines Serving GAIA

Canada

AIR CANADA	Toronto & Montreal
WESTJET	Toronto

Caribbean & Central America

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

The Netherlands

KLM	Amsterdam

United Kingdom

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

United States

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

Unscheduled Airlines Serving GAIA

Caribbean & Central America

GA GRENADINE AIR ALLIANCE — MUSTIQUE AIRWAYS — SVG AIR Your Wings To Paradise

Germany

Condor — Eurowings discover. — TUI BELGIUM

United Kingdom

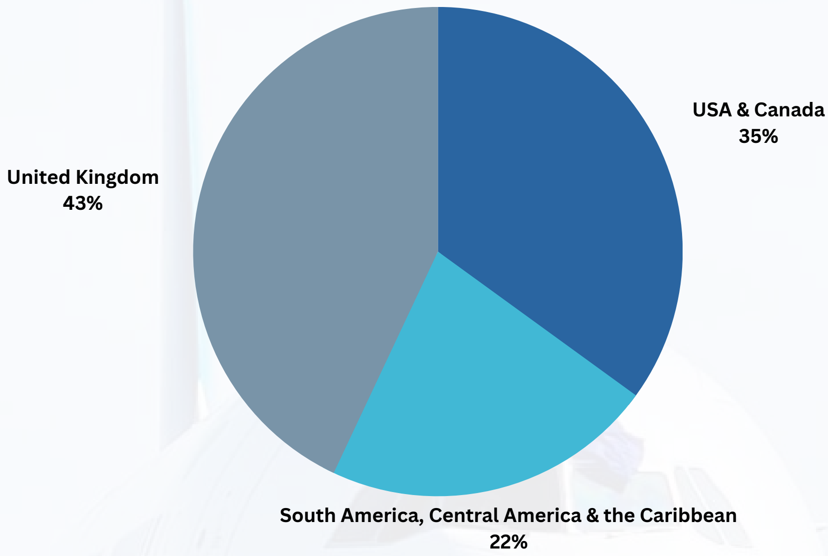
TUI

Source - GAIA Inc. Cummulative Schedules 2022- 2023

Table 2

Market Share

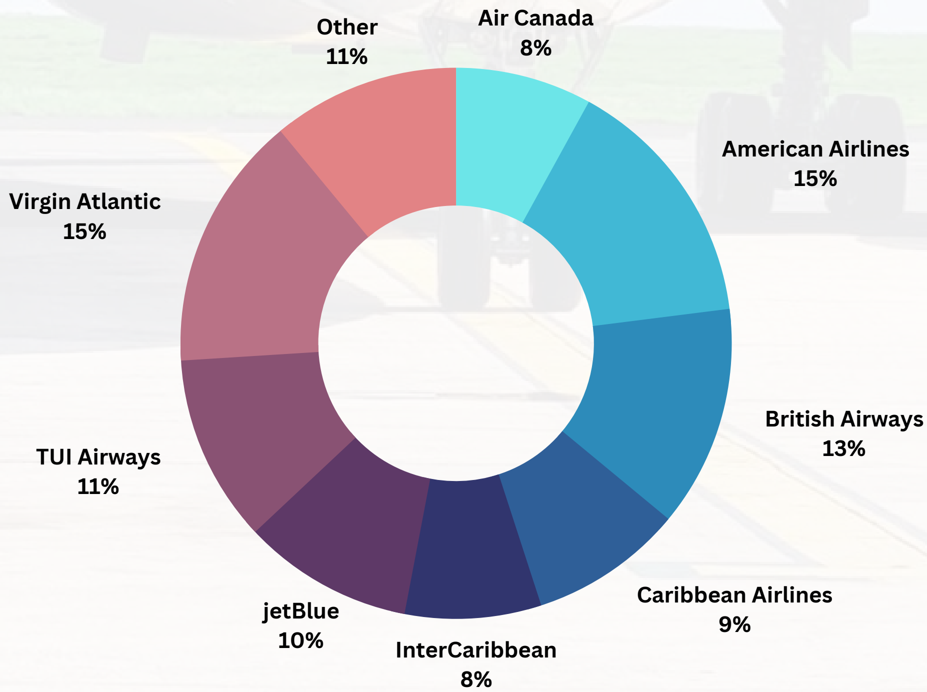
The United Kingdom captured a significant amount of the market with 43% of the passenger traffic for the year under review. This percentage represents a marginal decrease compared to FY2021/22 where the UK market registered 48%. The United States and Canada registered 35% of passenger activity, a slight increase of 2% compared to the previous year. The Caribbean, Central and South America captured the remaining 22% of the market.



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

Airlines' Market Share

Figure 1.3 below represents the total market share for the financial year 2022/23 measured by the total number of passengers utilizing the services of the airlines that arrive at Grantley Adams International Airport. Virgin Atlantic and American Airlines outperformed the other airlines with a tie for first place in transporting most of the passengers for the financial year 2022/23 with 15% each. British Airways followed with 13% and TUI Airways in third spot with 11%. There was a 2% increase in market share for the US and Canada compared to FY2021/22.



GAIA Inc. Monthly Passenger Statistics 2022-2023 ***Figure 3***

Cargo/Freight & Mail

During the year, five (5) all-cargo carriers operated unloaded and loaded cargo at BGI: Amerijet and Caribbean Airlines from Miami, Air Cargo LLC, Ameriflight from Puerto Rico, and DHL from Trinidad and Venezuela. Cargo was also transported via passenger aircraft including Air Canada, American Airlines, Caribbean Airlines, LIAT and Virgin Atlantic. In addition, IAM (FBO) contributed to the overall tonnage of both mail and cargo being handled in FY 2022/23.

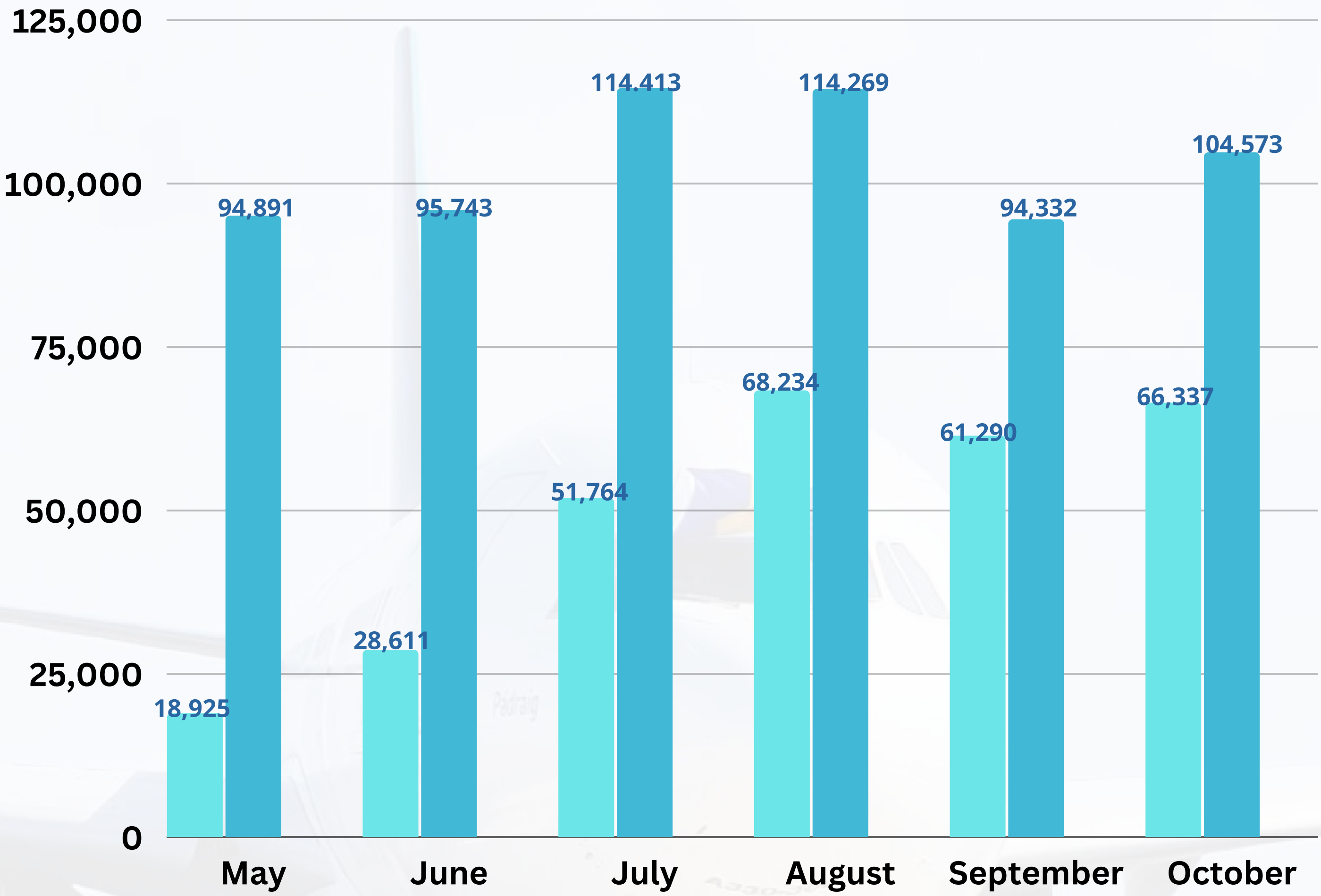
Cargo of 10,248,222 kgs were handled which represented a decrease of 2% from the previous FY. Mail handled was 123,123 kgs indicating a decrease of 22%. Altogether, the total cargo and mail handled was 10,371,345 kgs from 10,649,222 kgs the previous FY. The reduction in total mail and cargo recorded a decrease of 3%.

