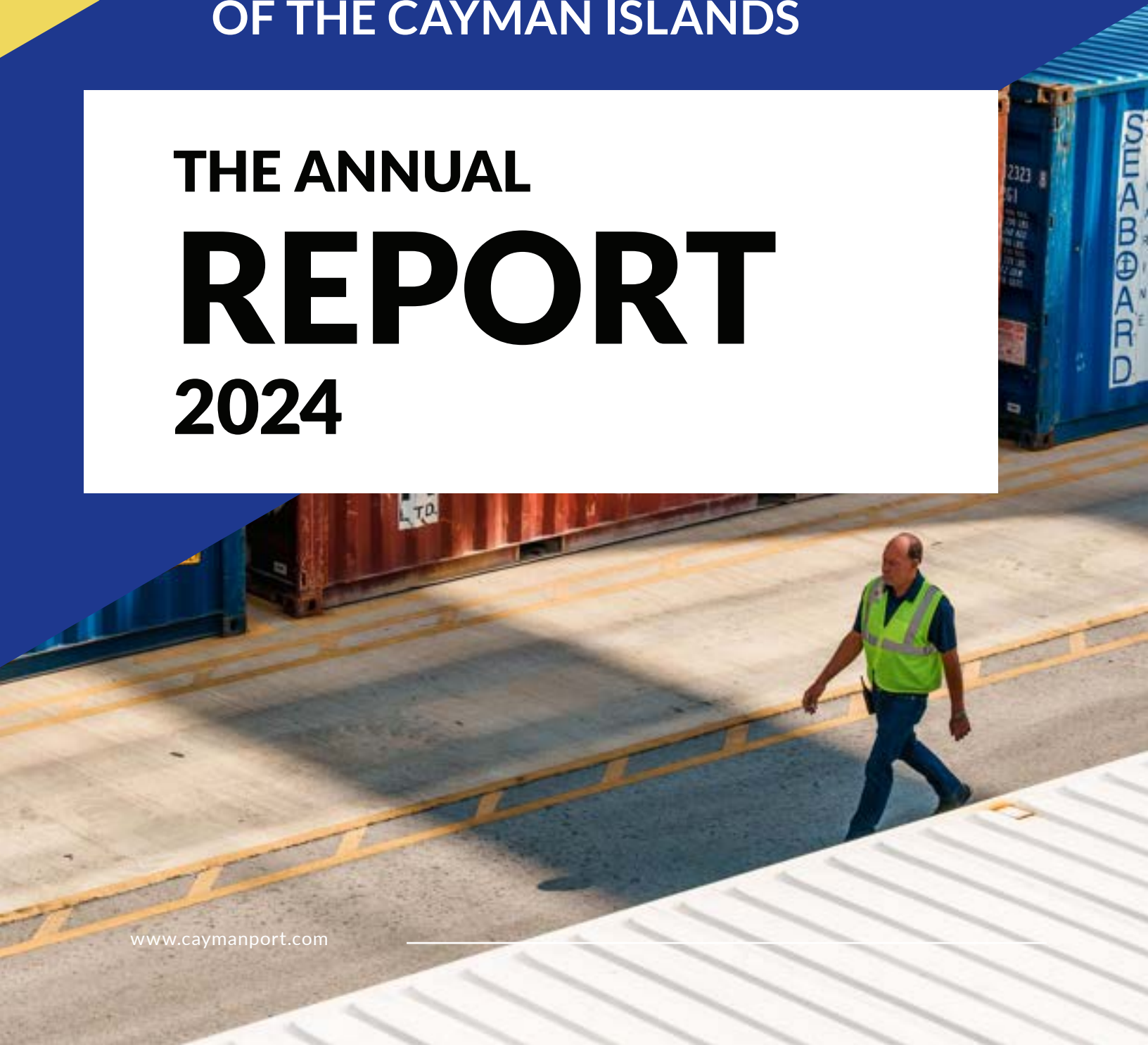
CAYMAN PORT

PORT AUTHORITY OF THE CAYMAN ISLANDS

THE ANNUAL REPORT 2024



www.caymanport.com

The elite Port of excellence in the Caribbean.



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OUR **VISION**

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



Our 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 resulting in the continued economic development of the Cayman Islands.



OUR **CORE VALUES**

S

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

A

Accountability
We will take ownership of our decisions and actions.

F

Forward Thinking
We will continuously strive to be proactive and innovative.

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.



MESSAGE FROM THE **PORT DIRECTOR**

Paul Hurlston
Port Director

Reflecting on the past year, I proudly present the 2024 Annual Report for the Port Authority of the Cayman Islands. Significant milestones and progress have been marked this year, thanks to our employees' unwavering dedication, our partners' support, and our community's trust.

We have successfully navigated the challenges presented by the continued high-cost global economic environment and unstable weather conditions, demonstrating resilience and adaptability in our operations. Despite realizing a net loss of $1.6 million for the 2024 financial year, our commitment to excellence has driven us to enhance our infrastructure, streamline our processes, and embrace innovative technologies that position the Port for sustainable growth.

In 2024, the Port spent $0.7M on capital expenditures and is pursuing the purchase of container handling equipment, infrastructure development, and capacity improvement to improve cargo handling ability, and the aesthetics and functionality of cruise assets, customer service, and staff facilities.

Critical staff vacancies were also filled, and several individuals were promoted, strengthening our management team and under-resourced units. The Port increased fees for some of the services

“Significant milestones and progress have been marked this year, thanks to our employees' unwavering dedication, our partners' support, and our community's trust.

We ended 2024 with total assets of $101M, which is $5M more than 2023 and $7M higher than budget. The Port currently has no loans or debts, and at year-end, we had enough cash to cover more than six months of operational expenses.

rendered for the first time in more than 20 years. However, passenger arrival numbers declined by 200,000 over 2023 and by 400,000 compared to the budget, impacting our cruise ship passenger fee revenue.

We ended 2024 with total assets of $101M, which is $5M more than 2023 and $7M higher than budget. The Port currently has no loans or debts, and at year-end, we had enough cash to cover more than six months of operational expenses.

We remain committed to our vision of becoming a world-class port that drives economic prosperity and environmental stewardship. We will continue to invest in our people, technology, and partnerships to achieve this vision and create long-term value for our stakeholders.

I extend my heartfelt gratitude to our Board of Directors, employees, partners, and community for their unwavering support. Together, we have built a strong foundation for continued success and are well-positioned to seize future opportunities.

Thank you for your trust and confidence in the Port. We look forward to another year of progress and prosperity.



Paul Hurlston
Port Director

MESSAGE FROM THE **CHAIRMAN**



Cline Glidden Jr.
Chairman

As Chairman of the Board, I am privileged to present the 2024 Annual Report for the Port Authority of the Cayman Islands. This past year has seen continuing progress and improvement for our organization as we navigated various challenges and seized opportunities for growth and development.

The Port Authority of the Cayman Islands (PACI) plays a pivotal role in the development of the Cayman Islands, being a primary facilitator of commerce. Notably, 95% of all items consumed on the Island come through the Port, a responsibility we take seriously and strive to deliver service of the highest standards to our stakeholders.

The Port processed 73,000 containers for the calendar year, moving 374,000 tons of cargo.

The Port processed 73,000 containers for the calendar year, moving 374,000 tons of cargo.

The Port is also responsible for creating a memorable first impression on our cruise visitors and other travelers arriving by sea. In 2024, the port welcomed over 1 million cruise visitors.

In the face of a dynamic global economic environment, the Port has performed well, reporting operating profits of $4.4M, a growth of 406% over 2023. The overall results continue to be negatively impacted by accounting

requirements, namely the actuarial valuation of our long-term healthcare obligations to staff. This item erased $6.3M from our operating results for 2024, reversing the operating profit of $4.4M to an overall loss of $1.6M at the end of the financial year.

Throughout 2024, the Port invested $700K in capital expenditure, focusing on essential projects such as improving warehouse capacity and resilience in Cayman Brac following the passage of a tropical storm and renovating facilities in Grand Cayman.

The Port Director has also filled critical senior management positions and promoted several staff, including replacing eight (8) acting positions at various levels with permanent staff, enhancing our human capital and fortifying our management team. The Port Director also revamped and strengthened policies and procedures to provide the tools necessary for the effective management of the port.

Despite the decline in passenger arrival numbers by 200,000 or 15% compared to 2023 and 400,000 compared to our budget, we successfully increased our service fees for the first time in over two decades. We express our sincere gratitude to the Ministry and the Cabinet for this strategic step, which ensures the financial viability of the Port for the medium term.

We concluded 2024 with a strong capital base and enviable liquidity. The Port remains financially robust, with no loans or debts and adequate cash reserves of $19 million, sufficient to cover more than six months of operational expenses, as well as a source of funding to replace our aging equipment and infrastructure.

We remain dedicated to our vision of becoming a world-class port that drives economic prosperity and environmental stewardship. We will continue to invest in key areas, including container handling equipment, infrastructure across PACI, cruise assets, and customer service and staff facilities.

I thank our Board of Directors, the Port Director and his management team, and the staff for their hard work and commitment throughout the year. I also thank the Cayman Islands Government, stakeholders, and the community for their unwavering support. Together, we are building a strong foundation for continued success and positioning the Port to embrace future opportunities and face emerging challenges.

Thank you for your trust and confidence. We look forward to another year of progress and prosperity.



Cline Glidden
Chairman of the Board

BOARD **OF DIRECTORS**

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



Cline Glidden Jnr.
Chairman



Richard Parchment
Deputy Chairman



Edgar A. Bodden
Member

Bruce Smith
Ex-Officio Member

BOARD **OF DIRECTORS** (CONTINUED)



Jacqueline Scott-Rankine
Member



Irma Arch
Member



Matthew Adam
Member



Stran Bodden
Ex-Officio Member



Michael Nixon
Ex-Officio Member



Carilee G. Bolen
Member



Joanna Shaw
Board Secretary

TRIBUTE
FORMER BOARD CHAIRMAN ERROL BUSH



His legacy will continue in the many lives he touched and the indelible mark that he made on the Port Authority of the Cayman Islands.

Errol Bush
Former Port Director and Secretary to the Port Authority Board

Errol Bush was the Port Director and Secretary to the Port Authority Board, whose father, the late Berkley Bush, was the Executive Council Member most responsible for the construction of George Town's modern port facility.

Born in September 1939, he graduated from the Cayman Islands High School. He served a year at sea with National Bulk Carriers before taking an accountancy apprenticeship with Peat Marwick Mitchell in Kingston, Jamaica, from 1959 to 1961. He worked with Cayman Brac Airways, the forerunner of the national airline, from 1962 to 1970, and as an accountant at Crighton Properties from 1971 to 1975, and at Cayman Imports from 1976 to 1977 before joining the staff of the Port Authority where he worked from 1977 to 1980 as Deputy Port Director (Finance).

In 1980, he joined the shipping firm of R.B. Kirkconnell & Bro. Ltd. and was in charge of their accounts for over six years before returning to the Port Authority as Director in 1987. He became Chairman of the Board from 1985 – 1986 and Port Director from 1987 – 2001.

> **Like his father, Errol enjoyed seeing things built. From that standpoint, he certainly had a lot of satisfaction in his many years of service to the Port Authority.**

Like his father, Errol enjoyed seeing things built. From that standpoint, he certainly had a lot of satisfaction in his many years of service to the Port Authority.

In 1992, Errol initiated the project to create the massive Cargo Distribution Center at Industrial Park, which was completed in 1992. Five years later, cargo volume increased so much that the Cargo Distribution Center had to be expanded in a second phase. 1997 saw the completion of the second phase expansion of the Berkley Bush Cargo Distribution Center.

During his tenure as Port Director, he oversaw the development of the northern part of the dock at George Town. A year later, in 1988, the finger pier needed maintenance, and some half million dollars in improvement were undertaken. In 1989, the North Terminal and Hog Sty Bay areas were developed.

Errol was also credited with implementing a computer system, buying property, and in 1990, the new purpose-built Administrative Facilities on Harbour Drive, the Billing Office on Portland Road, Industrial Park, and the Royal Watler Cruise Terminal, Spotts Cruise Ship Facility, and Safe Haven Marina. Errol retired in 2001 and was later appointed Chairman for a second time in 2013 and retired in June 2019.

During his retirement, he selflessly offered his expertise and advice to the port whenever needed and was an invaluable resource to the port leadership. His legacy will continue in the many lives he touched and the indelible mark that he made on the Port Authority of the Cayman Islands. May his soul rest in peace.

GOVERNANCE

The Port Authority is governed by the Port Authority Act (1999 revision) and the Port Regulations (2022 Revision).





In addition, the Authority complies with the Public Management and Finance Act and the Regulations, the Labour Act, The Pensions Act, The Public Authorities Act, the Procurement Act and Regulations, the Freedom of Information Act, and the Insurance Act.

The Board of Directors provides strategic leadership to the Authority and reports to the Minister through the Ministry of Tourism & Ports.

The Port Authority of the Cayman Islands is responsible for approximately 95% of all cargo coming into the islands. In addition, it 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 Seafarers Way, Portland Road, Spotts 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 Act. This Act was revised in 1999. The Port Authority is also governed by the Port Regulations (2022 Revision).



SPOTTS DOCK, GRAND CAYMAN



ABOUT US
WHAT WE DO

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;
- 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 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 Act and the Regulations;
- Inspection of vessels for the purpose of checking and enforcing compliance with the Port Authority Act.



SAFE HAVEN, GRAND CAYMAN

SCOPE OF ACTIVITIES

Cargo Imports

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

Navigational Maintenance

Providing and maintaining navigational markers in Cayman Islands waters.

Safe Environment

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

Cruise Tourism

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

Patrolling Presence

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

OUR PEOPLE
MANAGEMENT TEAM



Paul Hurlston
Port Director



Dale Christian
Deputy Port Director, Operations (Actg)



Don Hutchinson
Deputy Port Director, Finance



Chris Krohn
IT Services Manager



Julius Jacky
Safety and Crisis Management Manager



Keisha Yates
Finance Manager



Florita Bodden
Port Facility Security Officer

Bruce Reynolds
Cargo Distribution Centre Manager



Courtney Wisdom
Facilities Manager

OUR PEOPLE
MANAGEMENT TEAM (CONTINUED)



Roylee Moore
Cruise Manager



Myra Ryan-Ebanks
Manager, Cayman Brac



Rory O'Donnell
Security Manager



Bryce Webb
Fleet Manager



Brevan Elliott
Deputy Port Director, Operations



Isidora Eden
Human Resources Manager



Anthony Ellis
Manager Cargo Night Operations

Coneil Taylor
Manager Cargo Night Operations

OUR PEOPLE
WHO WE ARE

The Port Authority had 184 permanent employees at the year ended 31st December 2024. The distribution and other demographics are highlighted in this section.

Staff Costs

Description	2024	2023	2022	2021	2020
Salary & Wages	15,287,987	13,870,126	13,464,258	11,265,118	11,036,719
Medical Insurance	2,179,081	1,888,088	1,631,596	1,488,885	1,513,867
Pension	1,411,238	1,374,813	1,219,987	1,121,744	1,079,520
Other Staff Costs	251,721	207,935	118,262	107,613	100,584
Total Staff Costs	**19,130,027**	**17,340,962**	**16,616,103**	**13,983,360**	**13,730,690**

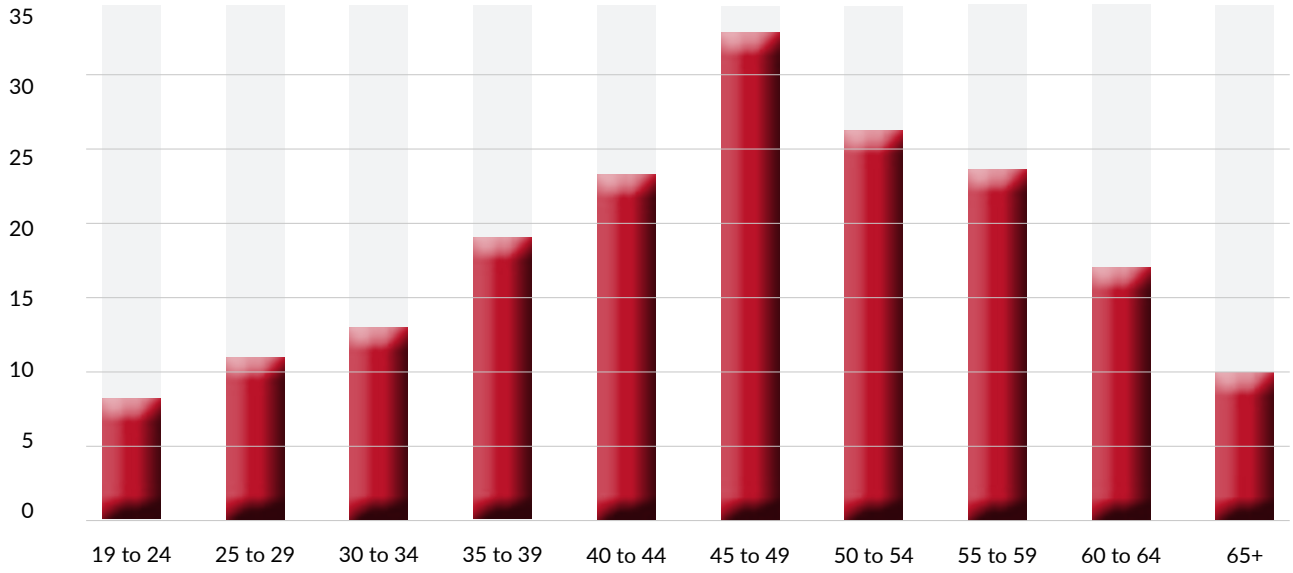
Employee Demographics

Description	2024	2023	2022	2021	2020
Staff Complement**	184	175	166	159	161
Avg. income earned per staff	190,615	157,622	166,179	140,173	136,644
Avg. expense per staff	200,436	170,378	177,811	162,357	210,832
Avg. salary paid to staff	83,087	79,258	81,110	70,850	68,551
** Includes retirees on contract	10	9	4	3	4

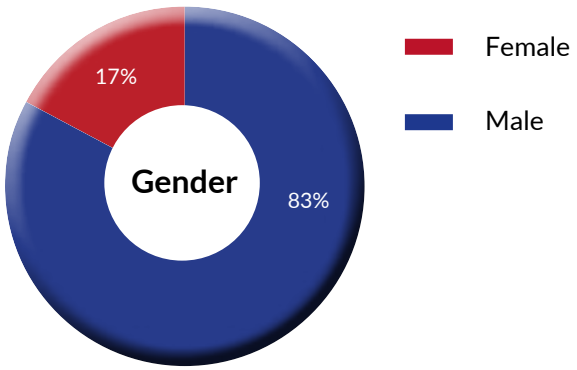


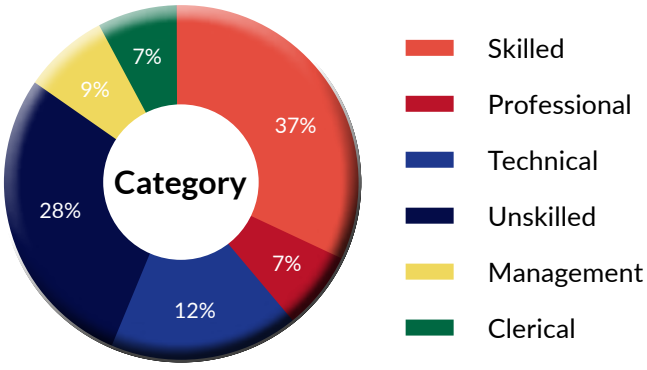
The Port Authority is seeking to recruit more women to create more gender diversity in the organization. Our efforts were met with some success during the 2024 financial year.

Staff Age Distribution



- The staff profile indicates an aging workforce, as 72% of the staff complement is over 40 years old.
- 54% of the staff will reach retirement age within 10 years.
- 5% of the staff have already reached retirement age.
- The staff statistics offers opportunities for maintaining stability and building for the future.





STRATEGIC OBJECTIVES

Key strategic priorities in focus for the 2024 fiscal year

01

Improve the image of the Cayman Islands

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.

02

Fine tune the computer system

Fine tuning of the computer system to meet management's need for more useful management reports and to serve the customer needs more efficiently.

03

Improve operations

Improving operations through the continued upkeep of existing equipment as well as the purchase of new and efficient equipment.

04

Improve efficiency of cruise and cargo

Improving the efficiency of both the cruise and cargo operations by planning to separate and erect new facilities

Cargo volumes (excluding aggregates) averaged 3% annual growth over the last five years.

The Port Authority's financial planning process integrates a biennial budget with multi-year 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 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 evaluate the feasibility of future capital investment; and perform financial tests to 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 that enhance the services that the Port Authority provides, in line with the priorities and policy framework of the Cabinet.



The Port Authority not only takes a long-term view of the infrastructure needs, but we also take a holistic approach to planning for the Port. In this vein, our human capital required to deliver the services to the economy is 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 efficiency and improve the overall effectiveness of our human capital assets. In unison with the Board, we have identified gaps in our current organizational structure and designed and developed an appropriate framework that can deliver on the medium and long-term strategic priorities being pursued.

