CAYMAN PORT



Comprehensive Annual Report for the Year Ended December 31, 2019

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CAYMAN PORT

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PORT AUTHORITY OF THE CAYMAN ISLANDS

VISION

The elite Port of excellence in the Caribbean setting the standards on efficiency, safety, and customer focused operations.

MISSION

To foster a culture of excellence in service and care coupled with collaborative efforts that focus on sustainability through the provision of innovative, safe efficient solutions, which will stimulate and facilitate waterborne commerce, trade and leisure travel, thus resulting in the continued economic development of the Cayman Islands .

CORE VALUES

S – Sustainability
We will manage affairs with the financial viability of the Cayman Islands and the Port at the forefront.

F – Forward thinking
We will continuously strive to be proactive and innovative.

A – Accountability
We will take ownership of our decisions and actions.

E – Efficient
We will aim to work efficiently to minimize the impact on the Port and the community's resources.

C – Commitment
We will commit to the development of the Port to facilitate our community's growth.

H – Honor
We will honor the importance of family, and our Peoples' need to balance work and life.

O – Our people
We will value the contributions and support the growth of our greatest assets, our People.

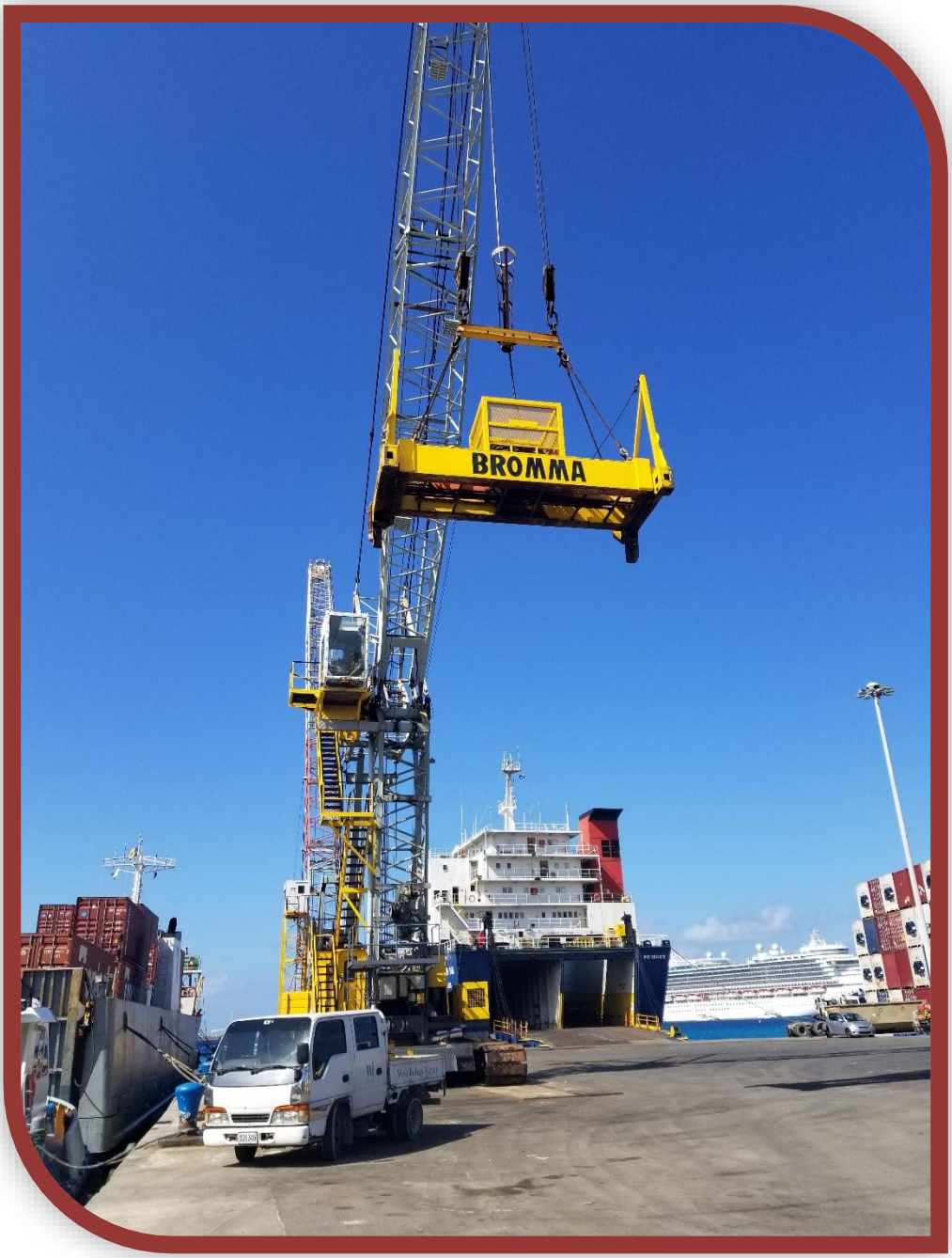
I – Integrity
We will carry out our responsibilities morally and ethically in everything we do.

C – Collaboration
We will work together in unity to achieve our vision.

E – Embrace change
We will be prepared to continually drive change to stay ahead of competition.

S – Service excellence.
We will serve our customers and visitors courteously and proficiently to offer the most memorable Caribbean experience.

INTRODUCTORY SECTION



LETTER FROM THE ACTING PORT DIRECTOR



The year 2019 was a progressive year for the Port Authority (PACI). PACI acquired 8 brand new trucks, 1 brand new large blade forklift, 1 brand new small forklift and 2 electric stackers to enhance our fleet of equipment. This enabled us to operate more productively and more efficiently by lowering operating and maintenance costs and increasing reliability. We employed two Managers, two Maintenance Assistants and eight Port Workers to enhance our service delivery capability.

The tonnage of Cargo in 2019 increased by 30.2% over that of 2018, rising to 722,616 tons, while cruise passenger numbers fell by 4.7% to 1,831,011. With this growth projected to continue in the years ahead, PACI in conjunction with its shareholder, the Cayman Islands Government, spent most of the year engaged in the procurement process for an expanded and enhanced cargo facility and a new cruise berthing facility.

Plans were passed to expand our container storage facility which would essentially double our storage of dry containers and triple the number of refrigerated containers we can presently handle. The tender was put to bid with construction scheduled for 2020.

Cayman Brac's pier was refurbished and the infrastructure to allow refrigerated containers to be powered at Little Cayman's cargo port constructed.

PACI posted an operating profit of $7 million in 2019, some of which was reinvested in the above-mentioned acquisitions.

2019 has been a successful and rewarding year and in appreciation, we recognized our loyal and dedicated staff during our annual Christmas function. Most of whom have been with us for more than a decade, some for two decades, some for three decades and some approaching four decades.

PACI remains committed to modernizing its infrastructure and equipment and enhancing the capabilities of its staff. Technology will continue to play an increasingly important role as we continue to modernize our capabilities for greater efficiency.

In closing, I wish to thank all of our stakeholders, inclusive of the shipping lines, shipping agents, law enforcement, importers, tenants, visitors and customers for their patronage. Thank you for allowing us to serve you. Thanks also to our shareholder, the Cayman Islands Government, and the Board of Directors who have supported the growth and modernization of the Port enabling it in turn to efficiently facilitate commerce for the people of the Cayman Islands.

- Joseph Woods
Acting Port Director

LETTER FROM THE CHAIRMAN



The Port Authority performs a critical role in the development and maintenance of industry and life in the Cayman Islands. We have managed to consistently rise to the changing needs of our stakeholders to deliver cargo and maintain facilities for our cruising guests, which hover at close to two million annually.

This is achieved with great efficiency, evidenced by our continued growth in revenues, containment of expenses and expansion and upgrades to our facilities without external financing. Kudos to the management and staff of the Port Authority, who never fail to give their best whenever required. The Board of Directors recognize and appreciate the staff for their continued efforts in facilitating commerce and presenting a wonderful first impression to our guests who arrive by sea. Their contribution to these islands is seen and felt in every area of life here.

The Port industry is a capital intensive one, which requires huge recurring investment in our operating space, our docks, our rolling assets and our people. In other jurisdictions, governments subsidize ports by providing grants and favorable financing to enable the ports to maintain a low-cost structure which supports growth in the wider economy. Without that direct support, the Port Authority has managed to increase output and deliver services that are safe, efficient, and reliable.

To satisfy the increased demands of future generations, the Port has to now plan in earnest. We need everyone on board for the long-term vision of the Port to ensure we have modern and expanded cargo facilities, adequate operating space for maritime guests and our loyal and dedicated staff.

To our wider stakeholders, I thank you for your continued support. We look forward to being of greater service to you and in supporting your efforts in the continued success of the Cayman Islands.

- Kearney Gomez
Chairman

BOARD OF DIRECTORS

The Board of Directors is appointed by the Cabinet of the Cayman Islands. The Ministry of District Administration, Tourism and Transport holds responsibility for the Port Authority. The following are the members of the Board of Directors:



Mrs. Jacqueline Scott



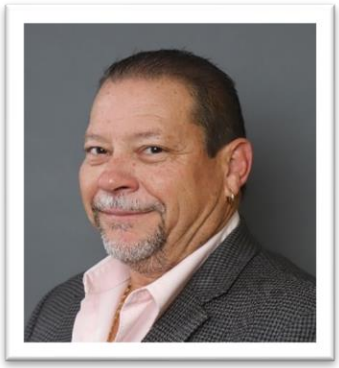
Mr. Robert Foster



Capt. Ashton Bodden



Mr. Charles Clifford



Mr. Ken Thompson



Mr. Richard Parchment



Mr. Arek Joseph



Mr. Stran Bodden



Mr. Michael Nixon

GOVERNANCE

The Port Authority is governed by the Port Authority Law (1999 revision) and the Port Regulations (2017 Revision). In addition, the Authority complies with the Public Management and Finance Law and the Regulations, the Labour Law, Pensions Law, The Public Authorities Law, the Procurement Law and Regulations, The Freedom of Information Law, and the Insurance Law.

The Board of Directors provides strategic leadership to the Authority, and reports to the Minister through the Ministry of District Administration, Tourism & Transport.

CARGO DISTRIBUTION CENTRE – PORTLAND ROAD



THE PORT AUTHORITY OF THE CAYMAN ISLANDS SUPPORTS CRUISE TOURISM BY PROVIDING INFRASTRUCTURE TO SHOWCASE THE WARMTH AND BEAUTY OF THE CAYMAN ISLANDS



ABOUT US – WHAT WE DO

The Port Authority has a presence in all three Islands. On Grand Cayman, we operate at Harbour Drive, Portland Road and a Marina at Safe Haven. In Cayman Brac, the Admin Office and Distribution Center are located on the same premises on Creek Road and a distribution point in Little Cayman.

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.

Origins of the Port Authority of the Cayman Islands

This includes;

- General management and control of all ports;
- Establishment and control of lighthouses and day markers;
- 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;
- 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;
- 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

SCOPE OF ACTIVITIES

Providing and maintaining facilities for the offloading of cargo imports into all three Islands.

To contribute to the growth of cruise tourism (and thereby the economy), by providing and maintaining facilities to accommodate the cruise ship passengers.

Providing and maintaining navigational markers in Cayman Islands waters.

Providing a patrolling presence, using two fully equipped motor vessels, in the immediate harbour area of the Cayman Islands during cruise ship visits.

Providing a safe and enjoyable environment for the Port Authority's staff and customers.



SAFEHAVEN MARINA

OUR PEOPLE – MANAGEMENT TEAM



JOSEPH WOODS
Acting Port Director



WILL JACOBS
Deputy Director of Operations



DON HUTCHINSON
Acting Deputy Director of Finance and Facilities



CHRIS KROHN
IT Services Manager



BRUCE REYNOLDS
Cargo Distribution Centre Manager



KEISHA YATES
Finance Manager



LIZ SMITH
HR Manager



DALE CHRISTIAN
Manager, Cayman Brac



COURTNEY WISDOM
Facilities Manager



ROYLEE MOORE
Acting Manager, Cruise and Security



JULIUS JACKY
Safety and Crisis Manager

OUR PEOPLE – WHO WE ARE

The Port Authority had 158 employees at the period end December 2019. The distribution and other demographics are highlighted in this section.

Description	2019	2018	2017	2016	2015	2014
Salary and Wages	10,650,771	10,906,165	15,598,629	10,003,436	9,396,208	9,705,794
Medical Insurance	1,482,623	1,418,382	1,856,774	1,169,576	1,138,536	859,743
Pension	1,060,302	1,106,840	1,583,549	977,072	947,863	993,328
Other staff costs	168,919	122,198	226,944	154,969	91,174	112,055
Total Staff Costs	**13,362,615**	**13,553,585**	**19,265,896**	**12,305,053**	**11,573,781**	**11,690,920**

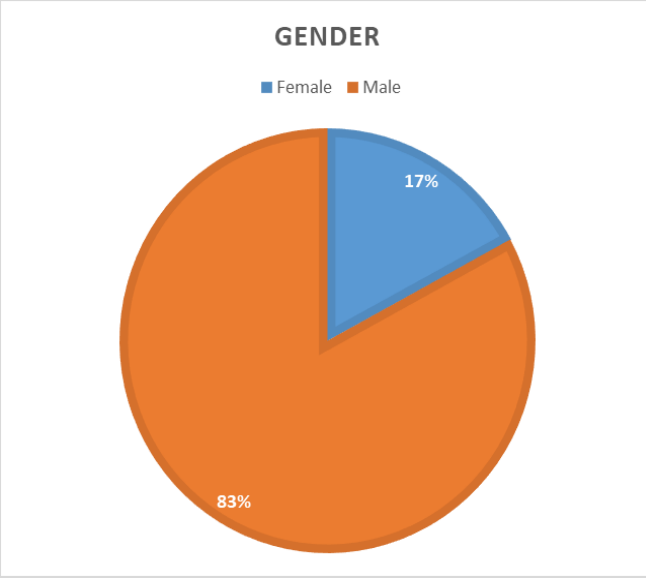


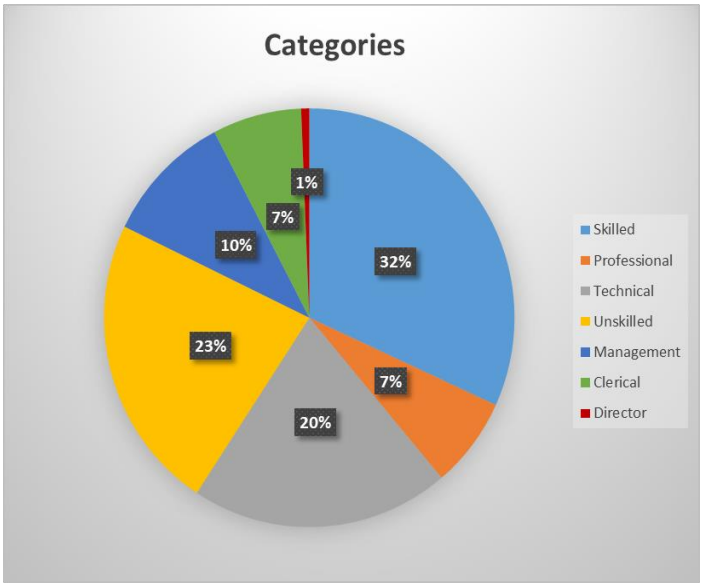


OUR PEOPLE – WHO WE ARE (continued)