Passenger Traffic - Financial Year 2022 - 2023 (April 2022 - March 2023)					
Month	Cargo Loaded (Kgs)	Cargo Unloaded (Kgs)	Mail Loaded (Kgs)	Mail Unloaded (Kgs)	Total Cargo & Mail (Kgs)
April	303,389	535,642	1,377	5,946	846,354
May	343,606	502,294	900	6,115	852,915
June	275,434	514,624	1,357	4,679	796,094
July	287,797	545,967	961	4,993	839,718
August	318,928	708,532	4,339	7,151	1,038,950
September	327,504	533,475	1,173	3,214	865,366
October	337,863	548,587	1,655	5,267	893,372
November	302,011	528,348	1,043	52,822	884,224
December	261,133	631,478	2,198	3,111	897,920
January	231,279	333,681	1,389	2,738	569,087
February	233,836	544,152	1,286	3,408	782,682
March	307,748	790,914	2,297	3,704	1,104,663
Total	3,530,528	6,717,694	19,975	103,148	10,371,345
Change YoY	3,445,104	7,045,740	19,559	138,821	10,649,224
Change (%)	2.48%	-4.66%	2.13%	-25.70%	-2.61%

GAIA Inc. Monthly Passenger Statistics 2022-2023 *Table 3*

Summer Season: May 2022 – October 2022

The statistics below are a graphical description of passenger traffic for Summer 2021 and 2022.



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

The section below outlines the challenges encountered and successes achieved by the Operations Department for the summer period of FY 2022-23.

Among the successes were:

- Staff development through cross-training initiatives resulted in some staff being used in the Winter season to fill shortages at short notice.
- Regained majority (85%) serviceability of outbound conveyor belts as outbound belts #4, #6 and #7 returned to operation.
- Achieved significant improvement to the fragrance of baggage scanning rooms following an environmental study, and implementing recommended practices. The Custodial Department performed daily cleaning and deodorizing of the baggage scanning rooms and flushing of drains at 4:00 a.m. and 12:00 p.m. to reduce or eliminate any offensive odours. Additional fogging of rooms using the recommended cleaning solution commenced on May 9, 2022. All rooms are fogged weekly, on Tuesday nights.
- Cessation of controlled deplaning July 2022 creating a smoother flow of arriving passengers.

- Continuous Corporate Social Responsibility through Community Outreach Programmes. Airport Day Celebration on October 19, with educational outreach involving neighboring schools, airport tours and a historical and pictorial display of the airport. There were also airport operations seminars conducted for students at the Barbados Community College and the University of the West Indies.

The following challenges were encountered:

- Prolonged staff shortages due to COVID-19. Consequently, critical areas in the Customer Service Department were not adequately staffed. In addition, the revamped arrival process demanded not only additional staff but also an adjustment to staff roles.
- Reduced boarding capacity due to the closure of the gates #14 - #16 area for roof repairs. This challenge resulted in airlines sharing boarding gates and increased congestion in the gate areas.
- Controlled deplaning negatively affected the turnaround times for some airlines.
- Ongoing reports of odours in baggage scanning rooms resulted in the closure of these rooms for specific periods to minimize or eliminate health and safety hazards to staff scanning bags in the rooms. In addition, the simultaneous use of other outbound conveyor belts created congestion in the baggage make-up area where bags are stored for dispatch to aircraft.
- Technical issues due to an Immigration network problem affecting some APC kiosks in the Arrivals Hall. Consequently, passengers' receipts took an excessively long time to print, increasing their overall wait time.
- The emergence of Monkeypox contributed to heightened health concerns during the COVID-19 pandemic. Based on health seminars presented by the Ministry of Health and Wellness, Barbados was impacted but with limited cases.

Winter Season: November 2022 – March 2023

The statistics of passenger traffic for Winter 2021 and 2022 are graphically presented. The section further outlines the challenges encountered and successes achieved by the Operations Department for the winter period for the same year.

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

The following section highlights the challenges experienced and successes achieved by the Operations Department for the Winter Season during FY2022-23.

Challenges - Winter Season: November 2022 – March 2023

Equipment

- Apron Buses: insufficient apron buses operational at start of season
- Outbound Belts:
    - Inadequate number operational: only 5 out of 7 operational
    - Prolonged unavailability of outbound belt #1
    - Room G131 closed for remedial work during March resulting in outbound belts #3 and #4 being removed from service.
- Air-to-sea Scanners: Only 1 scanner and the Scan Van operational at the start of the season

Successes

- Both air-to-sea scanners were operational by mid-season.
- Availability of the Scan Van to supplement air-to-sea baggage scanning.
- Redesigning the main departure checkpoint to improve passenger flow.
- Supplementary coverage at the passenger screening checkpoint by GAIA Inc. Security to facilitate smooth passenger flow.
- Reopening of the passenger screening checkpoint at the Regional Lounge during peak times of 10:00 a.m. – 12:00 p.m. and 2:00 p.m. – 4:00 p.m. to enhance the in-transit passenger experience.
- Daily briefings and distribution of peak periods to increase awareness & airport community collaboration.
- Reopening Gates 14 – 16 as a departure area which reduced congestion in the main departure lounge.
- Dedicated oversight by GAIA Inc. Operations during peak.
- New Flight Plan System Application implemented; all check-in counters were outfitted with the new software for checking in (Common Use Terminal Equipment otherwise known as CUTE).
- Consistent monitoring through innovative initiatives stemming from best practices and regular communication with stakeholders significantly improved the timings for baggage delivery at arrival.

Other Operational Matters

Aircraft Parking

During the winter seasons, challenges usually occur for FBOs where parking constraints arise due to lack of space. Additionally, flow control is also problematic for the Air Traffic Controllers (ATC) given that parking for private aircraft was usually on the edgeway of Taxiway Golf. As such, the southern landscape of the airport was identified as an area for parking aircraft. Therefore, construction of the new south ramp began and effective Tuesday, December 20, 2022, the New South Ramp was opened for private aircraft parking. Safety and Security patrols were heightened, and three (3) mobile lighting plants were strategically placed on the apron to ensure adequate lighting. A total of thirteen (13) operational aircraft and one (1) unserviceable aircraft were parked on the apron. There was continuous collaboration with key stakeholders to ensure a successful operation.

Security Activity

The year 2022/2023 was a highly successful year for Airport Security with activities increasing after almost three years of stagnation due to COVID-19.

During the winter season 2022, airport traffic steadily increased and airport Security Officers remained busy with the enforcement of protecting the airport against acts of unlawful interference.

As a testimony to the security team's hard work, the airport achieved high marks in the security assessment conducted by the Transportation Security Administration.

Aviation Security Audit (AVSEC)
An aviation security audit was conducted by the Barbados Civil Aviation Department of the Airport and Air Carriers during November 7 to 18, 2022. The objective of the audit was to evaluate the airport's level of compliance with the international standards as outlined by the International Civil Aviation Organization (ICAO), the Barbados Civil Aviation Security Regulations 2007, the National Civil Aviation Security Programme (NCASP), the Airport Security Programme (ASP), and the Airport Standard Operating Procedures (SOPs).

The Transportation Security Administration (TSA) conducted an aviation security assessment of Grantley Adams International Airport (BGI) from January 30 to February 3, 2023. The team from TSA reviewed GAIA's aviation security policies and procedures, the airport stakeholder's programmes and procedures, and conducted interviews with GAIA and airport security personnel. The results of the TSA assessment revealed that out of twelve (12) areas assessed, eight (8) of these measures were deemed effective.

Opening of Gate #6 (Southside)
Gate #6 was officially operational from 2 February 2023. This provides access control for persons requiring access to the Barbados Light Aeroplane Club (BLAC), Executive Air Ltd. and the Regional Security System (RSS).

Recertification of Staff
The recertification of all Screeners was conducted for Aviation Security Officers from 25 April until 4 July 2022. One hundred and eighteen (118) Security Officers completed the training.
This training is a mandatory requirement of the International Civil Aviation Organization (ICAO) and the Barbados Civil Aviation Department (BCAD).

Tabletop Exercise
A Tabletop exercise was conducted on December 5, 2022 at the Airport. The aim of the exercise was to practice the participants' response actions to a bomb threat at the airport.

Airport Security Committee Meetings

Four (4) quarterly Airport Security Committee meetings were held in 2022, with key stakeholders who are responsible for the day-to-day operations of border security and national security.

The focus of these meetings was to get feedback from the airport community, provide the opportunity for them to air concerns and for all parties to take corrective action with a view to improving the efficiency and effectiveness of the airport operations from a national security standpoint.

Security Awareness Training

Security Awareness Training was conducted for the Airport community and GAIA staff during the year 2022/2023. Training started on June 9th, 2022, and by the end of the fiscal year, one thousand three hundred and sixty-six (1,366) persons were successfully trained and out of this, a total of two hundred and seventy-eight (278) were GAIA Inc. staff.

Standard Operating Procedures and Airport Security Programme

The Airport Security Standard Operating Procedures (SOPs) and the Airport Security Programme (ASP) were updated in August 2022.

Permanent Airport Pass

The permanent Airport Pass was redesigned effective January 2022. ICAO requires that the Airport Pass be updated every 5 years. The new design displays the color code vertically as opposed to horizontally. All details and requirements for access control are embedded in the Pass.

Engineering Projects

ENGINEERING PROJECTS

Engineering Projects

Activities at Grantley Adams International Airport continued to be impacted by financial constraints due to reduced traffic in 2020, 2021 and 2022 as a result of COVID-19. While ongoing capital activities continued most new capital projects continued to be deferred.

Improvement of Terminal Facilities

Structural Systems Limited was awarded a contract for the replacement of the roof over Gates 14-16 seating area. Construction of the steel frame commenced in the previous financial period and was completed in September 2022.

Routine major replacement programmes recommenced in the 2022-23 period with the replacement of Air Conditioning Units, Air Handling Units, Commercial Fans, Water Coolers, Water Heaters and Ventilators. The washroom refurbishment programme also continued.

