PORT AUTHORITY OF THE CAYMAN ISLANDS

Financial Report

For the financial year ended 31 December 2019

Financial Statements of the

PORT AUTHORITY OF THE CAYMAN ISLANDS

31 December 2019

FINANCIAL STATEMENTS OF THE
PORT AUTHORITY OF THE CAYMAN ISLANDS

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PORT AUTHORITY OF THE CAYMAN ISLANDS

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Statement of Responsibility for the Financial Statements

These financial statements have been prepared by the Port Authority of the Cayman Islands in accordance with International Financial Reporting Standards.

We accept responsibility for the accuracy and integrity of the financial information in these financial statements and their compliance with International Financial Reporting Standards.

As Acting Port Director, I am responsible for establishing; and have established and maintained a system of internal controls designed to provide reasonable assurance that the transactions recorded in the financial statements are authorised by law, and properly record the financial transactions of the Port Authority of the Cayman Islands.

As Acting Port Director, Acting Deputy Port Director-Finance, and Board Chairman we are responsible for the preparation of the Port Authority of the Cayman Islands financial statements and for the judgements made in them.

The financial statements fairly present the financial position, financial performance and cash flows of the Port Authority of the Cayman Islands for the financial year ended 31 December 2019.

To the best of our knowledge, we represent that these financial statements:

(a) Completely and reliably reflect the financial transactions of Port Authority of the Cayman Islands for the year ended 31 December 2019;
(b) Fairly reflect the financial position as at 31 December 2019 and performance for the financial year ended 31 December 2019.
(c) Comply with International Financial Reporting Standards as set out by the International Accounting Standards Board under the responsibility of the International Federation of Accountants.

The Office of the Auditor General conducts an independent audit and expresses an opinion on the accompanying financial statements. The Office of the Auditor General has been provided access to all of the information necessary to conduct an audit in accordance with International Standards of Auditing.

Joseph Woods
Joseph Woods
Acting Port Director

Date: 13 November 2020

Don Hutchinson
Acting Deputy Port Director-Finance

Date: 13 November 2020

Arek Joseph
Acting Chairman

Date: 13 November 2020

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CAYMAN ISLANDS

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AUDITOR GENERAL'S REPORT

To the Board of Directors of the Port Authority of the Cayman Islands

Opinion

I have audited the financial statements of the Port Authority of the Cayman Islands (the "Authority"), which comprise the statement of financial position as at 31 December 2019 and the statement of comprehensive income, statement of cash flows and statement of changes in equity for the year ended December 2019, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 8 to 42.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Authority as at 31 December 2019 and its financial performance and its cash flows for the year ended 2019 in accordance with International Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Authority in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)*, together with the ethical requirements that are relevant to my audit of the financial statements in the Cayman Islands, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

As outlined in note 13 of the financial statements, The Public Authorities Law (2020 Revision), Section 47 - Terms and conditions and remuneration of staff came into effect on 1 June 2019 and required all Statutory Authorities and Government Companies to comply with its requirements to standardise salaries and benefits. At the date of this report, the process to complete this standardisation has not been completed. My opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the 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.

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

AUDITOR GENERAL'S REPORT (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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 disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I have undertaken the audit in accordance with the provisions of Section 60(1)(a) of the *Public Management and Finance Law (2018 Revision)*. I 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 I identify during my audit.

Sue Winspear
Auditor General

13 November 2020
Cayman Islands

PORT AUTHORITY OF THE CAYMAN ISLANDS
Statement of Financial Position

As at 31 December 2019
(Stated in Cayman Islands dollars)

	Note	December 2019 $	December 2018 $
ASSETS			
Current Assets			
Cash and cash equivalents	4(a)	11,305,603	7,445,363
Accounts receivable (Net)	4(b)	1,902,112	1,708,532
Inventory		1,228,322	1,072,250
Prepaid expenses	4(c)	187,697	201,725
Other receivables and deposits	4(d)	712,234	306,040
Total Current Assets		**15,335,968**	**10,733,910**
Non-Current Assets			
Property, plant and equipment			
Land- freehold	5	29,827,001	29,827,001
Docks and buildings	5	21,933,138	22,044,162
Other fixed assets	5	8,468,220	8,264,770
Work in progress	9	80,580	-
Total property, plant and equipment		60,308,939	60,135,933
Right of use land & warehouses	7	196,509	-
Investment property	10	9,150,000	9,055,000
Total Non- Current Assets		**69,655,448**	**69,190,933**
TOTAL ASSETS		**84,991,416**	**79,924,843**
LIABILITIES and EQUITY			
Current Liabilities			
Accounts payable and accrued expenses	11	2,104,565	2,316,065
Total Current Liabilities		**2,104,565**	**2,316,065**
Non- Current Liabilities			
Lease liability	7	204,960	-
Defined benefit liability	12	41,525,000	33,105,000
Total Non- Current Liabilities		**41,729,960**	**33,105,000**
TOTAL LIABILITIES		**43,834,525**	**35,421,065**
GENERAL EQUITY		16,014,759	28,298,904
ASSET REVALUATION RESERVE		25,142,132	16,204,874
		41,156,891	**44,503,778**
TOTAL LIABILITIES and EQUITY		**84,991,416**	**79,924,843**

Approved:

Joseph Woods

Joseph Woods (Acting Port Director)

Don Hutchinson (Acting Deputy Port Director - Finance)

Date: 13 November 2020

Date: 13 November 2020

The accompanying notes form an integral part of these financial statements.

PORT AUTHORITY OF THE CAYMAN ISLANDS
Statement of Comprehensive Income

For the financial year ended 31 December 2019
(Stated in Cayman Islands dollars)

	Note	December 2019 $	December 2018 $
OPERATING REVENUE			
Cargo handling	18	19,228,563	17,052,259
Cruise ship passenger fees	19	4,504,287	4,726,071
Maritime services	20	1,367,569	1,370,156
Rental income	26	1,061,147	1,050,065
Other income	21	215,909	180,648
Diesel sales	22	191,930	175,725
Total Operating Revenue		**26,569,405**	**24,554,924**
OPERATING EXPENSES			
Staff costs	23	13,362,615	13,553,585
Contracted services	24	2,183,513	1,766,009
Repairs and maintenance	25	1,445,570	1,701,478
Insurance		604,442	558,661
Utilities		587,278	540,244
Dispute settlement	14, 27	410,090	-
Diesel		339,413	337,162
Stationery, supplies & computer supplies		220,117	72,648
Travel, conventions & training		97,141	25,692
Bad debt		76,623	20,214
Miscellaneous		66,196	261,360
Claims		40,232	6,279
Fleet licenses		40,050	17,204
Advertising and entertainment		35,196	84,296
Finance charges		33,354	20,704
Board expenses and fees		32,597	62,543
Rent		16,050	68,672
Total Operating Expenses		**19,590,477**	**19,096,752**
GROSS OPERATING SURPLUS		**6,978,928**	**5,458,172**
OTHER INCOME/(EXPENSES)			
Gain on revaluation of investment property	8	79,344	689,398
Disposal of equipment	6	35,897	-
Interest income		6,861	2,418
Depreciation	5	(1,839,737)	(1,462,059)
Defined benefit expense – post employment health care	12	(2,708,000)	(3,094,000)
Total Other Expenses		**(4,425,635)**	**(3,864,243)**
NET INCOME		**2,553,293**	**1,593,929**
OTHER COMPREHENSIVE INCOME/(EXPENSE)			
Remeasurements of defined benefit obligation:			
Effect of changes in financial assumptions	12	(5,940,000)	4,476,000
TOTAL COMPREHENSIVE INCOME/(LOSS)		**(3,386,707)**	**6,069,929**

The accompanying notes form an integral part of these financial statements.