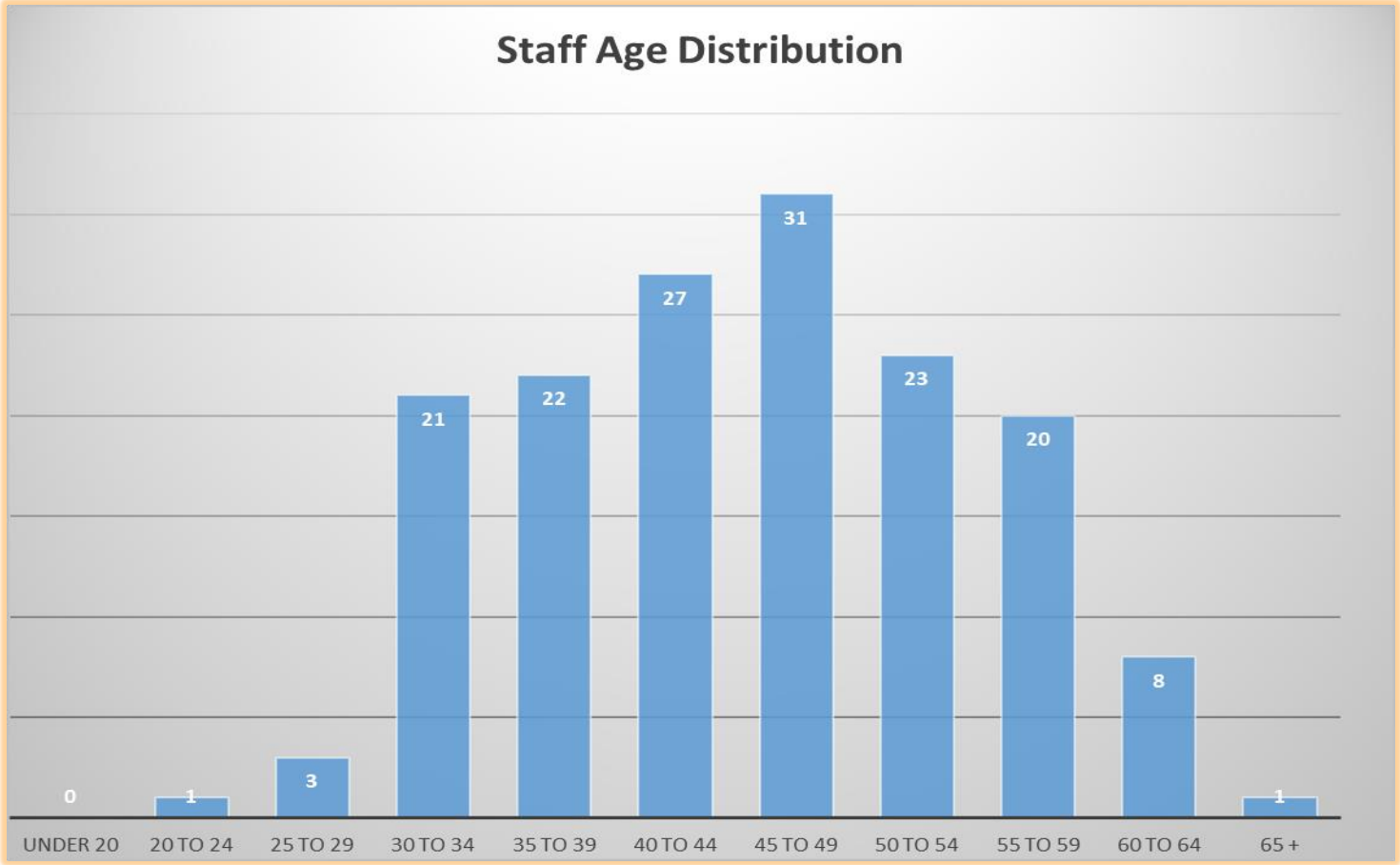
Employee demographics	2019	2018	2017	2016	2015
Staff complement***	158	157	158	148	151
Average income earned per staff	168,160	169,605	218,386	164,182	135,940
Average expense per staff	189,595	130,949	215,013	173,182	133,623
Average salary paid to staff	67,410	69,466	98,726	67,591	62,227
***Includes retirees on contract	4	4	4		

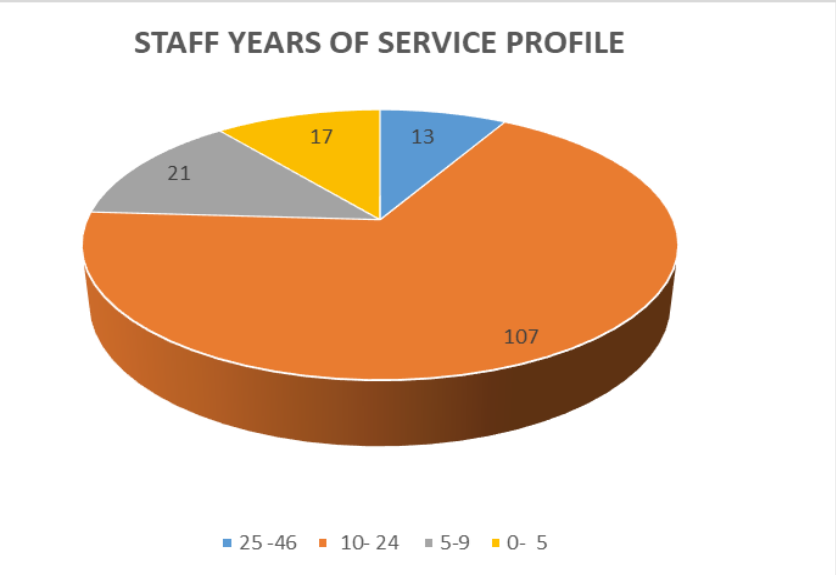
The Port Authority's staff is comprised of predominantly men. This has traditionally been the case. The Port looks forward to a more gender balanced workforce in the future, where women are more represented at all levels in the organization.





OUR PEOPLE – WHO WE ARE (continued)





- **The staff profile indicates an aging workforce, as 70% of the staff complement is over 40 years old.**
- **19% of the staff will reach retirement age within 10 years.**
- **76% of the staff have more than 10 years experience at the port.**
- **The staff statistics offers opportunities for maintaining stability and building for the future.**

STRATEGIC OBJECTIVES

KEY STRATEGIC PRIORITIES IN FOCUS FOR THE 2019 FISCAL YEAR

- Improve the image of the Cayman Islands and the experience of the cruise tourist, by maintaining and upgrading the existing cruise ship arrival facilities in George Town and at Spotts.
- Fine tuning of the computer system to meet management's need for more useful management reports and to serve the customer needs more efficiently.
- Improving operations through the continued upkeep of existing equipment as well as the purchase of new and efficient equipment.
- Improving the efficiency of both the cruise and cargo operations by planning to separate and erect new facilities.

Cargo volumes (excluding aggregates) averaging 8% annual growth over the last five years, and cruise passenger arrivals increased by 6% between 2015 and 2019, with an average annual growth of 2%. The continued increase in cargo and cruise activities has strained the Port's capacity and human capital. In many instances the cargo space is used to help disembark cruise passengers in the day and prepared for cargo operations at night. The Port Authority is pursuing a master development plan to improve the ability of the port to manage the growing needs of the Islands.

The first phase of the CDC yard masterplan which involves the redesign of the container processing space and acquisition and deployment of two (2) Rubber Tyre Gantry (RTG) Cranes was completed in July 2018 at a cost of $6.7M This has resulted in a reduction of retrieval times of container boxes and better flow of cargo resulting in a much safer and efficient operations at our distribution facility. In addition, our vertical platform has greatly increased our storage capacity. The second phase of this project involves the continued improvement of the CDC operating space, and is projected to cost $5.4M in the 2020 fiscal year.

The third phase will involve acquisition of more RTG equipment and other facilities upgrades and is targeted for 2023, due to the impact of COVID- 19. These projects are financed entirely from retained earnings.

The financial planning process of the Port Authority integrates a biennial budget process with multiyear projections. Through the capital plan and budget process, management, in collaboration with the board, identifies strategic, financial, and operational risks and priorities that affect how resources are allocated; and outlines the spending plan for the year that seeks to deliver the strategic priorities of the board, in consultation with the portfolio ministry and Cabinet.

Each new budget allows space for reflection on short and long-term targets and amendments can be made to the pace of implementation of strategic initiatives and infrastructure plans. The approved budget becomes a blueprint for the implementation and continual review of expenditures to ensure that they align with statutory, contractual, and other commitments of the Authority and the policies and financial decisions of the Board and Cabinet through the portfolio ministry. Internally developed forecasting models are used to assess the Authority's projected medium-term financial condition; determine the financing needs and attendant feasibility of future capital investment; and perform financial tests to

STRATEGIC OBJECTIVES (continued)

measure fiscal risk. This comprehensive approach to planning, budgeting, and forecasting enables the Port Authority to identify, track, and take corrective action with respect to the funding requirements needed to deliver the projects and services that the Port Authority provides, in line with the priorities and policy framework of Cabinet.

The Port Authority not only takes a long-term view of the infrastructure needs; we take a holistic approach to planning for the Port. In this vein, our human capital needs to deliver the services to the economy are equally important. Our human capital planning is multifaceted, focusing on training and development, health and safety, performance management and succession planning. These are geared to maximize the efficiency and improve the overall effectiveness of our human capital assets. We have identified gaps in our current organizational structure and in unison with the Board, designed and developed an appropriate framework that can deliver on the medium and long-term strategic priorities being pursued.

Newly paved Taxi Parking & Depot completed in October 2019



STRATEGIC OBJECTIVES (continued)

It is this focus on long range planning for both our human capital and infrastructure requirements, and making strategic plans that are designed to meet the future challenges that underpin our continued emphasis on the four (4) long-term strategic priority areas outlined below:

Technological Innovation

- Incorporate leading edge technology advancements
- Assess business
- process in relation to loading/ unloading/storage of cargo for best practices
- Incorporate technology to ensure total inventory control
- Use technology to capture client experience

Operational Capabilities and Capacity

- Assess current and future state technology enhancement opportunities
- Re-developCargo Distribution Centre for operational and safety enhancements
- Equipment upgrades for efficient use of space
- Develop a berthing facility to attract cruise operators
- Assess Port operations and logistics of tour /taxi operators

Human Capital

- Invest in training
- Achieve stakeholder buy-in
- Ensure a clear distinction of job roles and requirements for each position
- Prioritize health and safety of staff
- Develop performance management tools to track efficiency and productivity
- Focus on resource and succession planning

Our achievements for the fiscal year 2019 with regard to these long-term strategic priority areas are highlighted below

Technological Innovation

- Implemented GP Dynamics accounting system and advanced steps to implement our HR systems
- Ongoing plans to implement asset management software

Operational Capabilities and Capacity

- Commenced Phase 2 - Re-development of Cargo Distribution Centre
- Acquisition and deployment of eight (8) Tico trucks
- Ongoing work with stakeholders to deliver a cruise berthing & enhanced cargo facility

Human Capital

- Ongoing work to define job roles and update Job descriptions
- Facilitated training programs for staff

MAJOR MILESTONES OF 2019

KEY TARGETS

- Improve the image of the Cayman Islands and the experience of the cruise tourist, by maintaining and upgrading the existing cruise ship arrival facilities in George Town and at Spotts
- To fine tune the existing computer system, to meet management's need for more useful management reports and to serve the customer needs more efficiently
- To improve operations through the continued upkeep to existing equipment as well as the purchase of new and efficient equipment
- Improve the efficiency of both the cruise and cargo operations by planning to separate and build new facilities

ACHIEVEMENTS

- Continual work with Government and other key stakeholders on the Cruise Berthing Facility. Maintaining the cruise berthing facility at George Town and at Spotts
- Implementation of new accounting software package with reporting systems which enabled the timely production of reports
- Development of Asset Replacement Plan to institute and maintain a fund for capital investments and general maintenance of existing and new assets

SUCCESSES	CHALLENGES
Implementation of new Organizational Structure that supports the vision and adheres to core values of the Port Authority	Resources needed to respond to organizational changes
Commencement of CDC yard development phase II	Further capital outlay needed to complete the entire project
New Microsoft Dynamics GP went live	Limited staff resources; teething pains with software implementation

2019 AT A GLANCE











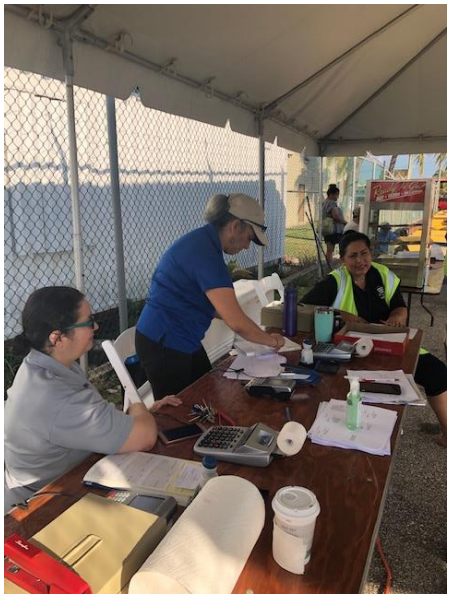


PUBLIC AUCTION









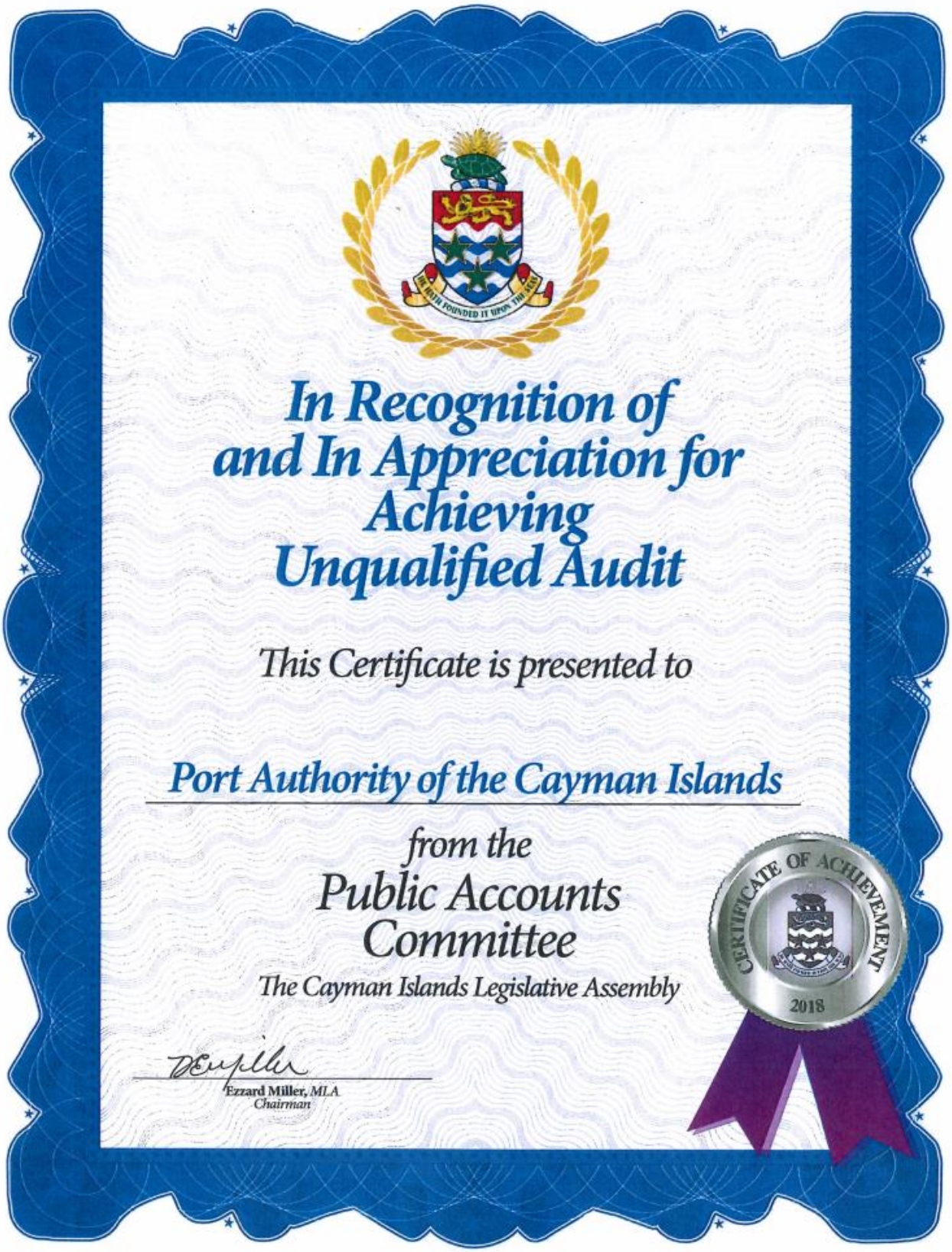




FINANCIAL SECTION



“PACI was recognized by the Public Accounts Committee for unqualified audits for the years 2018 and 2019. Pictured above are Acting Port Director, Joseph Woods and Acting Deputy Director Finance, Donovan Hutchinson, receiving the certificates from Councillor Wight.”


