



BARBADOS

# IMPORTANT TO OUR

FUTURE  
ECONOMY  
SECURITY  
TRADE  
GROWTH  
COMMUNITY

## **VISION 2030**

Our Vision is to be the most innovative, green maritime hub in the world by 2030.

## **MISSION**

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

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## COMPANY PROFILE

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

The marine terminal handles all major categories of cargo including:

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

The Port of Bridgetown is International Shipping and Port Facility Security (ISPS) compliant and is renowned for its dependability, reliability and excellent safety record.

It is the major point of entry for goods used in the manufacturing and retail sectors in Barbados and is dedicated to supporting businesses in the export trade.

State-of-the-art cargo handling facilities and technologies support the following services:

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

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

- Build Long-Term Shareholder Value
- Strengthen Strategic Alignment
- Enhance Corporate Image

- Improve Operating Quality and Efficiency
- Enhance Market Competitiveness
- Create a High-Performance Culture
- Enhance Execution Excellence
- Build Growth-Enabling Infrastructure

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

# BOARD OF DIRECTORS



**Senator Lisa Cummins**  
Chairman



**Mr. Denis Cadogan**  
Deputy Chairman



**Mr. David Jean-Marie**  
Managing Director



**Sir Roy Trotman**  
Director



**Capt. George N.M. Fergusson**  
Director



**Mrs. Lisa Gale**  
Director



**Mr. Iain Thomson**  
Director



**Mr. Ricardo McConney**  
Director



**Ms. Janice Browne**  
Director



**Mr. Reynold Grant**  
Director



**Ms. Sonia Foster**  
Director

Corporate Secretary  
**Ms. Karen Forde**  
Auditor  
**PricewaterhouseCoopers SRL**  
Bankers  
**Republic Bank (Barbados) Ltd.**  
**First Citizens Bank (Barbados) Ltd**  
Attorney-at-Law  
**Lystra Kodilinye**  
**Clarke Gittens Farmer**  
**George Walton Payne & Co.**  
**Ralph Thorne**



# SENIOR MANAGEMENT TEAM



**Mr. David Jean-Marie**  
Chief Executive Officer



**Mr. Kenneth Atherley**  
Divisional Manager,  
Operations  
(RETIRED FEBRUARY 7, 2020)



**Mr. Curtis Smith**  
Divisional Manager,  
Human Resources



**Capt. Karl Branch**  
Divisional Manager,  
Corporate Development  
& Strategy



**Ms. Karen Forde**  
Chief Financial Officer  
& Corporate Secretary



**Mr. Ian Stewart**  
Manager, Property  
Management, Maintenance  
& Projects  
(EFFECTIVE JULY 22, 2019)



**Mr. Sheldon Layne**  
Manager, Terminal  
Operations  
(EFFECTIVE JANUARY 2, 2020)



**Lt. Cmdr. Fernella Cordle**  
Manager,  
Security Services  
(SEPARATED JANUARY 7, 2020)



**Capt. Carl Gonsalves**  
Manager, Marine Services  
& Harbour Master



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



**Mr. Anderson Leacock**  
Manager, Property  
Management, Maintenance  
& Projects  
(RETIRED JULY 2, 2019)



**Mr. Albert Soudatt**  
Accountant  
(RETIRED FEBRUARY 21, 2020)



**Mr. Tedroy Marshall**  
Manager, Engineering  
Services



**Mrs. Michelle Webster**  
Manager, Management  
Information Systems



**Mrs. Charmaine Soo Chan**  
Manager, Internal Audit



**Mrs. Nancy Solomon-Batson**  
Manager, Human  
Resources/  
Administration



**Ms. Jane Brome**  
Manager, Market  
Development & Cruise  
Operations



**Ms. Keyshia Barrow**  
Management Accountant  
(EFFECTIVE JANUARY 2, 2020)

# CHAIRMAN'S REVIEW



**Senator Lisa Cummins**  
Chairman

**At the time of preparation of this report, the Covid-19 pandemic still rages unabated, affecting lives, businesses, individuals and industries in ways that will change the world forever.**

Today, our efforts are concentrated on effecting the requisite operational protocols to ensure we succeed in keeping supply chains open at all times, ensuring a continuous flow of essential goods, while safeguarding the health, safety and well-being of our frontline community.

At the same time, we continue to plan and prepare for the future, focused on our fiscal responsibilities, preservation of our revenue growth and return on investment.

We've certainly done a lot in the past year to set us apart, but we recognise that still more extraordinary policies are needed to walk the tightrope towards recovery. Our eyes are fixed on what lies ahead, and more specifically, what the future holds for Barbados Port Inc.

This annual report presents the many hours of work, in-depth analysis and dedication shown over the past year by the Board of Directors, management, employees, consultants and stakeholders to identify the major challenges and opportunities facing the Port of Bridgetown. It summarises also our efforts to build a stable and adaptable framework to guide the Port through the next three to five years. This year was tagged the Incremental Year, as part of our Vision 2030 journey. Over the past twelve months, we collectively rolled up our sleeves to refine the blueprint mapped in our Foundation Year (2018/19) for Barbados Port Inc. Version 2.0, as we look optimistically ahead to the next decade and beyond.

The single biggest growth project under consideration is the 2020-2030 Master Plan, which prescribes the phased construction of infrastructural and institutional transformation. Significant headway was made with ongoing works in the crafting and refinement of the Master Plan



to satisfy the need for cruise and cargo facilities expansion, as well as requirements for additional bulk handling infrastructure and expanded facilities for small pleasure craft. This critical growth project is key to the port's ability to meet the demands of the maritime transport sector while promoting new opportunities for Barbados.

To accelerate its initiation, BPI this year explored a refinancing solution by engaging a private partner, NCB Capital Markets (Barbados) Ltd on a bond issue. The process started in 2019 and the structure of the bond issue was finalized with a closing date set for March 31 2020. BPI has now formally concluded all legal and administrative requirements for a \$100 million Bond which will refinance the Company's previously issued Bond facility, at much more favorable interest rates. The new Bond will be issued with maturity dates in three tranches: a five-year tranche at an annual interest rate of 4.2%, a 10-year at 5% and a 15-year at 5.5%.

The new deal, brokered through NCB, makes capital available for transformation of the Port of Bridgetown and the execution of key elements of our business strategy. Some of the proceeds of this issue will also be used primarily for recapitalization, new equipment acquisition, enhancement of border security systems, settlement of outstanding liabilities and repayments to existing bondholders of the older facility. Coming out of our Master Plan, we also expect to launch the first BPI Investment Plan and host the first Investment Symposium with our financial partners.

BPI made tremendous strides this year in addressing capacity constraints and challenges through the enhancement of productivity and efficiency, the promotion of digital solutions and innovation and

the application of new green technology. We are pleased to report that greater than 60% of our mission critical deliverables were completed or in progress at the end of the reporting period.

The results have been showing in several areas, particularly in the improved delivery rate for cargo through the Port, a factor crucial to supply chain efficiency optimization. BPI at the end of March 2020, registered a 1% increase in vessel calls while cargo volumes handled increased 7%, counteracting the significant decline noted in the previous year. Some 1,341,522 tonnes were handled, as compared to 1,255,127 tonnes for the corresponding period in 2018-2019. TEUs handled grew 2% to reach 99,424 TEUs during the year, as compared to last year's figure of 97,496. The Truck Turnaround Time decreased from 49 minutes in 2018/19 to an average of 43 minutes this year. A new Gantry Crane for containerized cargo was also commissioned, enhancing lift capacity and supporting increased productivity.

We can also count among BPI's significant achievements in the last year, the development of the national Maritime Single Window in line with the International Maritime Organization (IMO) requirements, facilitating electronic information exchange between ships, the Port and port agencies through a single portal. This is in addition to the enhancement of border security with the installation of a new container scanner and expanded CCTV coverage as well as the development of online applications to manage requests for Port entry and appointments for cargo collection.

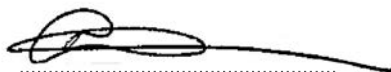
These achievements all reinforce that our biggest challenges and problems are in reality where our greatest opportunities and potential lies. What we

## **“Sincerest Appreciation”**

now need to do is to embrace this momentum as our new normal. We need to employ our most valuable and abundant resource – the strength and intelligence of our people – to take us forward into a sustainable and forward-thinking business model that will help us to stand out not only as a seaport in a small island state in the Caribbean, but as the most innovative green maritime hub in the world.

As always, we convey our sincerest appreciation to those who have stood alongside and facilitated the Bridgetown Port this past year. We extend our gratitude to:

**The Honourable Mia Mottley, Q.C, M.P., Prime Minister of Barbados**  
**The Government and People of Barbados**  
**The Honourable Kirk Humphrey, M.P., Minister of Maritime Affairs and the Blue Economy**  
**Management and staff of Barbados Port Inc.**  
**Shipping Association of Barbados**  
**The Barbados Workers' Union**  
**Barbados Tourism Marketing Inc.**  
**Barbados Tourism Investment Inc.**  
**Barbados Customs Brokers and Clerks Association**  
**Barbados Cruise Terminal Inc.**  
**Town and Country Development Planning Office**  
**Coastal Zone Management Unit**  
**Customs and Excise Department**  
**Royal Barbados Police Force**  
**Immigration Department**  
**Ministry of Maritime Affairs and the Blue Economy**  
**Ministry of Tourism and International Transport**  
**Ministry of Foreign Affairs and Foreign Trade**  
**Ministry of Small Business, Entrepreneurship and Commerce**  
**Ministry of Finance, Economic Affairs and Investment**  
**Ministry of Health and Wellness**  
**Ministry of Agriculture and Food Security**  
**Ministry of Transport, Works and Maintenance**



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Senator Lisa Cummins  
Chairman



# IMPORTANT TO OUR FUTURE

# FINANCIAL PERFORMANCE REVIEW

**Barbados Port Inc.'s operating income, totaling \$105.1 Million during fiscal 2020, was the best recorded in five years, with improvements registered in all major operations revenue earning segments.**

This total represented a 9% increase on prior year results of \$96.1 Million. Most significantly, cargo handling revenues grew by \$5.6 Million or 9% reflecting an overall increase in cargo volumes transiting the Port. Increased vessel calls and cruise passenger arrivals also contributed significantly to revenue earnings.

Profit before tax however declined \$5.3 Million to \$14.2 Million. This fall off was due mainly to increased operating expenses which grew by \$12.9 Million or 19%, with increases noted across all categories. The most significant of these were staff costs, which increased due to retro-active increment payments in April 2019 to clerical officers; administration expenses in line with water rate changes and depreciation expense which increased on commissioning of the new Gantry Crane #3.

**TABLE 1: BREAK DOWN OF REVENUE (\$)**

	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>Cargo Handling</b>	59,999,870	66,164,061	64,079,637	63,802,359	69,349,941
<b>Excess Storage</b>	2,547,940	2,014,664	3,152,318	1,774,217	2,931,683
<b>Marine Revenue</b>	7,284,410	8,504,346	9,960,948	9,856,829	10,279,581
<b>Passenger Levy</b>	7,960,524	8,087,251	8,575,897	8,910,000	9,543,318
<b>Other</b>	7,740,953	9,261,539	9,255,384	8,978,650	9,588,039
<b>Sub-total</b>	85,533,697	94,031,861	95,024,184	93,322,055	101,692,562
Other Operating Income	3,582,156	3,610,890	3,415,007	2,867,234	3,391,317
<b>TOTAL</b>	89,115,853	97,642,751	98,439,191	96,189,289	105,083,879

FIGURE 1:  
OPERATING  
EXPENSES  
2015/16 -  
2019/20

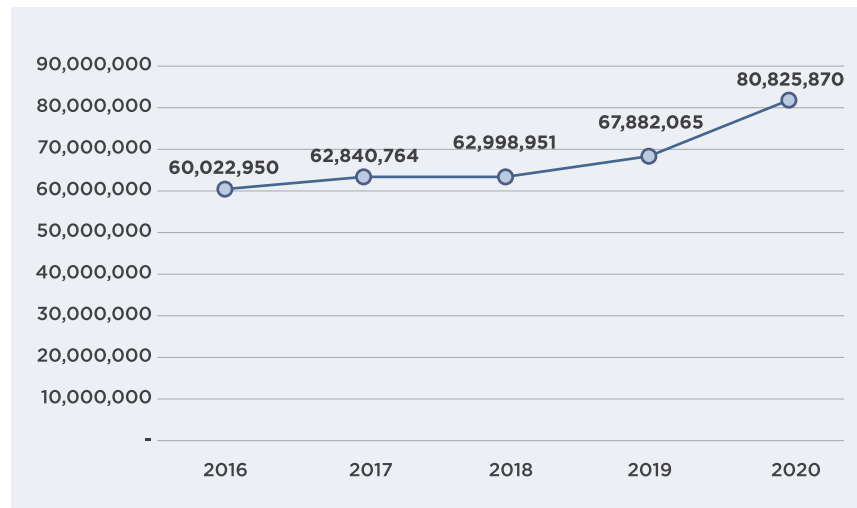
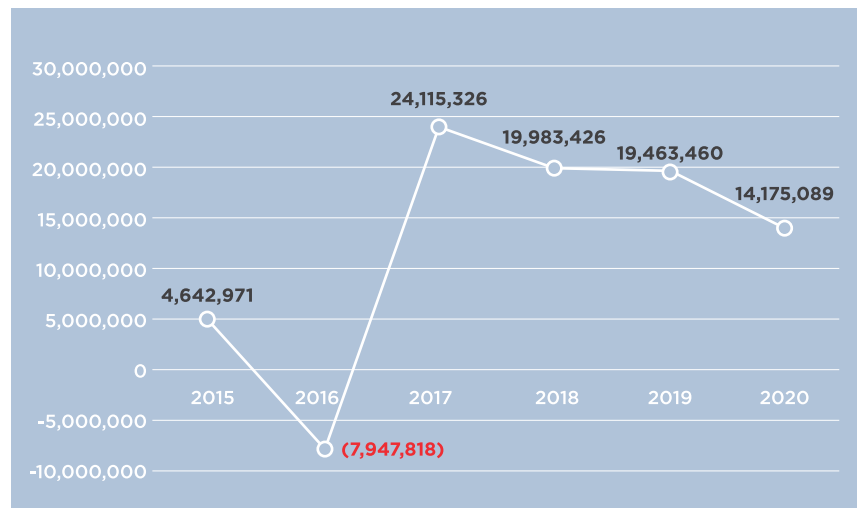


FIGURE 2:  
PROFITS/  
(LOSS)  
BEFORE  
TAXATION  
2015/16 -  
2019/20





## STATEMENT OF FINANCIAL POSITION

### Overview

The financial position of BPI as at March 31, 2020 showed an increase in current and non-current assets and liabilities.

During the year, the Company entered into a new financing arrangement with NCB Capital Markets (Barbados) Limited to bring a \$100 Million bond to market. The \$18.6 Million increase in current assets is attributable most significantly to \$20.5 Million in subscriptions not yet paid over to the Company from the NCB \$100 Million Bond as at year-end.

Included in non-current assets are

- (i) Investment in One Port Investments Inc – a 50/50 joint venture with Barbados Port Inc. Defined Benefit pension plan.
- (ii) Right of Use assets recognized on adoption of IFRS 16. This affected
  - (a) the operating lease arrangement of watercraft –tugs
  - (b) land acquired by finance lease, previously recorded as a deferred rent asset

The increase in current liabilities is due most significantly to the equity payable to One Port Investments Inc. It should also be noted that that the Ansa finance lease payments have been classified from loans to finance lease liabilities.

### Liquidity

BPI this year realised a working capital surplus of \$10.7 Million, an improvement on the prior year's \$0.9 Million deficit. The quick ratio has increased to 1.3 due to an increase in current assets.

### Activity

During 2019/20, it took 37 days to collect outstanding receivables. While this represents an improvement over the previous year's 54 days to collect, greater efforts will be applied to lower this ratio to under 35 days as documented in the Strategic Plan. Some measures implemented in the previous year such as the introduction of a finance charge on balances over 90 days, vigorous pursuit of 100% deposit before servicing vessels, follow up calls with customers, the implementation of payment plans for old balances and improved speed of billing have assisted in bringing the Company closer to realization of its stated goal.

# IMPORTANT

### Leverage

The Company remains highly leveraged, characteristic of its highly capital intensive nature. The debt to equity (D/E) ratio remained at 0.84:1 as it was in the previous year. As a highly leveraged entity, debt service cost in the form of interest payments,

is one of the key uses of cash resources. Finance costs were \$8.8 Million in the year under review as compared to \$9.2 Million in the previous year.

Key financial position balances and ratios are reported below:

**TABLE 2: STATEMENT OF POSITION HIGHLIGHTS**

	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Current Assets (\$M)	13.84	34.40	33.13	29.17	47.74
Accounts Receivables (\$M)	6.49	8.92	12.02	6.84	6.01
Non-current assets (\$M)	309.29	297.46	335.35	299.49	300.31
<b>Total Assets (\$M)</b>	<b>323.13</b>	<b>331.86</b>	<b>368.48</b>	<b>328.66</b>	<b>348.05</b>
Current Liabilities (\$M)	32.19	35.31	29.88	30.03	37.07
Long-term Liabilities (\$M)	125.56	112.98	147.88	119.91	121.54
<b>Total Equity (\$M)</b>	<b>165.38</b>	<b>183.57</b>	<b>190.72</b>	<b>178.72</b>	<b>189.44</b>
Total Liabilities & Equities (\$M)	323.13	331.86	368.48	328.66	348.05
Working Capital (\$M)	-18.35	-0.91	3.25	-0.86	10.67
Average Receivables (\$M)	7.02	7.71	10.47	9.43	6.43
<b>Total Debt (\$M)</b>	<b>157.75</b>	<b>148.29</b>	<b>177.76</b>	<b>149.94</b>	<b>158.61</b>
Debt/Equity	0.95	0.81	0.93	0.84	0.84
Current Ratio	0.43	0.97	1.11	0.97	1.29
Days to Collect Receivables	42.67	42.51	59.64	53.95	36.76

TO OUR **ECONOMY**

# MISSION CRITICAL DELIVERABLES

## Enhanced Port Security

	Expand and improve the CCTV distribution	Acquire an additional Container Scanner, and fix the existing two scanners	
	Install Passive IR motion detectors AND Geofencing	Develop a protocol for 100% scanning and pre-scanning of containers	
	Install Pallet Scanner at Shed 2	Outfit a Command Centre	Work with Royal Barbados Police Force to support a K9 unit
●	●	●	●
NOT YET STARTED	IN PROCESS	COMPLETED	ONGOING

## Strategic Planning

	Update the Master Plan (2019-2029)	Conduct a Strategic Planning Review to update the Strategic Plan for Barbados Port Inc.	
	Complete the Business Plan (2019 - 2024)		
●	●	●	●
NOT YET STARTED	IN PROCESS	COMPLETED	ONGOING

## Cruise Service Enhancements

		Produce branded directional signage to facilitate movement of passengers	
		Deploy the tram system to facilitate movement of passengers between	
		Introduce a new taxi dispatch system	Meet with key customers in the service chain to understand concerns and solicit ideas for service improvements
		Enhance Tour dispatch systems	
●	●	●	●
NOT YET STARTED	IN PROCESS	COMPLETED	ONGOING

## Cargo Operations Enhancement

Establish a Customer Charter



NOT YET STARTED

Extend the use of Octopi for container vessel operations in the area of Ship Planning



IN PROCESS

Based on the range of consultations, refine the service standards and KPIs for Barbados Port Inc.

