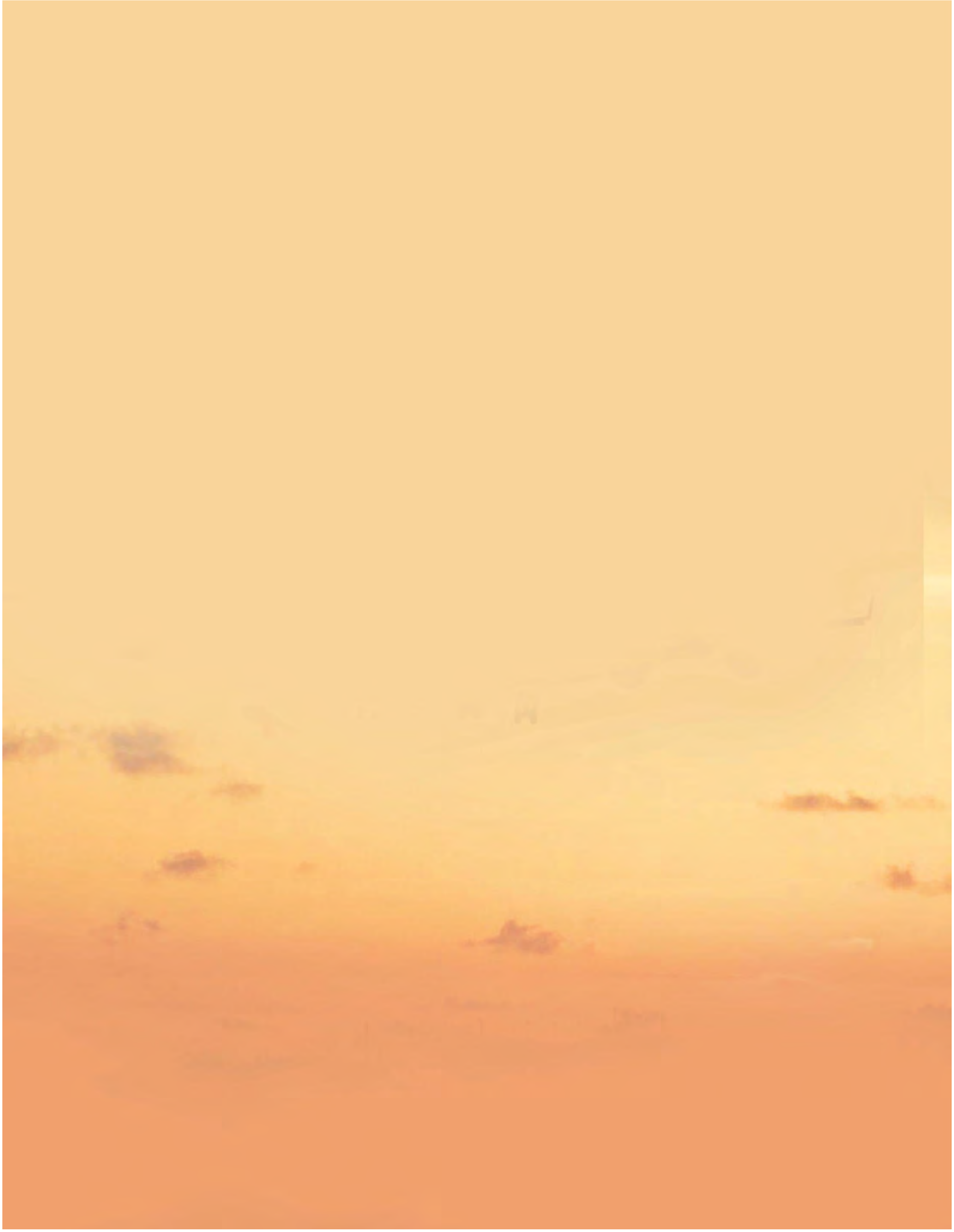
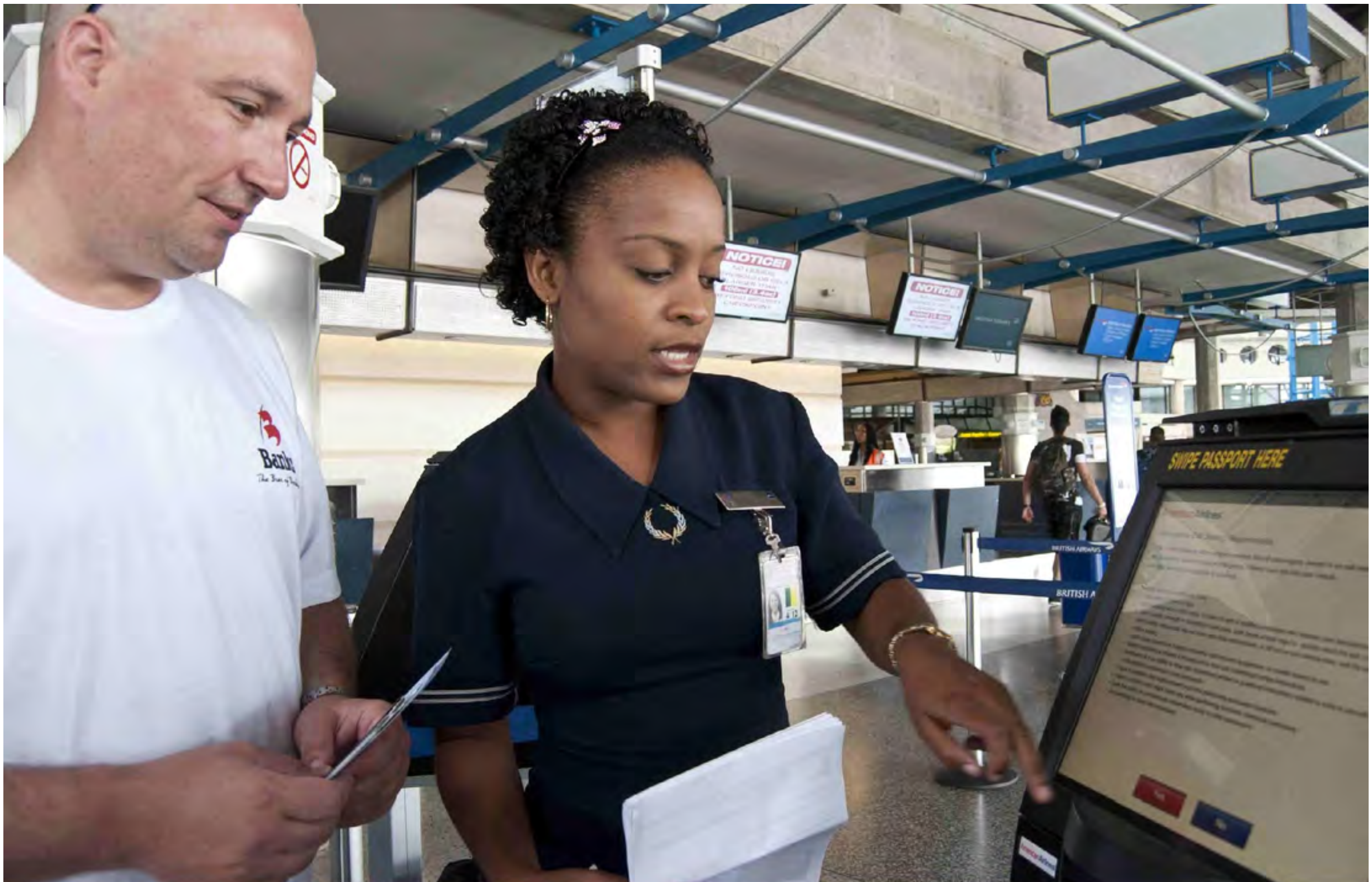