A contract was signed with ARINC (Barbados) Limited for the supply, installation, and commission of new equipment to upgrade the CUPPS System. This equipment included:

1. Common Use Passenger Processing System (CUPPS)
2. Flight Information Display System (FIDS)
3. Baggage Information Display System (BIDS)
4. Common Use Self Service (CUSS) Kiosks
5. Local Departure Control System (LDCS)

GAIA Inc. is preparing for the long-deferred replacements of Generators, A/C Chiller, Baggage Handling Belts and Security Scanners to commence in the 2023-2024 financial year.

Aerodrome Development

In November 2019 following an international bidding process, GAIA Inc. entered into contract with a joint venture between Dexter Construction Company Limited (Canada) and Jada Builders Inc. (Barbados) for the rehabilitation and expansion of pavements at the airport. The Project was funded mainly by a loan facility from Caribbean Development Bank. These works substantially upgraded the aircraft movement areas at the Airport and the expansion of parking capacity and facilities to accommodate both large Category F aircraft and provide FBO apron facilities for business jets and regional aircraft. The project works, originally scheduled for completion in November 2020, were impacted by Change Orders, COVID-19 related delays and other issues and were substantially completed in August 2021.

The Final Construction Value, including all variations but excluding Claims, was US$46.6 million; an increase of about US$2.0 over the original contract sum. The Claims Package was submitted by the Contractor with total claims in the sum of USD$6.6 million. The Engineering Consultant issued an assessment approving USD$2.7 million. The Contractor objected to components of the assessment and the sum remaining in dispute is currently US$3.1 million. The Contractor submitted the dispute to the Disputes Board and the Board's decision dated 14 March 2023, held in favor of GAIA Inc. The Contractor sent a Notice of Dissatisfaction (NoD) with the Dispute Board's (DB) decision on 6 April 2023 and discussions between the two parties are ongoing.

Due to financial constraints other works and a consultancy associated with the CDB loan facility (Car Park Electric Vehicle Charging Equipment; Apron Lighting LED retrofitting; West Sub-Station Building Construction; Fixed-Base Operator Management (FBO) Policy and Guidelines Consultancy) continue to be suspended awaiting full funding. The Sustainability Management Plan (SMP) Consultancy was awarded to Integrated Sustainability in August 2021 in the sum of US$119,950. Through to the end of 2022, several workshops were held, and reports submitted. A presentation of the Final SMP was held on 17 January 2023.

Structural Systems Limited was contracted to replace the roofing and side cladding components of the eastern storage (Ginnery) building. The refurbished building will be used to expand the Company’s storage capacity for emergency and seasonal items and to provide additional rentable storage space at the airport.

Air Navigation Services
An order in the sum of USD$314,560 was placed with Leonardo S.P.A. for the replacement of equipment at Aircraft Surveillance ADS-b and Multilateration Stations to restore operations lost during the passage of Tropical Storm Elsa in July 2021

Commercial Activity

COMMERCIAL ACTIVITY

Lease Renewals and New Leases

The financial year ending March 31, 2023, saw a rebound in passenger traffic levels along with an increase in the confidence of the business community as evidenced by the continued expression of interest in doing business at the Grantley Adams International Airport. New leases were signed with the following entities:

- British Airways PLC — Airline
- Virgin Atlantic — Airline
- Culpepper's Delights — Locally produced condiments
- Daphne's Sea Shells Studios — Christmas tree decorations
- GCS Ltd. t/a Caribbean Kidz — Children's apparel, toys, books, confectionery
- GCS Ltd. t/a Ganzee — Souvenirs
- Mudiwa's Creations — Handcrafted jewelry and accessories
- Nazinga's Treasures — Souvenirs, handcrafted jewelry, accessories
- New York Pizza Inc. — Food and beverage
- SITA NV/BV — Aviation technology service provider

Negotiations for renewal of leases continued with the following for various concessions:

- Banks (Barbados) Breweries Limited for the landside bar
- Cake and Pastry Factory t/a Crumbz Bakeries for the provision of breads, cakes, and pastries
- Duty Free Caribbean Ltd. for Colombian Emeralds and Bijoux Terner
- Go Car Rentals and ANSA Motors (Barbados) Ltd. for car rental concessions

Stimulation of the Small & Medium-sized Enterprises Sector

GAIA Inc. also continued efforts to stimulate the Small & Medium-sized Enterprises (SME) sector, by hosting a Vendors' Extravaganza in November and December of 2022. This event was a collaborative effort between the Barbados Trust Fund Ltd. and the GAIA Inc. which provided an opportunity for SMEs to sell various products including handcrafted jewelry and accessories, clothing, locally produced condiments, and sweet treats, locally produced alcoholic beverages, locally produced cosmetics, books and stationery and sundries.

Fixed Based Operations and Maintenance and Repair Facilities

Private Aircraft Services substantially completed its FBO in January 2023.

An area west of the terminal buildings was identified and subdivided for entities interested in operating aircraft maintenance and repair operations at the airport. To date, Airlines Technical Support Barbados Ltd. (AirTechs) has commenced operations from this location and two (2) other entities have expressed an interest in doing so.

Training and Development

The GTI Maximizing Airport Revenues course was held at the Grantley Adams International Airport from 25-27 May 2022. GTI Aviation Training (GTI) is a subsidiary of Global Travel Investments Ltd., a company that provides experience and expertise in new business development in the travel industry, particularly in the areas of aviation, airport development, and tourism and travel exhibitions. Participants attending the course hailed from Abu Dhabi, Barbados, British Virgin Islands, Canada, Curacao, Guyana, Turkey, UK, and USA. The topics centered around the following areas:

- The Route to Commercial Recovery after Pandemic
- Enhancing the Passenger Experience & Driving Performance Concession
- Diversification of Non-Aeronautical Revenues
- Contract Negotiation & Re-negotiation
- Fixing the Reasons why Passengers Don't Buy
- Re-designing Commercial Spaces & Retail Infrastructure to Increase Retail Offerings
- How the Travel Retail/F&B Offerings Need and Must Innovate

The course culminated with a tour of the GAIA to assess current and possible revenue streams.

On the Horizon

GAIA Inc. is in discussions with a number of entities for the provision of a variety of products at the airport including but not limited to an enhanced and extended food and beverage offering through the establishment of a food truck village; provision of foreign exchange services; and expansion of cargo services. In addition, GAIA Inc. is looking to further develop the FBO and aircraft maintenance and repair sectors.

Opportunities for pop-up shops will be made available to a number of small and microbusinesses. Work will continue with the Barbados Trust Fund and Export Barbados as they seek to promote and export the products of their members.

Human Resources

HUMAN RESOURCES

The Human Resources Department continued to support the organization in the various human resources functions.

Recruitment

Staffing during this period continued to be impacted by the effects of the COVID-19 pandemic, especially in the Operations department.The Human Resources team supported the operations by recruiting temporary staff to assist as needed. Seasonal staff were also hired for the winter season in the areas of customer service, safety/security and custodial. Additionally, the following key positions were filled during the period:

- Director of Operations
- Internal Auditor
- Corporate Communications Specialist
- Deputy Chief of Security

Training and Development

The company continued its willingness to support training and development initiatives to ensure that employees were adequately trained and equipped with the knowledge and skills to perform their duties efficiently and effectively.During the period under review the Human Resources department supported and/or facilitated training as follows:

- TRAINAIR Plus Training Instructor Course (International Civil Aviation Organization (ICAO) in cooperation with the Joint Aviation Authorities Training Organisation)

Airports Council International (ACI) online Courses -

  - Runway Safety Management
  - Airside Safety
  - Wildlife Hazzard Management

- Customer Engagement & Excellence Workshops (BTMI)
- Executive Leadership Programme for the Aviation Industry (Cave Hill School of Business and Management)
- Supervisory Management (Barbados Institute of Management and Productivity – BIMAP)
- Study Tour to the Palm Beach International Airport in Florida to shadow representatives from the Transportation Security Administration (TSA)
- Security Awareness Training
- Screener’s Certification for Security Officers
- Health & Safety Committee Member Re-Certification (REA Envirohealth International)
- Project Management for Executive Assistants and Personal Assistants (BIMAP)
- Annual Ethics Workshop (Institute of Chartered Accountants of Barbados - ICAB)
- Conducting Discipline and Terminations Seminar (ICAB)
- Griptester Airports Refresher Training (Findlay Irvine Ltd)
- Cyber Security
- Performance Management (Barbados Employers Confederation - BEC)
- Correct Lifting Techniques (REA Envirohealth International)

Corporate Responsibility
The company undertook several activities as part of its corporate social responsibility programme as follows:

Presentation to Students
The Information Systems and Systems teams facilitated a visit by approximately seventy (70) business students of the Samuel Jackman Prescod Institute of Technology (SJPI) and their instructors during the month of March 2023, where information was shared on technology at the Airport.

Common Entrance Initiative
We continue to support the children of our employees who completed the annual Common Entrance Examination. This is the 9th year for this initiative and presentations were made to ten (10) GAIA Inc. employees on 30 September 2022. The parents were presented with Certificates of Achievement and a monetary donation to assist with their back-to-school purchases.


Employees accepting their tokens from the Director of Finance & the Chief Executive Officer

National Give Back Programme
GAIA Inc. registered as an entity under the Government of Barbados' Give Back Programme. Under this programme, persons pursuing undergraduate courses with the University of the West Indies (UWI), Barbados Community College and the Erdiston Teacher's Training College, whose economic cost is being covered by the Government of Barbados, are required to give back a set number of hours in approved community service each year.

Priority was given to employees of GAIA Inc. who were pursuing undergraduate studies to complete their community service hours at the Airport, and at the commencement of the programme six employees were registered. At the end of March 2023, three persons completed 65 hours total. The volunteer hours had to be completed outside of the employees' scheduled work hours and could not have been undertaken in their section/department.

