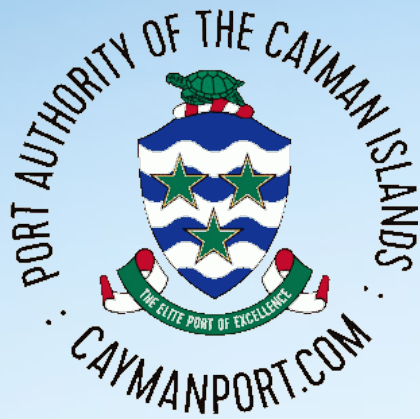




PORT AUTHORITY OF THE CAYMAN ISLANDS

The Annual **REPORT**

2025



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THE ELITE PORT
OF **EXCELLENCE**
IN THE CARIBBEAN



MISSION

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



VISION

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 our affairs with the financial viability of the Cayman Islands with the Port Authority at the forefront.
	A	ACCOUNTABILITY	We will take ownership of our decisions and actions.
	F	FORWARD THINKING	We will continue to 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 Authority to facilitate the community's growth.
	H	HONOR	We will honor the importance of family, and our Peoples' need to balance work life and family.
	O	OUR PEOPLE	We will value the contributions and support the growth of the Port Authority's greatest assets - its people.
	I	INTERGRITY	We will carry out our responsibilities morally and ethically in everything we do.
	C	COLLABORATION	We will work together in unity to achieve the Port Authority's vision.
	E	EMBRACE CHANGE	We will be prepared to continually drive change to stay ahead of competition.
	S	SERVICE EXCELLENCE	We will serve the Port Authority's customers and visitors courteously and proficiently to offer the most memorable Caribbean experience.



Message from the PORT DIRECTOR

Paul Hurlston

"We are grateful to the Port Authority's employees for their commitment and dedication, to our partners for their trust and confidence, and to the wider community for its support."

I am proud to present the 2025 Annual Report for the Port Authority. Throughout the year, meaningful improvements were made in several areas, ensuring delivery on the mandate to the Port Authority's stakeholders.

The Port Authority has successfully navigated the challenges presented by the continued high-cost global economic environment and unstable weather conditions, demonstrating resilience and adaptability in its operations.

For the 2025 financial year, the organization recorded an operating surplus of \$3.4 million and Total Comprehensive Income of \$6.8 million. These results supported a continued commitment to excellence through investment in infrastructure,

process improvements, and innovative technologies that position the organization for sustainable long-term growth. The financial year ended with total assets of \$105M, \$4M more than in 2024 and \$9M higher than the budget.

In 2025, the Port Authority invested \$6.4 million in capital expenditures, including container handling equipment, infrastructure development, and enhancements to cargo-handling efficiency. These investments also improved the functionality and appearance of cruise assets and strengthened facilities for staff and

customers.

The Port Authority continues to strengthen organisational capacity by filling critical vacancies, promoting deserving staff, and enhancing departmental resilience. Initiatives advanced during 2025 are expected to materialise over the coming years, underpinned by sustained investment in human capital, technology, and strategic partnerships to deliver long-term stakeholder value.

Passenger arrivals remained flat in 2025 and were 81,000 above expectation. The

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

Port Authority's medium - term strategic focus is to improve the aesthetics and functionality of cruise assets, to enhance the visitor experience and encourage repeat guests.

The Port Authority remains committed to operational excellence, strategic investment, and responsible stewardship of the nation's critical maritime infrastructure. Guided by this mandate, the Port Authority looks ahead to another year of meaningful progress, strengthened capability, and sustained prosperity for the Cayman Islands.

Paul Hurlston



"We remain committed to our vision of becoming a world-class port that drives economic prosperity and environmental stewardship."

Message from THE CHAIRMAN

Cline Glidden



"The Port Authority processed 75,000 containers for the calendar year, moving 361,000 tons of cargo."

As Chairman of the Board, I am privileged to present the 2025 Annual Report for the Port Authority. This past year has seen continuing progress and improvement as the organization navigated various challenges and seized opportunities for growth and development.

The Port Authority plays a pivotal role in the development of the Cayman Islands as a primary facilitator of commerce. 95% of all consumable items are processed by the Port Authority, a responsibility and service the organization strives to deliver to the highest standard. Over 75,000 containers were processed during the calendar year, moving 361,000 tons of cargo.

The Port Authority is also responsible for creating a memorable first impression on cruise visitors and other travelers arriving by sea. In 2025, the Port Authority welcomed over 1 million cruise visitors.

In the face of a dynamic global economic environment and rising costs, the Port Authority has performed well,

reporting positive operating and overall results. The net position continues to be impacted by accounting requirements, namely the actuarial valuation of long-term healthcare obligations to staff. This often-volatile factor contributed positively to overall results for 2025, increasing the \$3.4M operating profit to a Total Comprehensive Income of \$6.8M for the financial year.

Throughout 2025, \$6.4M was invested in capital expenditure, focusing on essential equipment to improve capacity and resilience, and the welfare of staff and their stakeholders. The Port Authority will continue on this trajectory, investing annually in infrastructure to ensure facilities remain fit for purpose and that its mandate can be delivered efficiently.

The Port Director has also filled critical senior management positions and promoted several staff at various levels, enhancing human capital and fortifying

the management team. The Port Director continued the revamping of policies and procedures to provide the tools needed for effective port management.

Despite the \$1.2M decline in operating profit, net cash earnings for the year were \$5.6M, which were used to fund needed infrastructure improvements.

2025 concluded with a strong capital base and enviable liquidity. The Port Authority remains financially robust, with no loans or debts and adequate cash reserves of \$17 million, sufficient to cover more than six months of operational expenses, as well as a source of funding to replace aging equipment and infrastructure.

I thank the Board of Members, 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.

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

Cline Glidden Jr.

"The Port Authority remains dedicated to the vision of becoming a world-class port that drives economic prosperity and environmental stewardship."



Our BOARD OF MEMBERS

The Board of Members are appointed by the Cabinet of the Cayman Islands through the Ministry of Planning, Lands, Agriculture, Housing & Infrastructure.

The Board of Members is comprised of the following individuals:



CLINE GLIDDEN JR.
CHAIRMAN



BARRY BODDEN
DEPUTY CHAIRMAN



DALE CHRISTIAN
MEMBER



CARLON POWERY
MEMBER



CARILEE GIOVANI BOLEN
MEMBER



MICHAEL NIXON
SENIOR ASSISTANT FINANCIAL
SECRETARY (EX OFFICIO MEMBER)



IRMA ARCH
MEMBER (SHIPPING AGENT)



KRISTEN FORBES
MEMBER



BRUCE SMITH
COLLECTOR OF CUSTOMS
EX-OFFICIO MEMBER



ERIC BUSH
CHIEF OFFICER
EX-OFFICIO MEMBER



JOANNA SHAW
BOARD SECRETARY



GOVERNANCE

The Port Authority is governed by the Port Authority Act (as Revised) together with the supporting Port Regulations (as Revised). In addition, the Authority complies with the Public Management and Finance Act and the Regulations, the Labor Act, the Pensions Act, the Public Authorities Act, the Procurement Act and Regulations, the Freedom of Information Act, the Data Protection Act and the Insurance Act.

The Board of Members provides strategic leadership to the Authority liaising with the Minister of the Ministry of Planning, Lands, Agriculture, Housing and Infrastructure where relevant.

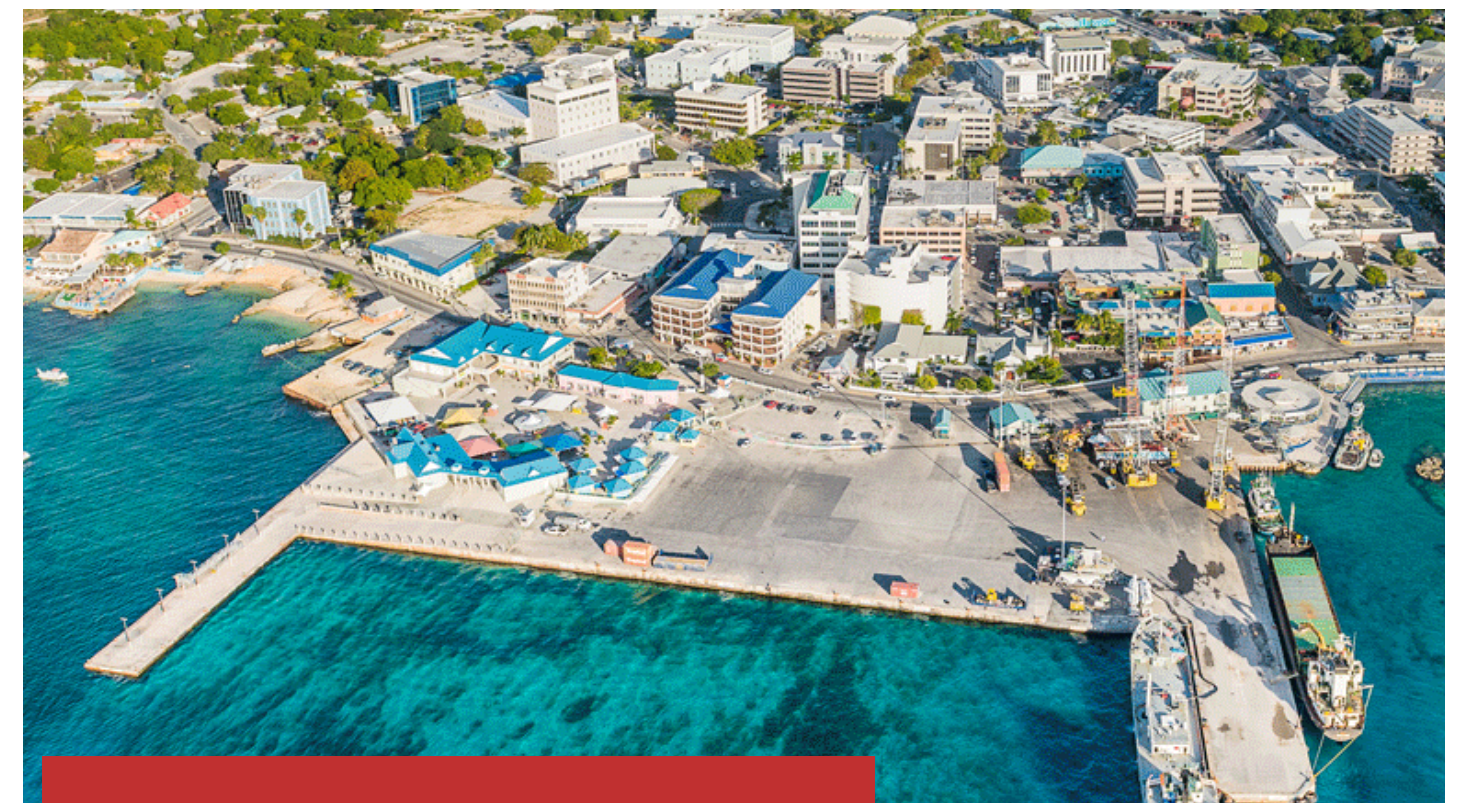


**THE PORT AUTHORITY OF THE CAYMAN ISLANDS
SUPPORTS CRUISE TOURISM BY PROVIDING
INFRASTRUCTURE SHOWCASING THE WARMTH AND
BEAUTY OF THE CAYMAN ISLANDS.**

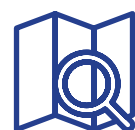
About Us WHAT WE DO

The Port Authority maintains a presence across all three islands. In Grand Cayman, operations are located at Seafarers Way, Portland Road, Spotts, and the Safe Haven Marina. In Cayman Brac, the Administration Office and Distribution Centre operate from the same Creek Road premises, with an additional distribution point in Little Cayman.

- 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 engaged in the management of the maritime affairs of the Cayman Islands.



Origins of the PORT AUTHORITY OF THE CAYMAN ISLANDS



General management and control of all ports.



General supervision of territorial waters, and of vessels and wrecks located therein.



Loading and un-loading of vessels.



Establishment and control of berths.



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.



Establishment and control of lighthouses and day markers.



Enforcement of the Port Authority Act and supporting Regulations.



Establishment and supervision of safety measures in respect of vessels or classes of vessels in ports and in territorial waters.

Scope of ACTIVITIES



Daily operations include and are not limited to:

- Providing and maintaining facilities for the offloading of cargo imports into all three Islands.
- Contributing to the growth of cruise tourism (and thereby the economy), by providing and maintaining facilities to accommodate the cruise ship passengers.
- Providing and maintaining navigational markers in Cayman Islands waters.
- Providing a patrolling presence, using two fully equipped motor vessels, in the immediate harbour area of the Cayman Islands during cruise ship visits.
- Providing a safe and enjoyable environment for the Port Authority's staff and customers.





Our MANAGEMENT TEAM



PAUL HURLSTON
PORT DIRECTOR



BREVAN ELLIOTT
DEPUTY PORT DIRECTOR,
OPERATIONS



DON HUTCHINSON
DEPUTY PORT DIRECTOR,
FINANCE



ANTHONY ELLIS
CARGO NIGHT
OPERATIONS MANAGER



BRUCE REYNOLDS
CARGO DISTRIBUTION
CENTER MANAGER



BRYCE WEBB
FLEET MANAGER



CHRIS KHON
IT SERVICES MANAGER



COURTNEY WISDOM
FACILITIES MANAGER



CONEIL TAYLOR
MANAGER
CARGO NIGHT
OPERATIONS



FLORITA BODDEN
PORT FACILITY
SECURITY OFFICER



ISIDORA EDEN
HUMAN RESOURCES
MANAGER



KEISHA YATES
FINANCE MANAGER



MONYQUE BROOKS
PR & ADMINISTRATION
MANAGER



MYRA RYAN-EBANKS
MANAGER, CAYMAN BRAC



STEPHEN EBANKS
ACTING SAFETY AND
CRISIS MGMT. MANAGER



RORY O'DONNELL
SECURITY MANAGER



ROYLEE MOORE
CRUISE MANAGER



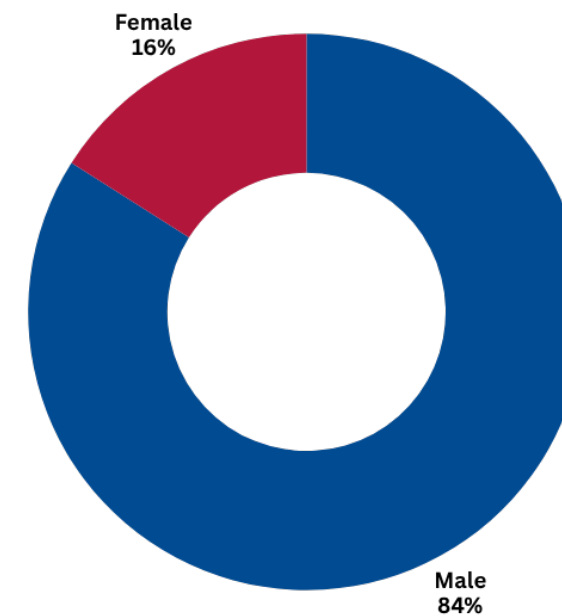


The Port Authority had 199 permanent employees at the year ended 31st December 2025. The distribution and other demographics are highlighted in this section.