G·A·I·A Inc.
BARBADOS
'rising higher'
ANNUAL
REPORT
2015





CONTENT


G·A·I·A inc.
BARBADOS
'rising higher'
CONCORDE
CONCORDE

VISION/MISSION

VISION

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

MISSION

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

COMMITTTMENT

- 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

CORPORATE MOTTO

"Rising Higher"

BOARD OF DIRECTORS

Mr. Adrian King
Chairman

Dr. Richard Ishmael
Deputy Chairman

Mr. Charles Smith

Mr. Paul Bernstein

Mr. Irvine Best

Mr. Norman Barrow

Mr. Stanton Millington

Mr. Desmond Sabir

Mrs. Kay Robertson

Mrs. Erica Luke

Ms. Octavia Forde

Mr. Michael Holder

Mr. William Griffith
From October 2014

Mrs. Donna Cadogan
From January 2015

Mr. Urban Cumberbatch
April 1st - 28th, 2014

Ms. Petra Roach
May 2014 - September 2014

EXECUTIVE MANAGEMENT

Mr. David Barrow
Chief Executive Officer

Mr. Joseph Johnson
Chief Operating Officer

Ms. Karen Walkes
Director of Engineering

Mr. Michael Worrell
Director of Human Resources

CHAIRMAN'S LETTER

On behalf of the Board of Directors of Grantley Adams International Airport Inc. I have the pleasure to present the 2014-2015 Annual Report. This report represents the first full 12-month period since the change to the Company's financial year in 2014 when, by resolution of the Board of Directors, the Corporation's financial year was changed to span from 1st April to March 31st to coincide with that of the Government of Barbados.

The result was a Financial Year, 2013-2014, that lasted nine months until March 31st 2014. Therefore, the financial statements presented herein are compared to the Financial Year 2013-2014 report's financial statements on a common sized basis. However, the operational and traffic data in this report are compared to the 12-month prior period.

In the context of the global economic climate which impacted our source markets, the airport recorded a one per cent growth in its passenger traffic for the financial year. We are pleased with the performance of the company, however, as a Board we anticipate that the coming year will show an even greater performance and GAIA Inc. will make every effort to protect and improve its revenue and reduce expenditure.

The 2016 financial year will see the continuation of planning for the next phase of GAIA's development, the highlights of which will be the reconfiguration of the terminal building to incorporate air bridges, enclosure of the Arrivals courtyard and expanding and enhancing passenger amenities. Airside improvements will focus on resurfacing of the runway, upgrading of the taxiways and adding parking apron space.

GAIA Inc. will also continue with plans to "green" the airport by moving towards renewable energy to power the facility. I am confident that we can meet the challenge whilst observing prudent operational and financial management practices.

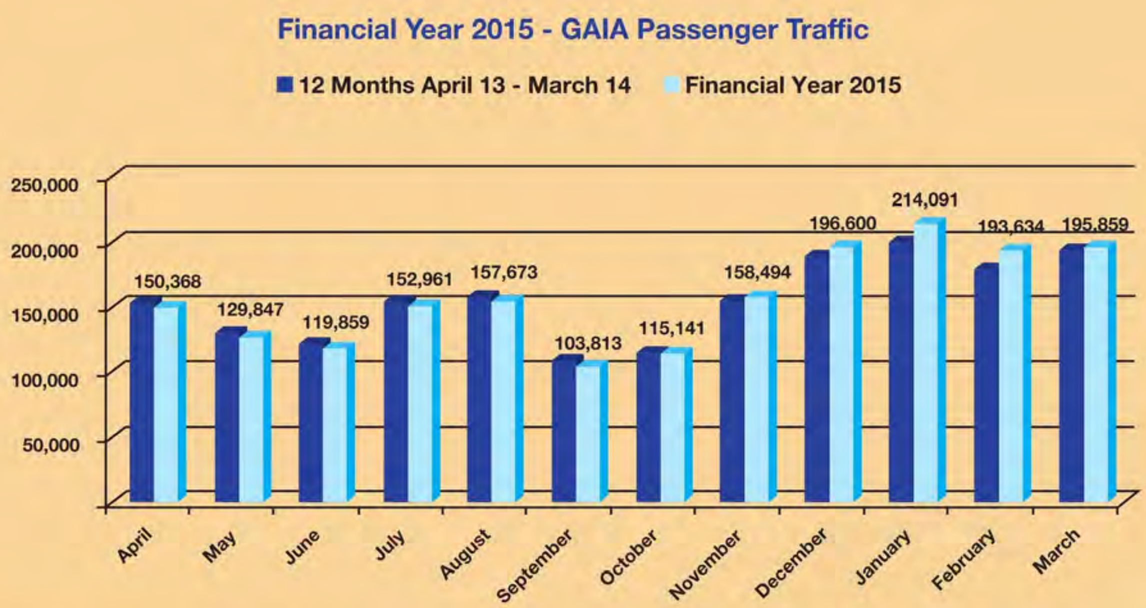
In this regard, I wish to commend and appreciate the management and staff for their significant contribution to the performance of the company during the financial year. I also wish to express the Board's appreciation to the workers' representative, the National Union of Public Workers (NUPW), as we were able to maintain a relatively stable industrial relations climate during the period.

In addition, acknowledgement must be made of our aviation and tourism partners as well as the Ministry of Tourism & International Transport, all of whom have played critical roles in GAIA Inc.'s performance. Finally, I wish to thank my fellow Directors for their dedication, support and steadfast commitment to the continued growth of GAIA Inc.

Mr. Adrian King
Chairman

AIRPORT OPERATIONS

During the 2015 financial year, GAIA Inc registered a marginal improvement in its passenger traffic. Passengers using the airport, reached 1,888,340, an increase of 24,339 passengers or 1.2 % above that in 2014. The traffic volumes over the latter half of the financial year were a major factor in achieving this result, as from October 2014, there was a monthly increase of passenger traffic on a year over year basis that continued through March 2015. Based on our forecasts, it is expected that this trend will continue well into Financial Year 2016.



A number of factors influenced the upward movement, including increased services by JetBlue Airways, mainly through its "red-eye" operation from New York for a large portion of the year and the use of larger aircraft to boost capacity. Capacity in the Canadian market was increased by Air Canada's daily use through the winter season of Boeing 777 aircraft with seating capacity of 270. Delta Airlines reintroduced service on December 4, 2014, operating four scheduled flights weekly with two from Atlanta, Georgia and two from JFK Airport in New York, which also added to the growth. The UK market showed its traditional strength as British Airways increased its services to ten flights weekly for the winter period. At various periods during the year, Condor increased its operations by providing up to three flights a week out of Germany.

Whilst the passenger traffic results were encouraging, declining airfreight volumes continued to be a cause for concern. Airfreight operations are presently conducted from two aged buildings - one of which is a converted passenger terminal. We have commenced the planning for a new consolidated airfreight centre to replace the current buildings and have been consulting with Government and industry partners to determine their requirements for the new facilities. It is envisaged that the new facility will enable GAIA to process airfreight more efficiently and develop as a regional logistical hub.

Twelve (12) scheduled and a number of non-scheduled (charter) passenger airlines operated into the airport during the year. Smaller aircraft operators such as St. Vincent and Grenadines Air, Mustique Airways and Executive Air (B'dos) Inc. operated inter-island scheduled and charter services also to a number of private aircraft operators, mainly business jets, operated continuously during the year.