Summer Internship Programme

Annually, we assist in preparing students for the world of work through our Summer Internship Programme. This year we facilitated twenty-two students from various tertiary level institutions including the Samuel Jackman Prescod Institute of Technology, Barbados Community College and the University of the West Indies. The students were assigned to various departments for periods ranging from 6-8 weeks commencing June through to August 2022.

Photos of students at the end of orientation

Industrial Relations

The industrial relations climate remained stable during the period. Discussions held with the employees' representative, the National Union of Public Workers (NUPW), were all cordial.

Financial Highlights

Annual Plan

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

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

Passenger volumes were lower than the Annual Plan by some 127,535 passengers or approximately 7%. Operating revenue, however, increased by about $1 million when compared with the Plan. The fiscal year produced a pre-tax loss of $5 million compared with a projected loss of $4 million, the net result being about $1 million greater than Plan. EBITDA was $19 million compared with a Plan of $17 million. Results were close to those projected in the Annual Plan and generally, commendable improvement was realised when compared to the previous fiscal, particularly as the COVID-19 impact continued to be felt. These results should be excluded from trends and performance measurements as they do not represent the potential of the Company or its historical experience.
The main comparative results are seen in the Table below.

	Audited Period Ending 31-Mar-23	Annual Plan Period Ending 31-Mar-23	Variance Actual vs Plan 31-Mar-23
Revenue Passengers	**1,720,183**	**1,847,718**	**(127,535)**
Operating Revenue	$70,832,326	$69,539,495	$1,292,831
Operating Expenses	$52,052,616	$52,474,539	$421,923
Total Expenses	$76,124,562	$73,787,594	($2,336,968)
Pre-Tax Profit/(Loss)	($5,124,020)	($4,018,159)	($1,105,861)
Aeronautical Revenue	$48,018,405	$54,169,842	($6,151,437)
Non-aeronautical revenue	$22,813,921	$15,369,653	$7,444,268
EBITDA	$18,947,926	$17,294,896	$1,653,030
Debt Service Cost	$7,155,660	$6,429,615	($726,045)
Long-term debt	$145,982,209	$150,782,150	($4,799,941)

Key Highlights ***Table 3***

Dividend Payable to the Government

Notwithstanding the continued impact of COVID-19 on operations during the year, remarkable improvement was realised as passenger traffic continued to rebound. The growth was however insufficient to return the Company to profitability and therefore no dividend was declared at March 2023.

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

The following Table contains the remuneration paid including all benefits, to the Directors and Executive Management during the financial year ended March 2023. The number of Directors sitting at the end of the year was eleven (11).

Position	Count	Remuneration
Chairman	1	$ 30,000
Directors	11	$ 95,505
Executive Management	4	$ 1,048,700

Table 4

Report on Fiscal Risks

Fiscal risks are factors that may cause actual outcomes to deviate from expectations or forecasts. The review of the fiscal risks of the Company for the year ended March 2023 is highlighted below.

Impact of COVID-19

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

Economic

The Latin America-Caribbean region, which had the strongest first half of 2022 among regions, is expected to continue seeing a positive uptick and the increase in leisure travel is forecasted to bring the region to approximately 91.9% compared to 2019. While the impact of the pandemic continued to be felt during this financial year, in September 2022, Barbados discontinued all COVID-19 related travel protocols and all travellers whether vaccinated or not, were permitted entry into the country without a COVID test. Demand was strong, outstripping supply. However, a level of uncertainty still surrounds the industry and forecasts and expectations require some measure of conservatism.

Business operations generated the necessary working capital and financial obligations were satisfied. Given the relationship with the concessions and passenger volumes, all the businesses recommenced business activity. The return of flight activity and passenger traffic fuelled the business generated by the concessionaires, which recorded great improvements in revenue. However, GAIA Inc. continued its support to the concessionaires given that circumstances and recovery were not yet at a sustainable level and the minimum annual guarantee (MAG) rents and discounted office rentals (50% of fixed contract amounts), remained suspended for the year.

Plant maintenance was performed, and the execution of capex projects was carefully determined based on priority and cash availability.

Health

GAIA Inc. continued to support the Government of Barbados and the Ministry of Health and Wellness in all efforts to control the spread of COVID-19, by responding to all the necessary changes made to the health protocols as COVID testing and processing of passengers were facilitated. The travel protocols were discontinued in September 2022. The wearing of masks became optional and social distancing along with regular hand-washing continued to be encouraged.

Employment

There was no disruption to employment which remained at the pre-COVID levels in support of the Government's policies relative to maintaining employment levels to minimize the pressure on the national social security system. This decision ensured that appropriate levels of staff were on hand to support the rebound of passenger traffic.

The industrial relations climate remained cordial and supportive of the Company.

Credit risk

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

Foreign Currency

Some transactions were denominated in United States dollars, but the foreign currency risk remained low as the Barbados dollar is pegged to the United States dollar. Borrowing in Barbados dollars will eliminate currency risk on loans.

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

Liquidity Risk

The rebound in passenger volumes generated increased earning capacity of GAIA Inc. resulting in improved cash flow resources. Much of an airport's expenses is fixed and requires a relatively high level of cash to maintain operations. The Company was able to satisfy the operating obligations for the year.

Interest Rate Risk

The Company has exposure to interest rate risk by way of its US dollar loan from Caribbean Development Bank (CDB). That interest rate is variable and is reviewed every quarter. The other long-term loan is denominated in Barbados dollars and carries a fixed interest rate for 10 years. This eliminates the risk associated with changes in interest rates and that associated with debt servicing. It also provides certainty with respect to budgeting and forecasting.

Capital Management

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

Overall Performance

The fiscal year 2022/23 recorded a strong recovery when compared with 2021/22. The COVID-19 pandemic resulted in border closures and the collapse of global air travel which crippled the aviation industry world-wide. The Government of Barbados responded appropriately to all changes globally, with a focus on rebuilding the country's economy while continuing to safeguard the health of all. All partners worked intensely to rebuild passenger traffic and generate new routes and airlift, which resulted in tremendous growth. The Company's revenue reflected the strides made in recovery, however, it fell short of profitability.

Revenue passengers grew by approximately 80%, total revenue earned increased by 68% [$28.6 million] and as at 31 March 2023, the Company recorded a net loss of $5.2 million compared with a loss of $27.6 million in 2022, an improvement of $22.5 million [81%]. EBITDA was $18.9 million, an improvement over last year by 506%, when it was a negative $4.7 million. The net operating results are summarized in Table 5.

	2023	2022
Revenues	71,000,542	42,377,801
Expenses	52,054,048	47,038,835
Earnings (loss) before depreciation, interest and taxes	18,946,494	(4,661,034)
Depreciation	16,914,854	19,101,408
Finance costs	7,155,660	4,674,541
Tax (credit) charge	61,411	(792,388)
Net earnings (loss)	(5,185,431)	(27,644,595)
Total Assets	269,888,975	282,286,924

Overall Performance ***Table 5***

Revenue

Passenger volumes for the fiscal year are seen in Table 4. The traffic recovery during the current year recorded an increase over 2022 of 766,088 passengers, or approximately 80%, but remained 20% below the pre-pandemic level. It is anticipated that passenger confidence will continue to grow stronger leading the way to full recovery during the next financial year.

	2022	2023
Embarked	448,613	819,368
Disembarked	480,656	859,254
Transfers	24,070	41,561
Charters	756	-
Total	954,095	1,720,183
Change in passengers	777,000	766,088
% change	438.7%	80.3%

Revenue Passengers (Fiscal Year) ***Table 6***

At year-end, total operating revenue was $71.0 million, compared with $42.4 million earned in fiscal year 2022, and was approximately 89% of the pre-COVID results. Net Loss for the year was $5.2 million compared with a $27.6 million loss in the previous year. There were improvements across all categories of revenue. Comparative figures are seen in Table 7 below.

	2022	2023	Change	Change %
Aeronautical revenue	$	$	$	
Passenger service charges	23,404,710	42,217,132	18,812,422	80.4%
Direct charges to airlines	4,579,860	5,801,273	1,221,413	26.7%
	27,984,570	48,018,405	20,033,835	71.6%
Non-aeronautical revenue				
Concessions and rentals	8,812,117	14,288,473	5,476,356	62.1%
Services charged	909,267	1,196,328	287,061	31.6%
Lease of lands	1,435,972	1,778,387	342,415	23.8%
Car park revenue	356,922	811,058	454,136	127.2%
Other income	2,878,953	4,907,891	2,028,938	70.5%
	14,393,231	22,982,137	8,588,906	59.7%
Total Revenue	42,377,801	71,000,542	28,622,741	67.5%
Aeronautical revenue as % total revenue	66.0%	67.6%		
Non-aeronautical revenue as % total revenue	34.0%	32.4%		

Revenue Categories ***Table 7***

Aeronautical revenue recorded a 72% ($20 million) increase over 2022 fiscal reflecting the rebound in passenger traffic.

Non-aeronautical revenue also grew 60% when compared with 2022 as all concessionaires recommenced operations. They continued to receive rent relief for the fiscal period until a period of sustainability is reached.

Concessions and Rentals earned $14.3 million or approximately 20% of total revenue compared with earnings in 2022 of $8.8 million and 21% of total revenue. This increase of $5.5 million was attributable to the continuing recovery experienced in passenger numbers, a reflection of the increase in passenger spend. The Company acknowledged that recovery was not yet at the level to sustain the reintroduction of the minimum annual guarantee (MAG) rents and so concessionaires continued to benefit from a waiver for the year and office rentals were discounted by 50% of contract amounts, only paying a percentage of gross revenue. It is expected that this relief will be extended until consistent commercial activity resumes.