PORT AUTHORITY OF THE CAYMAN ISLANDS
Statement of Cash Flows

For the financial year ended 31 December 2019
(Stated in Cayman Islands dollars)

	Note	December 2019 $	December 2018 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income/(loss)		(3,386,707)	6,069,929
Adjustments to reconcile net income to net cash (used)/provided			
Defined benefit expense		8,648,000	(1,382,000)
Depreciation	5	1,839,737	1,462,059
Gain on revaluation of investment property	10	(79,344)	(689,398)
(Gain)/loss on disposal of plant and equipment	6	(35,897)	146,525
Lease liability on right of use transition		287,264	
Right of use land and warehouse on transition		(277,696)	
Prior period adjustments			
Defined benefit payments		228,000	207,000
Other prior period adjustments	28	(77,952)	-
Net changes in working capital			
Accounts receivable		(193,580)	52,773
Inventory		(156,072)	(108,049)
Prepaid expenses		14,028	(66,949)
Other receivables		(406,194)	924,725
Accounts payable and accrued expenses		(211,501)	755,241
Net Cash Provided by Operating Activities		**6,192,086**	**7,371,857**
CASH FLOWS FROM INVESTING ACTIVITIES			
Procurement of property, plant and equipment	5	(1,969,756)	(6,531,679)
Proceeds from disposal of plant and equipment	6	44,450	-
Construction in progress (Net)	5	(80,580)	-
Purchase of long-term investment	10	(15,656)	(9,141)
Net Cash Used by Investing Activities		**(2,021,542)**	**(6,540,820)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Defined benefit payment for active enrolees	12	(228,000)	(207,000)
Principal lease payments		(82,304)	-
Net Cash Used by Financing Activities		**(310,304)**	**(207,000)**
Net increase in cash and cash equivalents		**3,860,240**	**624,037**
Cash and cash equivalents at the beginning of the year	4(a)	7,445,363	6,821,326
Cash and cash equivalents at the end of year	4(a)	**11,305,603**	**7,445,363**

The accompanying notes form an integral part of these financial statements.

PORT AUTHORITY OF THE CAYMAN ISLANDS
Statement of Changes in Equity

For the financial year ended 31 December 2019
(Stated in Cayman Islands dollars)

	$
Beginning balance 1 January 2018	38,226,849
Prior year adjustment(s):	
Payments made on defined benefit obligation for current beneficiaries	207,000
Comprehensive income:	
Total comprehensive income/(loss) for the year	6,069,929
Ending balance 31 December 2018	**44,503,778**
Beginning balance 1 January 2019	44,503,778
Prior year adjustment(s):	
Payments made on defined benefit obligation for current beneficiaries	228,000
Other prior period adjustments	(77,952)
Derecognition of revaluation reserve for assets disposed	(110,228)
Comprehensive income:	
Total comprehensive income/(loss) for the year	(3,386,707)
Ending balance 31 December 2019	**41,156,891**

The accompanying notes form an integral part of these financial statements.

1. Establishment and principal activities

The Port Authority of the Cayman Islands (the "Port Authority") is a statutory body established on September 15, 1976 under the *Port Authority Law*. This Law was revised in 1999. The Port Authority is also governed by the *Port Regulations (2017 Revision).*

The Port Authority is engaged in the management of the maritime affairs of the Cayman Islands. This includes:

- general management and control of all ports;
- establishment and control of lighthouses and day markers;
- establishment and control of berths;
- provision, maintenance, and control of cranes, launches, lighters, rafts, trucks, capstans, winches, windlasses, bollards, and other machinery, apparatus, tackle and gear used in ports and territorial waters for the securing, loading, unloading and maintenance of vessels;
- establishment, maintenance and control of transit sheds, offices, and all other buildings in ports other than buildings under the control of the Collector of Customs, the Chief Immigration Officer or the Chief Medical Officer;
- general supervision of territorial waters, and of vessels and wrecks located therein;
- loading and unloading of vessels;
- establishment and supervision of safety measures in respect of vessels or classes of vessels in ports and in territorial waters;
- enforcement of the Port Authority Law and the Regulations;
- inspection of vessels for the purpose of checking and enforcing compliance with the Port Authority Law.

As at 31 December 2019, the Port Authority had 158 employees (2018: 153 employees). The Head Office is located at the Port Authority Building on Harbour Drive, P.O. Box 1358 GT, Grand Cayman whereas Cargo Distribution Centre and Billing Office are situated at 110 Portland Road, GT, Grand Cayman. The Port Authority also has a branch at 385 Creek Road, P.O. Box 9, Cayman Brac.

2. Statement of compliance and basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board.

The financial statements of the Port Authority have been prepared on an accrual basis under the historical cost convention. The reporting currency is Cayman Islands Dollars and figures presented have been rounded to the nearest dollar. Property Plant and Equipment, Investment Property and right of use for leases are reported at fair value.

3. Significant accounting policies

The principal accounting policies adopted by the Port Authority are as follows:

(a) Changes in accounting policies

The Port Authority recognizes the effects of changes in accounting policy retrospectively. When presentation or classification of items in the financial statements are amended or accounting policies are changed, comparative figures are restated to ensure consistency with the current period unless it is impractical to do so.

3. Significant accounting policies (continued)

(b) Use of estimates

The preparation of financial statements in accordance with International Financial Reporting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the year. Actual results may differ from these estimates.

(c) Financial instruments

The Port Authority adopted IFRS 9 effective January 1, 2018. IFRS 9 supersedes IAS 39, Financial Instruments-Recognition and Measurement (IAS 39). IFRS 9 establishes principles for the financial reporting of financial assets and financial liabilities that will present relevant and useful information to users of the financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. The Port Authority adopted IFRS 9 retrospectively with no restatements of comparatives. The adoption did not result in any material adjustment to the carrying amounts of financial assets, financial liabilities or opening general reserve balance.

(i) Recognition and Derecognition

The Port Authority recognizes financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when control over the contractual rights to receive cash flows and benefits related to the financial assets are transferred and/or substantially all the risk and rewards of ownership had been given to another party. Financial liabilities are derecognized when obligations under the contract expire and are discharged or cancelled.

(ii) Classification and Measurement

Under IFRS, Financial assets and financial liabilities are initially measured at fair value, with subsequent measurement determined in line with their classification. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss ("FVTPL") are recognized immediately in the profit or loss.

From January 1, 2018, the Port Authority classifies its financial assets (subsequently) in the following specified categories:

- Amortized cost;
- Financial assets at fair value through other comprehensive income (FVTOCI)
- Financial assets at fair value through profit or loss (FVTPL)

Amortized cost: Financial assets are measured at amortized cost if the financial asset is held within a business model whose objective is 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. Financial assets at amortized cost include cash and cash equivalents, accounts receivable, other receivables and deposits.

3. Significant accounting policies (continued)

Financial assets at fair value through other comprehensive income (FVTOCI): Financial assets are measured at FVTOCI if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial assets 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. The Port Authority does not currently have any financial assets measured subsequently at fair value.

Financial assets at fair value through profit or loss (FVTPL): Financial assets are measured at FVTPL unless they meet the criteria above to be measured at amortized cost or FVTOCI.

The following table presents the types of financial instruments held by the Port Authority within each financial instrument classification under IAS 39 and IFRS 9:

	IAS 39		**IFRS 9**
	Classification	**Measurement basis**	**Classification & Measurement basis**
Financial Assets:			
Cash and Cash Equivalents	Loans and Receivables	Amortized Cost	Amortized Cost
Accounts and other receivables	Loans and Receivables	Amortized Cost	Amortized Cost
Financial Liabilities			
Accounts payable and accrued expenses	Other liabilities	Amortized Cost	Amortized Cost

(iii) Impairment of Financial Assets

Under IFRS 9, financial assets under all categories are assessed for impairment based on the expected loss model. The expected loss model requires a loss allowance to be recorded at an amount equal to:

- expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date; or
- expected credit losses that result from all possible default events over the life of the financial instrument.

A loss allowance for lifetime expected credit losses is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. The Port Authority does not hold any financial instruments that exhibit such an increase in risk to warrant a loss allowance for lifetime expected credit losses.

Additionally, entities can elect an accounting policy of recognizing lifetime expected credit losses for all contract assets and/or trade receivables, including those that contain a significant financing component.

3. Significant accounting policies (continued)

For all other financial instruments, expected credit losses are measured at an amount equal to the 12-month expected credit losses.

The Port Authority assesses on a forward-looking basis the expected credit loss associated with its financial assets carried at amortized cost. The only financial asset for which a loss allowance has been recorded equal to the 12-month expected credit losses as at the yearend is the account receivable and other receivable, through the allowance for doubtful accounts. The measurement of the expected credit losses reflects an unbiased amount that is determined by evaluating the range of possible outcomes. To measure the expected credit losses, account receivable and other receivables have been grouped on shared credit risk characteristics using reasonable and supportable information about past events, current conditions, reasonable supportable forecast of future economic conditions and days past due.

Financial liabilities are initially measured at fair value net of transaction cost. Subsequently, they are measured at amortized cost using the effective interest method. Financial liabilities at amortized cost include accounts payable and accrued expenses, current and long-term loans.

(d) Property, Plant and Equipment

Property, plant and equipment are initially stated at cost less accumulated depreciation and impairment losses.

