Grenada Ports Authority

Annual Report & Accounts

2020

GRENADA PORTS AUTHORITY

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Telephones:	Main Office	(473) 440 PORT (7678)
	Port of St. George's, St. George's	(473) 440-PORT (7678)
	Port of Grenville, St. Andrew's	(473) 438-PORT (7678)
	Prickley Bay, St. George's	(473) 444-4509
	Tyrrel Bay, Carriacou	(473) 443-PORT (7678)
	St. David's Harbour, St. David's	(473) 443-1667
	Melville Street Cruise Terminal	(473) 435- 8378
	Port of Petit Calivigny	(473) 443-3236
	National PFSO	439-PFSO (7376)
	St. George's Bus Terminus	435-TERM (8376)
Telefax:	(473) 440-3418	
Radio:	VHF Channel 16: J3YA (Grenada Ports Control)	
Chairman:	Mr. Ron Antoine	
General Manager:	Mr. Carlyle Felix	
Port Manager:	Mr. Ian Evans	
Auditors:	PKF Accountants & business advisers	
Legal Advisors:	Renwick & Payne	
Principal Bankers:	Republic Bank (Grenada) Ltd. Grenada Co-operative Bank Ltd.	

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LIST OF ACRONYMS

CARICOM	Caribbean Community
ECCB	Eastern Caribbean Central Bank
Ft.	Foot/feet (Imperial measurement)
GARFIN	Grenada Authority for the Regulation of Financial Institutions
GDP	Gross Domestic Product
GPA	Grenada Ports Authority
GRT	Gross Registered Tonnage
GTAWU	Grenada Technical and Allied Workers Union
IHA	International Hydrographic Organisation
ILO	International Labour Organisation
IMDG Code	International Maritime Dangerous Goods Code
IMF	International Monetary Fund
IMO	International Maritime Organisation (formerly IMCO)
IN	Imported items
IOPC Funds	International Oil Pollution Compensation Funds
ISPS Code	International Ship and Port Facility Security Code
MARPOL	International Convention for the Prevention of Pollution for Ships
NaDMA	National Disaster Management Agency
OAS	Organisation of American States
OECS	Organisation of Eastern Caribbean States
OUT	Exported items
PFSO	Port Facility Security Officer
Reefer	Refrigerated container box
SOLAS	International Convention for the Safety of Life at Sea
SWWU	Seamen and Waterfront Workers Union
TEU	Twenty-foot Equivalent Unit (containers)
Throughput	Total cargo traffic or volume being imports plus exports
Ton	Equivalent of 2200 pounds weight or 35 cubic feet volume
$	Eastern Caribbean Currency Dollar

DIRECTORS, MANAGEMENT, AND SUPERVISORY PERSONNEL

BOARD OF DIRECTORS

Mr. Ron Antoine	Chairperson
Mrs. Chevaughn Spencer- Joseph	Deputy Chairperson
Mr. George Bain Jr.	Member
Mr. Algernon Belfon	Member
Ms.Sheena Lewis	Member
Mr. Finbar Linton	Member
COP. Edvin Martin	Member
Mr. Mike Sylvester	Member

MANAGEMENT TEAM

Mr. Carlyle Felix	General Manager
Mr. Ian Evans	Port Manager
Ms. Gail Ann Newton	Accountant
Mr. Marlon Clyne	Manager-Administration
Ms. Stephany Gordon	Human Resource Manager

MIDDLE MANAGEMENT/SUPERVISORS

Mr. Dunbar Belfon	Bus Terminus
Mr. Lazarus Joseph	Marine
Mrs. Gicel Charles	Accounts
Ms. Hazel Jeremiah	Accounts
Mr. Kenson Charles	Shed 3
Mr. Reginald Cummings	Grenville Port
Mr. Lincoln Edwards	Yard Office
Mr. Carl Edwards	Equipment
Mr. Richard Graham	Shed 1
Mr. Denis Greaux	Operations
Mrs. Ursula Joseph	Bus Terminus
Mr. Ian Noel	Cruise Terminal (Melville Street)
Mrs. Nicole Joseph-Noel	Secretariat
Mr. Dexter Leggard	Carriacou Station
Mr. Anthony Samuel	Dock Labour
Mr. Kevin Johnson	IT Department
Mr. Davidson Toussaint	Queen's

OVERVIEW OF THE PORTS AUTHORITY

The Grenada Ports Authority is a statutory body which operates under the aegis of the Minister of Finance who appoints the Chairman and other members of the Board of Directors. The Authority is governed by **Cap. 247** of the *2010 Revised Edition of the Laws of Grenada.*

Core Functions:

The core functions of the Authority include the following:

i) Operation and administration of ports under its jurisdiction;
ii) Regulation and control of navigation within the limits of such ports;
iii) Maintenance, improvement and regulation of ports and services therein;
iv) Provision of pilotage services and navigational aids for the ports and their approaches.

In addition to its core corporate functions the Authority is responsible for the administration of the *Shipping Act* **Cap.303**, and co-administration of the *Yachting Act* **Cap.345**. It also owns and operates the St. George's Bus Terminus.

Devolving from its functions under the *Shipping Act* the Authority is the de facto national maritime and ocean umbrella organisation. As such, it is the focal point for organisations such as the **IMO**, the **IOPC** Funds, the **IHO,** and the **OAS** Committee on Ports. The National Physical Planning Authority also relies on input from the Authority in considering developments on the coastal zone.

Mission

The Authority's mission is to administer the ports, facilities and services in a manner best calculated to serve the public interest.

Vision

The Authority's vision is to be a leading provider of high quality and cost effective services within the Organisation of Eastern Caribbean States.

Core Values

The core values of the Ports Authority are as follows:

- Integrity
- Accountability
- Empowerment
- Motivation
- Team Work
- Operating in the public interest
- Quality service
- Safety.

PERFORMANCE REVIEW 2020

Economic Environment

The International Monetary Fund's (IMF) World Economic Outlook (WEO) report for January 2020 expressed optimism for the year ahead. This was supported by *a set of risks to global economic activity that was less tilted towards the downside; market sentiment had been boosted, accommodative monetary policy and, sporadic good news about US-China trade negotiations.* However, the Economist magazine of December 23rd 2020 said this positive outlook was brief. In spring of 2020 a health emergency that risked triggering an economic and financial crisis hovered worldwide. The COVID-19 pandemic unleashed lockdowns and countries experienced their deepest downturns in recent memory. In the October 2020 issue of the WEO report, the IMF identified signs of gradual rebound returning, however, the world economy was expected to contract by 4.4 %.

Caribbean countries that are heavily dependent on tourism were particularly affected by the world wide disruptions caused by the COVID-19 pandemic in 2020. The IMF described the impact of the lockdowns and travel bans as an economic "cardiac arrest" for Caribbean countries. Additionally, the ECCB cited a 12.9 % decline in GDP for countries in the sub-region.

The 2020 Economic Review & Medium-Term Outlook issued by the Ministry of Finance anticipated a fall in real GDP of 12.2 % due to the impact of the COVID-19 pandemic. This can be contextualized against average growth rates of 4.4 percent per year in GDP over the last seven years. Average inflation for 2020 was expected to be -1.0%; after the first six (6) months of the year it was -0.6 percent. Unemployment also increased significantly in the second quarter of 2020; close to 14,000 jobs were loss and the unemployment rate went from 15.1% to 28.4% during that same period according to the labour force survey.

The financial performance of the GPA is directly linked to these prevailing economic conditions.

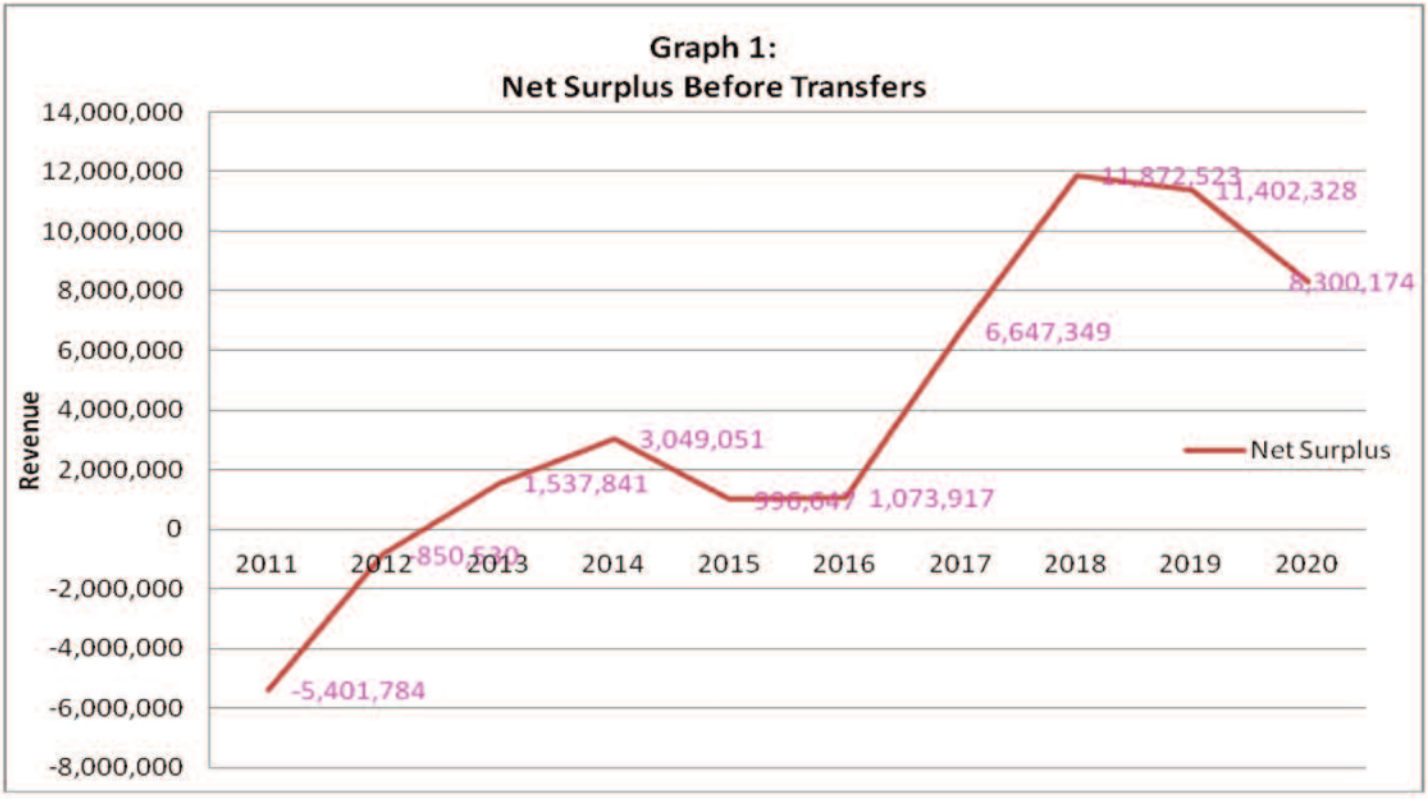
Financial Performance

The Audited Financial Statement for the year ended 31st December, 2020 shows the Authority generated **Gross Operating Revenue of $23.13 million;** this fell short of the 2019 figure ($28.57 million) by $5.44 million or 19.04%. The decrease in Gross Operating Revenue was primarily due to **reductions in overall economic activity;** cargo throughput in 2020 was **111,251 tons less** than 2019 and the total number of ship calls was **288 calls less** in 2020.