Extend the use of Octopi to Shed 4 operations, along with a queuing system

Install a new Gantry crane

Order new Straddle Carriers (six needed – one per annum)



COMPLETED

Meet all customers in the service chain to understand concerns and solicit ideas for service improvements



ONGOING

## Stabilised Finances

Renegotiate financing of Bds \$70 million Republic Finance and Trust brokered Bond Issue

Revise the current Procurement rules to bring them in line with the new mandate of Government pertaining to “carving off” and consistent with the regional approach to procurement as contained in the Draft Protocol on Public Procurement for Caribbean Community

Renegotiate Finance Lease with ANSA Merchant Bank which has a balance of Bds \$55.5 million as at June 2018

Revise Receivables Policy to encourage timely payment and to deter overly late or non-payment of receivables



NOT YET STARTED



IN PROCESS



COMPLETED



ONGOING

## Staff Empowerment

Complete Job Evaluation	Implement the Performance Appraisal and Performance Management/ Incentive Scheme, to complement the Customer Charter Programme	Settle wage/salaries increases with the BWU	
Establish a Training Centre in conjunction with the CMU, TVET and SJPI	Complete the culture reform programme to address deep seated cultural attitudes that affect performance and worker attitude	Resolve and negotiate long outstanding increments for Clerical Division with the BWU	
●	●	●	●
NOT YET STARTED	IN PROCESS	COMPLETED	ONGOING

## Leveraging Technology

	Develop IMO Maritime Single Window	Develop IMO Maritime Single Window	
●	●	●	●
NOT YET STARTED	IN PROCESS	COMPLETED	ONGOING

## Legal

Work with the Attorneys to complete the process of determining the Global Ports and the Berth 6 contracts – including recognition of damages or other considerations	Review the brief on the Fish of Barbados Case. The injunction against the Port with respect to retaking possession of waterfront space at the Flour Mill has continued to prevent the port from arriving at a longer term use of at least 2 – 4 acres at the Flour Mill. Though the injection relates to some 3,325sq m of land, the location prevents access to a large area of land behind it. This land has been earmarked for development into a much needed expanded boat repair yard	Meet the deadlines set by IMO to address findings of the IMO Audit. BPI shall sponsor legal resources to be based in the Chief Parliamentary Counsel's Office, to assist in drafting the requisite legislation that will ensure compliance with the Port-specific and other nineteen (19) IMO findings	Meet and address the arbitration issue that is currently in abeyance. Arrive at new terms in the management arrangement with Bridgetown Cruise Terminal Inc., addressing the following: <ul style="list-style-type: none"> <li>• Agreement on when the lease ends,</li> <li>• The continuing head tax split, and</li> <li>• review of the maintenance arrangements</li> </ul>
●	●	●	●
IN PROCESS			ONGOING



## Projects

Establish a joint venture to develop the 4 acres at South Point lighthouse, as a sustainable commercial initiative

Complete the development of Ragged Point lighthouse and establish a commercial tourism based joint venture at this location

Assess viability of North Point Lighthouse for Development

Repair/refurbish the Hilton Jetty

Expand berthing capacity at the Shallow Draught

Complete the planning process, engineering work and business negotiation, to kick-off the Sugar Point Cruise facility

In consultation with the Coastal Zone Management Unit Complete engineering designs and complete the repairs and upgrade to the Speightstown Jetty to make it ready to accommodate tender vessels from cruise ships berthed offshore at Speightstown

Install Photovoltaic Solar Panel at BCTI, Old Mechanical Workshop and the Mechanical Shed



## Corporate Social Responsibility

Adopt fishing villages in Barbados, and assist in developing the associated infrastructure and facilities, commencing with Pile Bay and Weston



# OPERATIONAL PERFORMANCE REVIEW

## CARGO OPERATIONS

During the year 2019/20, the Port registered 1, 280 vessel calls, an increase of 1% over the 1, 265 calls registered in 2018/19.

Sixty-eight per cent of all calls were cargo related, with increased numbers showing at the main harbor— where growth of 3% was noted, at the Shallow Draught, where calls increased by 7% and in tanker calls, which grew 12%.

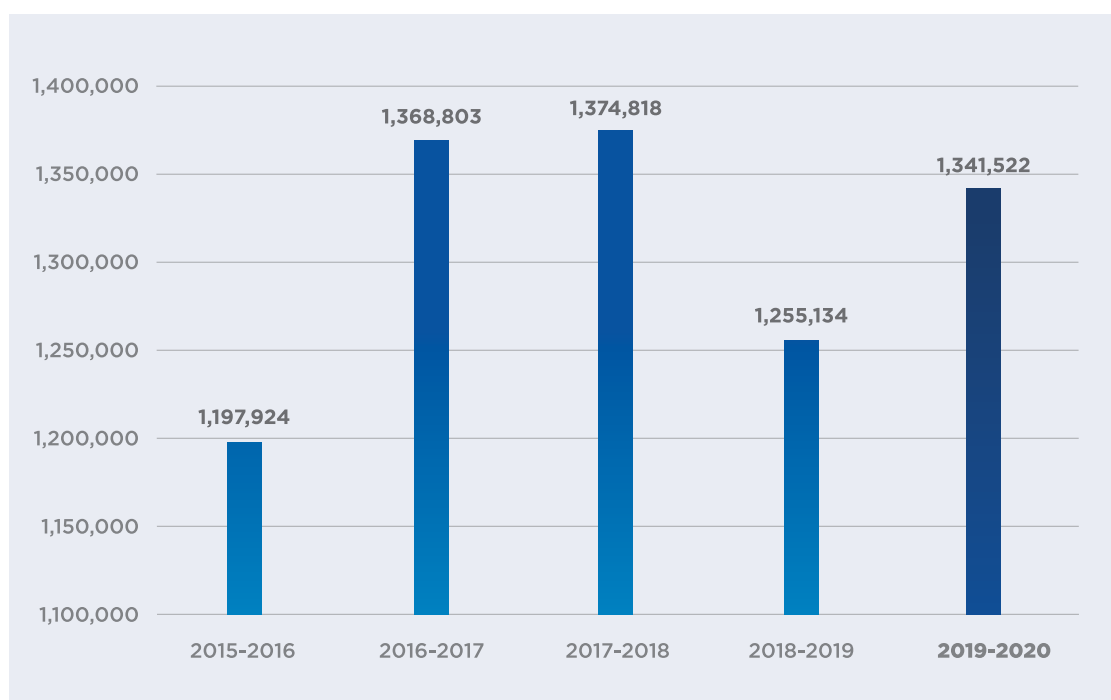
**TABLE 3: BREAKDOWN OF VESSEL CALLS BY MAJOR CATEGORY (2009/10 - 2019/20)**

Vessel Calls	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Cruise	403	399	357	374	382	412	453	498	420	414
General Cargo - Deep Water Harbour	486	437	403	422	454	499	549	486	470	482
General Cargo - Shallow Draught	120	114	105	99	105	125	123	121	111	103
Cargo - Bulk Handling Facility (Inc PF)	30	17	14	15	7	19	9	6	12	11
Bulk Sugar	3	2	2	1	2	2	1	0	1	2
Molasses	15	11	10	7	7	13	12	7	7	4
Cargo - Cement Plant	84	96	83	124	79	71	68	86	89	91
Tankers	142	135	148	139	138	135	156	167	155	173
<b>Total Calls</b>	<b>1,283</b>	<b>1,211</b>	<b>1,122</b>	<b>1,181</b>	<b>1,174</b>	<b>1,276</b>	<b>1,371</b>	<b>1,371</b>	<b>1,265</b>	<b>1,280</b>
<b>% Change</b>	<b>-8.29%</b>	<b>-5.61%</b>	<b>-7.35%</b>	<b>5.26%</b>	<b>-0.59%</b>	<b>8.69%</b>	<b>7.45%</b>	<b>0.00%</b>	<b>-7.73%</b>	<b>1.19%</b>

### Tonnage Handled

Though the increase in vessel calls was marginal, cargo volumes handled at the Port increased 7% in 2019/20, counteracting the significant decline noted in the previous year and bringing the Port back in line with 2017 volumes. Some 1,341,522 tonnes were handled, as compared to 1,255,134 tonnes for the corresponding period in 2018-2019 (see figure 3).

FIGURE 3:  
TOTAL  
CARGO  
(TONNES)



A breakdown of tonnage handled shows a 12% increase in imports against 2018/19. Import volumes at 1,006,852 tonnes represented 75% of the overall tonnage handled.

Conversely, Barbados' exports continued to slide, falling 2% from 158,988 tonnes in 2018/19 to 155,796 tonnes this year. The export tonnage represented 12% of the tonnage handled for 2019/20 (**see table 4**).

Transshipment cargo similarly continued to decline, falling 10% from 189,619 tonnes to 170,540 tonnes this year. BPI is actively encouraging targeted shipping lines to take advantage of our infrastructure and high crane productivity rate in a bid to bolster transshipment cargo through the Port.

The total containerized tonnage handled across all categories of imports, exports, transshipment and shifted cargo was 1,186,159 tonnes in 2019/20 as compared to 1,144,681 tonnes in 2018/19. Containerized cargo for 2019/20 represented 88% of all tonnage handled. Last year's containerized figure represented 91% of the overall tonnage handled.

**TABLE 4: BREAKDOWN OF CARGO HANDLED BY CATEGORY 2010/11 - 2019/20 (TONNES)**

	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Domestic										
Containerised Discharged	761,133	741,290	723,245	724,810	730,009	784,920	835,727	816,393	801,484	864,236
Breakbulk Discharged	89,051	86,832	70,934	70,543	76,548	80,359	99,774	92,436	83,645	101,659
Direct Delivery	0	0	0	0	0	23,000	46,011	29,017	12,690	40,957
<b>Total Discharged (Imports)</b>	<b>850,184</b>	<b>828,122</b>	<b>794,179</b>	<b>795,353</b>	<b>806,557</b>	<b>888,279</b>	<b>981,512</b>	<b>937,846</b>	<b>897,819</b>	<b>1,006,852</b>
<b>% Increase / Decrease</b>	<b>4.99%</b>	<b>-2.59%</b>	<b>-4.10%</b>	<b>0.15%</b>	<b>1.41%</b>	<b>10.13%</b>	<b>10.50%</b>	<b>-4.45%</b>	<b>-4.27%</b>	<b>12.16%</b>
Containerised Loaded	137,355	143,113	148,412	159,844	157,641	130,684	147,227	151,585	154,090	151,502
Breakbulk Loaded	7,643	7,245	11,235	5,229	7,810	4,549	4,600	4,000	4,898	4,294
<b>Total Loaded (Exports)</b>	<b>144,998</b>	<b>150,358</b>	<b>159,647</b>	<b>165,073</b>	<b>165,451</b>	<b>135,233</b>	<b>151,827</b>	<b>155,585</b>	<b>158,988</b>	<b>155,796</b>
<b>% Increase / Decrease</b>	<b>2.81%</b>	<b>3.70%</b>	<b>6.18%</b>	<b>3.40%</b>	<b>0.23%</b>	<b>-18.26%</b>	<b>12.27%</b>	<b>2.48%</b>	<b>2.19%</b>	<b>-1.98%</b>
Transshipment Containerised	66,857	35,858	23,057	39,165	93,895	148,371	205,169	255,298	180,399	162,087
Transshipment Breakbulk	8,022	8,014	5,954	7,736	12,400	16,440	17,558	11,070	9,220	8,453
<b>Total Transshipment</b>	<b>74,879</b>	<b>43,872</b>	<b>29,011</b>	<b>46,901</b>	<b>106,295</b>	<b>164,811</b>	<b>222,727</b>	<b>266,368</b>	<b>189,619</b>	<b>170,540</b>
<b>% Increase / Decrease</b>	<b>-29.40%</b>	<b>-41.41%</b>	<b>-33.87%</b>	<b>61.67%</b>	<b>126.64%</b>	<b>55.05%</b>	<b>35.14%</b>	<b>19.59%</b>	<b>-28.81%</b>	<b>-10.12%</b>
Shifted - Containerised	10,745	7,284	5,753	4,303	7,920	9,601	12,737	15,019	8,708	8,334
<b>% Increase / Decrease</b>	<b>42.94%</b>	<b>-32.21%</b>	<b>-21.02%</b>	<b>-25.20%</b>	<b>84.06%</b>	<b>21.22%</b>	<b>32.66%</b>	<b>17.92%</b>	<b>-42.02%</b>	<b>-4.29%</b>
<b>Total Tonnage Handled</b>	<b>1,080,806</b>	<b>1,029,636</b>	<b>988,590</b>	<b>1,011,630</b>	<b>1,086,223</b>	<b>1,197,924</b>	<b>1,368,803</b>	<b>1,374,818</b>	<b>1,255,134</b>	<b>1,341,522</b>
<b>% Increase / Decrease</b>	<b>1.54%</b>	<b>-4.73%</b>	<b>-3.99%</b>	<b>2.33%</b>	<b>7.37%</b>	<b>10.28%</b>	<b>14.26%</b>	<b>0.44%</b>	<b>-8.71%</b>	<b>6.88%</b>

**TABLE 5: BREAKDOWN OF BULK CARGO HANDLED BY TYPE 2010/11 - 2019/20 (TONNES)**

Bulk Cargo Handled	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Commodity										
Sugar	24,218	21,637	20,751	14,454	12,593	8,783	6,008	5,775	4,859	8,194
Molasses	55,997	44,867	45,254	37,620	41,741	38,151	47,400	54,398	55,828	38,067
Fish Oil/Margarine/Fat	0	0	1,498	0	0	0	0	0	0	0
Grain/Agribulk	76,511	74,836	82,568	74,708	72,210	84,212	65,413	74,118	60,775	76,017
Fertilizer	2,415	1,290	700	1,900	500	701	0	0	0	0
Petroleum Products	656,570	638,381	602,866	613,695	582,246	653,502	599,729	635,011	623,673	676,462
Limestone	0	0	3,700	10,500	1,000	0	0	0	0	0
Cement	113,331	115,118	94,767	167,572	130,575	138,318	146,350	186,952	211,799	206,797
Hydrated Lime	637	0	0	0	0	0	0	0	0	0
Gypsum/Pozzolan Gravel	30,955	22,434	16,990	36,527	8,210	4,092	8,308	12,519	11,083	10,509
Cement Plant Other	3,715	1,020	11,819	9,344	0	3,130	15,146	3,043	11,511	1,893
Iron Ore	700	1,424	997	2,864	993	2,501	1,974	2,586	3,758	1,794
Dwh Other*	25,455	22,825	3,079	9,846	3,363	38,945	12,000	702	40,678	52,203
<b>Total</b>	<b>990,504</b>	<b>943,832</b>	<b>884,989</b>	<b>979,030</b>	<b>853,431</b>	<b>972,335</b>	<b>902,328</b>	<b>975,105</b>	<b>1,023,964</b>	<b>1,071,936</b>
<b>% Change</b>	<b>0.45%</b>	<b>-4.71%</b>	<b>-6.23%</b>	<b>10.63%</b>	<b>-12.83%</b>	<b>13.93%</b>	<b>-7.20%</b>	<b>8.07%</b>	<b>5.01%</b>	<b>4.68%</b>

### Bulk Cargo handled

Following a 10-year peak in 2018/19, Bulk Cargo handled continued to increase, expanding 5% this year **(see table 5)**. Some 1,071,936 tonnes were handled in 2019/20 as compared to 1,023,964 tonnes last year. Petroleum products continued to dominate this segment, registering at 676,462 tonnes, some 63% of all bulk cargo handled this year. The second largest volumes handled were cement, at 206,797 tonnes representing 19% of the cargo handled.

### Container Traffic

The Bridgetown Port handled 99,424 TEUs during the year, a 2% increase as compared to last year's volume of 97,496 **(See table 6)**. Of the total TEUs handled, 41% (41,041 TEUs) were imports while 7% were full exports comprising mainly manufactured and other cargo, including recycled product. Some 36,662 TEUs (37%) were outbound empty containers.





**TABLE 6: BREAKDOWN OF CONTAINERS (TEUS) BY STATUS 2010/11 - 2019/20**

TEUs Handled	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Inbound Laden	35,815	35,109	34,345	34,426	34,713	37,310	39,663	38,807	38,120	41,041
Inbound Empty	1,446	716	783	833	1,264	1,812	5,319	2,028	1,290	1,185
Outbound Laden	6,302	6,578	6,822	7,341	7,208	6,040	6,765	6,946	7,036	6,987
Outbound Empty	32,524	30,867	28,101	30,697	29,769	33,224	40,072	35,798	35,738	36,662
Transshipment	5,017	2,150	1,384	2,511	7,368	12,323	18,093	22,079	15,313	13,549
<b>Total TEUs</b>	<b>81,103</b>	<b>75,419</b>	<b>71,435</b>	<b>75,807</b>	<b>80,322</b>	<b>90,708</b>	<b>109,911</b>	<b>105,658</b>	<b>97,496</b>	<b>99,424</b>
<b>% Change</b>	<b>0.86%</b>	<b>-7.01%</b>	<b>-5.28%</b>	<b>6.12%</b>	<b>5.96%</b>	<b>12.93%</b>	<b>21.17%</b>	<b>-3.87%</b>	<b>-7.72%</b>	<b>1.98%</b>

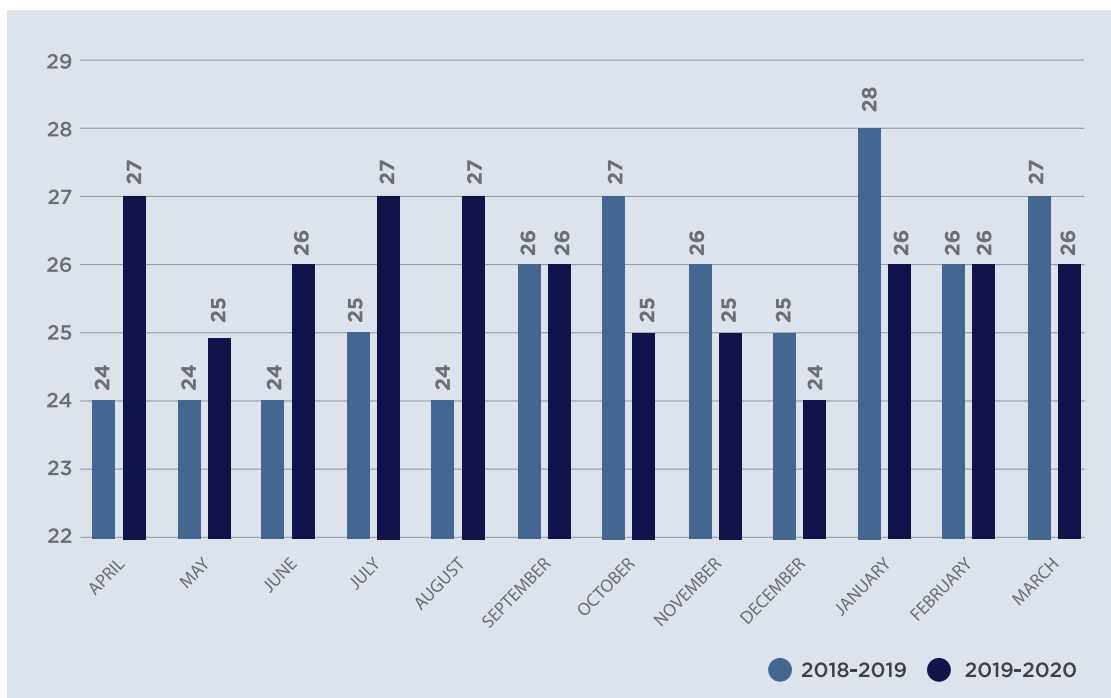
**TABLE 7: KEY PERFORMANCE INDICATORS**

	2018/19	2019/20												
	Average	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Average
Moves per Hour/ crane	26	27	25	26	27	27	26	25	25	24	26	26	26	26
Truck Turnaround Time (mins)	49	38	40	57	36	32	41	58	45	43	45	44	34	43
Dwell Time FCL- Dry	7	7	8	7	6	7	9	12	11	9	10	7	6	8
Dwell Time FCL- Reefer	4	2	1	4	2	2	2	2	3	3	3	3	1	2
Dwell Time LCL	4	3	5	3	3	4	3	7	5	3	3	2	2	4

The OCTOPI Terminal Operating System continues to have a positive impact on the management of the terminal, reflected in the major key performance indicators tracked (**See Table 7**). This system has not only made work easier but enables managers to make early decisions on specific operational changes to the benefit of all stakeholders.

This year, Moves Per Hour/Crane remained constant at 26 moves when compared to the previous year, 2018/19. The Truck Turnaround Time decreased from 49 minutes in 2018/19 to an average of 43 minutes. The Dwell Time for full reefer containers directly delivered moved from four days in 2018/19 to two days in 2019/20, while the Dwell Time for dry containers directly delivered was eight days in 2019/20 as compared to seven days in 2018/19. The latter Dwell Time was negatively impacted by the introduction of the new automated Customs system, ASYCUDA World in September 2019, as evidenced by the high Dwell Time figures between September and December 2019. The Dwell Time for Less than Container Load (LCL) containers being stripped remained steady at four days.