HE HATH FOUNDED IT UPON THE SEAS
In Recognition of
and In Appreciation for
Achieving
Unqualified Audit
This Certificate is presented to
Port Authority of the Cayman Islands
from the
Public Accounts
Committee
The Cayman Islands Legislative Assembly
Ezzard Miller, MLA
Chairman
CERTIFICATE OF ACHIEVEMENT
2018



In Recognition of and In Appreciation for Achieving Unqualified Audit

This Certificate is presented to

Port Authority of the Cayman Islands

from the

Public Accounts Committee

The Cayman Islands Legislative Assembly

CERTIFICATE OF ACHIEVEMENT

2019

Ezzard Miller, MLA
Chairman





ACTING DEPUTY DIRECTOR'S REPORT

The Financial Statement of The Port Authority of the Cayman Islands for the year ended December 31, 2019 is enclosed. This includes the Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Cash Flows, and the Statement of Changes in Equity.

The Chairman, Port Director and Deputy Port Director Finance are responsible for the accuracy of the data and the completeness and fairness of the presentation in the Financial Statements.

An analysis of the financial statements is provided in the Management Discussion section of this report, where the financial performance of the Authority is explained in detail. Selected statistical information is also presented at the end of this report to assist in understanding the overall performance of the Port Authority.

The Port Director is also responsible for establishing and maintaining adequate internal controls over the financial systems that produce the numbers presented in this report.

ACTING DEPUTY DIRECTOR'S REPORT (continued)

Internal control over financial reporting is designed to provide reasonable assurance that the financial information presented in the reports are free of material misstatement, and the performance of the Authority and related context is properly reflected for the reporting period in accordance with International Financial Reporting Standards.

The Port Authority is required to, and has established a comprehensive framework of internal controls that includes maintaining records that accurately and fairly reflect the transactions of the Port Authority and that the necessary controls are in place and have been faithfully adhered to, which provides assurance that the financial statements are free of material errors and bias. Due to inherent limitations, our internal control system over financial transactions and reporting cannot provide absolute assurance that a misstatement of the financial statements would be prevented or detected.

However, the acting Chairman, acting Port Director and I have certified that to the best of our knowledge and belief, the financial statements are free of material misstatement, which would change the opinion of an informed reader on the results as reported.

Our assertion that the financial statements are fairly stated is examined and validated by the Auditor General, who is charged by the Public Management and Finance Law (PMFL) to express an opinion on our financial statements based on her audit.

The goal of the independent audit is to provide reasonable assurance that these financial statements are free of material misstatement. The audit includes an examination, on a test basis, of the evidence supporting the amounts and disclosures in the financial statements, an assessment of the accounting principles used as well as the overall presentation of the financial statements. The financial statements for 2019 were presented to the Auditor General who expressed an *unmodified opinion* at the conclusion of her audit.

ACTING DEPUTY DIRECTOR'S REPORT (continued)

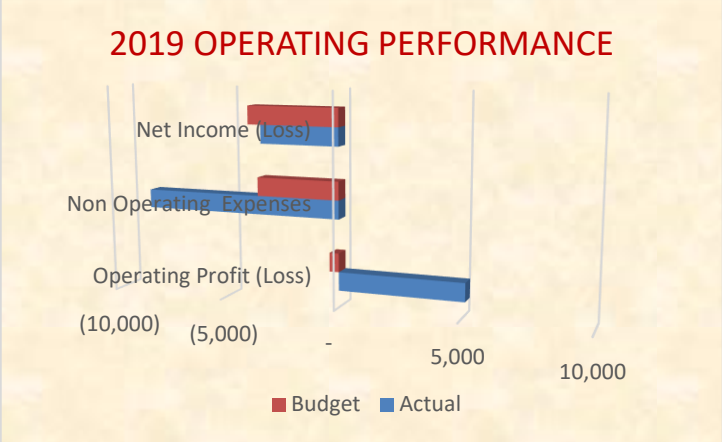
The Port Authority recorded a net loss of $3.4M for the financial year ending December 31 2019. This was $0.5M better than the budgeted loss of $3.9M.

Despite $3.6M or 16% better revenue performance than expected, it was diminished by the $5.4M increase in the revalued defined benefit liability.

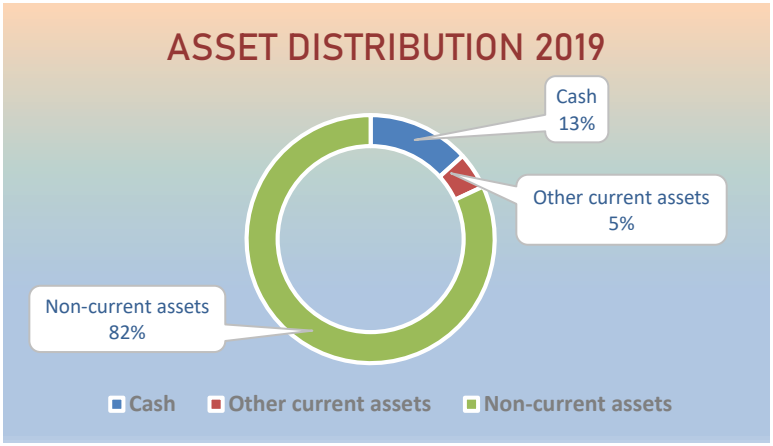
Although the Port posted operating profit of $5.2M (2018: $4M) this was eroded by the defined benefit expense and revaluation loss totaling $8.65M.

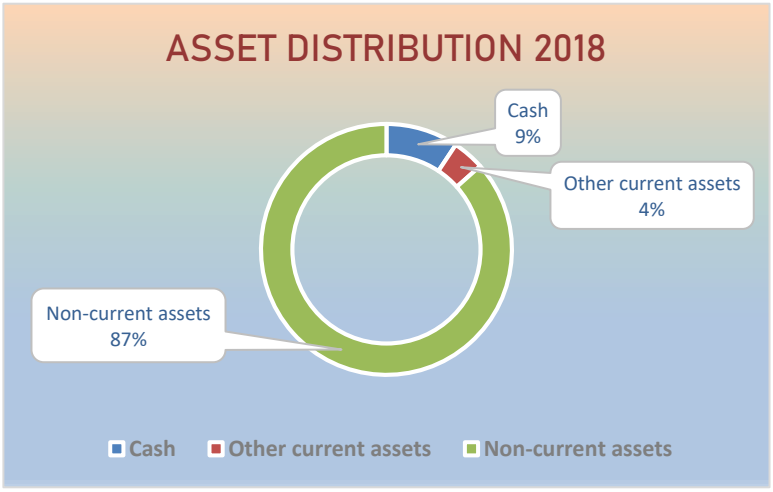
Net worth worsened by $3.3M or 4% over last year. Notwithstanding higher asset balances, the increase in health care liability was the major contributor to the decline of the overall net worth.

When compared to the budget, net worth for 2019 increased by 402%. This was mainly due to revaluation of property, plant and equipment, increased cash and cash equivalents and lower than budget defined benefit liability. These contributed the majority of the $33M positive equity variance against the approved budget.



ACTING DEPUTY DIRECTOR'S REPORT (continued)

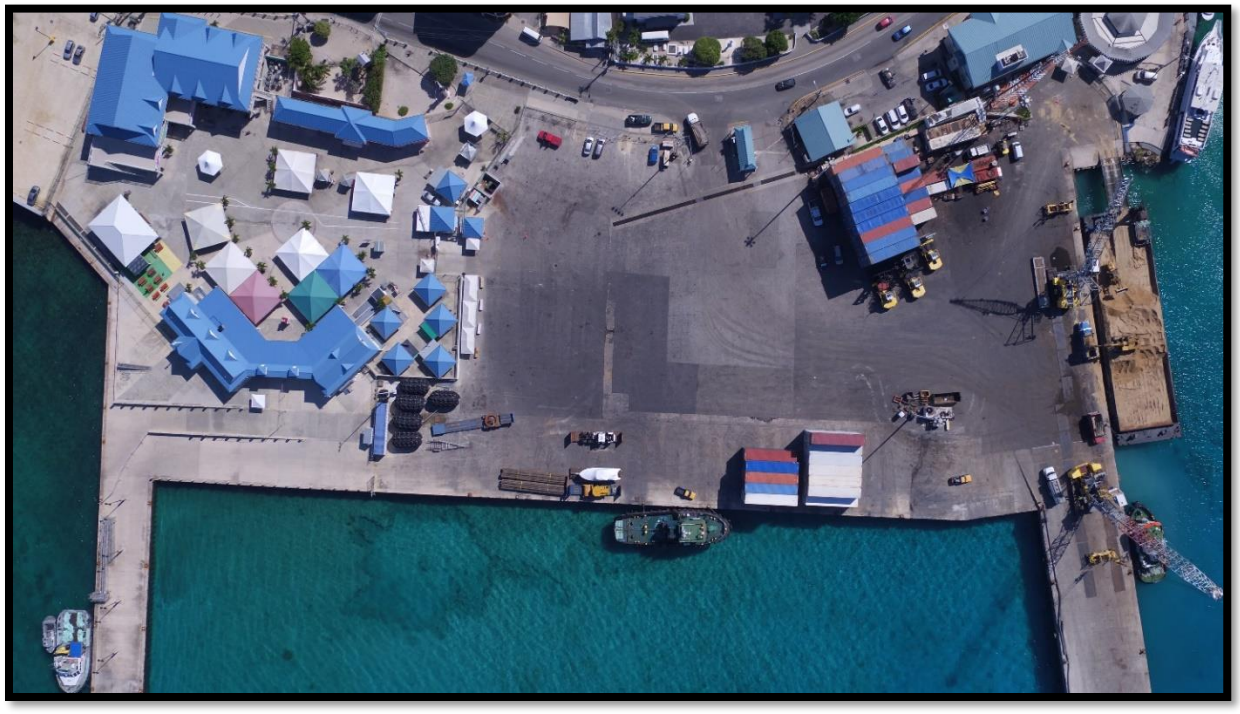




The Port Authority enjoyed positive operating performance over the last five years. The Authority's liquid assets have also seen measurable growth due to 36% increase in cargo imports and 6% growth in cruise tourism over the period 2015-2019. A total of $13M was used to invest in our infrastructure during this period, funded entirely from operating profits.

Due to the projected increase in economic activity in the Cayman Islands in the medium to long term and the age of our assets, the Port Authority will need far greater investment in our infrastructure and human capital than is currently being made.

This will ensure that our capacity to facilitate commerce and maintain our status as a premier cruise destination is optimized and equal to the changing needs of our stakeholders.



PORT AUTHORITY DOCK IN GRAND CAYMAN

ACTING DEPUTY DIRECTOR'S REPORT (continued)

The current year's performance was positively impacted by the 10% growth in cargo volumes over 2018. While cruise passengers declined by 5% due to market correction, overall income grew by $2M or 8%. Operating expenses increased by $900K or 4% but non-operating expenses increased by $10M or 726% due to remeasurement of the defined benefit health care liability. These were largely responsible for the reversal of the $6M profit the prior year to a $3.4M loss in 2019.

Our revenue diversification plans if realized, have the potential to improve revenues. However, the feasibility of these projects considering the realites of the macro environment is long term at best. In the short to medium term, our fortunes will be tied to the activities in the economy and the global cruise market conditions. Other risks include increased outlook for natural disasters, 'black swan' events such as COVID -19 or other global crises, which can be both unpredictable and devasting.

Other developments that were being pursued to increase our cargo handling capacity and our ability to berth larger cruise vessels have an uncertain future. However, given the age and condition of our sole cargo facility, the Port Authority may be faced with significant costs to renovate or replace the cargo dock in the short to medium term. Funding will have to be secured to achieve this.

EIGHT NEW TICO- PRO SPOTTER FLEET TRUCKS ACQUIRED IN AUGUST 2019



ACTING DEPUTY DIRECTOR'S REPORT (continued)



CARGO DISTRIBUTION CENTRE IN CAYMAN BRAC

The Port Authority is committed to continuous improvement to satisfy the needs of our stakeholders and to evolve with the changing landscape. We will continue to seek creative and cost effective solutions for the challenges ahead to the benefit of the people of the Cayman Islands.

Don Hutchinson FCA FCCA
Acting Deputy Director – Finance & Facilities

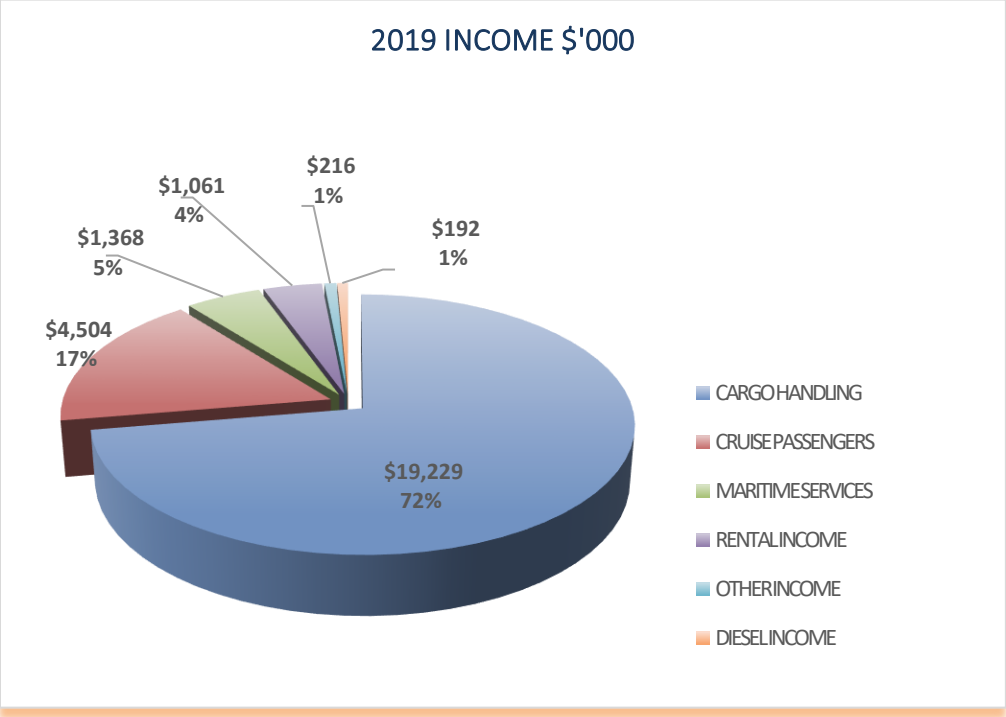
MANAGEMENT DISCUSSION AND ANALYSIS

The ensuing section is management's commentary on the financial statements for the 12 months period ending 31 December 2019. It sets the context of the results reported, and highlights important information that is useful to the readers of the financial report. This is meant to be read in conjunction with the full set of financial statements and note disclosures which follow.