Total Operating Expenditure decreased by 13.46% in 2020 compared to 2019 moving from $18.1 million to **15.7 million.** This decrease includes; **General and Administrative Cost** which was $9.06 million in 2019 compared to $7.9 million in 2020, **a decrease of just over $1.19 million or 13.24%** and; **Repairs and Maintenance cost which fell by 48.62%** moving from $1.99 million in 2019 to $1.02 million in 2020.

The Authority realized an **Operating Surplus before interest of $7.42 million** in 2020 compared to $10.5 million in 2019. It is important to note, in 2019 the Authority benefited from gains in its equity investments and enjoyed a positive net balance on finance cost as a result of both interest income earned and liquidation of debt commitments. As such, **Net Surplus before transfer to reserve for 2020 was $8.3 million compared to $11.4 million** in 2019, a decrease of $3.1 million, or 27.2%.

In 2020 the GPA granted waivers of charges totalling $390,403; this was not captured in the above figures. In accordance with Sections 26 and 32 of the Ports Authority Act, Cap 247, the Board of Directors declared and **transferred the amount of $166,003 to the Government's Consolidated Fund** in respect of the fiscal year 2020.



Graph 1: Net Surplus and losses before Transfer to Reserve (2011-2020)

Consolidated Non-Financial Performance

Some key non-financial performance indicators of the Authority's operation are highlighted in Table 1.

Indicator	Actual 2020	Actual 2019	Absolute Tonnage Change 2019/2020	% Change 2019/2020
Cargo Imported (tons)	622,154	727,976	(105,822)	-14.54
Cargo Exported (tons)	31,231	36,660	(5,429)	-14.81
Cargo Throughput (tons)	653,385	764,636	(111,251)	-14.55
Cruise Ship Calls	119	253	(134)	-52.96
Other Ship Calls	884	1,038	(154)	-14.84
Total Ship Calls	1,003	1,291	(288)	-22.31
Yacht Calls	2,369	4,133	(1764)	-42.68
Cruise Passengers	162,713	335,076	(167,363)	-49.95
TEUs Landed	11,122	12,343	(1,221)	-9.89
TEUs Loaded	10,739	12,370	(1,631)	-13.19
Total (teus)	21,861	24,713	(2,852)	-11.54

Table 1: Non-Financial Performance 2020

Operations

Port of St. George's

The Port of St. George's is the main seaport in the state of Grenada and consists of the following:

i. Three Tanker Terminals – One at Queens Park and two at Grand Mal

ii. The Melville Street Cruise Terminal

iii. The Carenage Basin Facility (Main Terminal)

The Carenage Basin Facility

This terminal is a multi-use facility, however it has been developed and equipped to primarily accommodate **cargo handling activities**. In fact, it is the **only seaport within the state of Grenada equipped to handle containerized cargo.**

Some of the main features of the Carenage basin include:

- A main pier which is 1100 ft. long with depth of 30 ft. alongside;
- 270 ft. schooners wharf with alongside depth of 18 ft;
- 25 electric points within the open yard to accommodate reefer containers;
- ISPS Code Certified;
- Facilitates the working of vessels beyond 1100 hours.

Melville Street Cruise Terminal

Some of the main features of the Melville Street Cruise Terminal are:

- Built specifically for berthing cruise ships and accommodating passengers;
- There is a Northern and Southern Berth each 1,200 ft. long with 34 ft. depth alongside;
- Cruise Ships with a maximum size of 1,040 ft. in length overall (LOA) and 31 ft. draught can berth alongside;
- There is an adjoining duty free shopping complex at the terminal, which provides easy access to passengers wishing to do shopping;
- It is seen as the main gateway to "Pure Grenada" for the thousands of cruise ship passengers who visit annually;
- In an attempt to optimize use of the Terminal with increase arrivals a Memorandum of Under standing for cooperative cruise promotion and advertising was signed with the Grenada Tourism Authority January 1st, 2017.

Ports in Carriacou

In 2020, total cargo throughput for Carriacou was recorded at 18,842 tons, a decrease of 9,417 tons or 49.98% compared to 2019. Similarly, the total number of ship calls to Tyrrel Bay was 186; a decrease of 66 (or 26.19%) compared to 2019. There were 10 passenger ship calls in 2020 compared to 24 in 2019, while the number of cargo vessel calls; including tankers and; tug & barge, were 176. Yacht calls to Carriacou for the year totalled 828; this was 1,571 calls less than 2019.

The Picturesque Port of Tyrrel Bay, Carriacou.

Port of Grenville

Cargo throughput at Grenville Port for 2020 totalled 3,650 tons, a decrease of 2,884 tons or 44.14% compared 2019. The cargo handled at the Grenville Port in 2020 represented 0.56% of overall cargo throughput for the Authority. Revenue recorded for Grenville over the past year also decreased from $169,578 in 2019 to $91,232.05 in 2020.

Chart 1 below shows, 15,554 tons of cargo was handled by Grenville in 2008 compared to 3,650 tons in 2020. The removal of cement operations from Grenville is the major factor responsible for this decline.

Other Ports

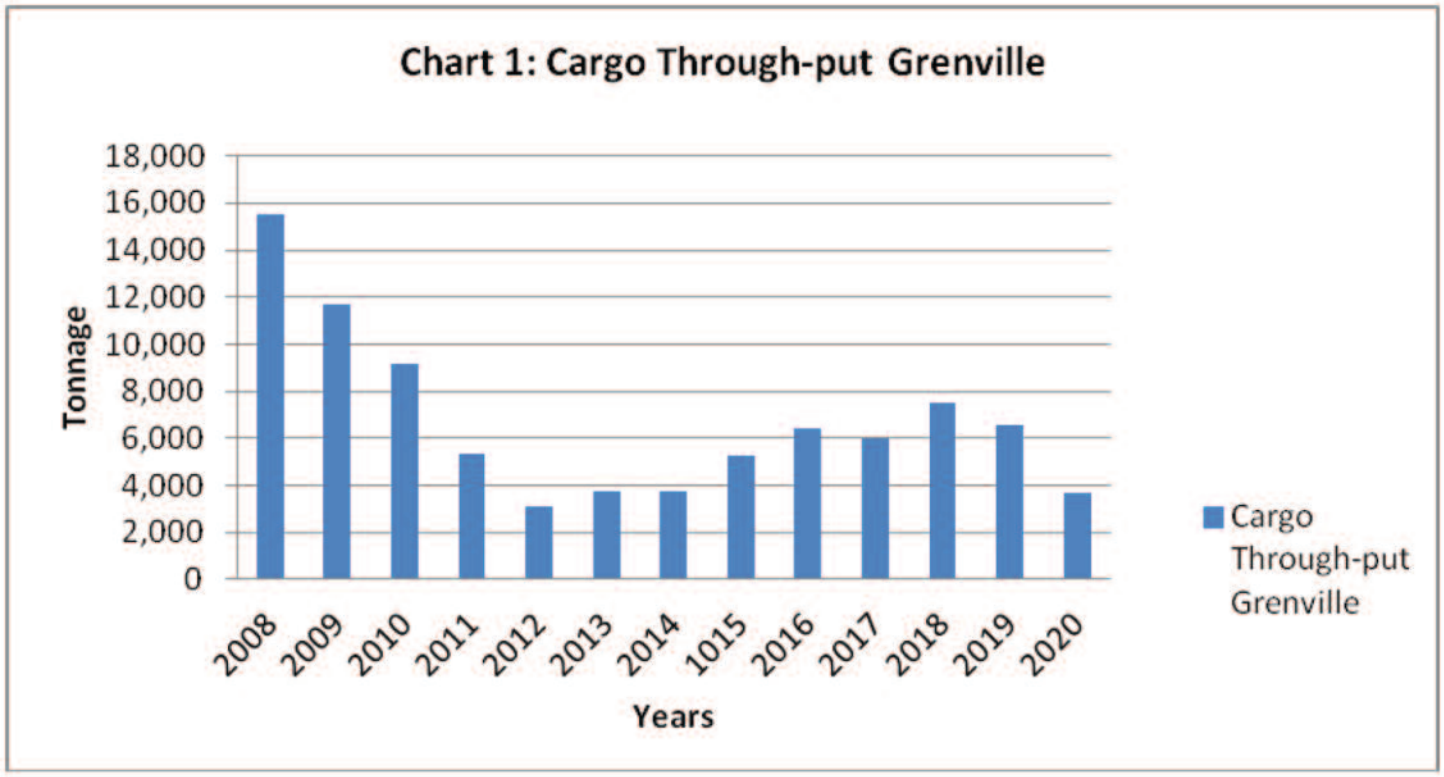
The Grenada Ports Authority has jurisdiction over three additional small ports, namely, Port of Lance Aux Epines, also known as Prickley Bay, St. David Harbour and Petit Calivigny, all located on mainland Grenada. These ports are designated exclusively for use by yachts.

In 2020 a total of 2,369 calls were made by yachts to ports of entry under the jurisdiction of the Authority; this is 52% less than the total calls in 2019. Of these yacht calls, 194 were made to the three Ports of Prickley Bay, St. David Harbour and Petit Calivigny; a decrease of 549 calls or 73.9% compared to 2019.

Systems/Operational Improvements

In 2020 the GPA strengthened its security system, including the installation of additional cameras at strategic locations. A Customer Service consultant was engaged to review and make recommendations to improve the delivery of customer service to the general public.

The COVID-19 pandemic ushered in new norms for operations and many changes were made to facilitate the continued flow and availability of goods to the business community. An internal COVID-19 Committee emerged to review, update and implement the GPA's COVID-19 protocols to ensure compliance with the Regulations for conducting business on the Port.