The major scheduled and non-scheduled (charter) operators were as follows:

Passenger airlines serving GAIA - Financial Year 2015

SCHEDULED	MARKET SERVED DIRECTLY
Air Canada	Toronto & Montreal, Canada
American Airlines	Miami, USA
British Airways	London Gatwick, United Kingdom
Caribbean Airlines	Caribbean & South America
Condor Airlines	Frankfurt, Germany
Delta Airlines	Atlanta & New York, USA
GOL Airlines	Sao Paulo Brazil & Tobago
JetBlue Airways	New York, USA
LIAT	Caribbean & South America
US Airways	Charlotte, USA
Virgin Atlantic	London Gatwick & Manchester, United Kingdom
WestJet	Toronto, Canada
NON-SCHEDULED (CHARTER)	
Air Berlin	Germany
Condor Airlines	Germany
Thomson Airways	United Kingdom
Thomas Cook Airlines	United Kingdom

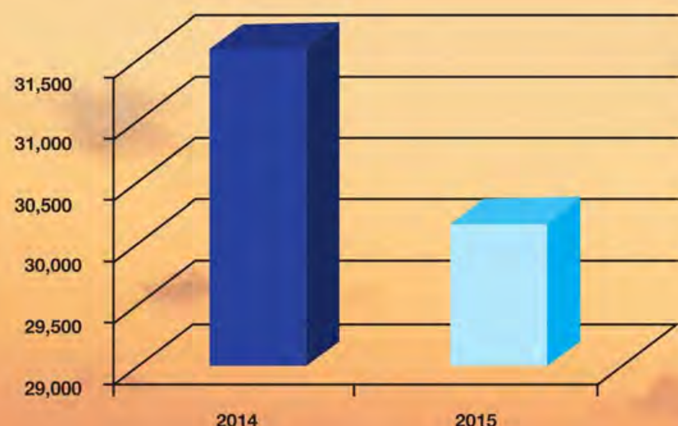
Air-to-sea Operations

Air-to-sea passenger transfer traffic showed modest growth as GAIA handled additional charters. In 2015, 191,169 passengers used the airport representing a three per cent increase over the previous financial year when 185,702 passengers were recorded. Five airlines, Air Berlin, Monarch, Thomas Cook, Thomson Airways and Condor provided the airlift for these passengers. This segment of the airport's operations comprises seventeen percent of the winter season's passenger traffic and ten per cent of the entire financial year's traffic.

Aircraft Movements

Aircraft movements for the financial year 2015 decreased by 1,377 movements or - 4.4% as compared to 2014. This decline was offset by the 1.2 per cent increase in passenger traffic which accompanied the airlines' use of larger aircraft and increased load factor.

Financial Year	Aircraft Movements
2014	31,422
2015	30,045
Change	(1,377)
% Change	**-4.4%**



Airfreight operations (Cargo and Mail)

This sector of the airport's operations registered a significant 27% decline to 20,074,222 kilos from the prior twelve month period. There were a number of reasons for the decline in airfreight, primarily market conditions and price competition from ocean freight carriers. Airfreight is mainly business to business driven and is very cost sensitive. Barbados has lost a significant portion of the South America - Europe traffic as our transfer costs are uncompetitive and thus more of that freight is rerouted or goes direct via newer long-range freighters. The major all-cargo airlines operating into Barbados were DHL, Amerijet, Caribbean Airlines and Ameri Flight.

A significant portion of the freight into the United Kingdom, representing 41% of the cargo & mail during the period, is being carried in the bellies of British Airways and Virgin Atlantic aircraft. Other passenger airlines carrying airfreight are American Airlines, Air Canada, LIAT and Caribbean Airlines.

ENGINEERING

The Government of Barbados will construct a new building in the Charnocks area to house the administrative sections of the Civil Aviation Department and the Meteorological Services. GAIA Inc. has been designated as the project manager and this function is being spearheaded by the Director of Engineering and the Civil Engineer. Ground breaking was held in April 2014 and the project is scheduled to last fourteen months.

A passenger using one of the Common-use Self-service Check-in kiosk.

During the year, the Common Use Passenger Processing System (CUPPS) was upgraded. This is the computer system used by our tenant airlines and handling companies to process passengers and their baggage at the Departures Check-in. The upgrade included the installation of eight Common Use Self Service (CUSS) check-in kiosks. These kiosks will enhance the passenger experience as persons can check-in to their final destinations at the kiosks, thus avoiding the lines at the airlines' counters. Passengers travelling on Air Canada, WestJet, JetBlue and American Airlines were the initial beneficiaries and other airlines are expected to join later as their software applications are upgraded.

The Baggage Information Display System (BIDS) in the Arrivals Terminal was also upgraded and the GAIA Flight Information System website (*www.gaiafids.com*) was launched. This new website allows the public to access updated flight arrival and departure information on their computers, tablets and smartphones.

FINANCIAL HIGHLIGHTS

In 2014, GAIA Inc. changed its financial year to 1st April to 31st March in compliance with a directive from its shareholder, the Government of Barbados. The financial statements presented for 2014, therefore, only reflect the nine months from 1st July 2013 to 31st March 2014, hence comparisons with the current year's results will be done on a common size basis. The common figure for the income statement is total revenue and for the balance sheet it is total assets. Where relevant, the results will be expressed as percentages of the common figure.

Revenues

The Company's performance for the year ending 31st March 2015 was commendable. It recorded a net profit of $5.3 million which was 7.9% of total revenue. This achievement represented a 15.8% increase over the year 2014 when net profit earned was 6.8% of total revenue.

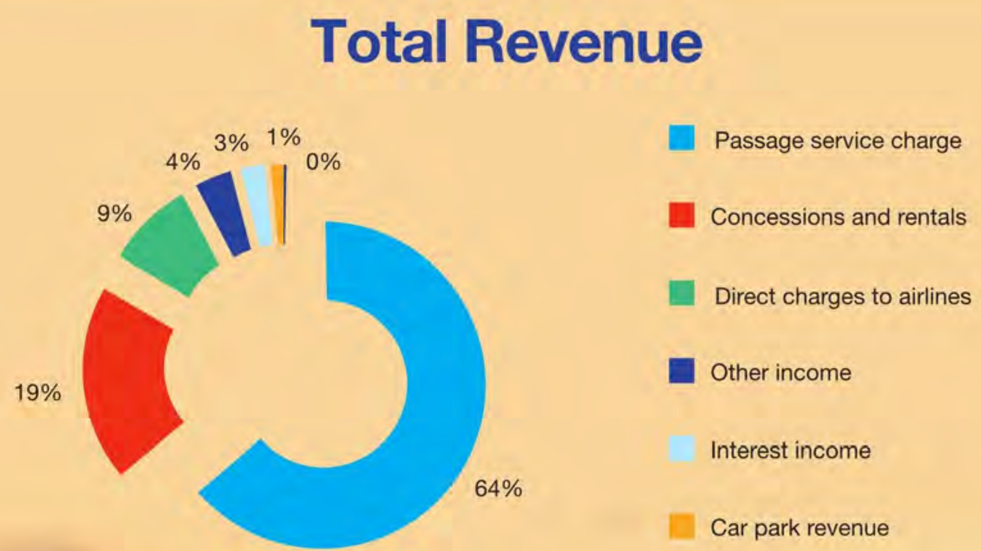
TABLE 1. COMMON SIZE INCOME STATEMENT

$'000	2015	2014	2015	2014	Variance
Revenue					
Passenger service charges	43,319	33,196	*64.0%*	*64.9%*	*-1.5%*
Concessions and rentals	13,177	9,632	*19.5%*	*18.8%*	*3.3%*
Direct charges to airlines	5,942	4,465	*8.8%*	*8.7%*	*0.4%*
Other income	2,536	1,796	*3.7%*	*3.5%*	*6.6%*
Interest income	1,707	1,283	*2.52%*	*2.51%*	*0.4%*
Car park revenue	761	568	*1.124%*	*1.111%*	*1.2%*
Foreign exchange gain	274	173	*0.4%*	*0.3%*	*19.4%*
Total Revenue	**67,715**	**51,112**	***100.0%***	***100.0%***	***0.0%***
Total Expenses	**58,830**	**45,378**	**86.9%**	**88.8%**	**2.1%**
Income before taxation	8,885	5,734	*13.1%*	*11.2%*	*17.0%*
Taxation	-3,568	-2,270	*-5.3%*	*-4.4%*	*-18.7%*
Net income	**5,317**	**3,464**	**7.9%**	**6.8%**	**15.8%**

All revenue categories showed increases except for Passenger Service Charges which declined slightly by 1.5%, while total expenses improved by 2.1% when compared with 2014.