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 three (3) long-term strategic priority areas outlined below:

01 **Technological Innovation**

02 **Operational Capacity and Capabilities**

03 **Human Capital**



01 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

02 Operational Capacity and Capabilities

- Assess current and future state technology enhancement opportunities
- Equipment upgrades for efficient use of space
- Assess Port operations and logistics of tour /taxi operators
- Maintain existing equipment to ensure resiliency of operations

03 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 2024 with regard to these long-term strategic priority areas are highlighted below

- Continued work on implementing our HR systems
- Asset management software implemented

- Maintenance of plant and equipment to ensure continued operational capability and effectiveness

- Recruitment of vacant positions
- Review and amendment of staff employment agreements
- Rollout out new contracts to staff
- Implementation of Organizational Chart

MAJOR **MILESTONES OF 2024**

Key Targets

T

- 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's needs more efficiently
- To improve operations through the continued upkeep of existing equipment as well as the purchase of new and efficient equipment

Achievements

A

- Maintaining the cruise berthing facility at George Town and at Spotts
- The ongoing implementation of a new accounting software package with reporting systems enabled the efficient and timely production of reports and processes
- Acquisition of assets in accordance with the Asset Replacement Plan and maintaining the capital development fund to replace retired assets

Successes

S

- Implementation and monitoring of new Organizational Structure to ensure effectiveness
- Ongoing implementation of Microsoft Dynamics GP

Challenges

C

- Resources needed to respond to organizational changes; continual review to ensure fit for purpose and continued relevance as the organization evolves
- Timely recruitment of staff with the required skill set

2024

HIGHLIGHTS



OPERATIONS
MAJOR MILESTONES OF 2024

Mr. Brevan Elliott was appointed Deputy Port Director for Operations (DPDO) in the last quarter of the 2024 financial year.

Mr. Elliott oversees day and night cargo operations and the Facilities and Fleet departments.

Several initiatives were implemented in the last quarter of 2024 to enhance operational efficiency and boost staff morale. These efforts align with PACI's commitment to operational excellence and employee development.

CARGO DISTRIBUTION **CENTER (CDC)**

CDC's key highlights for 2024

CDC staff received First Aid Training from the Red Cross of the Cayman Islands and Customer Service Training from the Chamber of Commerce. Some staff received promotions, and others were transferred internally to other positions.



FLEET DEPARTMENT

The fleet department plays a vital role in ensuring the safe and efficient operation of all vehicles and container handling equipment at the Port.

Department Responsibilities

Effective fleet management encompasses various responsibilities, including vehicle maintenance and procurement. These key areas contribute to the overall success and reliability of port operations.

Specialized Training

Our mechanics received specialized training on the electrical and mechanical systems of the Konecranes RTG Box hunters. This comprehensive program focused on troubleshooting and maintenance techniques specific to these advanced container handling systems. The training improved our team's ability to diagnose and resolve electrical and mechanical issues efficiently, ensuring minimal downtime and optimal performance of our port equipment.

Department Milestones

Certificates were awarded for the training completed in 2024 to recognize and celebrate the achievements of our mechanics. A special presentation ceremony, with the executives in attendance, was held to honor the team's hard work and dedication. This event highlighted the importance of continuous professional development and the Port Authority of the Cayman Islands' commitment to maintaining excellence in our fleet operations.

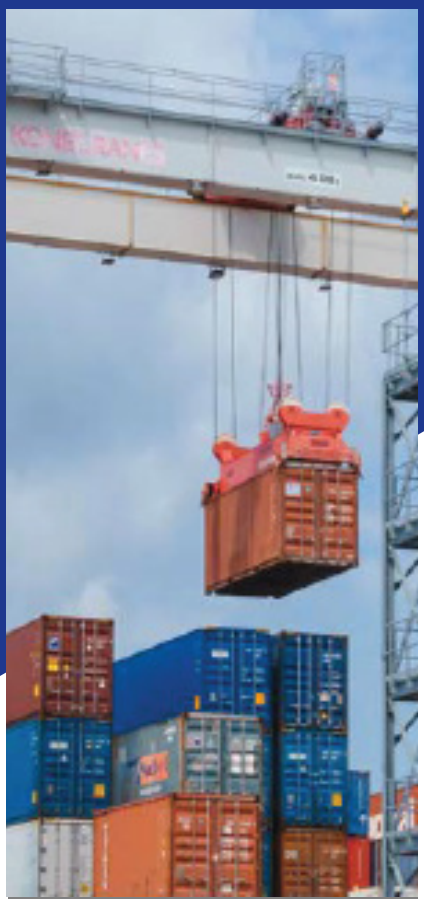




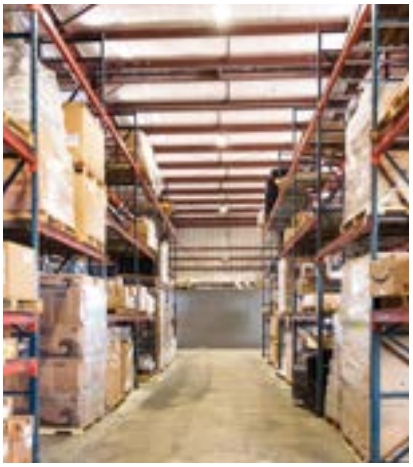


FLEET DEPARTMENT

FACILITIES DEPARTMENT









The Facilities Department is a critical component of the Port Authority, and its services support all of the organization's operations.

The department contributes experience, innovative thinking, and energy to leverage best practice approaches to improving efficiency, reducing operating costs, and increasing productivity.

The department is responsible for managing the design, planning, construction, and maintenance of all equipment, machinery, buildings, and other PACI commercial facilities, including a portfolio of seven properties on Grand Cayman, one property on Cayman Brac, and one on Little Cayman. The department is responsible for planning, budgeting, and scheduling facility modifications, including estimates on equipment, labor, materials, timelines, resources, and other related costs. The department provides strong oversight and must be involved in all aspects (strategic and tactical) relating to all PACI's buildings and premises, including parking lots and operational surfaces.

Except for two, all PACI properties are equipped with mechanical, electrical, plumbing, and electronic systems:

In an effort to improve the efficiency of the facilities department, Microsoft SharePoint system was implemented to manage the Port's maintenance program.

Facilities Department main activities and achievements for 2024

Capital Expenditure

- For Grand Cayman, capital expenditure items include ongoing work on a sunshade system.
- On Cayman Brac, capital expenditure items featured the proposed administration office on Ann Tatum Road and the planned expansion of the guardhouse, with architectural renderings already completed. In Little Cayman, structural engineers have been sourced to cap the dock surface.

Operational Expenditure

- Following a northwester, major repairs were undertaken in Grand Cayman, including the Royal Watler, South, and North terminals, the CDC warehouse floor, and Harbor Drive. Additionally, six new offices were created at the Harbor Drive administration building and new offices for taxi/harbor patrol at the Royal Watler Terminal.
- In Cayman Brac, significant repairs were made to the warehouse, and a water system was installed. Little Cayman saw repairs to the reefer system, renovation of the dock steel plate, and replacement of channel markers.

CRUISE & SECURITY DEPARTMENT

The Cruise and Security Department is dedicated to managing the bookings and reservations for all cruise calls for the Cayman Islands, and to manage security across the facilities, in compliance with international standards.

Our team ensures the day-to-day organization of cruise operations and facilities, providing a seamless and enjoyable experience for cruise passengers. We work collaboratively with other departments to maintain the highest standards of service safety, and security.

The main highlights and achievements for the Cruise and Security department for 2024 are as follows:

Security

The Security team is responsible for the overall security of the Port Authority facilities and staff. In January 2024, our Port Security, Harbour Patrol, and Taxi Dispatch staff participated in PFSO (Port Facility Security Officer) refresher/recertification and new PFSO certification courses.

Seven staff members received refresher certifications, and four received new certifications. These individuals' dedication to maintaining a secure environment is commendable.

The 2024 financial year represented a year of operational continuity and organizational change for the cruise and security department. In December, the department welcomed a new Security Manager and created a dedicated PFSO position, which was filled internally. Cruise operations was separated to form its own entity, leaving the Port Security Team and Harbour Patrol as the two remaining sections within the Security Department.

The Acting Cruise and Security Manager was promoted to Cruise Manager.

Looking forward to 2025, the Port Security Team in Grand will have eight staff members and intends to expand to include a new Supervisor and three Security Officers.



The main highlights and achievements for the Cruise and Security department for 2024 (continued):

Cruise Operations

The Cruise Department continues to excel in managing bookings and reservations for cruise calls, ensuring the smooth operation of cruise facilities. Our team's efforts contribute significantly to the overall success of the port and the satisfaction of cruise passengers.

Harbour Patrol

The Harbour Patrol team diligently monitors vessel traffic in and around the port, ensuring the safety and efficiency of maritime operations. In August, three staff members achieved their PADI Open Water and Nitrox Diver certifications, further enhancing their skills and capabilities in underwater operations and inspections.

During 2024, the Harbour Patrol assisted over 210 sailing vessels, motor yachts, and fishing vessels, including towing broken-down vessels. They supported law enforcement agencies with various incidents, maintained channel markers and marine buoys, enforced exclusion zones around cruise ships, conducted numerous vessel safety inspections, and recruited two new members and one intern who are integrating well.

Taxi Dispatch

The Taxi Dispatch team efficiently manages the movement of taxi and tour operators, as well as cruise passengers, on port premises. Their coordination ensures a smooth and organized experience for visitors, contributing to the positive reputation of our port.

During 2024, the department performed various activities, which included the following:

- Assisted in the medical evacuation of numerous cruise ship passengers in George Town, liaising with EMS to do so and administering first aid when necessary.
- Demonstrated their flexibility when conducting short-notice moves to Spotts to support Cruise Operations.
- Welcomed over 1 million cruise ship passengers.



SAFETY DEPARTMENT

Safety and Crisis Management are top priorities for the safety department, managers, and all staff.

In general, this department's goal is to identify any shortcomings in the PACI management of its safety programs, operations, strategies, procedures, and responses. This department continuously evaluates and assesses any threats that would disrupt the safe operations of the Port and thus endeavors to inform which areas are doing well and which areas need improvement.

The following are the main areas that were covered in 2024:

- Insurance audit and evaluation
- Hurricane and Business continuity plan update and staff training
- Accident investigations and corrections
- Risk management and Insurance evaluation
- Safety Manual completion
- Uniforms and safety gear are continually ordered and distributed to all staff
- Staff training and development in Fire Warden, First Aid, AED, and CPR training

INFORMATION TECHNOLOGY DEPARTMENT

The Information Technology (IT) Department has overarching responsibility for planning, installing, maintaining and reporting on all of PACI's digital information and infrastructure.

The department consistently strives to leverage creative and innovative technology solutions to meet PACI's objectives. Additionally, the IT Department is responsible for much of the data reporting which includes statistics (both internal and external). Collectively, they ensure that PACI's IT infrastructure and data remain secure, reliable and resilient.

IT Department Achievements and Highlights for 2024

The 2024 financial year was an extremely busy year for the IT Department. We worked on 576 tickets (almost 2.5 tickets per day) and completed 460 of them (80%). We have also ensured that we reached 99.9999% uptime with no major outages.

The IT Department moved to new offices in 2024. Despite the departmental move (complete with an updated access control system that will be installed at the rest of the Port in 2025), the IT team completed a number of major projects. This included a complete replacement of the Port's handheld radios with a more modern cellular based push-to-talk system that incorporates many reliability, coverage, safety and security improvements. A major upgrade to our CCTV camera system was also completed in 2024 that gave us much better camera coverage and longer archiving of saved video.

Finally, the IT Department implemented two important new cloud- based solutions to manage form data collection and automate the distribution of software updates to all of our desktops and servers.

HUMAN RESOURCES DEPARTMENT

The Human Resources (HR) team encompasses experienced and qualified human resource individuals who are based in the Grand Cayman office.



HUMAN RESOURCES DEPARTMENT

Department Responsibilities

The team manages administrative functions and has overall behind-the-scenes responsibilities of taking care of employees' wellbeing and the entire PACI staff to enhance employee's engagement and relations and organizational productivity. Throughout the daily operations and life cycle of the HR department, the HR team assists with the development and integration of new policies and procedures to support the objectives of the Board of Directors and Management of the PACI. The team monitors employee performance and development, ensures employee benefits and compensation are fulfilled, conducts recruitment processes to acquire new talent and complete the necessary onboarding steps to welcome new employees. In addition, the team encourages the training and development of employees by collaborating with department managers to identify relevant training needs and rewards and recognizes employees to boost engagement. Though many more responsibilities exist within the HR territory, the overall aim and commitment of the HR department are to maintain a positive, healthy and safe work environment for all employees and to revitalize and instill a positive work culture.

Main Activities and Achievements in 2024

In 2024, PACI actively promoted its revitalized Internship Program at the UCCI Career Fair, Layman Scott Career Fair (Cayman Brac), and the Cayman Islands Chamber of Commerce Career Expo, resulting in 10 internship placements across various departments.

Key staff training initiatives included the Inspire Leadership Conference attended by eight managers/supervisors, CPR/First Aid Training for all staff, and HR Management Certification for two HR team members.

Employee engagement activities featured the Halloween Social, International Men's Day Luncheon, and Cayman Brac Summer Party.

The HR team also participated in the CISHRP Annual Human Resources Conference and the BritCay Benefits & Payroll Conference.

Additionally, Port Authority informational videos were produced for Grand Cayman and Cayman Brac.

CONGRATULATIONS TO MR. DON HUTCHINSON

We are thrilled to announce that Mr. Don Hutchinson has successfully completed the Port Professional Manager (PPM) course in 2024.

This achievement is a testament to his dedication, hard work, and passion for excellence in the field of port management.

About the PPM® program

The PPM® program is a highly sought-after specialized qualification that offers a comprehensive education curriculum in port and supply chain management. Since its establishment in 1995, the program has certified over 150 professionals who are now contributing their enhanced knowledge and leadership skills to port and transportation communities across the Americas.

Project Overview

One of Don's standout accomplishments is his capstone project titled "A Toolkit for Internal Stakeholder Management in Operating Ports." This project provides more than ten flexible templates designed to assist ports with effective stakeholder management, allowing customization to meet specific needs. Don's work emphasizes the importance of tailored stakeholder engagement strategies, especially given the diverse nature of port systems worldwide.

Major Milestones

Through extensive consultations and the study of various international port systems, Don has identified the critical need for a robust stakeholder management program. His project highlights the significance of collaboration within the port community, promoting the sharing of use cases and experiences to enhance overall stakeholder engagement.

It is also worth noting that Don scored an impressive 28.7 out of 30 points for the capstone project, showcasing his dedication and excellence in the field. Don's dedication to improving port operations and his innovative approach to stakeholder management have earned him this prestigious recognition. Don is currently the only PPM at the Port in the Cayman Islands, making his accomplishment even more significant. As part of this prestigious program, he has built strong relationships with peers and industry leaders, further enriching his professional journey.

We congratulate Don on this outstanding achievement and look forward to seeing the positive impact he will continue to make in our community and beyond.

> This program is a cornerstone for any professional seeking to make a significant impact in the port industry, enhanced by the network of strong relationships they build in the process.



CONGRATULATIONS TO OUR FOOTBALL TEAM

Our football team reached the finals in 2023, in the Government Football League, where we were placed second or first runner-up.

In 2024, we were placed third or second runner-up.



FINANCIAL SECTION

DEPUTY PORT DIRECTOR **FINANCE REPORT**



Overall revenues increased by 27%, from $27.6 million in 2023 to $35 million in 2024, a notable increase of $7.4 million.

Don Hutchinson FCA, FCCA, PPM
Deputy Port Director, Finance

The Financial Statements of The Port Authority of the Cayman Islands for the year ended December 31, 2024 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.

The Management Discussion section of this report provides an analysis of the financial statements and explains the Authority's financial performance in detail. Selected statistical information is also presented at the end of this report to assist in understanding the Port Authority's overall performance.

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.

DEPUTY PORT DIRECTOR **FINANCE REPORT** (CONTINUED)

The Port exceeded the $1M operating profit in 2023 by $3.5M, or over 400%. This $4.4M operating profit in 2024 resulted from an approximately 20% increase in cargo handling fees and over 100% increase in cruise ship passenger fees.

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 Chairman, 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 Act (PMFA) 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.

DEPUTY PORT DIRECTOR
FINANCE REPORT (CONTINUED)

The financial statements for 2024 were audited by the Auditor General, who expressed an unmodified audit opinion on them at the conclusion of the audit.

In the 2024 financial year, the Port exceeded the $1M operating profit in 2023 by $3.5M, or over 400%. This $4.4M operating profit in 2024 resulted from an approximately 20% increase in cargo handling fees and over 100% increase in cruise ship passenger fees, which occurred on 1st January 2024. The main income activities declined over the previous year. Cargo volume and TEUs declined by 3% and 1%, respectively, and cruise passengers reduced by 15%. Despite these adverse activities, overall revenues increased by 27%, from $27.6 million in 2023 to $35 million in 2024, a notable increase of $7.4 million.

Operating expenses increased by $4 million, or 15%, over the 2023 results. This rise is due to higher staff costs ($1.8M), increased repairs and maintenance ($1.5M), and an increase in contracted services ($0.4M).
The staff costs increase was due to the combined effect of the honorarium, a 9% increase in the cost of medical insurance premiums, an increase in staff headcount, and other staff movements due to promotion, training, and related expenses. Repairs and maintenance expenses increased by 73% compared to the prior year due to extensive repairs and renovations undertaken following the passage of the various tropical storms and repairs to port facilities and equipment.

However, repairs and maintenance was $830K above budget as these unforeseen events were not included. Despite some categories of expenses being higher in 2024 compared to 2023, the total operating expenditures were $1.7M or 5% less than the budget due to favorable budget variances. Staff costs at $2M, contracted services at $0.6M, and depreciation at $0.5M contributed the bulk of the savings. Unfavorable budget variances in repairs, insurance and utilities offset these savings.

The 2024 overall results show a net loss of $1.6M, erasing the operating profit of $4.4M, due primarily to the impact of the annual cost and remeasurement in the defined benefit health care.

The defined benefit health care cost was $6.3M compared to the budget amount of $4M, an increase of $2.3M above budget. The loss was offset by interest income of $206K and a favorable valuation of the investment property of $100K.

The impact of non-cash items, such as the defined benefit obligation, weighs heavily on our net results reported annually. These volatile changes move in line with global macroeconomic indicators and make it more difficult for the general public to understand the performance from year to year.

The Port's financial fundamentals are substantial; it has solid historical revenues, a strong balance sheet and performance ratios, high liquidity, and good growth prospects. However, the Port has reported a loss of $1.6M for 2024. To the general public, the Port may appear to be unprofitable. The facts bear otherwise. The Port can and has financed its recurrent capital needs without accessing loan funds or assistance from the Central Government. For a capital-intensive industry, this is commendable.

DEPUTY PORT DIRECTOR **FINANCE REPORT** (CONTINUED)

> **The Port Authority enjoyed positive operating performance, totaling $6.6M over the last five years.**

The Port also experienced significant growth in total assets, from $96 million as at 31 December 2023 to $101 million as at 31 December 2024, a $5 million increase. This growth is due to a $6 million increase in current assets and a $1 million decline in non-current assets. Notably, $5.3 million of the variance in current assets is from cash and deposits.

The Port finished the 2024 financial year with a strong liquidity ratio of 9.29, compared to 8.05 in 2023 and the budgeted ratio of 5.16. We closed the year with bank and deposits totaling $18.7 million, $5.3 million or 40% higher than in 2023 and $12.1 million or 184% higher than budgeted.

The Port Authority enjoyed positive operating performance, totaling $6.6M over the last five years. The Authority's liquid assets have also seen measurable growth to $23.6M due to an increase in cargo imports over the past 5 years and the positive performance of cruise tourism over the same period. The favourable performance against the budget was due to delayed capital expenditures. $8M was projected for capital expenditures for the 2023 and 2024 fiscal years. Still, only $800K was utilized for capital projects—the difference of $7.2M would have been spent from cash, so the unspent amounts have boosted the cash position.

During 2019-2024, $8.5M was invested in our infrastructure and operating assets, funded entirely from operating profits.

The Port is poised for growth in line with the expansion of the Cayman Islands. The Port Authority will need continual investment in its infrastructure and human capital to build and maintain capacity and facilitate the needs of its stakeholders.

The age and condition of our portfolio of assets indicate that over the medium term, significant investment will be required to modernize our infrastructure and operating equipment. Additionally, facilities for staff and customers need expansion and upgrading.

Steps are being taken to address the Port's infrastructure challenges at the strategic level. In the interim, the required capital outlay to maintain the port's capacity to deliver on its mandate will be

DEPUTY PORT DIRECTOR **FINANCE REPORT** (CONTINUED)

significant. The Port is in the process of replacing and upgrading its fleet and container handling equipment. The cargo docks are more than 45 years old, and other infrastructure has gone without meaningful upgrades for a long time. The last significant capital project was done 20 years ago. These hard assets will need to be addressed shortly to enable a safe and efficient environment for our stakeholders.

While management has achieved some human resource targets, more must be done to realign the Port with our workforce's current and anticipated demands. This is expected to be completed during the 2025 financial year.

Net worth at year-end was strong at $53M despite being 3% less than the prior period. Net worth for the last five years grew by 79%, or $23M. This was due to growth in assets of $16M and a reduction in liabilities of $7M.

The budgeted net worth in December 2024 was $50M due to the expected decline in the healthcare obligation to $40M. The global macroeconomic space changed with the increase in interest rates, which had the positive side effect of reducing healthcare liability.The liability increased by $6M in 2024 due to the policy change extending post-retirement health care to all staff, regardless of hire date.