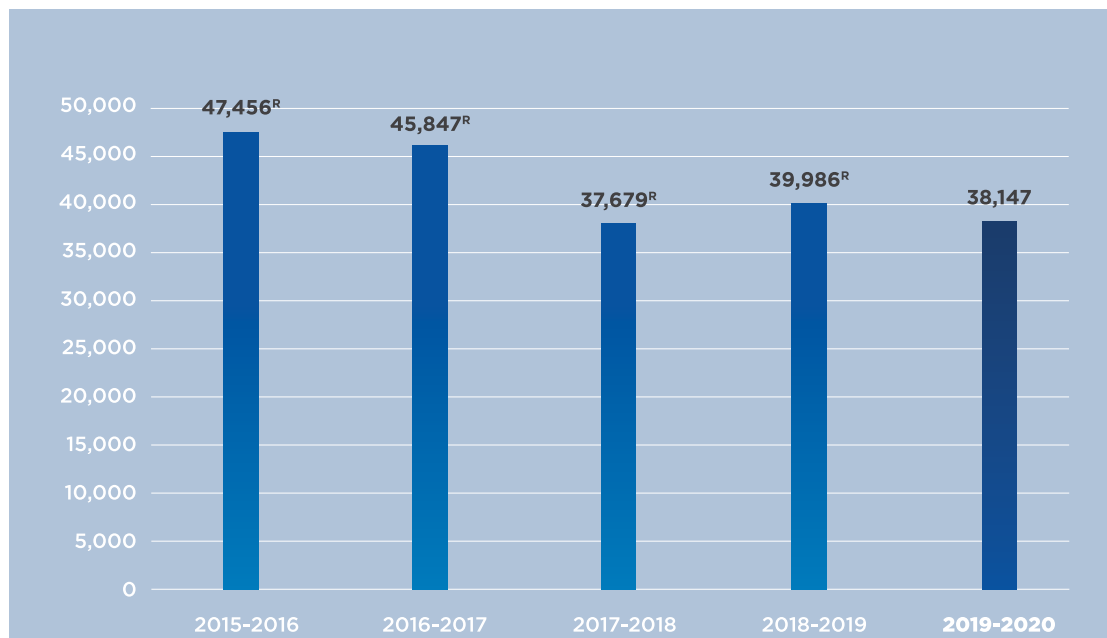
FIGURE 4:  
PRODUCTIVITY  
RATE-  
CONTAINER  
HANDLING  
GANTRY CRANE



#### Personal Effects

The Port of Bridgetown continued to lose market share in the delivery of personal effects during the period under review. The 38,147 pieces handled this year, represented a 5% decline against the 39,986 pieces in 2018/19 and a 20% decrease when compared to the 2015/16 figure of 47,456 pieces (**see Figure 5**). The Port nevertheless continues to make additional improvements to discern itself against competing external entities offering similar services, through exceptional service delivery in this area of operation.

FIGURE 5:  
DELIVERY OF  
PERSONAL  
EFFECTS



<sup>R</sup> Revised

The five year values for the period 2013/14 to 2017/18 were incorrectly assigned to the period 2014/15 to 2018/19 in the prior year's report. The correct values for the period 2014/15 to 2018/19 are as noted.



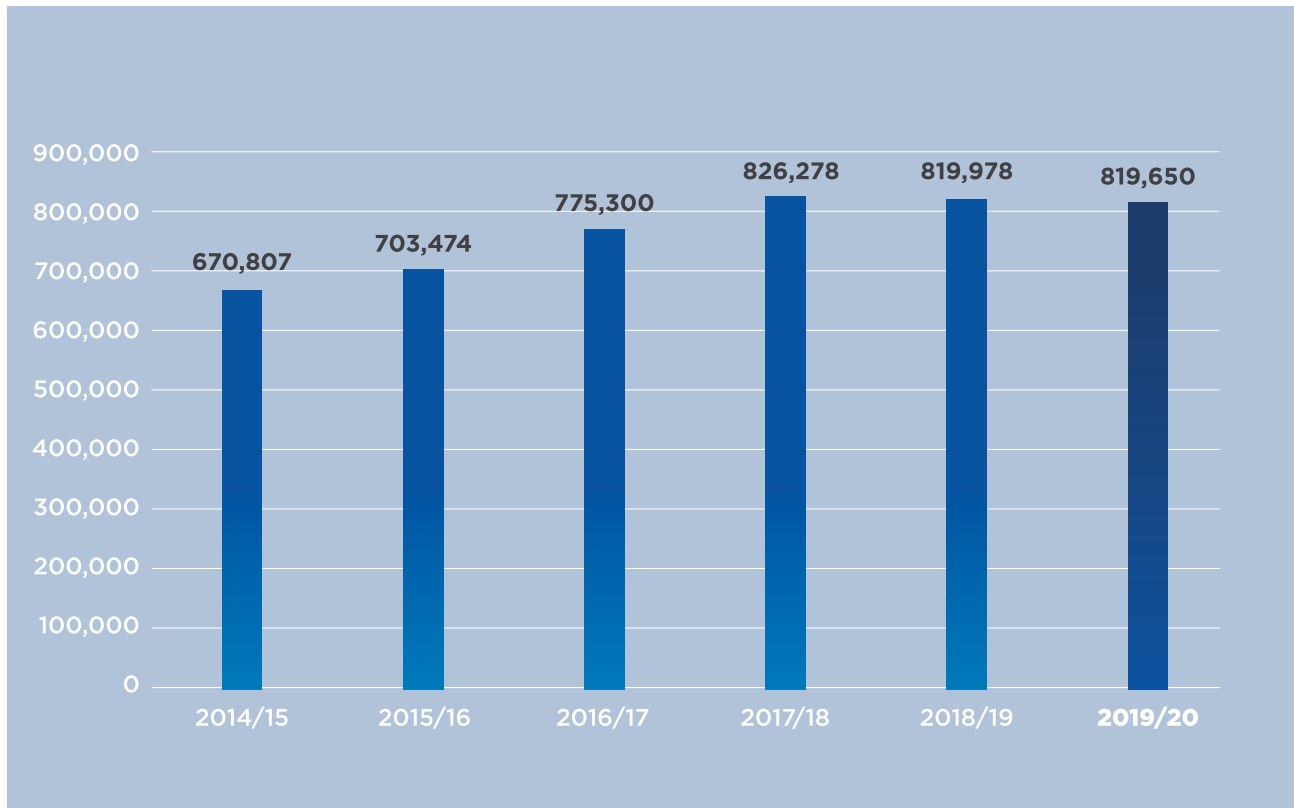
## CRUISE OPERATIONS

### Passenger arrivals

Barbados ended 2019 with a record number of cruise passenger arrivals, and the Port of Bridgetown was well on course for a record-breaking cruise performance this financial year. The suspension of commercial cruising globally as a result of the COVID-19 pandemic however thwarted the realization of that.

Cruise passenger arrivals during the period April 1, 2019 to March 31, 2020 were registered at 819, 650, just slightly below the 819,978 passengers who arrived in 2018/19 **(See figure 6)**.

FIGURE 6: CRUISE PASSENGER ARRIVALS



The Port registered 414 cruise ship calls during the financial year ending March 31, 2020 (**See table 3**). This compares to 420 calls during the previous year. Cruise calls at the end of March 2020 were down 1.4% against the previous year. Nine vessels sailed into Barbados for the first time to a celebratory inaugural welcome, complete with the traditional exchange of plaques. These were the Vasco Da Gama, Viking Sun, MSC Meraviglia, Mein Schiff 2, Hanseatic Inspiration, Marella Explorer 2, Norwegian Bliss, Spirit of Discovery and the Norwegian Epic.

Homeporting calls increased slightly from 165 in 2018/19 to 169 last year, with the Marella, AIDA and TUI cruise lines all deploying larger capacity ships (**See Appendix 3**). This supported a 35% expansion in Barbados' homeporting activities during the period under review. Some 28 ships, representing 14 lines and carrying 256,754 passengers used the Port of Bridgetown as a homeport this year. This is compared to 190,133 homeport arrivals in 2018/19.

P&O vessels Azura and Britannia accounted for 43% of the total embarking passengers (62,004 passengers). Marella Cruises vessels Marella Celebration, Marella Explorer and Marella Explorer 2, accounted for 27% of the embarkations with 38,836 passengers. AIDA Cruises vessel AIDA Perla accounted for 16,576 embarking passengers, representing 12% of the total embarking passengers.



### Cruise Enhancement Initiatives

This year, BPI made significant strides in enhancing its cruise operations and tackling issues related to port capacity constraints. A number of initiatives were also implemented to address findings and shortcomings noted in the National Cruise Development Commission Report, 2019. One of the most welcomed guests services launched was a complimentary quay-to-terminal tram service for passengers. This was coupled with enhanced wayfinding through the installation of signage, the renovation of taxi dispatch facilities and the installation of a new passenger scanning facility at the Cruise Transfer Terminal as part of improved security measures for embarkation.

In addition, the Company completed the construction of a new bus shelter and parking bays for independent tour coaches at the Cruise Terminal, as well as the rehabilitation of Trevor's Way, an ocean front walkway, to facilitate security surveillance coverage for the Royal Barbados Police Force in conjunction with the Barbados Hotel and Tourism Association (BHTA). The seaport taxi associations were handed the keys to a fully refurbished recreation centre while the Ministry of Health and Wellness opened the doors to a newly renovated quarantine facility, thanks to BPI.

### Cruise Industry Suspension

A 30-day suspension of cruise operations was announced by the Cruise Lines International Association (CLIA) in response to the COVID-19 pandemic, effective 12:00AM on March 14, 2020—two weeks prior to the end of this financial reporting period.

The decision to suspend commercial cruise activity globally, immediately impacted operations at the Port of Bridgetown. The major challenge for many of the vessels at sea was to find in just a few days, a suitable port where they could repatriate passengers and crew and also bunker fuel, load







**“...the Port of Bridgetown was one of the few ports in the world which remained open to vessels, and that could offer the services and facilities the vessels required.”**

provisions and offload waste. Even prior to the CLIA announcement of the official suspension, several countries had already closed their borders to mitigate against the spread of COVID-19.

Following the decision by the Government of Barbados to offer safe harbor to vessels during this humanitarian crisis, the Port of Bridgetown was one of the few ports in the world which remained open to vessels, and that could offer the services and facilities the vessels required.

As ships terminated their voyages mid-itinerary, some cruise lines requested extended stays in Barbados with crew only, until they can return to their respective homeports. Given the limited number of berths at Bridgetown, some ships have over the past several weeks been anchored off Carlisle Bay on our South coast and as far as Speightstown in the North of the island.

BPI worked in collaboration with its partner cruise lines, local port agents Foster and Ince Cruises and Platinum Port Agency, the Ministry of Tourism and International Transport, the Ministry of Maritime Affairs and Blue Economy, Barbados Tourism Marketing Inc. (BTMI), the Grantley Adams International Airport (GAIA), the Ministry of Health and Wellness' Port Health Unit, Customs and Immigration as well as private sector agencies involved in cruise and ground transportation, to facilitate the safe and speedy passage of travellers back home.





## INVESTING IN A SUSTAINABLE FUTURE

In addition to enhancing the competitiveness of the Port, BPI is in the process of transforming the Port's infrastructure. In the last year, there has been a strong focus on digital transitioning and developments that contribute to a more robust and sustainable port. BPI has also been moving to enhance trade facilitation through improved logistics.

### Port Master Plan

During the year in review, BPI commissioned a firm, Bermello Ajamil & Partners, Inc., Port and Maritime Consultants, to prepare the new Master Plan, 2020 - 2030. The work was initiated in September 2019 and is due to be completed during the first quarter of the next financial year. The Master Plan will define the major elements of the Port's infrastructural build-out over the next 10 years. The preliminary work presented so far highlights the need for cruise and cargo facilities expansion, as well as requirements for additional bulk handling infrastructure and opportunities to expand facilities for small pleasure craft.



### Cruise Facility Expansion

BPI is also currently reviewing the plans for cruise facilities in Bridgetown, with the aim of separating the mega cruise vessel operations from the cargo operations in the Deep Water Harbour, to ensure that the service levels to each sector can be better streamlined, particularly with respect to specific homeporting requirements.

Aiming to grow its cruise business to 2 million passengers by 2030, BPI this year initiated discussions with two major cruise lines on a possible joint venture to construct new facilities in Bridgetown. The new project is expected to be built out in a phased way, starting with three berths out of a possible five, with approximately 12 acres of land reclaimed for commercial and ground transport services.

With the trend towards mega ships and the projected increase in cruise tourism passengers, BPI also has to respond to the growing number of smaller vessel operations, who desire a more geographically segmented product for their passengers, physically separated from the large vessel cruise tourism typically handled at the Port of Bridgetown.

To this end, BPI has invited Expressions of Interest from potential joint venture partners for the design, construction, operation and management of a cruise ship pier and ancillary facilities at Speightstown, St. Peter. Establishment of cruise facilities in the North of the island is part of the product differentiation thrust which will position Barbados to capture the super yachts and small luxury class cruise vessels segments of the cruise industry.

The proposal to develop cruise facilities in Speightstown is expected to create growth opportunities for residents and existing businesses in the area. The initiative is not just a construction project on its own, but is rather a developmental project, incorporating planning gains as legislated by the Cabinet of Barbados for new projects, with attendant benefits for the surrounding community. Commercial and domestic residents of Speightstown weighed in on the proposed projects during a stakeholder engagement town hall meeting held in February in St. Peter.



**“The project will not only eliminate vessels having to go overseas for dry-docking but will save foreign exchange by keeping the business locally.”**

#### **Enhanced Shallow Draught for Yachts**

BPI has also invited Expressions of Interest (EOI) from potential joint venture partners for the the design and construction of additional berths and ancillary facilities in the Shallow Draught at the Port of Bridgetown. This development is intended to drive marina business in recreational boating and yachting.

Design concepts were developed which show that the Port can double its pleasure craft berth capacity in the Shallow Draught, while expanding the commercial activities which take place in the area.

BPI will involve local stakeholders during the architectural and engineering design process and once the EOI process is completed, move to the next procurement stage – the preparation of detailed proposals by the short-listed firms, with construction to commence before the end of calendar year 2020.

#### **Boat Haul Out Facility**

With coastal cruises and yachts having to sail to other Caribbean islands like Trinidad or St. Lucia for annual boat maintenance, it is recognised that there is dire need for expanded boat haul-out and repair facilities in Barbados. The Port is therefore examining the feasibility of a boat haul-out facility to be located within the environs of the Bulk Facility, along the Mighty Grynner Highway, St. Michael. With regards to the property earmarked for the project, BPI is settling the matter involving the injunction against the Port following its 2004 efforts to retake possession of lands formerly leased to Fish of Barbados. The parties agreed BPI can retake possession of the property effective February 1, 2020.

The project will not only eliminate vessels having to go overseas for dry-docking but will save foreign exchange by keeping the business locally. It will additionally better position Barbados to earn foreign exchange from overseas boaters. The facility will provide some haul-out capacity especially during severe weather events and should serve as a catalyst for utilization and development of business in a wide range of trade and services.

#### **Cargo Berth North**

BPI has set aside the contract that was signed prior to May 23, 2017 on the Berth 6 cargo berth. BPI is still however servicing a \$20 million commitment associated with the project. Notwithstanding this, BPI is in discussion with potential investors for the construction of new cargo facilities in Bridgetown, using a model that will involve a cargo operator, major cargo lines (owners) and other investors. It will also include an opportunity for Barbadians to purchase shares in the new venture.

This cargo initiative will also focus on developing new trade lanes in particular with Africa and South America, using Barbados as a hub for transshipment through the Caribbean. This project will involve:

- Reclaiming 10 acres of land to expand the container yard
- Construction of a 1,200 ft. long cargo berth to offer dedicated vessel handling services
- Removal of shed 3 and shed 4 and
- Construction of a new Cargo Freight Station (Shed) which combines personal effects and commercial cargo delivery services.

### **New Administration Building**

Significant progress was made in advancing the construction of the new Port Administration building, with a completion dateline set for August 2020. This 50-50 joint venture with the Defined Benefit Pension Plan, demonstrates BPI's dedication to modernising its infrastructure and capabilities and will also serve as a technology driven output centre supporting the cargo and cruise portfolios. Photovoltaic installation on the roof of the building and the carports will provide 40% of power required to operate the building, accentuating BPI's push toward greater energy efficiency.

### **Electric Vehicles**

BPI joined the electric vehicle (EV) revolution, purchasing its first of many EVs to come in May this year. The trams introduced to move cruise passengers from the quay to the terminal are also electric powered. Making the environmentally conscious shift from a fuel to electric vehicles is in support of the push towards the reduction of carbon emissions and environmental sustainability in local maritime operations. BPI has committed to replacing its ageing cargo handling fleet with equipment powered by electricity or alternative fuels.

### **Waste to Energy**

One of the major projects under consideration by BPI is modernization of its waste management system. The intention is to install a new waste disposal unit with a waste to energy (WTE) component to replace the existing incinerator. Port domestic waste, typically comprised of office/household waste – paper, plastics and cans is disposed of in the incinerator. The Port also accepts significant quantities of waste for disposal from cruise line and ships calling at the Port of Bridgetown, in line with maritime conventions. Waste is also accepted for incineration from private sector companies, government agencies, schools, hotels and restaurants on the island.

According to the report from the Inter-American Development Bank (IDB) technical experts, incineration was determined to be the most stable and easiest solution to implement. It is the most commonly deployed WTE technology with minimal pre-processing requirements such as sorting and has the ability to treat multiple waste streams. The cost for the acquisition and installation of the incinerator is estimated at \$15M USD. This facility will be erected with a capacity to accommodate Port waste as well as some inland municipal waste. It is expected to generate enough energy to account for 20% of the Port's current energy consumption.



## TRADE FACILITATION ENHANCEMENT

BPI this year worked even closer with its partners to improve local logistics performance as well as the experience of doing business with the Port.

### **Sub-committee of the Social Partnership on Performance and Efficiency at the Port of Bridgetown**

On July 17, 2019, following concerns raised by the Barbados Private Sector Association (BPSA), the Barbados Social Partnership chaired by Prime Minister, Hon. Mia Amor Mottley, established a sub-committee of the Social Partnership to examine the performance and efficiency of the Port of Bridgetown.





The sub-committee is chaired by Hon. Kirk Humphrey, Minister, Maritime Affairs and the Blue Economy with representatives drawn from Barbados Port Inc., Customs & Excise Department, Regulatory and Law Enforcement Agencies based in the Port, the Congress of Trade Unions & Staff Associations of Barbados (CTUSAB), National Union of Public Workers (NUPW), Barbados Workers Union (BWU), private sector agencies including Barbados Manufacturers Association (BMA), Barbados Chamber of Commerce & Industry (BCCI), the Barbados Private Sector Agency (BPSA), as well as service providers including the Barbados Customs Brokers & Clerks Association, Shipping Association of Barbados and Transport Intermediaries of Barbados.

Following the identification of some twenty-six specific problems within the logistics service chain, the sub-committee identified several problems/solutions in the context of local operational interventions, policy interventions, information technology enhancements and private sector-led initiatives. A series of brainstorming sessions were also held with the technical stakeholders and the ASYCUDA World Project Implementation team and the Trade Facilitation Task Force to resolve issues identified. The sub-committee continues to work toward the implementation of initiatives identified.



### Trade and Logistics Study

BPI is also undertaking a comprehensive analysis of trade and logistics at the Port, with technical assistance from the Commonwealth Secretariat. The study, which will be undertaken by consulting firm, Mundy Penfold Ltd., will offer recommendations on the strategic approach to be taken to increase Barbados' competitiveness on a regional and global scale.

Details of the study were unveiled in February, during a Trade Logistics Supply Chain Workshop hosted by BPI at the Lloyd Erskine Sandiford Centre for all stakeholders in the commercial trade, shipping and logistics sectors.

The project's focus is on strengthening port operations, enabling a competitive business environment for logistics service providers, and making trade processing more efficient and transparent. Enhanced logistics will increase the country's competitiveness and therein help to lower the price of goods and services.

BPI has already been tackling inefficiency at the Port of Bridgetown with the implementation of Lean 6 Sigma, a world recognized process for obtaining improvement in workflows.

### Lean Six Sigma

Working with Mr. Rod Morgan of RPM Academy using the Lean Six Sigma methodology a future state action plan for Shed 4 break bulk operations was conceptualized with the aim to reduce congestion and enhance the customer experience. The project will extend to expanded use of mobile technology to improve tracking of cargo moves and cargo location within the Shed. It also includes a solution to allow the scheduling of joint cargo examination with required regulatory agencies, as well as identification of a central location for all relevant regulatory agencies to facilitate such examinations.

The plan includes establishment of a customer service charter with key performance indicators, erection of visibility boards and improved signage to promote efficiency and improve communication and implementation of an electronic solution that notifies consignees on the availability of their cargo and allows them to select an appointment window within the Port Community System (PCS) portal to collect cargo.