Description	2025	2024	2023	2022	2021
Salary and Wages	16,644,231	15,287,987	13,870,126	13,464,258	11,265,118
Medical insurance	2,474,965	2,179,081	1,888,088	1,631,596	1,488,885
Pension	1,560,290	1,411,238	1,374,813	1,219,987	1,121,744
Other staff costs	503,248	251,721	207,935	118,262	107,613
Total Staff Costs	21,182,734	19,130,027	17,340,962	16,616,103	13,983,360

The Port Authority is seeking to recruit more women to create a more gender diverse organization. Efforts were made with some success during the 2025 financial year.

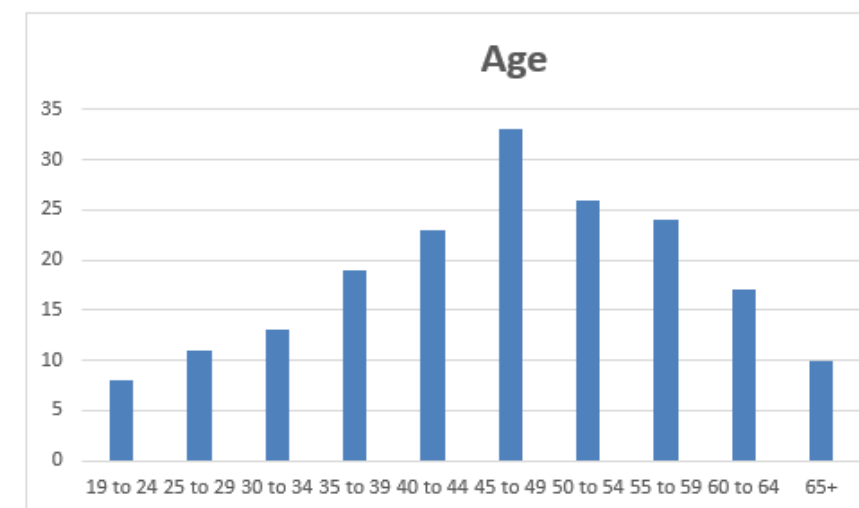
GENDER



CATEGORY



Employee demographics	2025	2024	2023	2022	2021
Staff complement***	199	184	175	166	159
Average income earned per staff	220,626	192,280	157,908	266,647	231,885
Average expense per staff	186,266	211,345	175,795	170,040	162,357
Average salary paid to staff	83,639	83,087	79,258	82,206	70,850
***Includes retirees on contract	9	10	9	4	3



- 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 2025 FISCAL YEAR

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

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 of Members, 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 of Members, 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 serves as a blueprint for implementing and reviewing expenditures to ensure they align with the Port Authority's statutory, contractual, and other commitments, as well as the policies and financial decisions of the Board of Members and Cabinet, through the portfolio ministry. Internally developed forecasting models are used to assess the Port Authority’s projected medium-term financial condition,

determine financing needs, 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 on the funding required to deliver projects that enhance the services it provides, in line with the Cabinet's priorities and policy framework.

The Port Authority not only takes a long-term view of infrastructure needs but also takes a holistic approach to planning. In this vein, human capital required to deliver the services to the economy is equally important. 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 human capital assets. Gaps in the current organizational structure have been identified and an appropriate

framework to deliver on the medium to long-term strategic priorities are being pursued.

The Port Authority's long-term strategic priorities are below:

TECHNOLOGICAL INNOVATION	OPERATIONAL CAPABILITIES AND CAPACITY	HUMAN CAPITAL
• 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	• Assess current and future state technology enhancement opportunities • Equipment upgrades for efficient use of space • Assess the Port Authority's operations and logistics of tour / taxi operators • Maintain existing equipment to ensure resiliency of operations	• 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 2025 WITH REGARD TO THESE LONG-TERM STRATEGIC PRIORITY AREAS ARE HIGHLIGHTED BELOW:

TECHNOLOGICAL INNOVATION	OPERATIONAL CAPABILITIES AND CAPACITY	HUMAN CAPITAL
• Continued work on implementing our HR systems • Document management system 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 • Review and update of Organizational Chart

Major Milestones OF 2025



KEY TARGETS

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

ACHIEVEMENTS

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

SUCCESSSES

Improve the efficiency of cargo operations by continuing the phased implementation of the Port Authority's Master Development Plan which involves the modernization and expansion of the existing facilities.

CHALLENGES

Resources needed to respond to organizational changes; continual review to ensure fit for purpose and continued relevance as the organization evolves.

Operations MAJOR MILESTONES

Brevan Elliott

Deputy Port Director, Operations



In 2025, the Port Authority advanced a series of operational enhancements that strengthened the efficiency, safety, and resilience of both cargo and cruise activities. These improvements reflect the organization's continued commitment to operational excellence, modern infrastructure, and a well-trained workforce capable of supporting the growing demands of the national supply chain and tourism sector.

A defining achievement of the year was the arrival of the new Konecranes Gottwald Mobile Harbour Crane on 29 November 2025, shipped from the Port of Antwerp. This purpose-built crane replaces the aging modified construction cranes that surpassed three decades of service. Its introduction delivers significant benefits, including increased lifting capacity, improved container-handling precision, reduced downtime, and enhanced operator safety. The crane's commissioning represents a major step forward in cargo-handling capabilities and positions the Port Authority to meet the future demand with greater reliability and efficiency.

Throughout the year, the Port Authority continued to modernize its operational environment. New support vehicles and forklifts improved responsiveness at both Grand Cayman and Cayman Brac, while dock-surface rehabilitation and targeted maintenance supported safer berthing and smoother cargo movement. Cruise operations also benefited from improved scheduling coordination, enhanced tendering workflows, and strengthened safety oversight during peak-season activity.

Safety and training remained central priorities. Operational teams completed advanced technical instruction, including factory-level equipment certification and specialized mechanical training, contributing to improved safety performance and reduced operational disruptions.

As the Port Authority moves into 2026, the progress achieved in 2025 provides a strong foundation for continued growth. The integration of the new crane, ongoing equipment upgrades, and refined operational processes will support higher throughput, improved service reliability, and greater resilience across all port functions—reinforcing the Port Authority's long-term commitment to delivering safe, efficient, and future-ready port services for the Cayman Islands.

Brevan Elliott

Deputy Port Director, Operations

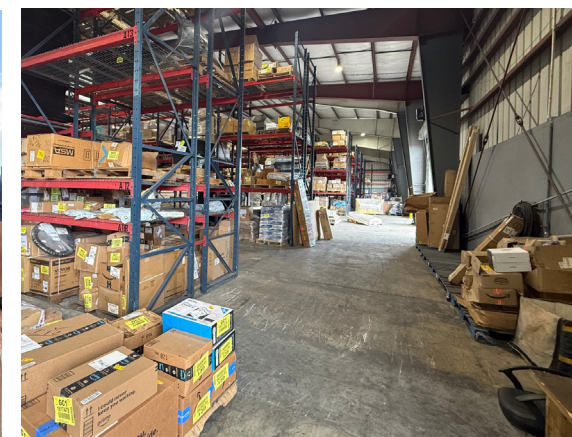


Fleet

The Fleet Department made significant strides in 2025 through major equipment acquisitions, targeted technical training, and continued improvements in operational reliability and safety. Key achievements included the procurement and commissioning of the new Mobile Harbor Crane, the purchase of a new container handler and four chassis, and the addition of several support vehicles and forklifts to strengthen operations across the three islands. The team maintained consistently high reliability despite recurring issues with RTG 2, while completing essential repairs and component replacements to sustain performance. Safety performance improved with no notable incidents, supported by extensive staff development, including international technical training and multiple Taylor equipment certifications. Looking ahead, the department has identified several critical replacements and upgrades for 2026 to ensure continued operational readiness and efficiency.



BRYCE WEBB
FLEET MANAGER



BRUCE REYNOLDS
CARGO DISTRIBUTION
CENTRE MANAGER

Cargo Distribution Centre

The Cargo Distribution Centre remains a vital component of national logistics infrastructure, supporting the steady flow of goods essential to the Cayman Islands' economy. Operating from a modern warehouse and container yard complex, the Cargo Distribution Centre oversees the receiving and processing of inbound cargo, the secure storage and staging of containers, and the efficient distribution of goods to customers and trucking partners.

Throughout 2025, the facility continued to strengthen its operational efficiency through improved scheduling, enhanced yard management, and streamlined customer-service procedures. Strict compliance with international safety and security standards, ensuring that all cargo-handling activities were conducted with precision and accountability. The Centre remains focused on optimizing warehouse workflows, expanding digital tracking capabilities, and improving turnaround times—reinforcing its role as a dependable, high-performance logistics hub for the Cayman Islands.

KEY HIGHLIGHTS FOR 2025

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





COURTNEY WISDOM
FACILITIES MANAGER

Facilities

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 commercial facilities, including a portfolio of nine properties across all three islands. The department is also 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 the organization's buildings and premises, including parking lots and operational surfaces.

With the exception of two sites, all properties are outfitted with mechanical, electrical, plumbing, and electronic systems.

In an effort to improve the efficiency of the department, Facilities will be using the Microsoft SharePoint system to manage the Port Authority's maintenance program.



CAPITAL EXPENDITURE

For Grand Cayman, capital expenditure items include ongoing work on a sunshade system.

On Cayman Brac, capital expenditure items feature 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 Cargo Distribution Centre 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, 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

The Security Department continued to advance its mandate in 2025 by building on the strong foundation established in 2024. Many of the initiatives launched or strengthened in 2024—particularly in training, organizational restructuring, and operational readiness—were further enhanced as the department moved into 2025.

Following the successful PFSO refresher and certification training completed in 2024, the department continued to reinforce its security competencies in 2025. The seven staff members who received refresher certifications and the four who earned new certifications in 2024 became key contributors to ongoing improvements in port security practices. Their enhanced skills supported stronger compliance, more consistent patrol operations, and improved coordination across Port Security, Harbour Patrol, and Taxi Dispatch functions. The organizational changes initiated in 2024 also carried forward into 2025.

The appointment of a new Security Manager and the creation of a dedicated PFSO position—filled internally—provided greater leadership stability and clearer operational oversight.

The separation of Cruise Operations into its own department, which began in 2024, was fully realized in 2025, allowing the Security Department to focus exclusively on its two core

operational units: Port Security and Harbour Patrol. The promotion of the Acting Cruise & Security Manager to Cruise Manager further supported this transition and strengthened leadership continuity.

As the department moved into 2025, it continued to enhance staffing capacity and operational readiness. The Port Security Team on Grand Cayman is projected to operate with eight staff members, with plans underway to recruit a new Supervisor and three additional Security Officers. This expansion reflects the Port Authority's commitment to strengthening frontline security coverage, improving response capability, and ensuring that staffing levels remain aligned with the Authority's growing operational demands.

Through these continued efforts, the Security Department has not only maintained the momentum established in 2024 but has also expanded its capabilities, strengthened its structure, and positioned itself for sustained operational excellence throughout 2025.





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.

In 2025, the Harbour Patrol advanced several key operational and infrastructure initiatives aimed at strengthening maritime safety and service delivery across the Port Authority's jurisdiction. Daily patrols were maintained throughout the year, ensuring consistent visibility, coverage, and rapid response capability. During this period, the unit began the procurement process for new vessels and equipment—an investment that culminated in the arrival of upgraded assets in May 2026. Additionally, the repowering of legacy vessels was undertaken to improve reliability and operational efficiency, although one vessel remained offline for six months during the upgrade process. The Harbour Patrol office also underwent targeted enhancements to support a more modern and functional workspace.

The team responded to a range of incidents, including medical emergencies, patient transports, and various rescue operations, underscoring its critical role in safeguarding harbour users. Officers continued to adhere to established Standard Operating Procedures, reinforcing a strong safety culture throughout the department. Training and professional development remained a priority, with staff completing oil spill response training and pursuing captain's license certification to expand technical capability and readiness.

Challenges during the year included weather-related disruptions, staffing pressures, and equipment downtime; however, the team remained resilient and effective in meeting operational demands. Looking ahead to 2026, the primary focus is the integration and deployment of the newly acquired vessels and equipment to further enhance patrol capacity. As part of forward-planning efforts, Harbour Patrol representatives also travelled to SpaceX Cape Canaveral to explore advanced options for the new Fluid Marine vessels, demonstrating the department's commitment to innovation and continuous



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 the Cayman Islands.

During 2025, the department performed various activities, which included the following:

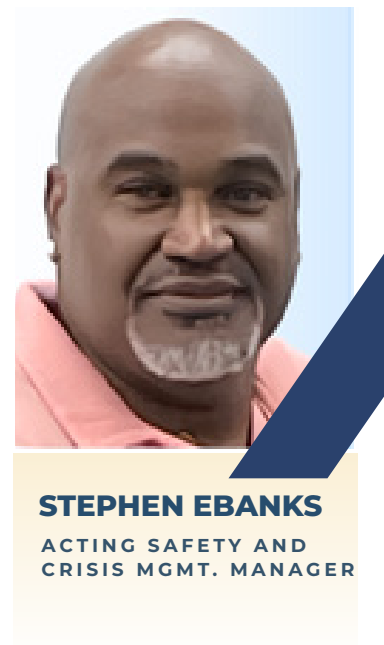
- Assisted in the medical evacuation of numerous cruise ship passengers in George Town, liaising with EMS to do so and administering first aid when necessary.
- Demonstrated their flexibility when conducting short-notice moves to Spotts to support Cruise Operations.
- Welcomed over 1 million cruise ship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





Safety & Crisis Management

The Safety & Crisis Management Department remains a cornerstone of the Port Authority's operational integrity, ensuring that all port activities are conducted with the highest standards of safety, preparedness, and risk mitigation. The department's overarching mandate is to identify shortcomings, strengthen safety programs, and continuously evaluate emerging threats that could disrupt safe operations. Through ongoing assessments, audits, and staff engagement, the department provides clear insight into areas performing well and those requiring improvement—supporting a culture of accountability and resilience across the Port Authority.



STEPHEN EBANKS
ACTING SAFETY AND
CRISIS MGMT. MANAGER

THE FOLLOWING ARE THE MAIN AREAS THAT WERE COVERED IN 2025:

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 safety programs, operations, strategies, procedures, and responses. This department continuously evaluates and assesses any threats that would disrupt the safe operations of safety and crisis and thus endeavors to inform which areas are doing well and which areas need improvement.

Throughout 2025, the department advanced several critical initiatives designed to reinforce the organization's readiness and compliance posture:

Insurance Audit & Evaluation — Comprehensive reviews ensured that coverage, liabilities, and risk exposures remained aligned with operational realities and industry standards.

Hurricane & Business Continuity Planning — Updated plans, coupled with targeted staff training, strengthened the organization's ability to respond to severe weather events and maintain essential services.

Accident Investigation & Corrective Action — Thorough investigations were conducted for all incidents, with corrective

measures implemented to prevent recurrence and enhance workplace safety.

Risk Management & Insurance Evaluation — Ongoing assessments ensured that operational risks were identified early and mitigated through structured strategies.