Don Hutchinson FCA, FCCA, PPM
Deputy Port Director, Finance

The Port also experienced significant growth in total assets, from $96 million as at 31 December 2023 to $101 million as at 31 December 2024, a $5 million increase. This growth is due to a $6 million increase in current assets and a $1 million decline in non-current assets.


2024 PPM GRADUATES




PPM x PPX


2024
GRADUATES



MANAGEMENT DISCUSSION & ANALYSIS

The ensuing section is management's commentary on the financial statements for the year ended 31 December 2024. 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.

2024 Financial Performance

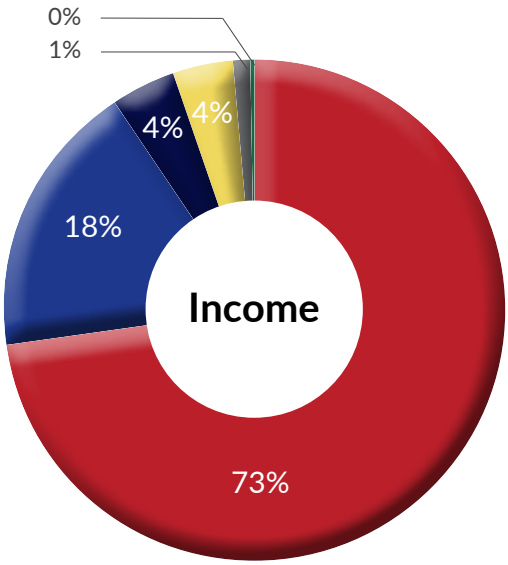
At the close of the year, equity experienced a decrease of $1.3M. This decline stemmed from an operating profit of $4.4M, which was offset by a net non-operating loss of $6.3M, as well as defined benefit payments amounting to $334K.

Description	2024
Gross operating revenue	35,073,139
Operating Expenses	(30,710,548)
Income from Operations	**4,362,591**
Net Gain on Revaluation of Investment Property / Land & Building	100,000
Interest Income	206,413
Loss on disposal of fixed assets	(4,697)
Defined benefit expense	(3,879,000)
Remeasurement of health care obligation	(2,386,000)
Net Loss	**(1,600,693)**
Defined benefit payments for current retirees	334,000
Decrease in Equity	**(1,266,693)**

Management Discussion and Analysis (continued)

2024 Income $'000

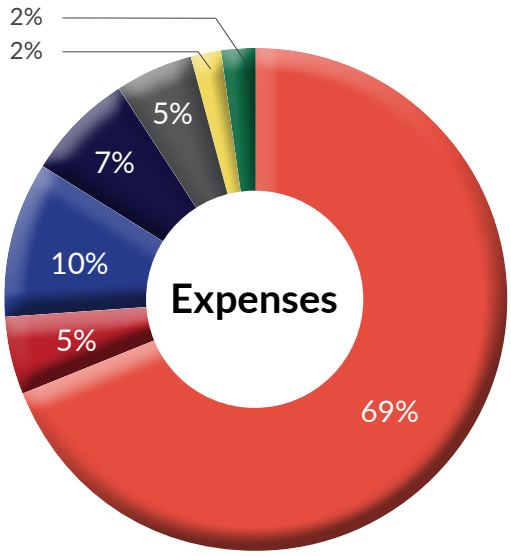
The pie chart shows that the top three income sources for the 2024 financial year were cargo handling, cruise ship passenger fees, and maritime services. Together, they accounted for 95% of the total income for the year.



- Cargo Handling: **$25,698**
- Cruiseship Passenger Fees: **$6,214**
- Maritime Services: **$1,375**
- Rental Income: **$1,293**
- Other Income: **$386**
- Diesel Income: **$108**

2024 Expenses $'000

The top three expenditure items for the current year were staff costs and post-retirement benefits, repairs and maintenance and contracted services. These accounted for 85% of the total expenditure for the 2024 financial year.



- Staff Costs & Benefits: **$25,395**
- Depreciation: **$1,989**
- Repairs & Maintenance: **$3,477**
- Contracted Services: **$2,595**
- Other Expenses: **$1,877**
- Utilities: **$755**
- Insurance: **$887**

Management Discussion and Analysis (continued)

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 financial positions at the end of the last five (5) fiscal years.

Description	Dec 2020	Dec 2021	Dec 2022	Dec 2023	Dec 2024
Assets					
Current Assets	**$12,489,786**	**$13,788,909**	**$15,854,795**	**$17,547,209**	**$23,442,548**
Non-Current Assets:					
Property plant and equipment	64,841,791	72,606,949	71,020,410	69,184,661	67,977,172
Right of use land & warehouses	194,020	107,315	161,393	426,579	540,281
Investment property	7,300,000	7,300,000	9,226,000	9,000,000	9,100,000
Total Assets	**$84,825,597**	**$93,803,173**	**$96,262,598**	**$96,158,449**	**$101,060,001**
Liabilities					
Current Liabilities	**$2,851,184**	**$1,643,649**	**$3,352,143**	**$2,180,273**	**$2,522,526**
Non-Current Liabilities:					
Bank Loan:					
Lease Liability	203,458	115,337	165,697	431,935	542,834
Health Care Liability	52,389,000	51,446,000	35,889,000	39,445,000	45,376,000
Total Liabilities	**$55,443,642**	**$53,204,986**	**$39,406,840**	**$42,057,208**	**$48,441,360**
Equity					
Total Equity	**$29,381,955**	**$40,598,187**	**$56,855,758**	**$54,101,241**	**$52,618,641**

Over the five-year period, equity has risen by 79% or $23M.

The Port's financial position has gradually grown in total assets from 2020 to 2022. It experienced a slight decrease in 2023. However, the assets rebounded in 2024 and finished the year with an all-time high of $101M, representing a 19% increase over the 2020 total assets. This upward trend can be attributed to the revaluation of investment property and the increase in current assets. Current assets have consistently grown over the past five years, culminating in $23.4 million by the end of the 2024 financial year. This represented an $11M or 88% increase over 2020.

The Port's total liabilities have fluctuated over the past five years. Total liabilities fell for three consecutive years, in 2020, 2021, and 2022. They increased in 2023 and 2024 to finish the year at $48.4M. This represents a $7M or 13% decline over the 2020 balance. This is due to fluctuations in the health care liability, lease liability, and current liabilities. Over the past five years, the health care liability has decreased by 13%, while the lease and current liabilities have increased by 100% and decreased by 12%, respectively.

The defined benefit liability movement is due to a movement in interest rates. The lease liability is due to new lease agreements entered into in 2023 and 2024. The current liabilities comprise mainly accounts payable and year-end accruals, which are influenced by the timing of payments.

The liquidity position over the past five years has also shown significant fluctuations. In 2021, it increased from 4.38 to 8.39 and fell in 2022 to 4.73. However, it rebounded in 2023 and 2024 to finish the 2024 financial year at 9.29.

Over the last five years, the Port acquired equipment and assets and enhanced its property by upgrading and revaluing land and buildings, which resulted in a 5% increase in the net book value of property, plant, and equipment and a 25% increase in the value of investment property.

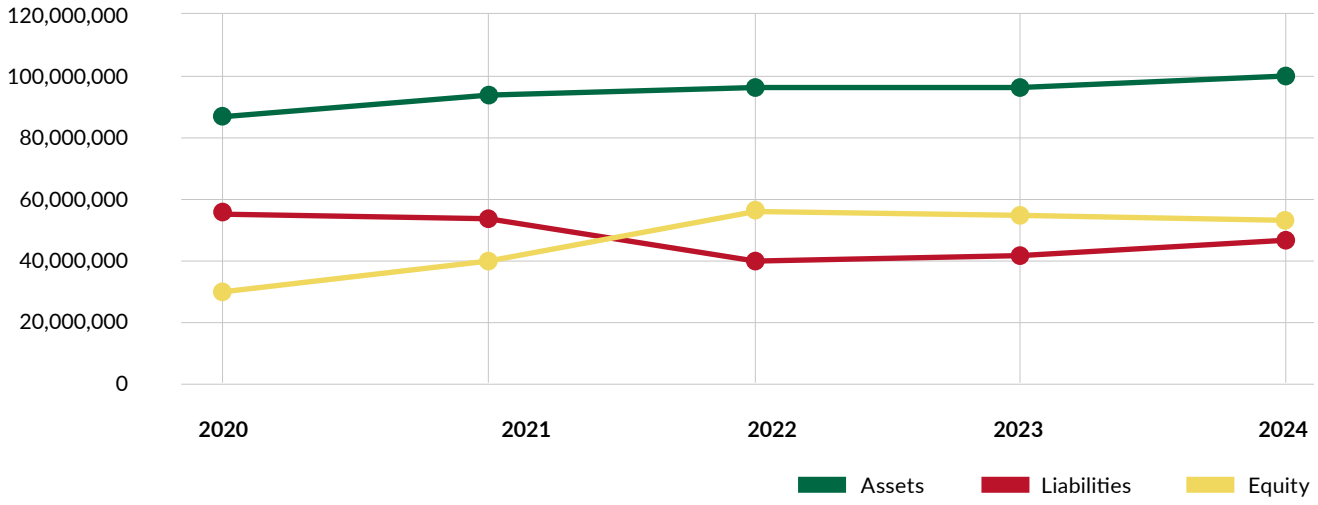
Over the five-year period, equity has risen by 79%, or $23M. This increase is primarily attributed to a $16.2M, or 19% surge in total assets and a $7M, or 13% decrease in total liabilities.

The rise in interest rates in recent years has led to a 13% decrease in the defined benefit liability over a five-year span. However, the uncertainty surrounding yearly fluctuations in healthcare liability presents a significant risk to the Port Authority's equity going forward.

Recognizing that the liability is currently unfunded, the Board approved a savings plan to begin addressing this matter. At 31 December 2024, this savings plan had accumulated a balance of $2M.

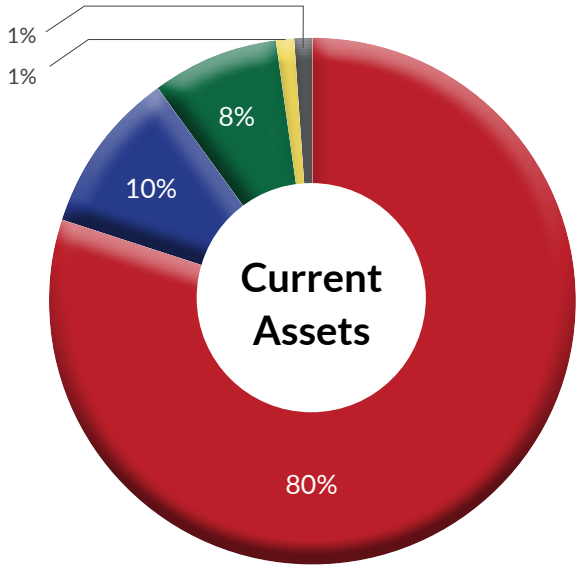
The Port's lack of commercial debt enables it to utilize cash surpluses for investments in infrastructure and other assets. Despite the increasing cash reserves, the Port faces challenges in replacing critical assets that demand resources surpassing its current revenue generation capabilities. To address significant infrastructure requirements like expanding cargo facilities, increasing distribution space, and improving facilities to support staff and enhance customer service, the Port must rely on government funding or seek external financing.

Financial Position 2020 - 2024



2024 Current Assets $'000

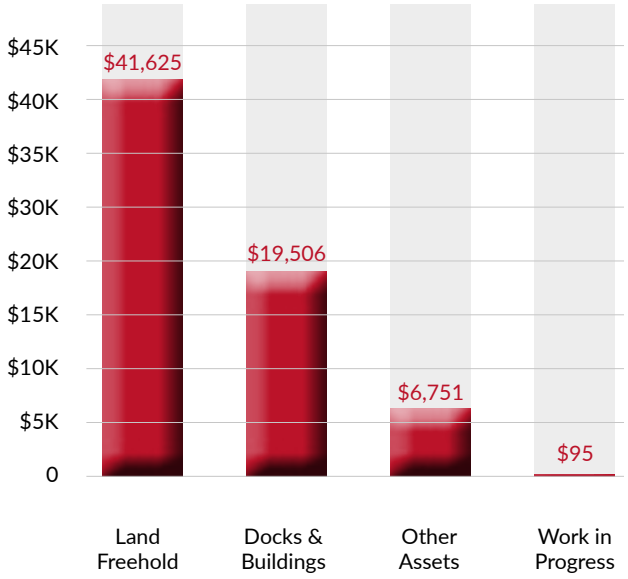
Cash dominated current assets accounting for 80% or $18.7M. Receivables closed at $2.4M or 10% and inventory at $1.8M or 8%. Prepaid expenses and other receivables and deposits accounted for the remaining 2%.



- Cash & Cash Equivalents: **$18,731**
- Accounts Receivable: **$2,388**
- Inventory: **$1,822**
- Prepaid Expenses: **$350**
- Other Receivables and Deposits: **$152**

2024 Property Plant and Equipment $'000

The Port invested $700K in asset replacement and improvement during the 2024 financial year. These include enhancements to the warehouse in Cayman Brac, renovation of warehouse in Grand Cayman and buildout of new offices at Seafarers Way. The Port closed the 2024 financial year with Property, Plant & Equipment at $68M.





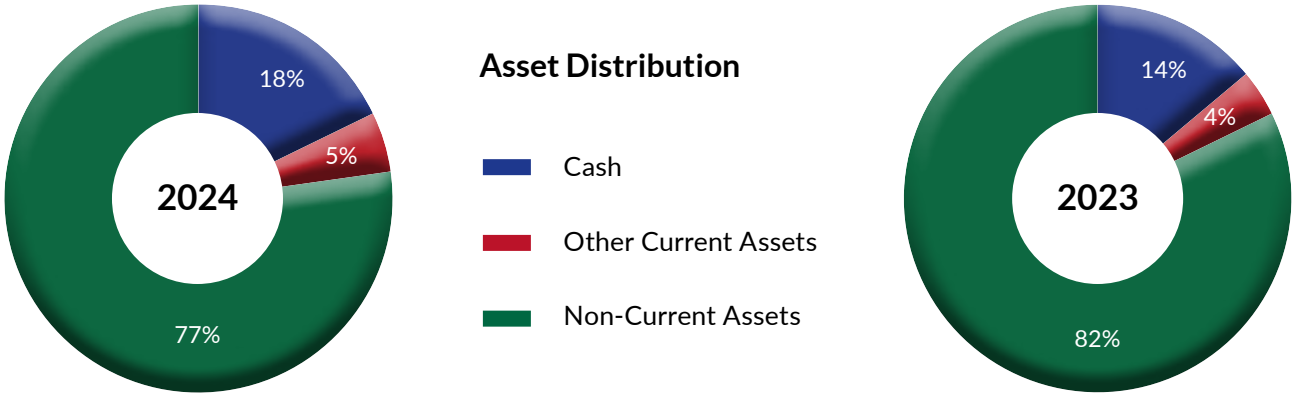
2024 Movement

Total assets at the Port Authority at December 31, 2024, are $5M more than last year. This is due mainly to the following factors:

- Cash increased by $5.3M, primarily due to higher revenue. The Port experienced an increase in revenue earned and collected in 2024, which is attributable to the rise in cruise passenger fees and cargo handling fees that took effect on January 1, 2024.
- Increase in accounts receivable by $410K due to higher billings following the increased fees.
- Increase in prepaid expense balance of $176K due to higher insurance cost.
- Lower property plant & equipment balance due to depreciation charge of $2M for the year coupled with additions of $700K.

The Port Authority's total liabilities amounted to $48.4M, marking a $6.4M or 15% increase compared to 2023.

Management Discussion and Analysis (continued)



The Port Authority enjoyed a strong financial position at 31 December 2024, which is $5M more than that at 31 December 2023. The Authority's liquid assets have also seen measurable growth of $6M or 35% over prior year.

The distribution of the assets changed when compared to 2023. Cash accounted for 18% of the 2024 balance compared to 14% in 2023. The non-current assets declined from 82% in 2023 to 77% in 2024.

Other non- current assets were somewhat in line with prior year with only a marginal increase from 4% at 2023 to 5% at 2024.

The Port is poised for growth in line with the expansion of the Cayman Islands. The Port Authority will need continual investment in our infrastructure and human capital to build and maintain capacity to facilitate the needs of our stakeholders.

2024 Consolidated Actual vs. Budget

Financial Position	2024 Actual	2024 Budget	2024 Variance	% Change
Assets	$101,060,001	$94,261,611	$6,798,390	7%
Liabilities	$48,441,360	$44,668,489	$3,772,871	8%
Net Worth	$52,618,641	$49,593,122	$3,025,519	6%

Total assets outperformed expectations by 7%, surpassing the budget by $6.8M. This was fueled by a $6.6M reduction in non-current assets, alongside a $13.4M increase in current assets. The increase in current assets is due to a higher cash and cash equivalent balance, which exceeded the budget by $12M, and a higher receivables balance, which exceeded the budget by $ 673K. The lower non-current assets balance at 31 December 2024 is due to property plant and equipment balance that is $6.3 million less than budget and an investment property balance which is $726K lower than anticipated.

Liabilities ended above the budget by $3.8M or 8%. The adjustment in the discount rate used for valuing long-term healthcare liabilities accounts for this change in the healthcare liability, which account for $$2.8M or 7% of this increase. Lease liability and accounts payable and accrued expenses were $353K and $580K respectively higher than budget.

Summarized actual vs. budget for the 2024 fiscal year is as follows:

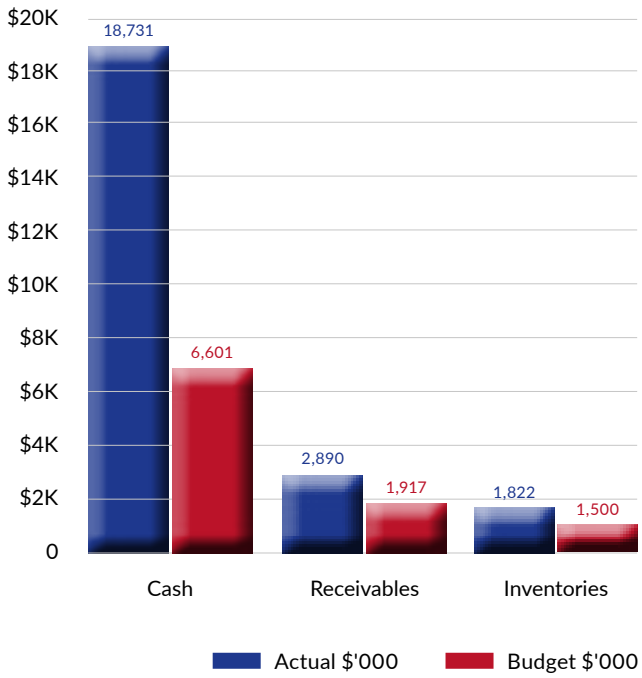
Description	$ Actual Dec 2024	$ Budget Dec 2024	$ Variance Dec 2024	% Variance Dec 2024
ASSETS				
Current Assets	**23,442,548**	**10,018,151**	**13,424,397**	**134**
Non-Current Assets:				
Property plant and equipment	67,977,172	74,237,461	(6,260,289)	(8)
Right of use land & warehouses	540,281	180,000	360,281	200
Investment property	9,100,000	9,826,000	(726,000)	(7)
Total Assets	**101,060,001**	**94,261,611**	**6,798,390**	**7**
LIABILITIES				
Current Liabilities	**2,522,526**	**1,942,489**	**580,037**	**30**
Non-Current Liabilities:				
Lease liability	542,834	190,000	352,834	186
Defined benefit liability	45,376,000	42,536,000	2,840,000	7
Total Liabilities	**48,441,360**	**44,668,489**	**3,772,871**	**8**
Equity	**52,618,641**	**49,593,122**	**3,025,519**	**6**

As at the 2024 financial year end, net assets outperformed the budget by $3M or 6%.

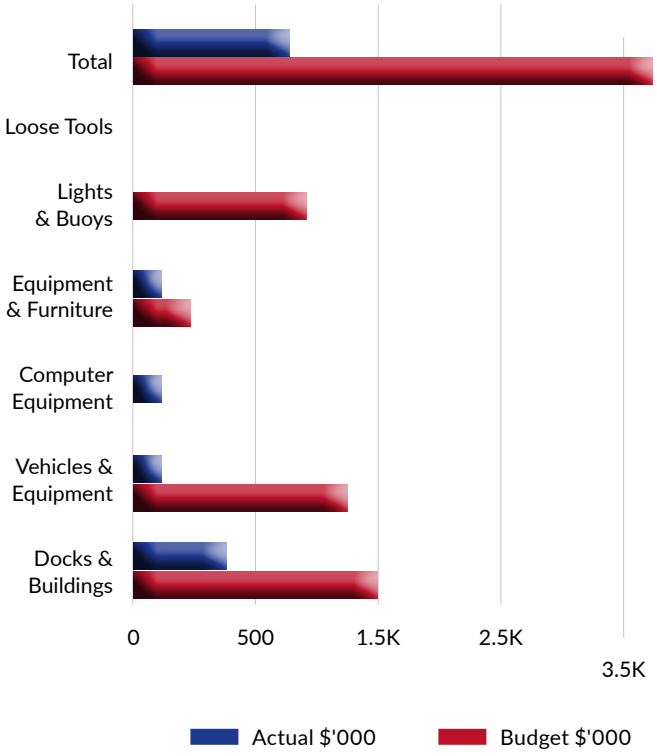
As at the 2024 financial year end, net assets outperformed the budget by $3M or 6%. This was primarily driven by a $6.6 million reduction in non-current assets, coupled with a $13.4M or 134% increase in current assets. The decline in non-current assets is attributable to the lower net book value of property, plant, and equipment, and lower investment property balance compare to the budget.