### ISO 9001:2015

During the year, Qual-Eco Limited was engaged to guide BPI in the design, development, documentation and implementation of the ISO 9001:2015 quality management system (QMS). The process began with a gap analysis to assess the conformance status of BPI against the requirements of ISO 9001:2015 QMS standard. All applicable requirements of the standard were checked against existing processes, activities and controls within the organization and a percentage estimate of the level of conformance was derived. BPI's conformance was estimated at 51%.

Over 70% of staff attended awareness training related to the ISO requirements and BPI's approach to implementing the standard. Documentation Specialists were identified within each unit and trained in documenting operational processes and activities. Additionally, 17 Internal Quality Auditors were trained in auditing the requirements of the Company's QMS Manual and Procedures against the requirements of the ISO 9001:2015 QMS Standard. They are now able to plan, execute, report on and close-out QMS audits and in so doing enhance customer satisfaction and facilitate continuous improvement within BPI.

The journey toward the attainment of ISO certification continues. The next phase will include a pre-certification (mock) audit, review of opportunities for improvement, preparation for certification assessment and finally the on-site assessment by the Certification Body. Post-certification activities will also be required to maintain the ISO 9001:2015 certification to ensure continual improvement of business processes.

**“The project will extend to expanded use of mobile technology to improve tracking of cargo moves and cargo location within the Shed. ”**



## DIGITAL INNOVATION

The Port of Bridgetown harbours the ambition of being the most innovative, green maritime hub in the world by 2030. To this end, the Port is embracing energy transition, digitisation and innovation in a bid to be more efficient, more reliable and hence more competitive.

Digitization initiatives at the Port of Bridgetown are concerned with either better control and management of the Port and Port infrastructure or improved efficiency of logistics processes.

Two of the major projects tackled this year were the development of a national Maritime Single Window (MSW) to International Maritime Organization (IMO) specifications and integration of BPI's manifest handling and Terminal Operating Systems into the Customs and Excise automated system for customs data, ASYCUDA World.



## “The main benefit of the MSW is that it will allow timely review and processing of vessel information and facilitate electronic clearance of vessels.”

New requirements which came into effect on April 8, 2019 require national governments to introduce electronic information exchange between ships and ports. The maritime single window was therefore recommended to facilitate the submission of the relevant lists through a single portal, for review and processing by the vessel boarding agencies, namely, Customs, Immigration, maritime, port and health authorities. It would allow for the submission of standardized information covered by the Facilitation of International Maritime Traffic (FAL) Convention to a single entry point, along with the ability to upload several spreadsheets including General Declaration; Cargo Declaration; Ship's Stores Declaration; Crew's Effects Declaration; Crew List; Passenger List; Dangerous Goods Manifest and Security.

BPI's Management Information Systems (MIS) Department designed the IMO Single Window for Barbados, using the template made available by IMO and incorporating some technical and logical improvements. BPI has incorporated the Lloyds List Intelligence database into the MSW to allow automatic population of some sections of the forms. Lloyd's List Intelligence provides an interactive online service

([www.lloydslistintelligence.com](http://www.lloydslistintelligence.com)) offering detailed vessel movements, real-time AIS positioning, and comprehensive information on ships and ports. In essence, each voyage clearance would be automatically populated with its vessel information and its billing information from these pre-existing databases and only the clearance particulars would be required to be entered by the officers. This level of automation would greatly reduce the data entry required from clearance officers and thus reduce the duration of a clearance transaction.

The main benefit of the MSW is that it will allow timely review and processing of vessel information and facilitate electronic clearance of vessels. For cruise vessels particularly, it will alleviate the delays caused when there are multiple ships in port at any one time, waiting to be cleared.

Following the September 9, 2019 launch of ASYCUDA World, a range of challenges were encountered in the trade sector related to submission of manifests and clearing cargo from port or bonded warehouses. There were significant data entry errors and challenges in accessing the system. This led to inordinate delays in getting cargo to customers, as reflected in increased dwell

times, a slowdown and fewer rotations per day among hauliers, increased demurrage costs to consignees and delays in getting cargo to customers.

Continuous interventions were made in an effort to improve cargo flows at Sheds 2 (Personal Effects), Shed 4 (Commercial Cargo) and Container Park as follows:

- BPI engaged significant resources to complete workarounds in its Web Portal, to allow Agents to correct errors after submission to Customs.
- BPI's Management Information System (MIS) team scrubbed manifests manually to facilitate integration into the Port's Terminal Operating System.
- BPI later updated the Web Portal to allow Agents to edit manifests after submission to Customs.
- BPI and Customs both established helpdesks with dedicated hotlines and email addresses to assist in mitigating reported challenges.
- BPI and Customs jointly hosted a one-day training session for Agents and Brokers on September 21, 2019.
- BPI and Customs met with Executives of Agencies and Consolidators on September

**“The QR access will be used to manage the dates, times and specific parking assignments for tour operators.”**

28, 2019 to discuss residual issues following the extensive training that was offered.

- BPI and Customs continued to intercede on behalf of individual consignees with specific issues to resolve issues that required policy intervention or special assistance.
- BPI, Customs, Customs Brokers Association, the Shipping Association of Barbados and Port regulatory agencies met weekly to address ASYCUDA World implementation matters and approaches to facilitating business at the Port.

By the end of March 2020, 96% of manifests were successfully received by the Port from the ASYCUDA World application.

#### **CCTV Network Upgrade**

In an effort to enhance Security, BPI this year initiated the upgrade of the CCTV network throughout the Port, at a cost of approximately \$1.5 million. At the end of the reporting period the project was advancing according to schedule to facilitate connections between Shed 2, Shed 4, the North Gate, the Command Center and to the main Server room.

#### **Port Access Management System**

BPI designed and implemented a Mobile Access Control Application to better manage Port entry. The new system, deployed in December 2019

was developed in-house by the Management Information Systems and Security Services teams. It allows persons seeking Port entry to submit requests via the Port's website. Successful applicants are sent a QR code via return email, which must be presented on arrival on at the Main Gate for scanning by Security Officers.

This new method, which allows for enhanced security and visitor processing, is currently limited to persons requiring access via the Main Gate for purposes including business meetings, cruise passenger pickup or drop off, building maintenance and other services. It is also extended to tour operators offering shore excursions, air/sea transfers and persons providing quay shuttle services. The QR access will be used to manage the dates, times and specific parking assignments for tour operators.

The measures are part of a broad security enhancement strategy which was developed during the year in response to mandates set at the National Security Council. BPI is currently securing Bds\$25 million to cover the cost of enhancing border security.

On completion of this year's ISPS audit conducted by the US Coast Guard, the Port of Bridgetown earned high marks for the integration of technologies into the security stance of the organization.





## DEVELOPING AN ENGAGED & EMPOWERED WORKFORCE

At BPI, people, performance and passion are at the heart of everything. The leadership team is committed to investing in the Port's employees and equipping them with the tools needed to meet evolving demands.

The Human Resource and Industrial Relations Division (HRIR) over the past year rolled out a number of training programmes aimed at strengthening core competencies within the Company **(see table 8)**. The Port this year continued its competency-based training, assessment and certification, and operated as a National/Caribbean Vocational Qualification Centre.



**TABLE 8: HUMAN RESOURCE DEVELOPMENT**

Training	Facilitator	Target Audience	No. of Participants
Retirement Planning	Zenith Consulting Inc.	Employees of various departments	22
CVQ Management Level 2	Barbados Port Inc. Training & Development Unit	Supervisory personnel of various departments	25
NVQ Occupational Safety and Health Level 2	Barbados Port Inc. Training & Development Unit	Employees of various departments	29
Standard of Training, Certification and Watchkeeping (STCW)	Samuel Jackman Prescod Institute of Technology, under the auspices of the Caribbean Fisheries Training and Development Institute, Trinidad	Employees in Marine Services	18
Deckhand Operations	Terminal Operations Dept.	Operators	3
Forklift Operations	Terminal Operations Dept.	Dockers	5
Factory Training	Liebherr Container Cranes	Engineering Services Personnel	8
Counter-Terrorism in Internal Airports	Regional security System	Security Officers	11
Ship Foreman Operations	Terminal Operations Dept.	Dockers/Operators	3
Role of Private Security in National Security	Caribbean Association of Security Professionals	Security Personnel	11
6th Port Management Programme	Maritime & Port Authority of Singapore	Financial Controller & Corporate Secretary	1
XI Meeting of the Inter American Network of Single Windows for Foreign Trade and Trade Facilitation (RedVUCE)	Ministry of Finance, Government of Chile and the Integration and Trade Sector of the Inter-American Development Bank	Assistant Manager, MIS	1
Video Ray ROV Operator	Steven Van Meter	Security Officers	9
Social Media Marketing	Orinje Nation	Marketing Assistant	1

**TABLE 8: HUMAN RESOURCE DEVELOPMENT CONT'D**

<b>Training</b>	<b>Facilitator</b>	<b>Target Audience</b>	<b>No. of Participants</b>
Inter-American Committee on Ports & US Coast Guard 6th Port Security Management Seminar	Organisation of American States	Security Personnel	4
Radiation Safety Sensitization	Corey Drakes	Employees of various departments	73
ISO 9001:2015 Documentation Specialist	Selwyn Medina, Qual-Eco	Employees of various departments	26
Customer Service for Tram Personnel	Paula Hunte-Cox	Dockers & Operators	15
3rd Hemispheric Conference on Port Security	Organisation of American States	Divisional manager, Corporate Development & Strategy	1
ASD Tug Training	Svitzer	Tug Masters & Engineer	5
Mentorship Training (Mentors)	Toney Olton, The Potter Centre	Employees of various departments	26
Mentorship Training (Mentees)	Toney Olton, The Potter Centre	Employees of various departments	26
Portal Container HCVP Scanner	Sectus Technologies	Security Officers	27
Portal Container HCVP Scanner	Sectus Technologies	Engineering Workshop Personnel	4
ISO 9001:2015 (Audit Component)	Selwyn Medina, Qual-Eco	Employees of various departments	17
360 Solar Lease Promotion	Mark Hill, BNOC	Employees of various departments	18
Negotiating and Collective Bargaining for Shop Stewards	BWU- Frank Walcott Labour College	Employees of various departments	9
Communicating with Ease	BWU- Frank Walcott Labour College	Employees of various departments	7
Improving Personal Productivity	BWU- Frank Walcott Labour College	Employees of various departments	11
National Workplace Wellness Policy for Barbados	BWU- Solidarity House	Employees of various departments	7
Each For Equal: Respect, Privacy, Service, Empathy, Access	BWU- Frank Walcott Labour College	Employees of various departments	2

### Safety & Health

As part of our ongoing commitment to safety, the Port operates a comprehensive safety program overseen by a Safety and Health committee, which met quarterly in keeping with the requirements of the Safety and Health and Work (SHAW) Act.

While there were no critical incidents reported among employees this year, BPI unfortunately reported the death of a cruise passenger following an accident involving a third party vehicle at the Port of Bridgetown. The Royal Barbados Police Force and other officials are conducting investigations into the incident.

The importance of safety and the creation of a culture focused on safe and healthy work practices was reinforced with the recruitment of a Health Safety & Environmental Officer on February 17, 2020. BPI also continued to build on its wellness program, as part of its commitment to improving employee health. This year, the focus was on the prevention and management of Non Communicable Diseases (NCDs) like Diabetes and Hypertension. Employee awareness campaigns also highlighted Breast Cancer and the resurgence of Measles. The Port's health and safety practices were however put to the test with the onset of the COVID-19 pandemic in the last quarter of the reporting period.





### Management of Labour During COVID-19

A wide-scale COVID-19 sensitization and awareness campaign was launched for the entire Port community, under the guidance of the Ministry of Health & Wellness. Social distancing and hygiene protocols were established and reinforced through signage and internal communications to mitigate against the spread of COVID-19. Hand sanitizer units were strategically placed throughout the Port and the Personal Protective Equipment (PPE) policy developed earlier in the year, was reexamined to ensure reduction and elimination of any risks posed by workplace hazards. New protocols were instituted for cruise and cargo operations in line with Ministry of Health and International Maritime Organization (IMO) requirements. Frontline employees in the Marine Services and Terminal Operations units were in addition offered the opportunity to discuss issues with the Chief Medical Officer with regard to proper use of PPE, as well as to address concerns surrounding vessel operations during berthing, mooring, unmooring and working of vessels.

As the spread of the disease forced the shutdown of the country and the implementation of Emergency Management Protocols by Government, BPI as an essential service provider had to adapt its work arrangements to ensure the delivery of essential cargo. Some of the measures implemented included:

- Work-from-home arrangements where feasible;
- Rotational shift arrangements for administrative staff;
- Operational staff release on completion of tasks;
- Identification, release and paid leave for high risk employees;
- Limitations on the number of customers in port areas;
- Suspended delivery of non-essential cargo.

Beyond navigating the challenges of COVID-19, BPI continued to invest in human resource developments to ensure our employees have all essential requirements to succeed.

### **Employee Appraisal System**

The Pilot phase of the employee appraisal system ran November 1, 2019 through to January 31, 2020. The HRIR unit assisted staff in completing their part of the appraisal as required, while supervisors and managers conducted the interviews with staff. The data collected was analysed and discussion held with the workers' representatives to iron out any kinks. Commencement of the full appraisal system is slated for on April 1, 2020.

### **Mentoring Program**

On December 9, 2019 BPI formally launched its Mentorship Programme, an initiative aimed at facilitating career development, supporting succession planning, enhancing employee relations and maintaining a healthy work environment. Some 30 mentors and 47 mentees are enrolled in the first cohort, designed to span over 6 months. Training was conducted with the mentors and mentees to reinforce the objectives of the programme and its associated evaluation system.

### **Reward Recognition Programme**

The Port on September 16, 2019 rolled out its reward and recognition programme, titled BPI Stars. The programme comprises of awards in three categories: On the Spot Awards, Quarterly Awards- Individual or Team and an Annual Award- Employee of the Year. A committee comprising management and employee representatives was appointed to select the deserving employees. Following the programme launch, the uptake has been extremely slow. This could be expected since the launch occurred just prior to the Port's busiest period. The HRIR staff have committed to increasing sensitization among staff to increase interest in this program.

### **Employee Benevolent Fund (EBF)**

The Company is about to launch an Employee Benevolent Fund for the benefit of staff who may find themselves in severe financial challenges. The Fund will be supported through corporate and employee donations.

### **Championing diversity and inclusion**

At the core of creating a great place to work is our commitment to inclusion. BPI recognizes that to feel valued, colleagues must feel empowered to speak up and share their view. A diversity of perspectives makes the business better and ultimately more resilient. The management team this year therefore hosted a series of employee

engagement small group meetings. These sessions were positively received by employees as they served to communicate and generate feedback on important port developments. Day to day operations of the Port have however impacted on the frequency of the sessions as well as employee attendance.

### **Truth Verification Testing**

Following a Government directive, Truth Verification Testing was introduced among the current employees starting with the management team and the security department. To date, 38 persons completed the Polygraph Questionnaire indicating their willingness to be tested— 23 management staff and 15 employees. Truth verification testing has been incorporated into the recruitment process and is now mandatory for all new hires.

### **Renegotiation of Collective Agreement**

This year, BPI agreed to contract the services of an Industrial Relations Consultant for the purposes of assisting in negotiating a comprehensive review and modernization of our collective agreement, towards achieving operational efficiencies of working practices at the Port. On February 7, 2020 a meeting was held with Mr. John Williams of JDW Inc and members of the negotiations management team to outline the terms of an agreement. The primary focus of this contractual arrangement includes the review of the current collective agreement to make it more relevant and bring it into the 21st century. A series of meetings followed, and some data on the Port was provided for review. Discussions continue towards a comprehensive review of the collective agreement.

The Company and the Barbados Workers' Union (BWU) maintained good and healthy industrial relations which facilitated a harmonious labour management climate at the Bridgetown Port. This climate resulted in the Port being able to operate free of any industrial action, strikes and or disputes. It was also conducive for management to convene regular meetings with the union delegates in the various areas of operation to discuss the working conditions and other work-related matters and implement processes to enhance the working environment. Throughout the year, the HRIR division held regular monthly meetings with union delegates discussing matters which required management attention and disseminating information to gain feedback on how it would be received and supported at the employee level. These meetings have reduced outstanding concerns.



## OUR CORPORATE SOCIAL RESPONSIBILITY

### Refurbishment of Pile Bay Fish Landing Facility

As part of its corporate social responsibility, BPI has agreed to finance the design and upgrade of the Pile Bay Fish Landing Facility. The architectural work has been completed and a Stakeholders' consultation was held on February 17, 2020 at Pile Bay to present the concept and obtain feedback on the development plans. Works include construction of a new fish market complex; an upgraded boat repair zone and upgraded services and parking. The project is expected to get underway early in the new financial year.



### **National Geographic (Gathering Storm)**

The Port of Bridgetown served as a home base for the National Geographic Channel during the filming of changes in weather patterns for an upcoming series called Gathering Storm. With the approval of Svitzer Caribbean, BPI's two tugs Barbados II and Pelican II were used to capture footage. Mr. Tom Kirkman, the shooting director for Keo Films hired by National Geographic, visited the Port on Wednesday, August 14, 2019 to install the cameras.

### **ATOMIC Campaign**

With Barbados chosen to serve as the center of an unprecedented effort to better understand the interactions of atmosphere and ocean, the US National Oceanic and Atmospheric Administration (NOAA) Ship, Ronald H. Brown, was hosted at the Port of Bridgetown. The visit came as part of NOAA's Atlantic Tradewind Ocean-Atmosphere Mesoscale (ATOMIC) Campaign. The campaign, a major airborne and oceanographic mission sought to study two major climate unknowns: trade wind cumulus clouds and mesoscale eddies in the ocean. This international campaign, initiated by researchers from the National Centre for Scientific Research in France and the Max Planck Institute in Germany with their colleagues from Barbados, joined by teams from the US and the UK, took place January 20 to February 20, 2020 and made use of numerous innovations in the areas of atmospheric and oceanic observation. The campaign should help to reduce uncertainties about the rate and extent of global warming in the future. BPI assisted in facilitating berthing for the marine craft and the movement and storage of equipment.

### **Berthing requests**

BPI accommodated eleven yachts at the Careenage and another three at the Shallow Draught facilities during Barbados Sailing Week January 15-22, 2019 and the Mount Gay Round the Island sailing event on January 21, 2019.

### **Camp Aquarius - Kayaking into Constitution River**

The Careenage also served as location of choice for Camp Aquarius' annual water activities. The Camp's Kayaking event was held on August 16, 2019 in partnership with the Coastal Zone Management Unit.



### **Educational Outreach**

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

During the period under review, 449 students from nine primary schools, and four tertiary institutions visited the Bridgetown Port. The students, ranging from 5 to 16 years of age, gained some insight into major areas of operation, while witnessing equipment, tools and technology in operation.

### **Internships**

Over the past few years, BPI has created a positive environment for aspiring students looking to build a career in maritime. The Marine Services Department facilitated the placement of six students from the Samuel Jackman Prescod Technical Institute who were completing their Maritime Operations and Marine Diesel Engineering courses. These students were assigned to the tugs for a six-week duration.

### **Community Support**

BPI maintained its commitment to the care of this nation's elderly, visiting the St. Michael Geriatric Hospital to present a gift of much-needed equipment. The equipment, valued at approximately \$10,000, comprised of 10 drip stands to be used with those patients who are dependent on critical care and 10 bath chairs to be used with immobile patients. BPI has forged close ties with the Hospital to stay abreast of its most pressing needs, and assist in providing quality healthcare for the senior residents. The donation is an important part of BPI's community outreach programme, now in its sixth year.





## LOOKING TO THE FUTURE

The maritime industry globally is playing an essential role in the emergency response to the COVID-19 pandemic, by facilitating the transport of vital commodities and products, thus sustaining jobs, international trade, and the global economy. Here in Barbados, the Port of Bridgetown is playing its part as an essential services entity as we look ahead to the cessation of this pandemic.

We anticipate a much changed landscape post-COVID. BPI nevertheless remains mindful of the fact that its planned projects and initiatives are heavily counted on to transform Barbados and its economic development.



Our corporate strategic plan is akin to a navigational chart to guide us through what lies ahead. Its perspective is forward-looking and its destination is an innovative and sustainable enterprise focused on business and optimal performance. Because a well-charted and successful journey requires the right craft and crew, we are also weighing in the organizational design and culture change processes.

BPI's plans for the new financial year include commencing the implementation of the Port's Master Plan and exploration of the possibility of using the Port as a small logistics center in un-stuffing/ re-packaging and/or reassembly of cargo. Emphasis will also be placed on increasing revenues by attracting additional shipping lines to use the Port. The quality of Port services will also be enhanced with implementation of Lean Six Sigma and ISO 9001 standards, in line with the competitive environment in which the Port has to operate.