Aeronautical revenue is comprised of the Passenger Charges which are the charges collected in respect of use of the passenger terminal and other passenger-processing facilities, the Direct Charges to Airlines made up of aircraft landing and parking fees based on the aircraft's Maximum Takeoff Weight, and the Aircraft Fuel Surcharge which is levied on the volumes of fuel delivered to aircraft. There was no change to these rates during the year. Non-aeronautical revenue is comprised of Concessions and Rentals, Car Park and Other Income (Space Rentals, Lease of Lands and Utilities Recovery). Total Revenue is depicted in Figure 1.

FIGURE 1. TOTAL REVENUE



During the year ending 31st March 2015, aeronautical revenue totaled $49.3 million representing 72.7% of total revenue, while aeronautical revenue reported for the nine-month period ending March 2014 was $37.7 million or 73.7% of total revenue, a reduction of 1.3%.

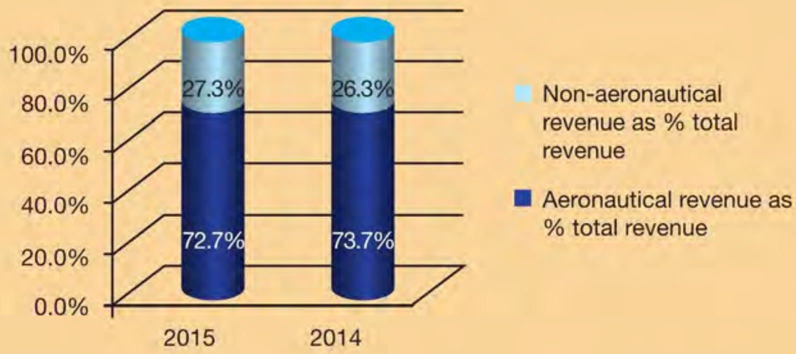
Non-aeronautical revenue earned for the year ending 31st March 2015 was 27.3% of total revenue at $18.5 million compared to 26.3% or $13.5 million earned in nine months of 2014, which represents a 3.6% increase.

TABLE 2. REVENUE CATEGORIES

	2015	2014	2015	2014
Aeronautical revenue				
Passenger service charges	43,319,039	33,195,599	87.9%	88.1%
Direct charges to airlines	5,941,528	4,465,403	12.1%	11.9%
	49,260,567	37,661,002		
Non-aeronautical revenue				
Concessions and rentals	13,176,666	9,631,616	71.4%	71.6%
Car park revenue	761,418	567,938	4.1%	4.2%
Other income	4,516,567	3,251,802	24.5%	24.2%
	18,454,651	13,451,386		
Total Revenue	67,715,218	51,112,388		
Aeronautical revenue as % total revenue	72.7%	73.7%		
Non-aeronautical revenue as % total revenue	27.3%	26.3%		
% Change in revenue				
Aeronautical revenue	-1.3%			
Non-aeronautical revenue	3.6%			

Some of the airlines that operated into GAIA during the 2015 financial year

FIGURE 2. REVENUE CATEGORIES



Revenue passengers for the financial year are seen in Table 3 (12 months April to March each year).

TABLE 3. REVENUE PASSENGERS (APRIL – MARCH)

	2015	2014	Change	% Change
Departing				
Regular	830,091	822,044	8,047	0.98%
Transfer	74,792	78,246	(3,454)	-4.41%
Total Departing	904,883	900,290	4,593	0.51%
Arriving	902,023	891,902	10,121	1.13%
Total Passengers	1,806,906	1,792,192	14,714	0.82%

The actual fees per passenger and revenue per aircraft movement for the past five years are set out in the following table:

TABLE 4. KEY RESULTS INDICATORS

	2015	2014 9 mths	2013	2012	2011
No. of Revenue Passengers	1,806,906	1,404,502	1,774,248	1,876,847	1,965,302
Aeronautical Revenue per Passenger	$27.26	$26.81	$27.44	$28.63	$26.86
Non-aeronautical Revenue per Passenger	$10.21	$9.58	$9.77	$9.08	$10.20
Total Operating Revenue per Passenger	$37.48	$36.39	$37.20	$37.71	$37.05
Operating Expenses per Passenger	$32.56	$32.31	$34.42	$36.23	$33.59
Profit per Passenger	$ 2.94	$ 2.47	$ 1.40	$ 0.43	$ 1.98
Aircraft Movements	30,045	24,030	31,762	34,492	35,488
Operating Revenue per Aircraft Movement	$2,254	$2,127	$2,078	$2,052	$2,052
Operating Expenses per Aircraft Movement	$1,958	$1,888	$1,923	$1,971	$1,860

FIGURE 3. REVENUE PER PASSENGER

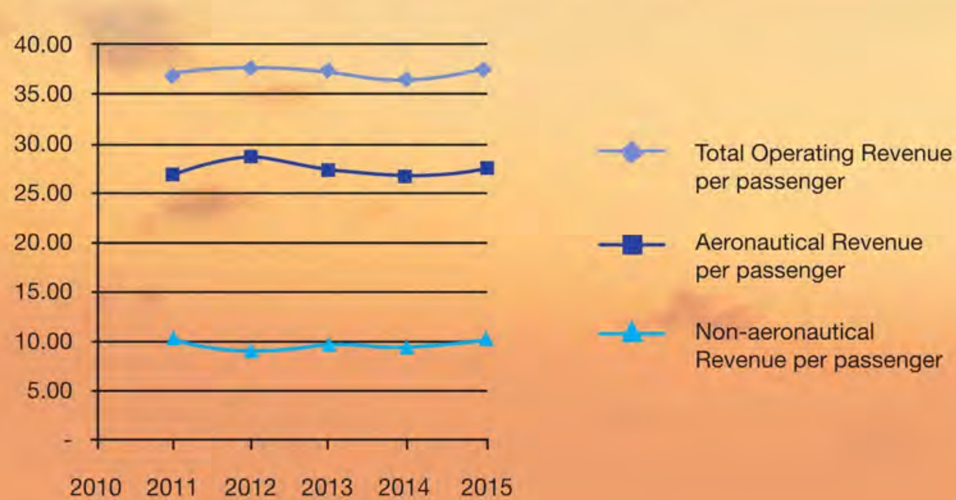


FIGURE 4. PROFIT PER PASSENGER

Aeronautical revenue per passenger has been relatively stable over the past five years at around $27 per passenger. Non-aeronautical revenue decreased in 2012 but is again trending upward to finish 2015 at $10.21 per passenger. The increase in passenger numbers (over 12 months) is the likely contributing factor in the increase in spending earned by concessions and rentals, which is the significant revenue-earner in the non-aeronautical category.