Liabilities increased by $3.8M or 8% due to higher defined benefit liability and lease liability. The higher defined benefit liability is directly as a result of the movement in the interest rate. The higher lease liability is due to new 10-year lease agreement entered into during 2024 for the lease of Hog Sty Bay.

2024 Current Assets Profile



2024 CAPEX Profile



The acquisition of capital items in 2024 fell short of the initial budgeted projections. The total value of newly acquired assets in 2024 amounted to $659K, a significant deviation from the budgeted $3.7M, resulting in an adverse variance of $3M.

Current assets had a favorable variance of $13.4M primarily driven by positive cash variance of $12.1M. Receivables exceeded the budget by $1M, attributed to higher billings following the increase in cargo and cruise passenger arrival fees. The $0.3M positive inventory variance is as a result of increased inventory to support equipment servicing needs.

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	2024 Actual $	2024 Budget $	2024 Variance %
Revenue	35,073,139	34,862,379	1
Operating expenses	30,710,548	32,454,548	(5)
Non-operating expenses	3,677,284	2,993,000	23
Other comprehensive expenses	(2,286,000)	(700,000)	227
Net deficit	(1,600,693)	(1,285,169)	25

Management Discussion and Analysis (continued)

Profit Performance

During the 2024 financial year, the Port Authority earned $35M in revenue, slightly surpassing the budgeted figure of $34.9M by $211K.

Operating expenses was $1.7M or 5% less than budget. Staff cost was the main contributor to this adverse variance of $1.7M, as certain positions budgeted for were not filled as at 31 December 2024 since the recruitment process was ongoing.

The repairs and maintenance expenses were $831K above budget while contracted services was $614K less than budget. Non-operating expenses were $684K or 23% more than budget due to higher actual defined benefit expense for 2024 which is directly as a result of movement in interest rate.

Other comprehensive expenses were $1.6M more than budget, primarily due to a less favorable remeasurement of defined benefit obligations than anticipated resulting in a variance of $1.4M. Also, only $100K gain on revaluation of land and building was realized in 2024 although $300K was expected.

Future outlook

There is growing expectation that the Port will sustain its robust revenue trajectory observed over the past five years. This confidence stems from several factors, including the recent increase in port fees which came into effect 1st January 2024, alongside a surge in planning approvals and construction boom in hotels, condominiums, and industrial projects. Moreover, ongoing and scheduled infrastructure initiatives further bolster this outlook.

Additionally, future cruise reservations are anticipated to remain strong, supported by a rising population, an increase in stayover visitors, and the ongoing construction of new properties, all of which will drive up the demand for goods and services. Furthermore, there is potential for medium-term growth in cruise revenue based on forecasts.

Operationally, economic conditions will determine the growth of revenue and cash flows as well as Government priorities for the Port Authority in the next budget cycle.

During the 2024 financial year, the Port Authority earned $35M in revenue, slightly surpassing the budgeted figure of $34.9M by $211K.

Twelve (12) Months ended 31 December 2024

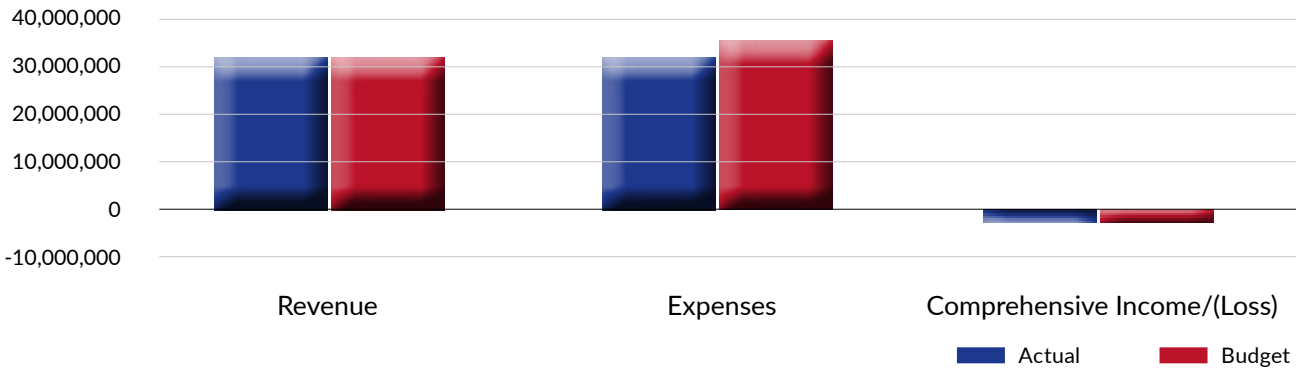
Description	$ Actual	$ Budget	$ Variance	% Variance
REVENUE				
Cargo handling	25,698,048	26,005,507	(307,459)	(1)
Cruise ship passenger fees	6,213,539	5,120,800	1,092,739	21
Other revenue	3,161,552	3,736,072	(574,520)	(15)
Total Revenue	**35,073,139**	**34,862,379**	**210,760**	**1**
EXPENSES				
Staff costs including defined benefit costs	23,009,027	24,186,325	(1,177,298)	(5)
Repairs & maintenance	3,477,104	2,646,220	830,884	31
Contracted services	2,594,607	3,208,136	(613,529)	(19)
Insurance	887,386	612,258	275,128	45
Other operating expenses	2,632,088	2,272,802	359,286	16
Depreciation	1,989,336	2,528,808	(539,472)	(21)
Total Expenses	**34,589,548**	**35,454,548**	**(865,000)**	**(2)**
Interest income	206,413	7,000	199,413	2,849
Gain on disposal of fixed assets	(4,697)	-	(4,697)	100
Net gain on revaluation of land & buildings	100,000	300,000	(200,000)	(67)
Remeasurement of defined benefit obligation	(2,386,000)	(1,000,000)	(1,386,000)	139
Total	**(2,084,284)**	**(693,000)**	**(1,391,284)**	**-**
COMPREHENSIVE PROFIT/(LOSS)	**(1,600,693)**	**(1,285,169)**	**(315,524)**	**25**

Key insights from the 2024 results

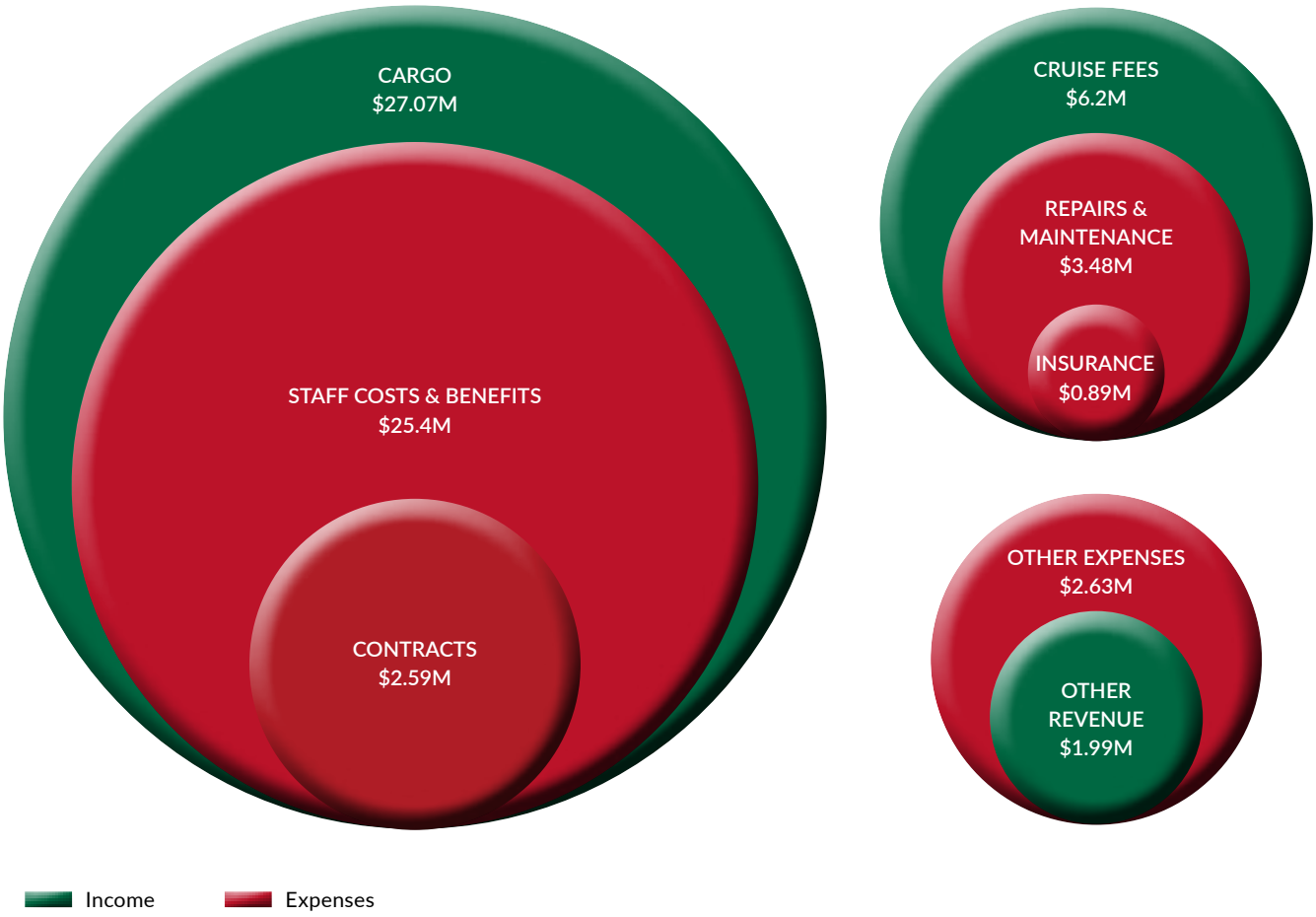
Overall revenue was largely on target, exceeding expectations by $211K, with the following variations:

- Cargo handling revenue slightly below budget by $307K.
- Cruise passenger fees exceeding the budget by $1M as the actual increase in cruise passenger fee per passenger was higher than budget.
- Other revenue was $575K less than budget.
- Staff costs, including defined benefit ended at 5% below the budgeted amount, primarily because some positions budgeted for were filled late in 2024 and/ or not filled as at 31 Dec 2024 as the recruitment process is ongoing.
- Repairs and maintenance expenses exceeded the budget by 31% due to repairs carried out following the passage of the various tropical storms as well as additional repairs carried out to maintain and upgrade ageing facilities and equipment.
- Expenditure on contracted services is lower than budget by 19%, largely attributable to less janitorial cost following the change in service provider and higher professional fees for cargo port development. Security cost also increased by 3%.
- Other operational costs surpassed the budget by 8%, primarily due to higher insurance cost and increased diesel expenses.
- Operating profit was $1.9M higher than anticipated, due to the slightly higher revenue and the lower expenses.
- The total expenses were $865K or 2% less than budget, due mainly to lower staff cost inclusive of defined benefit cost, lower contracted services and lower depreciation charge than budget.
- Other comprehensive income was $1.6M higher than budget due mainly to higher remeasurement of defined benefit in 2024 compared to what was budgeted.

Actual vs. Budget: 12 Months ending 31st December 2024



Key insights from the 2024 results:



- The income earned from cargo handling was $0.92M short to cover staff costs including the annual health care benefit cost and contracted services for the year.
- Income from cruise ship passenger fees was used to fund repairs and maintenance expenses and insurance cost for the year leaving a surplus of $1.85M. This is enough to cover the shortfall from cargo handling that was used to finance staff cost and contracted services.
- Other expenses were partially (76%) funded by other revenue sources.
- By deferring capital expenditures and operating with minimal depreciation sinking funds, the Port Authority is gradually accumulating cash reserves. However, PACI's business model does not accommodate fees that accurately represent the total cost of service delivery. The fee increase that came into effect on January 1, 2024, is somewhat easing the burden, thus, enabling funding for infrastructure development and investments aimed at cultivating and improving our human resources.

Historical Performance

Five (5) Year Historical Performance	2020 $'000	2021 $'000	2022 $'000	2023 $'000	2024 $'000	TOTALS $'000
Cargo income	19,641	21,795	21,671	22,708	27,073	112,887
Cruise income	1,323	-	1,798	3,146	6,214	12,481
Rental income	350	194	292	1,293	1,293	3,421
Other income	549	299	236	487	700	2,271
Total Operating Income	**21,863**	**22,288**	**23,996**	**27,634**	**35,280**	**131,060**
Staff costs	(13,731)	(13,983)	(16,616)	(17,341)	(19,130)	(80,801)
Contracted services	(1,655)	(1,253)	(1,774)	(2,231)	(2,595)	(9,508)
Repairs and maintenance	(1,462)	(1,420)	(2,080)	(2,007)	(3,477)	(10,447)
Insurance	(600)	(591)	(577)	(596)	(887)	(3,252)
Other operating costs	(1,484)	(1,445)	(2,042)	(2,462)	(2,632)	(10,066)
Depreciation	(1,991)	(2,205)	(2,154)	(2,085)	(1,969)	(10,425)
Total Operating Expenses	**(20,924)**	**(20,898)**	**(25,245)**	**(26,722)**	**(30,711)**	**(124,499)**
Operating Profit / (Loss)	**939**	**1,390)**	**(1,248)**	**912**	**4,569**	**6,561**
Profit / (Loss) on disposal of fixed assets	-	-	(15)	-	(5)	(19)
Defined benefit annual expense & remeasurement	(11,052)	751	15,374	(3,816)	(6,265)	(5,008)
Net gain on revaluation of land and building	-	8,914	1,926	-	-	10,840
Profit / (Loss) on revaluation of investment property	(1,850)	-	-	(226)	100	(1,976)
Total Comprehensive Income (Loss)	**(11,963)**	**11,055**	**16,037**	**(3,130)**	**(1,601)**	**10,398**

Over the past five years, the Port's financial performance has demonstrated vulnerability to various factors, leading to significant fluctuations in net results annually.

During the past five years, the Port has realized operating profits for all years except for the 2022 financial year, when it made an operating loss of $1.2M. This is due mainly to significant increase in staff cost in that year caused by higher staff complement.

Despite the operating profit in those 4 years, in 2020, the Port realized a total comprehensive loss of $12M and this was changed to profitability in 2021 and 2022 of $11M and $16M respectively. These fluctuations were attributable mainly to the swing in the defined benefit cost which moved from an expense of $11M in 2020 to a gain of $751K and $15.4M in 2021 and 2022 respectively.

The Port experienced total comprehensive loss in 2023 and 2024 of $3.1M and $1.6M respectively. These results are also attributable to the negative movement in the defined benefit expense of $3.8M and $6.3M in 2023 and 2024 respectively.

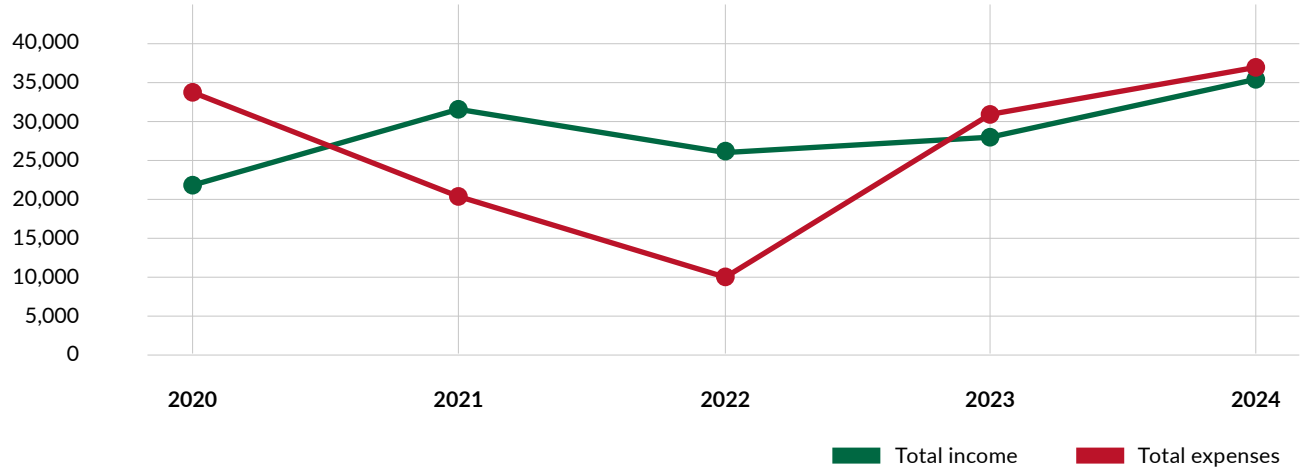
The total defined benefit expense of $5M from 2020 to 2024 has reduced the combined operating profit of $6.6M over the last five financial years.

External influences impacting the discount rate caused substantial swings in the defined benefit cost, which also impacts the Port total comprehensive income or loss over the past five years.

External influences impacting the discount rate caused substantial swings in the defined benefit cost, which also impacts the Port total comprehensive income or loss over the past five years. Since the defined benefit inclusion in the Port's accounting records in 2014, defined benefit costs have consistently exerted a negative influence on the Port Authority's results. The total defined benefit expense of $5M from 2020 to 2024 has reduced the combined operating profit of $6.6M over the last five financial years. However, the net gain on the revaluation of land and building for these five years total $10.8M, resulting in an overall total comprehensive income of $10.4M for the five-year period, January 1, 2020 to December 31, 2024. The Port has experienced continuous growth in operating revenue over the past five years, with total operating revenue for the 2020 to 2024 financial years being $131M. The 2024 financial year realized the highest operating revenue and this is attributable mainly to the increase in cargo and cruise passenger fees which came into effect on January 1, 2024.

This trend was also evident with operating expenses which increased continuously each year during the financial years 2020 to 2024. The total operating expenses for those five years was $124M. The 2024 financial year realized the highest operating profit in the last five years of $4.6M. This is the net effect of the operating revenue and the operating expenses.

Five-year historical income vs. expenses



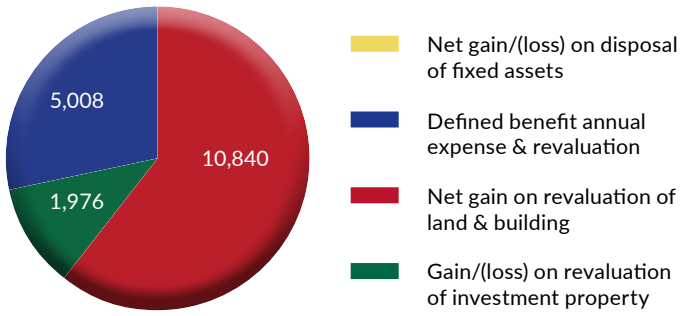
- Total expenses did not align with income primarily due to the impacts of COVID-19 in 2020. Elevated expenses in 2020 led to substantial losses for that year. The Port regained profitability in 2021, which was further augmented in 2022 by revaluation gains and DBE remeasurement effects from both years. However, in 2023, a loss occurred due to losses arising from investment property revaluation and remeasurement of the defined benefit liability.
- The last five years net a total profit of $10.4M.
- The low operating profitability reduces the ability to invest in human resources, infrastructure and other capital assets. The increase in fees should impact this positively for future years.

2020-2024 Summarized Results $'000



- Annual growth in operating income for all years 2020 to 2024.
- In 2021, the DBE transitioned from a negative $11M to a positive $0.75M, further rising to $15.4M in 2022. However, it decreased to $3.8M in 2023 and to $6.3M in 2024.
- The gain on revaluation of assets that were revalued amounted to $8.9M in 2021, $1.9M in 2022 and $100K in 2024. Conversely, 2020 and 2023 witnessed revaluation loss of $1.9M and $226K respectively on the revaluation of investment property.
- Total income and total expenses over the five-year period stood at $141.9M and $131.5M, respectively, resulting in a net surplus of $10.4M.

2020 - 2024 Non Operating Expenses $'000



- $5M defined benefit net expense
- Non-recurrent gain of $10.8M from revaluation of land & building
- Net loss on disposal of fixed assets of $19K
- Net revaluation loss on revaluation of investment property $2M

Activity Statistics

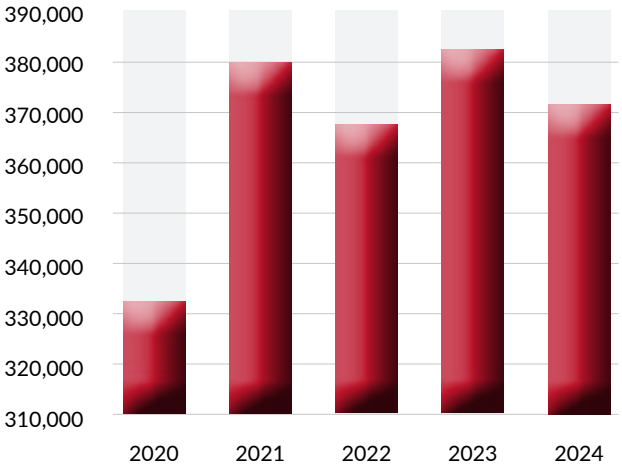
Description	2020	2021	2022	2023	2024
Annual Cargo Volumes	337,658	382,482	370,898	385,678	374,134
Cruise Passenger Arrivals	538,140	0	736,382	1,270,053	1,082,498
TEUS (In and Out)	64,130	70,740	71,394	73,425	73,013

As seen in the table above, the Port has been having a steady yearly growth in TEU's, over the past five years, however TEU's declined slightly in 2024 to close the year with a volume of 73,013.