The Port of Bridgetown is on course to becoming a knowledge-based, skill-intensive port powered by ideas, innovation and technology. But to achieve this vision, we must place increased emphasis on critical thinking, problem solving and the fostering of a ground-breaking drive from within our operations. The focus must be on growing and expanding the Port's core business and enhancing its stewardship while aligning and strengthening its finances, people, systems, policies, processes and governance.

We must also continue to look for opportunities that may lie outside our immediate orbit and open our imaginations to discovering those 'aha' moments that can be turned into a transformative endeavor for tomorrow.

A handwritten signature in black ink that reads "David Jean-Marie". The signature is written in a cursive, flowing style. Below the signature is a horizontal dotted line.

David Jean-Marie

Managing Director and Chief Executive Officer.





# IMPORTANT TO OUR GROWTH

**MILESTONES IN 2019/20**



### **\$100 MILLION BOND**

BPI formally concluded all legal and administrative requirements for a \$100 million Bond which will refinance the Company's previously issued Bond facility, at much more favorable interest rates.



### **NEW CONTAINER SCANNER**

BPI positively responded to the mandate to move to 100% scanning of all full containers discharged at Barbados, having procured and installed a new Container Scanner (HCV-Portal) at a cost of approximately \$8 million.



### **COMMISSIONING OF THE GANTRY CRANE**

A new Panamax Container (Gantry) crane was commissioned.





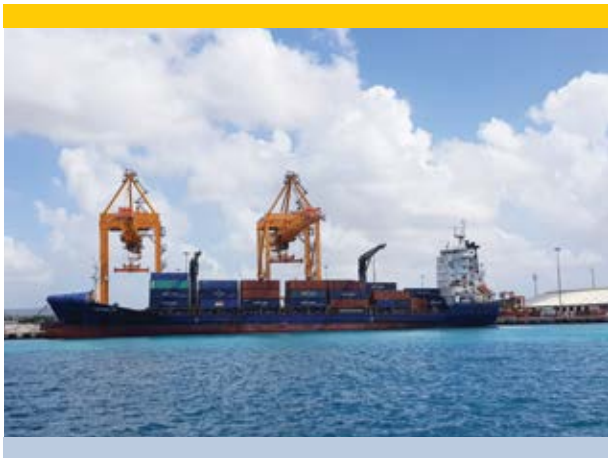
### INCREASE IN VESSEL CALLS

BPI at the end of the March 2020, registered 1,280 vessel calls, a 1% increase over the previous year.



### INCREASE IN CARGO VOLUMES HANDLED

Cargo volumes handled increased 7% in 2019/20, counteracting the significant decline noted in the previous year. Some 1,341,522 tonnes were handled, as compared to 1,255,134 tonnes for the corresponding period in 2018-2019.



### INCREASE IN TEUs HANDLED

TEUs handled grew 2% to reach 99,424 during the year, as compared to last year's figure of 97,496.



### TRUCK TURNAROUND TIME

The Truck Turnaround Time decreased from 49 minutes in 2018/19 to an average of 43 minutes.



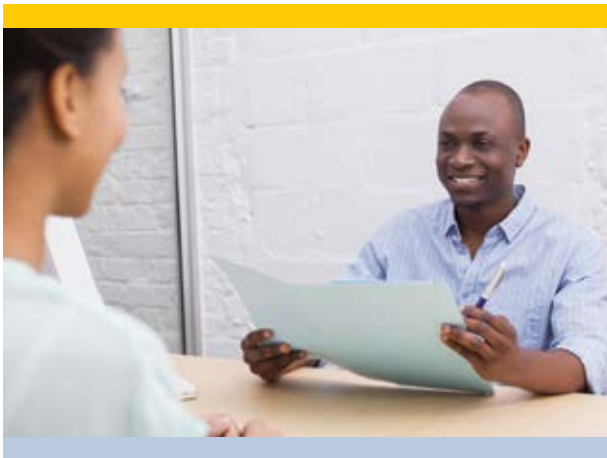
### EMPLOYEE APPRAISAL SYSTEM

The employee appraisal system pilot was launched November 1, 2019 and ran through to January 31, 2020.



### MAJOR PROJECTS

Two of the major projects tackled this year were the development of a national Maritime Single Window (MSW) to International Maritime Organization (IMO) specifications and integration of BPI's manifest handling and Terminal Operating Systems into the Customs and Excise automated system for customs data, ASYCUDA World.



### TRUTH VERIFICATION TESTING

To ensure border security and employee integrity Truth Verification Testing was introduced among current employees starting with management, and incorporated into the recruitment process and is now mandatory for all new hires.



### BPI STARS

The Port on September 16, 2019 rolled out its reward and recognition programme, titled BPI Stars.





### **MENTORSHIP PROGRAMME LAUNCH**

On December 9, 2019 BPI formally launched its Mentorship Programme, an initiative aimed at facilitating career development, supporting succession planning, enhancing employee relations and maintain a healthy work environment.

## APPENDIX 1: CRUISE PASSENGER ACTIVITY BY OPERATOR

OPERATOR	2017/18			2018/19			2019/20		
	CALLS	ARRIVALS	CALLS	ARRIVALS	CALLS	ARRIVALS	CALLS	ARRIVALS	
AIDA CRUISES	11	23,175	10	33,346	12	37,882			
ASTOR SHIPPING	1	378	1	426	0	0			
ASTORIA SHIPPING	1	167	0	0	0	0			
ATLANTAGENT	0	0	2	90	0	0			
AZAMARA CRUISES	2	1,221	0	0	0	0			
CARNIVAL CRUISE LINE	32	80,755	56	142,030	53	135,352			
CELEBRITY CRUISES	36	95,165	29	75,673	24	56,063			
CLUB MED CRUISES	10	2,234	6	1,634	5	1,277			
COLUMBIA CRUISE SERVICES	1	324	1	390	1	360			
COSTA CRUISES	13	35,551	10	27,812	10	26,392			
CRUISE & MARITIME VOYAGES	3	3,325	1	1,206	1	899			
CRYSTAL CRUISES	2	1,264	0	0	3	2,620			
CUNARD CRUISES	4	9,052	3	7,067	3	6,956			
DISNEY CRUISE LINE	5	13,058	2	6,329	2	6,335			
EPIC CRUISE LTD	0	0	2	1,756	1	1,173			
FRED OLSEN CRUISES	7	4,978	8	5,537	4	2,703			
HAPAG LLOYD	2	745	0	0	4	632			
HOLLAND AMERICA LINE	11	19,926	11	19,739	12	22,419			
MAJESTIC CRUISE LINE	9	1,594	8	1,167	9	883			
MARELLA CRUISES	31	52,201	41	68,387	40	62,380			
MSC CRUISES	13	44,446	10	36,766	13	44,748			
NORWEGIAN CRUISE LINE	16	41,504	27	70,000	18	60,865			
OCEANIA CRUISE LINE	6	4,643	7	6,590	5	5,449			
P & O CRUISES	42	95,859	29	85,139	27	83,120			
PAN YACHTING	0	0	0	0	1	0			
PONANT CRUISES	3	318	4	355	2	290			
PRINCESS CRUISES	14	44,030	15	42,671	16	40,689			

APPENDIX 1: CRUISE PASSENGER ACTIVITY BY OPERATOR CONTINUED

OPERATOR	2017/18			2018/19			2019/20		
	CALLS	ARRIVALS		CALLS	ARRIVALS		CALLS	ARRIVALS	
PULLMANTUR	16	15,932		1	1,435		0	0	0
REGENT SEVEN SEAS CRUISES	4	1,846		4	2,295		0	0	0
RESIDENSEA	1	90		0	0		0	0	0
ROYAL CARIBBEAN INTL	56	164,775		37	126,255		52	155,712	
SAGA CRUISES	1	617		1	581		2	1,538	
SEA CLOUD CRUISES	12	770		12	724		17	980	
SEABOURN CRUISES	15	6,563		11	4,805		12	4,715	
SEADREAM YACHT CLUB	14	1,120		7	518		8	676	
SILVERSEA CRUISES	15	4,717		10	3,389		5	1,611	
STAR CLIPPERS	18	3,466		19	3,746		16	3,071	
TUI CRUISES	13	31,272		12	29,647		14	38,418	
V SHIPS LEISURE	3	1,145		2	504		1	280	
VIKING OCEAN CRUISES	14	10,734		10	9,135		14	11,785	
WEST INDIES CRUISE LINE	10	809		0	0		0	0	
WINDSTAR CRUISES	31	6,509		9	1,491		7	1,377	
WORLD CRUISE AGENCY	0	0		2	1,343		0	0	
	<b>498</b>	<b>826,278</b>		<b>420</b>	<b>819,978</b>		<b>414</b>	<b>819,650</b>	

## APPENDIX 2: CRUISE PASSENGER ACTIVITY 2016/17, 2017/18 & 2018/19 (BY MONTH)

MONTH	NUMBER OF CALLS			ARRIVING PASSENGERS			EMBARKING PASSENGERS			DISEMBARKING PASSENGERS										
	2016/17	2017/18	% +/-(-)	2018/19	% +/-(-)	2016/17	2017/18	% +/-(-)	2018/19	% +/-(-)	2016/17	2017/18	% +/-(-)	2018/19	% +/-(-)					
April	28	55	96.43%	33	-66.67%	50,805	86,690	70.63%	62,934	-37.75%	2,777	9,304	235.04%	7,832	-15.82%	3,238	9,499	193.36%	8,353	-12.06%
May	12	16	33.33%	13	-23.08%	20,697	21,860	5.62%	22,188	1.48%	821	1,123	36.78%	1,182	5.25%	704	1,099	56.11%	1,111	1.09%
June	12	11	-8.33%	8	-37.50%	20,786	22,300	7.28%	20,069	-11.12%	1,205	657	-45.48%	1,006	53.12%	1,210	654	-45.95%	1,069	63.46%
July	11	5	-54.55%	6	16.67%	19,086	14,387	-24.62%	18,930	24.00%	903	680	-24.70%	687	1.03%	909	667	-26.62%	704	5.55%
August	9	7	-22.22%	7	0.00%	20,570	20,506	-0.31%	21,837	6.10%	903	838	-7.20%	974	16.23%	889	852	-4.16%	934	9.62%
September	6	4	-33.33%	8	50.00%	16,793	9,182	-45.32%	23,085	60.23%	641	432	-32.61%	694	60.65%	694	486	-29.97%	735	51.23%
October	8	13	62.50%	8	-62.50%	15,525	20,371	31.21%	19,000	-7.22%	647	107	-83.46%	891	732.71%	636	152	-76.10%	878	477.63%
November	54	62	14.81%	55	-12.73%	89,892	97,183	8.11%	113,903	14.68%	20,946	20,577	-1.76%	25,781	25.29%	21,188	22,667	6.98%	26,010	14.75%
December	85	104	22.35%	78	-33.33%	142,202	156,063	9.75%	146,585	-6.47%	26,803	33,532	25.11%	30,330	-9.55%	25,821	32,212	24.75%	29,138	-9.54%
January	81	82	1.23%	77	-6.49%	147,786	152,371	3.10%	141,801	-7.45%	28,316	29,357	3.68%	33,738	14.92%	28,603	29,291	2.41%	34,200	16.76%
February	71	62	-12.68%	59	-5.08%	122,432	100,342	-18.04%	111,346	9.88%	25,896	27,662	6.82%	30,866	11.58%	25,782	28,041	8.76%	30,494	8.75%
March	76	77	1.32%	68	-13.24%	108,726	125,023	14.99%	118,300	-5.68%	22,908	23,750	3.68%	29,028	22.22%	22,754	24,592	8.08%	29,046	18.11%
Total	453	498	9.93%	420	-18.57%	775,300	826,278	6.58%	819,978	-0.77%	132,766	148,019	11.49%	163,009	10.13%	132,428	150,212	13.43%	162,672	8.29%



### APPENDIX 3: HOME PORT CRUISE PASSENGER ACTIVITY BY VESSEL

VESSEL	OPERATOR	2017/18				2018/19				2019/20			
		CALLS	ARRIVALS	DISSEMBARKED	EMBARKED	CALLS	ARRIVALS	DISSEMBARKED	EMBARKED	CALLS	ARRIVALS	DISSEMBARKED	EMBARKED
AIDAPERLA	AIDA CRUISES	0	0	0	0	10	33,346	15,631	15,746	11	36,991	19,853	16,576
AIDADIVA	AIDA CRUISES	10	21,067	8,734	8,720	0	0	0	0	0	0	0	0
BRAEMAR	FRED OLSEN CRUISES	6	4,174	3,817	3,906	6	4,111	3,806	3,992	3	1,659	1,467	1,854
HANSEATIC INSPIRATION	HAPAG LLOYD	0	0	0	0	0	0	0	0	2	159	150	142
MARELLA DISCOVERY	MARELLA CRUISES	23	42,013	26,552	26,522	4	7,387	4,820	4,749	0	0	0	0
MARELLA CELEBRATION	MARELLA CRUISES	0	0	0	0	0	0	0	0	18	22,561	14,802	14,739
MARELLA EXPLORER	MARELLA CRUISES	0	0	0	0	21	40,599	24,259	24,475	4	8,200	5,651	5,544
MARELLA EXPLORER 2	MARELLA CRUISES	0	0	0	0	0	0	0	0	18	31,619	20,136	18,553
MSC PREZIOSA	MSC CRUISES	0	0	0	0	0	0	0	0	11	37,197	3,318	2,800
AZURA	P & O CRUISES	11	31,803	28,465	28,831	10	30,576	30,043	30,032	11	33,674	33,319	30,101
BRITANNIA	P & O CRUISES	10	35,189	32,776	32,633	10	36,081	33,470	33,608	10	36,077	33,457	31,903
ADONIA	P & O CRUISES	10	6,182	5,621	5,138		0	0	0	0	0	0	0
LE CHAMPLAIN	PONANT CRUISES	0	0	0	0	0	0	0	0	2	290	151	0
SERENISSIMA	ATLANTAGENT	0	0	0	0	2	90	89	155	0	0	0	0
SEA CLOUD II	SEA CLOUD CRUISES	5	403	389	416	4	292	290	242	6	428	384	314
SEA CLOUD	SEA CLOUD CRUISES	7	367	350	315	8	432	395	405	11	552	521	415

## APPENDIX 3: HOME PORT CRUISE PASSENGER ACTIVITY BY VESSEL CONTINUED

VESSEL	OPERATOR	2017/18				2018/19				2019/20			
		CALLS	ARRIVALS	DISSEMBARKED	EMBARKED	CALLS	ARRIVALS	DISSEMBARKED	EMBARKED	CALLS	ARRIVALS	DISSEMBARKED	EMBARKED
SEABOURN ODYSSEY	SEABOURN CRUISE LINE	13	5,721	4,395	4,410	11	4,805	3,747	3,821	11	4,297	3,182	3,331
SEABOURN QUEST	SEABOURN CRUISE LINE	1	426	132	137	0	0	0	0	1	358	205	271
SEADREAM I	SEADREAM YACHT CLUB	12	988	946	897	7	518	491	566	5	397	388	340
SEADREAM II	SEADREAM YACHT CLUB	2	132	123	152	0	0	0	0	3	279	266	213
SILVER SPIRIT	SILVERSEA CRUISES	0	0	0	0	3	1,584	957	891	0	0	0	0
SILVER WHISPER	SILVERSEA CRUISES	3	964	946	925	2	659	642	419	2	641	59	49
SILVER WIND	SILVERSEA CRUISES	8	1,961	1,559	1,645	5	1,146	1,094	1,341	1	228	216	206
SILVER SHADOW	SILVERSEA CRUISES	0	0	0	0	0	0	0	0	2	742	668	656
ROYAL CLIPPER	STAR CLIPPERS	17	3,337	3,127	3,079	18	3,623	3,381	3,380	15	2,936	2,758	2,461
STAR FLYER	STAR CLIPPERS	1	129	121	144	1	123	116	140	1	135	125	139
MEIN SCHIFF 3	TUI CRUISES	11	26,385	10,851	10,970	1	2,470	1,135	854	0	0	0	0
MEIN SCHIFF 5	TUI CRUISES	1	2,578	1,039	1,031	12	29,691	12,072	12,113	2	4,881	2,207	2,097
MEIN SCHIFF 2	TUI CRUISES	0	0	0	0	0	0	0	0	11	30,796	12,714	10,189
HAMBURG	V - SHIPS	0	0	0	0	0	0	0	0	1	280	2	0
WIND STAR	WINDSTAR CRUISES	4	498	479	353	3	304	255	244	1	1	0	0
STAR BREEZE	WINDSTAR CRUISES	5	629	442	452	2	394	308	292	2	352	341	246
STAR PRIDE	WINDSTAR CRUISES	0	0	0	0	4	793	560	588	2	383	258	270
WIND SURF	WINDSTAR CRUISES	21	5,187	4,235	4,314	0	0	0	0	2	641	529	549
<b>TOTAL</b>		<b>181</b>	<b>190,133</b>	<b>135,099</b>	<b>134,990</b>	<b>144</b>	<b>199,024</b>	<b>137,561</b>	<b>138,053</b>	<b>169</b>	<b>256,754</b>	<b>157,127</b>	<b>143,958</b>

# FINANCIAL STATEMENTS

MARCH 31, 2020 | (EXPRESSED IN BARBADOS DOLLARS)

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# BOARD OF DIRECTORS, OFFICERS AND ADVISORS

MARCH 31, 2020

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## Board of Directors

Lisa Cummins	- Chairman
Denis Cadogan	- Deputy Chairman
David Jean-Marie	- Managing Director
Lisa Gale	
Ricardo McConney	
Janice Brown	
Iain Thomson	
Reynold Grant	
Captain George Fergusson	
Sir Roy Trotman	- Barbados Workers' Union Representative
Esworth Reid	- Permanent Secretary (Ministry of Maritime Affairs and the Blue Economy) (demitted December 4, 2019)
Ms. Sonia Carol-Ann Foster	- Permanent Secretary (Ministry of Maritime Affairs and the Blue Economy) (appointed December 7, 2019)

## Secretary

Karen Forde

## Attorney-at-law

George Walton Payne & Co.

Ralph Thorne

## Bankers

Republic Bank (Barbados) Limited

First Citizens Bank (Barbados) Limited

## Auditor

PricewaterhouseCoopers SRL

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## Independent auditor's report

To the Shareholder of Barbados Port Inc.

### Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Barbados Port Inc. (the Company) as at March 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

### What we have audited

The Company's financial statements comprise:

- the statement of financial position as at March 31, 2020;
- the statement of changes in equity for the year then ended;
- the statement of comprehensive income for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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### Basis for opinion

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

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

### Independence

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

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### Other information

Management is responsible for the other information. The other information comprises the Annual Report for the year ended March 31, 2020 (but does not include the financial statements and our auditor's report thereon), which is expected to be made available to us after this auditor's report date.