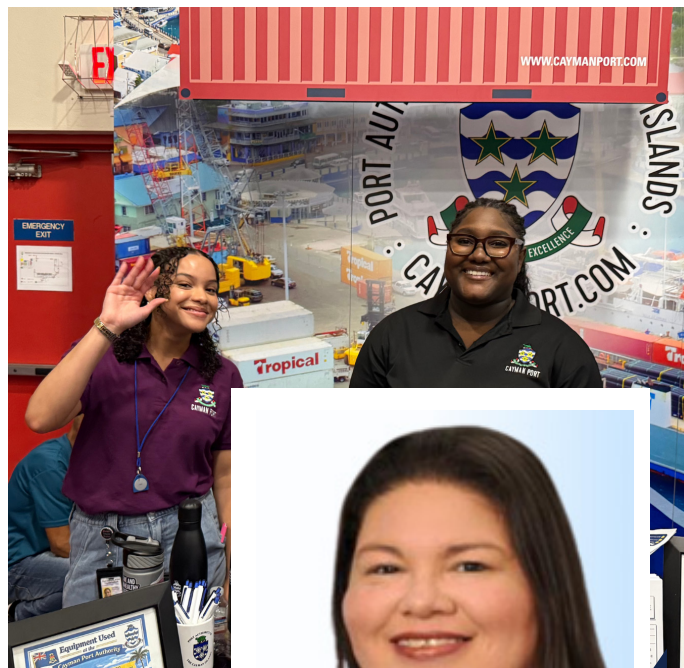
Safety Manual Completion — The department finalized a comprehensive Safety Manual, providing a unified reference for procedures, responsibilities, and compliance expectations.

Uniforms & Safety Gear Distribution — Safety equipment and uniforms were continuously procured and distributed to ensure all staff remained properly outfitted for their roles.

Staff Training & Development — Employees received essential training in Fire Warden duties, First Aid, AED use, and CPR, strengthening internal emergency response capacity.

Oil Spill Response Training — Specialized training enhanced readiness to respond swiftly and effectively to marine environmental hazards.





ISIDORA EDEN
HUMAN RESOURCES
MANAGER

Human Resources

Throughout the daily operations and life cycle of the Human Resources department, the team assists with the development and integration of new policies and procedures to support the objectives of the Board of Members and Management of the Port Authority. The team monitors employee performance

and development, ensures employee benefits and compensation are fulfilled, conducts recruitment processes to acquire new talent and complete the

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 territory, the overall aim and commitment of the department is 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 2025

In 2025, the department 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 ten internship placements across various departments. Key staff training initiatives included the Inspire Leadership Conference, CPR/First Aid Training for all staff, and Human Resources Management Certification for two team members. Employee engagement activities featured the Halloween Social, International Men's Day Luncheon, and Cayman Brac Summer Party. The 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.



CHRIS KHRON
IT SERVICES MANAGER

Information Technology

The Information Technology (IT) Department has overarching responsibility for planning, installing, maintaining and reporting on the Port Authority's digital information and infrastructure. The department consistently strives to leverage creative and innovative technology solutions to meet organizational objectives. Additionally, the IT Department is responsible for much of the data reporting which includes statistics (both internal and external). Collectively, they ensure that the Port Authority's IT infrastructure and data remain secure, reliable and resilient.

IT DEPARTMENT ACHIEVEMENTS AND HIGHLIGHTS FOR 2025

KEY TARGETS

- 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

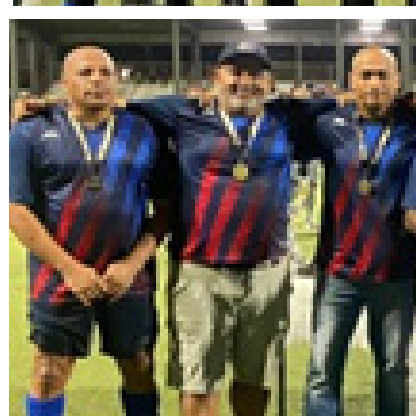
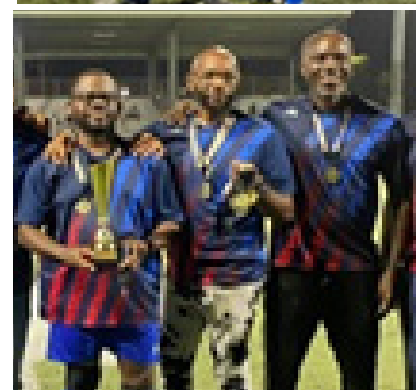
ACHIEVEMENTS

- Implementation of processing and reporting systems enabled the efficient and timely production of reports and enhanced processes.



Congratulations!

The Port Authority's football team was crowned champions of the 2025 Masters League tournament.

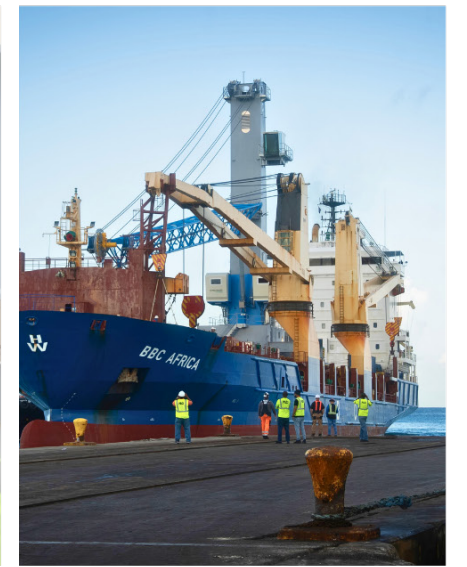
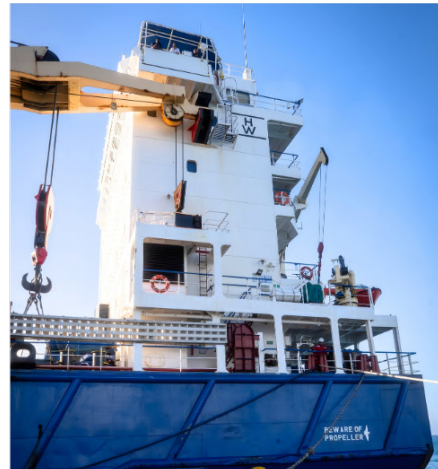


DUANE'S RETIREMENT CELEBRATION



THANK YOU FOR YOUR MANY
YEARS OF DEDICATED SERVICE





Celebrating OUR NEW CRANE



Our Port Properties AT A GLANCE



Royal Watler Cruise Terminal



South Terminal



Industrial Park Compound



North Terminal



Spotts Dock



Head Office Waterfront



Safe Haven Marina



Billing Office



Cargo Distribution Center



Cayman Brac



Little Cayman



Deputy Port Director's **FINANCE REPORT**

Don Hutchinson, FCA FCCA PPM

Deputy Port Director, Finance

The Financial Statements of the Port Authority for the year ending December 31, 2025 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 and Analysis section of this report provides an analysis of the financial statements and explains the Port 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.

Internal Control Framework

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

Internal control over financial reporting is designed to provide reasonable assurance that the financial information presented in the reports are free of material misstatement in accordance with International Financial Reporting Standards.

The Port Authority is required to, and has established, a comprehensive framework of internal control including the

maintenance of records that accurately and fairly reflect transactions. The internal control framework also ensures that the requisite controls have been adhered to. However, as with all systems of internal control, inherent limitations mean that absolute assurance cannot be provided. Notwithstanding these limitations, the Chairman, Port Director, Deputy Port Director, Finance have certified that to the best of their knowledge and belief, the financial statements are free from material misstatement that could reasonably be expected to influence an informed reader's assessment of the reported results.

The Port Authority's assurance 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 do so.

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 evidence supporting reported amounts and disclosures, an assessment of the accounting principles used as well as the overall presentation of the financial statements.

The financial statements for 2025 were audited by the Auditor General, who has issued an unmodified audit opinion.

Financial Summary

In the 2025 financial year, the Port Authority earned an operating profit of \$3.4M, down from \$4.4M in 2024. This is a 23% decline or \$1M. This was the net result of a 3.9% or \$1.4M gain in income, and an 8% or \$2.4M increase in operating expenses. Revenue saw its largest increase in Cargo Handling, at \$712K, while expenses increased mainly due to a \$2M increase in staff costs.

The income categories increased over the previous year. Cargo improved by \$712K, or 3%, while income from cruise passengers remained relatively stable. Maritime Services and Other Income (see below) had a combined increase over the prior year of \$540K with all other categories showing smaller increases totaling \$120K. Despite this positive movement in revenue, pressing operational needs resulted in greater spending than the rate of revenue increase.

The \$2.4M or 8% increase in operating expenses was due to higher staff costs (\$2M), increased repairs and maintenance (\$0.5M), and an increase in stationery and computer supplies \$219K.

The increase in staff costs was due to the combined effects of 9% increase in medical insurance premiums, an increase in staff headcount, and other staff movements related to promotion, training, and related expenses. Repairs and





maintenance expenses increased by 14% compared to the prior year due to extensive repairs and renovations undertaken to port equipment.

The repairs and maintenance spend was \$2M above budget as these unforeseen events were not included. Despite some categories of expenses being higher in 2025 compared to 2024, the total operating expenditures were \$1.1M or 3% under budget.

These were due to favourable budget variances in some expense lines, which include, staff costs at \$0.7M, contracted services at \$2M, and depreciation at \$1M. Unfavorable budget variances in repairs, insurance and stationery and computer supplies offset these savings.

The 2025 overall results show a total comprehensive income of \$6.8M. The operating profit of \$3.4M, was enhanced by other income and expenses due primarily

to the impact of the remeasurement of the defined benefit health care liability.

The defined benefit health care liability improved by \$10.4M, compared with the expected \$4M deterioration for the 2025 financial year.

The net results also reflected interest earnings of \$0.6M and an investment property revaluation surplus of \$0.2M.

The impact of these non-cash items weigh heavily on the Port Authority's net results reported annually. These volatile changes align with global macroeconomic indicators and make it more difficult for the general public to understand performance from year to year.

During the last five years (2021 - 2025), while the Port Authority saw individual positive operating profits in all fiscal years except 2022 (totaling \$8.7M for the five-year period), the

overall results, after reflecting defined benefit movements and revaluations, were a combined \$27M.

The Port Authority's financial indicators have remained fundamentally strong; it has solid historical revenues, a strong balance sheet and performance ratios, high liquidity and growth prospects. The Port Authority has financed its recurrent capital needs without accessing loan funds or assistance from the Central Government in the last two decades.

Despite this being a commendable performance in a capital-intensive industry, funding the Port Authority's infrastructure improvements with surplus cash is an unsustainable long term strategy, as the level of infrastructure investment required cannot be met with this level of funding.

The Port Authority also experienced \$4M or 4% growth in total assets, from \$101 million at 31 December 2024 to \$105 million as of 31 December 2025. This growth is driven mainly by equipment acquisition during the year.

The Port Authority ended the 2025 financial year with a strong liquidity ratio of 7.64, compared to 8.87 in 2024 and the budgeted ratio of 3.53. This means that for every dollar of current obligations the Port Authority had \$7.6 dollars in current assets. This is a strong indicator of operational health.

The year closed with bank balances and deposits totaling \$17.3 million. This is \$1.4 million or 7% less than 2024, and \$12.5 million, or 259% higher than budgeted.

The Port Authority enjoyed positive operating performance, totaling \$9.5M over the last five years. The Port Authority's liquid assets have also seen measurable growth to \$23.M, driven by increases in cargo imports over the past five years and the performance of cruise tourism over the same period.

The performance against the budget show that less capital expenditure was undertaken than was budgeted. This was



due to delays encountered in delivering the projects. A total of \$9.73M was budgeted for capital expenditures for the 2024 and 2025 fiscal years. Of that amount, \$7.2M was utilized for capital projects.

During the five year period, \$8.9M was invested in the Port Authority's infrastructure and operating assets, funded entirely from the \$8.7M operating profits and cash reserves.

Net growth in cash reserve for the period was \$7M.

Net worth at 2025 year-end was strong at \$53M, up \$7.2M or 15% from the prior period. Net worth for the last five years grew by \$13M or 31%. This was due to a \$11.7M increase in total assets and a \$1.4M decrease in liabilities.

The budgeted net worth in December 2025 was \$48M due to the expected decline in the healthcare obligation to \$46M. Activities in the global macroeconomic space had the side effect of increasing the healthcare liability by \$2.6M in 2025.

Projected Growth

The Port Authority is poised for growth and will need to continue investing in its infrastructure and human capital to build, maintain capacity and facilitate the needs of its stakeholders.

Steps are being taken to address the Port Authority's

infrastructure challenges at the strategic level. In the interim, the required capital outlay to maintain the Port Authority's capacity to deliver on its mandate will be significant. The Port Authority is in the process of replacing and upgrading its fleet and container handling equipment. The cargo docks are more than forty-five years old, and other infrastructure has gone without meaningful upgrades for a long time. The last major capital project was undertaken over twenty years ago and the Port Authority's hard assets will need to be addressed imminently.

Don Hutchinson

Don Hutchinson FCA FCCA PPM

Deputy Port Director, Finance



Finance **SECTION**

FOR THE YEAR ENDED DECEMBER 31, 2025

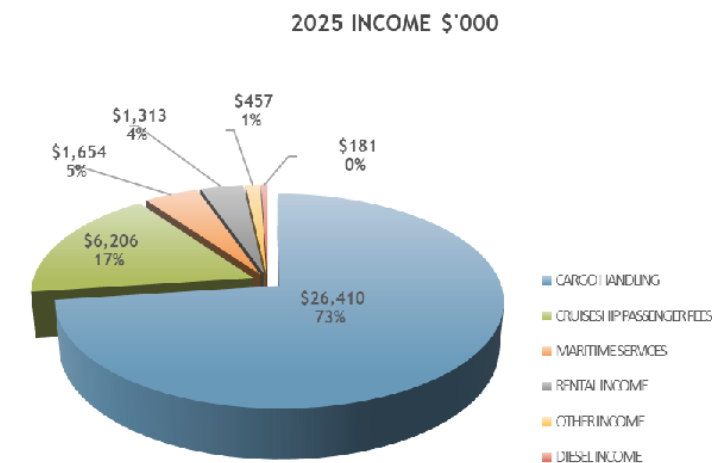
Management Discussion and Analysis

The ensuing section is management's commentary on the financial statements for the year ended 31 December 2025. 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 that follow.

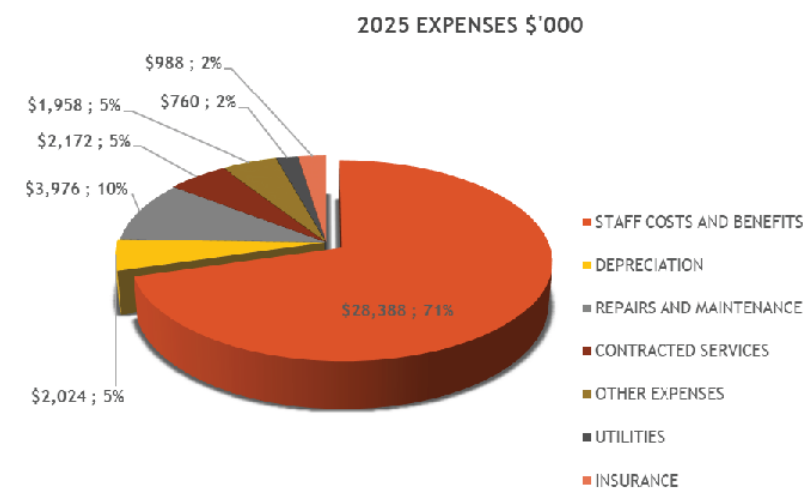
2025 FINANCIAL PERFORMANCE

At year-end, equity increased by \$7M. This increase stemmed from an operating profit of \$3.4M, coupled with a net non-operating profit of \$3.5M and defined benefit payments of \$351K.