The cargo volume experienced increase in 2021 over 2020 and declined in 2022, however, it went back up in 2023, with the 2023 volume being the highest in the past 5 years. Cargo volume declined in 2024 to close the 2024 financial year with a volume of 374,134.

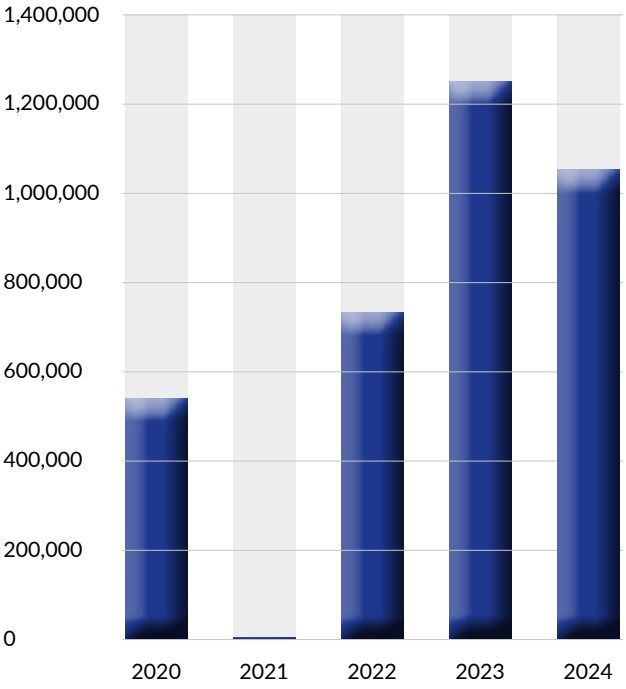
The cruise passenger arrivals for 2020 was very low due to the COVID-19 pandemic, and this continued into 2021 resulting in no cruise passenger arrivals for 2021. The cruise passenger arrivals resumed in March 2022, which resulted in 736,382 passengers' arrivals for that year. In 2023 the passenger arrivals numbers increased significantly over 2022, however the numbers fell in 2024 due to missed calls associated with bad weather and medical emergencies.

Annual Cargo Volumes



Cargo volume in 2020 was very low due to the COVID-19 pandemic. Cargo volume however, subsequently increased as the country emerge from the effects of the COVID-19 pandemic. Annual cargo volume was at its highest point in 2023 and contributed to 82% of total operating revenue in 2023. This fell in 2024 by 3% resulting in cargo's contribution being 77% of total operating revenue for the 2024 financial year.

Cruise Passenger Arrivals



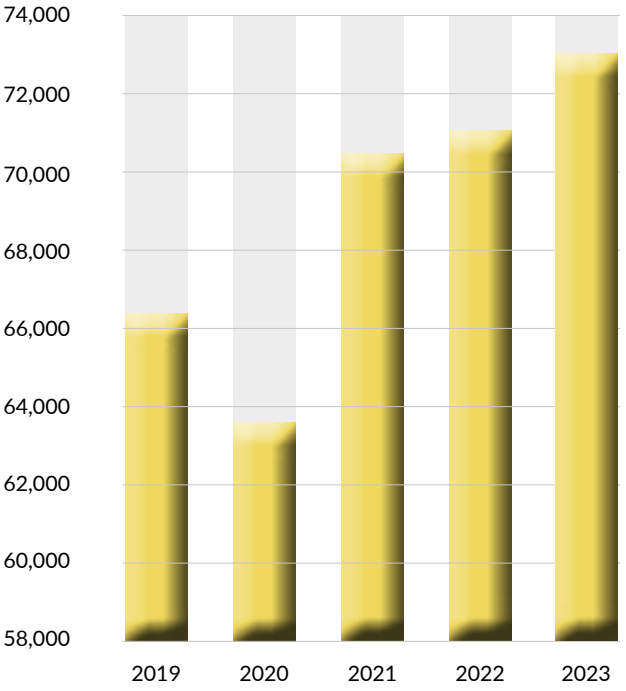
- Cruise arrivals have demonstrated commendable performance over the last two fiscal years, despite facing disruptions caused by the COVID-19 pandemic.

- In 2020, there was a 71% decrease in cruise arrivals, and in 2021, arrivals ceased entirely due to the effects of the COVID-19 pandemic. Nevertheless, cruise passenger arrivals resumed in March 2022, with figures for 2023 reaching 70% of the levels seen before COVID-19 in 2019.

- Cruise income provided $12.5M over the last 5 years to PACI.

- In 2020, cruise revenue constituted 6% of the total operating revenue, marking a notable decrease from the 18% contribution observed in 2019. There was no revenue from cruises in 2021, but in 2022, it accounted for 7% of the operating revenue. By 2023, cruise revenue saw a slight increase, contributing 11% to the operating revenue and in 2024 its' contribution rose to 18% of total operating income.

TEUS (in & out)



- TEU experienced a 3.5% increase in 2019 but saw a 4% decline in 2020. However, TEU rebounded with a 10.3% rise in 2021, followed by a modest 0.9% increase in 2022, and a further 2.8% uptick in 2023.

- Cargo volumes saw a 5% increase in 2019, followed by a 2% decline in 2020. The volumes rebounded strongly in 2021 with a 13% increase. However, they dipped by 3% in 2022 before recovering once more in 2023 with a 4% increase, closing the year at a volume of 385,678.

Actual vs. Budget

Description	$ Actual 2024	$ Budget 2024	% Variance	
CASH FLOWS				**Reason**
Net cash flows provided by operating activities	6,570,099	4,591,000	43	More favorable revenue & expense performances than expected
Net cash flows used in investing activities	(785,779)	(3,670,000)	(79)	Revised capital plans
Net cash flows used in financing activities	(440,171)	-	100	Payments for retirees & lease obligation

Five-Year Cash Flow Trend Analysis

Description	2020	2021	2022	2023	2024	TOTALS
Opening cash	11,305	9,332	10,640	12,425	13,387	11,305
Net cash earned from operations	4,739	2,555	2,565	1,485	6,570	17,914
Purchase of fixed assets & investments	(6,438)	(963)	(503)	(159)	(786)	(8,849)
Defined health benefit liability payments	(274)	(284)	(277)	(364)	(440)	(1,639)
Closing Cash	9,332	10,640	12,425	13,387	18,731	18,731

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 101% over the five-year period. The Port Authority invested an average of $1.8M per annum in its asset portfolio, and reduced liabilities by $1.6M or an annual average of $328K for the last five years.

Financial Performance Ratio	2024 Actual	2024 Budget	Explanation
Current Assets: Currents Liabilities	9.29:1	5.2:1	Higher cash, receivables and inventory due to increased revenue from fee increased that came into effect on January 1, 2024
Total Assets: Total Liabilities	2.09:1	2.1:1	Non-current assets were $6.7M less than expected due to lower revaluation gains & lower property plant and equipment value. Total Liabilities was higher than expected due to the discount rate movements affecting the defined health benefit liability

Human Capital Measures	2024 Actual	2024 Budget
Total Full Time Equivalent Staff Employed	184	208
Staff Turnover		
Senior Manager		-
Professional and Technical Staff	1	-
Administrative Staff	1	-

Physical Capital Measures	2024 Actual $000's	2024 Budget $000's	Explanation
Value of Total Assets	101,060	94,262	Assets purchased and land & building revalued giving rise to higher values
Asset Replacements: Total Assets	0.002:1	0.04:1	Slightly below expectations due to change in capital expenditure plans
Book Value of Assets: Cost of Those Assets	0.80:1	0.80:1	In line with expectation
Depreciation: Cash Flow on Asset Purchases	12.51:1	0.69:1	Less assets purchased than expected
Changes to Asset Management Polices	None	None	None

Major Capital Expenditure	2024 Actual $000's	2024 Target $000's	Explanation
Admin, Warehouse & Terminals Rennovations	151	100	Delayed Capex
Dock and RWCT Upgrades	-	900	Plan changes
Cayman Brac Office & Dock Rehabilitation	222	250	Almost in line with budget
Little Cayman Dock	-	250	Plan changes
Fleet Replacement	-	520	Plan changes
Asset Replacement	286	950	Plan changes
Crane & Heavy Equipment	-	700	Plan changes
TOTAL	**659**	**3,670**	

Financial Performance Measure	2024 Actual $000's	2024 Budget $000's	Explanation
Revenue from other persons or organisations	35,073	34,869	Almost in line with budget expectation
Other Expenses	36,674	36,154	Impact of defined benefit health care
Net Surplus / (Deficit)	(1,601)	(1,285)	Impact of defined benefit obligation
Total Assets	101,060	94,262	Higher cash and receivables balances than budget
Total Liabilities	48,441	44,668	Impact of defined benefit health care
Net Worth	52,619	49,593	More income and less expenses

RISK MANAGEMENT

Key Risks	Mitigation Strategies
Strategic risks	
• Lack of long-term planning	• Master Plan developed Further work being pursued
• Capital Structure	• Better cash management
Compliance risks	
• Risk of breach of Port Laws & Regulations	• Keep professional staff updated
• Risk of breach of PMFA and Regulations	• Continuing training and development of staff
• Risk of non- compliant financial reports	• Regular reporting to strategic levels
• Risk of breach of security protocols	• Continual training & regular reporting
Operational risks	
• Inability to efficiently discharge cargo	• Trained personnel; rotated staff
• Personal injury or fatality during operations	• Safety procedures; adequate insurance
• Terrorism	• Security protocols; trained security staff
• Breakdown of equipment	• Backup equipment; maintenance programs
• Lawsuits for negligence	• Hurricane plan practiced continually
• Hurricanes & Storms	• Price negotiations
• Risk profile increased due to price volatility	• Operational efficiency
	• Manage risk value within $750,000
Reputational risks	
• Damage to the Cayman Tourism Brand	• Manage key relationships in cruise sector
• Loss of confidence in Port's ability to deliver	• Training; capacity maintenance; upskilling of technical staff

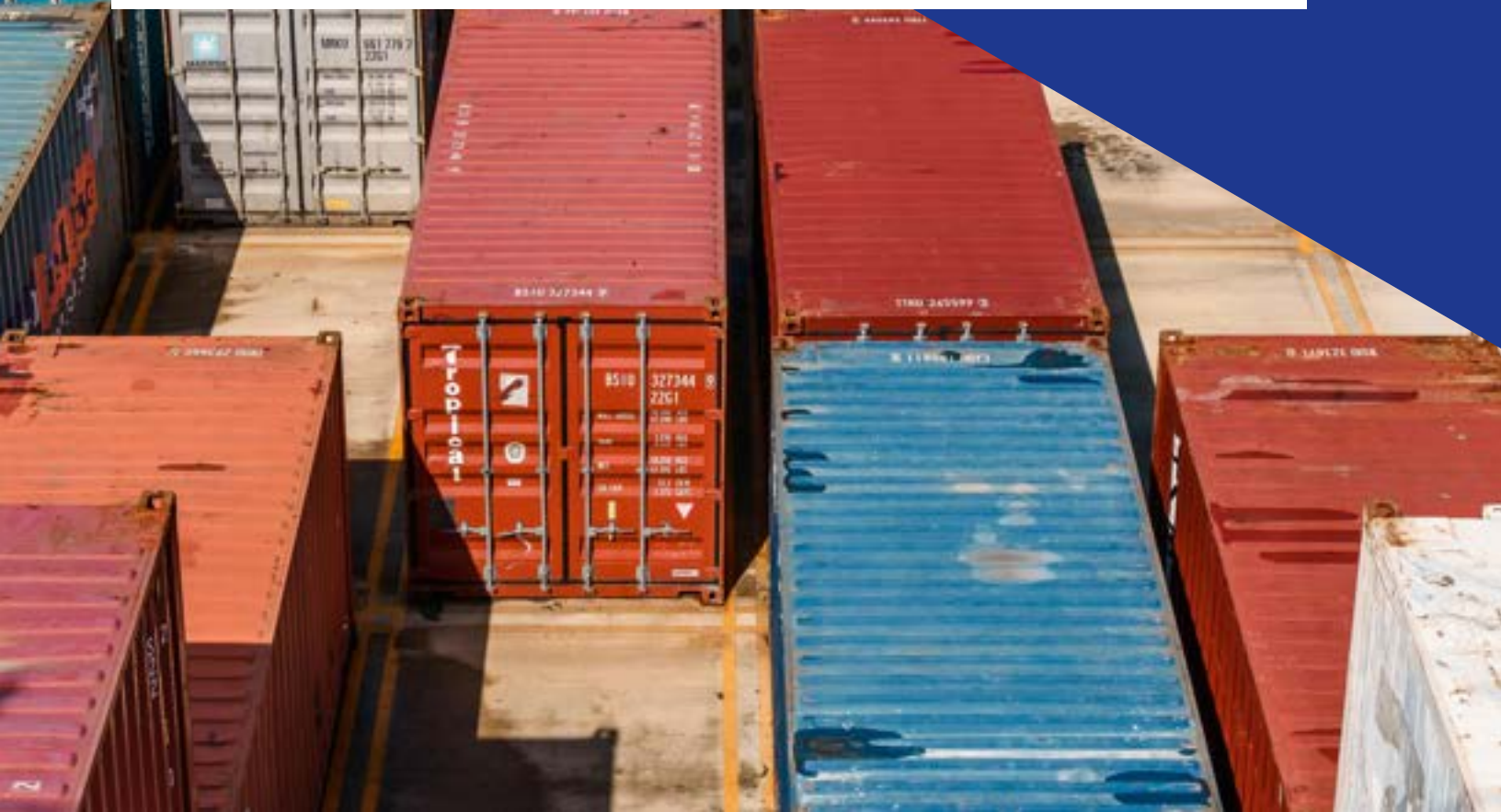
INTERNAL & EXTERNAL **AUDIT UPDATES**

The 2024 Financial Statements were submitted to the Auditor General on 28th February 2025 for audit. The Port Authority received an unqualified audit opinion for the 2024 financial year. These financial statements are included in this report.



SCRUTINY
BY PARLIAMENT & PUBLIC

The Port Authority's audited accounts and annual reports up to and including the financial year 2023 have been tabled in Parliament.



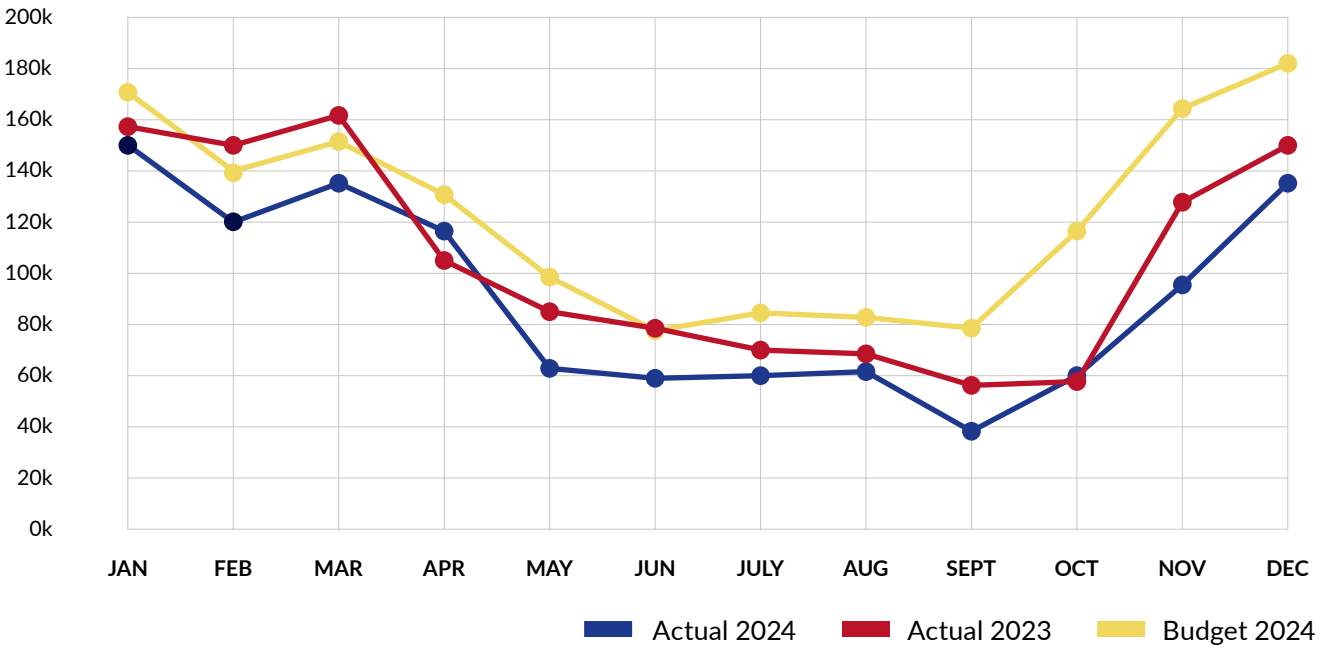
SELECTED **STATISTICAL DATA**

Cayman Port has seen a 15% decline in cruise passenger arrivals over last year and achieved a 27% reduction against budget.



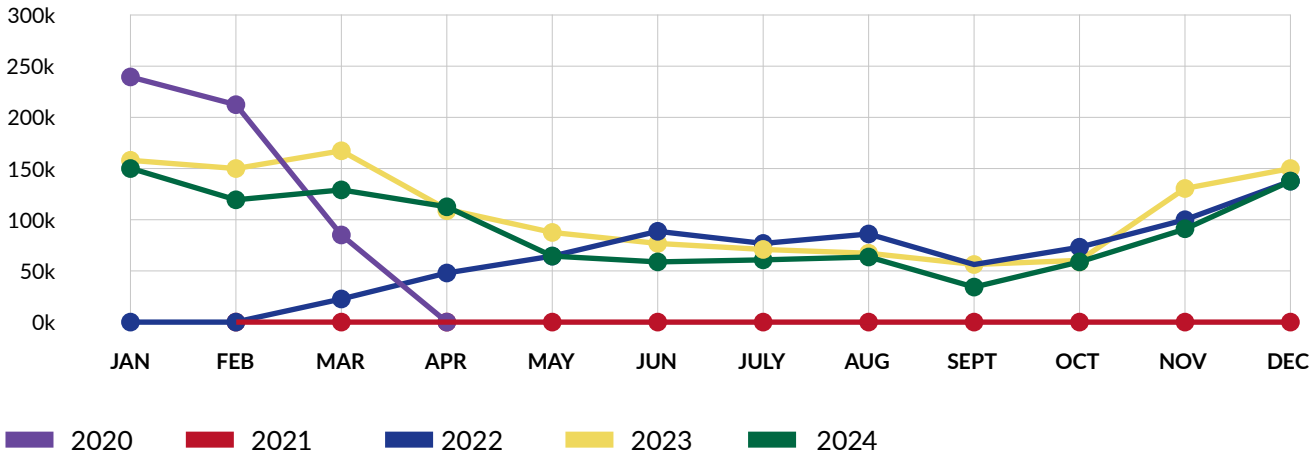
CRUISE PASSENGERS RIDING THE TENDER INTO GEORGE TOWN

Cruise Passenger Arrivals



Month	Actual 2024	Budget 2024	Variance Actual to Budget	% Change	Actual 2023	Variance 2024 vs 2023	% Change
January	149,392	171,169	(21,777)	(13)	159,000	(9,608)	100
February	119,290	139,423	(20,133)	(14)	148,968	(29,678)	100
March	132,650	151,117	(18,467)	(12)	163,296	(30,646)	(19)
April	114,421	130,348	(15,927)	(12)	107,451	6,970	6
May	62,345	99,451	(37,106)	(37)	87,291	(24,946)	(29)
June	56,114	75,895	(19,781)	(26)	76,449	(20,335)	(27)
July	60,676	86,305	(25,629)	(30)	69,895	(9,219)	(13)
August	65,231	83,271	(18,040)	(22)	68,230	(2,999)	(4)
September	34,368	77,849	(43,481)	(56)	54,766	(20,398)	(37)
October	60,405	115,530	(55,125)	(48)	57,353	3,052	5
November	93,520	166,357	(72,837)	(44)	127,283	(33,763)	(27)
December	134,086	183,286	(49,200)	(27)	150,071	(15,985)	(11)
Total	**1,082,498**	**1,480,000**	**(397,502)**	**(27)**	**1,270,053**	**(187,555)**	**(15)**

Five Year Cruise Passenger Arrivals (Jan - Dec)



The graph above shows the monthly cruise passenger arrivals for the last five years, 2020 to 2024. Passenger numbers made a sharp decline in March 2020 and flat lined due to the COVID-19 pandemic. There were no cruise passenger arrivals in 2021 due to the continued impact of the COVID -19 pandemic. Cruise passenger arrivals resumed in March 2022. The 2023 cruise passenger arrivals were 70% to pre-COVID levels to close the 2023 financial year at 1,270,053 passengers. The 2024 financial year saw a 14% declined over the 2023 passenger arrival numbers due to missed calls as a result of bad weather and medical emergencies.