Container discharge operation at St. George's Port

Capital Investment Projects

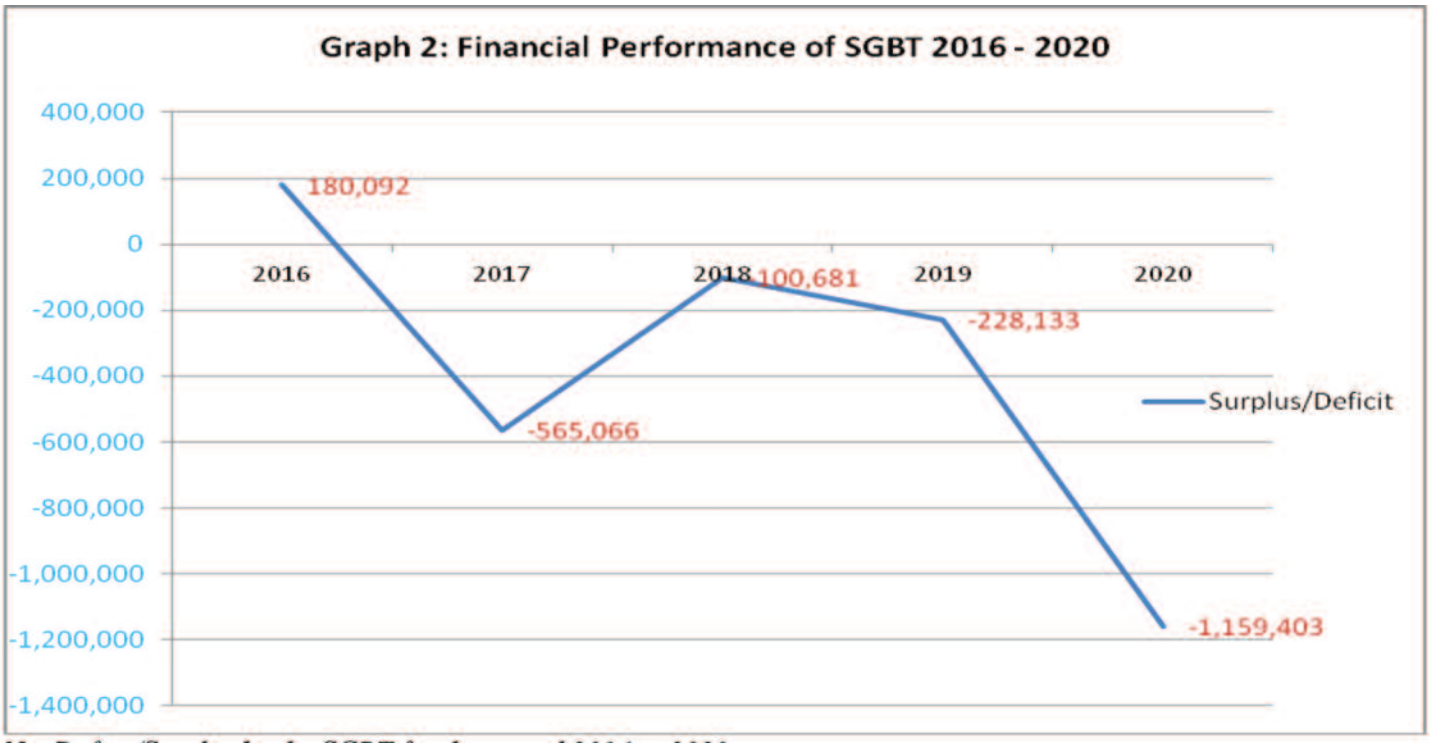
Despite the impact of the Covid-19 pandemic the GPA was able to purse a number of Capital related investments projects totalling $872,305 in 2020.

- Purchase of 2 Trailer Jockeys;
- Purchase of 2 Container Spreaders;
- Improvement to Old Shed 3;
- Re-construction of the Queen's Jetty;
- Upgrade of to the Welcome Centre;
- Navigational Aids - Grenville.

St. George's Bus Terminus

In 2020 operations at the SGBT realized total revenue of $479,167 compared to $1,455,243 recorded in 2019, a decrease of $976,076 or 203.7%. This decrease was due primarily to the disruptions caused by the COVID-19 pandemic. The lockdown experienced during this period, April to December 2020, brought no revenue to the terminus for those months. At the same time, total operating expenditure fell marginally from $1,683,376 in 2019 to $1,638,570.

St. George's Bus Terminus recorded a net deficit of $1,159,403 in 2020; this deficit is $931,270 more than the deficit recorded in 2019 ($228,133) as shown in graph 2 below.



Net Deficit/Surplus by the SGBT for the period 2016 to 2020

Maritime Administration

Maritime Administration is governed primarily by the provisions of the Shipping Act, Cap. 303.

As at 31st December 2020 Grenada, as a closed registry, had 82 registered vessels with a total Gross Tonnage of 2,610.8.

One major deficiency coming out of the 2018 Audit was Grenada's slowness to incorporate amendments to mandatory IMO instruments into national legislation. The limited availability of local maritime legal drafters is the main contributing factor to this problem.

Corporate Developments

Board of Directors

The Board of Directors of the Authority was reconstituted with effect from June 1st, 2020. The first half of the year saw out going members Mr. Shane Derby, Mr. Michael Stephen and Mr. Andre' Worme. The members of the current Board are stated on page 3 above.

Human Resource Development

In 2020 the disruptions caused by the COVID-19 pandemic negatively affected training programs that were expected to befit staff both locally and abroad. Fire safety training in Carriacou, as captured below, was one of the planned events that occurred before the unset of the pandemic.

The GPA will continue to provide opportunities for staff's development both locally and abroad. This will ensure that they continue to perform their roles effectively to realize increased levels of productivity while ensuring the quality of service delivered to customers improves.

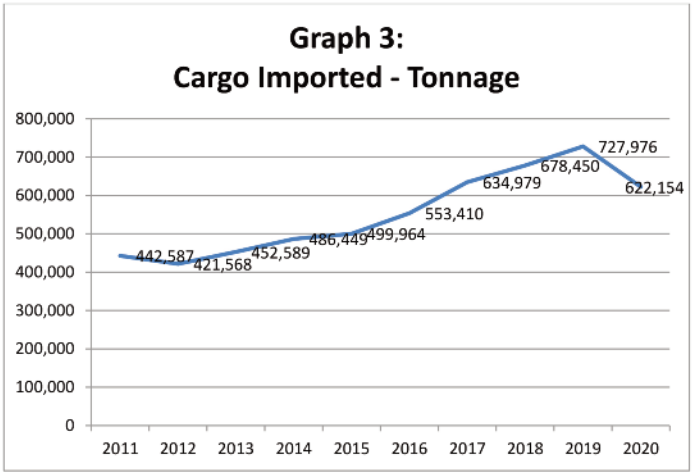
Health & Safety Training Workshop for workers at Tyrrel Bay Port facility.

Affiliations & Regional Cooperation

The Ports Authority continues to serve as a proxy for Grenada in key regional and international maritime and shipping organisations such as the IMO, IOPC Funds, Caribbean Memorandum on Port State Control and the Caribbean Shipping Association. In this regard, personnel of the Authority continued to represent Grenada at meetings, conferences and other activities of those organisations.

Prospects for 2021

Activities at the main port have increased significantly over the past thirty-eight (38) years to keep pace with growth in the local economy. In 2019, prior to the impact of the Covid-19 pandemic, imported tonnage stood at 727,976, this is 65.5% more than the quantity of cargo imported in 2011, see graph 3 on page 11.



A steady upward trend in cargo imported

Further, during the lockdown period, the Port was filled to capacity as all cargo vessels that called at the Port of St. George's, were attended to on arrival. Special arrangements had to be put in place to encourage and facilitate clearance by consignees.

Outside of the congestion caused by the pandemic, the Authority has recognized the growth in the demand for limited port space on a day-to-day basis under normal times.

The Authority is therefore looking to decentralize some of the activities currently taking place on the main port. It is generally accepted that some of the basic services offered can be removed from the port and placed in-land.

St. George's Port challenged by limited space

With growing interest in fast ferries to meet the needs of the regional travelling and business communities, this is another area the Authority must give serious consideration; a fast ferry terminal.

Acknowledgements

The Board of Directors of the GPA recognises the invaluable contributions of its Management and Staff, past and present, and expresses its profound gratitude to them for their support and cooperation during this extra challenging past year, 2020.

Special appreciation is also extended to the Customs and Excise Division; the Royal Grenada Police Force and all other stakeholders who worked with the GPA to make 2020 a successful year despite the many challenges and limitations.

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CHAIRMAN GENERAL MANAGER

27th JULY 2021

STATISTICS

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
No. Break Bulk (-200)	2,846	3,056	2,870	345	2,083	2,217	3,547	2,060	2,280	3,462	3,674	3,607	**32,047**
No. Break Bulk (+200)	56,751	46,107	75,282	54,980	19,958	61,085	71,782	63,423	56,417	45,294	75,346	47,256	**673,681**
No. Container Ships	242,311	222,541	250,728	230,464	165,719	233,377	171,710	176,573	171,568	181,881	154,866	174,145	**2,375,883**
No.Cruise Ships	2,803,861	2,382,452	1,165,127	0	431,241	496,783	0	194	0	0	0	0	**7,279,658**
No. Tankers	43,498	64,489	64,902	39,585	66,813	48,972	50,419	70,070	53,398	45,294	56,162	55,072	**658,674**
Total	**3,149,267**	**2,718,645**	**1,558,909**	**325,374**	**685,814**	**842,434**	**297,458**	**312,320**	**283,663**	**275,931**	**290,048**	**280,080**	**11,019,943**

Cargo Imported - Tonnage 2020

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
No. Break Bulk (-200)	2,178	2,406	1,663	265	1,802	1,753	2,475	1,256	1,703	2,109	1,897	2,312	**21,819**
No. Break Bulk (+200)	20,345	17,758	26,028	10,043	9,699	18,995	21,064	21,546	19,851	16,001	22,216	12,402	**215,948**
No. Container Ships	22,736	23,524	26,810	20,549	17,112	18,118	23,093	21,811	20,443	23,568	24,660	34,272	**276,696**
No.Cruise Ships	0	0	0	0	0	0	0	0	0	0	0	0	**0**
No. Tankers	9,826	9,629	10,349	8,416	11,199	6,276	8,680	6,638	11,881	4,919	9,928	9,950	**107,691**
Total	**55,085**	**53,317**	**64,850**	**39,273**	**39,812**	**45,142**	**55,312**	**51,251**	**53,878**	**46,597**	**58,701**	**58,936**	**622,154**

Cargo Exported - Tonnage 2020

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
No. Break Bulk (-200)	2	4	0	0	0	6	6	6	6	8	4	4	**46**
No. Break Bulk (+200)	0	0	0	0	0	0	0	0	0	254	0	0	**254**
No. Container Ships	2,225	2,625	3,156	850	1,675	2,675	2,750	2,775	3,850	2,700	2,525	3,125	**30,931**
No.Cruise Ships	0	0	0	0	0	0	0	0	0	0	0	0	**0**
No. Tankers	0	0	0	0	0	0	0	0	0	0	0	0	**0**
Total	**2,227**	**2,629**	**3,156**	**850**	**1,675**	**2,681**	**2,756**	**2,781**	**3,856**	**2,962**	**2,529**	**3,129**	**31,231**