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*PricewaterhouseCoopers SRL, The Financial Services Centre, Bishop's Court Hill, P.O. Box 111, St. Michael, BB14004, Barbados, West Indies*  
T: +246-626-6700, F: +246-436-1275, [www.pwc.com/bb](http://www.pwc.com/bb)



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

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

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

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

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

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

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

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**Auditor's responsibilities for the audit of the financial statements**

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

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

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



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

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

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#### Other Matter

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

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*PricewaterhouseCoopers SRL*

Bridgetown, Barbados  
August 28, 2020

# Statement of Financial Position

AS AT MARCH 31, 2020  
(EXPRESSED IN BARBADOS DOLLARS)

	2020 \$	2019 \$
<b>Assets</b>		
<b>Current assets</b>		
Cash resources (note 4)	14,143,257	15,238,094
Accounts receivable (note 5)	6,013,378	6,842,994
Other receivables and prepaid expenses (note 6)	21,362,211	739,943
Inventories (note 7)	6,223,979	6,349,512
	<b>47,742,825</b>	29,170,543
<b>Non-current assets</b>		
Financial investments (note 8)	3,808,212	3,536,136
Application for shares (note 9)	8,480,000	–
Investment in associated company (note 10)	745,217	1,104,297
Property, plant and equipment (note 11)	264,222,748	244,969,189
Right of use assets (note 12)	4,269,784	–
Capital works in progress (note 13)	15,976,828	42,018,998
Deferred tax asset (note 14)	2,802,835	6,943,266
Deferred expenses (note 15)	–	913,333
	<b>300,305,624</b>	299,485,219
<b>Total assets</b>	<b>348,048,449</b>	328,655,762



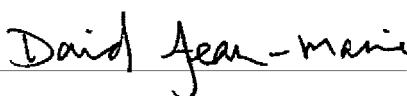
## Statement of Financial Position ...continued

AS AT MARCH 31, 2020  
(EXPRESSED IN BARBADOS DOLLARS)

	2020 \$	2019 \$
<b>Liabilities and equity</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (note 16)	21,366,622	6,274,310
Current portion of long-term loans (note 17)	-	23,758,055
Current portion of lease liabilities (note 12)	15,701,623	-
	<b>37,068,245</b>	<b>30,032,365</b>
<b>Non-current liabilities</b>		
Accounts payable and accrued liabilities (note 16)	-	16,373,855
Long-term loans (note 17)	79,077,000	86,272,461
Lease liabilities (note 12)	25,404,137	-
Retirement benefit obligations (note 18)	17,062,870	17,252,856
	<b>121,544,007</b>	<b>119,899,172</b>
<b>Total liabilities</b>	<b>158,612,252</b>	<b>149,931,537</b>
<b>Equity</b>		
Share capital (note 19)	100	100
Capital contributions (note 20)	78,683,280	78,683,280
Port Fund	100,000	100,000
Fair value reserve	27,361	27,361
Retained earnings	110,625,456	99,913,484
<b>Total equity</b>	<b>189,436,197</b>	<b>178,724,225</b>
<b>Total liabilities and equity</b>	<b>348,048,449</b>	<b>328,655,762</b>

Approved by the Board of Directors on August 28, 2020

 Chairman

 Director

## Statement of Changes in Equity

FOR THE YEAR ENDED MARCH 31, 2020  
(EXPRESSED IN BARBADOS DOLLARS)

	Share capital \$	Capital contributions \$	Port Fund \$	Fair value reserve \$	Retained earnings \$	Total \$
<b>Balance at April 1, 2018</b>	100	78,683,280	100,000	15,943)	111,587,669	190,386,992
Net loss for the year	-	-	-	-	(12,907,397 )	(12,907,397 )
Other comprehensive income for the year	-	-	-	11,418	1,731,946	1,743,364
Total comprehensive loss for the year	-	-	-	11,418	(11,175,451 )	(11,164,033 )
Write-off of intragovernmental debt (note 29)	-	-	-	-	(498,734 )	(498,734 )
<b>Balance at March 31, 2019</b>	100	78,683,280	100,000	27,361	99,913,484	178,724,225
Net income for the year	-	-	-	-	9,647,037	9,647,037
Other comprehensive income for the year	-	-	-	-	1,064,935	1,064,935
Total comprehensive income for the year	-	-	-	-	10,711,972	10,711,972
<b>Balance at March 31, 2020</b>	100	78,683,280	100,000	27,361	110,625,456	189,436,197

# Statement of Comprehensive Income

FOR THE YEAR ENDED MARCH 31, 2020  
(EXPRESSED IN BARBADOS DOLLARS)

	2020 \$	2019 \$
<b>Revenue</b>		
Cargo handling	69,349,941	63,802,359
Excess storage	2,931,683	1,774,217
Marine revenue	10,279,581	9,856,829
Passenger levy	9,543,318	8,910,000
Other (note 21)	9,588,039	8,978,650
	<b>101,692,562</b>	<b>93,322,055</b>
<b>Other operating income</b>		
Rent	1,543,995	1,498,222
Gain/(loss) on disposal of plant and equipment	6,822	(54,073)
Miscellaneous	1,837,507	1,417,334
Interest income	2,993	5,751
	<b>3,391,317</b>	<b>2,867,234</b>
<b>Total operating income</b>	<b>105,083,879</b>	<b>96,189,289</b>
<b>Expenses</b>		
Administration	16,607,089	11,756,306
Staff costs (note 23)	42,346,724	38,604,242
Other expenses	21,872,057	17,521,517
	<b>80,825,870</b>	<b>67,882,065</b>
Profit from operations	<b>24,258,009</b>	<b>28,307,224</b>
<b>Other expenses</b>		
Impairment of right- of -use assets	(1,529,533)	-
<b>Profit from operations - carried forward</b>	<b>22,728,476</b>	<b>28,307,224</b>

# Statement of Comprehensive Income ...continued

FOR THE YEAR ENDED MARCH 31, 2020  
(EXPRESSED IN BARBADOS DOLLARS)

	2020 \$	2019 \$
<b>Profit from operations - brought forward</b>	<b>22,728,476</b>	28,307,224
Finance costs	<b>(8,794,307)</b>	(9,226,550)
<b>Profit before taxation and share of net income of associated company</b>	<b>13,934,169</b>	19,080,674
Share of net income of associated company (note 10)	<b>240,920</b>	382,786
<b>Profit before taxation</b>	<b>14,175,089</b>	19,463,460
Taxation charge (note 24)	<b>(4,528,052)</b>	(32,370,857)
<b>Net income/(loss) for the year</b>	<b>9,647,037</b>	(12,907,397)
<b>Other comprehensive income:</b>		
<i>Items that will not be reclassified to income:</i>		
Remeasurement of retirement benefit obligations (note 18)	<b>677,314</b>	(1,484,014)
Deferred tax credit on remeasurements of retirement benefit obligations	<b>387,621</b>	3,215,960
Unrealised gain on financial assets at fair value through other comprehensive income	-	11,418
<b>Other comprehensive income for the year</b>	<b>1,064,935</b>	1,743,364
<b>Total comprehensive income/(loss) for the year</b>	<b>10,711,972</b>	(11,164,033)



# Statement of Cash Flows

FOR THE YEAR ENDED MARCH 31, 2020  
(EXPRESSED IN BARBADOS DOLLARS)

	2020 \$	2019 \$
<b>Cash flows from operating activities</b>		
Profit before taxation	14,175,089	19,463,460
Adjustments for:		
Depreciation	15,040,747	11,619,502
(Gain)/loss on disposal of property, plant and equipment	(6,822)	54,073
Interest and dividend income	(2,993)	(5,751)
Finance costs	8,794,307	9,226,550
Share of net income of associated company	(240,920)	(382,786)
Pension and other post-retirement benefits	2,773,333	1,093,278
Amortisation of deferred expenses	-	40,000
Impairment of right of use assets	1,529,533	-
Amortisation of right of use assets	362,859	-
Operating profit before working capital changes	42,425,133	41,108,326
(Increase)/decrease in restricted cash (current)	(258,338)	4,585,938
Decrease in accounts receivable	829,616	4,677,333
(Increase)/decrease in other receivables and prepaid expenses	(91,631)	431,170
Decrease/(increase) in inventories	125,533	(585,285)
Increase in accounts payable and accrued liabilities	(794,188)	17,960
Cash generated from operations	42,236,125	50,235,442
Finance costs paid	(8,481,507)	(7,188,560)
Pension and other post-retirement benefits' contributions	(2,286,005)	(7,847,725)
<b>Net cash generated from operating activities</b>	<b>31,468,613</b>	<b>35,199,157</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(895,498)	(1,010,818)
Expenditure on capital works in progress	(7,132,798)	(4,398,654)
Proceeds from disposal of property, plant and equipment	8,540	-
Interest and dividend income received	2,993	750
Purchase of financial investments	(11,363,493)	(9,717,755)
Proceeds on disposal of financial investments	11,091,417	10,202,619
Application for shares	(500,000)	-
Dividends from associated company	600,000	-
<b>Net cash used in investing activities</b>	<b>(8,188,839)</b>	<b>(4,923,858)</b>
<b>Carried forward</b>	<b>23,279,774</b>	<b>30,275,299</b>

## Statement of Cash Flows ...continued

FOR THE YEAR ENDED MARCH 31, 2020  
(EXPRESSED IN BARBADOS DOLLARS)

	2020 \$	2019 \$
<b>Carried forward</b>	<b>23,279,774</b>	30,275,299
<b>Cash flows from financing activities</b>		
Loan received/(paid)	<b>21,446,119</b>	(1,000,000)
Repayment of finance leases	<b>(13,592,111)</b>	-
Repayment of long-term loans	<b>(32,486,957)</b>	(23,627,906)
<b>Net cash used in financing activities</b>	<b>(24,632,949)</b>	(24,627,906)
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(1,353,175)</b>	5,647,393
<b>Cash and cash equivalents - beginning of year</b>	<b>10,096,430</b>	4,449,037
<b>Cash and cash equivalents - end of year (note 4)</b>	<b>8,743,255</b>	10,096,430

Non-cash investing and financing activities (note 30)

# Notes to Financial Statements

**MARCH 31, 2020**

(EXPRESSED IN BARBADOS DOLLARS)

## **1. Establishment of Barbados Port Inc.**

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

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

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

The Act was passed:

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

The main provisions of the Act are disclosed below.

### *Commencement of Operations*

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

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

For the purposes of the Act:

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

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

# Notes to Financial Statements

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

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

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

In respect of the operation of the Port:

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

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

### **Financial statement presentation**

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

## **2. Significant accounting policies**

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

### **a) Basis of preparation**

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) under the historical cost convention, as modified by the revaluation of financial investments at fair value through other comprehensive income (OCI) as disclosed in note 2(g).

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



# Notes to Financial Statements

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## 2 Significant accounting policies ...continued

### a) Basis of preparation ...continued

#### i) *New standards, amendments and interpretations to existing standards effective in the 2020 financial year*

The Company adopted the following new standard, amendments and interpretation to existing standards in the current year.

##### **IFRS 16 'Leases'**

This standard replaces the current guidance in IAS 17 and is a far-reaching change in accounting by lessees in particular. Under IAS 17, lessees were required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). IFRS 16 now requires lessees to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. The IASB has included an optional exemption for certain short term leases and leases of low-value assets; however, this exemption can only be applied by lessees.

For lessors, the accounting stays almost the same. However, as the IASB has updated the guidance on the definition of a lease (as well as the guidance on the combination and separation of contracts), lessors will also be affected by the new standard. At the very least, the new accounting model for lessees is expected to impact negotiations between lessors and lessees. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

##### **Amendment to IFRS 9, Financial instruments', on prepayment features with negative compensation and modification of financial liabilities**

This amendment confirmed two points:

- 1) that reasonable compensation for prepayments can be both negative or positive cash flows when considering whether a financial asset solely has cash flows that are principal and interest; and
- 2) that when a financial liability measured at amortised cost is modified without this resulting in de recognition, a gain or loss should be recognized immediately in profit or loss. The gain or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate. This means that the difference cannot be spread over the remaining life of the instrument which may be a change in practice from IAS 39.

##### **Annual improvements 2015 - 2017**

These amendments include minor changes to the following standards:

- IAS 12, 'Income taxes' - a company accounts for all income tax consequences of dividend payments in the same way.
- IAS 23, 'Borrowing costs' - a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

# Notes to Financial Statements

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## 2 Significant accounting policies ...continued

### a) Basis of preparation ...continued

#### i) *New standards, amendments and interpretations to existing standards effective in the 2020 financial year ...continued*

##### **Amendments to IAS 28 'Investments in associates', on long term interests in associates and joint ventures**

These amendments clarify that companies account for long-term interests in an associate or joint venture to which the equity method is not applied using IFRS 9.

##### **Amendments to IAS 19, 'Employee benefits' on plan amendment, curtailment or settlement'**

These amendments require an entity to:

- use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

##### **IFRIC 23, 'Uncertainty over income tax treatments**

This IFRIC clarifies how the recognition and measurement requirements of IAS 12 'Income taxes', are applied where there is uncertainty over income tax treatments.

The IFRS IC had clarified previously that IAS 12, not IAS 37 'Provisions, contingent liabilities and contingent assets', applies to accounting for uncertain income tax treatments. IFRIC 23 explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment.

An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the tax authority. For example, a decision to claim a deduction for a specific expense or not to include a specific item of income in a tax return is an uncertain tax treatment if its acceptability is uncertain under tax law. IFRIC 23 applies to all aspects of income tax accounting where there is an uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates.

# Notes to Financial Statements

MARCH 31, 2020  
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## 2 Significant accounting policies ...continued

### a) Basis of preparation ...continued

#### *ii) New standards, amendments and interpretations mandatory for the first time for the financial year beginning April 1, 2019 but not currently relevant to the Company*

##### **Annual improvements 2015-2017**

These amendments include minor changes to the following standards:

- IFRS 3, 'Business combinations', - a company remeasures its previously held interest in a joint operation when it obtains control of the business.
- IFRS 11, 'Joint arrangements', - a company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.

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

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

##### **Amendments to IFRS 3 - definition of a business**

This amendment revises the definition of a business. According to feedback received by the IASB, application of the current guidance is commonly thought to be too complex, and it results in too many transactions qualifying as business combinations (effective January 1, 2020).

##### **Amendments to IAS 1 and IAS 8 on the definition of material**

These amendments to IAS 1, 'Presentation of financial statements', and IAS 8, 'Accounting policies, changes in accounting estimates and errors', and consequential amendments to other IFRSs:

- use a consistent definition of materiality throughout IFRSs and the Conceptual Framework for Financial Reporting;
- clarify the explanation of the definition of material; and
- incorporate some of the guidance in IAS 1 about immaterial information (effective January 1, 2020).

##### **Amendments to IAS 1, 'Presentation of financial statements' on classification of liabilities**

These narrow-scope amendments to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability (effective January 1, 2022).

# Notes to Financial Statements

**MARCH 31, 2020**  
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## 2 Significant accounting policies ...continued

### b) Inventories

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

### c) Property, plant and equipment

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

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

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

#### Leased assets

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

#### Other assets

Watercraft	-	3% and 5%
Cargo handling equipment	-	10% and 6 $\frac{2}{3}$ %
Marine equipment and navigational aids	-	10%
Motor vehicles	-	20%
Pallets	-	33 $\frac{1}{3}$ %
Other equipment and furniture	-	10%
Port expansion asset	-	2%
Computer equipment	-	25%

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

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

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



# Notes to Financial Statements

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## 2 Significant accounting policies ...continued

### d) Foreign currency translation

#### i) *Functional and presentation currency*

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

#### ii) *Transactions and balances*

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

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

### e) Taxation

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

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

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

### f) Investment in associated company

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

# Notes to Financial Statements

**MARCH 31, 2020**  
(EXPRESSED IN BARBADOS DOLLARS)

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## 2 Significant accounting policies ...continued

### f) Investment in associated company ...continued

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

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

### g) Financial investments

The Company classifies its financial assets in the following measurement categories:

- those to be measured at amortised cost, and
- those to be measured subsequently at fair value through OCI.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded in OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

#### i) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

# Notes to Financial Statements

**MARCH 31, 2020**  
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## 2 Significant accounting policies ...continued

### g) Financial investments ...continued

#### ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Company classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses). Impairment losses are presented as a separate line item in the statement of comprehensive income.
- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in the fair value reserve is reclassified from reserves to retained earnings. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses), and impairment expenses are presented as separate line item in the statement of comprehensive income.

#### *Equity instruments*

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

#### *Impairment*

The Company assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

# Notes to Financial Statements

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## 2 Significant accounting policies ...continued

### h) Employee benefits

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

#### i) *Defined contribution plan*

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

#### ii) *Defined benefit plan*

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

#### *Employee benefits*

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

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

#### iii) *Other post-retirement benefit obligations*

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

# Notes to Financial Statements

**MARCH 31, 2020**  
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## 2 Significant accounting policies ...continued

### i) Revenue recognition

#### i) *Cargo handling*

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

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

#### ii) *Excess storage*

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

#### iii) *Marine revenue*

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

#### iv) *Passenger levy*

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

#### v) *Interest income*

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

#### vi) *Dividend income*

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

#### vii) *Rental income*

Rental income is recognised on an accrual basis.

#### viii) *Other revenue*

Other revenue is recognised on an accrual basis.



# Notes to Financial Statements

**MARCH 31, 2020**  
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## 2 Significant accounting policies ...continued

### j) Impairment of non-financial assets

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

### k) Accounts receivable

Accounts receivable are amounts due from customers for services performed in the ordinary course of business. They are generally due for settlement within 30 days and are therefore all classified as current. Accounts receivable are recognised initially at the amount of consideration that is unconditional, when they are recognised at fair value. The Company holds the accounts receivable with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 12 months before

March 31, 2019 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified its 100% deposit policy and its monopolistic position to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

### l) Cash resources and cash and cash equivalents

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

### m) Accounts payable

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

# Notes to Financial Statements

**MARCH 31, 2020**  
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## 2 Significant accounting policies ...continued

### n) Long-term loans

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

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

### o) Leases

The Company leases equipment, watercraft and land.

Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements, except for the equipment lease, do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

During the year the Company changed its accounting policy for leases where the Company is the lessee. The new policy is described therein and the impact of the change in note 12.

Until March 31, 2019, leases of property, plant and equipment were classified as either finance leases or operating leases. Leases of property, plant and equipment where the Company, as lessee, had substantially all the risks and rewards of ownership were classified as finance leases. Finance leases were capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, were included in current portion of long-term loans and long-term loans. Each lease payment was allocated between the liability and finance cost. The finance cost was charged to income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases was depreciated over the asset's useful life, or over the shorter of the asset's useful life and the lease term if there was no reasonable certainty that the Company would obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership were not transferred to the Company as lessee were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to income on a straight-line basis over the period of the lease.

# Notes to Financial Statements

**MARCH 31, 2020**  
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## 2 Significant accounting policies ...continued

### **o) Leases ...continued**

From April 1, 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of fixed payments.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the Company's leases, the Company's incremental borrowing rate is used, being the rate that the Company would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

When there has not been recent third-party financing, to determine the incremental borrowing rate, the Company:

- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company, and
- makes adjustments specific to the lease, e.g. term and security.

The Company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Extension options are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. The extension option held is exercisable only by the Company and not by the lessor. An extension option is included in the Company's land lease.

# Notes to Financial Statements

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## 2 Significant accounting policies ...continued

### p) Provisions

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

### q) Capital grants

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

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

## 3 Critical accounting estimates and judgements

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

### *Pension benefits*

The cost of the defined benefit pension plan and other post-employment medical benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future promotional and inflationary salary increases, proportion of employees opting for early retirement, future changes in the NIS ceiling and mortality. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. Assumptions used are disclosed in Note 18.

# Notes to Financial Statements

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## 4 Cash resources

	2020 \$	2019 \$
Cash at bank	<b>14,143,257</b>	17,336,020
Less: non-current restricted cash (note 8)	-	(2,097,926)
Cash resources	<b>14,143,257</b>	15,238,094
Less: current restricted cash (see below)	<b>(5,400,002)</b>	(5,141,664)
Cash and cash equivalents	<b>8,743,255</b>	10,096,430

Included in cash at bank is \$5,400,002 (2019 - \$7,239,590) held in a Debt Service Reserve Account at Republic Finance & Trust (Barbados) Limited (formerly Republic Finance & Trust (Barbados) Corporation) to facilitate settlement of principal and interest in relation to the \$70 million bond issue (note 17). The bond was repaid in full at year end and the Debt Service Reserve Account was subsequently repaid.

	2020 \$	2019 \$
Debt Service Reserve Account	<b>5,400,002</b>	7,239,590
Less: non-current amounts classified in financial investments (note 8)	-	(2,097,926)
Current amounts classified in cash resources	<b>5,400,002</b>	5,141,664

Significant concentrations of cash at bank are as follows:

	2020 \$	2019 \$
First Citizens Bank (Barbados) Limited (long term issue credit rating BBB- by Standard & Poors)	<b>5,657,366</b>	4,213,406
Republic Bank (Barbados) Limited (unrated)	<b>3,083,074</b>	5,883,024
Republic Finance & Trust (Barbados) Limited (unrated)	<b>5,400,002</b>	7,239,590



# Notes to Financial Statements

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## 5 Accounts receivable

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Trade receivables	<b>6,219,541</b>	7,196,426
Less: Loss allowance	<b>(206,163)</b>	(353,432)
	<b>6,013,378</b>	6,842,994

The expected credit losses on trade receivables have been measured as follows:

<b>March 31, 2020</b>	<b>Current</b>	<b>More than 30 days past due</b>	<b>More than 60 days past due</b>	<b>More than 90 days past due</b>	<b>Total</b>
Expected loss rate	<b>3.3%</b>	<b>3.0%</b>	<b>3.7%</b>	<b>4.4%</b>	
Trade receivables	<b>2,596,355</b>	<b>2,136,949</b>	<b>314,177</b>	<b>1,172,060</b>	<b>6,219,541</b>
Loss allowance	<b>77,813</b>	<b>64,706</b>	<b>11,659</b>	<b>51,985</b>	<b>206,163</b>

<b>March 31, 2019</b>	<b>Current</b>	<b>More than 30 days past due</b>	<b>More than 60 days past due</b>	<b>More than 90 days past due</b>	<b>Total</b>
Expected loss rate	5.8%	4.1%	5.2%	6.2%	
Trade receivables	3,450,451	1,572,332	351,263	1,822,380	7,196,426
Loss allowance	198,647	64,906	18,438	113,270	395,261

The closing loss allowance for trade receivables as at March 31, 2020 reconciles to the opening loss allowance as follows:

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Opening loss allowance calculated under IFRS 9	<b>353,432</b>	810,428
Decrease in loss allowance recognised in profit or loss during the year	<b>(118,481)</b>	(415,167)
	<b>234,951</b>	395,261
Receivables written off during the year as uncollectible	<b>(28,788)</b>	(41,829)
At March 31	<b>206,163</b>	353,432

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

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

# Notes to Financial Statements

**MARCH 31, 2020**  
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## 6 Other receivables and prepaid expenses

	2020 \$	2019 \$
Staff receivables	177,248	213,296
Bond subscriptions receivable (i)	20,530,637	-
Other	-	1,600
Other receivables	20,707,885	214,896
Prepaid expenses	654,326	525,047
	21,362,211	739,943

Bond subscriptions receivable of \$20,530,637 relate to bond subscriptions which had not yet been paid over to the Company at year end.