VIEW OF A CRUISE SHIP FROM GEORGE TOWN HARBOUR

Five Year Passenger Arrivals

Month	2020	2021	2022	2023	2024	2020-2024	5 year % change
January	242,908	-	–	159,000	149,392	(93,516)	(38)
February	207,959	-	–	148,968	119,290	(88,669)	(43)
March	87,273	-	16,879	163,296	132,650	45,377	52
April	-	–	45,481	107,451	114,421	114,421	100
May	-	–	60,769	87,291	62,345	62,345	100
June	-	–	89,868	76,449	56,114	56,114	100
July	-	–	77,545	69,895	60,676	60,676	100
August	-	–	84,840	68,230	65,231	65,231	100
September	-	–	53,137	54,766	34,368	34,368	100
October	-	–	74,365	57,353	60,405	60,405	100
November	-	–	102,400	127,283	93,520	93,520	100
December	-	–	131,098	150,071	134,086	134,086	100
Annual Totals	**538,140**	**-**	**736,382**	**1,270,053**	**1,082,498**	**544,358**	**101**
Annual Growth Rate	**1%**	**(100%)**	**100%**	**72%**	**(15%)**		**17%**
Cruise Income	**1,323,824**	**-**	**1,811,500**	**3,124,330**	**2,662,945**	**1,339,121**	**101**

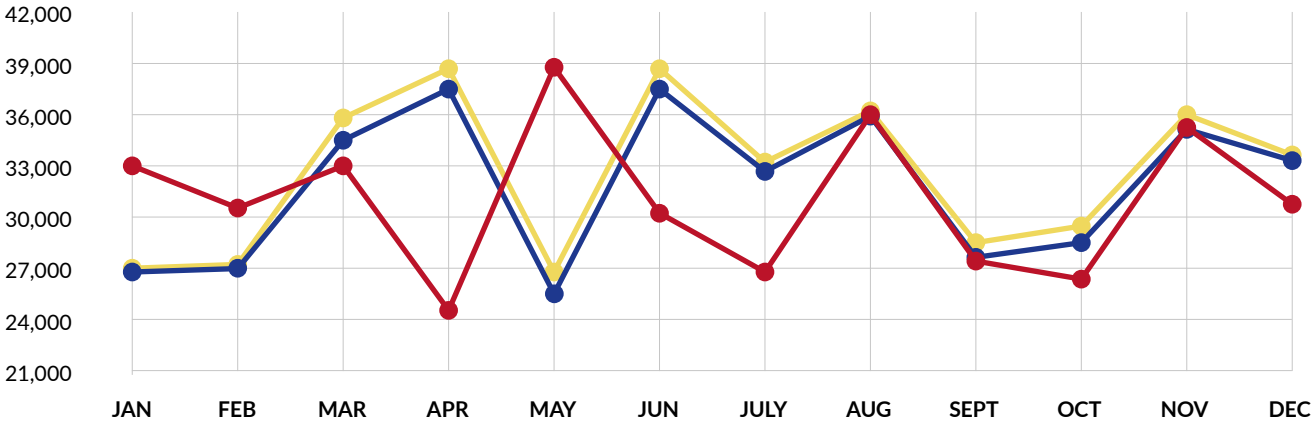




Cargo Imports (Tons) (Excluding Aggregate)

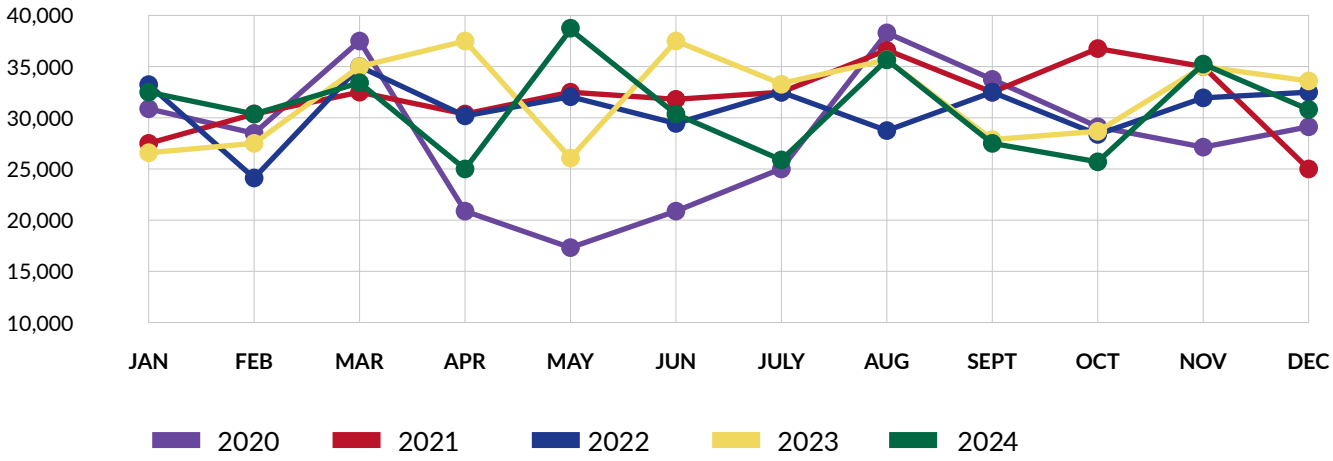
Month	Actual 2024	Budget 2024	Variance - Actual to Budget	% Change	Actual 2023	Variance 2024/2023	% Change
January	32,790	27,162	5,628	21	26,629	6,161	23
February	30,815	27,572	3,243	12	27,031	3,784	14
March	33,114	35,781	(2,667)	(7)	35,079	(1,965)	(6)
April	24,996	38,404	(13,408)	(35)	37,651	(12,655)	(34)
May	38,452	26,538	11,914	45	26,018	12,434	48
June	30,388	38,484	(8,096)	(21)	37,729	(7,341)	(19)
July	26,349	33,629	(7,280)	(22)	32,970	(6,621)	(20)
August	36,792	36,873	(81)	(0)	36,150	642	2
September	27,586	28,819	(1,233)	(4)	28,254	(668)	(2)
October	26,019	29,128	(3,109)	(11)	28,557	(2,538)	(9)
November	35,629	36,601	(972)	(3)	35,883	(254)	(1)
December	31,204	34,402	(3,198)	(9)	33,727	(2,523)	(7)
Totals	**374,134**	**393,392**	**(19,258)**	**(5)**	**385,678**	**(11,544)**	**(3)**

Cargo Imports (Tons) (Excluding Aggregate)



Actual cargo volume (excluding aggregates) ended 2024 at 5% below total projections and 3% less than prior year. Cargo activity experienced consistent growth between 2020 and 2021, however it declined in 2022 by 3% and when back up 4% in 2023. It however closed the 2024 financial year with a decline of 3%.

Five-Year Monthly Cargo Volumes



The five- year cargo volume trend showed volatility of the cargo volume. Cargo volume showed an annual growth between 2020 and 2021 of 13%, however the volume dropped by 3% in 2022 and increased by 4% in 2023. The 2024 cargo volume declined by 3% over 2023.

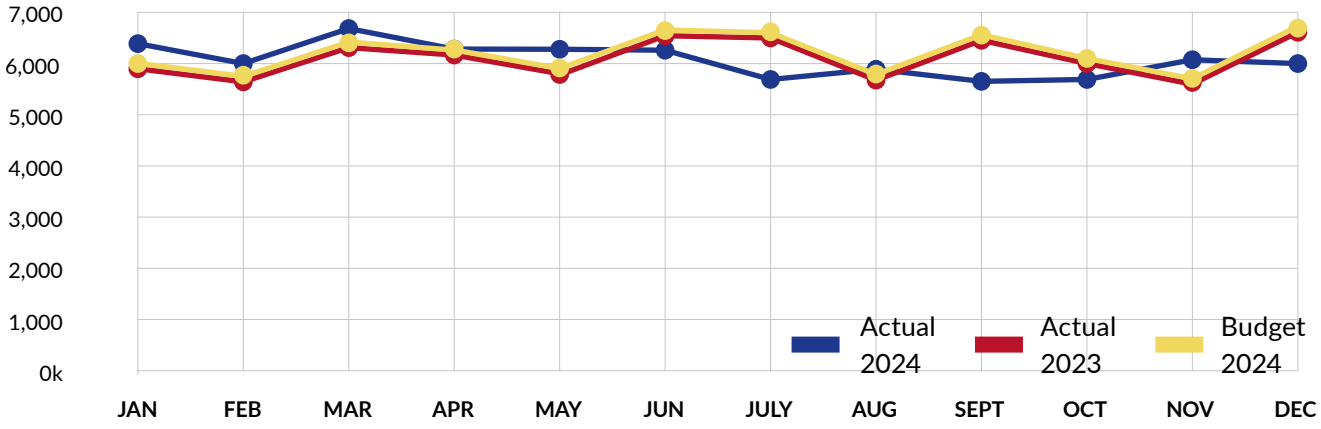
Historical Cargo Volume Imports (Five Years) January to December

Month	2020	2021	2022	2023	2024	2024/2020
January	30,863	27,337	33,466	26,629	32,790	6%
February	28,375	30,635	23,990	27,031	30,815	9%
March	37,183	32,352	35,476	35,079	33,114	(11%)
April	20,803	29,988	30,006	37,651	24,996	20%
May	17,131	32,192	31,896	26,018	38,452	124%
June	20,370	31,314	29,197	37,729	30,388	49%
July	25,020	32,291	32,582	32,970	26,349	5%
August	38,550	37,392	28,966	36,150	36,792	(5%)
September	33,840	32,485	32,844	28,254	27,586	(18%)
October	29,080	37,037	28,362	28,557	26,019	(11%)
November	26,882	34,691	31,928	35,883	35,629	33%
December	29,561	24,768	32,185	33,727	31,204	6%
Totals	**337,658**	**382,482**	**370,898**	**385,678**	**374,134**	**11%**
YTD Growth	**5%**	**13%**	**(3%)**	**4%**	**(3%)**	

Twenty-Foot Equivalent Unit (TEU) Movements

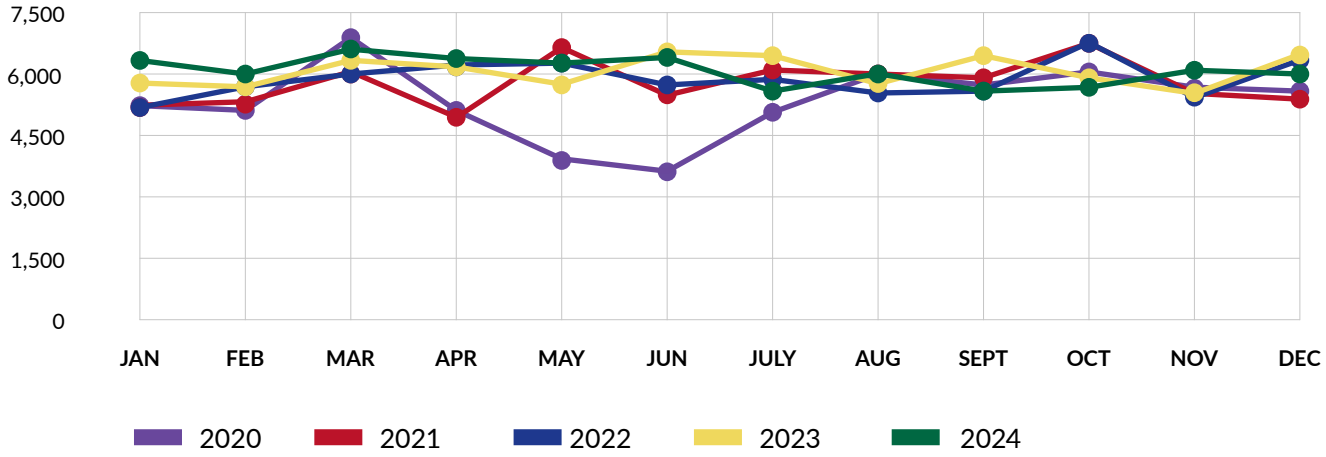
Month	Actual 2024	Actual 2023	Budget 2024	Variance % 2024 vs 2023	Variance % Actual vs Budget
January	6,378	5,893	6,011	8	6
February	6,045	5,707	5,821	6	4
March	6,619	6,321	6,447	5	3
April	6,215	6,112	6,234	2	(0)
May	6,163	5,824	5,940	6	4
June	6,354	6,550	6,681	(3)	(5)
July	5,726	6,490	6,620	(12)	(14)
August	6,030	5,774	5,889	4	2
September	5,703	6,455	6,584	(12)	(13)
October	5,749	5,994	6,114	(4)	(6)
November	6,093	5,765	5,880	6	4
December	5,938	6,540	6,671	(9)	(11)
Totals	**73,013**	**73,425**	**74,894**	**(1)**	**(3)**

TEU Movements



The Port processed 73,013 equivalent 20-foot containers for the 12-month period ended 31 December 2024, in comparison with 73,425 the previous year. This is a 1% decline against actual and a 3% reduction against the budget. This is trending in line with the cargo volume imports which had a 3% reduction over prior year and a 5% against the budget.

Five-Year Container Movements



The five-year container movement trended positively between 2021 and 2023, with 2021 experiencing the highest growth of 10.31%. This however, dipped slightly by 0.56% in 2024, which is consistent with cargo volume that also declined in 2024. Container movement had an overall growth of 14% over the 5 year period Jan 2020 to Dec 2024, with TEU moving from 64,130 in 2020 to 73,013 in 2024.

Five-Year Container Movements

Month	2020	2021	2022	2023	2024
January	5,568	5,519	5,476	5,893	6,378
February	5,229	5,420	5,753	5,707	6,045
March	6,937	5,988	5,986	6,321	6,619
April	5,030	5,310	6,120	6,112	6,215
May	3,914	6,479	6,204	5,824	6,163
June	3,640	5,630	5,862	6,550	6,354
July	5,000	6,265	6,024	6,490	5,726
August	5,893	5,942	5,583	5,774	6,030
September	5,659	6,063	5,647	6,455	5,703
October	6,213	6,789	6,773	5,994	5,749
November	5,639	5,768	5,638	5,765	6,093
December	5,408	5,567	6,328	6,540	5,938
Totals	**64,130**	**70,740**	**71,394**	**73,425**	**73,013**
Annual Growth	**(4.07%)**	**10.31%**	**0.92%**	**2.84%**	**(0.56%)**

AUDITED FINANCIAL **STATEMENTS**

For the financial year ended 31 December 2024

PORT AUTHORITY OF THE CAYMAN ISLANDS

Audited Financial Statements

For the financial year ended 31 December 2024



Financial Statements of the

PORT AUTHORITY OF THE CAYMAN ISLANDS

31 December 2024

FINANCIAL STATEMENTS OF THE
PORT AUTHORITY OF THE CAYMAN ISLANDS

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PORT AUTHORITY OF THE CAYMAN ISLANDS

PO Box 1358, Harbour Drive, Grand Cayman, KY1-1108, Cayman Islands
(345) 949 2055, Fax (345) 949 5820

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 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 act, and properly record the financial transactions of the Port Authority of the Cayman Islands.

As Port Director and 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, comprehensive income and cash flows of the Port Authority of the Cayman Islands for the financial year ended 31 December 2024.

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 2024;
(b) Fairly reflect the financial position as at 31 December 2024 and performance for the financial year ended 31 December 2024.
(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 the information necessary to conduct an audit in accordance with International Standards on Auditing.

Paul Hurlston
Port Director
30th April 2025

Don Hutchinson
Deputy Port Director - Finance
30th April 2025

Cline Glidden Jr.
Chairman of the Board
30th April 2025

Phone: (345) - 244-3211
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64 Shedden Road, George Town
P.O.Box 2583
Grand Cayman, KY1-1103, Cayman Islands

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 2024 and the statement of comprehensive income, statement of cash flows and statement of changes in equity for the year ended December 2024, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 8 to 44.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Authority as at 31 December 2024 and its financial performance and its cash flows for the year ended 31 December 2024 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.

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 Act (2020 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.



Patrick O. Smith CPA, CFE
Acting Auditor General

30 April 2025
Cayman Islands

PORT AUTHORITY OF THE CAYMAN ISLANDS
Statement of Financial Position

As at 31 December 2024
(Stated in Cayman Islands dollars)

	Note	December 2024 $	December 2023 $
ASSETS			
Current Assets			
Cash and cash equivalents	4(a)	18,730,565	13,386,416
Accounts receivable (net)	4(b)	2,387,922	1,977,859
Inventory	4(c)	1,821,950	1,884,748
Prepaid expenses	4(d)	349,835	174,070
Other receivables and deposits	4(e)	152,276	124,116
Total Current Assets		**23,442,548**	**17,547,209**
Non-Current Assets			
Property, plant and equipment			
Land- freehold	5	41,625,000	41,625,000
Docks and buildings	5	19,505,568	20,503,405
Other fixed assets	5	6,751,292	6,988,844
Work in progress	5, 8	95,312	67,412
Total property, plant and equipment		67,977,172	69,184,661
Right of use land and warehouses	6	540,281	426,579
Investment property	7, 9	9,100,000	9,000,000
Total Non-Current Assets		**77,617,453**	**78,611,240**
TOTAL ASSETS		**101,060,001**	**96,158,449**
LIABILITIES and EQUITY			
Current Liabilities			
Accounts payable and accrued expenses	10	2,522,526	2,180,273
Total Current Liabilities		**2,522,526**	**2,180,273**
Non-Current Liabilities			
Lease liability	6	542,834	431,935
Defined benefit liability	11	45,376,000	39,445,000
Total Non-Current Liabilities		**45,918,834**	**39,876,935**
TOTAL LIABILITIES		**48,441,360**	**42,057,208**
RETAINED EARNINGS		15,180,267	16,662,867
ASSET REVALUATION RESERVE	3(d)	37,438,374	37,438,374
		52,618,641	**54,101,241**
TOTAL LIABILITIES and EQUITY		**101,060,001**	**96,158,449**

Approved:

Paul Hurlston
Port Director
30th April 2025

Don Hutchinson
Deputy Port Director - Finance
30th April 2025

The accompanying notes on pages 8-44 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 2024
(Stated in Cayman Islands dollars)

	Note	December 2024 $	December 2023 $
OPERATING REVENUE			
Cargo handling	16	25,698,048	21,429,933
Cruise ship passenger fees	17	6,213,539	3,146,044
Maritime services	18	1,374,593	1,277,909
Rental income	24	1,293,363	1,292,968
Other income	19	385,724	286,178
Diesel sales	20	107,872	150,804
Total Operating Revenue		**35,073,139**	**27,583,836**
OPERATING EXPENSES			
Staff costs	21	19,130,027	17,340,962
Repairs and maintenance	23	3,477,104	2,006,982
Contracted services	22	2,594,607	2,230,613
Depreciation	5	1,989,336	2,085,220
Insurance	13(a)	887,386	596,179
Utilities		755,486	727,653
Stationery, supplies & computer supplies		420,330	397,757
Diesel		448,234	485,296
Travel, conventions & training		233,258	158,773
Miscellaneous	25	207,292	161,988
Board expenses and fees	13(d)	127,961	141,871
Bad Debt		298,947	206,828
Advertising and entertainment		70,007	103,073
Finance charges		27,752	25,751
Claims		22,291	33,049
Fleet licenses		20,530	19,876
Rent		-	275
Total Operating Expenses		**30,710,548**	**26,722,146**
GROSS OPERATING PROFIT		**4,362,591**	**861,690**
OTHER INCOME/EXPENSES			
Interest income		206,413	50,110
Loss on disposal of fixed assets		(4,697)	-
Defined benefit expense – post-employment health care	11	(3,879,000)	(2,868,000)
Total Other Expenses		**(3,677,284)**	**(2,817,890)**
NET PROFIT/(LOSS)		**685,307**	**(1,956,200)**
OTHER COMPREHENSIVE LOSS:			
Remeasurements of defined benefit obligation:			
Effect of changes in financial assumptions	11	(2,386,000)	(948,000)
Gain/(Loss) on revaluation of investment property	9	100,000	(226,000)
TOTAL COMPREHENSIVE LOSS		**(1,600,693)**	**(3,130,200)**

The accompanying notes on pages 8-44 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 2024
(Stated in Cayman Islands dollars)

	Note	December 2024 $	December 2023 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Comprehensive loss		(1,600,693)	(3,130,200)
Adjustments to reconcile comprehensive loss to net cash generated			
Defined benefit expense		6,265,000	3,816,000
Depreciation	5	1,989,336	2,085,220
Bad debts	4(b)	298,947	206,828
Loss on disposal of fixed assets		4,697	-
Loss / (Gain) on revaluation of investment property	7, 9	(100,000)	226,000
Prior period adjustments		(220,395)	-
Defined benefit payments		334,000	260,000
Net changes in working capital			
Accounts receivable		(601,919)	(137,074)
Inventory		62,798	(610,663)
Prepaid expenses		(175,765)	5,486
Other receivables and deposits		(28,160)	(16,224)
Accounts payable and accrued expenses		342,253	(1,219,895)
Net Cash Provided by Operating Activities		**6,570,099**	**1,485,478**
CASH FLOWS USED IN INVESTING ACTIVITIES			
Procurement of property, plant and equipment	5	(659,159)	(159,038)
Construction in progress	5	(27,900)	-
Proceeds from insurance settlement		(98,720)	-
Net Cash Used in Investing Activities		**(785,779)**	**(159,038)**
CASH FLOWS USED IN FINANCING ACTIVITIES			
Defined benefit payment for active enrolees	11	(334,000)	(260,000)
Principal lease payments		(106,171)	(104,295)
Net Cash Used in Financing Activities		**(440,171)**	**(364,295)**
Net increase in cash and cash equivalents		**5,344,149**	**962,145**
Cash and cash equivalents at the beginning of the year	4(a)	13,386,416	12,424,271
Cash and cash equivalents at the end of year	4(a)	**18,730,565**	**13,386,416**

The accompanying notes on pages 8-44 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 2024
(Stated in Cayman Islands dollars)

	Retained Earnings	Revaluation Reserve	Total
Beginning balance 1 January 2023	**19,417,384**	**37,438,374**	**56,855,758**
Prior year adjustments:			
Payments made on defined obligation for the current beneficiaries	260,000	-	260,000
Net corrections	115,683*	-	115,683
Total comprehensive income	(3,130,200)	-	(3,130,200)
Ending balance 31 December 2023	**16,662,867**	**37,438,374**	**54,101,241**
Beginning balance 1 January 2024	**16,662,867**	**37,438,374**	**54,101,241**
Prior year adjustments:			
Payments made on defined obligation for the current beneficiaries	334,000	-	334,000
Net corrections	(215,907)*		(215,907)
Total comprehensive loss	(1,600,693)	-	(1,600,693)
Ending balance 31 December 2024	**15,180,267**	**37,438,374**	**52,618,641**

The accompanying notes on pages 8-44 form an integral part of these financial statements.