Ships Arrivals - 2020

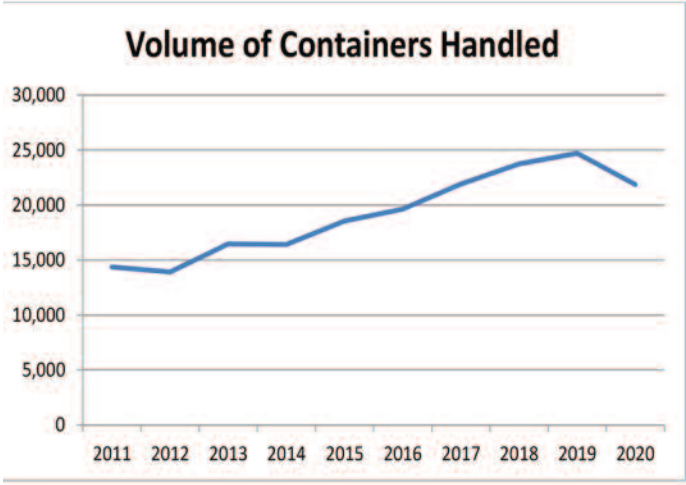
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
No. Break Bulk (-200)	26	29	28	2	15	22	35	23	21	35	32	36	**304**
No. Break Bulk (+200)	20	21	21	11	12	15	26	19	22	26	21	21	**235**
No. Container Ships	19	18	19	19	15	15	15	16	15	16	14	15	**196**
No.Cruise Ships	49	40	21	0	4	4	0	1	0	0	0	0	**119**
No. Tankers	12	16	17	11	16	12	12	9	12	9	13	13	**152**
Total	**126**	**124**	**106**	**43**	**62**	**68**	**88**	**68**	**70**	**86**	**80**	**85**	**1,006**

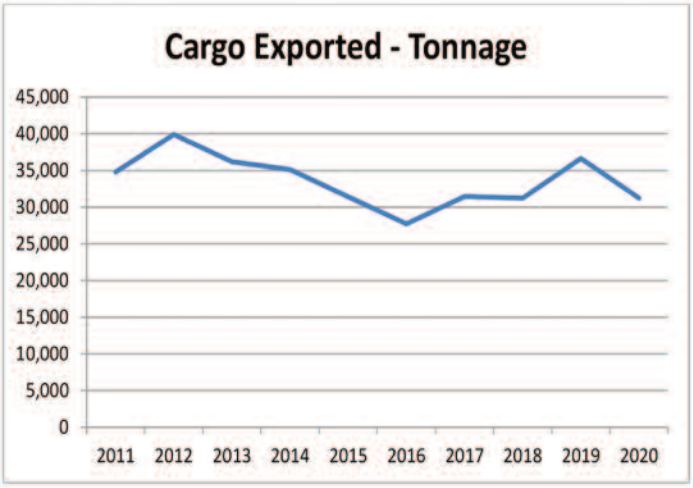
Volume of Containers handled during 2020(Teu's)

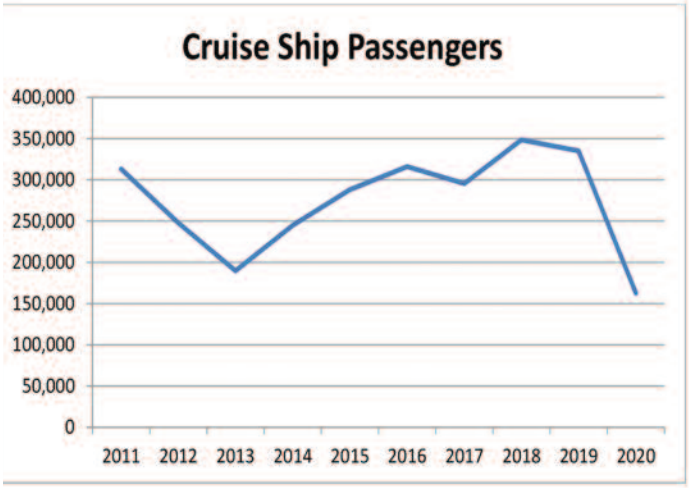
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
IN	921	941	1,075	822	682	727	924	882	826	955	997	1,371	**11,123**
OUT	1,050	1,272	932	640	922	802	859	964	754	879	716	949	**10,739**
Total	**1,971**	**2,213**	**2,007**	**1,462**	**1,604**	**1,529**	**1,783**	**1,846**	**1,580**	**1,834**	**1,713**	**2,320**	**21,862**

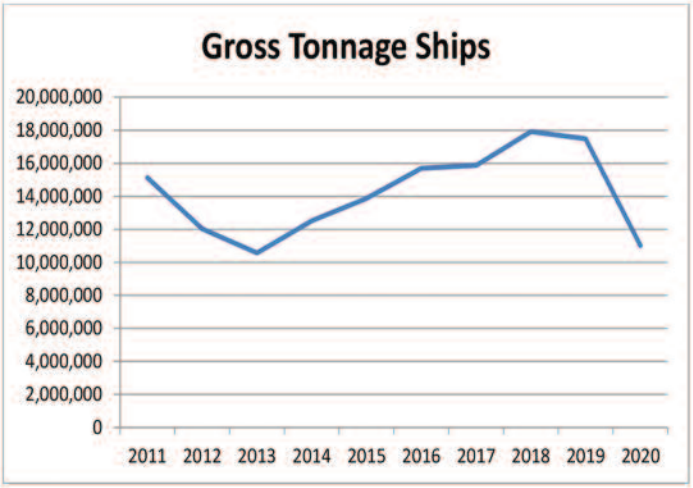
Cruise Ship Passengers - 2020

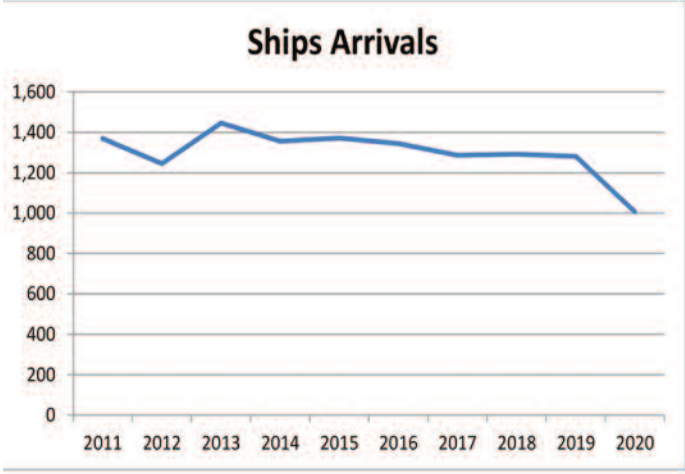
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
Cruise Ship Passengers	75,046	61,336	26,325	0	0	0	0	6	0	0	0	0	**162,713**

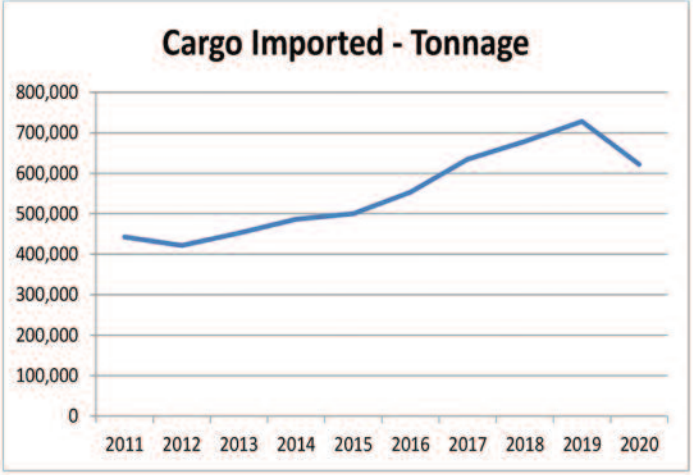

Volume of Containers Handled
30,000
25,000
20,000
15,000
10,000
5,000
0
2011 2012 2013 2014 2015 2016 2017 2018 2019 2020


Cargo Exported - Tonnage
45,000
40,000
35,000
30,000
25,000
20,000
15,000
10,000
5,000
0
2011 2012 2013 2014 2015 2016 2017 2018 2019 2020


Cruise Ship Passengers
400,000
350,000
300,000
250,000
200,000
150,000
100,000
50,000
0
2011 2012 2013 2014 2015 2016 2017 2018 2019 2020


Gross Tonnage Ships
20,000,000
18,000,000
16,000,000
14,000,000
12,000,000
10,000,000
8,000,000
6,000,000
4,000,000
2,000,000
0
2011 2012 2013 2014 2015 2016 2017 2018 2019 2020


Ships Arrivals
1,600
1,400
1,200
1,000
800
600
400
200
0
2011 2012 2013 2014 2015 2016 2017 2018 2019 2020


Cargo Imported - Tonnage
800,000
700,000
600,000
500,000
400,000
300,000
200,000
100,000
0
2011 2012 2013 2014 2015 2016 2017 2018 2019 2020

DIRECTOR OF AUDIT REPORT TO THE HOUSE OF REPRESENTATIVES ON THE FINANCIAL STATEMENTS OF GRENADA PORTS AUTHORITY FOR YEAR ENDED 31 DECEMBER 2020

Section 9 of the Audit Act CAP. 22A of the Laws of Grenada permits me as Director of Audit, to delegate my responsibility or power under the Act, other than the responsibility to make a report to the Minister or an appropriate Minister that is to be laid before the House of Representatives, to a professional auditor entitled by law to practice accounting in Grenada.

The Minister shall, not later than seven days after the House of Representatives first meet, after he has received the report, lay it before the House of Representatives. This is in compliance with Section 82(4) of the Constitution of Grenada.

I delegated my responsibility to PKF Accountants and Business Advisers to conduct the audit of the financial statements of Grenada Ports Authority (GPA) in accordance with appropriate auditing standards; I have also delegated my powers to access records and obtain information under Section 19 of the Audit Act CAP. 22A of the Laws of Grenada. I have reviewed the audited financial statements of the Grenada Ports Authority for the year ended 31 December, 2020 and I'm satisfied with the opinion given by PKF Accountants and Business Advisers.