Where an asset is acquired for nil or nominal consideration, the asset is recognized initially at fair value, where fair value can be reliably determined, and as revenue in the Statement of Comprehensive Income in the year in which the asset is acquired.

Except for computer equipment, computer software, furniture and equipment, light &buoys and loose tools (which are reported as “other fixed assets” in the statement of financial performance), the fixed assets reported in the statement of financial position as of the period end are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and impairment loss. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period.

Any revaluation increase arising from the revaluation of such asset is recognized in the statement of changes in equity, except to the extent that it reverses a revaluation decrease for the same class of asset previously in other income/expense in the statement of comprehensive income. In this case, the increase is credited to the other income or expense to the extent of the decrease previously expensed. A decrease in the carrying amount arising from the revaluation of such asset is recognized in the other income/expense to the extent that it exceeds the balance, if any, held at revaluation reserve relating to previous revaluation gain of that class of asset.

Computer equipment, computer software, furniture and equipment, light & buoys and loose tools are stated at cost less accumulated depreciation and accumulated impairment losses.

3. Significant accounting policies (continued)

Depreciation is charged to the statement of comprehensive income on a straight-line basis at the following rates estimated to write off the cost of the assets over their expected useful lives:

Buildings	50 - 73 Years
Investment Property	50 Years
Marine Dock	50 Years
Cranes and Heavy Equipment	10 - 25 Years
Lights and buoys	15 Years
Equipment and furniture	5 Years
Computer Equipment	5 Years
Right of Use	3 - 10 Years
Computer Software	5 Years

Residual values and useful lives are reviewed, and adjusted if necessary at the end of each reporting period.

i. Additions

The cost of an item of property, plant, and equipment is recognized as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the Port Authority and the cost of the item can be measured reliably.

Work in progress is recognized at cost less impairment and is not depreciated.

ii. Disposals

Gains and losses on disposals are determined by comparing the sales proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the Statement of Comprehensive Income.

iii. Subsequent costs

Costs incurred subsequent to initial acquisition are capitalized only when it is probable that future economic benefits or service potential associated with the item will flow to the Port Authority and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant, and equipment are recognized in the Statement of Comprehensive Income as they are incurred.

iv. Revaluation gains and losses

The Port Authority values its assets to ensure that the carrying amount does not exceed the recoverable amount. This is intended to move the assets to being reported at fair value rather than at historical cost. For the year ended 31 December 2019, the plant and equipment was reported at fair value less subsequent depreciation where applicable. This value was determined by reference to the market (dealers, traders & online auctions) and adjusted for transportation and other direct costs normally associated with the relevant assets.

3. Significant accounting policies (continued)

It is not expected that the fair values would have materially changed since the last valuation was performed. Another valuation will be performed for the plant and equipment for the financial year ended 31 December 2020. Buildings and docks were reported at fair value less subsequent depreciation and Land was reported at fair value. Leases were reported at Net present value less amortization. This equates to their fair values.

v. Impairment

The carrying amount of the Port Authority's assets other than inventories (see note 3(i)) are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated at each balance sheet date. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

(e) Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in the fair value of investment property are included in the statement of comprehensive income for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising from derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income in the period in which the property is derecognised.

(f) Foreign currency translation

Transactions in foreign currencies are translated at the foreign exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to Cayman Islands dollars at the foreign currency exchange rate at the statement of financial position dates. Foreign exchange differences arising from translation are recognised in the statement of comprehensive income. Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated at the foreign currency exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the Cayman Islands dollars at the foreign exchange rates at the dates that the fair values were determined.

(g) Allowance for bad debts

The allowance for bad debts is established through a provision for bad debts charged to expenses. Accounts receivable are written off against the allowance when management believes that the collectability of the account is unlikely. The allowance is the amount that management believes will be adequate to cover any bad debts, based on an evaluation of collectability and prior bad debts experience.

3. Significant accounting policies (continued)

The allowance was substantially written down in the current financial year because of three customers whose debt collection was deemed unlikely. An additional provision was made for the amount outstanding at 31 December 2019 that were not paid ten months after the financial year end.

(h) Construction in progress

This relates to cost incurred attributable to bringing the asset to condition necessary for it to be capable of operating in the manner intended for its use. They are then reclassified to the appropriate fixed asset category once completed. Construction in progress is measured at cost. No depreciation is calculated until it is completed and available for its intended use.

(i) Inventory

Inventory consists of diesel fuel and service parts and consumables for the Port Authority's fleet of vehicles, cranes and other specialised equipment. These are valued at the lower of net realisable value or cost, on a first in, first out basis. Inventory is recorded net of an allowance for obsolete items. Any change in the allowance for obsolescence is reflected in the statements of comprehensive income in the year of change. There was no provision for obsolescence in the year ended 31 December 2019 or 31 December 2018.

(j) Revenue recognition

The Port Authority adopted IFRS 15, Revenue from Contracts with Customers, effective 1 January 2018. IFRS 15 specifies how and when revenue should be recognized as well as requiring more informative and relevant disclosures. The standard supersedes IAS 18, Revenue, and a number of revenue-related interpretations. IFRS 15 applies to nearly all contracts with customers. The main exceptions are leases, financial instruments and insurance contracts. The Port Authority's material revenue streams subject to IFRS 15 are cargo, vessels and revenue from cruise passenger services. The adoption of IFRS 15 did not result in any material change to the pattern of revenue recognition by the Port Authority. The Port Authority adopted the standard using the modified retrospective approach with no restatement of comparatives and did not record any adjustment upon adoption.

Revenue is measured at the fair value of the consideration received or receivable, and is recognized when the amount of revenue can be reasonably measured, collection is probable, and when it is likely that the economic benefits associated with the transaction will flow to the Port Authority for each of the various revenue streams. Amounts recognized and classified as revenue arising in the ordinary course of activities of the Port Authority include the following:

(i) Revenue from vessels, cargo and passengers

Revenue earned from vessels, cargo and passengers is recognized when services are substantially rendered.

Also included in port revenue is receipt of diesel sales to small boats recognized as revenue upon receipt. The expenses (cost of sales) incurred in the sales are reported on a net basis with the associated income.

3. Significant accounting policies (continued)

(ii) Port development fees

In accordance with the Port Authority Regulation (Revision 2017), the Port Authority charges the owners or agent of every ship a wharfage fee of $2.46 for every passenger appearing on the manifest as port development fees.

(iii) Rent income

Rent income is recognized on a straight-line basis over the term of the lease agreement. Rent deposits are classified as liability and included in accounts payable and accrued expense.

(iv) Other income

Other income includes items that are non-recurring and not directly related to the Port Authority's operations and activities in the ordinary course of business.

(k) Expenses

Expenses are recognized in the accounting period in which they are incurred.

(l) Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

(m) Pension and other post-retirement benefits

The Port Authority participates in the Silver Thatch Pension Plan, a defined contribution pension fund, in accordance with the Cayman Islands National Pension Law. The Port Authority makes monthly contributions of 10% of an employee's salary to an approved pension provider. Employees who joined after July 2018 are required to contribute 50% of their pension. Contributions are charged to expenses, as they are incurred based on set contribution rates. The Port Authority also participates in another pension plan with Sagicor. Employees are allowed to contribute to Sagicor pension amounts in excess of $725 per month (which is given to the primary pension provider, Silver Thatch).

3. Significant accounting policies (continued)

(n) New and revised accounting standards issued and effective January 1 2019

IFRS 16 – Leases is now mandatory for financial years beginning on or after January 1 2019. The Port Authority's assessments of the impact of this standard are set out below:

IFRS 16, Leases
In January 2016, the IASB issued IFRS 16, "Leases", which replaces IAS 17, "Leases". IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. The standard establishes a single lessee accounting model while maintaining the classification of either an operating or financing lease for the lessor similar to IAS 17. The standard is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted. The Port Authority has reflected the standard in these financial statements. All leases are capitalized using the net present value of the lease payments, and depreciated on a straight line for the duration of the lease term.

4. (a) Cash and cash equivalents

	Dec 2019 $	Dec 2018 $
Bank balances and short-term deposits	11,305,603	7,445,363

This consists of operating bank balances and revolving 30 days deposits held by the Port Authority.

Restricted cash

Included in the bank balances above is restricted cash of $89,569 (2018: $89,569) representing deposits held on escrow for tenants of renting the Port Authority's investment properties.

4. (b) Accounts receivable

	Dec 2019 $	Dec 2018 $
Accounts receivable	1,952,150	1,779,666
Provision for impairment	(50,038)	(71,134)
Accounts receivable, net	1,902,112	1,708,532

Fair value

The carrying value of receivables approximates their fair value.