No loss allowance in respect of other receivables was required in 2020 or 2019.

## 7 Inventories

	2020 \$	2019 \$
Fuel	239,967	253,848
Equipment spares	6,371,848	6,470,170
Stationery	33,392	46,722
	6,645,207	6,770,740
Less: provision for obsolescence	(421,228)	(421,228)
	6,223,979	6,349,512

The Company did not write off inventory in 2020 or 2019.

# Notes to Financial Statements

**MARCH 31, 2020**  
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## 8 Financial investments

	2020 \$	2019 \$
<b>Financial assets at fair value through OCI</b>		
Barbados Ice Cream Company Limited (Equities)		
At beginning of the year	<b>120,134</b>	85,811
Purchases at cost	-	22,905
Unrealised gain included in other comprehensive income	-	11,418
At end of year	<b>120,134</b>	120,134
<b>Financial assets at amortised cost</b>		
Debt Service Reserve Account at Republic Finance & Trust (Barbados) Limited (note 4)	-	2,097,926
Debt Service Reserve Account at NCB Capital Markets (Barbados) Limited (note 17)	<b>2,370,000</b>	-
Ansa Finance Lease Reserve Account at First Citizens Bank	<b>995,000</b>	995,000
Term deposits at Republic Bank (Barbados) Limited	<b>23,237</b>	23,235
Government of Barbados Series B Bond 2033	<b>299,841</b>	299,841
	<b>3,688,078</b>	3,416,002
	<b>3,808,212</b>	3,536,136

The Debt Service Reserve Account at Republic Finance & Trust (Barbados) Limited was held to facilitate settlement of the non-current portion of the principal outstanding and future interest payments on the \$70 million bond. The non-current funds held in the account at year end was \$Nil (2019 - \$2,097,926) (note 4).

The Ansa Finance Lease Reserve Account is being held in connection with a financing lease from Ansa Merchant Bank. Term deposits at Republic Bank (Barbados) Limited have been pledged as security.

The Debt Service Reserve at NCB Capital Markets (Barbados) Limited is held to facilitate settlement of the non-current portion of the principal outstanding and future interest payments on the \$100 million bond.

The Government of Barbados Series B Bond comprises of eleven (11) amortising strips. The bond matures on September 30, 2033 and has the following interest profile: 1.0% per annum for the first 3 years, 2.5% per annum for year 4 and 3.75% to maturity.

No loss allowances on financial investments was required in 2020 and 2019.

The fair value of financial assets at year end was \$3,808,212 (2019 - \$3,536,136).

# Notes to Financial Statements

**MARCH 31, 2020**  
(EXPRESSED IN BARBADOS DOLLARS)

## 9 Application for shares

During the year, the Company applied for 8,000,000 shares or a 50% interest in One Port Investments Inc. (One Port). As at year-end, \$500,000 was paid directly to One Port. Amounts due at year end to One Port and the former 50% shareholders of \$8,000,000 have been included in accrued liabilities. The shares were issued to the Company on April 30, 2020.

## 10 Investment in associated company

	2020 \$	2019 \$
<b>Bridgetown Cruise Terminals, Inc.</b>		
750,000 Class 'A' common shares (30% interest) - at cost	<b>750,000</b>	750,000
Increase/(decrease) in equity value over cost to end of previous year	<b>354,297</b>	(28,489)
	<b>1,104,297</b>	721,511
Share of net income for the year	<b>240,920</b>	382,786
Dividends received	<b>(600,000)</b>	-
Balance end of year	<b>745,217</b>	1,104,297

The results of the associated company as of March 31, 2020 and 2019 are as follows:

	Assets \$	Liabilities \$	Revenues \$	Net Income \$
<b>2020</b>	<b>3,242,094</b>	<b>758,037</b>	<b>2,289,510</b>	<b>803,065</b>
2019	4,329,640	663,522	3,985,471	1,457,174

# Notes to Financial Statements

MARCH 31, 2020  
(EXPRESSED IN BARBADOS DOLLARS)

## 11 Property, plant and equipment

	Land \$	Buildings, sheds, workshop and incinerator \$	Wharfs and breakwater \$	Watercraft, tugs, etc. \$	Cargo handling equipment, vehicles, other equipment and navigational aids \$	Port expansion asset \$	Total \$
<b>At March 31, 2018</b>							
Cost	61,775,488	32,716,722	89,185,797	5,190,137	158,633,966	78,068,622	425,570,732
Accumulated depreciation	-	(23,410,818)	(20,126,769)	(3,700,253)	(107,617,368)	(16,001,286)	(170,856,494)
Net book amount	61,775,488	9,305,904	69,059,028	1,489,884	51,016,598	62,067,336	254,714,238
<b>Year ended March 31, 2019</b>							
Opening net book amount	61,775,488	9,305,904	69,059,028	1,489,884	51,016,598	62,067,336	254,714,238
Transferred from capital works in progress	-	336,358	-	-	581,350	-	917,708
Additions	-	191,720	-	-	903,738	-	1,095,458
Reclassification	-	-	-	-	(84,640)	-	(84,640)
Disposals at cost	-	-	-	-	(1,454,076)	-	(1,454,076)
Accumulated depreciation on disposals	-	-	-	-	1,400,003	-	1,400,003
Depreciation for year	-	(807,865)	(1,783,716)	(274,902)	(7,191,647)	(1,561,372)	(11,619,502)
Closing net book amount	61,775,488	9,026,117	67,275,312	1,214,982	45,171,326	60,505,964	244,969,189
<b>At March 31, 2019</b>							
Cost	61,775,488	33,244,800	89,185,797	5,190,137	158,580,338	78,068,622	426,045,182
Accumulated depreciation	-	(24,218,683)	(21,910,485)	(3,975,155)	(113,409,012)	(17,562,658)	(181,075,993)
Net book amount	61,775,488	9,026,117	67,275,312	1,214,982	45,171,326	60,505,964	244,969,189



## Notes to Financial Statements

MARCH 31, 2020  
(EXPRESSED IN BARBADOS DOLLARS)

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

	Land	Buildings, sheds, workshop and incinerator	Wharfs and breakwater	Watercraft, tugs, etc.	Cargo handling equipment, vehicles, other equipment and navigational aids	Port expansion asset	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Year ended March 31, 2020</b>							
Opening net book amount	61,775,488	9,026,117	67,275,312	1,214,982	45,171,326	60,505,964	244,969,189
Transferred from capital works in progress	148,088	2,142,958	-	-	30,847,835	-	33,138,881
Additions	-	415	-	-	895,083	-	895,498
Reclassification	54,250	67,551	(3,442,800)	-	3,582,644	-	261,645
Disposals at cost	-	-	-	-	(34,414)	-	(34,414))
Accumulated depreciation on disposals	-	-	-	-	32,696	-	32,696
Depreciation for year	-	(912,437)	(1,439,436)	(274,902)	(10,852,600)	(1,561,372))	(15,040,747)
Closing net book amount	61,977,826	10,324,604	62,393,076	940,080	69,642,570	58,944,592	264,222,748
<b>At March 31, 2020</b>							
Cost	61,977,826	35,455,724	85,742,998	5,190,137	193,871,486	78,068,622	460,306,793
Accumulated depreciation	-	(25,131,120)	(23,349,922)	(4,250,057)	(124,228,916)	(19,124,030)	(196,084,045)
Net book amount	61,977,826	10,324,604	62,393,076	940,080	69,642,570	58,944,592	264,222,748

# Notes to Financial Statements

**MARCH 31, 2020**  
(EXPRESSED IN BARBADOS DOLLARS)

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## 12 Leases

### Change in accounting policy

This note explains the impact of the adoption of IFRS 16 Leases on the Company's financial statements.

As indicated in note 2 (o), the Company has adopted IFRS 16 Leases retrospectively from April 1, 2019, but has not restated comparatives for the 2019 reporting period, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening statement of financial position on April 1, 2019.

On adoption of IFRS 16, the Company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of April 1, 2019. The lessee's incremental borrowing rate applied to the lease liabilities on April 1, 2019 was 9.96%.

For leases previously classified as finance leases the entity recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the lease liability at the date of initial application. The measurement principles of IFRS 16 are only applied after that date. There were no measurements adjustments.

#### *(i) Practical expedients applied*

In applying IFRS 16 for the first time, the Company used the following practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review - there were no onerous contracts as at April 1, 2019
- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Company has also elected not to reassess whether a contract is or contains a lease at the date of initial application. Instead, for contracts entered before the transition date the Company relied on its assessment made applying IAS 17 and Interpretation 4 Determining whether an Arrangement contains a Lease.

# Notes to Financial Statements

**MARCH 31, 2020**  
(EXPRESSED IN BARBADOS DOLLARS)

## 12 Leases ...continued

### Change in accounting policy ...continued

#### (ii) Measurement of lease liabilities

	2020 \$
Operating lease commitments disclosed as at March 31, 2019 - 30% of the opening amount considered as the lease component	<b>8,393,992</b>
Discounted using the lessee's incremental borrowing rate of 9.96% at the date of initial application	<b>5,248,843</b>
Add: finance lease liabilities recognised as at March 31, 2019	<b>48,910,670</b>
<b>Lease liability recognised as at April 1, 2019</b>	<b>54,159,513</b>
Current lease liabilities	<b>15,743,180</b>
Non-current lease liabilities	<b>38,416,333</b>
	<b>54,159,513</b>

#### (iii) Measurement of right-of-use assets

The associated right-of-use asset for the land was measured on a retrospective basis as if the new rules had always been applied. The watercraft right-of use assets were measured at the amount equal to the lease liability, adjusted by the amount of any impairment charge relating to that lease, recognised in the statement of financial position as at March 31, 2019.

#### (iv) Adjustments recognised in the statement of financial position on April 1, 2019

The change in accounting policy affected the following items in the statement of financial position on April 1, 2019 as follows:

- right-of-use assets - increase by \$4,632,643
- long-term loans - decrease by \$48,910,670
- lease liabilities - increase by \$54,159,513

# Notes to Financial Statements

**MARCH 31, 2020**  
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## 12 Leases ...continued

### Amounts recognised at year end

- i) Amounts recognised in the statement of financial position

The statement of financial position discloses the following amounts relating to leases:

	2020 \$	April 1, 2019 \$
<b>Right-of-use assets</b>		
Land	913,333	913,333
Watercraft (tugs)	3,356,451	3,719,310
	4,269,784	4,632,643
<b>Lease liabilities</b>		
Current	15,701,623	15,743,181
Non-current	25,404,137	38,416,332
	41,105,760	54,159,513

Included in property, plant and equipment are assets held under finance leases with a net book value of \$28,372,946.

- ii) Amounts recognised in the statement of comprehensive income

The statement of comprehensive income discloses the following amounts relating to leases:

	2020 \$	2019 \$
<b>Depreciation and amortisation charge of right-of-use assets</b>		
Land	(40,000)	-
Watercraft (tugs)	(362,859)	-
	(402,859)	-
Interest expense (included in finance costs)	3,877,145	-

On adoption of IFRS 16, the Company recognised a right-of-use asset in respect of its twenty-five year lease agreement with the Barbados Investment and Development Corporation to rent a parcel of land. This arrangement was previously classified as a deferred rent asset, as payment was made in advance. There is no related lease liability for this asset.

# Notes to Financial Statements

**MARCH 31, 2020**  
(EXPRESSED IN BARBADOS DOLLARS)

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## 12 Leases ...continued

### Amounts recognised at year end ...continued

- ii) Amounts recognised in the statement of comprehensive income ...continued

On adoption of IFRS 16, Barbados Port Inc. recognised a right-of-use asset from its lease with Svitzer (Barbados) Ltd. In 2014, the Company entered into a fifteen-year operating lease with Svitzer Barbados for the provision of marine services including the charter of tugs. The related lease liability is disclosed in this note.

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

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

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

The total cash outflow for leases in 2020 was \$13,280,106.



# Notes to Financial Statements

**MARCH 31, 2020**  
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## 13 Capital works in progress

	<b>Berth 6 project \$</b>	<b>Other \$</b>	<b>Total \$</b>
<b>At March 31, 2018</b>			
Cost	14,308,150	24,549,325	38,857,475
<b>Year ended March 31, 2019</b>			
Opening net book amount	14,308,150	24,549,325	38,857,475
Additions	-	4,398,654	4,398,654
Transfers to property, plant and equipment	-	(917,708)	(917,708)
Expensed	-	(319,423)	(319,423)
Closing net book amount	14,308,150	27,710,848	42,018,998
<b>At March 31, 2019</b>			
Cost	14,308,150	27,710,848	42,018,998
<b>Year ended March 31, 2020</b>			
Opening net book amount	14,308,150	27,710,848	42,018,998
Additions	-	7,132,798	7,132,798
Transfers to property, plant and equipment	-	(33,142,524)	(33,142,524)
Expensed	-	(32,444)	(32,444)
<b>Closing net book amount</b>	<b>14,308,150</b>	<b>1,668,678</b>	<b>15,976,828</b>
<b>At March 31, 2020</b>			
Cost	<b>14,308,150</b>	<b>1,668,678</b>	<b>15,976,828</b>

On May 23, 2017, the Company entered into a contractual agreement for the construction of Berth 6 and related projects at a cost of \$189,001,293 (Note 16). By letter dated June 22, 2018, the Company was instructed by its shareholder to put matters related to this matter on hold. Following a valuation of the works performed under the agreement, \$5,691,850 was written off.

# Notes to Financial Statements

**MARCH 31, 2020**  
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## 14 Deferred tax asset

	2020 \$	2019 \$
Deferred tax asset - beginning of year	<b>6,943,266</b>	36,098,163
Effect of remeasurement of DTA brought forward through income	<b>(3,350,512)</b>	(31,290,906)
Effect of remeasurement of DTA brought forward through OCI	<b>409,092</b>	3,134,339
	<b>4,001,846</b>	7,941,596
Deferred tax charge (note 24)	<b>(1,177,594)</b>	(1,079,951)
Deferred tax (charge)/release relating to components of other comprehensive income	<b>(21,417)</b>	81,621
Deferred tax asset - end of year	<b>2,802,835</b>	6,943,266

The deferred tax asset consists of the following components:

	2020 \$	2019 \$
Delayed tax depreciation	<b>65,730,272</b>	84,339,459
Retirement benefit obligations (note 16)	<b>17,062,871</b>	17,252,856
Qualifying capital expenditure (note 25)	<b>4,711,270</b>	24,648,884
Loss allowance	<b>206,163</b>	-
Right-of-use asset	<b>706,920</b>	-
	<b>88,417,496</b>	126,241,199
Deferred tax asset at corporation tax rate of 3.17% (2019 - 5.5%)	<b>2,802,835</b>	6,943,266

The expiry dates of qualifying capital expenditure are disclosed in Note 25. The other temporary differences have no expiry dates.

# Notes to Financial Statements

**MARCH 31, 2020**  
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## 15 Deferred expenses

In 2018 the Company signed a lease agreement with the Barbados Investment and Development Corporation to rent a parcel of land for the construction of new offices. The lease prepayment was being amortised over its life of twenty-five years.

On adoption of IFRS 16, the Company recognised a right-of-use asset in respect of the lease agreement.

	2020 \$	2019 \$
At beginning of the year	913,333	953,333
Additions		
Reclassification to right-of-use assets on adoption of IFRS 16 (note 12)	(913,333)	-
Amortisation	-	(40,000)
<b>Closing net book amount</b>	<b>-</b>	<b>913,333</b>
<b>At March 31, 2020</b>		
Cost	-	1,000,000
Accumulated amortisation	-	(86,667)
<b>Net book amount</b>	<b>-</b>	<b>913,333</b>

## 16 Accounts payable and accrued liabilities

	2020 \$	2019 \$
<b>Current liabilities</b>		
Accounts payable	1,383,247	1,290,103
Accrued liabilities	12,076,875	4,984,207
Berth 5 Projects Limited	7,906,500	-
	<b>21,366,622</b>	<b>6,274,310</b>
<b>Non-current liabilities</b>		
Berth 5 Projects Limited	-	16,373,855
	<b>21,366,622</b>	<b>22,648,165</b>

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

# Notes to Financial Statements

**MARCH 31, 2020**  
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## 17 Long-term loans

	2020 \$	2019 \$
i) Republic Finance & Trust (Barbados) Limited - \$70M	-	61,119,846
iii) Ansa Finance Lease Liability	-	48,910,670
iii) NCB Capital Markets (Barbados) Limited - \$100M	<b>79,077,000</b>	-
	<b>79,077,000</b>	110,030,516
Less: current portion	-	(23,758,055)
	<b>79,077,000</b>	86,272,461

- i) This bond was issued through Republic Finance & Trust (Barbados) Limited for the purposes of refinancing existing loans and working capital management. The bond was fully subscribed as at March 31, 2017; net subscriptions totalled \$70,000,000 and capitalised interest to March 31, 2017 totalled \$9,878,436. The bond bore interest fixed at 7.5%, with a moratorium on principal and interest payments for the first 3 years, during which interest was capitalised. Commencing June 30, 2017 and ending March 31, 2024, the bond was to be repaid by 28 blended quarterly payments of \$3,692,951.53. This bond was secured by a mortgage over the fixed and floating assets of the Company stamped to cover \$87,500,000 and a charge over the Debt Service Reserve Account funded at \$7,000,000 per annum. The total in the Debt Service Reserve Account at year end was \$5,400,002 (2019 - \$7,239,590) (note 4). This bond was repaid as at March 31, 2020 through refinancing by NCB Capital Markets (Barbados) Limited.
- ii) This balance has been reclassified to leases on adoption of IFRS 16 (note 12).
- iii) This bond was issued through NCB Capital Markets (Barbados) Limited for the purpose of refinancing existing loans and working capital management. As at March 31, 2020, subscriptions totalled \$79,077,000. The bond is comprised of three tranches with interest rates of 4.2%, 5.0% and 5.5% with a moratorium on principal payment for the first 2 years. This bond is secured by a mortgage over the fixed and floating assets of the Company stamped to cover \$100,000,000 and a charge over the Debt Service Reserve Account funded at \$2,370,000. Subsequent to year-end, additional subscriptions of \$9,923,000 were received.

The fair value of the Company's fixed rate borrowings was \$72,549,953 (2019 - \$115,111,648) at the end of the year.