Auditors Opinion

PKF have audited the financial statements of the Grenada Ports Authority, which comprise the statement of financial position at 31 December, 2020 and the statement of comprehensive income, statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In their opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Authority as at 31 December, 2020 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

PKF conducted their audit in accordance with International Standards on Auditing (ISAs). Their responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of their report. They are independent of the Authority in accordance with the ethical requirements that are relevant to their audit of the financial statements in Grenada and they have fulfilled their other responsibilities in accordance with these requirements. They believe that the audit evidence they have obtained is sufficient and appropriate to provide a basis for their opinion.

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 IFRS for 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 Authority'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 Authority or to cease operations, or has no alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

PKF 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 and auditors' report that includes

their opinion. Reasonable assurance is a high level 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, they exercise professional judgment and maintain professional scepticism throughout the audit. They 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 evidence that is sufficient and appropriate to provide a basis for their 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.

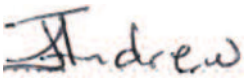
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.

- 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 relate to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If they conclude that a material uncertainty exists; they are required to draw attention in their auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify their opinion. Their conclusions are based on the audit evidence obtained up to the date of their auditor's report. However, future events or conditions may cause the Authority 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.

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



Jeanelle Andrew
DIRECTOR OF AUDIT (AG.)

27 AUGUST 2021

AUDIT OFFICE
GRENADA

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS AND THE MINISTER OF FINANCE, ECONOMIC DEVELOPMENT AND PHYSICAL DEVELOPMENT, PUBLIC UTILITIES & ENERGY ON GRENADA PORTS AUTHORITY

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Grenada Ports Authority ("the Authority"), which comprise the statement of financial position at December 31, 2020, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in Grenada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information included in the Authority's 2020 Annual Report

Other information consists of the information included in the Authority's 2020 Annual Report, other than the financial statements and our auditors report therein. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we will 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.

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 IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Report on the Audit of the Financial Statements (continued)

In preparing the financial statements, management is responsible for assessing the Authority'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 Authority or to cease operations, or has no realistic alternative but to do so.

Auditors' 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 auditors' 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 Authority's internal control.

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 IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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Report on the Audit of the Financial Statements (continued)

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 Authority'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 Authority'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 conclusionsare based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority 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.

GRENADA

May 6th, 2021

PKF

Accountants & Business Advisers:

STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31ST DECEMBER, 2020

	Notes	2020	2019
ASSETS			
Non-Current Assets			
Property, plant and equipment	4	216,679,588	222,771,161
Investment securities - Equity	5	22,656,657	20,537,901
		239,336,245	243,309,062
Current Assets			
Inventories	6	787,391	689,834
Trade and other receivables	7	2,995,003	2,962,448
Investment securities – Debt	5	10,317,570	11,662,517
Cash and cash equivalents	8	11,976,723	14,389,226
		26,076,687	29,704,025
TOTAL ASSETS		**$265,412,932**	**$273,013,087**
EQUITY AND LIABILITIES			
Capital and Reserves			
Capital contribution	9	10,841,941	10,841,941
Reserve fund	10	116,353,505	121,586,479
Revaluation reserve	11	129,839,544	129,839,544
TOTAL GOVERNMENT EQUITY		257,034,999	262,267,964
Current Liabilities			
Trade and other payables	13	4,593,461	3,716,102
Pension fund liability	12	3,618,478	6,752,068
Government of Grenada Consolidated fund	14	166,003	276,953
		8,377,942	10,745,123
TOTAL LIABILITIES AND EQUITY		**$265,412,932**	**$273,013,087**

The accompanying notes form an integral part of these financial statements
Approved by the Board on 29th April, 2021 and signed on their behalf by:

:Director

:Director

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER, 2020

	Notes	2020	2019
Gross Operating Revenue (Schedule 1)		23,130,639	28,568,504
Less: Operating Expenditure			
General and administrative (Schedule 3)		7,850,136	9,055,908
Repairs and maintenance (Schedule 7)		1,014,991	1,994,117
Marketing and advertising		29,211	44,590
Utilities (Schedule 6)		463,303	613,901
Depreciation		6,108,045	6,106,914
Security		245,500	245,500
Total Operating Expenditure		15,711,186	18,101,451
Operating profit before interest		7,419,453	10,467,053
Add: Gain on equity investments		950,180	465,900
Finance income	15	1,032,974	509,357
Net finance costs	16	(35,327)	237,871
Operating profit after interest		9,367,280	11,680,181
Add: Non-Operating Revenue			
Miscellaneous income		318,414	582,109
Loss on disposal of fixed asset		(225,898)	(7,690)
		92,516	574,419
Add: Non-Operating Expenses			
St George's Bus terminus (Schedule 8)		(1,159,403)	(228,133)
Grenville Bus terminus		(219)	(624,139)
Total Non-Operating Expenses		(1,159,622)	(852,272)
Net surplus for the year before transfer to reserve			
Less: Appropriation to Reserve Fund in accordance with Section 26 of the Act	10	8,300,174	11,402,328
Net surplus for the year		8,134,171	10,974,741
		166,003	427,587
Transfer to consolidated fund account in accordance with Section 32 of the Act.	16	(166,003)	(427,587)
		NIL	NIL

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER, 2020

	Notes	2020	2019
OPERATING ACTIVITIES			
Net surplus for the year		8,300,174	11,402,328
Adjustments for:			
Depreciation		6,108,045	6,106,914
Gain on equity investments		(950,180)	(465,900)
Transfer to consolidated fund		(166,003)	(427,587)
Cruise complex reserve		1,390,053	2,876,994
Transfer of dock labour claim to reserve		242,802	239,173
Loss on disposal of property, plant and equipment		225,898	7,690
Operating surplus before working capital changes		15,150,789	19,739,612
Increase in inventories		(97,557)	(102,796)
(Increase)/decrease in trade and other receivables		(32,555)	1,863,328
(Decrease)/increase in pension fund liability		(3,133,590)	233,348
Increase/(decrease) in trade and other payables		877,359	(2,266,925)
(Decrease)/increase in amount due to Government of Grenada		(110,950)	62,860
Net cash provided by operating activities		12,653,496	19,529,427
INVESTING ACTIVITIES			
Net movements in investment securities		176,371	9,488,497
Purchase/transfers of property, plant and equipment		(804,988)	(3,333,522)
Proceeds from sale of property, plant and equipment		562,618	-
Donated property, plant and equipment		-	360,000
Net cash (used in)/provided by investing activities		(65,999)	6,514,975
FINANCING ACTIVITIES			
Dividend paid		(15,000,000)	-
Net repayment of borrowings		-	(15,727,574)
Net cash used in financing activities		(15,000,000)	(15,727,574)
Net (decrease)/increase in cash and cash equivalents		(2,412,503)	10,316,828
Cash and cash equivalents - at beginning of the year		14,389,226	4,072,398
- at end of the year	8	$11,976,723	$14,389,226

The accompanying notes form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2020

1. CORPORATE INFORMATION

The Authority was established by the Grenada Ports Authority Act, Cap. 247 for the purpose of providing, maintaining and managing efficient port services and facilities and for the acquisition of certain functions, assets and liabilities of the Ports and Harbours formerly exercisable by the Customs and Excise Department of the Government of Grenada.

The Authority employed on average two hundred and twenty-five (225) persons during the year (2019 – 211).

2. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and are expressed in Eastern Caribbean Currency Dollars. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings and equity investment securities.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2020 (continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

b) *Changes in accounting policies and disclosures*

(i) New Accounting Standards, Amendments and Interpretations

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the Authority's annual financial statements for the year ended December 31st, 2019 except for the adoption of new standards and interpretations below.

Amendments to IAS 1 and IAS 8: Definition of Material (Effective 1st January, 2020)

In October 2018, the International Accounting Standards Board (IASB) issued amendments to IAS 1: Pres entation of financial Statements and IAS 8: Accounting Policies, Changes in Accounting Estimates and

Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

The amendments to the definition of material is not expected to have significant impact on the Authority's financial statements.

(ii) Standards in issue not yet effective

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

- Amendments to IFRS 16 – Covid-19 Related Rent Concessions (Effective 1 June, 2020)
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Phase 2 (Effective 1 January, 2021)
- Amendments to IAS 16 – Property, Plant and Equipment: Proceeds before Intended Use (Effective 1 January, 2022)
- IFRS 17 - Insurance Contracts (Effective 1 January, 2023)

NOTES TO TH FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2020
(continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Changes in accounting policies and disclosures (continued)

(ii) Standards in issue not yet effective (continued)

- Amendments to IFRS 3 – Reference to the Conceptual Framework – (Effective 1 January, 2022)
- Amendments to IAS 37 - Onerous Contracts, Costs of Fulfilling a Contract – (Effective 1 January, 2022)
- Amendments to IAS 1 – Classification of Liabilities as Current and Non-Current – (Effective 1 January, 2023)
- Amendments to IFRS 4 – Extension of Temporary Exemption from applying IFRS 9 – (Effective 1 January, 2022)

(iii) Improvements to International Reporting Standards

The annual improvements process for the International Accounting Standards Board deals with non-urgent but necessary clarifications and amendments to IFRS.

Annual improvements to IFRS Standards 2018-2020 cycle

The following amendments are applicable to annual periods beginning on or after 1 January, 2022

IFRSs – Subject of Amendment

IFRS 1	First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter.
IFRS 9	Financial Instruments – Fees in the ’10 per cent” test for derecognition of financial liabilities.
IFRS 16	Leases – Lease incentives
IAS 41	Agriculture – Taxation in fair value measurements

(c) Property, plant and equipment

Land and buildings are stated at 2008 valuation less subsequent depreciation on buildings. All other assets are stated at cost less accumulated depreciation.

Subsequent costs are included in the assets carrying amounts or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Authority 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2020 (continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Property, plant and equipment (continued)

Increases in the carrying amount arising on revaluation of land and buildings are credited to revaluation surplus in equity. Decreases that offset previous increases of the same asset are charged against the surplus directly in equity; all other decreases are charged to the statement of comprehensive income.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or re-valued amounts to their residual values over their estimated useful lives. The rates used are as follows:

	Per annum
Navigational	20%
Light House	10%
Pier Structure	3.0 %
Jetties	5.0%
Buildings	2.5%- 3%
Cargo handling equipment	10% - 20%
Pilots' Launch	10%
Motor vehicle	20%
Furniture and equipment	10% - 33 1/3%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date. 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 amounts. These are included in the statement of comprehensive income. When re-valued assets are sold, the amounts included in revaluation reserve are transferred to the reserve fund.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2020 (continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Financial instruments

(i) Classification and measurement

Financial instruments are contracts that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are recognised on the Authority's statement of financial position when the Authority becomes party to the contractual provision of the instrument.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date that is the date on which the Authority commits itself to purchase or sell an asset. A regular way purchase and sale of financial assets is a purchase or sale of an asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the market place concerned.

I*nitial measurement*

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss (FVPL) whereby transaction costs are added to, or subtracted from, this amount.