Concessions and rentals earned $13.2 million representing 19.5% of total revenue and 71.4% of non-aeronautical revenue. Equivalent earnings in 2014 were on par at 18.8% of total revenue and 71.6% of non-aeronautical revenue. There is 25,771 square feet of concession space of which 89.9% was occupied at the end of March 2015. Revenue was $569 per square foot in 2015 compared with approximately $400 in 2014.

Expenditure

Total expenses for financial year ended 31 March 2015 were $58.8 million compared with nine months expenditure of $45.4 million in 2014. Total expenses as a percentage of total revenue were 86.9% in 2015 compared with 88.8% in 2014, a reduction of approximately 2.1%.

Employment expenses totaled $17.8 million in 2015, which were 26.4% of total revenue. This was on par with the results for nine months of 2014 when employment expenses were 26.0% of total revenue. When expressed relative to total expenses, employment expenses were 30.3% and 28.7% in 2015 and 2014 respectively. Utility costs ended the year at $6.1 million or 9.1% of total revenue compared with 10.9% in 2014. Electricity costs showed a decline mainly due to the reduction in the fuel cost adjustment which reflected the decrease in oil prices (74% of the variance), while a reduction in kWh accounted for 24% of the variance.

Finance costs ($3.2 million) as a percentage of total revenue were 4.7% in 2015 compared to 6.2% in 2014. The reduction is as a consequence of the decreasing principal balances on our major capital loans from CIBCFCIB and the European Investment Bank as repayments are made according to agreements. Security screening costs increased by about 2%; from 6.8% of total revenue in 2014 to 7.0% in 2015. The increase in costs is reflective of the global heightened security awareness and requirements, as well as the extension to our daily operational profile due to JetBlue's redeye flights.

Income before tax of $8.9 million was 13.1% of total revenue, an increase over financial year 2014 when at $5.7 million, it was 11.2% of total revenue. Taxation increased from 4.4% to 5.3% of total revenue as a consequense of improved operating income. The Company earned net income of $5.3 million in 2015 which was 7.9% of total revenue, an improvement on 2014 when the $3.5 million net income was 6.8% of total revenue. The 2015 performance thus represents an increase of approximately 15.8%.

Balance Sheet

At the end of financial year 31 March 2015, total assets stood at $254.8 million. Current assets were $38.4 million, made up mainly of short-term deposits and accounts receivables. Short-term deposits were $10.0 million or 3.9% of total assets compared to 5.7% in March 2014. Accounts receivables ended the year at $16.4 million, approximately 6.4% of total assets compared to the 5.3% of the previous year. The increase in receivables resulted from the inability of some concessionaires to meet their commitments. Current assets were 15.1% of total assets compared to 15.6% in 2014 and the current ratio was 1.53, slightly better (1.1%) than the 1.51 in 2014.

TABLE 5. COMMON SIZE BALANCE SHEET

	2015	2014	2015	2014
Assets				
Current Assets				
Cash	5,187,403	8,355,282	2.0%	3.2%
Short-term deposits	10,000,000	15,000,000	3.9%	5.7%
Accounts receivable	16,388,288	14,065,081	6.4%	5.3%
Current portion of loan receivable	134,167	134,167	0.1%	0.1%
Interest receivable	614,787	475,238	0.2%	0.2%
Prepayments	2,974,112	73,401	1.2%	0.0%
Income tax refundable	3,141,752	3,192,851	1.2%	1.2%
Total current assets	38,440,509	41,296,020	15.1%	15.6%
Non-current Assets				
Loan receivable	245,305	379,472	0.1%	0.1%
Treasury notes	25,101,976	25,238,160	9.9%	9.6%
Property, plant and equipment	190,964,434	197,159,446	75.0%	74.7%
Total Non-current Assets	216,311,715	222,777,078	84.9%	84.4%
Total Assets	254,752,224	264,073,098	100.0%	100.0%
Liabilities				
Current Liabilities				
Accounts payable	7,214,678	10,444,727	2.8%	4.0%
Taxation payable	5,698,062	4,741,358	2.2%	1.8%
Current portion of long-term loans	12,211,762	12,103,149	4.8%	4.6%
Total current liabilities	25,124,502	27,289,234	9.9%	10.3%
Long-term liabilities				
Long-term loans	58,938,973	71,339,805	23.1%	27.0%
Retentions payable	217,644	174,835	0.1%	0.1%
Deferred tax liability	3,789,968	3,904.923	1.5%	1.5%
Total liabilities	88,071,087	102,708,797	34.6%	38.9%
Shareholder's Equity				
Share capital	100	100		
Capital contributions	149,451,257	149,451,257	58.7%	56.6%
Retained earnings	17,229,780	11,912,944	6.8%	4.5%
	166,681,137	161,364,301	65.4%	61.1%
Total liabilities and shareholder's equity	254,752,224	264,073,098	100.0%	100.0%

Capital assets net of accumulated depreciation were $191.0 million in 2015, being 75.0% of total assets - in line with 2014. Major asset balances include terminal buildings, runways, taxiways, motor vehicles, furniture and equipment, security equipment and common use equipment. Details can be found in Note 9 in the Notes to the Financial Statements.

Current liabilities finished the year at $25.1 million, being approximately 10% of total assets in line with 2014. A lower accounts payables balance of $7.2 million (2.8% of total assets compared with 4.0% in 2014) was offset by higher a tax payable of $5.7 million which was 2.2% of total assets (1.8% in 2014).

Long-term loans were reduced to $58.9 million, ending the year at 23.1% of total assets in comparison with 27.0% ($71.3 million) in 2014. Additional information can be found in Note 11 in the Notes to the Financial Statements.

At the end of March 2015, Shareholder's equity was $166.7 million or 65.4% of total assets, increasing from 61.1% in 2014 due to the increase in net income.

Grantley Adams International Airport Inc.

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For the year ended 31 March 2015

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Grantley Adams International Airport Inc.

Financial Statements

For the year ended 31 March 2015
(With comparatives for the nine month period ended 31 March 2014)

(Expressed in Barbados Dollars)

Building a better working world

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AUDITORS' REPORT

To the Shareholder of Grantley Adams International Airport Inc.

We have audited the accompanying financial statements of Grantley Adams International Airport Inc. (the Company) which comprise the statement of financial position as of 31 March 2015 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of 31 March 2015, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Ernst + Young

CHARTERED ACCOUNTANTS
Barbados
25 November 2015

GRANTLEY ADAMS INTERNATIONAL AIRPORT INC.

Statement of Financial Position
As of 31 March 2015

	Notes	2015 $	2014 $
Assets			
Current assets			
Cash	4	5,187,403	8,355,282
Short-term deposits	5	10,000,000	15,000,000
Accounts receivable	6	16,388,288	14,065,081
Current portion of loan receivable	7	134,167	134,167
Interest receivable		614,787	475,238
Prepayments		2,974,112	73,401
Income tax refundable		3,141,752	3,192,851
		38,440,509	41,296,020
Loan receivable	7	245,305	379,472
Treasury notes	8	25,101,976	25,238,160
Property, plant and equipment	9	190,964,434	197,159,446
Total assets		254,752,224	264,073,098
Liabilities			
Current liabilities			
Accounts payable	10	7,214,678	10,444,727
Taxation payable		5,698,062	4,741,358
Current portion of long-term loans	11	12,211,762	12,103,149
		25,124,502	27,289,234
Long-term loans	11	58,938,973	71,339,805
Retentions payable	12	217,644	174,835
Deferred tax liability	13	3,789,968	3,904,923
Total liabilities		88,071,087	102,708,797
Shareholder's equity			
Share capital	14	100	100
Capital contributions	15	149,451,257	149,451,257
Retained earnings		17,229,780	11,912,944
		166,681,137	161,364,301
Total liabilities and shareholder's equity		254,752,224	264,073,098

The accompanying notes form part of these financial statements.