4. (b) Accounts receivable (continued)

Impairment

The aging profile of receivables at year-end is detailed below:

	Dec 2019			Dec 2018		
	Gross	**Impairment**	**Net**	**Gross**	**Impairment**	**Net**
Past due up to 45 days	1,604,278	-	1,604,278	1,219,978	(7,000)	1,212,978
Past due 46- 90 days	106,496	-	106,496	346,362	(13,134)	333,228
Past due over 90 days	241,376	(50,038)	191,338	213,326	(51,000)	162,326
Total	1,952,150	(50,038)	1,902,112	1,779,666	(71,134)	1,708,532

Management makes a judgmental provision for a portion of accounts overdue for each of the receivable buckets as indicated above. In addition to this judgmental provision, receivables that are deemed highly uncollectible may be written off directly to expenses as bad debts, as well as written off through the provision.

Due to the large number of receivables, the impairment assessment is generally performed on a collective basis, based on an analysis of past collection history and write-offs. Special consideration was given to those with a higher degree of risk for default. The provision over the comparative period was written down because of three customers with combined debts of $96,547 was deemed uncollectible. Moreover, an additional provision of $46,894 was made to cover outstanding receivables at year end that were not settled as at October 2020.

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

	Actual Dec 2019 $	**Actual Dec 2018 $**
Balance at 1 January	71,134	71,085
Increase in provisions during the year	46,894	49
Receivables written off during the year	(67,990)	-
Balance at 31 December	50,038	71,134

4. (c) Prepaid expenses

These relate to expenses that have been paid in advance and accruals for staff benefits at year end.

The unamortized insurance benefit balance was higher in 2019 due to the increased cost of insurance coverage. There was no deferred leave in 2019 based on the calendar year end.

	Dec 2019 **$**	**Dec 2018** **$**
Unamortized insurance benefit	160,343	123,413
Deferred leave	-	52,120
Rent prepaid	-	26,192
Other prepaid expenses	27,354	-
Total	187,697	201,725

4. (d) Other receivables and deposits

This represents amounts paid in advance to secure services and as deposit on assets and equipment.

These are short term in nature and will be completed during the 2020 financial year.

	Dec 2019 **$**	**Dec 2018** **$**
Deposits for assets and expenses	712,234	306,040

5. Property, plant and equipment

	Freehold Land $	Docks and Buildings $	Other Assets $	Construction In Progress $	Total $
Book Value					
Beginning balance at 31 Dec 2018	29,827,001	24,079,977	16,434,045	-	70,341,023
Additions	-	860,552	1,109,203	80,580	2,050,335
Disposals	-	-	(307,306)	-	(307,306)
Closing balance at 31 Dec 2019	29,827,001	24,940,529	17,235,942	80,580	72,084,052
Accumulated Depreciation					
Beginning balance at 31 Dec 2018	-	2,035,815	8,169,275	-	10,205,090
Charge for the year	-	971,576	786,973	-	1,758,549
Disposals	-	-	(188,526)	-	(188,526)
Closing balance at 31 Dec 2019	-	3,007,391	8,767,722	-	11,775,113
Net Book Value					
Closing balance at 31 Dec 2019	29,827,001	21,933,138	8,468,220	80,580	60,308,939
Closing balance at 31 Dec 2018	29,827,001	22,044,162	8,264,770	-	60,135,933

Depreciation Summary	Dec 2019 $
Buildings	971,576
Cranes, fleet, plant and equipment	540,610
Computer equipment and software	246,363
Right of use assets (see note 13)	81,188
Total depreciation expense	1,839,737

5. Property, plant and equipment (continued)

Analysis of Other Assets

	Vehicles & Equipment $	Computer Equipment $	Computer Software $	Equipment & Furniture $	Lights & Buoys $	Loose Tools $	Total $
Book Value							
At 31 Dec 2018	12,405,684	521,347	1,473,141	1,217,867	639,333	176,673	16,434,045
Additions	799,666	39,687	64,257	204,368	-	1,225	1,109,203
Disposals	(307,306)	-	-	-	-		(307,306)
At 31 Dec 2019	12,898,044	561,034	1,537,398	1,422,235	639,333	177,898	17,235,942
Accumulated Depreciation							
At 31 Dec 2018	5,485,848	353,108	690,461	872,059	612,813	154,986	8,169,275
Charge for the year	364,617	59,234	187,129	157,156	8,160	10,677	786,973
Disposals	(188,526)	-	-	-	-	-	(188,526)
At 31 Dec 2019	5,661,939	412,343	877,590	1,029,215	620,973	165,663	8,767,722
Net Book Value							
At 31 Dec 2019	7,236,105	148,692	659,808	393,020	18,360	12,235	8,468,220
At 31 Dec 2018	6,919,836	168,239	782,680	345,808	26,520	21,687	8,264,770

6. Disposal of property, plant and equipment

During the 2019 financial period, the Port Authority disposed of vehicles and trucks costing $307,306. These were fully depreciated in earlier years and were reflected in the books at their fair value. Revaluation gains of $110,228 recognized when the assets were fair valued were reversed from the reserves in accordance with International Accounting Standards, and the proceeds from the auction recognized as gain on disposal.

The following vehicles and trucks were disposed during the year:

Description	Cost $	Accumulated Depreciation $	Carrying Amount $
Ford F350 Pickup Truck	41,975	41,975	-
2000 Capacity Model TJ6500 Tractor Truck	42,500	42,500	-
2001 Capacity Model TJ6500 Tractor Truck	54,500	54,500	-
2001 Capacity Model TJ6500 Tractor Truck	54,500	54,500	-
1995 Ford Aeromax L9000 Tractor Truck	17,573	17,573	-
1995 Ford Aeromax L9000 Tractor Truck	17,573	17,573	-
1995 Ford Aeromax L9000 Tractor Truck	20,390	20,390	-
1999 Ford F800 Bucket Truck	58,295	49,742	8,553
Total	307,306	298,753	8,553

These assets were sold by public auction during the financial year. The proceeds of the sale was $44,450 which resulted in a disposal gain of $35,897, which was booked as disposal gain. These assets had been fully depreciated and held at their revalued amounts, except for the Bucket truck**.**

7. Capitalization of leases

The applicable leases in place at the Port Authority were capitalized to reflect the right of use and the corresponding lease liability as required by IFRS 16. The net present value, net book value and lease obligation are shown below.

Description	Net Present Value $	Accumulated Depreciation $	Fair value $
Unit A, Storage Unit	78,530	65,441	13,089
Unit B, Storage Unit	80,137	22,260	57,877
14BH P135	327,505	201,962	125,543
Total	486,172	289,663	196,509

Description	Net Present Value $	Principal Payments $	Lease Liability $
Unit A, Storage Unit	78,530	65,421	13,109
Unit B, Storage Unit	80,137	25,414	54,723
14BH P135	327,505	190,377	137,128
Total	486,172	281,212	204,960

8. Revaluation of land, buildings and investment property

Effective 30 June 2016, the Port Authority has reported the land, buildings and investment property at their fair values under the revaluation and fair value basis respectively. The valuation techniques used were the Depreciated Replacement Cost (DRC) and Income capitalization approaches. The related revaluation gains were reflected in other comprehensive income in accordance with IAS 16 and accumulated in equity as revaluation reserve.

Investment Property was revalued by an independent expert, with an effective revaluation date of 31 December 2019, in accordance with IAS 40. This resulted in a revaluation gain of $79,344, which was recognized in the profit and loss as required by IAS 40.

Fair Value Measurements

IFRS13, *Fair Value Measurement*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under IFRS 13 are described below:

Level 1 — Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Port Authority has the ability to access.

Level 2 — Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 — Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability’s fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

8. Revaluation of land, buildings and investment property (continued)

There were no other significant valuations performed using unobservable inputs. Consequently, the fair value hierarchy for the inputs utilized by the Port Authority to obtain the market value is assessed at level 2. As such, no further disclosure in respect of effects on the Statement of Comprehensive Income for the revaluation is warranted, except as done below:

Assets and Fair Values as at December 31, 2019

	Level 1	**Level 2**	**Level 3**	**Total**
Vehicles and equipment	-	7,236,105	-	7,236,105
Computer equipment	-	148,692	-	148,692
Computer software	-	659,808	-	659,808
Equipment and furniture	-	393,020	-	393,020
Lights and buoys	-	18,360	-	18,360
Loose tools	-	12,235	-	12,235
Land and buildings	-	51,760,139	-	51,760,139
Investment property	-	9,150,000	-	9,150,000
Total	-	69,378,359	-	69,378,359

There were no transfers between level 1 and level 2 during the period.