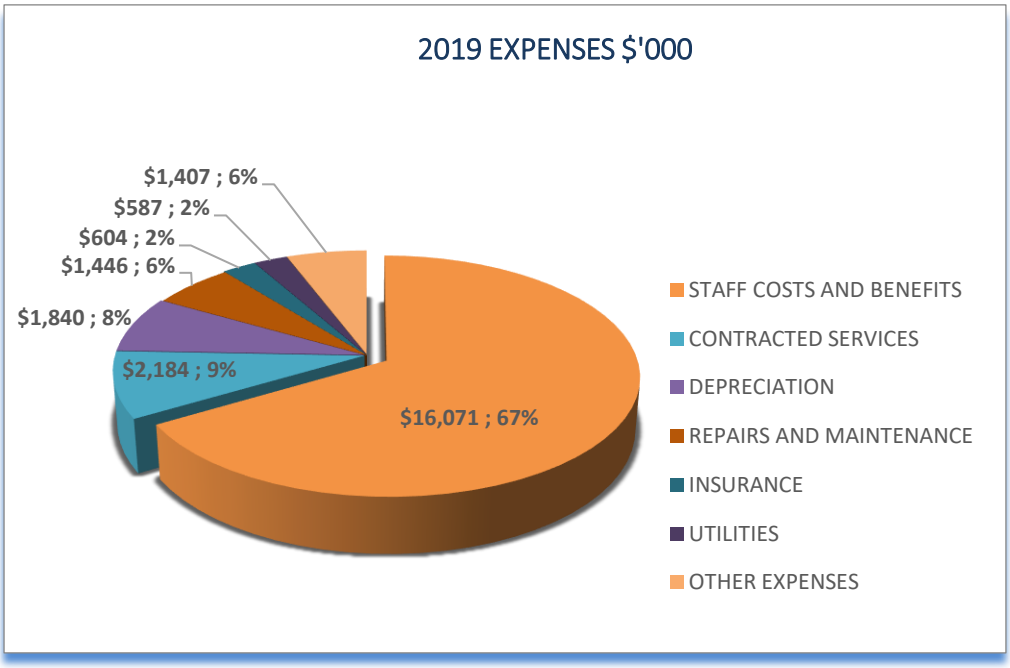
2019 Financial Performance

Equity shrunk at the end of the period by $3.3M due to Income from operations of $5M, net loss of $3.4M, and other adjustments of $40K.

Description	2019
Gross operating revenue	26,569,405
Operating expenses	(21,430,214)
Income from operations	5,139,191
Gain on revaluation of investment property	79,344
Gain on disposal of equipment	35,897
Interest income	6,861
Defined benefit expense	(2,708,000)
Remeasurement of health care obligation	(5,940,000)
Net Loss	(3,386,707)
Defined benefit payments for current retirees	228,000
Other prior year adjustments	(77,952)
Derecognition of revaluation reserve for assets disposed	(110,228)
Decrease in equity	(3,346,887)



The pie chart shows that the top three revenue sources were Cargo handling, Cruise passenger fees and Maritime services. These accounted for 94% of total revenue.



On the expense side, the top three items were staff costs and benefits, contracted services, and depreciation. These contributed 84% of the total expenditure.

Statement of Financial Position

The Statement of Financial Position shows the assets, liabilities and equity of the Port Authority. The following is a summary of the relative positions at the end of the last five (5) fiscal years, bearing in mind the 18 months fiscal year for 2017.

	Dec 2019	Dec 2018	Dec 2017	Jun 2016 (Restated)	Jun 2015
ASSETS					
Current assets	$15,335,968	$10,733,910	$10,912,375	$9,773,076	$6,245,243
Non-current assets:					
Property plant and equipment	60,308,939	60,135,933	55,212,837	54,322,985	31,923,577
Right of use land & warehouses	196,509				
Investment property	9,150,000	9,055,000	8,356,461	8,310,000	15,772,466
Total assets	**$84,991,416**	**$79,924,843**	**$74,481,673**	**$72,406,061**	**$53,941,286**
LIABILITIES					
Current liabilities	$2,104,565	$2,316,065	$1,560,824	$4,469,216	$5,459,531
Non-current liabilities:					
Bank loan	-	-	-	322,538	1,782,525
Lease liability	204,960	-	-	-	-
Health care liability	41,525,000	33,105,000	34,694,000	30,189,000	24,662,000
Total liabilities	**$43,834,525**	**$35,421,065**	**$36,254,824**	**$34,980,754**	**$31,904,056**
EQUITY	**$41,156,891**	**$44,503,778**	**$38,226,849**	**$37,425,307**	**$22,037,230**

The financial position shows a steady improvement in our asset base over the five-year period. This is due to a combination of asset purchases and revaluation of the property and investment portfolio effective June 2016. We also observe a $3.6M or 61% reduction in current liabilities and a notable increase in cash reserves. The bank loan was repaid in 2017, so amounts reflected as current liabilities from 2017 onwards reflect payables and year end accruals. The liquidity position has improved to 7:1 from the 1.4:1 in 2015, which indicates an increased ability to meet our obligations. Since 2016, the Port has strong working capital of at least 2:1 due to solid revenue performance and favorable gearing ratios, given the absence of commercial debt.

The Port being debt free is not the norm in the capital-intensive Port industry, which requires significant recurring investment in infrastructure and other capital assets.

Despite the growing cash balance, the Port needs to replace critical assets that require resources beyond our ability to generate with our current business model. We will have to rely on external financing to address our major infrastructure needs.

Initiatives that were pursued by Government to address the cargo and cruise facilities which were identified as priority projects have an uncertain future.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

The Port purchased equipment and other assets as well as upgraded property for the five-year period costing $13M, an average of $2.6M per annum.

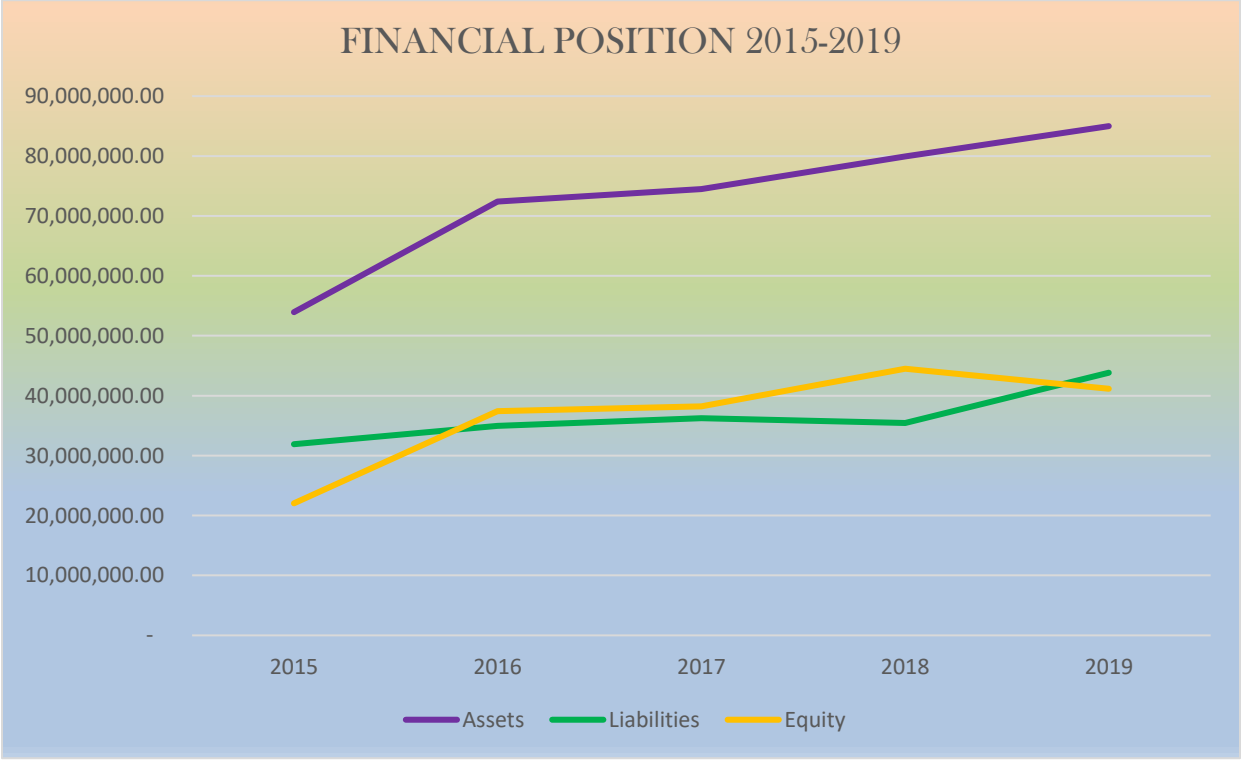
The Revaluation exercise effective June 2016 increased the assets by $22.8M but the Investment property value declined by $6.6M, resulting in a net $16.2M increase on the overall book values.

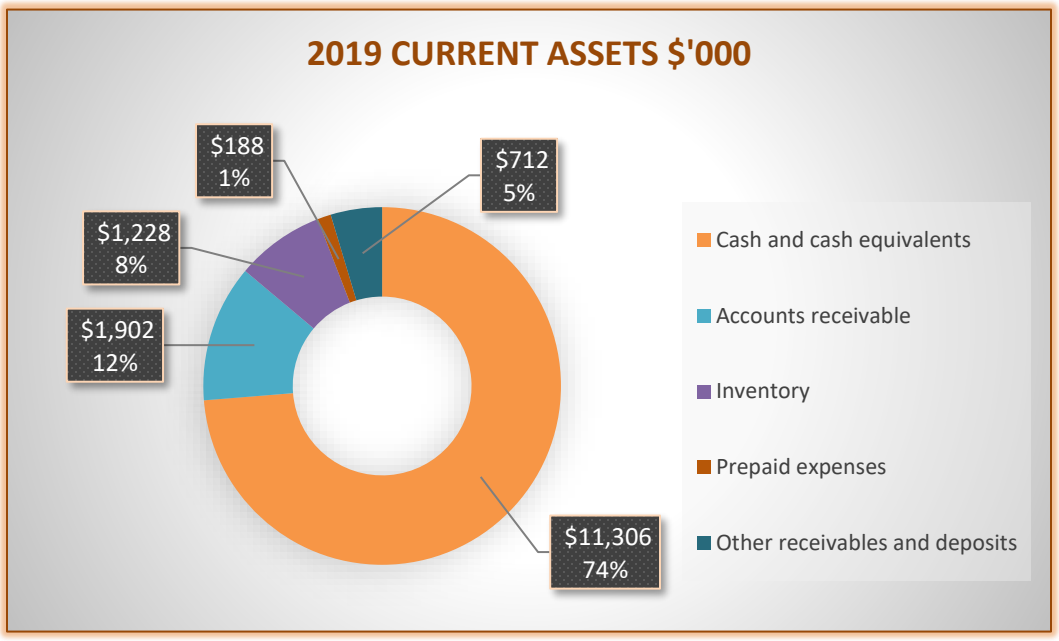
Equity has improved over the five-year period by 87%, despite a 68% increase in the defined benefit liability, mainly due to the revaluation gains on property

The $17M increase in the health care liability over the last five years has reduced the impact of the gains made in asset value ($28M) and Current assets ($9M) respectively. The uncertainty of the annual movements presents significant risk to the equity of the Port Authority.

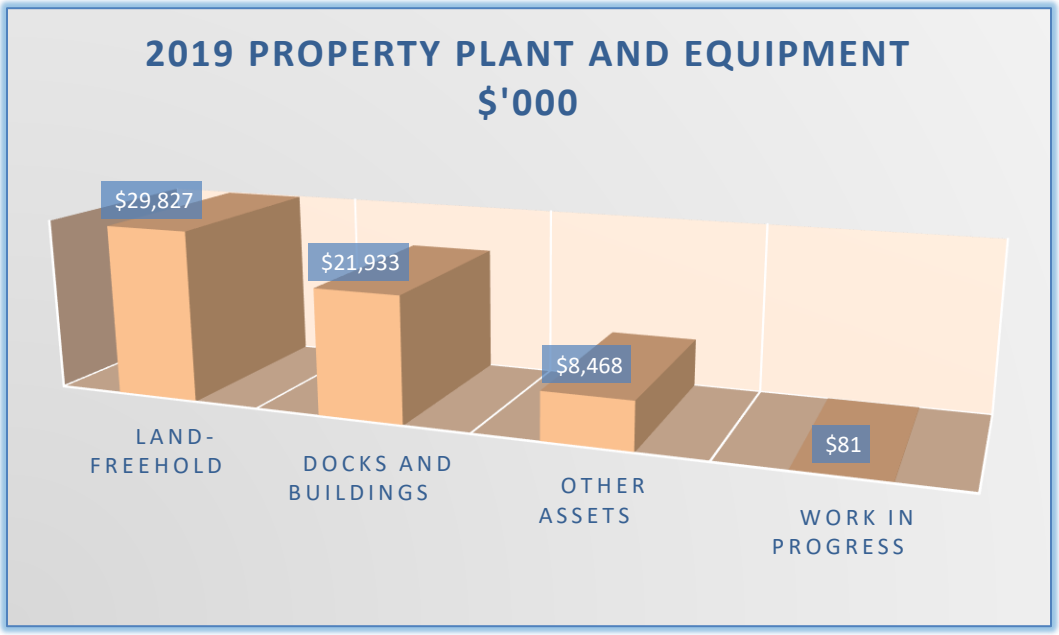
The notion that this health care liability represents a potential expense that will be due in the future is formidable, given the massive increase over a five-year period which saw limited growth in staff numbers.

In recognizing that this is currently unfunded, the Board approved a savings plan to begin to address this.





Cash dominated current assets covering 74% or $11.3M. Receivables closed at $1.9M and inventory at $1.2M



The Port invested $2M in asset replacement and improvement during the 2019 financial period. These include improvements to CDC facilities, building upgrades, furniture, office equipment, vehicles and heavy equipment.

2019 Movement

Total assets at the Port Authority at December 31, 2019 was $5M or 6% greater than the previous reporting period. This was due mainly to the following factors:

- Higher cash balance at the end of the year compared to last year with a net increase in cash and cash equivalents of $3.9M
- Increase in accounts receivable($193K) boosted by 8.2% improvement in total operating revenue
- Higher deposits paid to vendors ($406K) for expenses and projects for the next financial year
- Additions to fixed assets totaled $2M which included purchase of eight new modern trucks ($800K), paved North Terminal Taxi stand, the Taxi Dispatch Centre parking and both the passenger and transportation areas of Spotts cruise facility ($441K), replacement of CDC outdoor shelter and building improvements ($181K), Cayman Brac dock renovation ($230K), computer software and hardware ($101K) and furniture and equipment ($206K);
- Capitalization of leases for right of use of land and warehouses ($196K)
- Changes in the fair value of RWCT charged to other income in the statement of comprehensive income and some improvements totaled $95K for the period

Total liabilities of the Port Authority was $43.8M, which is a $8.4M or 24% increase from the last reporting period. This was due mainly to the increase in the defined benefit liability.

2019 Consolidated actual vs budget

Financial Position	2019 Actual $	2019 Budget $	2019 Variance $	Change %
Assets	84,991,416	54,610,000	30,381,416	56%
Liabilities	43,834,525	46,411,000	(2,576,475)	(6%)
Net Worth	41,156,891	8,199,000	32,957,891	402%

Actual assets performed 56% better than expected with a $30M increase over target. This was the result of increase in cash and other current assets, and a net increase in property plant and equipment on account of revaluations, additions, capitalization of leases for right of use of land and warehouses and revaluation gains of investment property.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Liabilities closed lower than budgeted with a $2.6M or 6% decrease vs. the target amount. Despite the recognition of lease liability for right of use of land and warehouses, the improved discount rate applied to long term health care benefits is the reason for the favorable movement in the health care liability, in addition to changes in employee demographics.