Description	2025
Gross operating revenue	36,437,521
Operating expenses	(33,072,917)
Income from operations	3,364,604
Net Gain on revaluation of investment property/ land & building	200,000
Interest income	552,037
Loss on disposal of fixed assets	-
Defined benefit expense	(3,994,000)
Remeasurement of health care obligation	6,715,000
Net Profit	6,837,641
Defined benefit payments for current retirees	351,000
Increase in equity	7,188,641



- *The top three income sources for the 2025 financial year were cargo handling, cruise ship passenger fees, and maritime services. Together, they accounted for 94% of the total income for the year.*



- *The top three expenditure items for the current year were staff costs, repairs and maintenance, and contracted services*
- *These accounted for 81% of the total expenditure for the 2025 financial year.*

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.

	Dec-21	Dec-22	Dec-23	Dec-24	Dec-25
ASSETS					
Current assets	13,788,909	15,854,795	17,547,209	23,442,548	23,221,993
Non-current assets:					
Property plant and equipment	72,606,949	71,020,410	69,184,661	67,977,172	72,503,961
Leases-right of use land & warehouses	107,315	161,393	426,579	540,281	433,707
Investment property	7,300,000	9,226,000	9,000,000	9,100,000	9,300,000
Total assets	93,803,173	96,262,598	96,158,449	101,060,001	105,459,661
LIABILITIES					
Current liabilities	1,643,649	3,352,143	2,180,273	2,641,468	3,039,873
Non-current liabilities:					
Lease liability	115,337	165,697	431,935	423,892	334,446
Health care liability	51,446,000	35,889,000	39,445,000	51,774,000	48,702,000
Total liabilities	53,204,986	39,406,840	42,057,208	54,839,360	52,076,319
EQUITY	40,598,187	56,855,758	54,101,241	46,220,641	53,383,342

The Port Authority's financial position has gradually grown in total assets from 2021 to 2025, with a slight decrease in 2023. However, the assets rebounded and finished the 2025 year with an alltime high of \$105M, representing a 12% increase over the 2021 total assets. This upward trend can be attributed to the acquisition of capital equipment, revaluation of investment property and the increase in current assets. Current assets have consistently grown over the past five years, culminating in \$23 million by the end of the 2025 financial year. This represented an \$9M or 68% increase over 2021.

The Port Authority's total liabilities have fluctuated over the past five years. Total liabilities declined in 2022, from \$53M to \$39M, however it subsequently increased for two consecutive years (2023 - 2024) declining again in 2025. Total liabilities decreased to \$52M at 31 December 2025. This represents a \$1.1M or 2% decrease over the 2021 balance. This is due

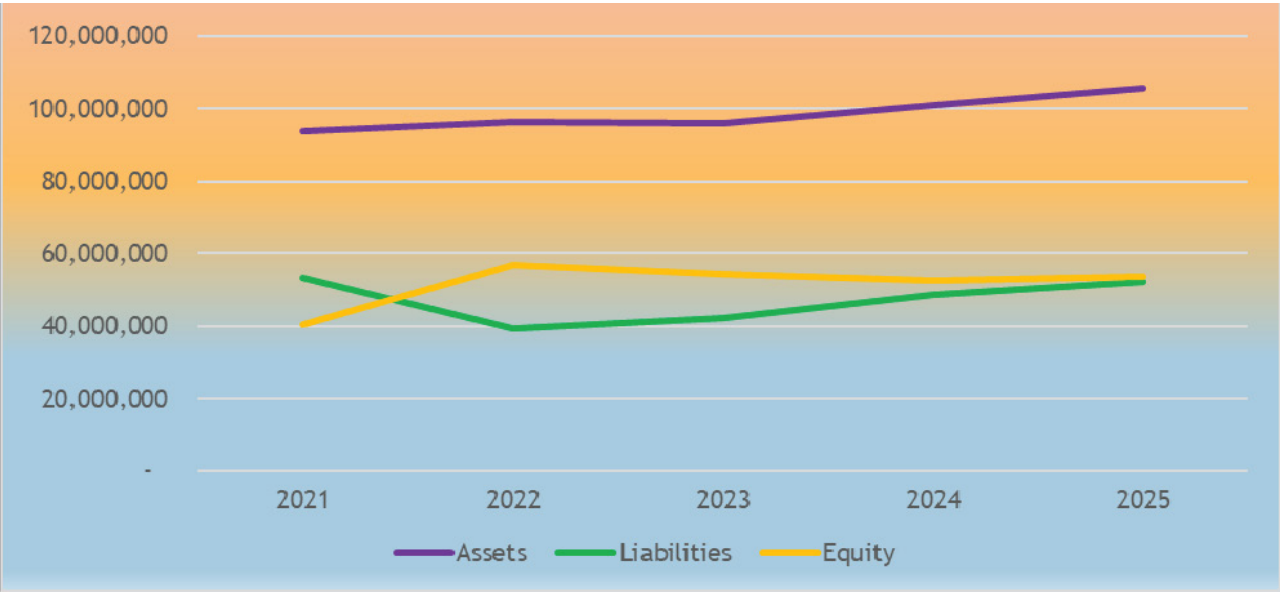
to fluctuations in the health care liability, lease liability, and current liabilities.

Over the past five years, the health care liability has decreased by 5%, while the lease and current liabilities have increased by \$219K or 190% and \$1.4M or 85%, respectively.

The volatile changes in the defined benefit liability is due to a mix of global interest rates and changes in actuarial assumptions. The change in the lease liability is due to new lease agreements entered into in 2023 and 2024. The current liabilities primarily consist of accounts payable and year-end accruals, which are influenced by payment timing.

The liquidity position over the past five years has been somewhat consistent. Except for 2022, it has remained above 7.64, and finished the 2025 financial year at 7.64.

FINANCIAL POSITION (2021 - 2025)



Over the last five years, the Port Authority's acquired equipment and other assets, upgrading some assets and revaluing land and buildings. These resulted in a slight decrease in the net book value of property, plant, and equipment and a 27% increase in the value of investment property

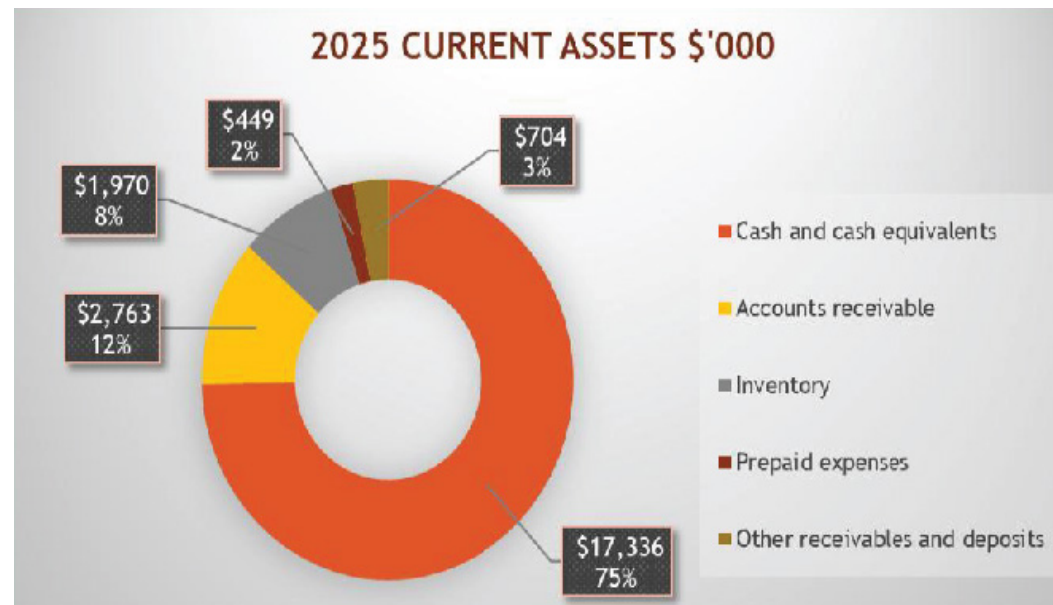
Over the five year period, equity has risen by 31%, or \$13M. This increase is primarily attributed to a \$12M, or 12% surge in total assets and a \$1M, or 2% decline in total liabilities.

Actuarial factors and global macroeconomic variables and adjustments in actuarial assumptions have led to a 5% decrease in the defined benefit liability over a five year span. However, the annual fluctuations in healthcare liability have been erratic. The fiscal years 2022 and 2023 were well below historical trends. These sporadic patterns present a significant risk to the Port Authority's equity going forward.

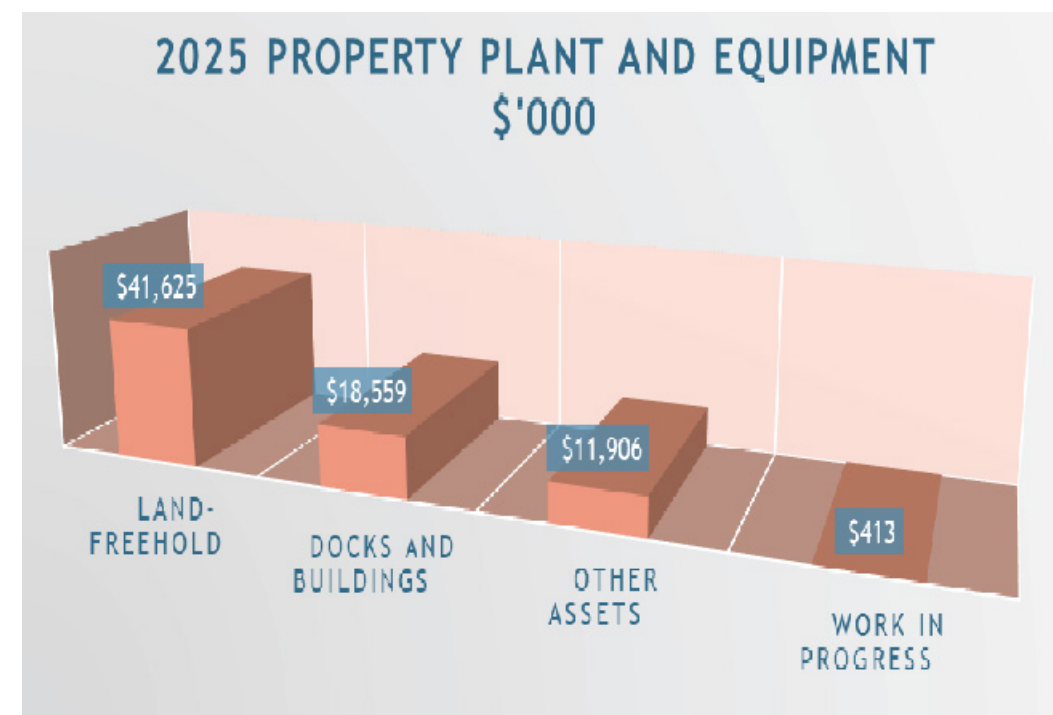
Recognizing that the liability is currently unfunded, the Board approved a savings plan to assit in mitigating this identified risk.

At 31 December 2025, this savings plan had accumulated a balance of \$2.3M. The Port Authority relies on cash surpluses to invest in infrastructure and other assets. Despite increasing cash reserves, the Port Authority faces challenges in replacing critical assets that require resources beyond its current revenue generation capabilities.

To address these significant infrastructure requirements such as expanding cargo facilities, increasing distribution space, and improving facilities to support staff and enhance customer service, the Port Authority must rely on government funding or seek external financing. Alternatively, fee increases for the Port Authority's services could provide funds to achieve infrastructure development requirements.



- **Cash dominated current assets covering 75% or \$17.3M.**
- **Receivables closed at \$2.8M or 12% and inventory at \$2M or 8%.**



- **The Port Authority invested \$6.1M in asset replacement and improvement during the 2025 financial year. These include the acquisition of a dock crane, enhancements and, renovation of facilities in Grand Cayman and the Sister Islands.**
- **The 2025 financial year closed with property, plant and equipment at \$73M.**

2025 MOVEMENT

Total assets as at December 31, 2025, are \$4M more than last year. This is due mainly to the following factors:

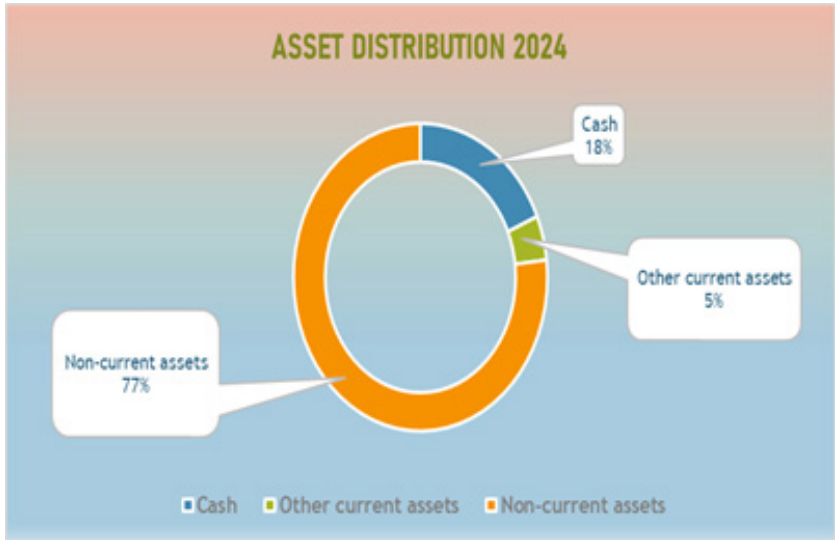
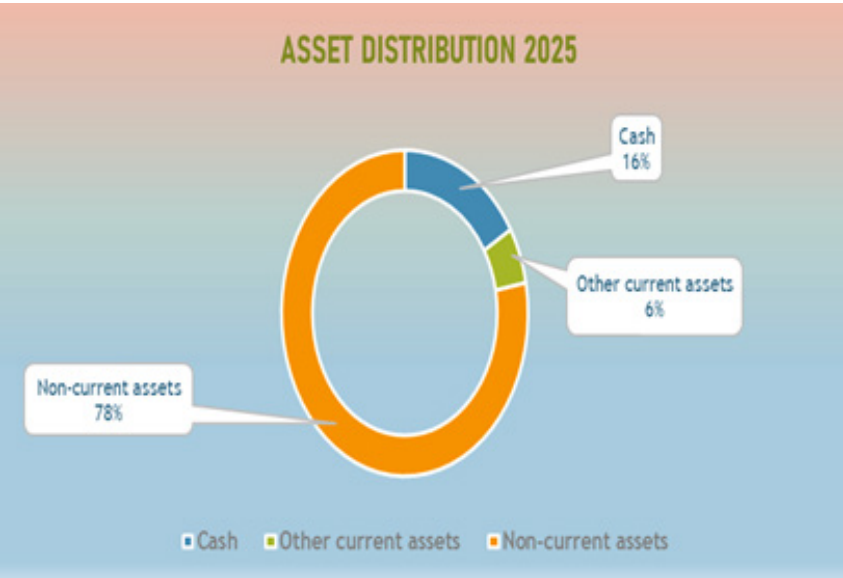
1. Cash decreased by \$1.4M, primarily due to the net of \$6.4 spending on equipment and other assets, \$650K on part payments on asset acquisition, and \$2M in inventory purchases to repair the aged equipment. The Port Authority experienced an increase in revenue earned and collected in 2025, attributable to a 4% increase in overall operating revenue and \$552K in interest revenue from short term deposits.
2. Increase in accounts receivable by \$375K due to higher billings following the increased fees.
3. Increase in inventory and prepaid expense of \$148K and \$99K, respectively.
4. Higher property, plant and equipment balance due to depreciation charge of \$2M for the year coupled with additions of \$6.4K.