Fair value of Investment Property at 31 December 2019:

Investment Property	**Dec 2019**	**Dec 2018**	**Revaluation Gain/(Loss)**
	$	**$**	**$**
Royal Watler Cruise Terminal	9,150,000	9,055,000	79,344

9. Capital works in progress

	Dec 2019	**Dec 2018**
	$	**$**
Cargo Distribution Centre Improvement	80,580	-

10. Investment property

	Buildings $
Beginning balance at 31 December 2018	9,055,000
Additions during the year	15,656
Changes in fair value at 31 December 2019	79,344
Ending balance at 31 December 2019	9,150,000
Ending balance at 31 December 2018	9,055,000

Investment Property is reported under IAS 40 – *Investment Property*, using the fair value basis. Investment Property consist of retail shops which are leased. This is fair valued at the end of each reporting period and changes in the fair value is charged to "other income / expense" in the statement of comprehensive income.

11. Accounts payable and accrued expenses

This represents unpaid expenses incurred in the current and prior years, which are due within the next twelve months. Approximately $1,392,364 (2018: $681,809) of this amount comprises payables occurring in the normal course of business of which $641,000 (2018: $0) represents amount owed to Government for insurance coverage. The remaining $712,201 (2018: $1,634,256), relates to year-end accruals for employee entitlements (i.e. Wages and vacation leave), provision for audit fees and amounts held in escrow for tenants of rental properties, as summarized below:

Detail	Dec 2019 $	Dec 2018 $
Creditors	1,392,364	681,809
Accruals - staff benefits	518,860	586,273
Provisions and other accruals	96,114	950,756
Escrow deposits	97,227	97,227
Total	2,104,565	2,316,065

12. Defined benefit liability: Post employment heath care

The Port Authority provides health care benefits for its staff who have rendered ten (10) years' service and who attain at least 55 years old prior to retirement. The benefit is in the form of continuation of their health insurance coverage on the medical plan in force for active employees. The premiums for this health insurance coverage are paid for by the Port Authority for all eligible retirees until the end of their lives. This coverage falls within the definition of a defined benefit by the International Accounting Standards and as such represents a future liability of the Port Authority. The Port Authority is required to use the actuarial valuation method to determine the present value of its health insurance benefit obligations for its former workers as well as future retirees and the related current service costs. International Accounting Standards No. 19 (IAS 19) directs that funded or unfunded post-employment benefits must be recognized in the statement of financial position (in the case of net defined liability or asset) and the statement of comprehensive income (for the annual expense).

These actuarial valuations use several financial and demographic assumptions to determine the liability and current expense of the benefits, which will be honoured on behalf of the retirees. Financial assumptions include, the discount rate, estimated future costs of the medical premiums, and the claims rate for the medical plans. Demographic assumptions include estimated mortality and benefit levels.

The Port Authority commissioned Mercer Actuaries of Canada to provide this service and their assessment is included hereunder. The Port Authority has a present value net defined benefit obligation of $41,525,000 at the end of the financial year 31 December 2019 (2018: $33,105,000). The details of the expected valuation and the assumptions used are reproduced hereunder in accordance with IAS 19.

This post - employment benefit has been in existence from the implementation of a similar move by central government to allow its retirees to continue to benefit from the medical plans held prior to retirement from the civil service. This was formalised in the staff manual and made known to staff.

The Port Authority established a monthly savings programme to fund this liability. Consequently, while at the end of the period the entire $41,525,000 is unfunded; the monthly savings will begin to offset the liability in the coming years. At December 31 2019, the savings totalled $1,368,793 (2018: $1,277,566).

The Port Authority also currently pays a monthly pension to a small number of retirees.

Management does not consider the pension paid to retired workers to be material as all four (4) retirees currently receive a combined $30,882 per annum (2018: $34,360). This benefit will not pass to their estate.

12. Defined benefit liability: Post employment heath care (continued)

Plan Name	**Port Authority of the Cayman Islands**	
Financial year ending on	31 Dec 2019	31 Dec 2018
Currency Information		
1. Local currency	KYD	KYD
2. Reporting currency	KYD	KYD
A. Change in defined benefit obligation		
1. Defined benefit obligation at end of prior year	33,105,000	34,694,000
2. Service cost		
a. Current service cost	1,279,000	1,835,000
b. Past service cost	-	-
c. (Gain) / loss on settlements	-	-
3. Interest expense	1,429,000	1,259,000
4. Cash flows		
d. Benefit payments from plan assets	-	-
e. Benefit payments from employer	(228,000)	(207,000)
f. Settlement payments from plan assets	-	-
g. Settlement payments from employer	-	-
h. Participant contributions	-	-
5. Other significant events		
a. Increase / (decrease) due to effect of any business combinations/ divestures /transfers	-	-
b. Increase / (decrease) due to plan combinations	-	-
6. Remeasurements		
a. Effect of changes in demographic assumptions	(706,000)	(260,000)
b. Effect of changes in financial assumptions	6,851,000	(4,379,000)
c. Effect of experience adjustments	(205,000)	163,000
7. Effect of changes in Foreign exchange rates	-	-
8. Defined benefit obligation at the end of year	41,525,000	33,105,000
B. Change in fair value of plan assets		
1. Fair value of plan assets at end of prior year	-	-
2. Interest income	-	-
3. Cash flows		
a. Total employer contributions	-	-
i. Employer contributions	-	-
ii. Employer direct benefit payments	228,000	207,000
iii. Employer direct settlement payments	-	-
b. Participant contributions	-	-
c. Benefit payments from plan assets	-	-
d. Benefit payments from employer	(228,000)	(207,000)
e. Settlement payments from plan assets	-	-
f. Settlement payments from employer	-	-
4. Other significant events		
a. Increase / (decrease) due to effect of any business combinations/ divestures or transfers	-	-
b. Increase / (decrease) due to plan combinations	-	-
5. Remeasurements		
a. Return on plan assets (excluding interest income)	-	-
6. Effect of changes in Foreign exchange rates	-	-
7. Fair value of plan assets at the end of year	-	-

12. Defined benefit liability: Post employment heath care (continued)

Plan Name	**Port Authority of the Cayman Islands**	
Financial period ending on	31 Dec 2019	31 Dec 2018
C. Amounts recognized in the statement of financial position		
1. Defined benefit obligation	41,525,000	33,105,000
2. Fair value of plan assets	-	-
3. Funded status	41,525,000	33,105,000
4. Effect of asset ceiling/onerous liability	-	-
5. Net defined benefit liability/(asset)	41,525,000	33,105,000
D. Components of defined benefit cost		
1. Service cost		
a. Current service cost	1,279,000	1,835,000
b. Reimbursement service cost	-	-
c. Past service cost	-	-
d. (Gain) / loss on settlements	-	-
e. Total service cost	1,279,000	1,835,000
2. Net interest cost		
a. Interest expense on Defined Benefit Obligation (DBO)	1,429,000	1,259,000
b. Interest /(income) on plan assets	-	-
c. Interest /(income) on reimbursement rights	-	-
d. Interest expense on effect of (asset ceiling)/onerous liability	-	-
e. Total net interest cost	1,429,000	1,259,000
3. Remeasurements of Other Long Term Benefits	-	-
4. Administrative expenses and/or taxes (not reserved within DBO)	-	-
	2,708,000	3,094,000
5. Defined benefit cost included in Profit and Loss (P&L)		
6. Remeasurements (recognized in the other comprehensive income)		
a. Effect of changes in demographic assumptions	(706,000)	(260,000)
b. Effect of changes in financial assumptions	6,851,000	(4,379,000)
c. Effect of experience adjustments	(205,000)	163,000
d. (Return) on plan assets (excluding interest income)	-	-
e. (Return) on reimbursement rights (excluding interest income)	-	-
f. Total remeasurement included in Other Comprehensive Income (OCI)	5,940,000	(4,476,000)
7. Total defined benefit cost recognized in P&L and OCI	8,648,000	(1,382,000)
E. Net defined benefit liability/(asset) reconciliation		
1. Net defined benefit liability/(asset)	33,105,000	34,694,000
2. Defined benefit cost included in P&L	2,708,000	3,094,000
3. Total remeasurement included in OCI	5,940,000	(4,476,000)
4. Other significant events		
a. Net transfer in/(out) (including the effect of any business combinations/divestitures)	-	-
b. Amounts recognized due to plan combinations	-	-
5. Other significant events		
a. Employer contributions	-	-
b. Employer direct benefit payments	(228,000)	(207,000)
c. Employer direct settlements payments	-	-
6. Credit to reimbursements	-	-
7. Effect of changes in Foreign exchange rates	-	-
8. Net defined benefit liability/(asset) as of end of year	41,525,000	33,105,000