Approved by the Board of Directors on 25 November 2015 and signed on its behalf by:

....Director ....Director

Statement of Comprehensive Income
For the year ended 31 March 2015
(With comparatives for the nine month period ended 31 March 2014)

	Note	2015 $	2014 $
Revenue			
Passenger service charges		43,319,039	33,195,599
Concessions and rentals		13,176,666	9,631,616
Direct charges to airlines		5,941,528	4,465,403
Other income		2,535,973	1,795,775
Interest income		1,706,886	1,283,042
Car park revenue		761,418	567,968
Foreign exchange gain		273,708	172,985
		67,715,218	51,112,388
Expenses			
Employment costs		17,848,848	13,009,250
Depreciation		13,222,761	10,294,061
Utilities		6,133,386	5,558,457
Finance costs		3,164,871	3,168,303
Repairs and maintenance		3,659,635	2,873,056
Security screening charge		4,737,847	3,500,292
Bad debt expense (net of recoveries)		892,228	(945,136)
Office and general expenses		2,952,529	2,342,912
Insurance		2,177,388	1,890,687
Property tax		2,260,200	1,696,650
Professional fees		288,660	662,122
Lease maintenance expenses		1,348,240	1,217,650
Directors' fees and expenses		143,556	109,887
		58,830,149	45,378,191
Income before taxation		8,885,069	5,734,197
Taxation	13	(3,568,233)	(2,269,850)
Net income and total comprehensive income for the year/period		5,316,836	3,464,347

The accompanying notes form part of these financial statements.

Statement of Changes in Equity
For the year ended 31 March 2015
(With comparatives for the nine month period ended 31 March 2014)

	Share capital $	Capital contributions $	Retained earnings $	Total $
Balance as of 30 June 2013	100	149,451,257	8,448,597	157,899,954
Total comprehensive income for the period	-	-	3,464,347	3,464,347
Balance as of 31 March 2014	100	149,451,257	11,912,944	161,364,301
Total comprehensive income for the year	-	-	5,316,836	5,316,836
Balance as of 31 March 2015	100	149,451,257	17,229,780	166,681,137

The accompanying notes form part of these financial statements.

GRANTLEY ADAMS INTERNATIONAL AIRPORT INC.

Statement of Cash Flows
For the year ended 31 March 2015
(With comparatives for the nine month period ended 31 March 2014)

	Note	2015	2014
		$	$
Cash flows from operating activities			
Income before taxation		8,885,069	5,734,197
Adjustments for:			
Depreciation		13,222,761	10,294,061
Finance costs		3,164,871	3,168,303
(Gain) loss on disposal of plant and equipment		(14,500)	239,565
Interest income		(1,706,886)	(1,283,042)
Operating profit before working capital changes		23,551,315	18,153,084
Increase in accounts receivable		(2,323,207)	(3,868,921)
(Increase) decrease in prepayments		(2,900,711)	265,783
Decrease in accounts payable		(3,086,744)	(1,855,278)
Cash from operating activities		15,240,653	12,694,668
Corporation tax paid		(2,636,332)	(2,653,923)
Withholding tax paid		(39,053)	(35,950)
Net cash from operating activities		12,565,268	10,004,795
Cash flows from investing activities			
Additions to plant and equipment		(7,027,749)	(1,730,692)
Interest received		1,703,520	1,637,932
Proceeds from disposal of plant and equipment		14,500	81,940
Redemption of treasury notes		10,000,000	-
Purchase of treasury notes		(10,000,000)	(10,091,000)
Net decrease in treasury bills		-	9,824,000
Decrease in loan receivable		134,167	122,945
Decrease in short term deposits		5,000,000	6,655,779
Net cash used in investing activities		(175,562)	6,500,904
Cash flows from financing activities			
Increase (decrease) in retentions payable		42,809	(262,015)
Loan repayments		(12,292,219)	(14,947,667)
Interest paid		(3,308,175)	(2,694,001)
Restricted cash		2,846,389	593,160
Net cash used in financing activities		(12,711,196)	(17,310,523)
Net decrease in cash and cash equivalents for the year/period		(321,490)	(804,824)
Cash and cash equivalents - beginning of the year/period		3,422,912	4,227,736
Cash and cash equivalents - end of the year/period		3,101,422	3,422,912

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 and buildings are vested in the Company. The land and buildings are the subject of a lease between the Company and the Government of Barbados (Note 19).

2. Significant accounting policies

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

The most significant accounting policies are summarized below:

a] Basis of accounting and financial preparation
These financial statements are prepared under the historical cost convention.

b] Changes in accounting policies and disclosures

New and amended standards and interpretations
The accounting policies adopted are consistent with those of the previous financial year except for the following new and amended IFRS and IFRIC interpretations effective as of 1 January 2014:

New and amended standards and interpretations

- Investment Entities – Amendments to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements
- Offsetting Financial Assets and Financial Liabilities — Amendments to IAS 32 Financial Instruments: Presentation
- Recoverable Amount Disclosures for Non-Financial Assets — Amendments to IAS 36 Impairment of Assets
- Novation of Derivatives and Continuation of Hedge Accounting — Amendments to IAS 39 Financial Instruments: Recognition and Measurement

2. Significant accounting policies (continued)

b] Changes in accounting policies and disclosures (continued)

New and amended standards and interpretations

- IFRIC 21 Levies
- Improvements to IFRSs - 2010-2012 Cycle: Amendments to IFRS 13 - Short-term receivables and payables
- Improvements to IFRSs - 2011-2013 Cycle: Amendments to IFRS 1 - Meaning of 'effective IFRSs'

The adoption of the standards or interpretations is described below:

Investment Entities (Amendments to IFRS 10, IFRS 12, and IAS 27)

These amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under IFRS 10 Consolidated Financial Statements and must be applied retrospectively, subject to certain transition relief. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. These amendments have no impact on the Company.

Offsetting Financial Assets and Liabilities – Amendments to IAS 32

These amendments clarify the meaning of 'currently has a legally enforceable right to set-off' and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting and are applied retrospectively. These amendments have no impact on the Company since the Company does not have any offsetting arrangements.

Recoverable amounts disclosed for Non-Financial Assets-
Amendments to IAS 36 Impairment of Assets

These amendments clarify the disclosure requirements in respect of fair value less cost of disposal. These amendments have no impact on the Company.

Novation of Derivatives and Continuation of Hedge Accounting

These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria and retrospective application is required. This has no impact on the Company since the Company has not novated any

2. Significant accounting policies (continued)

b] Changes in accounting policies and disclosures (continued)

IFRIC 21 Levies

Investment Entities (Amendments to IFRS 10, IFRS 12, and IAS 27)

IFRIC 21 clarifies that an entity recognises a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should ne anticipated before specified minimum threshold is reached. Retrospective application is required for IFRIC 21. This interpretation has no impact on the Company as it has applied the recognition principle under IAS 19 *Provisions, Contingent Liabilities and Contingent Assets* consistent with the requirements of IFRIC 21 in prior years.

Annual improvements 2010 - 2012 Cycle

In the 2010-2012 annual improvements cycle, the IASB issued seven amendments to six standards, which included an amendment to IFRS 13 *Fair Value Measurement.* The amendment to IFRS 13 is effective immediately and, thus, for periods beginning at 1 January 2014, and it clarifies in the Basis for Conclusions that short-term receivables and payables with no stated interest rates can be measured at invoice amounts when the effect of discounting is immaterial. This amendment to IFRS 13 has no impact on the Company.