The Port Authority's total liabilities amounted to \$52M, marking a \$2.8M or 5% decrease compared to 2024.



The Port Authority enjoyed a strong financial position at 31 December 2025, with total assets increasing by \$4M more than that at 31 December 2024. The Port Authority’s liquid assets experienced a slight decline due to the heavy capital and operational spending done in 2025.

The distribution of the assets was fairly consistent when compared to 2024.



2025 CONSOLIDATED ACTUAL VS. BUDGET

Financial Position	2025 Actual \$	2025 Budget \$	2025 Variance \$	Change %
Assets	105,459,661	96,442,203	9,017,458	9%
Liabilities	52,076,319	48,594,076	3,482,243	7%
Net Worth	53,383,342	47,848,127	5,535,215	12%

Total assets outperformed expectations by 9%, surpassing the budget by \$9M. This was fueled by a \$6M adverse variance in noncurrent assets (due to delayed capital expenditure of \$5M and lower than expected revaluation surplus of \$1M) for the last two fiscal years. Another contributing factor was a \$15M increase in current assets due in part to delay in capital spending, positive variances between actual and budget operating expenses for the last two fiscal years, and greater revenue earned than budgeted.

Liabilities ended above the budget by \$3.5M or 7%. The adjustment to the discount rate used to value long-term healthcare liabilities in addition to changes in actuarial assumptions reflect this change in healthcare liabilities, which accounts for \$2.6M, or 6%, of the increase. Lease liability and accounts payable and accrued expenses were \$269K and \$567K higher than budget, respectively.



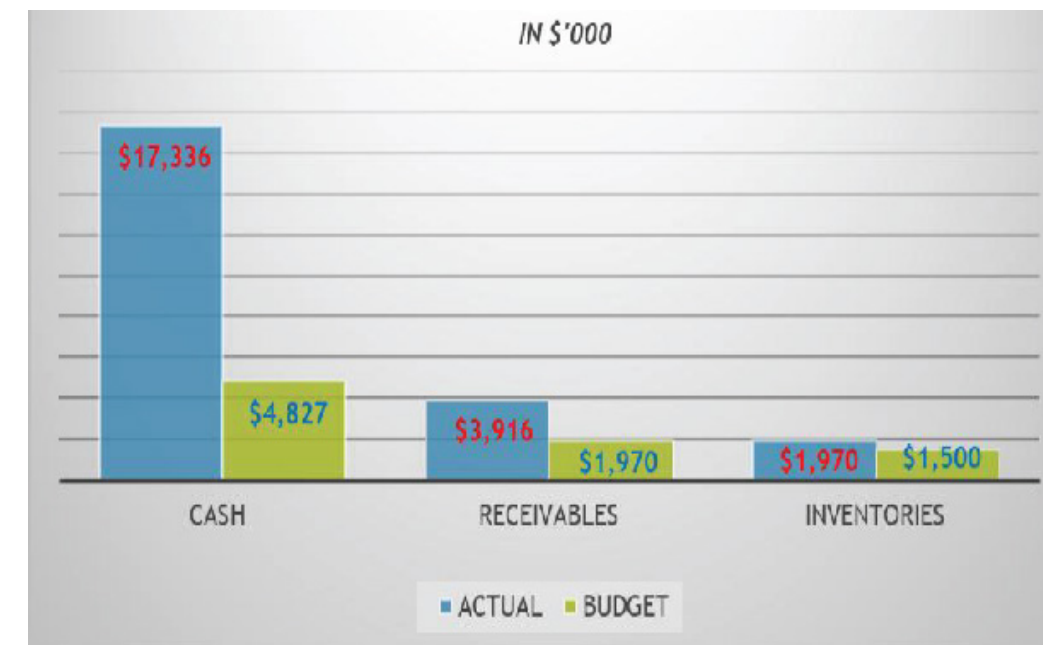
The summarized actual vs budget for the 2025 fiscal year is as follows:

	Actual	Budget	Variance	Variance
	Dec-25	Dec-25	Dec-25	Dec-25
	\$	\$	\$	%
ASSETS				
Current assets	23,221,993	8,296,295	14,925,698	180%
Non-current assets:				
Property, plant and equipment, net	72,503,961	77,359,908	(4,855,947)	-6%
Right of use land & warehouses	433,707	160,000	273,707	171%
Investment property	9,300,000	10,626,000	(1,326,000)	-12%
Total assets	105,459,661	96,442,203	9,017,458	9%
LIABILITIES				
Current liabilities	3,039,873	2,353,076	686,797	29%
Non-current liabilities:				
Lease liability	334,446	185,000	149,446	81%
Defined benefit liability	48,702,000	46,056,000	2,646,000	6%
Total liabilities	52,076,319	48,594,076	3,482,243	7%
EQUITY	53,383,342	47,848,127	5,535,215	12%

As of the 2025 financial year end, net assets outperformed the budget by \$5.5M, or 12%. This was driven by an \$9 million, or 9%, increase in total assets, coupled with a \$3.5M, or 7%, increase in total liabilities.

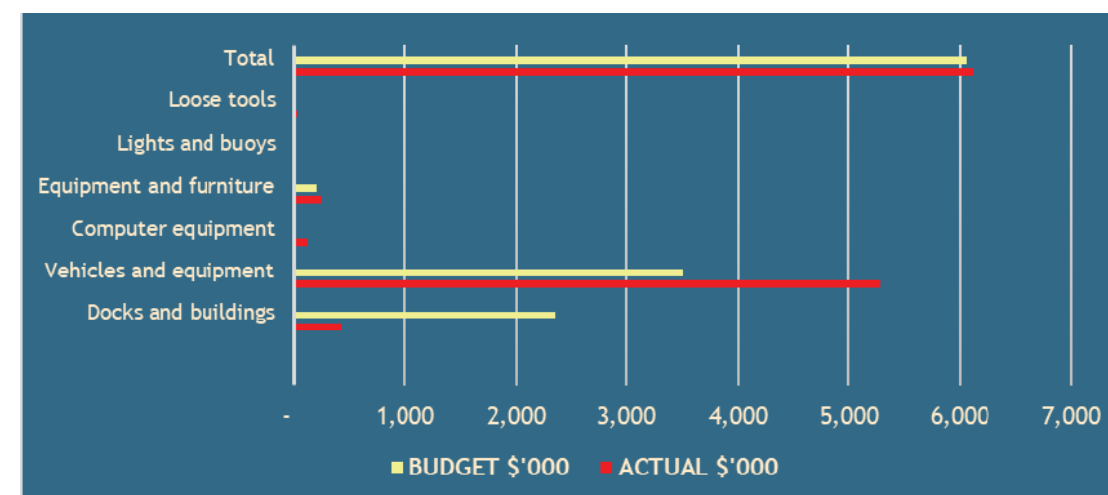
The \$3.5M increase in liabilities was due to higher defined benefit liability and lease liability. The higher defined benefit liability is directly a result of movements in interest rates and other actuarial assumptions. The higher lease liability is due to a new ten year lease agreement entered into during 2024 for the lease of Hog Sty Bay.

2025 CURRENT ASSETS PROFILE



- Current assets had a favorable variance of \$15M, primarily driven by positive cash variance of \$12.5M.
- Receivables exceeded the budget by \$1.9M, attributed to higher billings following the increase in cargo and cruise passenger arrival fees, and increases in deposits on assets.
- The \$470K positive inventory variance is as a result of increased inventory to support equipment servicing needs.

CAPEX PROFILE 2025



- The total value of newly acquired assets in 2025 amounted to \$6.1M, consistent with the budget of \$6.06M.
- Total capital spend was \$7M, vs budget of \$6.1M.
- The acquisition of capital items in 2025 excluded additional deposits of \$550k for equipment and \$340k for WIP, totaling \$890k.

STATEMENT OF COMPREHENSIVE INCOME

The Statement of Comprehensive Income shows the Port Authority's income and expenses for the period and the net effect of its financial performance on equity.

Comprehensive Income	2025 Actual \$	2025 Budget \$	2025 Variance %
Revenue	36,437,521	35,577,894	2
Operating Expenses	(33,072,917)	(34,109,891)	-3
Non-Operating Expenses (Net)	(3,441,963)	(2,993,000)	15
Other Comprehensive Income / (Expenses)	6,915,000	(700,000)	-1088
Total Comprehensive Income / (Loss)	6,837,641	(2,224,997)	-407

PROFIT PERFORMANCE

During the 2025 financial year, the Port Authority earned \$36.4M in operating revenue, slightly surpassing the budgeted figure of \$35.6M by \$860K.

Operating expenses were \$1M, or 3%, below the budget. Staff cost was a main contributor, with \$710k less than budget, as certain positions budgeted for were not filled as of 31 December 2025.

The repairs and maintenance expenses were \$1.9M above budget, while contracted services were \$2.1M less than budget.

Non-operating expenses were \$449K, or 15% more than budget, due to a higher actual defined benefit expense for 2025, which is directly attributable to movements in interest rates and other actuarial assumptions, and additional interest earned on deposits of \$545K.

Other Comprehensive Income reflected the positive variance from the change in actuarial assumptions of \$6.7M and a revaluation gain on investment property of \$200K.

FUTURE OUTLOOK

Internal forecasting indicates that revenues may increase marginally in line with macroeconomic projections over the next budget cycle. The Port Authority's historical revenue trend is between 3% and 6% per annum, despite the average growth rate for the last five years being 11%. With the exception of external shocks and fee adjustments, management anticipates revenue to return to the longterm growth trend.

Additionally, a positive medium-term cruise outlook, an increase in stayover visitors, and construction activity will sustain demand for goods and services and support the Port Authority's revenues in the years ahead. Growth or changes in assumptions in these sectors may significantly affect revenue forecasts.

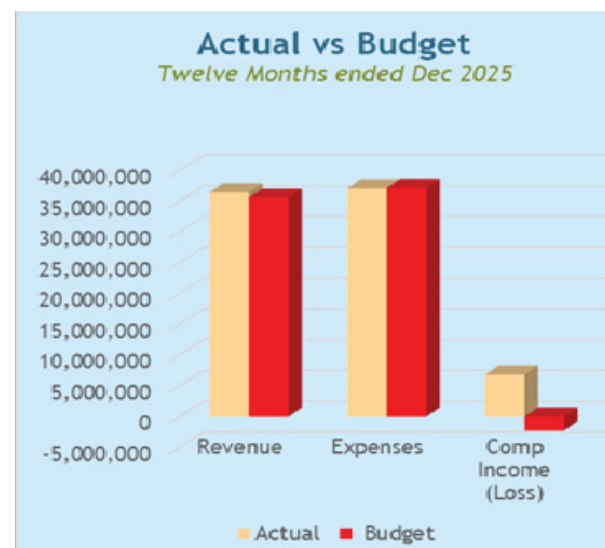
Twelve (12) Months ended 31 December 2025	Actual \$	Budget \$	Variance \$	Variance %
REVENUE				
Cargo handling	26,409,631	26,785,672	(376,041)	(1)
Cruise ship passenger fees	6,205,761	4,460,000	1,745,761	39
Other revenue	3,822,129	4,332,222	(510,093)	(12)
TOTAL REVENUE	36,437,521	35,577,894	859,627	2
EXPENSES				
Staff costs including defined benefit costs	25,176,734	24,892,234	284,500	1
Repairs and maintenance	3,965,253	2,048,293	1,916,960	94
Contracted services	2,192,699	4,312,014	(2,119,315)	(49)
Insurance	973,498	630,626	342,872	54
Other operating expenses	2,718,751	2,356,583	362,168	15
Depreciation	2,039,982	2,870,141	(830,159)	(29)
TOTAL EXPENSES	37,066,917	37,109,891	(42,974)	(0)
Interest income	552,037	7,000	545,037	7,786
Gain on disposal of fixed assets	-	-	-	100
Net Gain on revaluation of land and buildings	200,000	300,000	(100,000)	(33)
Remeasurement of defined benefit obligation	6,715,000	(1,000,000)	7,715,000	(772)
	7,467,037	(693,000)	8,160,037	
COMPREHENSIVE INCOME / (LOSS)	6,837,641	(2,224,997)	9,062,638	(407)

CONTRACTED SERVICES	2025	2024	DIFF
Security	1,073,123	1,037,825	35,298
Professional Fees	446,173	1,067,917	(621,744)
Audit Fees	132,000	110,000	22,000
Legal Fees	203,263	112,623	90,640
Janitorial services	338,140	266,242	71,898
	2,192,699	2,594,607	(401,908)