Measurement categories of financial assets and liabilities

The Authority classifies all of its assets as either amortised cost or FVPL.

Amortised cost

The Authority measures its cash and cash equivalents, debt investment securities, and trade and other receivables at amortised cost. Financial assets are measured at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding?

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2020 (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Financial instruments (continued)

(i) Classification and measurement (continued)

Financial assets at fair value through profit or loss

Financial assets in this category are those that are designated by management upon initial recognition or are mandatorily required to be measured at fair value under IFRS 9.

Management only designates an instrument at FVPL upon initial recognition when the following criteria is met. Such designation is determined on an instrument-by - instrument basis:

The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or recognising gains or losses on them on a different basis, or

Financial assets at FVPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit and loss. Interest earned or incurred on instruments designated at FVPL is accrued in interest income, using the Effective Interest Rate (EIR), taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument.

Dividend income from equity instruments measured at FVPL is recorded in profit or loss as other income when the right to the payment has been established.

(ii) Impairment

In relation to the impairment of financial assets, the Authority uses an expected credit loss (ECL) approach which requires the Authority to account for expected credit losses and changes in those expected credit losses at each reporting date.

The Authority records an allowance for expected credit (ECL) losses for its financial assets, except for equity investments, where applicable.

Equity securities are not subject to impairment under IFRS 9 because their potential impairment is taken into consideration when re-measuring these investments to their fair valuation.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2020
(continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Financial instruments (continued)

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Authority expects to receive.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Authority considers a financial asset in default when internal or external information indicates that the Authority is unlikely to receive the outstanding contractual amounts in full.

Based on the above process, the Authority classifies its financial asset ECLs, except for trade receivables and equity investment securities, into Stage 1, Stage 2 and Stage 3 where applicable.

Stage 1

Financial assets are first recognised, the Authority recognises an allowance based on 12 month ECLs. Stage 1 also includes financial assets where the credit risk has improved and the financial assets have been reclassified from Stage 2.

Stage 2

When financial assets have shown a significant increase in credit risk since origination, the Authority records an allowance for the Lifetime ECLs. Stage 2 also includes financial assets where the credit risk has improved and financial assets have been reclassified from Stage 3.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2020 (continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Financial instruments (continued)

(ii) Impairment (continued)

Stage 3

Financial assets considered credit-impaired. Here the Authority records an allowance for the Lifetime ECLs (LTECLs)

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

PD - The Probability of Default is an estimate of the likelihood of default over a given into period of time. A default may only happen at a certain time over the asserted period, if the facility has not been previously derecognised and is still in the portfolio.

EAD - The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date including repayments of principal and interest, whether scheduled by contract or otherwise.

LGD - The Loss Given Default is an estimate of the loss arising in the case were a default occurs at a given time. It is based on the difference between the contractual cash flows due and the cash flows expected to be received. It is usually expressed as a percentage of the EAD.

The maximum period for which the credit losses are determined is the contractual life of a financial instrument.

Calculation of ECLs

Stage 1

The 12 month ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Authority calculates the 12 months ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2020 (continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Financial instruments (continued)

(ii) Impairment (continued)

Stage 2

When financial assets has shown a significant increase in credit risk since origination, the Authority records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the loan.

Stage 3

For financial assets considered credit-impaired, the Authority recognises the lifetime expected credit losses for these financial assets. The method is similar to that for Stage 2 assets, with the PD set at 100%.

A financial asset is impaired if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Objective evidence that a financial assets or group of financial assets is impaired includes observable data that comes to the attention of the Authority on the following loss events:

(i) Significant financial difficulty of the issuer or obligor.

(ii) A breach of contract, such as default or delinquency in interest or principal payments.

(iii) It is becoming probable that the borrower will enter in bankruptcy or other financial re-organization.

(iv) The disappearance of an active market for that financial asset because of financial difficulties.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2020 (continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Financial instruments (continued)

(ii) Impairment (continued)

Impairment of Trade Receivables

The Authority records an allowance for expected credit losses for its trade receivables using a simplified approach. The ECL allowance is based on the credit losses expected to arise over the life of the assets (LTECL). The ECL on these financial assets are estimated used a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The provision rates used in the provision matrix are based on days past due. The LTECLs for the Authority's trade receivables are calculated on an individual basis with various categories.

(iii) Write offs

The gross carrying amount of a financial asset is written off to the extent that there is no realistic prospect of recovery. This is generally when the Authority determines that the borrower does not have assets or resources of income that would generate sufficient cash flows to repay the amount subject to the write-off. However, the financial assets could still be subject to enforcement activities in order to comply with the Authority's procedures.

(iv) Derecognition of financial assets

The Authority derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Authority neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Authority recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Authority retains substantially all the risks and rewards of ownership of a transferred financial asset, the Authority continues to recognise the financial asset and also recognises collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2020
(continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Financial instruments (continued)

(v) Financial liabilities

When financial liabilities are recognised they are measured at fair value of the consideration given plus transactions costs directly attributable to the acquisition of the liability. Financial liabilities are re-measured at amortised.

Financial liabilities are derecognized when they are extinguished, that is when the obligation specified in the contract as discharged, cancelled or expired. The difference between the carrying amount of a financial

liability extinguished and the consideration price is recognised in the statement of comprehensive consideration price is recognised in the statement of comprehensive income.

(e) Inventories

Inventories are stated at the lower of cost incurred in bringing each product to its present location and condition and net realizable value. Cost is determined on a first-in, first-out basis. Net realizable value is the price at which stock can be realized in the normal course of business.

(f) Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost less provision for expected credit losses. A provision for impairment of trade receivables is established when there is objective evidence that the Authority will not be able to collect all amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor and default or delinquency in payment are considered indicators that the trade receivable is impaired.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2020
(continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Cash and cash equivalents

Cash and cash equivalents comprises of cash on hand and at bank. Bank overdraft is included as a component of cash and cash equivalents for the purpose of the cash flow statement. Bank overdraft is shown within short-term borrowings in current liabilities on the statement of financial position.

(h) Trade payables

Trade payables 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.

Trade payables are recognised initially at fair value and subsequently measured at amortized cost using the effective interest rate method.

(i) Borrowings

Borrowings are recognised at fair value net of transaction cost incurred. Borrowings are subsequently stated at amortized cost: any difference between the proceeds, net of transaction cost, and the redemption value is recognised in the statement of comprehensive income over the period of borrowings. Borrowings are classified as current liabilities unless the Authority has an unconditional right to defer settlement of the liability for at least twelve (12) months after the statement of financial position date.

(j) Employee benefits

Bonus scheme

The Authority operates a bonus scheme which is distributed to employees each year based on the terms outlined in the respective Union Agreements.

Pension benefits

The Authority operates a defined contribution pension plan which is administered by the Authority. The Authority and employees each contributes 5% of basic salaries to the fund. The Authority's contribution is recorded as an expense in the statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2020
(continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Provisions

Provisions are recognised when the Authority 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.

(l) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for services in the ordinary course of the Authority's activities. Revenue is shown, net of estimated returns, rebates and discounts. Revenue is recognised as follows:

i) *Sales of services*
Sales of services are recognised in the accounting period in which the services are rendered.

ii) *Interest and investment income*
Interest income and investment income are recognized on an accrual basis.

iii) *Entry fee- Bus Terminus*

The Authority accounts for entry fees at the Bus Terminus on an accrual basis.

iv) *Dividend income*

Dividend income is recognized on the cash basis consistent with International Accounting Standards (IAS) 10.

v) *Rental income*

Rental income is recognized on an accrual basis.

(m) Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are re-translated at the rate of exchange ruling at the statement of financial position date. The resulting profits and losses are dealt with in the statement of comprehensive income.

(n) Finance cost

Finance cost is recognized in the statement of comprehensive income as an expense in the period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2020 (continued)

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES

The development of estimates and the exercise of judgment in applying accounting policies may have a material impact on the Authority reported assets, liabilities, revenues and expenses. The items which may have the most effect on these financial statements are set out below.

i) Fair value of equity investments

The fair values of financial instruments that are not quoted in active markets are determined using the last traded value for the investment. Where no such value exists the investment is carried at cost.

ii) Property, plant and equipment

Management exercises judgment in determining whether future economic benefits can be derived from expenditures to be capitalized and in estimating the useful lives and residual values of these assets.

iii) Calculation of impairment loss allowances

Assets are impaired when the carrying value is greater than its recoverable amount and there is objective evidence of impairment. Recoverable amount is the present value of the future cash flows. Provisions are made for the excess of the carrying value over its recoverable amount.

The measurement of impairment losses under IFRS 9 across all categories of financial assets requires judgement. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

iv) Impact of COVID-19

Background

COVID 19, which is a respiratory illness caused by a new virus, was declared a world wide pandemic by the World Health Organisation on March 11, 2020. The Authority has considered the impact of COVID 19 in preparing its financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2020 (continued)

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES (continued)

iv) Impact of COVID-19 (continued)

Consideration of the statements of financial position and further disclosures

Key considerations of the impact of COVID-19 on statements of financial position and related disclosures were as follows:

Expected Credit Losses

Trade and other receivables:

For trade and other receivables, the Authority adopted the simplified approach for determining the provision

for expected credit losses, as permitted by IFRS 9. In response to the COVID-19 pandemic, the Authority assessed the need to adjust the loss rates to incorporate forward-looking information, taking into account the expected recovery rate of receivables and various applicable macroeconomic factors. Based on the analysis performed as at 31 December 2020, no material overlay adjustments specifically related to the COVID-19 pandemic was considered necessary.