** This amount mainly consists of adjustments for insurance $193,141, closing of prior year accounts receivable and accounts payable $41,980 and audit fee write off ($6,074) (2023: backpay over accrual $82,633 and loss on disposal for previous year transactions $33,050).*

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 Act*. This Act was revised in 1999. The Port Authority is also governed by the *Port Regulations (2020 Revision) and the Public Authorities Act (2020 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 Act and the Regulations;
- inspection of vessels for the purpose of checking and enforcing compliance with the Port Authority Act.

As at 31 December 2024, the Port Authority had 184 employees (2023: 176 employees). The Head Office is located at the Port Authority Building on 113 Seafarers Way, 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. 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, corresponding 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 IFRS 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.

(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.

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 (ECL) 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 provision for expected credit losses 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.

Land, docks and buildings 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 other comprehensive income in the Statement of Comprehensive Income and accumulated in revaluation reserve, 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	20 - 40 Years
Marine Dock	20 - 30 years
Cranes and Heavy Equipment	10 - 25 years
Lights and buoys	5 - 15 Years
Equipment and furniture	5 Years
Computer Equipment	5 Years
Vehicles	5 years
Computer Software	5 years
Loose Tools	5 years
Right of Use	3 - 10 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 2024, the land and buildings and investment property were reported at revalued amounts less subsequent depreciation where applicable. This value was determined by independent appraisers.

3. Significant accounting policies (continued)

iv. *Revaluation gains and losses (continued)*

It is not expected that the fair values would have materially changed since the last valuation was performed. 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 financial position 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) Provision for expected credit losses of trade receivables

The Authority uses simplified loss rate model for trade receivable. The written off amount is used to calculate a loss rate for the calculation of the expected credit losses. Loss given default is taken at full amount, unless given specific considerations. Management determines that the effective interest rate of the deposit and current accounts is insignificant and concludes that the effect of discounting is trivial. Forward looking information is considered; however, no adjustment is made in the current year due to the trades receivables being short-term in nature and the loss rate reflects the current and future outlook of the portfolio.

3. Significant accounting policies (continued)

(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 2024 or 31 December 2023.

(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) Passenger fees

In accordance with Port (Amendment) Regulations, 2023, the Port Authority charges the owners or agent of every ship a passenger fee of $5.74 for every passenger appearing on the manifest as passenger 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 Act. The Port Authority makes monthly contributions of 10% of an employee's salary to an approved pension provider. Contributions are charged to expenses, as they are incurred based on set contribution rates.

(n) New and amended standards issued and interpretations

The Port Authority applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2024. The Authority has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback

  The amendments in IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

  The amendments had no impact on the Authority's financial statements.

3. Significant accounting policies (continued)

(n) New and amended standards issued and interpretations (continued)

- Amendments to IAS 1 - Classification of Liabilities as Current or Non-current

  The amendments to IAS 1 specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

  - What is meant by a right to defer settlement
  - That a right to defer must exist at the end of the reporting period
  - That classification is unaffected by the likelihood that an entity will exercise its deferral right
  - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

  In addition, an entity is required to disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

  The amendments had no impact on the Authority's financial statements.

- Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

  The amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

  The amendments had no impact on the Authority's financial statements.

(o) Standards issued but not yet effective

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

3. Significant accounting policies (continued)

(o) Standards issued but not yet effective (continued)

Effective for periods beginning on or after 1 January 2025

- *Lack of exchangeability – Amendments to IAS 21*

  In August 2023, the IASB issued amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates* to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

  The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted, but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

  The amendments are not expected to have a material impact on the Authority's financial statements.

- IFRS 18 *Presentation and Disclosure in Financial Statements*

  In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

  It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

  In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

  IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

  The Authority is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

3. Significant accounting policies (continued)

(o) Standards issued but not yet effective (continued)

- IFRS 19 *Subsidiaries without Public Accountability: Disclosures*

  In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

  IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

  As the Authority have public accountability, it is not eligible to elect to apply IFRS 19.

(p) Going Concern

These financial statements have been prepared on a going concern basis. Management has a reasonable expectation that the Port has and will have adequate resources to continue in operational existence for the foreseeable future.

4. (a) Cash and cash equivalents

	Dec 2024 $	Dec 2023 $
Short-term deposits	12,106,161	-
Bank balance	6,624,404	13,386,416
Cash and cash equivalents	18,730,565	13,386,416

During the year, the Port Authority placed funds in 30-day revolving deposits at local financial institutions.

Restricted cash

Included in the bank balances above is restricted cash of $105,640 (2023: $89,569) representing deposits held on escrow for tenants of renting the Port Authority's investment properties.

The Port Authority has an overdraft facility of CI$250,000 (2023: CI$250,000) and two (2023:2) corporate credit cards with a total credit limit of US$50,000 (2023: US$50,000). At 31 December 2024, the outstanding balance was $412 (2023: $7).

4. (b) Accounts receivable

	Dec 2024 $	Dec 2023 $
Accounts receivable	2,976,118	2,272,065
Provision for expected credit losses	(588,196)	(294,206)
Accounts receivable, net	2,387,922	1,977,859

Fair value

The carrying value of receivables approximates their fair value.

Expected credit losses

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

	Dec 2024			Dec 2023		
	Gross	Expected Credit Losses	Net	Gross	Expected Credit Losses	Net
Past due up to 45 days	2,116,577	-	2,116,577	1,440,944	-	1,440,944
Past due 46- 90 days	84,522	-	84,522	173,336	-	173,336
Past due over 90 days	775,019	(588,196)	186,823	657,785	(294,206)	363,579
Total	2,976,118	(588,196)	2,387,922	2,272,065	(294,206)	1,977,859

The Authority uses simplified loss rate model for trade receivable. The written off amount in prior year is used to calculate a loss rate for the calculation of the expected credit losses. Loss given default is taken at full amount, unless given specific considerations. Default period is in excess of 90 days. Management determines that the effective interest rate of the deposit and current accounts is insignificant and concludes that the effect of discounting is trivial. Forward looking information is considered; however, no adjustment is made in the current year due to the trades receivables being short term in nature and the loss rate reflects the current and future outlook of the portfolio.

Movements in the provision for expected credit losses of trade are as follows:

	Actual Dec 2024 $	Actual Dec 2023 $
Balance at 1 January	294,206	89,206
Increase in provisions during the year	293,990	205,000
Balance at 31 December	588,196	294,206

4. (b) Accounts receivable (continued)

Bad debt for the period is $298,947 (2023: $206,828) due to an increase in credit loss provision and bad debt written off.

	Dec 2024 $	Dec 2023 $
Increase in provision for expected credit loss	293,991	205,000
Bad debt written off	4,956	1,828
Balance at 31 December	298,947	206,828

4. (c) Inventory

These relate to service parts, consumables and diesel at year end.

	Dec 2024 $	Dec 2023 $
Service parts and consumables	1,757,717	1,847,182
Diesel	64,233	37,566
Total	1,821,950	1,884,748

4. (d) Prepaid expenses

These relate to expenses that have been paid in advance and accruals at year end, as well as insurance coverage benefit that remain unamortized at year end.

	Dec 2024 $	Dec 2023 $
Unamortized accrued insurance benefit	242,686	146,709
Firewall licence renewal	102,149	27,361
Rent (Accrued prepayment)	5,000	-
Total	349,835	174,070

4. (e) 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 2025 financial year.

	Dec 2024 $	Dec 2023 $
Deposits for assets and expenses	152,276	124,116

5. Property, plant and equipment

	Freehold Land $	Docks and Buildings $	Other Assets $	Construction In Progress $	Total $
Book Value					
Beginning balance at 31 Dec 2023	41,625,000	24,505,224	18,732,438	67,412	84,930,074
Additions	-	353,360	305,802	27,900	687,062
Disposals	-	-	(76,471)	-	(76,471)
Revaluations	-	-	-	-	-
Transfers	-	-	-	-	-
Closing balance at 31 Dec 2024	41,625,000	24,858,584	18,961,769	95,312	85,540,665
Accumulated Depreciation					
Beginning balance at 31 Dec 2023	-	4,001,819	11,743,594	-	15,745,413
Charge for the year	-	1,351,197	538,657	-	1,889,854
Disposals	-	-	(71,774)	-	(71,774)
Revaluations	-	-	-	-	-
Transfers	-	-	-	-	-
Closing balance at 31 Dec 2024	-	5,353,016	12,210,477	-	17,563,493
Net Book Value					
Closing balance at 31 Dec 2024	41,625,000	19,505,568	6,751,292	95,312	67,977,172
Closing balance at 31 Dec 2023	41,625,000	20,503,405	6,988,844	67,412	69,184,661

Depreciation Summary	Dec 2024 $	Dec 2023 $
Buildings	1,351,197	1,348,511
Cranes, fleet, plant and equipment	462,006	464,740
Computer equipment and software	76,651	181,748
Right of use assets	99,482	90,221
Total depreciation expense	1,989,336	2,085,220

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 2023	13,584,845	889,085	1,537,398	1,809,386	709,563	202,161	18,732,438
Additions	107,232	94,549	-	87,519	-	16,502	305,802
Disposals	(76,471)	-	-	-	-	-	(76,471)
Transfers	-	-	-	-	-	-	-
At 31 Dec 2024	13,615,606	983,634	1,537,398	1,896,905	709,563	218,663	18,961,769
Accumulated Depreciation							
At 31 Dec 2023	7,113,155	672,340	1,530,367	1,582,872	656,189	188,671	11,743,594
Charge for the year	351,353	69,940	7,031	96,667	6,057	7,608	538,656
Disposals	(71,774)	-	-	-	-	-	(71,774)
Transfers	-	-	-	-	-	-	-
At 31 Dec 2024	7,392,734	742,280	1,537,398	1,679,539	662,246	196,279	12,210,476
Book Value							
At 31 Dec 2024	6,222,872	241,354	-	217,366	47,317	22,384	6,751,292
At 31 Dec 2023	6,471,690	216,745	7,031	226,514	53,374	13,490	6,988,844

6. Capitalization of leases

At inception of a contract, the Authority will assess whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration, and therefore is, or contains, a lease.

A right-of-use asset and lease liability is recognised at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability less any incentives received and is subsequently depreciated on a straight-line basis from commencement date to the end of the lease term. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date discounted using the Authority's incremental borrowing rate.

6. Capitalization of leases (continued)

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 2024 $	Fair value 2023 $
Unit A, Storage Unit	100,086	40,955	59,131	86,434
Unit B, Storage Unit	130,809	73,522	57,287	83,449
South Terminal (14BHP135)	485,824	61,961	423,863	256,696
Total	716,719	176,438	540,281	426,579

Description	Net Present Value $	Principal Payments $	Lease Liability 2024 $	Lease Liability 2023 $
Unit A, Storage Unit	178,812	114,639	64,173	88,405
Unit B, Storage Unit	130,809	67,703	63,106	87,272
South Terminal (14BHP135)	817,913	402,358	415,555	256,258
Total	1,127,534	584,700	542,834	431,935

7. 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 Lands and Survey Department, with an effective revaluation date of 31 December 2024, in accordance with IAS 40. The revaluation shows an increase in investment property value from $9,000,000 at December 31, 2023 to $9,100,000 at December 31, 2024, a gain of $100,000.

Fair Value Measurements

International Financial Accounting Standards No. 13, Fair Value Measurements, 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:

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

- 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.

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, 2024:

	Level 1	Level 2	Level 3	Total
Land and buildings	-	61,130,568	-	61,130,568
Investment property	-	9,100,000	-	9,100,000
Total	-	70,230,568	-	70,230,568

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

The property portfolio i.e. land and buildings, of the Port Authority was revalued by a local appraiser with a valuation date of January 1, 2021. Except for the revaluation of investment property at 31 December 2024, there was no such revaluation of the assets during the financial year ended 31 December 2024.

8. Capital works in progress

	Dec 2024	Dec 2023
	$	$
Others	95,312	67,412
Total	**95,312**	**67,412**

9. Investment property

	Buildings $
Beginning balance at 31 December 2023	9,000,000
Additions during the year	-
Changes in fair value at 31 December 2024	100,000
Ending balance at 31 December 2024	9,100,000
Ending balance at 31 December 2023	9,000,000

Investment Property is reported under IAS 40, using the fair value basis. Investment Property consist of retail shops which are leased. This is fair valued at the end of each reporting year and changes in the fair value is charged to "other income / expense" in the Statement of Comprehensive Income. There was an increase of $100,000 (2023: decrease of $226,000) in the fair value of the Investment Property upon revaluation by Lands and Survey Department for value date 31 December 2024.

Rental income from investment property and the direct operating expenses arising from the investment property that generated the rental during the year are as follows:

		$
Rental Income from Investment Property		1,210,071
Direct Operating Expenses arising from Investment Property that generated the income	(i)	(907,102)
Net Income		**302,969**

i. This represents utilities of $113,996, repairs and maintenance expenses of $494,352 and contracted services of $298,754 incurred in the current year.

10. 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 $625,990 (2023: $665,088) of the total $2,522,526 (2023: 2,180,273) pertains to payables occurring in the normal course of business. $970,428 (2023: $600,000) represents amount owed to Government for insurance coverage.

A total of $926,108 (2023: $915,185), relates to year-end accruals for employee entitlements (i.e. Wages and vacation leave), provision for audit fees, coercive revenue for boat licensing and amounts held in escrow for tenants of rental properties.

10. Accounts payable and accrued expenses (continued)

Detail	Dec 2024 $	Dec 2023 $
Creditors	1,596,418	665,088
Accruals and staff benefits	671,873	1,328,046
Provisions and other accruals	137,838	82,812
Escrow deposits	116,397	104,327
Total	2,522,526	2,180,273

11. Defined benefit pension liability: Post employment health 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 $45,376,000 at the end of the financial year 31 December 2024 (2023: $39,445,000). 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 $45,376,000 (2023: $39,445,000) is unfunded; the monthly savings will begin to offset the liability in the coming years. At December 31 2024, the savings totalled $ 1,963,793 (2023: $0).

The Port Authority also currently pays a monthly pension to a small number of retirees. As of December 31, 2024, there was 1 retiree (2023: 2).

Management does not consider the pension paid to retired workers to be material as the retirees currently received a combined $10,947 per annum (2023: $32,060). This benefit will not pass to their estate.

11. Defined benefit pension liability: Post employment health care (continued)

Plan Name	**Port Authority of the Cayman Islands**	
Financial year ending on	31 Dec 2024	31 Dec 2023
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	39,445,000	35,889,000
2. Service cost		
a. Current service cost	1,051,000	940,000
b. Past service cost	735,000	-
c. (Gain) / loss on settlements	-	-
3. Interest expense	2,093,000	1,928,000
4. Cash flows		
d. Benefit payments from plan assets	-	-
e. Benefit payments from employer	(334,000)	(260,000)
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	6,200,000	-
b. Effect of changes in financial assumptions	(3,448,000)	1,463,000
c. Effect of experience adjustments	(366,000)	(515,000)
7. Effect of changes in Foreign exchange rates	-	-
8. Defined benefit obligation at the end of year	45,376,000	39,445,000
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	334,000	260,000
iii. Employer direct settlement payments	-	-
b. Participant contributions	-	-
c. Benefit payments from plan assets	-	-
d. Benefit payments from employer	(334,000)	(260,000)
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	-	-

11. Defined benefit pension liability: Post employment health care (continued)

Plan Name	**Port Authority of the Cayman Islands**	
Financial period ending on	31 Dec 2024	31 Dec 2023
C. Change in asset ceiling/oner		
1. Asset ceiling/onerous liability at end of prior year	-	-
2. Interest income	-	-
3. Remeasurements		
a. Changes in asset ceiling/onerous liability (excluding interest income)	-	-
4. Effect of changes in foreign exchange rates	-	-
5. Asset ceiling/onerous liability at end of year	-	-
D. Amounts recognized in the statement of financial position		
6. Defined benefit obligation	45,376,000	39,445,000
7. Fair value of plan assets	-	-
8. Funded status	45,376,000	39,445,000
9. Effect of asset ceiling/onerous liability	-	-
10. Net defined benefit liability/(asset)	45,376,000	39,445,000
E. Components of defined benefit cost		
1. Service cost		
a. Current service cost	1,051,000	940,000
b. Past service cost	735,000	-
c. (Gain) / loss on settlements	-	-
d. Total service cost	1,786,000	940,000
2. Net interest cost	2,093,000	1,928,000
a. Interest expense on Defined Benefit Obligation (DBO)	-	-
b. Total net interest cost	2,093,000	1,928,000
3. Remeasurements of Other Long Term Benefits	-	-
4. Administrative expenses and/or taxes (not reserved within DBO)	-	-
5. Defined benefit cost included in Profit and Loss (P&L)	3,879,000	2,868,000
6. Remeasurements (recognized in the other comprehensive income)		
a. Effect of changes in demographic assumptions	6,200,000	-
b. Effect of changes in financial assumptions	(3,448,000)	1,463,000
c. Effect of experience adjustments	(366,000)	(515,000)
d. Total remeasurement included in Other Comprehensive Income (OCI)	2,386,000	948,000
7. Total defined benefit cost recognized in P&L and OCI	6,265,000	3,816,000
F. Net defined benefit liability/(asset) reconciliation		
1. Net defined benefit liability/(asset)		
2. Defined benefit cost included in P&L	39,445,000	35,889,000
3. Total remeasurement included in OCI	3,879,000	2,868,000
4. Other significant events	2,386,000	948,000
a. Net transfer in/(out) (including the effect of any business combinations/divestitures)	-	-
b. Amounts recognized due to plan combinations		
5. Cash flows	-	-
a. Employer contributions		
b. Employer direct benefit payments	-	-
c. Employer direct settlements payments	(334,000)	(260,000)
6. Net defined benefit liability/(asset) at end of year	45,376,000	39,445,000

11. Defined benefit pension liability: Post employment health care (continued)

Plan Name	**Port Authority of the Cayman Islands**	
Financial period ending on	31 Dec 2024	31 Dec 2023
G. Defined benefit obligation		
1. Defined benefit obligation by participant status		
a. Actives	36,585,000	32,636,000
b. Vested differed	-	-
c. Retirees	8,791,000	6,809,000
d. Total	45,376,000	39,445,000
H. Significant actuarial assumptions		
Weighted-average assumptions to determine defined benefit obligations		
Effective discount rate for defined benefit obligation	5.75%	5.20%
Health care cost trend rates		
Immediate trend rate	5.17%	5.19%
Ultimate trend rate	4.00%	4.00%
Year rate reaches ultimate trend rate	2045	2045
Mortality assumption	RP-2014/MP20	RP-2014/MP20
Weighted-average assumptions to determine defined benefit cost		
Effective discount rate for defined benefit obligation	5.20%	5.45%
Effective rate for net interest	5.16%	5.43%
Effective discount rate for service cost	5.20%	5.35%
Effective rate for interest on service cost	5.19%	5.41%
Health care cost trend rates		
Immediate trend rate	5.19%	5.25%
Ultimate trend rate	4.00%	4.00%
Year rate reaches ultimate trend rate	2045	2045
Mortality assumption	RP-2014/MP20	RP-2014/MP20
I. Sensitivity analysis		
Change in the defined benefit obligation		
Effective discount rate - 25 basis points	1,524,000	1,540,000
Effective discount rate + 25 basis points	(1,457,000)	(1,463,000)
Health care cost trend rates – 100 basis points	(2,425,000)	(3,164,000)
Health care cost trend rates + 100 basis points	2,226,000	2,941,000
Mortality assumption + 10%	(792,000)	(995,000)
J. Expected cash flows for following year		
1. Expected employer contributions	1,179,000	872,000
2. Expected total benefit payments		
Year 1	1,179,000	872,000
Year 2	1,301,000	954,000
Year 3	1,474,000	1,069,000
Year 4	1,703,000	1,207,000
Year 5	1,947,000	1,325,000
Next 5 years	13,580,000	9,360,000

11. Defined benefit pension liability: Post employment health care (continued)

The assumptions as at the reporting date are used to determine the present value of the defined benefit obligation at that date. We have used actuarial assumptions selected by the Port Authority. The principal financial and demographic assumptions used at year end and prior year end are shown in the table below.