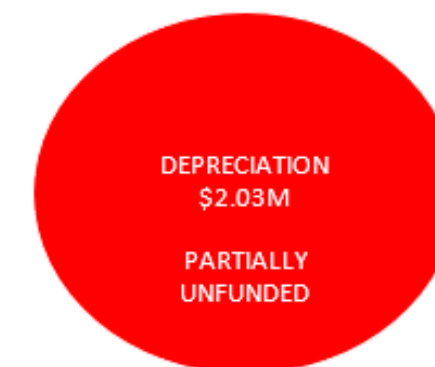
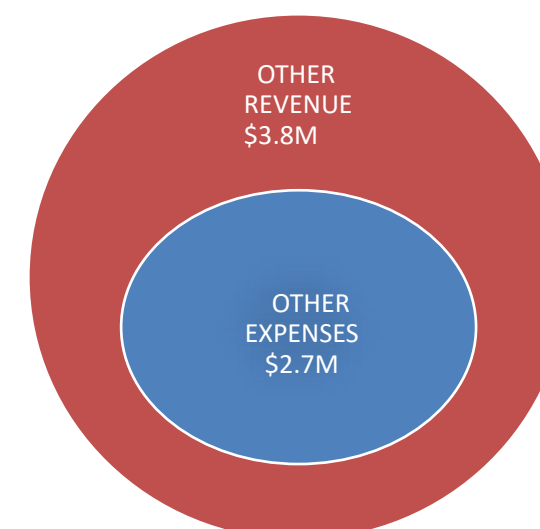
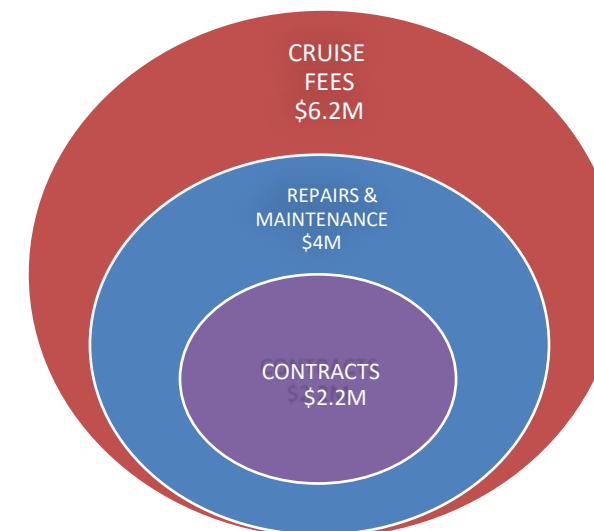
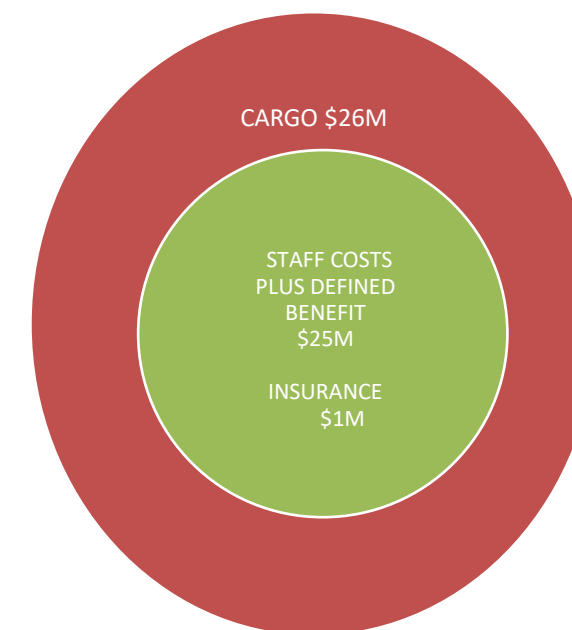
CONTRACTED SERVICES	ACTUAL	BUDGET	DIFF
Security	1,073,123	1,057,549	15,574
Professional Fees	446,173	2,529,236	(2,083,063)
Audit Fees	132,000	108,150	23,850
Legal Fees	203,263	216,300	(13,037)
Janitorial services	338,140	400,779	(62,639)
	2,192,699	4,312,014	(2,119,315)

Key insights from the 2025 results:

Overall revenue was primarily on target, exceeding expectations by \$860K, with the following variations:



- Cargo handling revenue is slightly below budget by \$376K.
- Cruise passenger fees exceeded the budget by \$1.7M, as the increase in cruise passenger head tax, as well as increase in cruise passenger numbers were higher than the budget.
- Other revenue was \$510K less than budget.
- Staff costs, including annual defined benefit liability expense, ended at 1% above the budgeted amount, due to \$1M increase in the defined benefit costs vs budget. In addition, some positions budgeted for were either filled late in 2025 or not filled at all.
- Repairs and maintenance expenses exceeded the budget by \$2M or 94%, due to repairs carried out to maintain and upgrade aging facilities and equipment. In particular, the cranes and forklifts had repeated failures during 2025 and were very costly to repair.
- Expenditure on contracted services is lower than the budget by \$2.1M or 49%, mainly attributable to lower professional fees for cargo port development. The other contracted services had marginal increases or reductions against the budget.
- Other operational costs surpassed the budget by 15%, primarily due to higher stationery supplies, computer supplies, utilities, and training.
- Operating profit was \$1.9M higher than anticipated, due to the higher revenue and the lower expenses than the budget.
- The total expenses of \$37M were \$100K less than the budget of \$37.1M, due mainly to higher defined benefit costs. Several expenses were materially under budget, led by contracted services (\$2.1M), staff costs (\$0.7M), depreciation (0.83M), and fuel (\$107k).
- Other comprehensive income was \$7.7M higher than budget, due mainly to the higher remeasurement gain of defined benefit liability in 2025 compared to what was budgeted.





In contrasting revenues and expenses in a hypothetical manner, the overall surplus of \$6.8M is demonstrated graphically.

The \$26M income earned from cargo handling was sufficient to fund \$25M staff costs, including the annual defined benefit health care cost for the year, and \$1M for insurance.

The \$6.2M Income from cruise ship passenger fees could fund repairs and maintenance expenses of \$4M and contracted services expenses of \$2.2M.

Other revenues could fund the other expenses, which are composed of utilities, fuel, miscellaneous, advertising, travel and training, board fees and expenses, and stationery and computer supplies. This would be short \$0.2M to cover these items.

Insurance expense of \$1M, depreciation of \$2M, and the shortfall from other areas would be funded, by the gain arising on the remeasurement of the defined benefit.

The remeasurement of the defined benefit impacted the 2025 results positively which give rise to a net/total comprehensive income of \$6.8M at year end.

By deferring capital expenditure, the Port Authority has accumulated cash balances of \$17M. However, the Port Authority's business model does not reflect fees that accurately represent the total cost of service delivery. The fee increase that took effect on January 1, 2024, is part of the overall fee adjustments required over time. Several of the Port Authority's fees have remained unadjusted for over two decades.



HISTORICAL PERFORMANCE

FIVE (5) YEAR HISTORICAL PERFORMANCE	2021	2022	2023	2024	2025	TOTALS
	\$'000	\$'000	\$'000	\$'001	\$'001	\$'000
Cargo income	21,795	21,671	22,708	27,073	28,061	121,307
Cruise income	-	1,798	3,146	6,214	6,206	17,363
Rental income	194	292	1,293	1,293	1,340	4,412
Other income	299	236	487	700	1,382	3,105
Total Operating Income	22,288	23,996	27,634	35,280	36,990	146,187
Staff costs	(13,983)	(16,616)	(17,341)	(19,130)	(21,183)	(88,253)
Contracted services	(1,253)	(1,774)	(2,231)	(2,595)	(2,193)	(10,045)
Repairs and maintenance	(1,420)	(2,080)	(2,007)	(3,477)	(3,965)	(12,950)
Insurance	(591)	(577)	(596)	(887)	(973)	(3,625)
Other operating costs	(1,445)	(2,042)	(2,462)	(2,632)	(2,719)	(11,301)
Depreciation	(2,205)	(2,154)	(2,085)	(1,989)	(2,040)	(10,473)
Total Operating Expenses	(20,898)	(25,245)	(26,722)	(30,711)	(33,073)	(136,648)
Operating Profit/ (Loss)	1,390	(1,248)	912	4,569	3,917	9,539
Profit / (loss) on disposal of fixed assets	-	(15)	-	(5)	-	(19)
Defined benefit annual expense & remeasur	751	15,374	(3,816)	(8,177)	2,721	6,853
Net gain on revaluation of land and building	8,914	1,926	-	-	-	10,840
Profit/ (loss) on revaluation of investment pro	-	-	(226)	100	200	74
Total Comprehensive Income/(Loss)	11,055	16,037	(3,130)	(3,513)	6,838	27,287

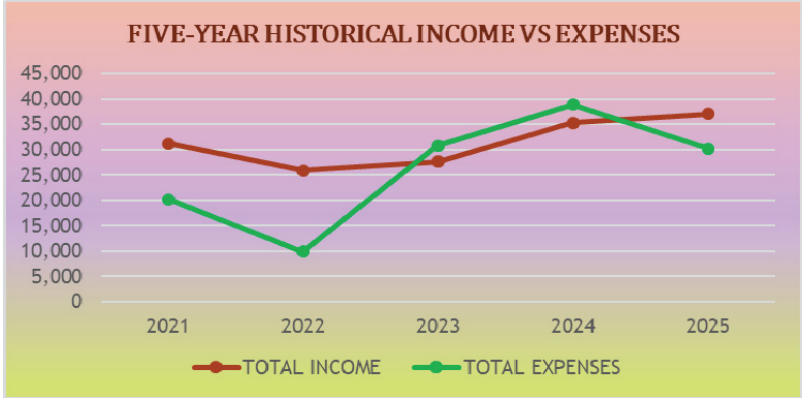
While operating at a profit in those four years, the Port Authority also realized a total comprehensive income of \$11M in 2021, increasing to \$16M in 2022. Over the past five years, operating profits in all years except 2022, recorded an operating loss of \$1.2M. This was mainly due to a significant increase in staff costs that year, driven by a higher staff complement.

Despite operating profits in those four years, the Port Authority realized a total comprehensive income of \$11M in 2021, increasing to \$16M in 2022 experiencing net losses during 2023 to 2024. This changed to a total comprehensive income of \$6.8M for 2025. These fluctuations were mainly attributable to the swing in the defined benefit liability remeasurement, which moved from a \$751K gain in 2021 to a \$15.4M gain in 2022, then to expenses of \$3.8M and \$8.2M, for 2023 to 2024, respectively. A gain of \$2.7M was subsequently realized in 2025. The Port Authority also recorded property revaluation gains of \$10.8M over 2021 and 2022.

These accounting adjustments led to extreme volatility in the Port Authority's annual financial performance. Since the defined benefit cost was included in accounting records in 2014, defined benefit costs have consistently played a huge part in significant annual swings between loss and surplus in the Port Authority's results. The combined operating profit for the five year period was \$9.5M. This was increased to \$27.3M for the combined five year total net results, due to the impact of the defined health care benefit and revaluation adjustments.



This trend was also evident in operating expenses, which increased each year from 2021 to 2025. The total operating expenses for those five years was \$136.6M. The 2025 financial year realized the second highest operating profit in the last five years of \$3.9M (inclusive of interest of \$550k). This is the net effect of the operating revenue and the operating expenses.



- In 2021, the Defined Benefit 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 then increased to \$8.2M in 2024, then reduced to positive \$2.7M in 2025.
- The gain on revaluation of assets that were revalued amounted to \$8.9M in 2021, \$1.9M in 2022, \$100K in 2024, and \$200K in 2025. Conversely, 2023 witnessed revaluation losses of \$226K, on the revaluation of investment property. Total income and total expenses over the five year period stood at \$176M and \$149, respectively, resulting in a net surplus/total comprehensive income of \$27.3M.
- Total expenses did not align with income primarily due to the impacts of COVID19 in 2021. Low operating profits or losses between 2021 and 2023 were offset by revaluation gains, enabling the Port Authority to report significant surpluses in 2021 and 2022. However, in 2023, a loss occurred due to an investment property revaluation and remeasurement of the defined benefit liability.
- The last five years net a total profit/total comprehensive income of \$27.3M.
- The low operating profitability reduces the ability to invest in human resources, infrastructure and other capital assets. The recent increase in fees should positively impact this in future years.



- \$6.9M defined benefit annual expense and remeasurement gain.
- Non-recurrent gain of \$10.8M from revaluation of land and building.
- Net loss on disposal of fixed assets of \$19K.
- Net revaluation surplus on revaluation of investment property \$74K.
- Net revaluation surplus on revaluation of land and building \$1.9M.

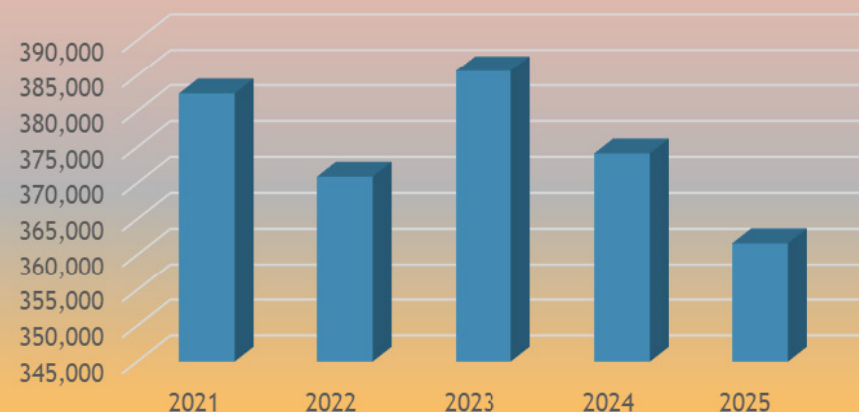
ACTIVITY STATISTICS	2021	2022	2023	2024	2025
Annual Cargo Volumes	382,482	370,898	385,678	374,134	361,639
Cruise Passenger Arrivals	0	736,382	1,270,053		1,081,143
TEUS (In and Out)	70,740	71,394	73,425	73,013	74,793

As seen in the table above, the Port Authority has experienced steady annual growth in TEUs over the past five years. TEUs declined slightly in 2024, ending the year at 73,013.

Cargo volume declined in 2022 and 2024 and rebounding in 2023 with the highest volume in the past five years. Cargo volume for the 2025 financial year was 361,639, the lowest in the last five years.

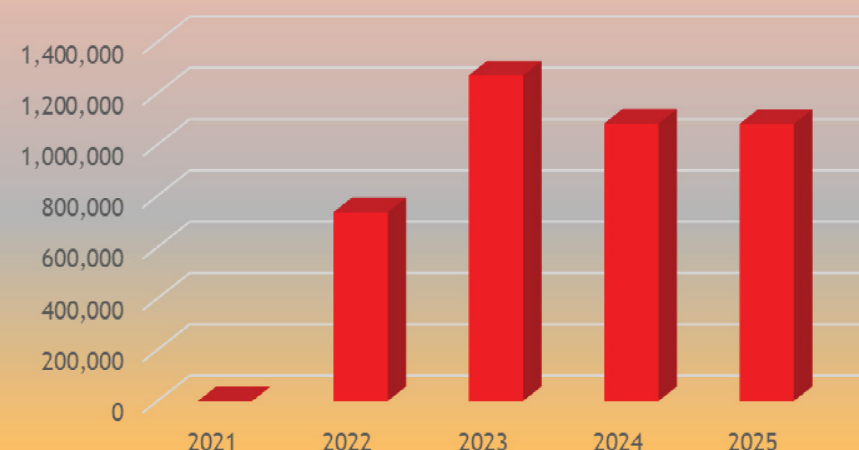
There were no cruise passenger arrivals in 2021 due to the COVID-19 pandemic. Cruise passenger arrivals resumed in March 2022, resulting in 736,382 arrivals that year. In 2023, passenger arrivals increased significantly over 2022 declining in 2024 and 2025 (due to missed calls caused by bad weather and medical emergencies).