$'000	2021	2022	2023	2021	2022	2023	Variance
Revenue							
Passenger service charges	4,639	23,405	42,217	30.5%	55.2%	59.5%	7.7%
Direct charges to airlines	1,763	4,580	5,801	11.6%	10.8%	8.2%	-24.4%
Aeronautical revenue	6,401	27,985	48,018	42.1%	66.0%	67.6%	2.4%
Concessions and rentals	2,515	8,812	14,288	16.6%	20.8%	20.1%	-3.2%
Services charged	629	909	1,196	4.1%	2.1%	1.7%	-21.5%
Lease of lands	1,416	1,436	1,778	9.3%	3.4%	2.5%	-26.1%
Car park revenue	97	357	811	0.6%	0.8%	1.1%	35.6%
Other income	924	2,879	4,908	6.1%	6.8%	6.9%	1.8%
Non-aeronautical revenue	8,787	14,393	22,982	57.9%	34.0%	32.4%	-4.7%
Total Revenue	**15,189**	**42,378**	**71,001**	**100.0%**	**100.0%**	**100.0%**	
Total Expenses	**59,213**	**70,815**	**76,125**	**389.9%**	**167.1%**	**107.2%**	35.8%
Income(loss) before taxation	(44,025)	(28,437)	(5,124)	-289.9%	-67.1%	-7.2%	89.2%
Taxation charge (credit)	(542)	(792)	61	-3.6%	-1.9%	0.1%	104.6%
Net income(Loss)	**(43,483)**	**(27,645)**	**(5,185)**	**-286.3%**	**-65.2%**	-7.3%	88.8%

Accounts as a percentage of Total Revenue ***Table 8***

As fiscal year 2021 was severely impacted by the COVID-19 pandemic and was anomalous in all ways, the common sizing presented in Table 8 should not be considered in assessing trends. The year 2021 is however shown to demonstrate the growth since the pandemic.

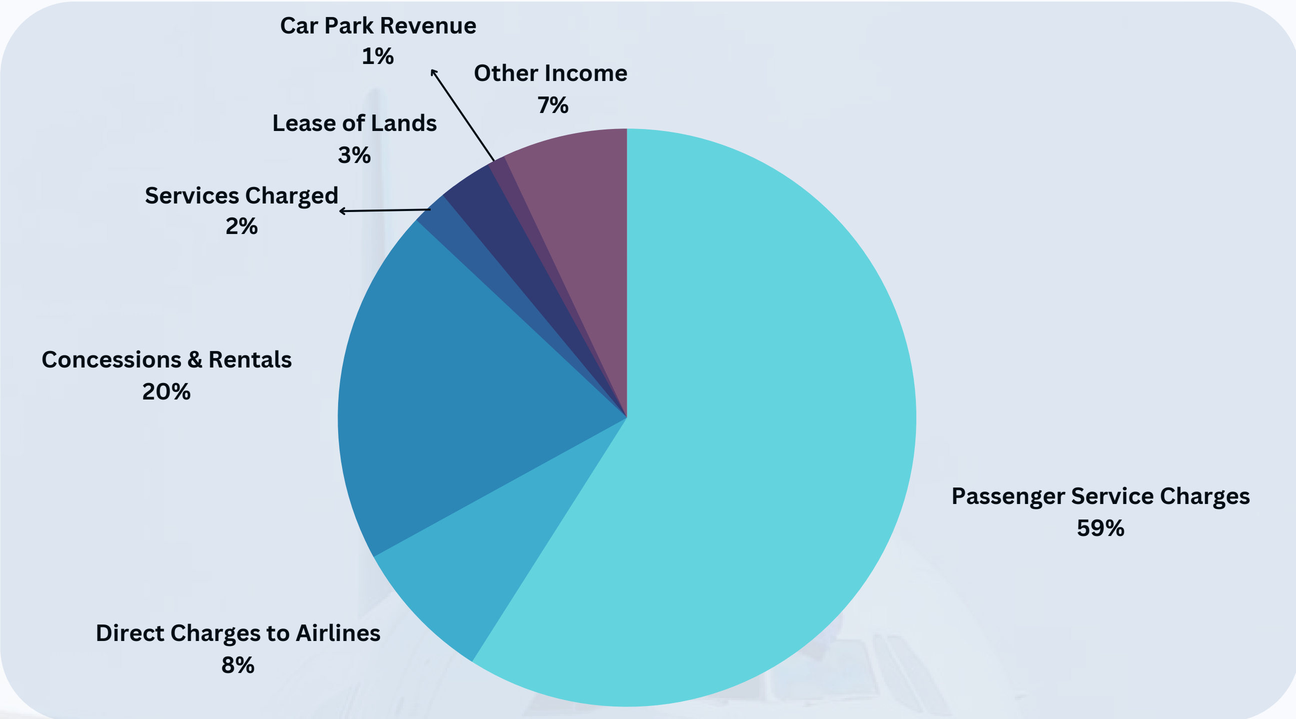


Figure 6

Revenue

Expenditure

Total expenses were $76.1 million, approximately $5.3 million (7.5%) higher than expenditure incurred in 2022 ($70.8 million). The increase is attributed mainly to finance costs, contract fees and utility costs, which together were some $7.7 million more than last year.

Employment costs remained the largest single expense at $23.2 million, on par with the previous year's $23.5 million. Full employment was maintained during the year, permitting timely response to the operational needs and growth experienced.

Statement of Financial Position

Current assets were $34.0 million down from $36.7 million as at 31 March 2022. Cash resources grew over the year due to the increase in operating activity and available cash ended the year at $12.0 million. Restricted cash was $16.1 million of which $13.8 million related to debt service reserves. Accounts receivable increased due to the growth in revenue-generating activity. The current assets consisted primarily of cash and accounts receivable.

Total assets at year-end were $269.9 million. Capital assets net of accumulated depreciation were $221.1 million. The major asset balances include terminal buildings, runways, taxiways, motor vehicles, furniture and equipment, security equipment and common-use equipment.

Accounts payable decreased by $7.6 million to end the year at $7.7 million, reflecting settlement of obligations during the year. The current portion of long-term loans was $65.2 million representing the balance on the FCIB loan in accordance with IAS 1 (revised).

The long-term loan from FCIB was reclassified to the current portion of loans as loan covenants were not met this year. The other long-term loan from CDB was not reclassified; this balance was $80.8 million. For the year ended March 2023, the Company recorded an accumulated deficit of $35.9 million compared with a deficit of $30.7 million as at March 2022. The erosion of earnings was the result of the significant decline in revenues and profitability due to the spread of COVID-19.

Financial ratios

Much improvement was realised during this year, however some financial performance indicators remained negative and profitability ratios, though improved, continued to be negative. The reclassification of the FCIB long-term loan of $65.2 million again this year resulted in a higher-than-normal level of current liabilities. If adjustment were made for the reclassification, at year-end working capital would have been $26.2 million and the current ratio 4.4, better than last year's $21.3 million and current ratio of 2.4.

The debt-equity ratio was 1.38:1 and was on par with that in 2022. The Company remains highly leveraged this year due to the loss of profitability, creating the need to secure substantial external funding and giving rise to the erosion of net equity.

The debt service coverage ratio was 2.80 [2022: -1.00]. The loan interest payments were some $6.8 million compared with $4.7 million in the previous year. This position is expected to continue to improve as profitability returns.

	2022	2023
Net Income(Loss)	(27,644,595)	(5,185,431)
Profitability Ratios:		
Net Income(Loss) % of Revenue	-65.2%	-7.3%
Return on total assets	-10.2%	-1.9%
Return on fixed assets	-11.8%	-2.2%
Return on Equity	-20.9%	-4.5%
Liquidity Ratios:		
Current ratio	2.39	4.35
Working Capital $'M	$21.3	$26.2
Efficiency Ratios:		
AR days (DSO)	101	80
AR Turnover Ratio	5.7	5.2
Solvency Ratios:		
Debt-to-Assets ratio	0.58	0.58
Debt-equity ratio	1.38	1.38
Debt-Capital ratio	0.58	0.58
Asset-to-Equity ratio	2.38	2.38
Debt-to-EBITDA ratio	-35.09	8.25
LT Debt-Capital ratio	0.55	0.56
Funded Debt to EBITDA	-31.32	7.70
Net Debt to EBITDA	-29.39	7.07
Coverage Ratios:		
Debt Service Coverage Ratio (after Tax)	-1.83	1.74

Index to Financial Statements

Grantley Adams International Airport Inc.

Financial Statements

For the year ended 31 March 2023
(Expressed in Barbados Dollars)

Building a better
working world

GRANTLEY ADAMS INTERNATIONAL AIRPORT INC.

Index to Financial Statements
For the year ended 31 March 2023

Building a better working world

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDER OF GRANTLEY ADAMS INTERNATIONAL AIRPORT INC.

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of Grantley Adams International Airport Inc. ("the Company"), which comprise the statement of financial position as at 31 March 2023, and the statement of comprehensive loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2023 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for Qualified Opinion

Non-compliance with IAS 1 (revised)

At 31 March 2023, the Company was in breach of the financial covenants under the loan agreements with two of its lenders. As a result of the breach, under IAS 1 (revised): "*Presentation of Financial Statements*", the Company is required to reclassify its loan balance from long-term loans to the current portion of loans as it does not have an unconditional right to defer its settlement for at least twelve months after that date. However, for one of its loan arrangements, the Company has not reclassified the long-term portion of the loan balances from its long-term classification in the statement of financial position and is therefore reporting understated current liabilities of $80,777,600 (2022: $80,777,600) as at year end. This is not in accordance with the requirements of IAS 1 (revised). The Company was also in breach as at 31 March 2022 under the same loan agreement, and the prior year auditor's report was qualified in a similar manner.

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' ("IESBA") International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 a] in the financial statements, which indicates that due to the continuing impact of the global endemic, the Company suffered net losses of $5,185,431 (2022 - $27,644,595) for the year ended 31 March 2023 and had an accumulated deficit position as at 31 March 2023 of $35,900,428 (2022 - $30,714,997). As stated in Note 2 a], these events or conditions, along with the uncertainty of the duration of the global endemic, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Building a better working world

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDER OF GRANTLEY ADAMS INTERNATIONAL AIRPORT INC.