The summarized actual vs budget for the 2019 fiscal year is as follows:

	Actual Dec 2019 $	Budget Dec 2019 $	Variance Dec 2019 $	Variance Dec 2019 %
ASSETS				
Current assets	15,335,968	5,252,076	10,083,892	192
Non-current assets:				
Property, plant and equipment, net	60,308,939	35,373,043	24,935,896	70
Right of use land & warehouses	196,509	0	196,509	-
Investment property	9,150,000	13,984,887	(4,834,887)	(35)
Total assets	84,991,416	54,610,006	30,381,410	56
LIABILITIES				
Current liabilities	2,104,565	1,162,740	941,825	81
Non-current liabilities:				
Lease liability	204,960	0	204,960	-
Defined benefit liability	41,525,000	45,248,000	(3,723,000)	(8)
Total liabilities	43,834,525	46,410,740	(2,576,215)	(6)
EQUITY	41,156,891	8,199,265	32,957,626	402

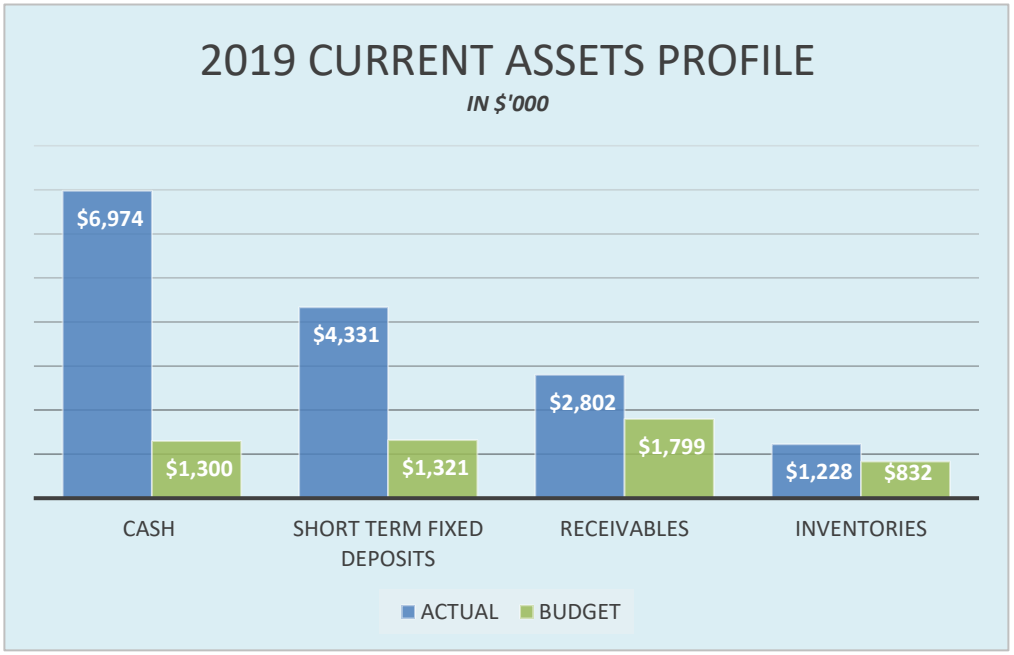
MANAGEMENT DISCUSSION AND ANALYSIS (continued)

The net assets for the 2019 fiscal year performed better than budget by $32.9M or 402%, due mainly to the extensive movement of PPE to budget of $24.9M or 70% and decline in the defined benefit liability on account of discount rate movements by $3.7M or 8%. Despite the decline in investment property by $4.8M or 35%, total assets improved by $30M or 56% over budget. Current liabilities were $942K or 81% more than expected, due mainly to unpaid insurance premium. This combined with the $3.7M positive health care variance, resulted in total liabilities being $2.6M or 6% less than budget.

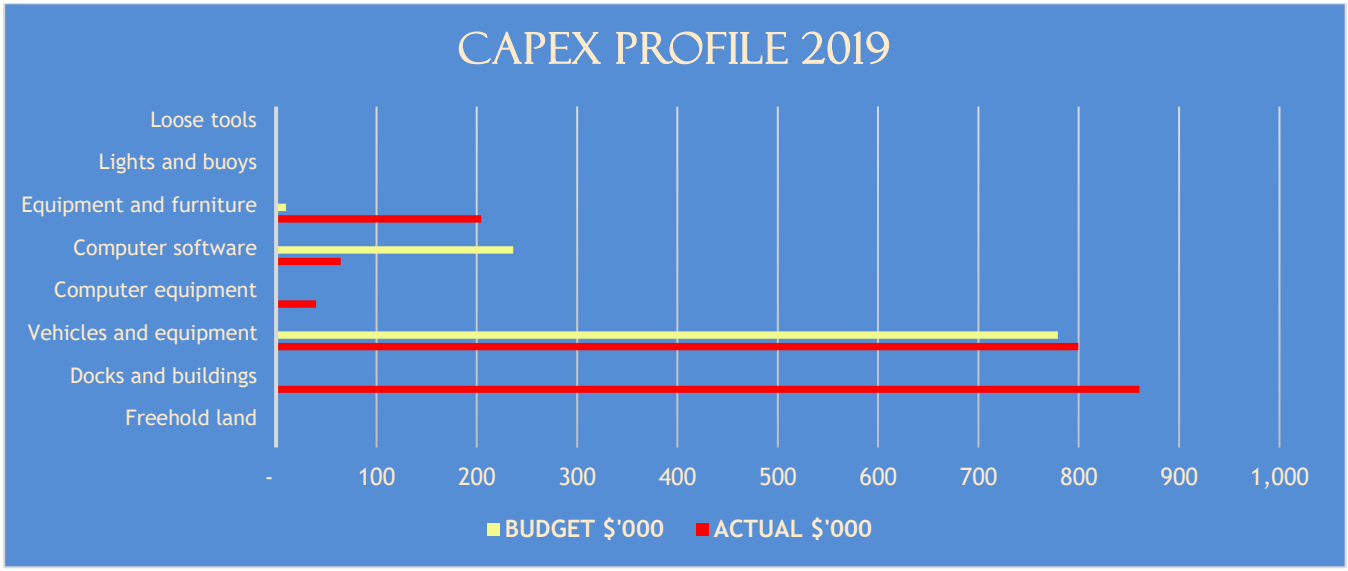


SPOTTS LANDING FACILITY

MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*



Current assets had a positive variance of $10M. The profile shows cash variance of $5.7M and fixed deposits variance of $3M were crucial to the overall variance position. Receivables' adverse variance of $1M was due to higher actual operating revenue and deposits on capital items.



New assets booked for 2019 was $2M. This contrasts with the $1M budget, a negative variance of $1M.

The Board approved revised capital plans which resulted in the completion of projects which were earmarked for phased implementation.

Statement of Comprehensive Income

The statement of comprehensive income shows the income and expenses of the Port Authority for the period, and the net effect of the financial performance on equity.

Comprehensive Income	2019 Actual $	2019 Budget $	2019 Variance %
Revenue	26,569,405	22,931,353	16
Operating Expenses	21,430,214	23,324,296	(8)
Non-Operating Expenses, net	2,585,898	3,500,000	(26)
Other Comprehensive Expense	5,940,000	-	-
Net Surplus/Deficit	(3,386,707)	(3,892,943)	(13)

Profit Performance

The Port Authority earned revenue of $26.6M or 16% above the $22.9M budget for the 2019 fiscal year, and incurred operating expenses of $21.4M or 8% less than the $23.3M budget for 2019. The negative defined benefit adjustment of $5.9M, in addition to other non- operating expenses resulted in a net deficit of $3.4M for the 2019 fiscal year. This is $506K or 13% less than the ($3.9M) loss envisioned in the approved budget.

Future outlook

There was increased confidence that the Port would continue to build on the strong revenue performance seen over the last five years. This was based on the high planning approvals, construction boom in hotels, condos and industrial developments and ongoing and planned infrastructure projects. In addition, future cruise bookings were strong, the population and stayover visitors were increasing - all of which increase demand for goods and services. There was also the possibility of medium-term growth in cruise revenue based on projections.

The Port Authority was then faced, like the rest of the world with COVID-19 in early 2020 and the resulting fallout across multiple sectors. Consequently, our outlook for the next two to three years is optimistic but cautious. Despite the recent vaccine approvals, there may not be a return to the pre - COVID 19 world for some time.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

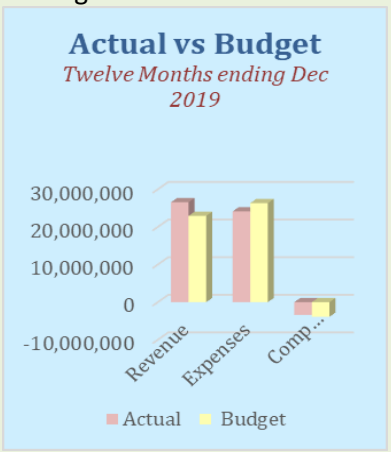
Twelve (12) Months ended 31 December 2019	Actual $	Budget $	Variance $	Variance %
REVENUE				
Cargo handling	19,228,563	15,878,094	3,350,469	21
Cruise ship passenger fees	4,504,287	4,135,555	368,732	9
Other revenue	2,836,555	2,917,704	(81,149)	(3)
TOTAL REVENUE	26,569,405	22,931,353	3,638,052	16
EXPENSES				
Staff costs including defined benefit costs	16,070,615	18,413,041	(2,342,426)	(13)
Repairs and maintenance	1,445,570	2,535,513	(1,089,943)	(43)
Contracted services	2,183,513	1,590,039	593,474	37
Insurance	604,442	579,708	24,734	4
Other operating expenses	1,994,337	1,638,995	355,342	22
Depreciation	1,839,737	2,067,000	(227,263)	(11)
TOTAL EXPENSES	24,138,214	26,824,296	(2,686,082)	(10)
Interest income	6,861	-	6,861	-
Gain on revaluation of investment property	79,344	-	79,344	-
Gain on disposal of fixed assets	35,897	-	35,897	-
Remeasurement of defined benefit obligation	(5,940,000)	-	(5,940,000)	-
	(5,817,898)	-	(5,817,898)	-
COMPREHENSIVE LOSS	(3,386,707)	(3,892,943)	506,236	(13)

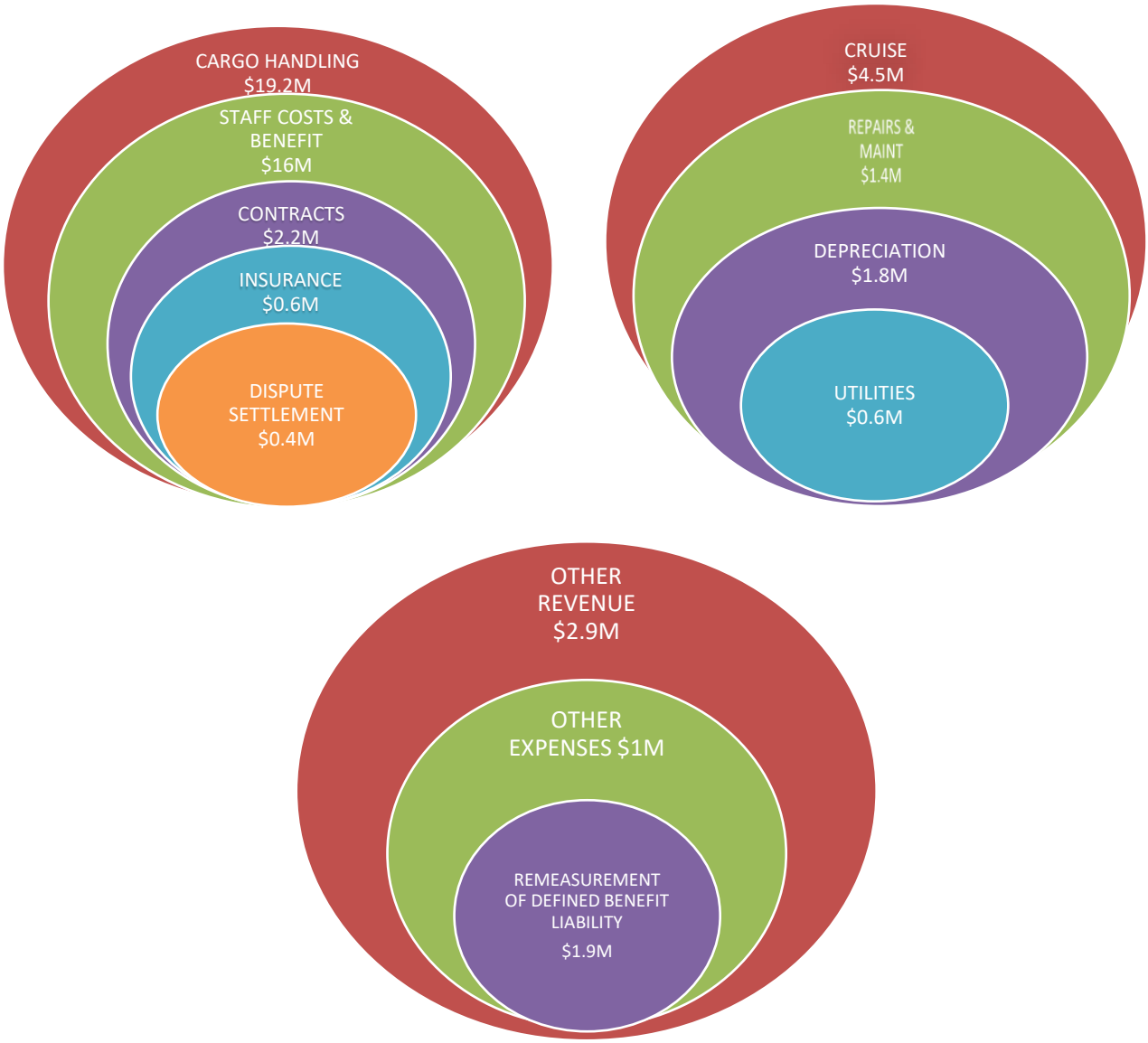
Key insights from the 2019 results:

- Revenue exceeded projections by 16% - this was due to 21% growth in cargo.
- Cruise passengers surpassed budget by 9%, with peripheral drop compared to last year due to damaged cruise destinations in the region resuming operations.
- Other revenue streams underperformed, ending at a combined 3% below budget. These were due to:
  - Vacant units at RWCT
  - Fewer services to vessels calling on the Port

- Staff costs ended at 13% below budget. Planned recruitment was not completed and actual operating cost of health care benefit ($2.7M) was less than budget ($3.5M)
- There was a 43% underspend on budget for repairs and maintenance as these were delayed to ensure capex was funded.
- Other operating expenses was 22% higher than budget due mainly to some dispute settlement.
- Contracted services exceeded budget by 37% as professional fees, security and other expenses increased in response to higher business volume.

- Notwithstanding the unfavorable outcome in the remeasurement of long-term health benefit obligation, total comprehensive income was 13% better than expected due to 10% less expenses and 16% higher revenue vs the budget amounts.





- The income earned from cargo handling is adequate to cover staff costs and the annual health care benefit cost, contracted services, insurance and dispute settlement for the period.
- Repairs and maintenance, depreciation and utilities are covered by income earned from cruise passengers.
- The remaining revenue including the 'excess' from cruise pays for the $1M other operating expenses, with $1.9M of the remeasurement cost, leaving an exposure of $3.4M, which ties to the net loss for 2019.
- The non-cash expenses should be matched by cash reserves, as they indicate future obligations which need to be planned for, such as the development, replacement or rehabilitation of infrastructure and equipment and funding health care premiums for retired staff.
- The Port is able to slowly build cash reserves by delaying capital spending and operating with minimal sinking fund for depreciation. Without adjusting to our business model, where the revenue is based on the cost of delivering the service, PACI will continue to be challenged to fund infrastructure improvement.