Annual Cargo Volumes



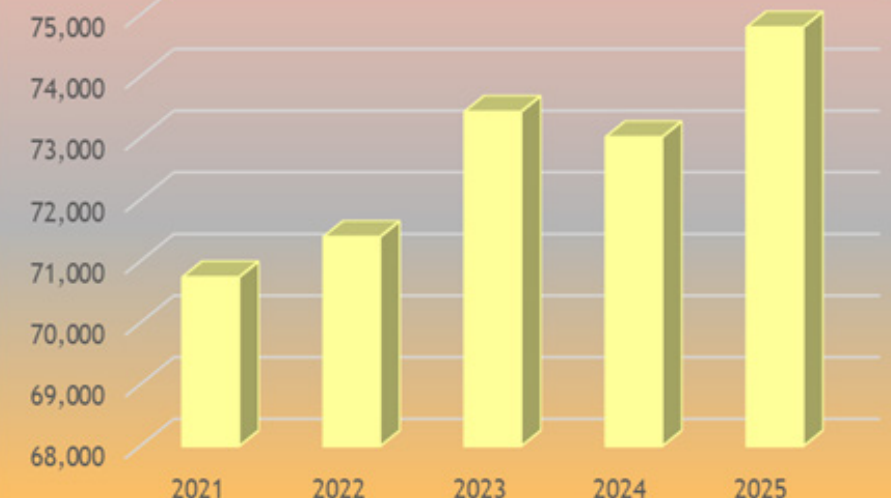
- *Cargo volume in 2021 was high due to the post COVID19 pandemic. Cargo volumes, despite the declining trend, had an average growth rate of 3.5% for the last five years.*
- *However, the fee increases granted in 2024 resulted in increased revenue despite the comparatively low volumes.*

Cruise Passenger Arrivals



- *Cruise arrivals have regained some stability over the last two fiscal years, after facing disruptions caused by the COVID-19 pandemic and the slow recovery thereafter. Current forecasts suggest that cruise will return to strong numbers within the next few years.*
- *Cruise income provided \$17.4M over the last five years.*
- *In 2022, cruise revenue constituted 7% of the total operating revenue, marking a notable decrease from the 18% contribution observed in 2019. By 2025, cruise revenue was 17% of total income.*

TEUS (In and Out)



- *TEU experienced an 3.54% 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.*
- *The trend from 2021 as seen in the chart is positive. However, the rate of growth is below historical average.*
- *The last four years had an average of 1.4% rate of annual growth.*
- *Given that TEU is an indicator of wider economic activity, the signals are clear that the economy is cooling.*



ACTUAL VS BUDGET

Cash Flows	Actual 2025 \$	Budget 2025 \$	Variance %	Reason
Net cash flows provided by operating activities	5,545,073	4,285,000	29	More favorable revenue & expense performances than expected
Net cash flows used in investing activities	(6,451,407)	(6,060,000)	6	Revised capital plans
Net cash flows used in financing activities	(487,973)	-	100	Payments for retirees and lease obligation

FIVE-YEAR CASH FLOW TREND ANALYSIS

In \$'000	2021	2022	2023	2024	2025	TOTALS
Opening Cash	9,332	10,640	12,425	13,387	18,731	9,332
Net cash earned from operations	4,739	2,555	2,565	6,570	5,545	18,720
Purchase of fixed assets and investments	(963)	(503)	(159)	(786)	(6,451)	(8,863)
Defined health benefit liability payments	(284)	(277)	(364)	(440)	(488)	(1,853)
Closing Cash	10,640	12,425	13,387	18,731	17,337	17,336

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 63%. The Port Authority invested an average of \$1.8M per annum in its asset portfolio, and reduced liabilities by \$1.85M or an annual average of \$371K.

FINANCIAL PERFORMANCE RATIO	2025 Actual	2025 Budget	Explanation
CURRENT ASSETS: CURRENT LIABILITIES	7.64	3.50	Higher cash, receivables and inventory due to increased revenue from fee increases that came into effect on January 1, 2024.
TOTAL ASSETS: TOTAL LIABILITIES	2.03	2.0	Non-current assets were \$6M less than expected due to lower revaluation gains & less property plant and equipment acquisition. Total Liabilities was higher than expected due to the discount rate movements and actuarial assumption changes affecting the defined health benefit liability

HUMAN CAPITAL MEASURES	2025 Actual	2025 Budget
TOTAL FULL-TIME EQUIVALENT STAFF EMPLOYED	199	208
STAFF TURNOVER		
SENIOR MANAGER	-	-
PROFESSIONAL AND TECHNICAL STAFF	1	-
ADMINISTRATIVE STAFF	1	-

PHYSICAL CAPITAL MEASURES	2025 Actual \$ 000'S	2025 Budget \$ 000'S	Explanation
VALUE OF TOTAL ASSETS	105,460	96,442	Cash increase due to increased revenues and underspend in CAPEX and OPEX, giving rise to higher overall asset value
ASSET REPLACEMENTS: TOTAL ASSETS	0.058: 1	0.07: 1	Slightly below expectations due to a change in capital expenditure plans
BOOK VALUE OF ASSETS: COST OF THOSE ASSETS	0.79: 1	0.78: 1	In line with expectation
DEPRECIATION: CASH FLOW ON ASSET PURCHASES	0.33: 1	0.48: 1	Less assets purchased than expected
CHANGES TO ASSET MANAGEMENT POLICES	None	None	None

MAJOR CAPITAL EXPENDITURE	2025 ACTUAL \$'000	2025 TARGET \$'000	EXPLANATION
ADMIN, WAREHOUSE & TERMINALS RENNOVATIONS	285	100	Additional Capex
DOCK AND RWCT UPGRADES	425	1,000	Plan changes
CAYMAN BRAC OFFICE & DOCK REHABILITATION		500	Plan changes
LITTLE CAYMAN DOCK		750	Plan changes
FLEET REPLACEMENT		560	Plan changes
ASSET REPLACEMENT	121	450	Plan changes
CRANE & HEAVY EQUIPMENT	5,311	2,700	Plan changes
TOTAL	6,142	6,060	

FINANCIAL PERFORMANCE MEASURE	2025 Actual \$ 000'S	2025 Budget \$ 000'S	Explanation
REVENUE FROM OTHER PERSONS OR ORGANISATIONS	36,438	35,585	Loss of income due to COVID19???
OTHER EXPENSES (NET)	29,599	37,810	Impact of defined benefit health care
NET SURPLUS / (DEFICIT)	6,838	(2,225)	Less income and more expenses
TOTAL ASSETS	105,460	96,442	More purchases than budget
TOTAL LIABILITIES	52,076	48,594	Impact of defined benefit health care
NET WORTH	53,383	47,848	Less income and more expenses

Risk Management

Key Risks	Mitigation strategies	FINANCIAL VALUE OF RISK
Strategic risks • Lack of long-term planning • Capital Structure	• Master Plan developed. Further work being pursued. • Better cash management • Funding gap being pursued • Improved financial performance targeted	NONE
Compliance risks • Risk of breach of Port Laws & Regulations • Risk of breach of PMFA and Regulations • Risk of non- compliant financial reports • Risk of breach of security protocols	• Keep professional staff updated • Continuing training and development of staff • Regular reporting to strategic levels • Continual training & regular reporting	NONE
Operational risks • Inability to efficiently discharge cargo • Personal injury or fatality during operations • Terrorism • Breakdown of equipment • Lawsuits for negligence • Hurricanes & Storms • Risk profile increased due to price volatility	• Trained personnel; rotated staff • Safety procedures; adequate insurance • Security protocols; trained security staff • Backup equipment; maintenance programs • Operational efficiency • Adequate insurance • Hurricane plan practiced continually • Price negotiation and operational efficiency	• CI\$2 Million • +/- CI\$750,000
Reputational risks • Damage to the Cayman Tourism Brand • Loss of confidence in Port's ability to deliver	• Manage key relationships in cruise sector • Training; capacity maintenance; upskilling of technical staff	



Internal & External **AUDIT UPDATES**



The 2025 Financial Statements were submitted to the Auditor General on 28th February 2026 for audit. The Port Authority received an unqualified audit opinion for the 2025 financial year. These financial statements are included in this report.

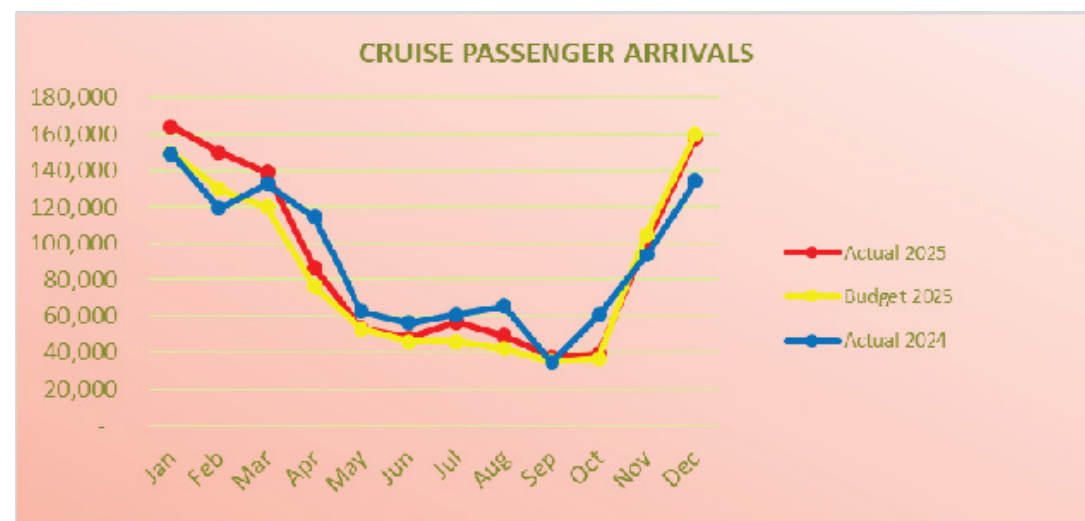
Scrutiny by Parliament **& PUBLIC**



The Port Authority's audited accounts and annual reports up to, and including the financial year 2024, have been tabled in Parliament.



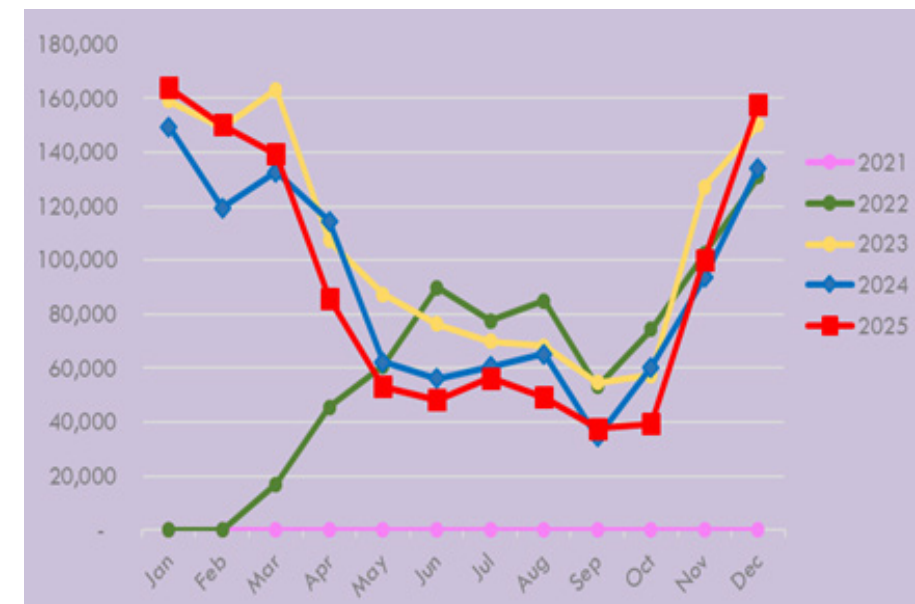
Selected Statistical Data



Cruise Passengers Arrivals							
Month	Actual 2025	Budget 2025	Variance-Actual to Budget	% Change	Actual 2024	Variance 2025 vs 2024	% Change
January	164,076	171,169	(7,093)	(4)	149,392	14,684	100
February	150,112	139,423	10,689	8	119,290	30,822	100
March	139,237	151,117	(11,880)	(8)	132,650	6,587	5%
April	85,922	130,348	(44,426)	(34)	114,421	(28,499)	-25%
May	53,196	99,451	(46,255)	(47)	62,345	(9,149)	-15%
June	48,183	75,895	(27,712)	(37)	56,114	(7,931)	-14%
July	56,358	86,305	(29,947)	(35)	60,676	(4,318)	-7%
August	49,129	83,271	(34,142)	(41)	65,231	(16,102)	-25%
September	37,578	77,849	(40,271)	(52)	34,368	3,210	9%
October	39,357	115,530	(76,173)	(66)	60,405	(21,048)	-35%
November	100,232	166,357	(66,125)	(40)	93,520	6,712	7%
December	157,763	183,286	(25,523)	(14)	134,086	23,677	18%
Total	1,081,143	1,480,000	(398,857)	(27)	1,082,498	(1,355)	(0)

Cayman Port has seen a statistically flat comparative cruise passenger arrivals over last year and achieved a 27% decline against budget

FIVE-YEAR CRUISE PASSENGER ARRIVALS



- The graph at left shows the monthly cruise passenger arrivals for the last five years.
- Passenger numbers flatlined 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% of pre-COVID levels, closing the 2023 financial year at 1,270,053 passengers.
- The 2024 financial year saw a 15% decline in passenger arrivals compared to 2023, due to missed calls caused by bad weather and medical emergencies. This trend continued into 2025.

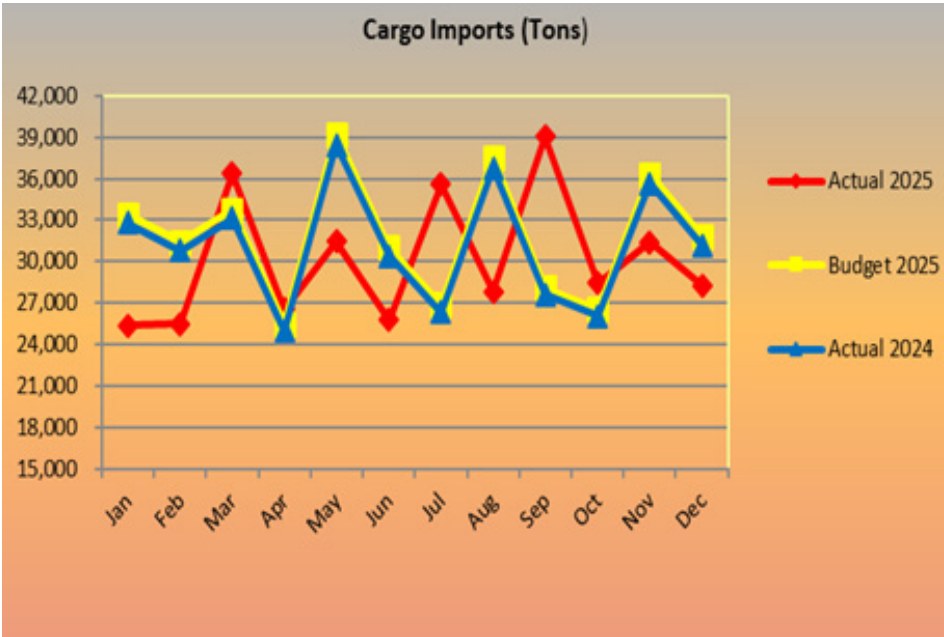
FIVE-YEAR PASSENGER ARRIVALS

Month	2021	2022	2023	2024	2025	2021-2025	5 yr % change
Jan	-	-	159,000	149,392	164,076	164,076	100
Feb	-	-	148,968	119,290	150,112	150,112	100
Mar	-	16,879	163,296	132,650	139,237	139,237	100
Apr	-	45,481	107,451	114,421	85,922	85,922	100
May	-	60,769	87,291	62,345	53,196	53,196	100
Jun	-	89,868	76,449	56,114	48,183	48,183	100
Jul	-	77,545	69,895	60,676	56,358	56,358	100
Aug	-	84,840	68,230	65,231	49,129	49,129	100
Sep	-	53,137	54,766	34,368	37,578	37,578	100
Oct	-	74,365	57,353	60,405	39,357	39,357	100
Nov	-	102,400	127,283	93,520	100,232	100,232	100
Dec	-	131,098	150,071	134,086	157,763	157,763	100
ANNUAL TOTALS	-	736,382	1,270,053	1,082,498	1,081,143	1,081,143	100
Annual growth rate	1.19	100.00	72%	15%	0%	0%	20.35
CRUISE INCOME	-	1,811,500	3,124,330	6,213,539	6,205,761	6,205,761	-