# Notes to Financial Statements

**MARCH 31, 2020**  
(EXPRESSED IN BARBADOS DOLLARS)

## 18 Retirement benefit obligations

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

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

	2020 \$	2019 \$
Pension plan	11,815,338	12,175,745
Post-retirement medical benefits	5,247,532	5,077,111
	<b>17,062,870</b>	17,252,856

### *Pension plan*

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

	2020 \$	2019 \$
Present value of funded obligations	61,494,922	63,474,882
Fair value of plan assets	(60,067,594)	(68,635,146)
Effect of IFRIC 14	10,388,010	17,336,009
Pension plan liability	<b>11,815,338</b>	12,175,745

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

	2020 \$	2019 \$
Present value of funded obligations - beginning of year	63,474,882	61,456,172
Current service cost	1,258,842	1,233,278
Interest cost	4,782,690	4,651,568
Benefits paid	(4,784,320)	(4,105,161)
Actuarial (gains)/losses on retirement benefit obligations	(3,237,172)	239,025
Present value of funded obligations - end of year	<b>61,494,922</b>	63,474,882

# Notes to Financial Statements

**MARCH 31, 2020**  
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## 18 Retirement benefit obligations ...continued

### *Pension plan ...continued*

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

	2020 \$	2019 \$
Plan assets - beginning of year	68,635,146	67,588,695
Actual return on plan assets	(5,944,823)	(2,578,331)
Contributions - total	2,161,592	7,729,943
Benefits paid	(4,784,320)	(4,105,161)
Plan assets - end of year	60,067,594	68,635,146

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

	2020 \$	2019 \$
Net liability - beginning of year	12,175,745	17,288,395
Contributions paid	(2,161,592)	(7,729,943)
Expense recognised in the statement of comprehensive income	2,167,481	506,261
Actuarial (gains)/losses recognised in the statement of other comprehensive income	(366,296)	2,111,032
Net liability - end of year	11,815,338	12,175,745

Expense recognised in the statement of comprehensive income:

	2020 \$	2019 \$
Current service cost	1,258,842	1,233,278
Interest cost	4,782,690	4,651,568
Expected return on plan assets	(5,217,593)	(5,378,585)
Interest on effect of asset ceiling	1,343,542	-
	2,167,481	506,261
Actual return on plan assets	(5,944,823)	(2,578,331)



# Notes to Financial Statements

**MARCH 31, 2020**  
(EXPRESSED IN BARBADOS DOLLARS)

## 18 Retirement benefit obligations ...continued

### *Pension plan ...continued*

Income/(expense) recognised in other comprehensive income:

	2020 \$	2019 \$
Actuarial gains/(losses) on retirement benefit obligations	3,237,172	(239,025)
Return on plan assets excluding amounts included in interest expense	(11,162,417)	(7,956,915)
Effect of IFRIC 14	8,291,541	6,084,908
	366,296	(2,111,032)

	2020 %	2019 %
Plan assets are comprised as follows:		
Bonds	35.3	35.0
Equities	50.0	48.2
Deposits	1.4	3.1
Other assets	13.3	13.7
Net assets	100.0	100.0

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

### *Asset volatility*

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

The pension investment committee invests the funds for the defined benefits section of the plan and amends the asset allocation as necessary to meet the objectives. The bonds held by the plan represent primarily investments in Government of Barbados securities. There are limited (6%) (2019 - 6%) investments in corporate bonds.

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

# Notes to Financial Statements

**MARCH 31, 2020**  
(EXPRESSED IN BARBADOS DOLLARS)

## 18 Retirement benefit obligations ...continued

### *Changes in bond yields*

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

### *Life expectancy*

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

Expected contributions for the year ending March 31, 2021 are \$7,935,582.

The weighted average duration of the defined benefit plan is 12.58 (2019 - 12.76) years.

Expected maturity analysis of undiscounted pension benefits:

	<b>Less than a year \$m</b>	<b>Between 1-2 years \$m</b>	<b>Between 2-5 years \$m</b>	<b>Over 5 years \$m</b>	<b>Total \$m</b>
Pension benefits	4.23	4.91	14.99	26.07	50.02

Principal actuarial assumptions used for accounting purposes were:

	<b>2020 %</b>	<b>2019 %</b>
Discount rate	<b>7.75</b>	7.75
Future promotional salary increases	<b>2.00</b>	2.00
Future inflationary salary increases	<b>3.00</b>	3.00
Proportion of employees opting for early retirement	<b>10.00</b>	10.00
Future changes in NIS ceiling	<b>3.50</b>	3.50
Mortality	<b>AA</b>	AA

# Notes to Financial Statements

**MARCH 31, 2020**  
(EXPRESSED IN BARBADOS DOLLARS)

## 18 Retirement benefit obligations ...continued

### *Life expectancy ...continued*

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

	Impact on present value of funded obligations		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1%	(5,758,112)	6,910,688
Salary growth rate	0.5%	2,119,579	(1,867,740)
Life expectancy	1 year	3,419,562	n/a

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

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

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

	2020 \$	2019 \$
Present value of funded obligations	5,247,532	5,077,111

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

# Notes to Financial Statements

**MARCH 31, 2020**  
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## 18 Retirement benefit obligations ...continued

### *Post-retirement medical benefits*

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

	2020 \$	2019 \$
Present value of funded obligations - beginning of year	5,077,111	5,234,894
Current service cost	173,665	178,234
Interest cost	395,385	408,047
Past service cost - vested benefits	36,802	736
Benefits paid	(124,413)	(117,782)
Actuarial gains on obligations	(311,018)	(627,018)
Present value of funded obligations - end of year	5,247,532	5,077,111

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

	2020 \$	2019 \$
Net liability - beginning of year	5,077,111	5,234,894
Contributions paid	(124,413)	(117,782)
Expense recognised in the statement of comprehensive income	605,852	587,017
Actuarial gains recognised in the statement of other comprehensive income	(311,018)	(627,018)
Net liability - end of year	5,247,532	5,077,111

Expense recognised in the statement of comprehensive income:

	2020 \$	2019 \$
Current service cost	173,665	178,234
Interest cost	395,385	408,047
Past service cost - vested benefits	36,802	736
	605,853	587,017

# Notes to Financial Statements

**MARCH 31, 2020**  
(EXPRESSED IN BARBADOS DOLLARS)

## 18 Retirement benefit obligations ...continued

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

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

	Increase \$	Decrease \$
Effect on funded obligations	807,083	659,473

Principal actuarial assumptions used for accounting purposes were:

	2020 %	2019 %
Discount rate	7.75	7.75
Medical cost inflation	4.00	4.00
Proportion of employees opting for early retirement	10.00	10.00

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

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

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

## 19 Share capital

### Authorised

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

### Issued

	2020 \$	2019 \$
100 (2019 - 100) common shares, stated value	100	100

# Notes to Financial Statements

**MARCH 31, 2020**  
(EXPRESSED IN BARBADOS DOLLARS)

## 20 Capital contributions

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

	2020 \$	2019 \$
Value of leased assets of \$42,310,845 less long-term loan obligations of \$28,229,630 at January 1, 1979, under the lease agreement with the Crown.	<b>14,081,215</b>	14,081,215
Value of the other assets less other liabilities of the former Port Department and Port Contractors (Barbados) Limited at January 1, 1979, transferred to, or assumed by Barbados Port Inc., less the amount of \$100,000 allocated to the Port Fund as established under Section 7(I) of the Barbados Port Authority Act, Cap. 285B.	<b>15,063,865</b>	15,063,865
Capital transfer - Berth 5 Project	<b>49,538,200</b>	49,538,200
	<b>78,683,280</b>	78,683,280

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

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



# Notes to Financial Statements

**MARCH 31, 2020**  
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## 20 Capital contributions ...continued

- e) In correspondence from the Director of Finance and Economic Affairs to the Accountant- General in 2016, it was detailed that funding received from CAF was to be appropriated as a capital transfer to Barbados Port Inc. The purpose for the funds was to construct an extension to Berth 5 and yachting facilities.

## 21 Revenue - other

	2020 \$	2019 \$
Bulk handling terminal	773,932	610,940
Auction sales	-	73,609
Garbage disposal	1,095,948	1,137,826
Security services	7,341,350	6,826,723
Taxi and tour buses registration	252,151	207,225
Photo identification	124,658	122,327
	<b>9,588,039</b>	<b>8,978,650</b>

## 22 Expenses by nature

	2020 \$	2019 \$
Staff costs (note 23)	42,346,724	38,604,242
Repairs and maintenance	6,428,451	5,902,015
Utilities	6,613,578	2,803,576
Advertising and promotions	510,423	265,175
Depreciation (note 11)	15,040,747	11,619,502
Amortisation of right-of-use assets (note 12)	402,860	-
Insurance	1,294,419	1,027,818
Professional fees	995,704	854,413
Other	7,192,964	6,805,324
	<b>80,825,870</b>	<b>67,882,065</b>

## 23 Staff costs

	2020 \$	2019 \$
Payroll costs and benefits	39,260,414	37,229,108
Pension expenses		
- defined benefit	2,167,481	506,261
- defined contribution	312,977	281,856
Post-retirement medical benefits	605,852	587,017
	<b>42,346,724</b>	<b>38,604,242</b>

# Notes to Financial Statements

**MARCH 31, 2020**  
(EXPRESSED IN BARBADOS DOLLARS)

## 24 Taxation

	2020 \$	2019 \$
Deferred tax charge (note 14)	<b>4,528,052</b>	32,370,857

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

	2020 \$	2019 \$
Profit before taxation	<b>14,175,089</b>	19,463,460
Taxation calculated at 5.5%	<b>779,630</b>	1,070,490
Effect of change in tax rate during the year on opening deferred tax balance	<b>3,350,512</b>	31,290,906
Tax effect of rate at which deferred tax liability is computed	<b>(790,675)</b>	-
Expenses not deductible for tax purposes	<b>982,288</b>	206,570)
Income not subject to tax	<b>(13,252)</b>	-
Qualifying capital expenditure incurred	-	(176,056)
Associated company's results reported net of tax	-	(21,053)
Under provision of prior year deferred tax	<b>219,549</b>	-
	<b>4,528,052</b>	32,370,857

## 25 Qualifying capital expenditure

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

Year of income	B/fwd \$	Utilised \$	Incurred \$	C/fwd \$	Expiry date
2018	21,447,859	(20,839,586)	-	608,273	2037
2019	3,201,025	-	-	3,201,025	2038
2020	-	-	901,972	901,972	2039
	24,648,884	(20,839,586)	901,972	4,711,270	

# Notes to Financial Statements

MARCH 31, 2020  
(EXPRESSED IN BARBADOS DOLLARS)

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## 26 Financial risk management

### a) Financial risk factors

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

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

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

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

### i) Market risk

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

#### 1) Currency risk

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

#### 2) Interest rate risk

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

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

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

# Notes to Financial Statements

**MARCH 31, 2020**  
(EXPRESSED IN BARBADOS DOLLARS)

## 26 Financial risk management ...continued

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

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

##### 2) Interest rate risk ...continued

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

Fixed rate instruments

	2020 \$	2019 \$
Financial assets	3,688,078	3,416,002
Financial liabilities	120,182,760	110,030,516

##### 3) Price risk

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

#### ii) Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. The Company's credit risk arises principally from cash resources, receivables from customers and financial assets at amortised cost.

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

	2020		2019	
	\$	%	\$	%
Cash resources	14,143,257	31.75	15,238,094	59.26
Accounts receivable	6,013,378	13.50	6,842,994	26.61
Other receivables	20,707,885	46.47	214,896	0.84
Financial investments (financial assets at amortised cost)	3,688,078	8.28	3,416,002	13.29
	44,552,598	100.00	25,711,986	100.00

# Notes to Financial Statements

MARCH 31, 2020

(EXPRESSED IN BARBADOS DOLLARS)

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## 26 Financial risk management ...continued

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

#### ii) Credit risk ...continued

##### *Trade and other receivables*

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

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

##### *Financial investments (financial assets at amortised cost)*

All of the entity's debt investments at amortised cost are considered to have low credit risk. No loss allowance was considered necessary in 2020 or 2019.

## Notes to Financial Statements

MARCH 31, 2020  
(EXPRESSED IN BARBADOS DOLLARS)

### 26 Financial risk management ...continued

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

##### iii) Liquidity risk

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

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

2020	Carrying amount \$	Contractual cash flows \$	0 to 12 months \$	1 to 2 years \$	2 to 5 years \$	More than 5 years \$
<b>Assets</b>						
Cash resources	14,143,257	14,143,257	14,143,257	-	-	-
Accounts receivable	6,013,378	6,013,378	6,013,378	-	-	-
Other receivables	20,707,885	20,707,885	20,707,885	-	-	-
Financial investments (financial assets at amortised cost)	3,688,078	3,688,078	3,688,078	-	-	-
	44,552,598	44,552,598	44,552,598	-	-	-
<b>Liabilities</b>						
Long-term loans	79,077,000	131,631,250	4,700,000	4,700,000	62,656,250	59,575,000
Lease liabilities	41,105,760	49,226,393	18,463,493	7,923,412	19,361,240	3,478,248
Accounts payable	9,289,747	9,289,747	9,289,747	-	-	-
	129,472,507	190,147,390	32,453,240	12,623,412	82,017,490	63,053,248
<b>Liquidity gap</b>	(84,919,909)	(145,594,792)	12,099,358	(12,623,412)	(82,017,490)	(63,053,248)



# Notes to Financial Statements

MARCH 31, 2020  
(EXPRESSED IN BARBADOS DOLLARS)

## 26 Financial risk management ...continued

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

#### iii) Liquidity risk

#### 2019

#### Assets

Cash resources	15,238,094	15,238,094	0 to 12 months	1 to 2 years	2 to 5 years	More than 5 years
Accounts receivable	6,842,994	6,842,994				
Other receivables	214,896	214,896				
Financial investments						
(financial assets at amortised cost)	3,416,002	3,497,470	3,119,152	2,991	59,044	316,283
	25,711,986	25,793,454	25,415,136	2,991	59,044	316,283

#### Liabilities

Long-term loans	110,030,516	131,695,498	30,895,087	32,431,757	63,758,645	4,610,009
Accounts payable	17,663,958	17,663,958	1,290,103	16,373,855	-	-
	127,694,474	149,359,456	32,185,190	48,805,612	63,758,645	4,610,009
Liquidity gap	(101,982,488)	(123,566,002)	(6,770,054)	(48,802,621)	(63,699,601)	(4,293,726)

# Notes to Financial Statements

MARCH 31, 2020  
(EXPRESSED IN BARBADOS DOLLARS)

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## 26 Financial risk management ...continued

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

#### iv) Fair value of financial instruments

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

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

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

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

### b) Fair value of financial assets and liabilities

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

The Company's financial assets and liabilities as disclosed in the statement of financial position are considered by management to approximate their fair value except for financial assets at amortised cost and long-term loans, the fair values of which are designated as level 3 and disclosed in notes 8 and 17.

### c) Capital risk management

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

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

# Notes to Financial Statements

**MARCH 31, 2020**  
(EXPRESSED IN BARBADOS DOLLARS)

## 27 Contingent liabilities

As of March 31, 2020 and 2019, there exist a number of legal claims against the Company, the outcome of which could not be determined with reasonable certainty. No provision for any liability that may result has been made in these financial statements. Settlement, if any, concerning these claims, will be recorded in the period in which they are realised.

The Company has bonds in favour of the Comptroller of Customs in the amount of \$20,000.

## 28 Related party transactions

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

	2020 \$	2019 \$
i) Portion of passenger head tax paid	432,285	1,323,850
ii) Security service charge	101,664	111,884

2) Key management

	2020 \$	2019 \$
Directors' fees	90,600	72,900
Salaries and other employee benefits	2,428,114	2,445,626

There were no loans to key management at March 31, 2020 or 2019.

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

	2020 \$	2019 \$
Marine charges	-	11,859
Cargo handling	-	917,999
	-	929,858
Brokerage fee expenses	-	109,857

# Notes to Financial Statements

**MARCH 31, 2020**  
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## 29 Operating leases

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

	2020 \$	2019 \$
Less than one year	1,440,533	1,488,935
Between one and five years	587,732	696,827
More than 5 years	8,603,078	9,857,298

During the year \$1,543,995 (2019 - \$1,498,222) was recognised as rental income in the statement of comprehensive income.

## 30 Cash flow information

### a) Non-cash investing and financing activities

	2020 \$	2019 \$
Application for shares	7,980,000	-
Rollover of Republic Finance & Trust (Barbados) Limited - \$70M bonds into NCB Capital Markets (Barbados) Limited - \$100M bonds	28,632,889	-
Recognition of bond subscriptions settled post year end	20,530,637	-
Recognition of lease liabilities on adoption of IFRS 16	6,162,176	-
Capitalised interest	538,358	2,049,257

# Notes to Financial Statements

**MARCH 31, 2020**  
(EXPRESSED IN BARBADOS DOLLARS)

## 30 Cash flow information ...continued

### b) Net debt reconciliation

	2020 \$	2019 \$
Cash resources	<b>14,143,257</b>	15,238,094
Financial investments (financial assets at amortised cost)	<b>3,688,078</b>	3,416,002
Accounts payable - non-current portion	-	(16,373,855)
Long-term loans - current portion	-	(23,758,055)
Long-term loans	<b>(79,077,000)</b>	(86,272,461)
Current portion of lease liabilities	<b>(15,701,623)</b>	-
Lease liabilities	<b>(25,404,137)</b>	-
Net debt	<b>(102,351,425)</b>	(107,750,275)
Cash and financial investments	<b>17,831,335</b>	18,654,096
Accounts payable - non-current and long-term loans and lease liabilities	<b>(120,182,760)</b>	(126,404,371)
	<b>(102,351,425)</b>	(107,750,275)

## Notes to Financial Statements

MARCH 31, 2020  
(EXPRESSED IN BARBADOS DOLLARS)

### 30 Cash flow information ...continued

	Cash	investments	Financial	Accounts	Lease	Lease	Long-term	Long-term	Total
	\$	\$	\$	payable	liabilities	liabilities	loans due	loans due	\$
				non-current	due within	due after	within one	after one	year
					one year	one year	year	year	\$
<b>Net debt as at April 1, 2019</b>	15,238,094	3,416,002		(16,373,855)	(13,280,106)	(35,630,564)	(10,477,949)	(50,641,897)	(107,750,275)
Cash flows	(1,094,837)	272,076)		8,467,355	13,280,106	-	10,477,949	(7,904,466)	23,498,183
Non-cash flows:									
Other non-cash movements	-	-	-	-	-	(5,475,196)	-	(20,530,637)	(26,005,833)
Reclassifications	-	-	-	7,906,500	(15,701,623)	15,701,623	-	-	7,906,500
	<b>14,143,257</b>	<b>3,688,078</b>	<b>-</b>	<b>(15,701,623)</b>	<b>(25,404,137)</b>	<b>-</b>	<b>(79,077,000)</b>	<b>(102,351,425)</b>	
<b>Net debt as at April 1, 2018</b>	14,176,639	3,918,770		(17,373,855)	(9,513,130)	(46,861,413)	(14,114,775)	(61,119,846)	(130,887,610)
Cash flows	1,061,455	(507,771)		1,000,000	9,513,130	-	14,114,775	-	25,181,589
Non-cash flows:									
Other non-cash movements	-	5,003	-	-	-	(2,049,257)	-	-	(2,044,254)
Reclassifications	-	-	-	-	(13,280,106)	13,280,106	(10,477,949)	10,477,949	-
Reclassifications									
	<b>15,238,094</b>	<b>3,416,002</b>	<b>(16,373,855)</b>	<b>(13,280,106)</b>	<b>(35,630,564)</b>	<b>(10,477,949)</b>	<b>(50,641,897)</b>	<b>(107,750,275)</b>	



# Notes to Financial Statements

**MARCH 31, 2020**  
(EXPRESSED IN BARBADOS DOLLARS)

## 31 Write-off of intragovernmental debt

On January 31, 2019, the Ministry of Finance, Economic Affairs and Investment instructed state-owned enterprises and other public bodies to write off intragovernmental receivables and payables (including tax refunds and budgetary transfers which have not been made) incurred prior to September 1, 2018 effective December 31, 2018. The amounts written off during the year were as follows:

	2019 \$
<b>Government institutions</b>	
Comptroller of Customs	44,233
Caribbean Examinations Council	92
Barbados Defence Force	26,409
Barbados Tourism Investment Inc.	428,000
	<b>498,734</b>

Since these amounts were not settled in cash, they have been excluded from the statement of cash flows.

## 32 Subsequent event

Since the outbreak of COVID-19 in the first quarter of 2020, global financial markets have experienced, and may continue to experience significant volatility and there are significant consequences for the global and local economies from travel and border restrictions, quarantines, supply chain disruptions, lower consumer demand and general market uncertainty. The extent and duration of the impact of COVID-19 on the global and local economies and the sectors in which the entity and its customers and suppliers operate is uncertain at this time, but it has the potential to adversely affect our business. As of August 28, 2020 management was not aware of any significant adverse effects on the financial statements for the year ended March 31, 2020 as a result of COVID-19. Management will continue to monitor the situation and the impact on the entity.







A full-page background image showing a sunset over a body of water. The sky transitions from a deep blue at the top to a bright orange and yellow near the horizon. The water in the foreground is dark blue with gentle ripples. The text 'IMPORTANT TO OUR SECURITY' is overlaid in white, with 'TO OUR' in a smaller font size between 'IMPORTANT' and 'SECURITY'.

**IMPORTANT**  
TO OUR **SECURITY**

# ANNUAL REPORT 2019/20

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