Historical Performance

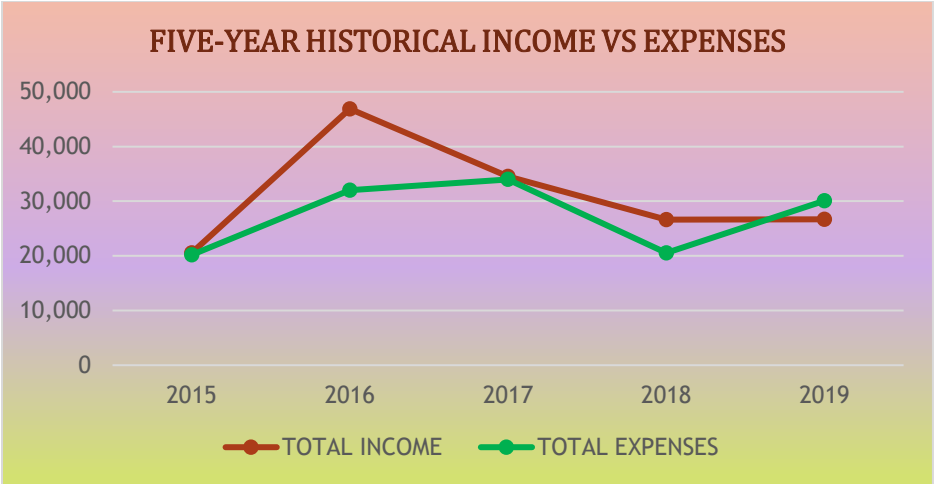
The net results for the last five years reflect the trend of negligible profits. Results for 2018 and 2016 were outside the norm, and resulted from non-operating gains from positive movement in the discount rate resulting in a reduction of the defined benefit liability, and revaluation gains from the revaluation exercise done effective 2016 respectively. The defined benefit costs have had a detrimental impact on the results of the Authority since being brought on the books in 2014. This alone has reduced the combined operating surplus of $20M for the last five fiscal years by $19M.

The five-year operating income chart shows that PACI has been improving in revenue generation, as dictated by activities in the economy. Cargo volumes and cruise passengers, which accounts for about 94% of PACI's revenue, increased by 39% and 11% respectively over the five-year period. Movements in container boxes increased by 22%. These were chiefly responsible for generating 29% growth in operating revenue over the last five fiscal years, from $20.5M in 2015 to $26.6M in 2019.

The Port restricted the growth in expenditure to 14% over the last five years, in contrast with the 29% growth in revenues. These measures were offset by a combined $2M in non-operating expenses which reduced combined profits to $18.4. Notwithstanding the $3.3M loss incurred in 2019, the last five fiscal years averaged around $3.7M in annual profits. However, without the 2018 and 2016 outliers, three of the last five years had negligible profits or loss.

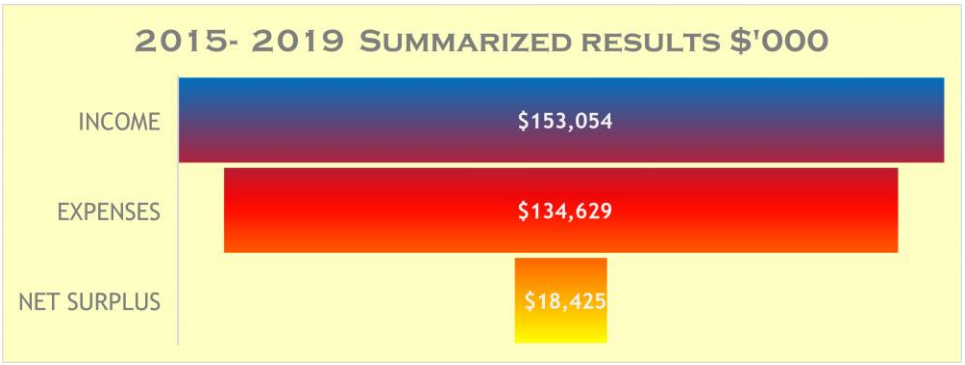
			18 Months	Restated		
FIVE (5) YEAR HISTORICAL PERFORMANCE	2019	2018	2017	2016	2015	TOTALS
	$'000	$'000	$'000	$'000	$'000	$'000
Cargo income	20,596	18,422	26,482	16,790	14,841	97,131
Cruise income	4,504	4,726	6,070	4,382	4,073	23,756
Rental income	1,061	1,050	1,562	1,236	1,159	6,068
Other income	415	359	391	496	454	2,115
Total Operating Income	**26,576**	**24,557**	**34,505**	**22,904**	**20,527**	**129,070**
Staff costs	(13,363)	(13,554)	(19,266)	(12,305)	(11,574)	(70,061)
Contracted services	(2,184)	(1,766)	(2,098)	(1,290)	(2,161)	(9,498)
Repairs and maintenance	(1,446)	(1,701)	(2,947)	(1,670)	(1,368)	(9,132)
Insurance	(604)	(559)	(769)	(601)	(654)	(3,187)
Other operating costs	(1,994)	(1,517)	(2,317)	(1,232)	(1,245)	(8,306)
Depreciation	(1,840)	(1,462)	(1,664)	(1,694)	(1,825)	(8,485)
Total Operating Expenses	**(21,430)**	**(20,559)**	**(29,061)**	**(18,792)**	**(18,827)**	**(108,669)**
Operating Surplus	**5,146**	**3,999**	**5,445**	**4,112**	**1,700**	**20,401**
Gain / (loss) on disposal of fixed assets	36	-	(124)	(472)	(45)	(605)
Defined benefit annual expense & remeasurement	(8,648)	1,382	(4,787)	(5,868)	(1,305)	(19,226)
Gain on revaluation of plant and equipment	-	-	-	1,395	-	1,395
Net gain on revaluation of land and building	-	-	-	22,589	-	22,589
Loss on revaluation of plant & equipment	-	-	-	(514)	-	(514)
Gain/ (loss) on revaluation of investment property	79	689	-	(6,384)	-	(5,615)
Total Comprehensive Income	**(3,387)**	**6,070**	**533**	**14,858**	**350**	**18,425**

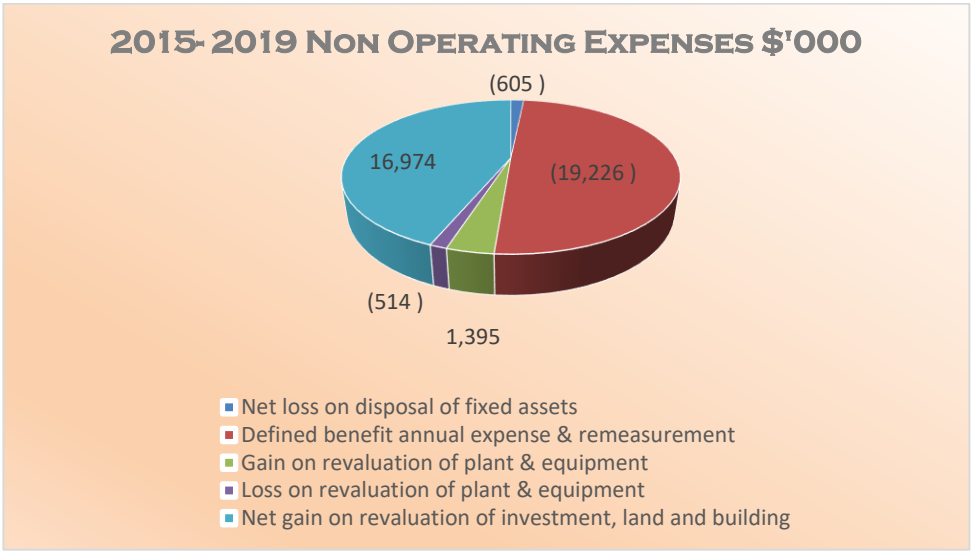
MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*



- Total expenses are tracking in line with income, notwithstanding considerable income growth, resulting in inadequate profitability.
- This hinders investment in human resources, infrastructure and other capital assets.
- This indicates an imbalance in the cost recovery for the services provided by PACI, which need to be addressed.

- ✧ Annual growth in operating income
- ✧ Income improved by 8% in 2019
- ✧ Operating expenses increased by 4% over 2018
- ✧ DBE increased by $10M in 2019
- ✧ Total income for five-year period was $153M
- ✧ Total expense was $135M
- ✧ Net profit for five-year period was $18.5M



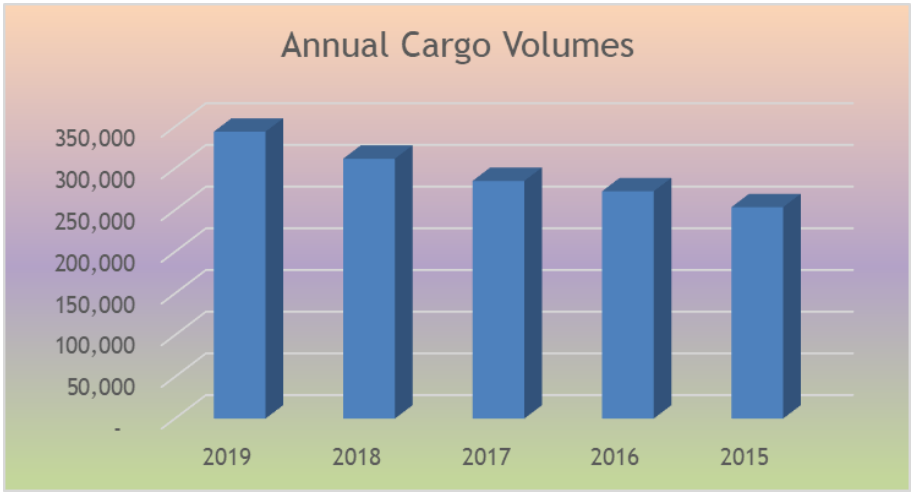


- $19M defined benefit net expense
- Non-recurrent gain of $1.4M from revaluation of equipment
- Net disposal loss of $605K
- Equipment revaluation loss $514K
- Net revaluation gains on investment property and land and building $16.9M

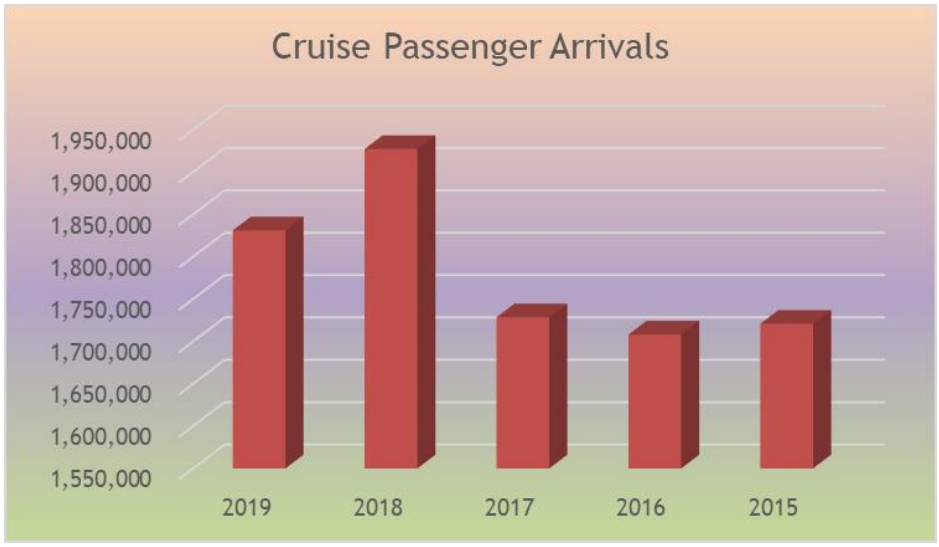
MANAGEMENT DISCUSSION AND ANALYSIS (continued)

The 10% average annual operating income growth is trending with the 8% average growth in cargo volumes and 2% average growth in cruise activities. Container movements had 7% average annual growth as well between 2015 and 2019.

ACTIVITY STATISTICS	2019	2018	2017	2016	2015
Annual Cargo Volumes	344,001	311,612	284,981	272,526	253,442
Cruise Passenger Arrivals	1,831,011	1,927,185	1,728,444	1,708,066	1,720,793
TEUS (In and Out)	66,854	61,427	58,579	56,577	52,032

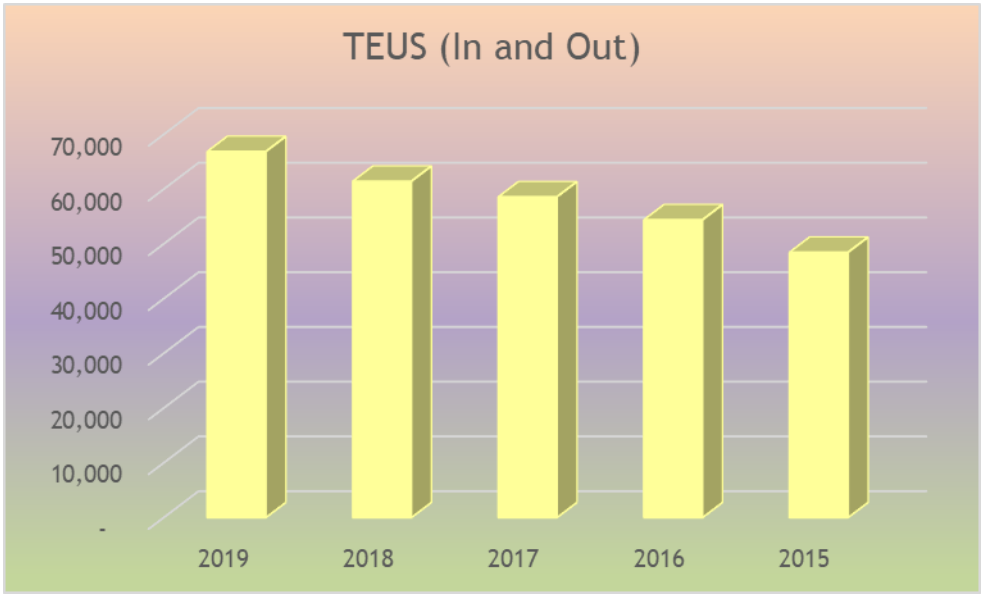


As seen by the graphs, we have been having consistent yearly growth of both Cargo (8%) and TEU's (8%) for the last five years. This trend is set to continue based on Cayman's macroeconomic variables. COVID – 19 may have impacted cargo growth in the short term, but the extent and severity are unknown at this time. PACI feels confident that once the global norm returns, the performance and growth trajectory will resume.