12. Defined benefit liability: Post employment heath care (continued)

Plan Name	**Port Authority of the Cayman Islands**	
Financial period ending on	31 Dec 2019	31 Dec 2018
F. Define benefit obligation		
1. Defined benefit obligation by participant status		
a. Actives	34,180,000	26,693,000
b. Vested deferreds	-	-
c. Retirees	7,345,000	6,412,000
d. Total	41,525,000	33,105,000
G. Significant actuarial assumptions		
Weighted-average assumptions to determine defined benefit obligations		
Discount rate	3.60%	4.55%
Health care cost trend rates		
Immediate trend rate	5.00%	5.00%
Ultimate trend rate	5.00%	5.00%
Year rate reaches ultimate trend rate	N/A	N/A
Mortality assumption	RP-2014/MP19	RP-2014/MP18
Weighted-average assumptions to determine defined benefit cost		
Discount rate	4.55%	3.85%
Effective rate for net interest	4.35%	3.65%
Effective discount rate for service cost	4.60%	3.90%
Effective rate for interest on service cost	4.60%	3.85%
Health care cost trend rates		
Immediate trend rate	5.00%	5.00%
Ultimate trend rate	5.00%	5.00%
Year rate reaches ultimate trend rate	N/A	N/A
Mortality assumption	RP-2014/MP18	RP-2014/MP16
H. Sensitivity analysis		
Present value of defined benefit obligations		
Effective discount rate - 25 basis points	2,041,000	1,590,000
Effective discount rate + 25 basis points	(1,919,000)	(1,497,000)
Health care cost trend rates – 100 basis points	(3,872,000)	(3,177,000)
Health care cost trend rates + 100 basis points	3,570,000	2,971,000
Mortality assumption + 10%	(1,136,000)	(844,000)
I. Expected cash flows for following year		
1. Expected employer contributions	533,000	
2. Expected contributions to reimbursement rights	-	
3. Expected total benefit payments		
Year 1	533,000	
Year 2	588,000	
Year 3	697,000	
Year 4	775,000	
Year 5	859,000	
Next 5 years	5,949,000	

12. Defined benefit liability: Post employment heath care (continued)

The principal financial and demographic assumptions as at 31 December 2019 and 31 December 2018 and for IAS Reporting.

ECONOMIC ASSUMPTIONS	POST RETIREMENT HEALTHCARE	BASIS OF DEVELOPMENT – ACCOUNTING SPECIFIC ASSUMPTIONS
Discount rate (p.a) - Dec 31, 2018 - Dec 31, 2019	4.55% per annum 3.60% per annum	Per IAS 19 para. 83 determined by reference to market yields on high quality corporate bonds (consistent with the term of the benefit obligations) at the fiscal year end date. Mercer US Above Mean Yield Curve (referencing US corporate bonds yields) used to determine discount rates due to strong economic and currency links between the US and Cayman Islands.
Discount rate for following year's current service cost (p.a.)	N/A	
- Dec 31, 2018 - Dec 31, 2019	4.60% 3.65%	
Administrative expenses	Included in projected premiums	
Rate of Medical Inflation (p.a)	5.00%	Based short –term and long –term medical inflation expectations for the Cayman Islands and overseas care.

Turnover Rates

Turnover rates at sample ages

Age	Males	Females
20-24	7.5%	12.5%
25-29	5.0%	12.5%
30-34	3.5%	7.5%
35-39	2.5%	4.5%
40-44	1.5%	2.5%
45-49	0.5%	0.5%
50+	0.0%	0.0%

12. Defined benefit liability: Post employment heath care (continued)

Demographic Assumptions	**Post-retirement Healthcare**	**Basis of Development – Accounting Specific Assumptions**
Current mortality rates	RP-2014 Mortality Table scaled back to 2006 using MP-2014	Recent mortality studies in the U.S. and Canada shows that people are living longer. New mortality tables have been issued by U.S. and Canada. The mortality table has been updated to reflect actual mortality improvement rates experienced in the US over the last 20 years.
Mortality improvements - 31 Dec 2018 - 31 Dec 2019	Scale MP- 2018 Scale MP -2019	Broad consensus amongst longevity experts that mortality improvement will continue in the future. Scale MP-2014 was released in October 2014. In the U.S., the latest future mortality improvement scale updated issued by the Society of Actuaries is scale MP- 2019.
Turnover rates	Age & gender based rates – see page 29	Consistent with turnover rates for the other Statutory Authorities
Retirement Age	60	Mandatory retirement age in the Cayman Islands
Current age 65 healthcare claims cost assumption	Health $11,980 Dental $555 Vision $100	
Healthcare coverage – future pensioners	Male – 100% single Female – 100% single	The Port Authority pays for single coverage only
Healthcare utilization changes due to age	Mercer standard healthcare aging assumptions for medical and dental	Based on analysis of healthcare utilization for Mercer clients in Canada and US and by reference to Society of Actuaries studies.

13. Contingencies and commitments

a) *Liability to Cayman Islands Government*

Under the Port Authority Law, any balance of account in favour of the Port Authority up to the amount of $100,000 may be carried forward to the account of the following year and any excess of that sum shall be paid in to the general revenue of the Cayman Islands Government.

No provision has been made in these financial statements for any further payments that may be demanded by Government in respect of excess balances.

During the year ending 31 December 2019, the Port Authority did not make any payment (2018: $0), to the Cayman Islands Government in the form of a dividend distribution. No provision has been made in these financial statements for any dividend that may be required by the Cayman Islands Government.

b) *Leases*

The Port Authority has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17.

The following pertains to leases of right of use land and warehouses:

	Dec 2019 $
Depreciation charge for right–of-use (see note 5)	81,187
Interest expense on lease liabilities	11,591
Total cash outflow for leases	93,895

c) *Operating Lease*

The Port Authority leases a portion of land for its operations on a month to month basis. The minimum lease payment is $1,500 per month, which commenced November 14, 2019.

The Port Authority has a finance lease as defined by IFRS 16 **-** *Leases* for the 3.829 acres of land formerly numbered as Block 12C Parcel 217, which was leased to Dragon bay Limited (formerly Fujigmo Limited) for 99 years effective 6 September 2011.

The Accounting Standard just referred to requires such long-term leases to be treated in the statement of financial position of the Lessor (the Port Authority) as a receivable at an amount equal to the net investment in the lease.

Under a finance lease all the risks and rewards incidental to legal ownership are transferred to the lessee, and the lease payment receivable is treated by the lessor as repayment of principal and finance income to reimburse and reward the lessor for its investment and services.

13. Contingencies and commitments (continued)

In this case, there are no lease payments forthcoming due to the lease being granted at peppercorn, and the risks and rewards incidental to legal ownership is enjoyed by the lessor. Consequently, the Port Authority has no receivable to book in the statement of financial position as at 31 December 2019.

d) *Legal Proceedings against the Authority*

(i) In January 2019, correspondence was received from an attorney representing 51 staff members concerning non-payment of overtime, vacation, sick and compassionate leave from July 2007 to August 2010, amounting to CI$2.3Million. This was preceded by claims for CI$516,000 and attempts to resolve the claim. At the close of the financial year, no further communication was received from the attorney on the matter.

(ii) A current staff member has consulted his attorney regarding an ongoing employment dispute where he was offered a new role with a lower salary, due to his inability to perform the role that he held prior to a medical condition. At the date of this report, formal proceedings have not been initiated by the concerned staff.

(iii) Section 47 of The Public Authorities Law (PAL) came into effect on 1 June 2019. The section requires public authorities to use the same salary scale as determined by the Cayman Islands' Cabinet and requires the remuneration of employees of a public authority to be adjusted to reduce any differences between public authorities' and public service's pay grades.

The Cayman Islands Government's Portfolio of the Civil Service had not completed its evaluation of Port's salary grade versus that of the public service. As such, management could not adjust for the impact of section 47 of the PAL in these financial statements. Management is also unable to derive an estimate of the potential impact of the evaluation on its financial statements and as such, no resultant provisions have been made in these financial statements.

As at the date of these accounts, there was no further development on the aforementioned legal matters and management expects no loss arising from any potential action, based on legal advice received.

14. Related party transactions

The Port Authority engages the services of various departments of the Cayman Islands Government. Such services are provided on an arm's length basis.

a) Insurance coverage for property, motor, worker's compensation and other risks is provided through the Cayman Islands government for an annual premium of $641,373 (2018: $558,661). The Cayman Islands Government procures insurance for all its entities at favourable market rates, and they apportion the related liability according to the value of the entities' assets.