Discount rate (p.a.) - Dec 31, 2024 - Dec 31, 2023	 5.75% per annum 5.20% 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 the following year's current service cost (p.a.) - Dec 31, 2024 - Dec 31, 2023	 5.90% per annum 5.20% per annum	
Rate of medical inflation used to determine December 31 2024 benefit obligation (p.a.)	5.30% in 2021 (5.18% per annum in 2024) grading down to 4% per annum in and after 2045 for healthcare benefits 4.00 % for dental and vision care benefits	Based on short-term and long term medical inflation expectation for the Cayman Islands and overseas care in Mercer U.S. November 2022 Retiree Medical Trend Model
Rate of medical inflation used to determine December 31 2023 benefit obligation (p.a.)	5.30% for all benefits	Based on short-term and long term medical inflation expectation for the Cayman Islands and overseas care in Mercer U.S. November 2022 Retiree Medical Trend Model
Administration expenses used to determine December 31 2024 defined benefit obligation	33.3% of claims	Based on target loss ratio of 75%
Administration expenses used to determine December 31 2023 defined benefit obligation	33.3% of claims	Based on target loss ratio of 75%

11. Defined benefit pension liability: Post employment health care (continued)

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 better reflect actual mortality improvement rates experienced in the US over the last 20 years.
Mortality improvements used to determine December 31 2024 benefit obligation	Scale MP -2020	Broad consensus amongst longevity experts that mortality improvement will continue in the future. Future mortality improvement scales are updated regularly. The latest mortality improvement scale is MP-2020.
Mortality improvements used to determine December 31 2023 benefit obligation	Scale MP -2020	
Turnover rates	See below ***	
Disability rates	None assumed	
Retirement Age	Age 60	
2024 Age 65 healthcare claims cost assumptions	Health $21,440 per participant Dental $170 per participant Vision $40 per participant	Based on actual Port Authority retiree claims experience from 1 January 2018 to 31 October 2024. 2020 and 2021 claims was excluded due to the impact Of the Covid 19 pandemic on claiming patterns.
2021 Age 65 healthcare claims cost assumptions	Health $13,450 per participant Dental $525 per participant Vision $95 per participant	Based on actual Port Authority retiree claims experience from January 1 2018 to December 31 2019. 2020 and 2021 claims experience was excluded due to the impact of the pandemic on claims patterns.
Aging factors	Current Mercer standard healthcare aging assumptions for medical and dental	Based on updated analysis of healthcare utilization for Mercer clients in US
Healthcare utilization changes due to age used to determine December 31 2022 benefit obligation	Current Mercer standard healthcare aging assumptions for medical and dental	Based on updated analysis of healthcare utilization for Mercer clients in US
Family /single coverage – future pensioners	Male – 100% single Female – 100% single	The Port Authority pays for single coverage only.

***** 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. Contingencies and commitments

a) Liability to Cayman Islands Government

The Authority is required to comply with the Public Authorities Act (2020 Revision), (the "PAA"). Amongst other matters, Section 39 (2) of the PAA requires that where a public authority has surplus cash reserves for a period of more than ninety days, the surplus shall be paid to core Government unless otherwise directed by Cabinet, after written consultation with the Board. In prior years, Cabinet has exempted public authorities from paying over surplus cash reserves and the Authority expects that a similar exemption will be made in respect of its surplus cash reserves as at 31 December 2024.

Section 39 (3) of the PAA also requires that a public authority pay dividends in accordance with the formulae established by the Minister of Finance and Economic Development (the "Ministry") after written consultation with the Board, unless otherwise directed by Cabinet. For all years through 2023, the Ministry has advised the Authority that it will not be required to pay a dividend out of its surplus. The payment conditions are the same to those in prior years and, therefore, the Authority has not made a provision for a dividend payment. Going forward, the Authority may be required to pay a dividend in accordance with Government's policy for the payment of annual dividends unless the Authority continues to satisfy the exemption criteria noted under the policy.

Section 36(1) of the PAA requires public authorities to pay an annual capital charge for the use of equity invested by the Government in the authority. The capital charge is set by the Minister of Finance after consultation with the public authority's board. Based on past practice, the Authority expects that the applicable rate for the 2024 financial year will be set at 0% (2023: 0%) and that no capital charge will be payable for 2024 (2023: $0). Going forward, the Authority may be required to pay a capital charge in accordance with the PAA.

b) Leases

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

	Dec 2024 $	Dec 2023 $
Depreciation charge for right–of-use	106,574	93,869
Interest expense on lease liabilities	11,894	10,426
Total cash outflow for leases	**118,468**	**104,295**

The following pertains to timing of capital lease contractual payment:

Description	Net Present Value $	Less than 1 year $	2 – 5 yrs. $	More than 5 years $
Unit A, Storage Unit	178,812	30,142	38,981	-
Unit B, Storage Unit	130,809	28,800	33,600	-
South Terminal (14BHP135)	817,913	60,000	240,000	230,000
Total	1,127,534	118,942	312,581	230,000

12. Contingencies and commitments (continued)

c) Operating Lease

The Port Authority has a finance lease as defined by International Accounting Standard 17 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.

IAS 17 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.
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 2024 as well as at 31 December 2023.

The following pertains to timing of contractual payment:

Description	Less than 1 year $	2 – 5 years $	More than 5 years $
Cargo Port Development	421,526	-	-
Janitorial	245,928	696,796	-
Legal	80,667	40,333	-
Security	256,500	-	-
Stevedore contract- CYB	81,000	-	-
Total	1,085,621	737,129	-

d) Legal Proceedings against the Authority

(i) On 4 November 2022 PACI received a letter from attorneys representing a member of staff. This correspondence brought certain claims against the PACI for various losses arising from the alleged actions taken against the staff in breach of internal policy. In October 2023, the Attorneys for the Employee and his wife issued a writ making various allegations against PACI as well as the Attorney General and the Anti-Corruption Commission ("ACC"). That Writ was subsequently served on PACI. The Attorneys for the PACI filed an Acknowledgement of service and then a Defence to the Writ action (the Attorney General's department has also filed a Defence on behalf of the Attorney General and the ACC). Legal counsel for the PACI and the Attorney General raised a number of defences to the claims. In March 2025, an adjourned hearing of a directions hearing that was originally listed in November 2024 was held. The Attorneys for PACI developed arguments as to why the Plaintiff's (Amended) Particulars are still inadequate. The judge has decided to reserve his judgement on the applications before the Court, including whether he will allow proposed changes to the Particulars of Claim. The amended claim against PACI is $470,722 plus other unquantified alleged damages.

12. Contingencies and commitments (continued)

d) Legal Proceedings against the Authority (continued)

(ii) A cruise passenger who visited the Cayman Islands in January 2020 suffered minor cuts and bruises and commenced proceedings against the Authority. The last correspondence from the attorney representing the claimant was received in November 2021. Based on the correspondence, the action may have been abandoned. PACI's attorney has advised that any claim for damages arising subsequently would likely be minimal given the facts and circumstances of the case. PACI's attorneys was advised that an update was received in August 2023, indicating that the matter had not progressed. At the date of this report, no further communication was received.

(iii) 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 June 2010 and July 2010 to August 2017, respectively. Following meetings in late 2018, this matter was left dormant until late 2023. On 29 December 2023, a letter was received from the attorneys. A meeting in January 2024 was held to determine the nature of the claims now being made. Essentially, the same claims that were made before are being repeated. Given the passage of time, many (if not all) of the claims may now be subject to limitation defences, among other defences, that were previously advanced. The Attorneys to PACI are currently seeking further instructions from the PACI Board. On 24 April 2025, the PACI were served with Notice of Court Action for claims totalling $2.8 million.

13. Related party transactions

The Port Authority engages the services of various departments of the Cayman Islands Government.

a) Insurance coverage for property, motor, worker's compensation and other risks is provided through the Cayman Islands government for an annual premium of $887,386 (2023: $596,179). 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 $887,386 (2023: $596,179) in the Statement of Comprehensive Income represents the amortized estimated insurance premium for period 1 January - 31 December 2024.

b) A director is the principal of Miracle Brokers Ltd and Aeropost GCM Ltd, from which the Port Authority earned $88,813 (2023: $827,727) and $209 (2023: $5,116), respectively in 2024, with unpaid balance of $6,617 (2023: $93) and ($333.31) (2023: $0), respectively at the end of the financial year.

13. Related party transactions (continued)

The Port Authority also incurred expenditure of $40,240 for the year (2023: $62,350) with outstanding balance of ($7,512) at the end of 2024 (2023: $0). The amount outstanding is within the established credit limit granted to the company, which is an arm's length facility afforded to companies in good standing with the Port Authority.

c) Key management personnel
As at 31 December 2024, there are three (3) full-time executive management personnel on open-ended employment agreements (2023: 1), and one (1) on a fixed term contract (2023: 2). The total remuneration includes regular salary, pension contribution and health insurance contribution. The pension and health insurance benefits provided to key management personnel are similar to that provided for all employees. Total remuneration (including benefits) in 2024 for executive management was $764,630 (2023: $669,570).

	Dec 2024	Dec 2023
	$	$
Salaries	680,786	590,896
Pension	49,499	47,828
Medical	31,980	28,535
Life Insurance	2,365	2,310
Total remuneration (including benefits)	764,630	669,570

d) Board members
There are 10 members that make up the Port Authority's board (2023:10); of those members, only seven receive board fees. The other three are civil servants and are not remunerated. The fees are fixed per month as follows:

- Chairman $2,500
- Deputy chairman $2,000
- Member $1,000

One board member receives an additional $344 per meeting (2023: $344) attended for travel, car and accommodation allowance. The total fees and expenses paid for the eligible members for the year ended 31 December 2024 was $127,961 (2023: $141,871).

e) Royal Watler Cruise Terminal (RWCT) Tenants
As at 31 December 2024, rental income earned from government entities totalled $46,408 (2023: $47,908).

14. Fair value disclosure

At 31 December 2024, 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.

(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.

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 interest rate assumptions have been reflected in note 11. Changes in the discount rate assumptions could significantly affect the estimates, especially for the defined benefit liability, as seen in note 11.

15. 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.

15. Financial instruments and associated risks (continued)

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

	Dec 2024 $	Dec 2023 $
Financial assets		
Cash and cash equivalents	18,730,565	13,386,416
Accounts receivable	2,387,922	1,977,859
Other receivables, prepaids and deposits	502,111	298,186
Total financial assets	21,620,598	15,662,461
Non-financial assets	-	-
Total assets exposed to credit risks	**21,620,598**	**15,662,461**

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

As at December 31, 2024	**Neither past due nor impaired $**	**Past due but not impaired $**	**Impaired $**	**Total $**
Cash and cash equivalents	18,730,565	-	-	18,730,565
Accounts receivable	-	2,976,118	(588,196)	2,387,922
Other receivables, prepaids and deposits	502,111	-	-	502,111
Total assets exposed to credit risks	**19,232,676**	**2,976,118**	**(588,196)**	**21,620,598**

As at December 31, 2023	**Neither past due nor impaired $**	**Past due but not impaired $**	**Impaired $**	**Total $**
Cash and cash equivalents	13,386,416	-	-	13,386,416
Accounts receivable	-	2,272,065	(294,206)	1,977,859
Other receivables, prepaids and deposits	298,186	-	-	298,186
Total assets exposed to credit risks	**13,684,602**	**2,272,065**	**(294,206)**	**15,662,461**

15. Financial instruments and associated risks (continued)

Set out below is the information about the credit risk exposure on trade receivables and contract assets using a provision matrix:

As at December 31, 2024	Up to 45 days $	46 to 90 days $	91 to 120 days $	Over 120 days $	Total $
Expected credit loss rate	65%	6%	1%	2%	
Estimated total gross carrying amount at default	1,629,698	84,522	48,386	726,633	2,489,239
Expected credit loss	326,149	40,396	24,716	626,655	1,017,916

As at December 31, 2023	Up to 45 days $	46 to 90 days $	91 to 120 days $	Over 120 days $	Total $
Expected credit loss rate	65%	6%	1%	2%	
Estimated total gross carrying amount at default	1,553,021	134,756	31,479	481,500	2,200,755
Expected credit loss	130,771	9,913	6,210	444,084	590,978

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, 2024 and December 31 2023.

		Contractual cash flows (undiscounted)			
December 31, 2024	Carrying amount $	No stated maturity $	0 – 1 yr. $	1 – 2 yrs. $	> 2 yrs. $
Financial assets					
Cash and cash equivalents	18,730,565	-	18,730,565	-	-
Accounts receivable	2,387,922	-	2,387,922	-	-
Other receivables, prepaids and deposits	502,111	-	502,111	-	-
Total	21,620,598	-	21,620,598	-	-
Short-term liabilities					
Accounts payable	2,522,526	-	2,522,526	-	-
Loans repayable within 12 months	-	-	-	-	-
Total	2,522,526	-	2,522,526	-	-
Difference in contractual cash flows	**19,098,072**	**-**	**19,098,072**	**-**	**-**

15. Financial instruments and associated risks (continued)

Management of financial risks (continued)

	Contractual cash flows (undiscounted)				
December 31, 2023	**Carrying amount $**	**No stated maturity $**	**0 – 1 yr. $**	**1 – 2 yrs. $**	**> 2 yrs. $**
Financial assets					
Cash and cash equivalents	13,386,416	-	13,386,416	-	-
Accounts receivable	1,977,859	-	1,977,859	-	-
Other receivables, prepaids and deposits	298,186	-	298,186	-	-
Total	15,662,461	-	15,662,461	-	
Short-term liabilities					
Accounts payables	2,180,273	-	2,180,273	-	-
Other liabilities repayable within 12 months	-	-	-	-	-
Total	2,180,273	-	2,180,273	-	-
Difference in contractual cash flows	**13,482,188**	-	**13,482,188**	-	-

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.

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.

16. Cargo handling

Cargo handling income is comprised of the following:

	Dec 2024 $	**Dec 2023 $**
Cargo dues	16,976,813	14,544,879
Crane fees	3,372,950	3,377,600
Storage charges	2,538,137	1,750,456
Trucking fees	2,136,478	1,089,353
Empty container handling and storage	402,697	378,089
Cargo handling charges	136,738	172,250
Other fees	134,235	117,306
Total cargo handling income	25,698,048	21,429,933

17. Cruise ship passenger fees

The Port Authority collects a passenger fee of $5.74 (2023: $2.46) per manifested cruise passenger. During the period 1 January 2024 to 31 December 2024, the Cayman Islands recorded 1,082,498 cruise passenger arrivals (2023: 1,270,053) giving rise to passenger fees of $6,213,539 (2023: $3,146,044).

18. Maritime services

	Dec 2024	Dec 2023
	$	$
Berthing fees	538,362	561,336
Overtime worked	320,670	139,219
Dock usage surcharge	265,640	314,280
Line handling	176,850	178,550
Cruise ship tender dues	40,215	47,271
Navigation aids	26,056	29,253
Hire of equipment	6,800	8,000
Total maritime services income	1,374,593	1,277,909

19. Other income

	Dec 2024	Dec 2023
	$	$
ID's, vessel inspection, miscellaneous	153,689	74,434
Finance charges on overdue balances	134,956	115,224
Garbage fees	53,625	48,525
Container trans-shipments	30,800	36,400
Water sales (net)	10,254	11,595
Crane heavy lift	2,400	-
Total other income	385,724	286,178

20. 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 2024	Dec 2023
	$	$
Diesel sales	476,661	547,734
Diesel cost of sales	(368,789)	(396,930)
Net income from diesel sales	107,872	150,804

21. Staff costs

	Dec 2024	Dec 2023
	$	$
Salary and wages	15,287,987	13,870,126
Medical insurance	2,179,080	1,888,088
Pension	1,411,239	1,374,813
Other staff costs – uniforms, training etc.	251, 721	207,935
Total staff costs	19,130,027	17,340,962

Total pension contributions for 2024 were $1,411,239 (2023: $1,374,813). 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). Total contributions to Sagicor for the financial year were $43,035 (2023: $59,277). Contributions to Silver Thatch for the financial year were $1,368,204 (2023: $1,315,536).

22. Contracted services

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

	Dec 2024	Dec 2023
	$	$
Professional	1,067,917	1,005,269
Security	1,037,825	489,086
Janitorial	266,242	435,657
Legal	112,623	190,601
Audit	110,000	110,000
Total contracted services	2,594,607	2,230,613

23. 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 financial year ended 31 December 2024, repairs and maintenance amounted to $3,477,104 (2023: $2,006,982).

24. Rental income

The Port Authority owns properties that it lets to tenants for a monthly rental. The annual rent receipts at full occupancy are estimated at $1,579,165 (2023: $1,562,787) per annum. For the year ended 31 December 2024, the actual rent earned was $1,293,363 (2023: $1,292,968).

The lease payable by the tenant at 31 December 2024 reflects normal rates. At full occupancy, rental income is as shown below. The impact of future events on rental income is uncertain.

	$
Rental income for 1 year	1,639,775
Rental income for 2-5 years	6,559,100

25. Miscellaneous expenses

	Dec 2024	**Dec 2023**
	$	**$**
Miscellaneous - day/night operations	107,292	72,928
Professional association membership dues	42,170	28,549
Miscellaneous – various expense	36,656	20,190
Miscellaneous - administration	20,934	37,643
Miscellaneous - cruise and security	240	2,678
Total contracted services	**207,292**	**161,988**

The above miscellaneous expenses comprise of small service parts, small supply items, GPS fees and donations.

The Port Authority made $5,000 donations to the F.C. International summer football camp. This is included in Miscellaneous - various expense (2023: $5,000).

26. Segment reporting statements of financial position

	Grand Cayman $	Cayman Brac $	Total 2024 $	Total 2023 $
Current assets				
Cash and cash equivalents	18,521,530	209,035	18,730,565	13,386,416
Accounts receivable	2,077,262	310,660	2,387,922	1,977,859
Inventory	1,747,404	74,546	1,821,950	1,884,748
Prepaid expenses	349,835	-	349,835	174,070
Other receivables	152,276	-	152,276	124,116
Total current assets	22,848,307	594,241	23,442,548	17,547,209
Current liabilities				
Accounts payable and accrued expenses	2,463,138	59,388	2,522,526	2,180,273
Total current liabilities	2,463,138	59,388	2,522,526	2,180,273
Working capital	**20,385,169**	**534,853**	**20,920,022**	**15,366,936**
Plant, property and equipment	65,423,119	2,554,053	67,977,172	69,184,661
Leases-right of use land and warehouse	540,281	-	540,281	426,579
Investment property	9,100,000	-	9,100,000	9,000,000
Lease liability	(542,834)	-	(542,834)	(431,935)
Defined benefit liability-health care	(45,376,000)	-	(45,376,000)	(39,445,000)
Net assets	**49,529,735**	**3,088,906**	**52,618,641**	**54,101,241**
Represented by:				
Retained earnings	29,026,126	(13,845,859)	15,180,267	16,662,867
Asset revaluation reserve	36,748,392	689,982	37,438,374	37,438,374
Inter-branch account	(16,244,783)	16,244,783	-	-
Equity	**49,529,735**	**3,088,906**	**52,618,641**	**54,101,241**

Cayman Brac is a full operating port for cargo, to and from Cayman Brac and Little Cayman. Conditions are similar to Grand Cayman except on a smaller scale due to population size.

27. Segment reporting statements of comprehensive income

	Grand Cayman	Cayman Brac	Total 2024	Total 2023
	$	$	$	$
Operating income	33,698,069	1,375,070	35,073,139	27,583,836
Operating expenses	26,872,117	1,849,095	28,721,212	24,636,926
Depreciation	1,736,862	252,474	1,989,336	2,085,220
Gross operating profit (loss)	**5,089,090**	**(726,499)**	**4,362,591**	**861,690**
Other expense				
Loss on disposal of fixed assets	(4,697)	-	(4,697)	-
Interest income	206,413	-	206,413	50,110
Defined benefit annual expense	(3,879,000)	-	(3,879,000)	(2,868,000)
Total other income/(expense)	(3,677,284)	-	(3,677,284)	(2,817,890)
Net loss	**1,411,806**	**(726,499)**	**685,307**	**(1,956,200)**
Other comprehensive income:				
Remeasurements-defined benefit	(2,386,000)	-	(2,386,000)	(948,000)
Gain on revaluation of land and buildings	-	-	-	-
Gain on revaluation of property	100,000	-	100,000	(226,000)
Total comprehensive (loss) / income	**(874,194)**	**(726,499)**	**(1,600,693)**	**(3,130,200)**
Retained Earnings	29,900,320	(13,119,360)	16,780,960	19,793,067
Revaluation reserve	36,748,392	689,982	37,438,374	37,438,374
General reserve at 31 December	**65,774,518**	**(13,155,877)**	**52,618,641**	**54,101,241**

Financial performance of Cayman Brac Operations

Cayman Brac continues to post losses on an annual basis. Total accumulated losses for the 2024 period was $726,499 (2023: $770,804) as seen in the table above. The total losses for Cayman Brac to date are reflected in the negative general reserve figure of $13,155,877 as at 31 December 2024 (2023: $12,422,458).

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 an additional subsidy to Cayman Brac.

28. Subsequent events

PACI staff received a 5% cost of living allowance (COLA) effective 1 January 2025. This was a central government directive that was extended to Statutory Authorities. Management is not aware of any other occurrences subsequent to the reporting date which will have an impact on the financial statements at 31 December 2024.

Notes

Notes



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