- Cruise arrivals has performed well over the last five financial years, contributing a combined $24M to PACI at an average of $4.8M per Year. Cruise income accounted for 17% of operating revenue for 2019. This is slightly lower than the 19% average cruise income contribution for the past five years.
- The Cayman Islands enjoys one of the highest rates of cruise visitors in this hemisphere. The pace of growth averaged 2% per annum for the last five calendar years, despite the 5% decline in 2019.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)



- Cargo volume (excluding aggregates) is up 10% over 2018
- TEU movement is 9% above 2018
- TEU is up 28 % since 2015
- Cargo is up by 36% since 2015

Actual vs Budget

Cash Flows	Actual 2019 $	Budget 2019 $	Variance %	Reason
Net cash flows from operating activities	6,192,086	1,412,593	338	Favorable revenue & expense performances
Net cash flows from investing activities	(2,021,542)	(1,025,300)	97	Revised capital plans
Net cash flows from financing activities	(310,304)	-	-	Payments for retirees and lease obligation

Cash Flow Five- Year Trend Analysis

In $'000	2019	2018	2017	2016	2015	TOTALS
Opening Cash	7,445	6,821	6,233	3,793	1,384	**1,384**
Net cash earned from operations	6,192	7,371	5,354	5,608	4,640	**29,165**
Purchase of fixed assets and investments	(2,022)	(6,540)	(2,732)	(1,397)	(278)	**(12,969)**
Debt repayment	(310)	(207)	(2,034)	(1,771)	(1,953)	**(6,275)**
Closing Cash	11,305	7,445	6,821	6,233	3,793	**11,305**

The strong operating performance shown in the Statement of Comprehensive Income is reflected in the improved operating cash flow over the five- year period. Actual closing cash balances improved by 198% over the five-year period. The Port Authority invested an average of $2.6M per annum in its asset portfolio, and repaid its debt and reduced liabilities by $6.3M or an annual average of $1.3M for the last five years.

FINANCIAL PERFORMANCE RATIO	2019 Actual	2019 Budget	Explanation
CURRENT ASSETS: CURRENT LIABILITIES	7.29:1	4.58:1	Cash used to buy assets
TOTAL ASSETS: TOTAL LIABILITIES	1.94:1	1.18:1	Acceleration of capex plans and lower defined benefit liability upon valuation at year end

HUMAN CAPITAL MEASURES	2019 Actual	2019 Budget
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	158	158
STAFF TURNOVER (%)		
SENIOR MANAGER	0	0
PROFESSIONAL AND TECHNICAL STAFF	Less than 1%	Less than 1%
ADMINISTRATIVE STAFF	0	0

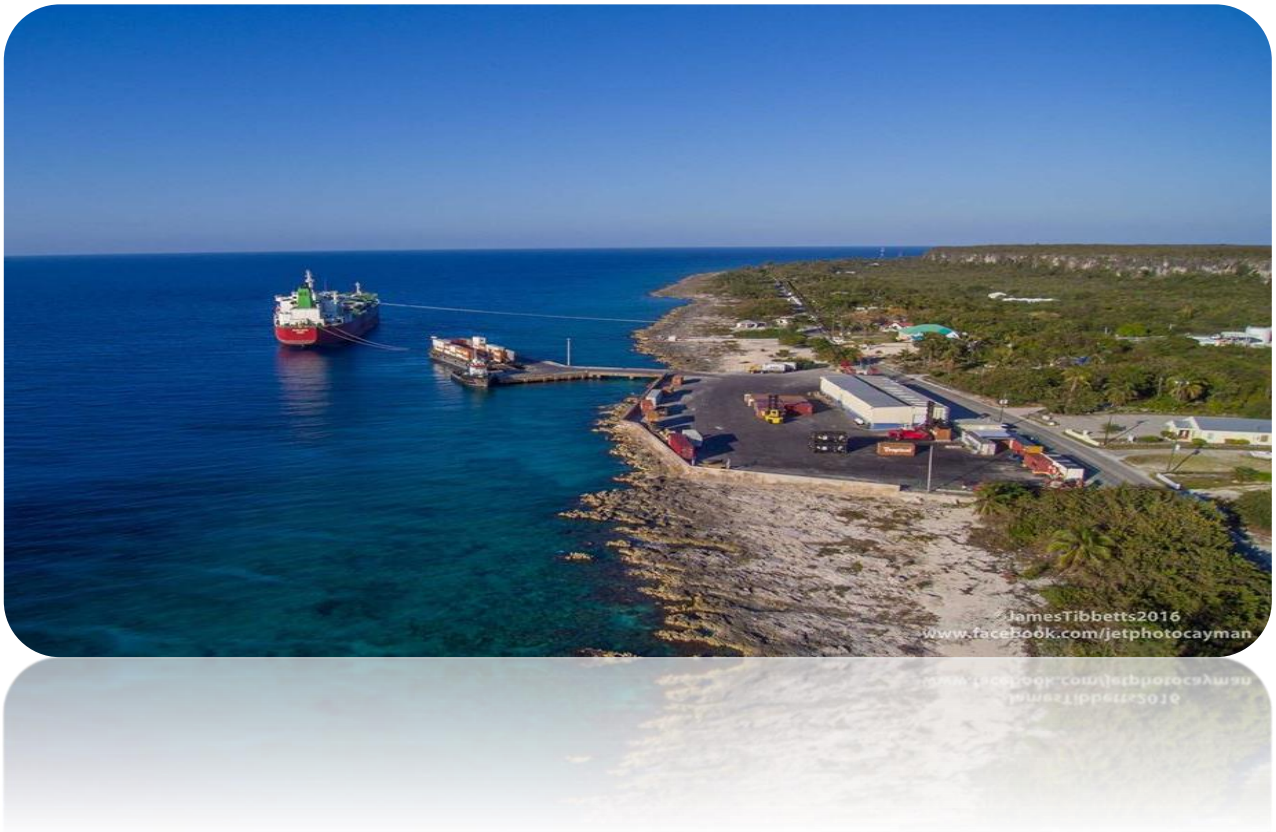
PHYSICAL CAPITAL MEASURES	2019 Actual $ 000'S	2019 Budget $ 000'S	Explanation
VALUE OF TOTAL ASSETS	84,991	54,610	Revaluation gains, & purchases of assets
ASSET REPLACEMENTS: TOTAL ASSETS	0.02:1	0.02:1	Within expectations
BOOK VALUE OF PPE: COST OF THOSE ASSETS	0.84:1	0.60:1	Impact of revaluation
DEPRECIATION: CASH FLOW ON ASSET PURCHASES	0.91:1	2.02:1	Less depreciation due to IFRS rules on Investment property; More purchases than budget
CHANGES TO ASSET MANAGEMENT POLICES	None	None	None

CAPITAL EXPENDITURE	2019 ACTUAL $	2019 TARGET $	EXPLANATION
Other Fixed Asset Purchases	1,221,876	646,300	Accelerated Capex
Crane, Vehicles and Specialized Equipment	799,666	379,000	Accelerated Capex

RISK MANAGEMENT

Key Risks	Mitigation strategies
Strategic risks • Lack of long-term planning	• Master Plan developed
Compliance risks • Risk of breach of Port Laws & Regulations • Risk of breach of PMFL and Regulations • Risk of non- compliant financial reports • Risk of breach of security protocols	• Keep professional staff updated • Continuing training and development of staff • Regular reporting to strategic levels • Continual training & regular reporting
Operational risks • Inability to efficiently discharge cargo • Industrial accidents • Terrorism • Breakdown of equipment • Lawsuits for negligence	• Trained personnel; rotated staff • Safety officer; adequate insurance • Security protocols; trained security staff • Backup equipment; maintenance programs • Safety procedures; adequate insurance
Reputational risks • Damage to the Cayman Tourism Brand • Loss of confidence in Port's ability to deliver	• Manage key relationships in cruise sector • Training; capacity maintenance; upskilling of technical staff

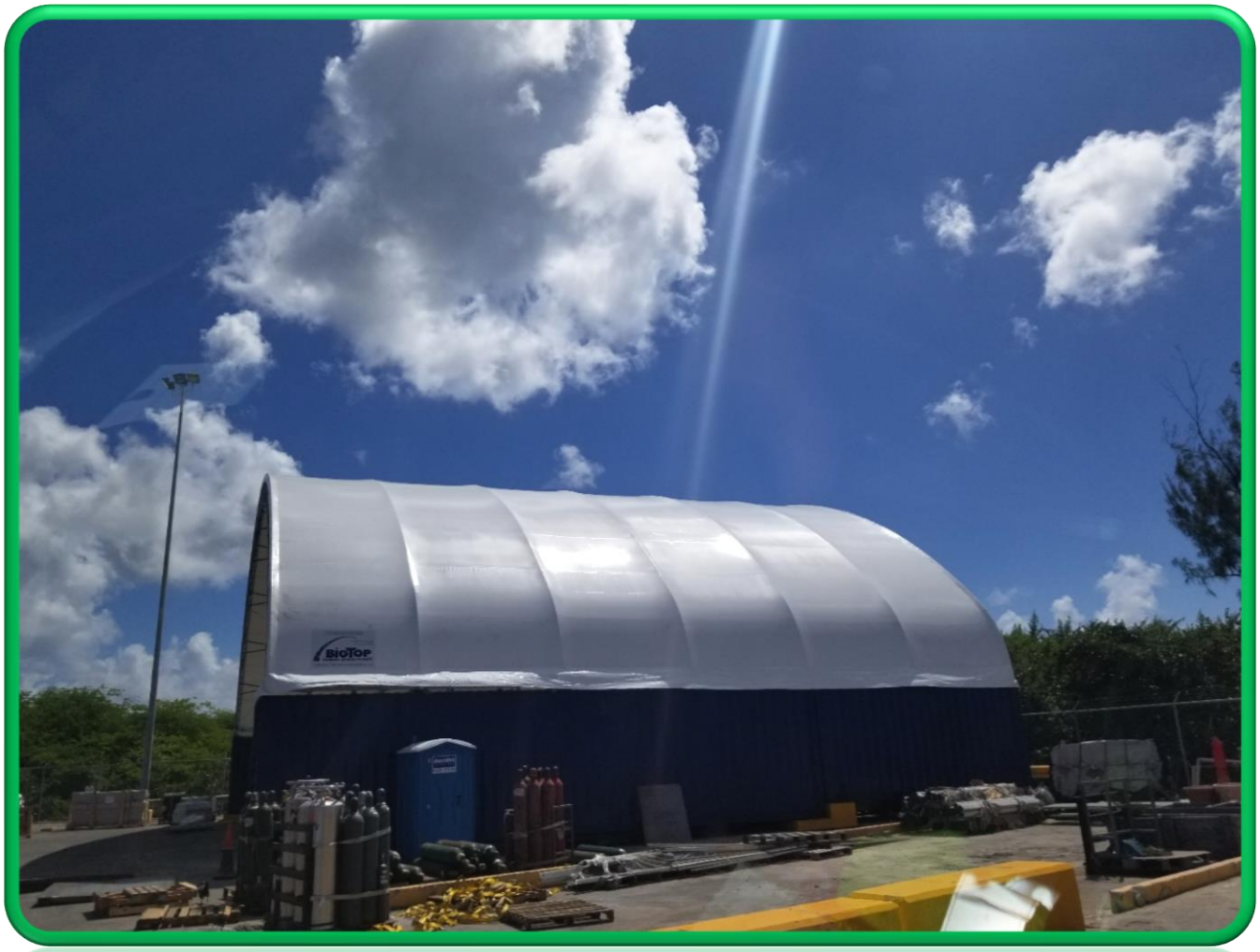
Cayman Brac Port



INTERNAL AND EXTERNAL AUDIT UPDATES

The 2019 Financial Statements were duly certified by the Auditor General in November 2019. The Port Authority received an unqualified audit opinion on the financial statements.

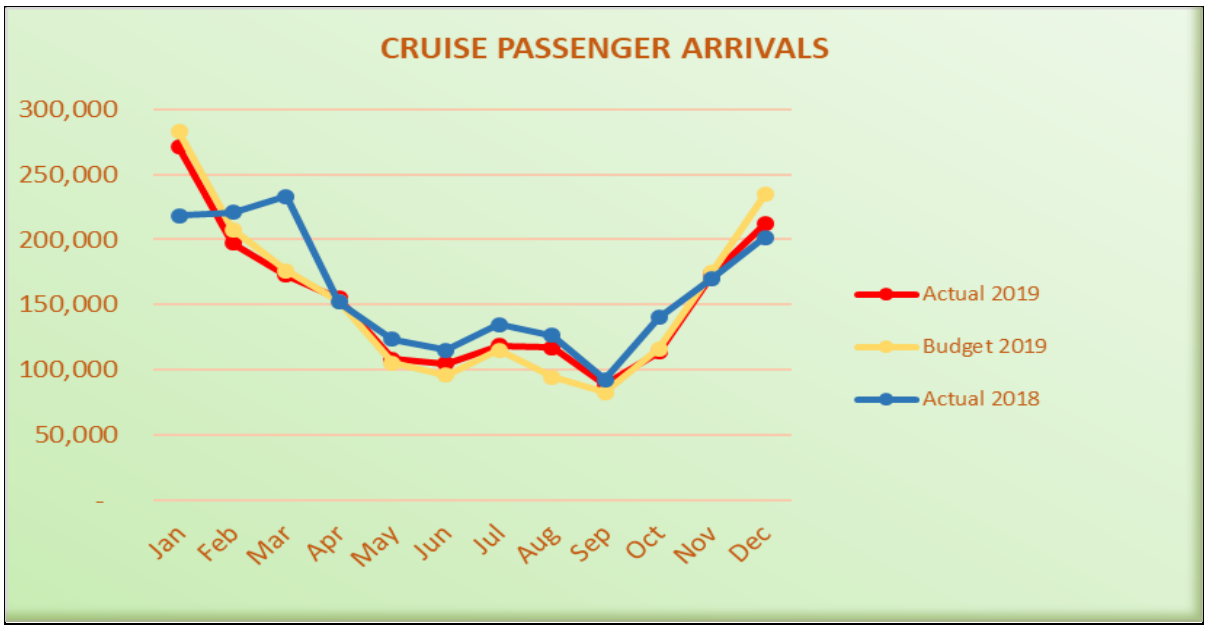
New Outdoor Shelter at Cargo Distribution Center completed in October 2019



SCRUTINY BY PARLIAMENT AND PUBLIC

The Port Authority's 2017 and 2018 annual report were tabled in the House of Parliament in November 2020. However, the 2019 audited accounts have not yet been tabled.

SELECTED STATISTICAL DATA



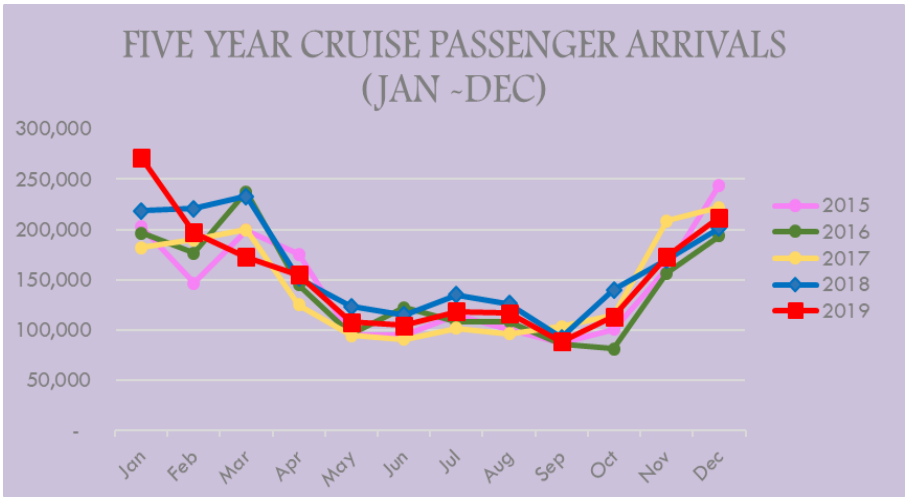
Cruise Passengers Arrivals

Month	Actual 2019	Budget 2019	Variance-Actual to Budget	% Change	Actual 2018	Variance 2019 vs 2018	% Change
January	271,111	282,700	(11,589)	(4.10)	218,430	52,681	24
February	197,234	207,735	(10,501)	(5.05)	220,603	(23,369)	(11)
March	172,700	176,107	(3,407)	(1.93)	232,902	(60,202)	(26)
April	154,983	152,334	2,649	1.74	151,716	3,267	2
May	107,900	105,348	2,552	2.42	123,203	(15,303)	(12)
June	104,527	95,893	8,634	9.00	115,122	(10,595)	(9)
July	118,453	115,160	3,293	2.86	134,926	(16,473)	(12)
August	116,806	94,522	22,284	23.58	126,275	(9,469)	(7)
September	88,445	82,505	5,940	7.20	92,592	(4,147)	(4)
October	113,418	116,056	(2,638)	(2.27)	139,982	(26,564)	(19)
November	173,373	175,039	(1,666)	(0.95)	169,997	3,376	2
December	212,061	234,764	(22,703)	(9.67)	201,437	10,624	5
Total	**1,831,011**	**1,838,163**	**(7,152)**	**(0.39)**	**1,927,185**	**(96,174)**	**(5)**

Cayman Port has seen an de*crease* of 5% in cruise passenger arrivals over last year and 0.39% lower when compared to the budget.