Annual improvements 2011 - 2013 Cycle

In the 2011-2013 annual improvements cycle, the IASB issued four amendments to four standards, which included an amendment to IFRS 1 First-time *Adoption of International Financial Reporting Standards.* The amendment to IFRS 1 is effective immediately and, thus, for periods beginning at 1 January 2014, and clarifies in the Basis for Conclusions that an entity may choose to apply either a current standard or a new standard that is not yet mandatory, but permits early application, provided either standard is applied consistently throughout the periods presented in the entity's first IFRS financial statements. This amendment to IFRS 1 has no impact on the Company, since the Company is an existing IFRS preparer.

2. Significant accounting policies (continued)

c] Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

- IFRS 14 Regulatory Deferral Accounts
- Amendments to IAS19 Defined Benefit Plans : Employee Contribution
- Annual improvements 2010-2012 Cycle
- Annual improvements 2011-2013 Cycle
- IFRS 15 Revenue from Contracts with Customers
- IFRS 9 Financial Instruments
- IAS 1 Disclosure Initiative - Amendments to IAS1
- IAS 16 IAS 16 and IAS38 Clarification of Acceptable Methods of Depreciation and Amortisation-Amendments to IAS16 and IAS 36

The adoption of these standards is not expected to impact the Company.

d] Revenue

Interest income is recognized using the effective interest method. All other revenue is recognized when earned.

e] Taxation

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

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

2. Significant accounting policies (continued)

f] Currency

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

g] Held-to-maturity financial assets

Financial assets with fixed or determinable payments and fixed maturity dates are classified as held-to-maturity when the Company has the positive intention and ability to hold to maturity. Held-to-maturity financial assets which comprise Government treasury notes are subsequently measured at amortized cost less any provision for impairment. Amortized cost is calculated using the effective interest method and by taking intoaccount any discount or premium on acquisition, over the period to maturity.

Gains and losses are recognized in comprehensive income.

h] Impairment of financial assets

The Company assesses at each statement of financial position date whether a financial asset or group of financial assets is impaired.

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through use of an allowance account and the amount of the loss is recognized in income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date. Any subsequent reversal of an impairment loss is recognized in income.

In relation to loans and receivables, a provision for impairment is made when there is objective evidence that the Company will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of loans and receivables is reduced through use of an allowance account.

2. Significant accounting policies (continued)

i] Property, plant and equipment

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

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

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

j] Leased assets

Leases in which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is carried at the present value of the future minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Other leases are operating leases and payments are recognized as an operating expense in the statement of comprehensive income.

k] Loans and borrowings

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

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

2. Significant accounting policies (continued)

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

m] Cash and cash equivalents
For the purpose of presentation of the Statement of Cash Flows, cash and cash equivalents consist of cash at hand and at bank.

n] Derivatives
Derivative financial instruments used to hedge interest rate risk do not meet accounting hedge criteria and are classified as trading (See Note 17).

3. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires that management make judgments, estimates and assumptions that affect the amounts reported of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future.

The key assumptions concerning the future and other key sources of estimation 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.

Deferred tax assets
Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

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.

3. Significant accounting judgements, estimates and assumptions (cont'd)

Impairment of financial assets

When the fair value declines or when there is objective evidence of impairment, management makes assumptions about the declines in value to determine whether it is an impairment that should be recognized in the statement of income.

4. Cash

Balance at bank amounting to $2,006,954 bears interest at 2.50% per annum. Included in cash is the amount of $2,085,981 (31 March 2014 - $4,932,370) which represents funds received from the Ministry of International Transport to be used as part of the construction of a building on their behalf. The amount is also reflected in accounts payable (See Note 11).

5. Short-term deposits

The short-term deposits represent deposits on call of $10,000,000 (31 March 2014 - $15,000,000) with interest rates of 3.75 % (31 March 2014 - 4%) per annum. These deposits mature in May 2015 and January 2016.

6. Accounts receivable

	2015 $	2014 $
Trade receivables	22,288,550	18,931,852
Less: provision for doubtful accounts	(6,136,741)	(5,323,455)
	16,151,809	13,608,397
Other receivables	236,479	456,684
	16,388,288	14,065,081

Trade receivables are non-interest bearing and are generally on terms ranging from 30 to 90 days. Included in the trade receivables is $4,111,421 (31 March 2014 - $3,823,564) owed by related parties, for which a provision of $3,407,670 (31 March 2014 - $3,414,932) has been recorded.

Movements in the provision for impairment of receivables were as follows:

	2015 $	2014 $
Balance at beginning of period/year	5,323,455	7,856,457
Write off	(78,942)	(1,577,866)
Charge for the year	1,642,877	776,573
Recoveries	(750,649)	(1,721,709)
Balance at end of period/year	6,136,741	5,323,455

At 31 March 2015, the ageing analysis of trade receivables is as follows:

			Past due but not impaired		
	Total $	Neither past due nor impaired $	31-60 days $	61-90 days $	> 90 days $
2015	16,151,809	8,031,643	6,343,257	349,658	1,427,251
2014	13,608,397	7,717,411	5,253,342	499,224	138,420

7. Loan receivable

This represents an interest-free loan to a related party. It is secured by certain equipment and is repayable in monthly installments totaling $11,180 (31 March 2014 - over the remaining life of the loan).

	2015	2014
	$	$
Caribbean Aircraft Handling Co. Ltd.	379,472	513,639
Less: Current portion	(134,167)	(134,167)
Long-term portion	245,305	379,472

8. Treasury notes

This balance represents Government of Barbados $10,000,000 and $15,000,000 treasury notes which bear interest at rates between 4.0% and 6.0% per annum and mature on 30 April 2016 and 31 October 2016 respectively.

9. 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 $
At 1 July 2013	197,834,789	33,215,709	18,366,772	12,398,670	8,765,885	5,548,263	8,700,596	4,126,308	288,956,992
Additions	74,367	68,470	540,519	667,576	131,993	-	247,767	-	1,730,692
Disposals	-	(57,264)	(389)	(1,460,107)	(123,245)	-	(46,506)	-	(1,687,511)
At 31 March 2014	197,909,156	33,226,915	18,906,902	11,606,139	8,774,633	5,548,263	8,901,857	4,126,308	289,000,173
Additions	379,348	851,693	777,759	306,538	862,138	-	294,071	3,556,202	7,027,749
Disposals	-	-	(6,750)	(23,067)	-	-		(4,126,308)	(4,156,125)
At 31 March 2015	198,288,504	34,078,608	19,677,911	11,889,610	9,636,771	5,548,263	9,195,928	3,556,202	291,871,797
Accumulated depreciation									
At 1 July 2013	30,262,651	10,940,134	10,634,986	8,488,279	6,624,704	4,652,571	7,183,039	4,126,308	82,912,672
Depreciation	3,853,187	1,669,121	1,593,883	1,204,288	615,784	261,276	1,096,522	-	10,294,061
Disposals	-	-	(389)	(1,355,432)	-	-	(10,185)	-	(1,366,006)
At 31 March 2014	34,115,838	12,609,255	12,228,480	8,337,135	7,240,488	4,913,847	8,269,376	4,126,308	91,840,727
Depreciation	5,141,320	2,282,275	1,781,232	1,484,841	892,555	294,547	634,751	711,240	13,222,761
Disposals			(6,750)	(23,067)	-	-		(4,126,308)	(4,156,125)
At 31 March 2015	39,257,158	14,891,530	14,002,962	9,798,909	8,133,043	5,208,394	8,904,127	711,240	100,907,363
Net book value									
At 31 March 2015	159,031,346	19,187,078	5,674,949	2,090,701	1,503,728	339,869	291,801	2,844,962	190,964,434
At 31 March 2014	163,793,318	20,617,660	6,678,422	3,269,004	1,534,145	634,416	632,481	-	197,159,446

10. Accounts payable

	2015 $	2014 $
Trade payables	2,955,723	2,606,830
Other payables	4,105,581	7,693,671
Deposits	153,374	144,226
	7,214,678	10,444,727

Included in other payables is an amount of $ 2,085,981 (31 March 2014 - $4,932,370) which represents amounts owed to the Ministry of International Transport (See Note 4).