Going concern

In accordance with the requirements of IAS 1 'Presentation of Financial Statements', the Authority has performed a going concern assessment as of the reporting date. While the COVID-19 pandemic has heightened the inherent uncertainty in the going concern assessment, the Authority has concluded that there are no material uncertainties that may cast significant doubt on the ability to continue to operate as a going concern. The financial statements have therefore been prepared on the going concern basis.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2020
(continued)

4. PROPERTY, PLANT AND EQUIPMENT

	Land and Pier Structure	Buildings	Navigational Aids	Furniture, Fixtures and Equipment	Pilot Launches	Work-in-Progress	Total
Balance at 1st January, 2019							
Cost/Valuation	234,437,410	30,542,760	2,025,016	20,434,620	3,079,206	2,317,793	292,836,805
Accumulated depreciation	(37,279,150)	(9,082,186)	(2,025,010)	(15,868,290)	(3,029,925)	-	(67,284,561)
NET BOOK VALUE	$197,158,260	$21,460,574	$ 6	$4,566,330	$49,281	$2,317,793	$225,552,244
For the year ended 31st December, 2019							
Opening book value	197,158,260	21,460,574	6	4,566,330	49,281	2,317,793	225,552,244
Additions for the year Disposals for the year	123,846	198,001	39,983	2,856,257	-	742,467	3,960,554
Transfers during the year	-	-	-	(7,690)	-	-	(7,690)
Depreciation charge for the year	1,439,911	150,505	-	228,529	-	(2,445,978)	(627,033)
	(3,648,057)	(926,738)	(7,997)	(1,515,301)	(8,821)	-	(6,106,914)
NET BOOK VALUE	**$195,073,960**	**$20,882,342**	**$31,992**	**$6,128,125**	**$40,460**	**$614,282**	$222,771,161
Balance at 31st December, 2019							
Cost/valuation	236,001,167	30,891,266	2,064,999	22,950,377	3,079,206	614,282	295,601,297
Accumulated depreciation	(40,927,207)	(10,008,924)	(2,033,007)	(16,822,252)	(3,038,746)	-	(72,830,136)
NET BOOK VALUE	**$195,073,960**	**$20,882,342**	**$31,992**	**$6,128,125**	**$40,460**	**$614,282**	$222,771,161
For the Year ended 31st December, 2020							
Opening book value	195,073,960	20,882,342	31,992	6,128,125	40,460	614,282	222,771,161
Additions for the year	11,922	155,747	70,785	456,812	-	109,722	804,988
Disposals for the year	(74,000)	(697,820)	-	(16,696)	-	-	(788,516)
Transfers during the year	234,922	-	-	93,901	-	(328,823)	-
Depreciation charge for the year	(3,655,463)	(905,880)	(22,154)	(1,515,727)	(8,821)	-	(6,108,045)
NET BOOK VALUE	**$191,591,341**	**$19,434,389**	**$80,623**	**$5,146,415**	**$31,639**	**$395,181**	$216,679,588
Balance at 31st December, 2020							
Cost/valuation	236,174,011	30,196,013	2,135,784	23,247,249	3,079,206	395,181	295,227,444
Accumulated depreciation	(44,582,670)	(10,761,624)	(2,055,161)	(18,100,834)	(3,047,567)	-	(78,547,856)
NET BOOK VALUE	**$191,591,341**	**$19,434,389**	**$80,623**	**$5,146,415**	**$31,639**	**$395,181**	**$216,679,588**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2020
(continued)

5. INVESTMENT SECURITIES

	2020	2019
(a) Equity securities at fair value through profit and loss		
Grenada Co-operative Bank Limited – Shares		
- 465,900 ordinary shares	4,137,192	3,727,200
RBTT Bank Grenada Limited - Shares		
- 1,110,121 ordinary shares	8,880,968	8,880,968
Grenada Electricity Services Limited – Shares		
- 270,094 ordinary shares	3,241,128	2,700,940
Republic Bank (Grenada) Limited – Shares		
- 26,717 ordinary shares	1,202,265	462,465
Caribbean Shipping Association – CSA Trust Fund		
- 500 shares	1,359	1,359
Grenreal Property Corporation Limited		
- 1,915,650 ordinary shares	4,469,969	4,469,969
Jonas Browne & Hubbard (Grenada) Limited		
- 3,000 ordinary shares	45,000	45,000
Cable and Wireless Grenada Limited		
- 24,000 ordinary shares	250,000	250,000
Grenreal Property Corporation Limited		
- 187,194 Preference shares	428,776	-
	$22,656,657	$20,537,901

The fair value of the Caribbean Shipping Association – CSA Trust Fund, Grenreal Property Corporation Limited, Jonas Browne & Hubbard (Grenada) Limited, Cable and Wireless Grenada Limited shares and RBTT Bank Grenada Limited shares were estimated at cost since insufficient information was available to measure fair value.

(b) Debt securities at amortised cost

Short-term:

Government of Grenada - Treasury Bills	5,317,574	8,777,903
Government of Antigua - Treasury Bills	4,999,996	2,884,614
	$10,317,570	$11,662,517

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2020
(continued)

6. INVENTORIES	2020	2019
Spare parts	785,821	686,310
Electronic ID tags	1,570	3,524
	$787,391	$689,834

7. TRADE AND OTHER RECEIVABLES		
Trade receivables – net	2,199,780	1,964,736
Other receivables:		
Interest receivable - net	197,293	293,280
Sundry receivables - net	70,749	49,882
Prepayments	527,180	654,549
Matured investments - net	1	1
	$2,995,003	$2,962,448

Matured investments relate to deposits with British American Insurance Company and Colonial Life Insurance Company totaling $11,984,678 which have been fully provided.

Movements in expected credit losses of trade and other receivables were as follows:

Trade receivables:		
Balance at 1st January, 2020	1,466,830	1,591,752
Net increase/(decrease) in expected credit losses	209,762	(124,922)
Balance at 31st December, 2020	$1,676,592	$1,466,830

Other receivables:		
Balance at 1st January, 2020	13,819,967	14,261,656
Net decrease/(increase) in expected credit losses	(620,424)	(441,689)
Balance at 31st December, 2020	$13,199,543	$13,819,967

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2020
(continued)

8. CASH AND CASH EQUIVALENTS

	2020	2019
Cash on hand	3,800	3,800
Cash at bank	11,972,923	14,385,426
Cash and cash equivalents in the statement of cash flows	$11,976,723	$14,389,226

The Authority has an overdraft facility with Grenada Co-operative Bank Limited in the amount of $1,500,000. Interest is charged at the rate of 7% per annum.

9. CAPITAL CONTRIBUTION - GOVERNMENT OF GRENADA

Fixed assets vested in the Authority by the Grenada Ports Authority Act, Cap. 247	5,880,176	5,880,176
Contribution to Cruise Terminal project	4,010,850	4,010,850
Contribution to Bus Terminus project	950,915	950,915
	$10,841,941	$10,841,941

10. RESERVE FUND

(a)	General Reserve		
	Balance at 1st January, 2020	120,025,556	105,574,647
	Add: Appropriated from operating surplus (i)	8,134,171	10,974,741
	Dividends paid to Government of Grenada	(15,000,000)	-
	Transfer from Cruise Complex Reserve (ii)	1,390,053	2,876,994
	Donated equipment	-	360,000
	Provision for dock labour claims written-off	242,802	239,174
(b)	Capital Reserve	114,792,582	120,025,556
	Balance at 31st December, 2020	1,560,923	1,560,923
		$116,353,505	$121,586,479

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2020
(continued)

10. RESERVE FUND (continued)

(i) These amounts have been appropriated from operating surplus in accordance with Section 31 of the Grenada Ports Authority Act, Cap. 247.

(ii) The Cruise Complex reserve represents cruise ship levy retained to be used for the repayment of the loans received for the development of the Cruise Terminal Complex as well as related expenses as provided in the Cruise Ship Complex Development Act, 2003.

	2020	2019
Cruise ship levy collections during the year	1,390,053	2,876,994
Less: Transferred to general reserve account	(1,390,053)	(2,876,994)
	$ -	$ -

11. REVALUATION RESERVE

Balance at 31st December, 2020	$129,839,544	$129,839,544

The Authority's freehold land and building were revalued in 2008 by the Board of Directors of the Authority. The valuation was carried out using the open market value method. The excess on the revaluations which totaled $129,839,544 has been credited to Revaluation Reserve in equity.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2020
(continued)

12. PENSION FUND LIABILITY

Non-unionized employees

The Authority has a defined contribution plan for its non-unionized employees which is currently administered by the Authority. Interest is credited to individual accounts annually. The balance on the non-unionized pension fund was $1,199,891 (2019 –$1,100,581) as at 31st December, 2020.

Unionized employees

The Authority has a defined contribution plan for its unionized employees as established by an agreement with the Technical & Allied Workers' Union (TAWU). The funds held for the general staff were transferred to a Board of Trustees for administration. The funds held on behalf of the Middle Management and Pilots although now unionized is still administered by the Authority. Interest is credited to individual accounts annually. The balance on the unionized pension fund was $2,418,587 (2019 - $5,651,487) at 31st December, 2020.

In keeping with the Insurance Act of 2010, which makes provision for regulating the operations of Pension

Funds, the Authority is required to transfer the funds into a trust. The trust was registered with the Grenada Authority for the Regulation of Financial Institutions (GARFIN) in December, 2019.

13. TRADE AND OTHER PAYABLES

	2020	2019
Trade payables	750,371	786,035
Accruals Other	140,827	399,652
Other payables	3,702,263	2,530,415
	$4,593,461	$3,716,102

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2020
(continued)

14. GOVERNMENT OF GRENADA - CONSOLIDATED FUND

	2020	2019
Balance at 1st January, 2020	276,953	214,093
Less: Payment during the year	(276,953)	(364,727)
	-	(150,634)
Add: Appropriation for the year	166,003	427,587
	$166,003	$276,953

15. FINANCE INCOME

Interest income on demand deposits	716,392	230,739
Dividend income	316,582	278,618
	$1,032,974	$509,357

16. NET FINANCE COSTS

Recovery of impaired financial assets	-	
Interest on borrowings and lease	-	435,588
Other finance cost	(35,327)	(182,377)
		(15,340)
	$(35,327)	
		$(237,871)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2020
(continued)

17. COMPARATIVE FIGURES

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

18. RISK MANAGEMENT

The Authority's activities expose it to the following risk from the use of financial instruments:

- Credit risk
- Liquidity risk
- Currency risk
- Interest rate risk
- Operational risk

Risk management structure

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

The Board of Directors is responsible for the overall risk management approach and for approving the risk strategies, principles, policies and procedures. Day to day adherence to risk principles is carried out by the management of the Authority in compliance with the policies approved by the Board of Directors.

The Board of Directors has established committees which are responsible for developing and monitoring the Authority's risk management policies in their specified areas. These committees report to the Board of Directors on their activities. The committees and their activities are as follows:

- ***Audit committee***

The Audit Committee has oversight for the integrity of the financial statements and reviews the adequacy and effectiveness of internal controls and risk management procedures.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2020 (continued)

19. RISK MANAGEMENT (continued)

Risk management structure (continued)

- *Investment Committee*

  The Investment Committee is responsible for approving the mix of the Authority's investment portfolio and monitoring market risk which may affect the portfolio.

- ***Pilotage Committee***

  In accordance with the Grenada Ports Authority Act Cap. 247, the Authority is charged with the responsibility of holding examinations and issuing licenses for persons to serve as pilots. The Committee also has the following responsibilities: -

  - Hold inquiries concerning the conduct of pilots;
  - Arrange for the training of pilots;
  - Investigating and advising on such matters as may be referred to it.
  - ISPS Code Committee

  The ISPS Code Committee is appointed by the Minister to provide oversight in respect of Grenada's obligations to maintain compliance with provisions of the ISPS Code of the IMO, an amendment to the SOLAS Convention relating to the security of ships and ports. The Authority also has a functioning internal Task Force chaired by the Port Manager to ensure compliance with the Code's requirements.