Report on the Audit of the Financial Statements (Continued)

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

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

The Board of Directors is responsible for overseeing the Company's financial reporting process.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDER OF GRANTLEY ADAMS INTERNATIONAL AIRPORT INC.

Report on the Audit of the Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

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

Other matter

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

Ernst & Young Ltd

Barbados
26 July 2023

GRANTLEY ADAMS INTERNATIONAL AIRPORT INC.

Statement of Financial Position
As of 31 March 2023

	Notes	2023 $	2022 $
Assets			
Current assets			
Cash	4	12,020,027	8,996,346
Restricted cash	4	2,332,287	9,521,927
Accounts receivable	5	15,361,282	11,593,690
Prepayments		793,386	1,430,245
VAT refundable		1,183,979	3,145,872
Inventory	6	2,319,444	1,955,013
Income tax refundable		17,189	17,156
		34,027,594	36,660,249
Non-current assets			
Other restricted cash – debt service reserves	4	13,755,861	12,568,477
Property, plant and equipment	7	221,101,047	232,065,370
Work-in-progress	8	34,640	34,640
Deferred tax asset	14	949,712	937,827
Right-of-use asset	15	20,121	20,361
Total assets		269,888,975	282,286,924
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	9	7,658,906	15,217,199
Airport service charge fees payable (net)	10	870,145	352,609
Taxation payable		167,805	94,509
Current portion of long-term loans	11	65,204,609	65,204,609
		73,901,465	80,868,926
Non-current liabilities			
Long-term loans	11	80,777,600	80,777,600
Retentions payable	12	181,476	1,133,328
Deferred income	13	1,456,455	749,652
Lease liability	15	21,050	21,058
Total liabilities		156,338,046	163,550,564
Shareholder's equity			
Share capital	16	100	100
Capital contributions	17	149,451,257	149,451,257
Deficit		(35,900,428)	(30,714,997)
		113,550,929	118,736,360
Total liabilities and shareholder's equity		269,888,975	282,286,924

The accompanying notes form part of these financial statements.

Approved by the Board of Directors on 19 July 2023 and signed ~~on its behalf by:~~

....Director ....Director

GRANTLEY ADAMS INTERNATIONAL AIRPORT INC.

Statement of Comprehensive Loss
For the year ended 31 March 2023

	Notes	2023 $	2022 $
Income			
Revenue from contracts with customers	19	50,487,691	29,627,990
Revenue for lease contracts	20	15,816,569	10,049,823
Other income	21	4,528,066	2,822,924
Interest income		217	27
Foreign exchange gain (loss)		167,999	(122,963)
		71,000,542	42,377,801
Expenses			
Employment costs		23,161,654	23,515,153
Depreciation	7	16,914,854	19,101,408
Utilities		7,384,223	5,592,442
Repairs and maintenance		4,577,705	5,112,311
Finance costs		7,155,660	4,674,541
Security screening charge		5,088,542	4,612,616
Office and general expenses		3,017,974	3,583,710
Insurance		2,459,285	2,057,193
Professional fees		4,531,338	1,109,580
Bad debt expense (net of recoveries)		472,226	336,497
Contract maintenance expenses		1,216,275	930,451
Directors' fees and expenses		125,505	138,954
Other expense inventory write-off/cost		17,889	48,496
Interest in lease liabilities	15	1,192	1,192
Depreciation on right-of-use assets	15	240	240
		76,124,562	70,814,784
Loss before taxation		(5,124,020)	(28,436,983)
Taxation charge (credit)	14	61,411	(792,388)
Net loss and total comprehensive loss for the year		(5,185,431)	(27,644,595)

The accompanying notes form part of these financial statements.

GRANTLEY ADAMS INTERNATIONAL AIRPORT INC.

Statement of Changes in Equity
For the year ended 31 March 2023

	Share capital $	Capital contributions $	Deficit $	Total $
Balance as of 31 March 2021	100	149,451,257	(3,070,402)	146,380,955
Total comprehensive loss for the year	-	-	(27,644,595)	(27,644,595)
Balance as of 31 March 2022	100	149,451,257	(30,714,997)	118,736,360
Total comprehensive loss for the year	-	-	(5,185,431)	(5,185,431)
Balance as of 31 March 2023	100	149,451,257	(35,900,428)	113,550,929

GRANTLEY ADAMS INTERNATIONAL AIRPORT INC.

Statement of Cash Flows
For the year ended 31 March 2023

	2023 $	2022 $
Cash flows from operating activities		
Loss before taxation	(5,124,020)	(28,436,983)
Adjustments for:		
Depreciation (Note 7)	16,914,854	19,101,408
Depreciation on ROU asset (Note 15)	240	240
Finance costs	7,155,660	4,674,541
Grant income (Note 13)	(4,230,599)	(2,281,106)
Interest on lease liability (Note 15)	1,192	1,192
Loss on disposal of property, plant and equipment (Note 21)	4,618	-
Interest income	(217)	(27)
Operating profit (loss) before working capital changes	14,721,728	(6,940,735)
Increase in accounts receivable	(3,767,592)	(8,413,127)
Decrease (increase) in prepayments	636,859	(1,122,908)
Decrease in VAT refundable	1,961,893	7,646,797
Increase in inventory	(364,431)	(202,178)
Decrease in accounts payable and accrued liabilities	(7,963,206)	(9,494,109)
Decrease in retentions payable	(951,852)	(3,565,560)
Cash generated from (used in) operating activities	4,273,399	(22,091,820)
Withholding tax paid	(32)	-
Interest paid	(6,757,382)	(4,754,770)
Net cash used in operating activities	(2,484,015)	(26,846,590)
Cash flows from investing activities		
Additions to property, plant and equipment (Note 7)	(5,955,147)	(5,785,097)
Additions to work-in-progress (Note 8)	-	(20,839,544)
Interest received	217	27
Net cash used in investing activities	(5,954,930)	(26,624,614)

GRANTLEY ADAMS INTERNATIONAL AIRPORT INC.

Statement of Cash Flows (Continued)
For the year ended 31 March 2023

	2023 $	2022 $
Cash flows from financing activities		
Loan repayments	-	(15,699,337)
Long term loan proceeds	-	88,284,710
Capitalization of interest on loans	-	205,557
Grant funds received (Note 13)	4,937,402	1,107,809
Principal repayment on lease contract	(8)	(8)
Net cash from financing activities	4,937,394	73,898,731
Net (decrease) increase in cash for the year	(3,501,551)	20,427,527
Additional release (restriction) of cash during the year	6,525,232	(6,358,803)
Cash and cash equivalents (deficit) – beginning of the year	8,996,346	(5,072,378)
Cash and cash equivalents – end of the year (Note 4)	12,020,027	8,996,346

The accompanying notes form part of these financial statements.

1. Incorporation and principal activity

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

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

2. Significant accounting policies

The most significant accounting policies are summarized below:

a] Basis of accounting and financial preparation

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

Since 31 March 2020, the consequences of COVID-19 have materially and adversely affected the operations of the Company, resulting in a reduction in all categories of revenue. The Company suffered net losses of $5,185,431 (2022 - $27,644,595) for the year ended 31 March 2023 and had an accumulated deficit position as at 31 March 2023 of $35,900,428 (2022 - $30,714,997).

The Company is making steady progress toward its return to profitability and positive cash flows from operations. However, there is still some uncertainty on the Company's ability to continue as a going concern.

b] New accounting policies/improvements adopted

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the annual financial statements for the year ended 31 March 2022. The following interpretations and standards became effective and were adopted in the current year.

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

2. Significant accounting policies (Continued)

b] New accounting policies/improvements adopted (Continued)

Amendments to IFRS 3 – Reference to the Conceptual Framework (effective 1 January 2022)
In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to a previous version of the IASB's Conceptual Framework (the 1989 Framework) with a reference to the current version issued in March 2018 (the Conceptual Framework) without significantly changing its requirements.

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

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

Amendments to IAS 16 – Property, Plant and Equipment: Proceeds before Intended Use (effective 1 January 2022)
The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

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

2. Significant accounting policies (Continued)

b] New accounting policies/improvements adopted (Continued)

Amendments to IAS 37 Onerous Contracts – Costs of Fulfilling a Contract (effective 1 January 2022)
In May 2020, the IASB issued amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a 'directly related cost approach'. The costs that relate directly to a contract to provide goods or services include both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract as well as costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

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

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

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

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

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

2. Significant accounting policies (Continued)

b] New accounting policies/improvements adopted (Continued)

***Standards in issue not yet effective* (Continued)**

Amendments to IFRS 17 – Insurance Contracts (effective 1 January 2023) (Continued)
IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17.

Amendments to IAS 8 – Definition of Accounting Estimates (effective 1 January 2023)
In February 2021, the Board issued amendments to IAS 8, in which it introduces a new definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

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

The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense).

Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
In December 2015, the IASB decided to defer the effective date of the amendments until such time as it has finalized any amendments that result from its research project on the equity method. Early application of the amendments is still permitted.

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

2. Significant accounting policies (Continued)

b] New accounting policies/improvements adopted (Continued)

***Standards in issue not yet effective* (Continued)**

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

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

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

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

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

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

Amendments to IAS 1 – Classification of Liabilities as Current or Non-current and Non-Current Liabilities with Covenants (effective 1 January 2024)
In January 2020, and October 2022, the Board issued amendments to paragraphs 69 to 76 of IAS 1 Presentation of Financial Statements to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

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

The amendments must be applied prospectively. Early application is permitted and must be disclosed. However, an entity that applies the 2020 amendments early is also required to apply the 2022 amendments, and vice versa.

2. Significant accounting policies (Continued)

b] New accounting policies/improvements adopted (Continued)

Standards in issue not yet effective **(Continued)**

Amendments to IAS 1 – Classification of Liabilities as Current or Non-current and Non-Current Liabilities with Covenants (effective 1 January 2024) (Continued)
The combined impact of the 2020 amendments and the 2022 amendments will have implications for practice. Entities will, therefore, need to carefully consider the impact of the amendments on existing and planned loan agreements. In this context, it is important to highlight that the amendments must be applied retrospectively.

Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback (effective 1 January 2024)
In September 2022, the Board issued Lease Liability in a Sale and Leaseback (Amendments to IFRS 16).

The amendment to IFRS 16 Leases specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains.

After the commencement date in a sale and leaseback transaction, the seller-lessee applies paragraphs 29 to 35 of IFRS 16 to the right-of-use asset arising from the leaseback and paragraphs 36 to 46 of IFRS 16 to the lease liability arising from the leaseback. In applying paragraphs 36 to 46, the seller-lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognize any amount of the gain or loss that relates to the right of use retained by the seller-lessee. Applying these requirements does not prevent the seller-lessee from recognizing, in profit or loss, any gain or loss relating to the partial or full termination of a lease, as required by paragraph 46(a) of IFRS 16.

The amendment does not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining 'lease payments' that are different from the general definition of lease payments in Appendix A of IFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with IAS 8.

2. Significant accounting policies (Continued)

b] New accounting policies/improvements adopted (Continued)

***Standards in issue not yet effective* (Continued)**

Improvements to International Financial Reporting Standards

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

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

IFRS – Subject of Amendment

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

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

IAS 41 Agriculture – Taxation in fair value measurements.

c] Revenue recognition

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

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

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

Other income
Other income is recognized on an accrual basis.

2. Significant accounting policies (Continued)

d] Taxation

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

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

e] Currency

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

f] Impairment of non-financial assets

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

g] Property, plant and equipment

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

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

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

2. Significant accounting policies (Continued)

h] Impairment of financial assets

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

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

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

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

i] Leases

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

Company as a lessee

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

i) Right-of-use assets

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

2. Significant accounting policies (Continued)

i] Leases (Continued)

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

Land	85 years

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

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

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

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

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

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

2. Significant accounting policies (Continued)

i] Leases (Continued)

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

j] Loans and borrowings

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

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

k] Pension costs

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

l] Inventory

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

m] Government Grants

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

3. Significant accounting judgements, estimates and assumptions

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

3. Significant accounting judgements, estimates and assumptions (Continued)

Impairment of non-financial assets

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

Impairment of financial assets

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

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

4. Cash

	2023 $	2022 $
Cash in banks	28,108,175	31,086,750
Restricted cash	(16,088,148)	(22,090,404)
Cash and cash equivalents as disclosed in statement of cash flows	12,020,027	8,996,346

Balance at bank amounting to $914,812 (2022 - $320,574) bears interest at 0.005% (2022 - 0.005%) per annum, the remainder is non-interest bearing.

Restricted cash balances are comprised as follows:

(a) $875,833 (2022 - $352,857) being held on account and payable to the Government of Barbados for funds received for the Airport Service Charge fee.
(b) $8,096,239 (2022 - $8,096,239) representing Debt Service Charge on FCIB Loan (Refer to Note 11).
(c) $5,659,621 (2022 - $4,472,238) representing a refundable fee held by the CDB and $- (2022 - $8,098,211) representing loan funds to be utilised for pavement works project (Refer to Note 11).
(d) $1,456,455 (2022 - $1,070,859) representing the balance of grant funds received for interest support on CDB loan interest. (Refer to Note 13).

5. Accounts receivable

	2023 $	2022 $
Trade receivables	19,838,271	15,477,880
Less: allowance for expected credit losses	(4,495,375)	(3,903,862)
Net trade receivables	15,342,896	11,574,018
Other receivables	25,505	145,575
Less: allowance for expected credit losses	(7,119)	(125,903)
	15,361,282	11,593,690

Trade receivables are non-interest bearing and generally on terms ranging from 15 to 60 days. Included in the trade receivables is $1,382,316 (2022 - $1,281,810) owed from related parties, for which a provision of $606,840 (2022 - $243,243) has been recorded.

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

	2023 $	2022 $
Balance at beginning of year	4,029,765	4,006,889
Charge for the year	1,371,708	1,444,390
Recoveries	(898,979)	(1,421,514)
Balance at end of year	4,502,494	4,029,765

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

	Total $	0-30 days $	31-60 days $	61-90 days $	> 90 days $
2023	15,342,896	7,979,154	6,202,236	753,488	408,018
2022	11,574,018	6,925,498	3,647,077	469,832	531,611

6. Inventory

	2023 $	2022 $
Spare parts and supplies	2,319,444	1,955,013

7. Property, plant and equipment

	Leasehold improvements $	Runways, taxiways and pavements $	Furniture and equipment $	Motor vehicles $	Security equipment $	Navigation equipment $	Computer equipment $	Common use equipment $	Total $
Cost									
At 31 March 2021	201,768,484	113,438,621	28,683,577	14,804,873	14,845,914	5,519,903	17,017,236	3,556,202	399,634,810
Transfers (Note 8)	-	25,404,341	-	-	-	-	-	-	25,404,341
Additions	-	5,415,418	335,047	-	11,959	-	22,673	-	5,785,097
At 31 March 2022	201,768,484	144,258,380	29,018,624	14,804,873	14,857,873	5,519,903	17,039,909	3,556,202	430,824,248
Additions	941,223	1,510,254	467,929	-	190,070	-	228,636	2,617,035	5,955,147
Disposals	-	-	(76,568)	-	-	-	(1,969)	(754,349)	(832,886)
At 31 March 2023	202,709,707	145,768,634	29,409,985	14,804,873	15,047,943	5,519,903	17,266,576	5,418,888	435,946,509
Accumulated depreciation									
At 31 March 2021	70,961,053	34,176,746	23,024,525	13,312,246	13,162,699	5,519,903	15,944,096	3,556,202	179,657,470
Depreciation	5,604,524	9,613,792	1,374,170	820,777	615,854	-	1,072,291	-	19,101,408
At 31 March 2022	76,565,577	43,790,538	24,398,695	14,133,023	13,778,553	5,519,903	17,016,387	3,556,202	198,758,878
Depreciation	5,668,825	8,527,290	1,223,071	302,347	577,315	-	92,730	523,276	16,914,854
Disposals	-	-	(71,952)	-	-	-	(1,969)	(754,349)	(828,270)
At 31 March 2023	82,234,402	52,317,828	25,549,814	14,435,370	14,355,868	5,519,903	17,107,148	3,325,129	214,845,462
Net book value									
At 31 March 2023	120,475,305	93,450,806	3,860,171	369,503	692,075	-	159,428	2,093,759	221,101,047
At 31 March 2022	125,202,907	100,467,842	4,619,929	671,850	1,079,320	-	23,522	-	232,065,370

8. Work-in-progress

	2023 $	2022 $
Balance at 1 April	34,640	4,521,173
Additions	-	20,839,544
Borrowing costs capitalized	-	821,389
Transfers to property, plant and equipment (Note 7)	-	(25,404,341)
Transfers to other accounts	-	(743,125)
Balance at 31 March	34,640	34,640

Work-in-progress at 31 March 2023 is $34,640 (2022 - $34,640), which relates to other leasehold improvements.

9. Accounts payable and accrued liabilities

	2023 $	2022 $
Trade payables	1,558,436	10,857,090
Other payables and accruals	5,695,441	3,725,718
Deposits	405,029	634,391
Accounts payable and accrued liabilities	7,658,906	15,217,199

Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled generally on terms ranging from 30 to 60 days. Included in the trade payables is $33,164 (2022 - $43,974) due to related parties (See Note 18).

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

10. Airport Service Charge Fees Payable (net)

The balance represents airport service charge levied on departing passengers and being collected by GAIA Inc. on behalf of the Government of Barbados. At 31 March 2023, the net amount due to the Government of Barbados was $870,145 (2022 - $352,609).

11. Long-term loans

	2023 $	2022 $
CIBC-FCIB	65,204,609	65,204,609
Caribbean Development Bank	80,777,600	80,777,600
	145,982,209	145,982,209
Less: Current portion		
CIBC-FCIB	(65,204,609)	(65,204,609)
	(65,204,609)	(65,204,609)
Long-term portion	80,777,600	80,777,600

FirstCaribbean International Bank

On 11 August 2021, the Company closed a new loan facility with FCIB for $65,204,609 necessitated by the impact of COVID-19 on the business.

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

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

At 31 March 2023 and 2022, the Company was in breach of the financial covenants under the loan agreement with CIBC FCIB. As a result of the breach, under IAS 1 (revised): "Presentation of Financial Statements", the Company is required to reclassify the loan balance from long-term loans to the current portion of loans as it does not have an unconditional right to defer its settlement for at least twelve months after that date. The Company has reclassified the loan balance of $65,204,609 from its long-term to current classification in the statement of financial position.

11. Long-term loans (Continued)

Caribbean Development Bank

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

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

At 31 March 2023, the Company was in breach of the financial covenants under the CDB loan agreement. As a result of the breach, under IAS 1 (revised): "Presentation of Financial Statements", the Company is required to reclassify the loan balance from long-term loans to the current portion of loans as it does not have an unconditional right to defer its settlement for at least twelve months after that date. However, the Company has not reclassified the long-term portion of the loan balance from its long-term classification in the statement of financial position.

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

The interest rate on the OCR Portion is variable and is currently set at a rate of 5.5% per annum calculated on the outstanding amount and is payable quarterly. The rate will be reviewed quarterly and may be adjusted (+/-) on 1 January, 1 April, 1 July and 1 October of each year.

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

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

The total loan amount was disbursed at the reporting date: $80,777,600 (2022 - $80,777,600).

12. Retentions payable

These represent amounts due to certain contractors upon successful completion of works under the terms of the respective contracts.