The insurance expense of $604,442 in the Statement of Comprehensive Income represents the amortized insurance premium for period 1 January - 31 December 2019.

14. Related party transactions (continued)

b) A director of the Port Authority is a trustee of the Silver Thatch Pension plan. Contributions by the Authority were $1,050,920 (2019) and $1,034,460 (2018), with unpaid balances of $0 (2019) and $77,062.96 (2018).

c) Another director of the Port Authority is the managing director of Cayman Freight & Shipping Services Ltd, from which the Port Authority earned $1,467,385 in 2019 and $1,371,718 in 2018, with unsettled balances of $0 for 2019 and $129,824 for 2018.

d) Another director has interest in Island Taste Patties, from which the Port Authority earned $5,470 in 2019 and $0 (2018), with $0 unpaid balances in both years.

e) An amount of $386,423 was paid to a member of senior management in relation to a legal dispute.

f) Key management personnel
There are three (3) full time senior management personnel on recurring employment agreements (2018: 3), and none on a fixed term contract (2018:0). The total remuneration includes regular salary, pension contribution, health insurance contribution and post - employment health care. The pension and health insurance benefits provided to key management personnel are similar to that provided for all employees. Total remuneration (including benefits) in 2019 for senior management was $605,196 (2018: $589,809).

g) Board members
There are 10 members that make up the Port Authority's board (2018:10); of those members, six receive a stipend of $150.00 per meeting held (2018: $150). One board member receives $150.00 and an additional $344 per meeting (2018: $344) attended for travel, car and accommodation allowance. The other three are civil servants. The total fees and expenses paid for the eligible members for the year ended 31 December 2019 was $32,597 (2018: $62,543).

15. Lines of credit

The Port Authority has a bank overdraft facility up to $250,000 bearing interest at 1.5% (2018:1.5%) above Prime. As at December 31, 2019, this overdraft facility has not been used. In addition, the Port Authority has three (2018:3) corporate credit cards with a total credit limit of $24,600 (2018: $24,600). At 31 December 2019, the outstanding balance was $4,207 (2018: $0).

16. Fair value disclosure

At 31 December 2019, the following methods and assumptions were used by management to estimate the fair value of each class of financial instruments:

(a) Cash and cash equivalents

The carrying amount approximates fair value.

16. Fair value disclosure (continued)

(b) Accounts receivable / other receivables / other assets / accounts payable and accrued expenses / related party / prepaid expenses

The above financial instruments are substantially short term, and do not bear interest. As such, their carrying amount approximates their fair value.

(c) Current and long-term debt

Included in these balances is non-interest bearing obligations for post - employment health care. The carrying amount of these obligations represents the discounted liability and is adjusted each year by actuarial valuation to account for changes in assumptions and inputs. All other loans were fully repaid during the financial period.

Fair value estimates are made at a specific point in time, based on market conditions and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore, cannot be determined with precision. Changes in the discount rate assumptions could significantly affect the estimates, especially for the defined benefit liability, as seen in note 12.

17. Financial instruments and associated risks

The Port Authority's activities expose it to various types of risk. Financial risk can be broken down into credit risk, interest rate risk, and foreign currency risk The Port Authority is exposed to financial risks through its financial assets, and financial liabilities. The most important types of financial risk to which the Port Authority is exposed are credit and interest rate risk.

Concentration of credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counterparties failed completely to perform as contracted. To reduce exposure to credit risk, the Port Authority performs ongoing credit evaluations of the financial condition of its customers but generally does not require collateral.

The Port Authority invests available cash and cash equivalents with one local bank. The Port Authority also holds receivables from clients. Counterparties to these financial instruments expose the Port Authority to credit-related losses in the event of non-performance. However, management does not expect the bank and the debtors to renege on their obligations, due to the soundness of the bank and the credit checks done by the Port Authority. When bad debts are identified, they are expensed.

17. Financial instruments and associated risks (continued)

The following assets of the Port Authority are exposed to credit risk:

	Dec 2019 $	Dec 2018 $
Financial assets		
Cash and cash equivalents	11,305,603	7,445,363
Accounts receivable	1,902,112	1,708,532
Other receivables, prepaids and deposits	899,931	507,765
Total financial assets	14,107,646	9,661,660
Non-financial assets	-	-
Total assets exposed to credit risks	**14,107,646**	**9,661,660**

Balances past due but not impaired and those that are impaired are analyzed in the tables below:

As at December 31, 2019	**Neither past due nor impaired $**	**Past due but not impaired $**	**Impaired $**	**Total $**
Cash and cash equivalents	11,305,603	-	-	11,305,603
Accounts receivable	-	1,952,150	(50,038)	1,902,112
Other receivables, prepaids and deposits	899,931	-	-	899,931
Total assets exposed to credit risks	**12,205,534**	**1,952,150**	**(50,038)**	**14,107,646**
As at December 31, 2018	**Neither past due nor impaired $**	**Past due but not impaired $**	**Impaired $**	**Total $**
Cash and cash equivalents	7,445,363	-	-	7,445,363
Accounts receivable	-	1,779,666	(71,134)	1,708,532
Other receivables, prepaids and deposits	507,765	-	-	507,765
Total assets exposed to credit risks	**7,953,128**	**1,779,666**	**(71,134)**	**9,661,660**

17. Financial instruments and associated risks (continued)

The aging analysis of financial assets that are past due but not impaired is as follows:

As at December 31, 2019	Up to 45 days $	46 to 90 days $	> 90 days $	Total $
Accounts receivable	1,610,256	106,496	185,360	1,902,112
Other receivables, prepaids and deposits	899,931	-	-	899,931
Total	**2,510,187**	**106,496**	**185,360**	**2,802,043**

As at December 31, 2018	Up to 45 days $	45 to 90 days $	> 90 days $	Total $
Accounts receivable	1,212,978	333,228	162,326	1,708,532
Other receivables, prepaids and deposits	507,765	-	-	507,765
Total	**1,720,743**	**333,228**	**162,326**	**2,216,297**

Management of financial risks

The following tables indicate the contractual timing of cash flows arising from financial assets and liabilities included in the Port Authority's financial statements as of December 31, 2019 and December 31 2018.

		Contractual cash flows (undiscounted)			
December 31, 2019	**Carrying amount $**	**No stated maturity $**	**0 – 1 yr $**	**1 – 2 yrs $**	**> 2 yrs $**
Financial assets					
Cash and cash equivalents	11,305,603	-	11,305,603	-	-
Accounts receivable	1,902,112	-	1,902,112	-	-
Other receivables, prepaids and deposits	899,931	-	899,931	-	-
Total	14,107,646	-	14,107,646	-	-
Short-term liabilities					
Accounts payable	2,104,565	-	2,104,565	-	-
Loans repayable within 12 months	-	-	-	-	-
Total	2,104,565	-	2,104,565	-	-
Difference in contractual cash flows	**12,003,081**	**-**	**12,003,081**	**-**	**-**

17. Financial instruments and associated risks (continued)

	Contractual cash flows (undiscounted)				
December 31, 2018	**Carrying amount $**	**No stated maturity $**	**0 – 1 yr $**	**1 – 2 yrs $**	**> 2 yrs $**
Financial assets					
Cash and cash equivalents	7,445,363	-	7,445,363	-	-
Accounts receivable	1,708,532	-	1,708,532	-	-
Other receivables, prepaid and deposits	507,765	-	507,765	-	-
Total	9,661,660	-	9,661,660	-	-
Short-term liabilities					
Accounts payables	2,316,065	-	2,316,065	-	-
Loans repayable within 12 months	-	-	-	-	-
Total	2,316,065	-	2,316,065	-	-
Difference in contractual cash flows	**7,345,595**	**-**	**7,345,595**	**-**	**-**

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Port Authority holds cash and cash equivalents that are interest bearing and as a result, the Port Authority is subject to risk due to fluctuations in the prevailing levels of market interest rates in relation to these financial instruments. The scheduled maturity dates of cash and cash equivalents are presented in notes 4 and 17.

Foreign currency risk

The Port Authority receives revenue in Cayman Islands Dollars (CI$) as well as United States dollars (US$), and pays expenses in both currencies. Since the exchange between CI$ and US$ is fixed, the Port Authority is not exposed to foreign currency risk.