- ***MARAD Committee***

  The Maritime Administration (MARAD) Committee is appointed by the Minister to provide oversight of the Authority's administration of the Grenada Shipping Act (Cap 303).

Credit risk

Credit risk is the risk of financial loss to the Authority if a customer or counter-party to a financial instrument fails to meet its contractual obligations.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2020 (continued)

19. RISK MANAGEMENT (continued)

Credit risk (continued)

Credit risk arises from cash and cash equivalents, contractual cash flows of debt securities carried at amortised cost, deposits with banks and other financial institutions and trade and other receivables.

There are no significant concentration of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

i) Trade receivables

The Authority manages its risks by trading only with recognized, creditworthy third parties. It is the Authority's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. The credit quality of the customer, takes into account their financial position, past experience and other factors.

Receivable balances are monitored on an ongoing basis which includes the review of the current and potential financial status of each debtor and placing limits on the level of credit risk it accepts from each. Individual risk limits are set based on internal and external ratings in accordance with limits set by the Board.

Customers' accounts are required to be settled in cash. In addition, shipping agents are normally required to pay an advance deposit based on the anticipated revenue per ship's visit which has the effect of significantly reducing credit risk. For some trade receivables the Authority may obtain security in the form of guarantees, deeds of undertaking or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement.

In an effort to provide relief to customers/stakeholders who experienced some level of disruption to their normal business operations and income streams due to COVID-19, the Board Directors approved a 100% waiver of entry fees at the St. George's Bus Terminus for the period March to December 2020. Relief in the form of rent suspension during the period March to September, 2020 was also provided to the tenants of the Authority who were forced to suspend operations during the lock down period and experienced further hardships on resumption of operations.

The Authority applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The Authority has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2020 (continued)

19. RISK MANAGEMENT (continued)

Credit risk (continued)

i) Trade receivables (continued)

The expected loss rates are based on the payment profiles of income over a period of 60 months before year-end and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeco nomic factors affecting the ability of the customers to settle the receivables.

The Authority has identified previous customer trends, GDP and the unemployment rate of the country to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2020
(continued)

19. RISK MANAGEMENT (continued)

Credit Risk (continued)

The loss allowance was determined as follows for trade receivables:

	Current	15-30 days	31-60 days	61-90 days	Over 90 days	Total
31st December, 2020						
Expected Loss Rate	0.2%	5.4%	34.6%	34.1%	80%	
Gross Carrying Amount -Trade receivables	1,565,548	182,717	57,004	29,201	2,041,902	3,876,372
Less: ECL	3,466	9,844	19,736	9,947	1,633,599	1,676,592
						$2,199,780
31st December, 2019						
Expected Loss Rate	0.3%	5.7%	5.5%	50.3%	100%	
Gross Carrying Amount -Trade receivables	1,533,876	348,258	79,404	64,654	1,405,374	3,431,566
Less: ECL	4,661	19,937	4,329	32,529	1,405,374	1,466,830
						$1,964,736

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2020
(continued)

19. RISK MANAGEMENT (continued)

Credit risk (continued)

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Authority, and a failure to make contractual payments for a period of greater than 90 days past due.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Previous accounting policy for impairment of trade receivables.

In the prior year, the impairment of trade receivables was assessed based on the incurred loss model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The other receivables were assessed collectively to determine whether there was objective evidence that impairment had incurred but had not yet been identified.

For these receivables the estimated impairment losses were recognized in a separate provision for impairment. The Authority considered the following indicators for evidence of impairment:

1. Significant financial difficulties of the debtor;
2. Probability that the debtor will enter bankruptcy or financial reorganization; and
3. Default or late payments (more than 30 days overdue).

Receivables for which an impairment provision was recognized were written off against the provision when there was no expectation of recovering additional cash.

ii) Debt investments

All entity's debt investments at amortized cost are considered to have low credit risk. Management considers 'low credit risk' for listed bonds to be an investment grade credit rating with at least one major rating agency. Other instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2020 (continued)

19. RISK MANAGEMENT (continued)

Credit risk (continued)

iii) Other financial assets

With respect to credit risk arising from the other financial assets of the Authority, which comprise cash on hand and at bank, term deposits, bonds and other receivables. The Authority's exposure to credit risk arises from default of the counter-party. The credit ratings of these financial assets are monitored for credit deterioration.

The Authority seeks to hold its cash deposits with financial institutions and countries which management regards as sound and with low history of default. The risk of default on these financial assets were therefore considered to be low. The ECL for these financial assets were therefore set at zero.

For derivative financial instruments, management has established limits so that, at any time, less than 10% of the fair values of favorable contracts outstanding are with any individual counterparty.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2020 (continued)

19. RISK MANAGEMENT (continued)

The table below show the maximum exposure to credit risk based on the Authority's stage classification.

Investment securities subject to impairment (Debt securities)

	Stage 1	Stage 2	Stage 3	Total
Balance at 31st December, 2020				
Gross carrying amount	4,999,997	5,597,445	-	10,597,442
Less: ECL	-	(279,872)	-	(279,872)
Net balance	$4,999,997	$5,317,573	$ -	$10,317,570
ECL as a percentage of gross carrying amount	-	5%	-	2.6%
Balance at 31st December, 2019				
Gross carrying amount	5,813,187	6,157,189	-	11,970,376
Less: ECL	-	(307,859)	-	(307,859)
Net balance	$5,813,187	$5,849,330	$ -	$11,662,517
ECL as a percentage of gross carrying amount	-	5%	-	2.6%

	31st December, 2020	**31st December, 2020**
Stage 1	49%	49%
Stage 2	51%	51%
Stage 3	-	-
	100%	100%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2020 (continued)

19. RISK MANAGEMENT (continued)

Credit risk (continued)

Other receivables	Stage 1	Stage 2	Stage 3	Total
Balance at 31st December, 2020				
Gross carrying amount	795,222	-	13,199,544	13,994,766
Less: ECL	-	-	(13,199,543)	(13,199,543)
Net balance	$795,222	$ -	$ 1	$795,223
ECL as a percentage of gross carrying amount	0%	0%	100%	88%
Balance at 31st December, 2019				
Gross carrying amount	997,711	-	13,819,968	14,817,679
Less: ECL	-	-	(13,819,967)	(13,819,967)
Net balance	$997,711	$ -	$ 1	$997,712
ECL as a percentage of gross carrying amount	0%	0%	100%	92%

	31st December, 2020	**31st December, 2020**
Stage 1	49%	49%
Stage 2	51%	51%
Stage 3	-	-
	100%	100%

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2020
(continued)

19. RISK MANAGEMENT (continued)

Credit risk (continued)

Exposure to credit risk

The following table shows the maximum exposure to credit risk for the components of the statement of financial position.

	Maximum exposure	
	2020	**2019**
Investment securities - Equity	22,656,657	20,537,901
Investment securities - Debt	10,317,570	11,662,517
Trade and other receivables	2,995,003	2,962,448
Cash and cash equivalents	11,976,723	14,389,226
	$47,945,953	$49,552,092

The Authority holds no collateral for its trade receivables. A provision for impairment is made for trade receivables in arrears. Generally, receivables are written off when there is no expectation of recovering the amounts due.

Liquidity risk

Liquidity risk is the risk that the Authority will have difficulty in meeting its obligations for its financial liabilities.

Management of liquidity risk

The Authority's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses. A daily liquidity position is monitored and generally the Authority monitors its risk to a shortage of funds by considering planned and probable expenditures against projected cash inflows from operations. The Authority utilizes surplus internal funds to a large extent to finance its operations and ongoing projects, however it also utilizes available credit facilities such as loans and overdraft facilities when needed.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2020
(continued)

19. RISK MANAGEMENT (continued)

Liquidity risk (continued)

Exposure to liquidity risk

The table below analyses the Authority's financial liabilities into relevant groupings based on the remaining period at the statement of financial position to the contractual maturity date.

	On Demand	Up to 1 year	1 to 5 years	Over 5 years	Total
Trade and other payables	4,593,461	-	-	-	4,593,461
Pension fund liability	3,618,478	-	-	-	3,618,478
Amount due to Government of Grenada	166,003	-	-	-	166,003
Balance at 31st December, 2020	$8,377,942	$ -	$ -	$	$8,377,942
Trade and other payables	3,716,102	-	-	-	3,716,102
Pension fund liability	6,752,068	-	-	-	6,752,068
Amount due to Government of Grenada	276,953	-	-	-	276,953
Balance at 31st December, 2019	$10,745,123	$ -	$ -	$ -	$10,745,123

Currency risk

Currency risk is the risk that the value of cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Authority operates primarily in Eastern Caribbean Dollars and is therefore not subject to significant foreign currency risk. However, some of the Authority's transactions are in United States Dollars, but there is no significant currency risk exposure.

Interest rate risk

Interest rate risk is the risk that the value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2020 (continued)

19. RISK MANAGEMENT (continued)

Interest rate risk (continued)

Exposure to interest rate risk

The Authority is exposed to interest rate risk through the effect of fluctuations in the prevailing levels of interest rates on interest bearing financial assets and liabilities, including loans.

Management of interest rate risk

The Authority manages its interest rate exposure by borrowing funds at fixed rates. It holds no fixed rate available-for-sale investments.

Operational risk

The expanded scope of the Authority's operations has resulted in a diversified and more complex operational risk profile. Operational risk includes emergencies and disaster scenarios, omissions and errors, as well as human error, inadvertent or deliberate.

While operational risk cannot be wholly eradicated the Authority's risk management strategy provides for multiple approaches through policies, systems and standard operating procedures to mitigate and engender compliance.

Measures include the provision of insurance cover where appropriate, periodic review of the adequacy of such cover, monitoring of the observance of Standard Operating Procedures, maintaining compliance with provisions of the ISPS Code of the **IMO**, incident reporting including that of near-misses, periodic refresher training for appropriate staff in first aid and the requirements of the **IMDG Code** in relation to the handling of hazardous and dangerous goods, as well as periodic refresher trainings for security personnel.

The Collective Agreements with both The Technical & Allied Workers' Union (TAWU) and the Seamen's and Waterfront Workers' Union (SWWU) provide for Joint Occupational and Safety Committees.

20. EVENTS AFTER THE REPORTING PERIOD

The duration and extent of the COVID-19 pandemic and related financial, social and public health impacts

of the pandemic are uncertain. As such, the actual economic events and conditions in the future may be materially different from those estimated by the Authority at the reporting date. No matters have arisen since the end of the financial year which have significantly affected or may significantly affect the operations of the Authority. The Authority will continue to closely monitor the situation in order to plan its response, if necessary.

NOTES

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