13. Deferred income

	2023 $	2022 $
Balance – beginning of year	749,652	1,922,949
Grant receipts during the year	4,937,402	1,107,809
Grant income for the year (Note 21)	(4,230,599)	(2,281,106)
Balance – end of year	1,456,455	749,652

The Government of Barbados (GoB) has provided grant funding for 50% of the interest cost on the CDB Loan for three years (Note 11). The interest cost was estimated at US$3,600,000 over the three-year period. The funds will be released for the sole purpose of paying interest on the CDB Loan. Two payments of US$1,200,000 each were received from the GoB in November 2020 and July 2022 respectively. Interest in the amount of $1,693,197 (2022 - $1,173,297) has been recognized as grant income for the current financial year and is presented within other income within the statement of comprehensive loss.

14. Taxation

	2023 $	2022 $
Statement of loss		
Corporation tax charge	73,296	-
Deferred tax credit	(11,885)	(792,388)
Balance – end of year	61,411	(792,388)

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

14. Taxation (Continued)

	2023 $	2022 $
Loss before taxation	(5,124,020)	(28,436,983)
Corporation tax at 5.5% (2022 – 5.5%)	(281,821)	(1,564,034)
Effect of depreciation on assets not subject to wear and tear	277,923	278,936
Effect of other amounts not allowed for tax purposes	169,381	4,275
Deferred tax asset not recognized	(88,487)	488,435
Effect of sliding scale rates	(15,254)	-
Under accrual of prior year taxes	(331)	-
Tax charge (credit)	61,411	(792,388)

	2023 $	2022 $
Deferred tax (asset) liability		
Balance – beginning of year	(937,827)	(145,439)
Deferred tax credit for the year	(11,885)	(792,388)
Balance – end of year	(949,712)	(937,827)

The deferred tax asset is made up as follows:

	2023 $	2022 $
Accelerated capital allowances	(875,761)	(905,144)
Expected credit losses	(73,951)	(32,683)
	(949,712)	(937,827)

Tax losses

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

14. Taxation (Continued)

Tax losses (Continued)

Income year	B/fwd $	Incurred $	Utilized $	C/fwd $	Expiry date
2021	28,872,234	-	-	28,872,234	2028
2022	-	8,880,640	-	8,880,640	2029
2023	-	-	(1,608,856)	(1,608,856)	N/A
	28,872,234	8,880,640	(1,608,856)	36,144,018	

The tax losses were as computed by the Company in its corporation tax returns and had as yet neither been confirmed nor disputed by the Barbados Revenue Authority. As at 31 March 2023, the Company has tax losses of $36,144,018 (2022 - $37,752,874) available to be carried forward and applied against future taxable income within seven years from when losses were incurred. A deferred tax asset of $1,987,921 (2022 - $2,076,408) has not been recognized as there is no future certainty that taxable income will be available against which the temporary differences can be utilized.

15. Leases

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

Future minimum rentals receivable are as follows:

	2023 $	2022 $
Within one year	14,868,950	11,516,716

b] *Company as lessee*

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

15. Leases (Continued)

b] Company as lessee (Continued)

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

	2023 $	2022 $
Right-of-use asset		
Balance – 1 April	20,361	20,601
Depreciation	(240)	(240)
Balance – 31 March	20,121	20,361

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

	2023 $	2022 $
Lease liability		
Balance – 1 April	21,058	21,066
Accretion of interest	1,192	1,192
Payments	(1,200)	(1,200)
Balance – 31 March	21,050	21,058

The following are the amounts recognized in profit or loss:

	2023 $	2022 $
Depreciation on right-of-use assets	240	240
Interest expense on lease liabilities	1,192	1,192
Total amount recognized in profit or loss	1,432	1,432

16. Share capital

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

	2023 $	2022 $
100 (2022 - 100) common shares	100	100

17. Capital contributions

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

18. Related party transactions

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

	2023 $	2022 $
a] State-controlled entities		
Revenue		
Caribbean ARI Inc.	1,886,102	993,560
Caribbean Aircraft Handling Company Limited	295,244	267,638
BADMC	675,887	386,904
Caribbean International Airways Limited	145,242	142,869
Caribbean Airways	2,079	-
Payments		
Director of National Insurance	3,970,265	4,032,236
Barbados Revenue Authority	1,139,772	1,040,349
Caribbean Aircraft Handling Company Limited	81,885	77,958
Barbados Water Authority	1,127,105	717,271

b] Compensation

Key management comprises directors and management of the Company.

Compensation of these individuals was as follows:

	2023 $	2022 $
Salaries and other short-term employee benefits	994,013	707,339
Post-employment benefits	54,687	46,538
Directors' fees and expenses	125,505	138,954
	1,174,205	892,831

19. Revenue for contracts with customers

Segments

	2023 $	2022 $
Passenger service charges	42,217,132	23,404,710
Direct charges to airlines	5,801,273	4,579,860
Service charges	1,196,328	909,267
Carpark revenue	811,058	356,922
Permits and passes	211,609	178,965
Advertising	250,291	198,266
	50,487,691	29,627,990

Timing of revenue recognition

	2023 $	2022 $
Services transferred at a point in time	50,025,791	29,250,759
Services transferred over time	461,900	377,231
	50,487,691	29,627,990

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

20. Revenue from lease contracts

	2023 $	2022 $
Concessions and rentals	14,038,182	8,613,851
Lease of airport lands	1,778,387	1,435,972
	15,816,569	10,049,823

21. Other income

	2023	2022
	$	$
Loss on disposal of property, plant and equipment	(4,618)	-
Grant income	4,230,599	2,281,106
Other miscellaneous income	302,085	541,818
	4,528,066	2,822,924

Grant income consists of:

a) interest support on CDB loan of $1,693,197 (2022 - $1,173,297)
b) contract termination fees of $2,537,402 (2022 - $0); and
c) disaster recovery related to the clean-up of ashfall $0 (2022 – $1,107,809)

22. Financial risk management objectives and policies

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

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

Credit risk

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

Concentration of credit risk

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

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

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

22. Financial risk management objectives and policies (Continued)

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

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

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

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

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

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

31 March 2023

	Less than 3 months $	3 months – 1 year $	2-5 Years $	>5 years $	Total $
Trade payables	959,897	598,539	-	-	1,558,436
Long-term loans	1,086,743	3,260,230	44,313,764	97,321,472	145,982,209
Interest on long-term loans	1,843,543	5,438,240	23,767,082	15,870,037	46,918,902

22. Financial risk management objectives and policies (Continued)

31 March 2022

	Less than 3 months $	3 months – 1 year $	2-5 Years $	>5 years $	Total $
Trade payables	10,236,481	620,609	-	-	10,857,090
Long-term loans	-	-	39,265,164	106,717,045	145,982,209
Interest on long-term loans	1,628,747	5,506,913	25,935,647	20,983,254	54,054,561

Interest rate risk

The Company is exposed to interest rate risk. Cash flow interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The occurrence of an adverse change in interest rates may result in a financial loss to the Company.

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

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

Increase/decrease in basis points	2023 Effect on profit before tax	2022 Effect on profit before tax
+-50	+-396,916	+-722,725

Capital management

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

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

22. Financial risk management objectives and policies (Continued)

Fair values

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

Financial assets and liabilities

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

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

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

	Carrying value		Fair value	
	2023	2022	2023	2022
	$	$	$	$
Financial assets				
Cash	12,020,027	8,996,346	12,020,027	8,996,346
Restricted cash	2,332,287	9,521,927	2,332,287	9,521,927
Accounts receivable	15,361,282	11,593,690	15,361,282	11,593,690
Other receivables	1,183,979	3,145,872	1,183,979	3,145,872

	Carrying value		Fair value	
	2023	2022	2023	2022
	$	$	$	$
Financial liabilities				
Accounts payable	7,658,906	15,217,199	7,658,906	15,217,199
Long-term loans	145,982,209	145,982,209	145,982,209	145,982,209

23. Pensions

During the year, the contributions made to the defined contribution plan by the Company amounted to $539,259 (2022 - $549,293). These amounts are disclosed in employment costs in the statement of comprehensive loss.

24. Commitments and contingencies

At 31 March 2023, the Company has contracted for certain expenditure in the amount of $8,129,435 (2022 - $19,104,228).

The Government of Barbados continues to negotiate with interested parties towards establishing a public private partnership to develop the airport. At this stage, associated costs are unknown.

There are claims pending against the Company and the Company is also the plaintiff in certain legal actions and other claims. The claims pending from DexterJada of approximately US$3.1 million is as a result of cost overruns and other contingent events occurring over the course of the Pavement Works Project. This matter was referred to the Dispute Board which found in favour of the Company. DexterJada advised of its dissatisfaction and notified its intention to proceed to arbitration but meanwhile, offered to pursue amicable resolution. It is the opinion of the directors, based on the advice of the Company's attorneys-at-law that any liability arising out of the claims and actions with the exception of DexterJada is not likely to be material. In relation to claims brought by the Company, the outcomes at this stage are uncertain and hence there is no recognition of any contingent assets.

25. Subsequent events

a] COVID-19

Since March 2020, the spread of COVID-19 has severely impacted many economies around the globe. The varied measures taken to contain the spread of the virus included travel bans, quarantines, physical distancing, and closures of non-essential services, which triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. These actions collectively, significantly impacted the profitability and cash flow of the Company. All travel restrictions were lifted in September 2022 and the Company's financial position has continued to improve during the current fiscal year. The future, however, remains still unpredictable and uncertain given its dependence on external influences within the various source markets. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Company for future periods.

25. Subsequent events (Continued)

b] Status of public private partnership

The Government of Barbados (GoB) agreed that Grantley Adams International Airport Inc. should take measures to enhance the operations of its commercial activities and to enter into a public private partnership (PPP) arrangement with an experienced airport operator. The enabling legislation was passed in both Houses of Parliament in 2021. The agreement with International Finance Corporation (IFC) was terminated in October 2022 however, the GoB continues its efforts to establish the PPP. Draft documents are under review as the process is continuing towards finalizing an arrangement within the shortest possible timeframe.