18. Cargo handling income is comprised of the following

	Dec 2019 $	**Dec 2018 $**
Cargo dues	13,284,453	11,723,389
Cargo handling charges	160,472	139,472
Storage charges	1,410,238	1,109,226
Trucking fees	978,294	886,709
Crane fees	2,934,900	2,731,400
Empty container handling and storage	322,055	328,195
Other fees	138,151	133,868
Total cargo handling income	19,228,563	17,052,259

19. Income from cruise passengers

The Port Authority collects a passenger fee of US$3 per manifested cruise passenger. For the fiscal period January to December 2019, the Cayman Islands recorded 1,831,011 cruise passenger arrivals (2018: 1,921,167) giving rise to passenger fees of $4,504,287 (2018: $4,726,071)

20. Maritime services consist of work performed directly to the vessels in port

	Dec 2019	Dec 2018
	$	$
Dock usage surcharge	340,100	280,080
Lay-up anchorage fees	4,530	935
Navigation aids	36,676	37,154
Line handling	169,500	171,250
Berthing fees	443,139	443,802
Hire of equipment	7,850	10,050
Overtime worked	291,544	348,298
Cruise ship tender dues	74,230	78,587
Total maritime services income	1,367,569	1,370,156

21. Other income is comprised of

	Dec 2019	Dec 2018
	$	$
Container trans-shipments	200	3,200
Crane heavy lift	1,400	-
Garbage fees	75,300	81,900
Billboard ads	-	-
Water sales (net)	9,821	7,017
Finance charges on overdue balances	12,621	7,982
ID’s, vessel inspection, miscellaneous	116,567	80,549
Total other income	215,909	180,648

22. Diesel sales

The Port Authority sells diesel fuel to cargo and other vessels for profit.

Diesel sales are shown net in the Statement of Comprehensive Income; due to the incidental nature of the transaction to the overall operations, and it is outside the main business that the Port Authority is engaged in.

	Dec 2019	Dec 2018
	$	$
Diesel sales	535,623	524,777
Diesel cost of sales	(343,693)	(349,052)
Net income from diesel sales	191,930	175,725

23. Staff costs

	Dec 2019	Dec 2018
	$	$
Salary and wages	10,650,771	10,906,165
Medical insurance	1,482,623	1,418,382
Pension	1,060,302	1,106,840
Other staff costs – uniforms, training etc.	168,919	122,198
Total staff costs	13,362,615	13,553,585

24. Contracted services

Contracted services contain the costs incurred for security, janitorial, and professional services such as legal, consultancy and audit.

	Dec 2019	Dec 2018
	$	$
Security	1,124,120	903,547
Janitorial	296,462	298,156
Audit	67,083	77,917
Legal	354,907	271,777
Professional	340,941	214,612
Total contracted services	2,183,513	1,766,009

25. Repairs and maintenance

Repairs and maintenance consist of parts, consumables and external labour costs used in the upkeep of the cranes and heavy equipment, the fleet of vehicles, and overall maintenance of the physical plant infrastructure of the Port Authority. For the fiscal year ended 31 December 2019, repairs and maintenance amounted to $1,445,570 (2018: $1,701,478).

26. Rental properties

The Port Authority owns properties that it lets to tenants for a monthly rental. The annual rent receipts are estimated at $1,150,000 per annum. For the period ended 31 December 2019, the actual rent earned was $1,061,147 (2018- $1,050,065)

	$
Rental income for 1 year	1,150,000
Rental income for 2-5 years	4,600,000

27. Dispute settlement

The total expense amounting to $410,090 represents settlements made to five former employees of the Port Authority during the 2019 financial year. (2018: $0)

28. Other prior period adjustments comprise the following items

	Dec 2019 $	**Dec 2018 $**
Unamortized insurance premiums written down	(10,000)	-
Reclassification of right of use	(15,832)	-
Deferred charges written off	(52,120)	-
Total	(77,952)	-

29. Branch Statements of Financial Position

	Grand Cayman $	Cayman Brac $	Total 2019 $	Total 2018 $
Current assets				
Cash and cash equivalents	11,015,307	290,296	11,305,603	7,445,363
Accounts receivable	1,827,658	74,454	1,902,112	1,708,532
Inventory	1,178,323	49,999	1,228,322	1,072,250
Prepaid expenses	187,697	-	187,697	201,725
Other receivables	669,039	43,195	712,234	306,040
Total current assets	14,878,024	457,944	15,335,968	10,733,910
Current liabilities				
Accounts payable and accrued expenses	2,072,545	32,020	2,104,565	2,316,065
Current portion of long term debt	-	-	-	-
Total current liabilities	2,072,545	32,020	2,104,565	2,316,065
Working capital	**12,805,479**	**425,924**	**13,231,403**	**8,417,846**
Plant, property and equipment	56,437,236	3,871,703	60,308,939	60,135,933
Leases- right of use land and warehouse	196,509	-	196,509	-
Investment property	9,150,000	-	9,150,000	9,055,000
Lease liability	(204,960)	-	(204,960)	-
Defined benefit liability- health care	(41,525,000)	-	(41,525,000)	(33,105,000)
Net assets	**36,859,264**	**4,297,627**	**41,156,891**	**44,503,779**
Represented by:				
General reserve	25,797,829	(9,783,070)	16,014,759	28,298,904
Asset revaluation reserve	24,452,150	689,982	25,142,132	16,204,875
Inter-branch account	(13,390,715)	13,390,715	-	-
Equity	**36,859,264**	**4,297,627**	**41,156,891**	**44,503,779**

Financial performance of Cayman Brac Operations

Cayman Brac continues to post losses on an annual basis. Total accumulated losses for the 2019 period was $573,172 (2018: $615,176) as seen in the table below. The total losses for Cayman Brac to date are reflected in the negative general reserve figure of ($9,783,069) as at 31 December 2019 (2018: $8,880,136)

In addition, the cost of Grand Cayman performing offloading and loading of cargo for Cayman Brac without a fee being levied has resulted in Grand Cayman providing additional subsidy to Cayman Brac.

30. Branch Statements of Comprehensive Income

	Grand Cayman $	Cayman Brac $	Total 2019 $	Total 2018 $
Operating income	25,743,451	825,954	26,569,405	24,554,924
Operating expenses	18,350,638	1,239,839	19,590,477	19,096,752
Gross operating surplus/(deficit)	**7,392,813**	**(413,885)**	**6,978,928**	**5,458,172**
Other income/(expense)				
Gain on revaluation of investment property	79,344	-	79,344	689,398
Gain on disposal of property, plant & equip	35,897	-	35,897	-
Interest income	6,861	-	6,861	2,418
Depreciation	(1,680,450)	(159,287)	(1,839,737)	(1,462,059)
Defined benefit annual expense	(2,708,000)	-	(2,708,000)	(3,094,000)
Total other income/(expense)	(4,266,348)	(159,287)	(4,425,635)	(3,864,243)
Net income/(loss)	**3,126,465**	**(573,172)**	**2,553,293**	**1,593,929**
Other comprehensive income/(expense)				
Remeasurements-defined benefit	(5,940,000)	-	(5,940,000)	4,476,000
Total comprehensive income	**(2,813,535)**	**(573,172)**	**(3,386,707)**	**6,069,929**
General reserve/ (deficit), beginning	28,611,363	(9,209,897)	19,401,466	22,228,975
Revaluation reserve	24,452,150	689,982	25,142,132	16,204,875
General reserve, ending	**50,249,978**	**(9,093,087)**	**41,156,891**	**44,503,779**

31. Subsequent events

a) New Cruise Facility
The Cayman Islands Government is pursuing the development of a cruise berthing facility and has engaged professional services to assist in the process. It cannot be determined at this time the likely impact, if any; this process will have on the financial position and operations of the Port Authority in the medium to long term. Based on public pronouncements, the future of this project is uncertain.

b) Strategic Development of the Port Authority
The Port Authority has embarked on a multi-year strategic development plan, which incorporates the replacement of equipment that support the provision of services to the public. The multifaceted plan involves the purchase of Rubber Tyre Gantry (RTG) cranes and the development of the Cargo Distribution Centre to facilitate the proper operation of this equipment. The total projected capital expenditure for the next two years is $9.7M ($6.7M - 2020, $3.0M – 2021). This could increase or decrease depending on the levels of surpluses that can be assigned to this project. At the reporting date, this project was underway and ahead of schedule.

c) Covid-19 Pandemic
On March 11, 2020 the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The pandemic disrupted the cruise industry in the Cayman Islands, eliminating cruise revenue for the remainder of 2020, and reduced other income streams. Our unaudited results for the nine months ended September 2020 showed total income of $16,066,856 and total expenses of $17,345,077, resulting in a loss of $1,278,221.