Income from cruise passengers moved by the same percentage

SELECTED STATISTICAL DATA *(continued)*



The graph at the left shows the calendar year cruise passenger arrivals for the last five years.

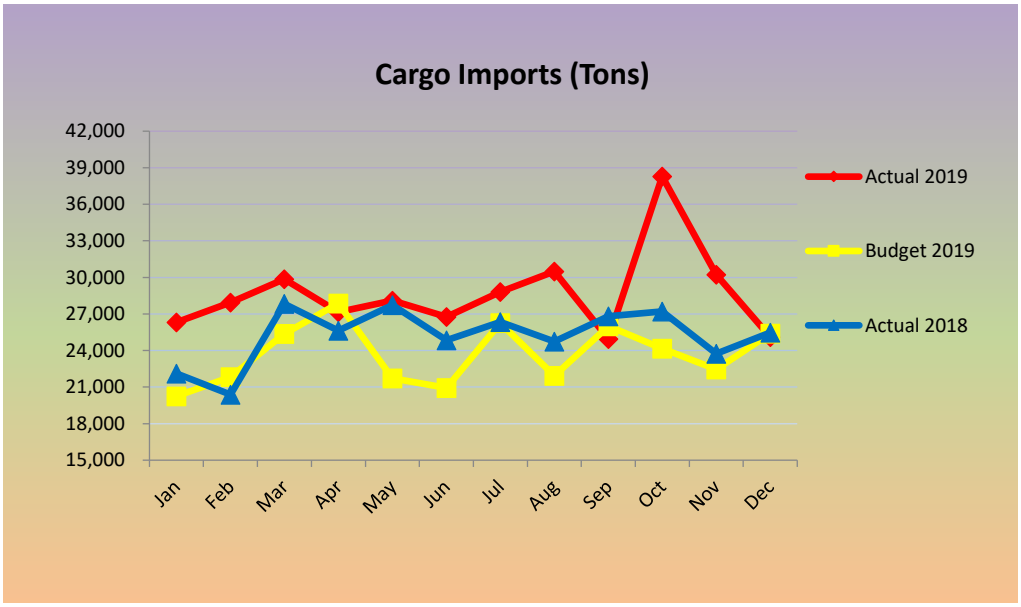
Passenger numbers steadily increased until 2018, except for a marginal reduction in 2016, closing with a 5% decline in 2019.

Five- Year Passenger Arrivals							
Month	2015	2016	2017	2018	2019	2015-2019	5 yr % change
Jan	202,264	196,208	181,765	218,430	271,111	68,847	34
Feb	146,545	176,539	189,704	220,603	197,234	50,689	35
Mar	199,245	237,343	199,844	232,902	172,700	(26,545)	(13)
Apr	175,225	144,805	125,284	151,716	154,983	(20,242)	(12)
May	95,072	96,430	94,523	123,203	107,900	12,828	13
Jun	94,511	121,984	90,809	115,122	104,527	10,016	11
Jul	115,192	108,447	101,513	134,926	118,453	3,261	3
Aug	100,091	108,221	96,309	126,275	116,806	16,715	17
Sep	86,833	86,476	103,287	92,592	88,445	1,612	2
Oct	100,874	81,311	115,077	139,982	113,418	12,544	12
Nov	160,967	156,790	208,695	169,997	173,373	12,406	8
Dec	243,974	193,512	221,634	201,437	212,061	(31,913)	(13)
ANNUAL TOTALS	1,720,793	1,708,066	1,728,444	1,927,185	1,831,011	110,218	6
Annual growth rate		(0.74)	1.19	11.50	(4.99)		1.39
CRUISE INCOME	4,233,151	4,201,842	4,251,972	4,740,875	4,504,287	21,932,128	4,386,426

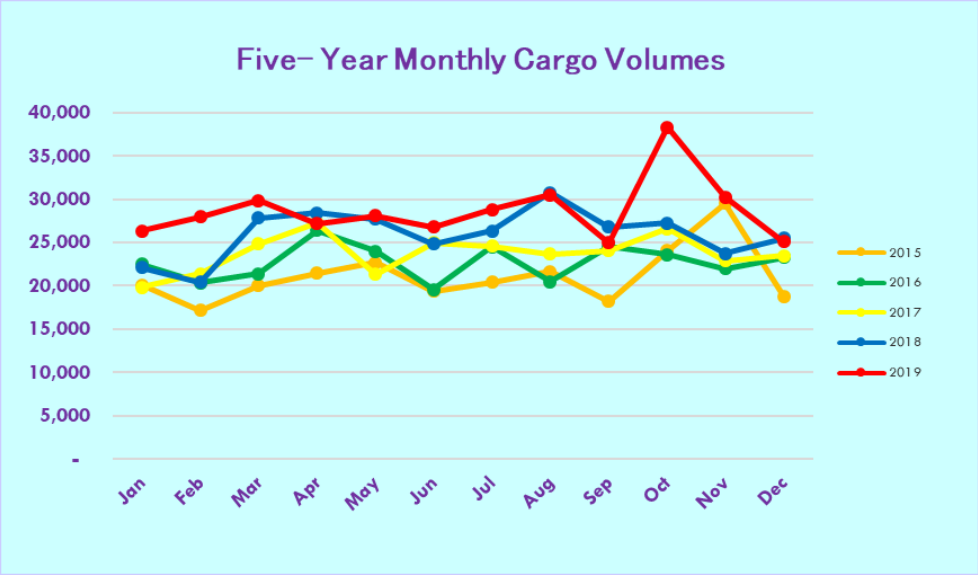
SELECTED STATISTICAL DATA *(continued)*

Cargo Imports (Tons)							
Month	**Actual 2019**	**Budget 2019**	**Variance - Actual to Budget**	**% Change**	**Actual 2018**	**Variance 2019 / 2018**	**% Change**
January	26,318	20,255	6,063	30	22,085	4,233	19
February	27,934	21,820	6,114	28	20,382	7,552	37
March	29,856	25,364	4,492	18	27,832	2,024	7
April	27,162	27,867	(705)	(3)	28,406	(1,244)	(4)
May	28,097	21,729	6,368	29	27,722	375	1
June	26,772	20,932	5,840	28	24,843	1,929	8
July	28,807	26,263	2,544	10	26,328	2,479	9
August	30,501	21,936	8,565	39	30,761	(260)	(1)
September	24,954	26,007	(1,053)	(4)	26,810	(1,856)	(7)
October	38,284	24,165	14,119	58	27,214	11,070	41
November	30,218	22,464	7,754	35	23,747	6,471	27
December	25,098	25,395	(297)	(1)	25,482	(384)	(2)
Totals	**344,001**	**284,197**	**59,804**	21	**311,612**	**32,389**	10

Actual cargo volume (excluding aggregates) was 21% above total projections and 10% more favorable than prior year. Cargo activity is steadily exceeding expectations in the past five years. The remarkable performance is related to infrastructure development, construction and tourism growth.



SELECTED STATISTICAL DATA *(continued)*



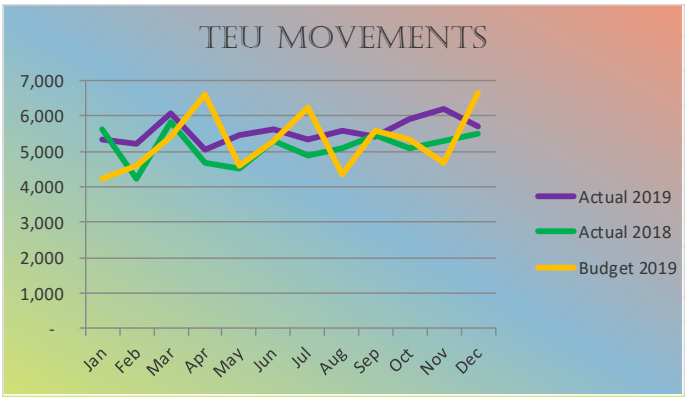
The five- year cargo volume shows a fairly steady movement of growing volumes between 5% and 10%.

In 2019 the Port processed 36% more cargo than five years ago in 2015.

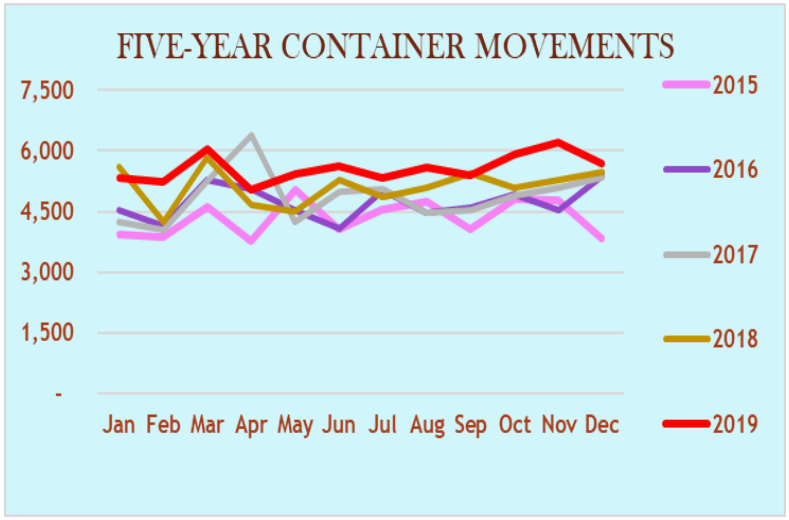
Historical cargo Volume imports (FIVE YEARS) January to December						
Month	2015	2016	2017	2018	2019	2019/2015
Jan	20,056	22,524	19,858	22,085	26,318	31.22
Feb	17,179	20,352	21,392	20,382	27,934	62.61
Mar	20,021	21,361	24,867	27,832	29,856	49.12
Apr	21,476	26,421	27,321	28,406	27,162	26.48
May	22,690	24,005	21,303	27,722	28,097	23.83
Jun	19,380	19,544	24,958	24,843	26,772	38.14
Jul	20,412	24,522	24,577	26,328	28,807	41.13
Aug	21,666	20,482	23,689	30,761	30,501	40.78
Sep	18,223	24,516	24,031	26,810	24,954	36.94
Oct	24,040	23,573	26,569	27,214	38,284	59.25
Nov	29,544	21,958	22,916	23,747	30,218	2.28
Dec	18,755	23,268	23,500	25,482	25,098	33.82
TOTALS	**253,442**	**272,526**	**284,981**	**311,612**	**344,001**	**35.73**
YTD Growth		**7.53**	**4.57**	**9.34**	**10.39**	

SELECTED STATISTICAL DATA (continued)

TWENTY-FOOT EQUIVALENT UNIT (TEU) MOVEMENTS					
Month	Actual 2019	Actual 2018	Budget 2019	Variance% 2019 vs 2018	Variance% Actual vs Budget
Jan	5,325	5,603	4,236	(5)	26
Feb	5,225	4,242	4,592	23	14
Mar	6,065	5,832	5,430	4	12
Apr	5,029	4,679	6,622	7	(24)
May	5,437	4,505	4,606	21	18
Jun	5,621	5,298	5,279	6	6
Jul	5,319	4,866	6,248	9	(15)
Aug	5,584	5,090	4,346	10	28
Sep	5,406	5,447	5,596	(1)	(3)
Oct	5,928	5,101	5,324	16	11
Nov	6,210	5,278	4,680	18	33
Dec	5,705	5,486	6,642	4	(14)
Total	**66,854**	**61,427**	**63,601**	**9**	**5**

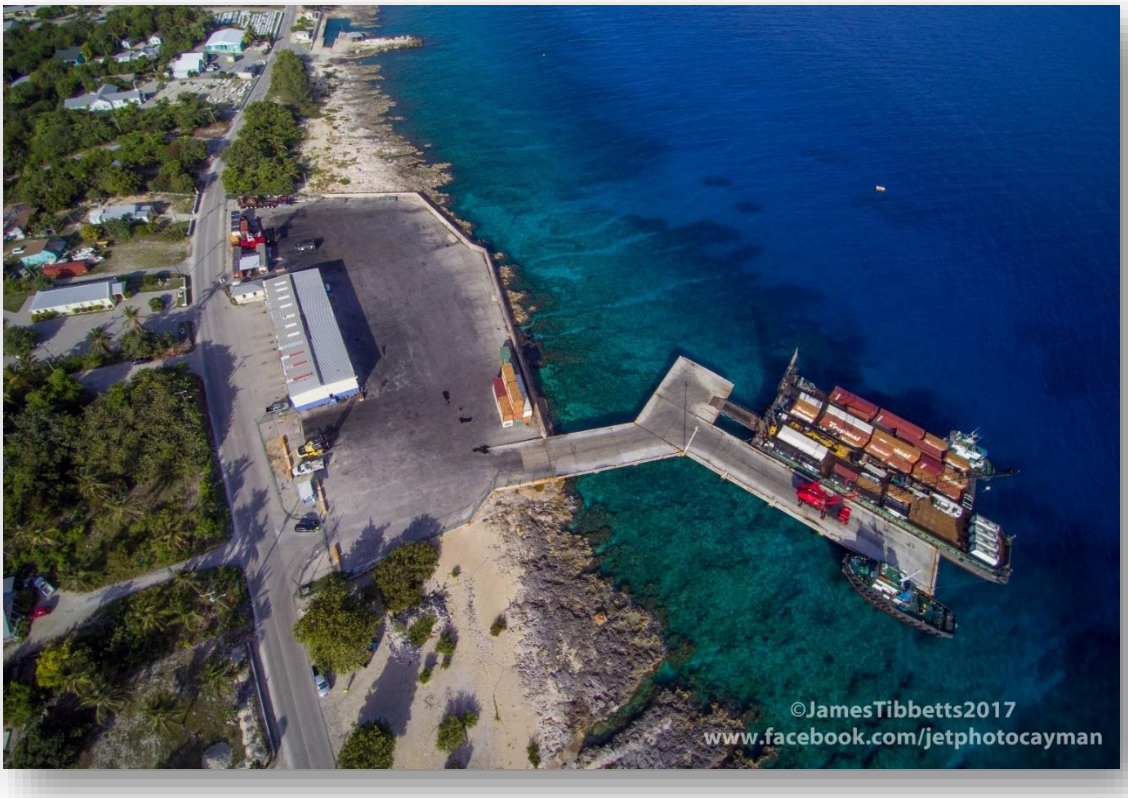


The Port processed 66,854 equivalent 20-foot containers for the 12-month period ended 31 Dec 2019, in comparison with 61,427 last year. This is a 9% increase and is trending in line with the cargo volume imports. The TEU graph shows opposite performance for the month of January and September 2019 numbers over the prior year.



The 2019 and 2018 container movements have not been consistent particularly for the months of January and September. However, the general trend line of cyclical movements is evident, with higher numbers than the previous five reporting periods. The year to December 2019 ended at 9% above 2018.

Cayman Brac Port





Port Authority of the Cayman Islands

FINANCIAL STATEMENTS

For the financial year ended 31 December 2019