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 30-60 day terms.
- Other payables are non-interest bearing and have an average term of twomonths.

11. Long-term loans

	2015 $	2014 $
National Insurance Board (NIB) - a related party	10,063,973	10,063,973
European Investment Bank (EIB)	3,711,762	7,314,912
CIBC-FCIB	57,375,000	66,064,069
	71,150,735	83,442,954
Less: Current portion		
European Investment Bank	(3,711,762)	(3,603,149)
CIBC-FCIB	(8,500,000)	(8,500,000)
	(12,211,762)	(12,103,149)
Long-term portion	58,938,973	71,339,805

11. Long-term loans (cont'd)

The NIB loan bears interest at the rate of 6.5% (31 March 2014 - 6.5%) per annum with interest payments due semi-annually. The loan is secured by a guarantee from the Government of Barbados and is repayable by 17 September 2019.

The EIB loan bears interest at the rate of 3% (31 March 2014 - 3%) per annum with interest payments due semi-annually and commenced on 15 April 2005. The loan is secured by a guarantee from the Government of Barbados and is repayable by 15 October 2015 in blended semi-annual payments of principal and interest of US$948,946.

The FCIB loan is in the amount of US$42,500,000 and is being repaid in blended principal and interest installments. Interest is being charged at the floating rate of 3 month LIBOR plus 3.5% (3.7677%) with principal of US$1,062,500 payable in quarterly installments over a period of 10 years ending November 2020. The loan is secured by a registered first fixed and floating charge over all assets of GAIA Inc., excluding the Terminal Building and other assets owned by the Government of Barbados, and the assignment of passenger service charges and airline charges due to the GAIA Inc.

12. Retentions payable

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

13. Taxation

	2015 $	2014 $
Statement of income		
Current tax charge	3,683,188	2,494,208
Deferred tax debit	(114,955)	(224,358)
	3,568,233	2,269,850

13. Taxation (cont'd)

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

	2015 $	2014 $
Income before taxation	8,885,069	5,734,197
Corporation tax at 25 % (31 March 2014 - 25%)	2,221,267	1,433,549
Effect of depreciation on assets not subject to wear and tear	1,268,910	966,891
Effect of other amounts not allowed for tax purposes	2,306	1,918
Under/ (over) provision of current tax	35,950	(41,177)
Under/ (over)provision of deferred tax	105,137	(37,348)
Other	(26,284)	(18,033)
Withholding tax credit	(39,053)	(35,950)
Tax charge	3,568,233	2,269,850

	2015 $	2014 $
Deferred tax liability		
Balance - beginning of year/period	3,904,923	4,129,281
Deferred tax debit for the year/period	(114,955)	(224,358)
Balance - end of year/period	3,789,968	3,904,923

The deferred tax liability is made up as follows:

	2015 $	2014 $
Accelerated capital allowances	3,610,777	3,786,113
Accrued interest receivable	179,191	118,810
	3,789,968	3,904,923

14. 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:

	2015 $	2014 $
100 common shares	100	100

15. Capital contributions

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

16. Related party transactions

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

	2015 $	2014 $
State-controlled entities		
Revenue		
Caribbean ARI Inc.	2,183,674	1,580,423
Caribbean Aircraft Handling Company Limited	531,732	425,567
Caribbean Airways - VIP Lounge	-	5,259
Expenses		
Director of National Insurance	3,169,013	9,549,059
Commissioner of Inland Revenue/Barbados Revenue Authority	3,653,655	3,306,795
Commissioner of Land Tax	2,259,000	2,259,000
Caribbean Aircraft Handling Company Limited	10,635	23,890

Key management comprises directors and management of the Company.
Compensation of these individuals was as follows:

	2015 $	2014 $
Compensation		
Salaries and other short-term employee benefits	942,041	779,057
Post-employment benefits	24,923	18,692
	966,964	797,749

17. Financial risk management objectives and policies

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

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

Credit risk

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

Concentration of credit risk

Concentrations of credit risk may arise from exposures to a single debtor or group 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.

The Company is subject to credit risk on its accounts receivable from customers primarily in Barbados and the Eastern Caribbean. The Company believes that this risk is mitigated by the ongoing performance of credit evaluations and reviews of accounts receivable.

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 7. For transactions that do not occur in the country of the relevant operating unit, the Company does not offer credit terms without the approval of management.

With respect to credit risk arising from the other financial assets of the Company, which comprise cash, short-term deposits and treasury notes, 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.

17. Financial risk management objectives and policies (cont'd)

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 riskexposure. 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 such as overdrafts 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 2015

	Less than 3 months $	3 months - 1 year $	2 - 5 years $	> 5 years $	Total $
Trade payables	1,694,735	1,260,988		-	2,955,723
Long-term loans	3,967,210	8,244,552	34,000,000	24,938,973	71,150,735

31 March 2014

	Less than 3 months $	3 months - 1 year $	2 - 5 years $	> 5 years $	Total $
Trade payables	1,370,998	1,235,832	-	-	2,606,830
Long-term loans	4,102,232	8,189,986	29,211,763	41,938,973	83,442,954

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.

17. Financial risk management objectives and policies (cont'd)

Interest rate risk (cont'd)
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 and banking requirements. The Company is also a counter party to an interest rate cap entered into in 2011 to hedge its Libor-based interest rate exposure on one of its long-term loans and as a result of this; interest exposure is limited to Libor plus 3.5%.

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	2015 Effect on profit before tax	2014 Effect on profit before tax
+-50	$320,721	$257,284

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. No changes were made in the objectives, policies or processes during the years ended 31 March 2015 and 31 March 2014.

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, treasury bills, current portion of loan receivable and accounts receivable. Short-term financial liabilities comprise current portion of long-term loans and accounts payable.

17. Financial risk management objectives and policies (cont'd)

Financial assets and liabilities (cont'd)
The fair value of treasury notes 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.

The fair value of the interest rate cap at 31 March 2015 is immaterial.

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	
	2015	2014	2015	2014
	$	$	$	$
Financial assets				
Cash	5,187,403	8,355,282	5,187,403	8,355,282
Short-term deposits	10,000,000	15,000,000	10,000,000	15,000,000
Trade receivables	16,151,809	13,608,397	16,151,809	13,608,397
Treasury notes	25,101,976	25,238,160	25,101,976	25,238,160

	Carrying value		Fair value	
	2015	2014	2015	2014
	$	$	$	$
Financial liabilities				
Trade payables	2,955,723	2,606,830	2,955,723	2,606,830
Long-term loans	71,150,735	83,442,954	55,710,742	63,722,330

18. Commitments and contingencies

The Company entered into an operating lease with the Government of Barbados effective 22 January 2008 for the rental of the land and buildings from which GAIA Inc. operates. The lease is for a term of 75 years at an annual rental charge of $1,200.

At 31 March 2015, the Company has contracted for certain capital expenditure in the amount of $9,477,868 (31 March 2014 - $9,757,468).

There are claims pending against the Company and the Company is also the plaintiff in certain legal actions and other claims. It is the opinion of the directors, based on the advice of the Company's attorneys-at-law that any liability arising out of these claims and actions is

18. Commitments and contingencies (continued)

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.

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BARBADOS
'rising higher'

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