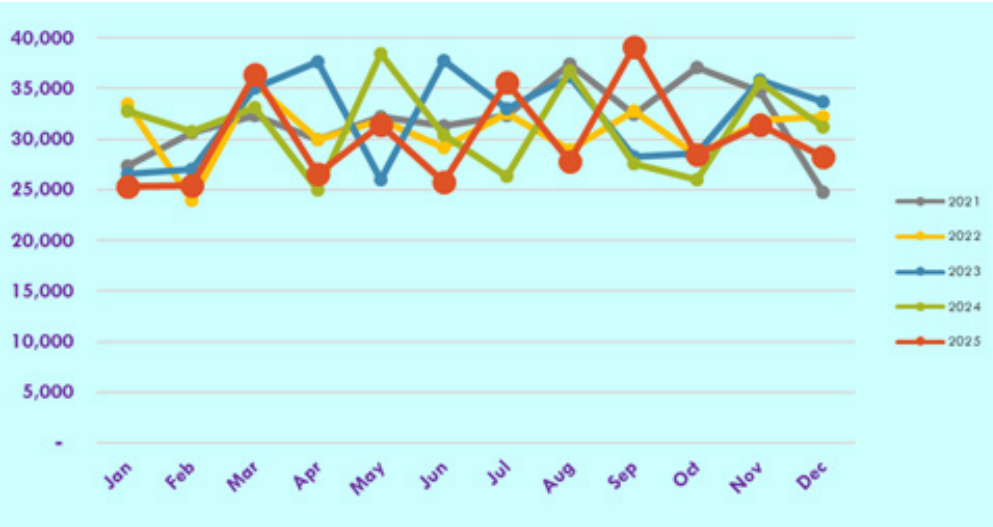
CARGO IMPORTS (TONS) (EXCLUDING AGGREGATE)

Month	Actual 2025	Budget 2025	Variance - Actual to Budget	% Change	Actual 2024	Variance 2025 / 2024	% Change
January	25,363	33,446	(8,083)	(24)	32,790	(7,427)	(23)
February	25,460	31,431	(5,971)	(19)	30,815	(5,355)	(17)
March	36,381	33,776	2,605	8	33,114	3,267	10
April	26,565	25,496	1,069	4	24,996	1,569	6
May	31,437	39,221	(7,784)	(20)	38,452	(7,015)	(18)
June	25,787	30,996	(5,209)	(17)	30,388	(4,601)	(15)
July	35,602	26,876	8,726	32	26,349	9,253	35
August	27,837	37,528	(9,691)	(26)	36,792	(8,955)	(24)
September	39,071	28,138	10,933	39	27,586	11,485	42
October	28,450	26,539	1,911	7	26,019	2,431	9
November	31,389	36,342	(4,953)	(14)	35,629	(4,240)	(12)
December	28,297	31,828	(3,531)	(11)	31,204	(2,907)	(9)
Totals	361,639	381,617	(19,978)	(5)	374,134	(12,495)	(3)

- Actual cargo volume (excluding aggregates) ended 2025 at 5% below total projections and 3% less than the prior year. Cargo activity experienced inconsistent movement between 2021 and 2025, declining by 3% for three years over the last five year period. 2021 and 2025 saw increases. This is indicative of the temperature of the wider economy.



FIVE YEAR MONTHLY CARGO VOLUMES

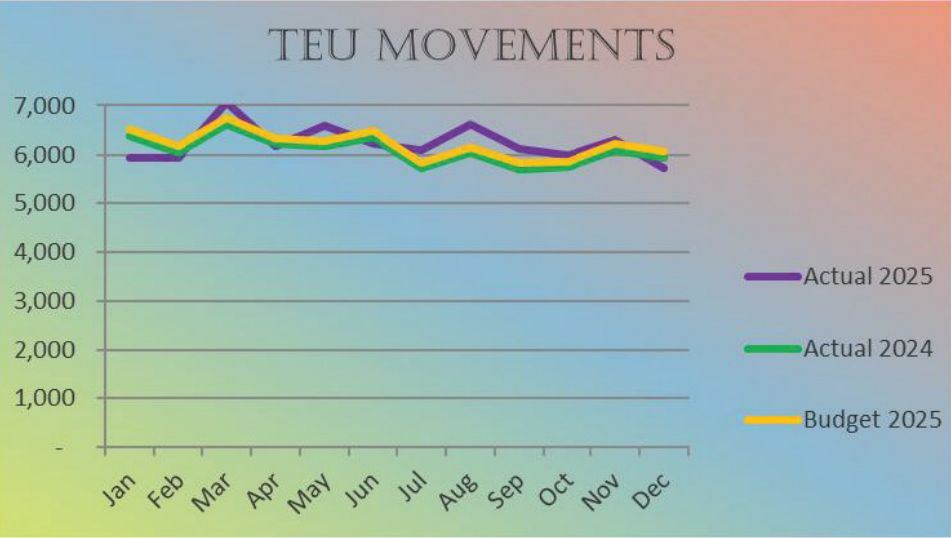


- The five year cargo volume trend showed volatility in cargo volume performance. Cargo volume declined between 2021 and 2025 by 5%. The 2025 cargo volume declined by 3% over 2024. A similar decline rate was seen in 2024 and 2022.

Historical cargo Volume imports (FIVE YEARS) January to December						
Month	2021	2022	2023	2024	2025	
Jan	27,337	33,466	26,629	32,790	25,363	-7%
Feb	30,635	23,990	27,031	30,815	25,460	-17%
Mar	32,352	35,476	35,079	33,114	36,381	12%
Apr	29,988	30,006	37,651	24,996	26,565	-11%
May	32,192	31,896	26,018	38,452	31,437	-2%
Jun	31,314	29,197	37,729	30,388	25,787	-18%
Jul	32,291	32,582	32,970	26,349	35,602	10%
Aug	37,392	28,966	36,150	36,792	27,837	-26%
Sep	32,485	32,844	28,254	27,586	39,071	20%
Oct	37,037	28,362	28,557	26,019	28,450	-23%
Nov	34,691	31,928	35,883	35,629	31,389	-10%
Dec	24,768	32,185	33,727	31,204	28,297	14%
TOTALS	382,482	370,898	385,678	374,134	361,639	-5%
YTD Growth	5%	-3%	4%	-3%	-3%	

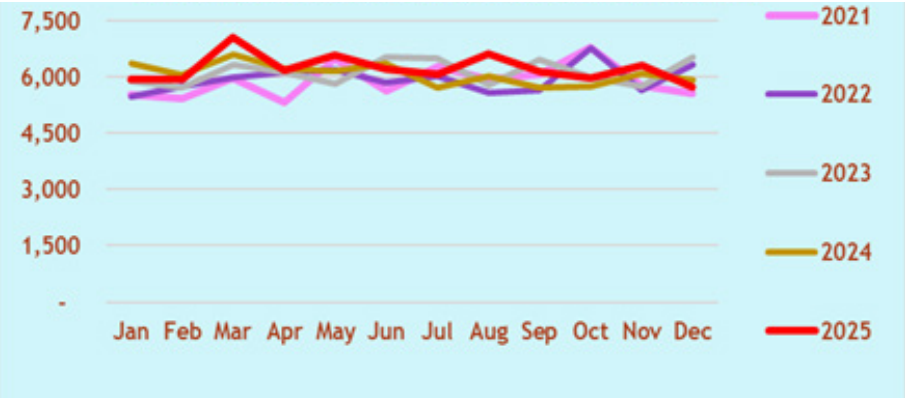
TWENTY FOOT EQUIVALENT UNIT (TEU) MOVEMENTS

Month	Actual 2025	Actual 2024	Budget 2025	Variance% 2025 vs 2024	Variance% Actual vs Budget
Jan	5,943	6,378	6,506	(7)	(9)
Feb	5,931	6,045	6,166	(2)	(4)
Mar	7,062	6,619	6,751	7	5
Apr	6,172	6,215	6,339	(1)	(3)
May	6,587	6,163	6,286	7	5
Jun	6,227	6,354	6,481	(2)	(4)
Jul	6,080	5,726	5,841	6	4
Aug	6,630	6,030	6,151	10	8
Sep	6,132	5,703	5,817	8	5
Oct	5,984	5,749	5,864	4	2
Nov	6,312	6,093	6,215	4	2
Dec	5,733	5,938	6,057	(3)	(5)
Total	74,793	73,013	74,473	2	0



- 74,793 equivalent twenty foot containers were processed for the twelve month period ending 31 December 2025 in comparison with 73,013 the previous year. This is a 2% increase against actual and in line with the budget.

FIVE YEAR CONTAINER MOVEMENTS



- The five year container movement trended positively between 2021 and 2025, with 2021 and 2024 experiencing declines of 4% and .056% respectively.
- In 2023 and 2025 they were above 2% increases. These are below the historical average of between 3% - 5%.
- Container movement had an overall growth of 6% over the five year period with TEU moving from 70,740 in 2021 to 74,793 in 2025.

FIVE YEAR TEU MOVEMENTS (JANUARY - DECEMBER)

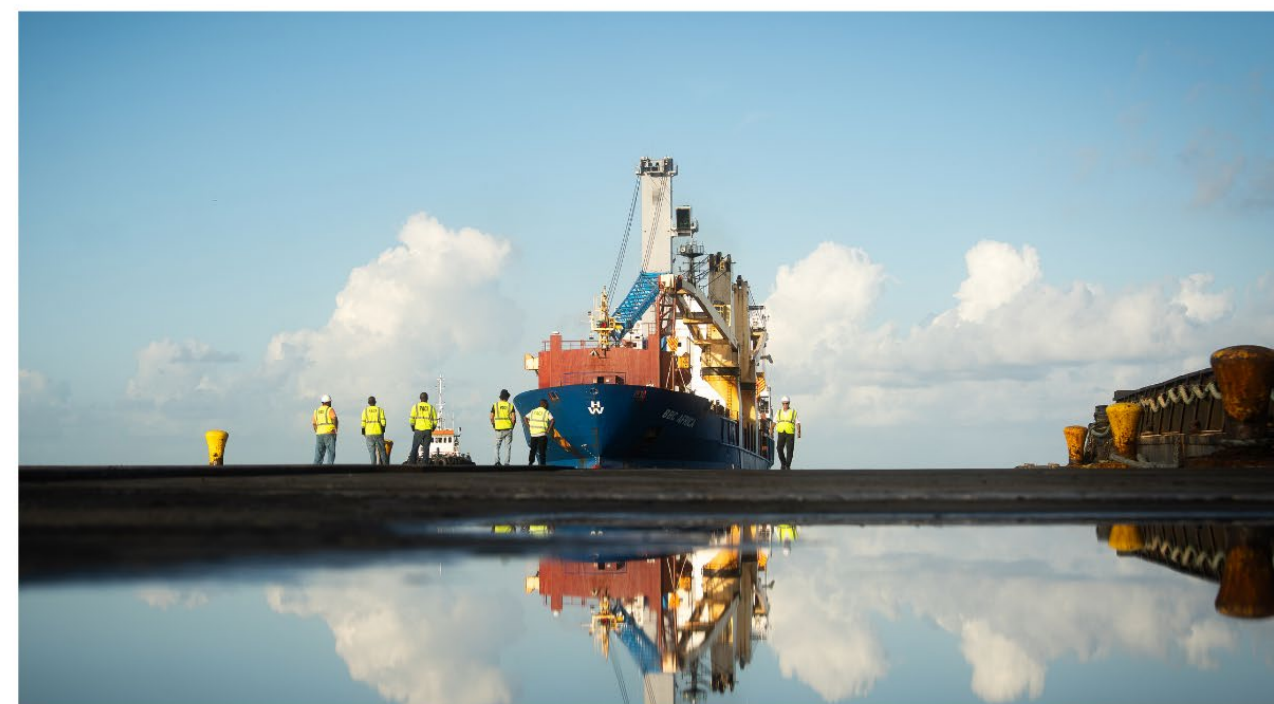
Month	2021	2022	2023	2024	2025
Jan	5,519	5,476	5,893	6,378	5,943
Feb	5,420	5,753	5,707	6,045	5,931
Mar	5,988	5,986	6,321	6,619	7,062
Apr	5,310	6,120	6,112	6,215	6,172
May	6,479	6,204	5,824	6,163	6,587
Jun	5,630	5,862	6,550	6,354	6,227
Jul	6,265	6,024	6,490	5,726	6,080
Aug	5,942	5,583	5,774	6,030	6,630
Sep	6,063	5,647	6,455	5,703	6,132
Oct	6,789	6,773	5,994	5,749	5,984
Nov	5,768	5,638	5,765	6,093	6,312
Dec	5,567	6,328	6,540	5,938	5,733
TOTALS	70,740	71,394	73,425	73,013	74,793
Annual Growth	-4.07%	0.92%	2.84%	-0.56%	2.44%



Port Authority of the Cayman Islands
**AUDITED FINANCIAL
STATEMENTS**

FOR THE YEAR ENDED DECEMBER 31, 2025

**PORT AUTHORITY
OF THE CAYMAN ISLANDS**



Audited Financial Statements

For the financial year ended 31 December 2025

**FINANCIAL STATEMENTS OF THE
PORT AUTHORITY OF THE CAYMAN ISLANDS**

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Statement of Responsibility for the Financial Statements

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

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

As 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 2025.

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 2025;
- (b) Fairly reflect the financial position as at 31 December 2025 and performance for the financial year ended 31 December 2025.
- (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 2026



Don Hutchinson

Deputy Port Director - Finance

30th April 2026



Cline Glidden Jr.

Chairman of the Board

30th April 2026

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 2025, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 December 2025, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 8 to 47.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Authority as at 31 December 2025 and its financial performance and its cash flows for the year ended 31 December 2025 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
Auditor General

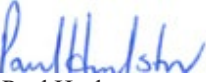
30 April 2026
Cayman Islands

PORT AUTHORITY OF THE CAYMAN ISLANDS
Statement of Financial Position

As at 31 December 2025
(Stated in Cayman Islands dollars)

	Note	December 2025 \$	December 2024 (Restated) \$	January 2024 (Restated) \$
ASSETS				
Current Assets				
Cash and cash equivalents	4(a)	17,336,258	18,730,565	13,386,416
Accounts receivable (net)	4(b)	2,763,047	2,387,922	1,977,859
Inventory	4(c)	1,970,209	1,821,950	1,884,748
Prepaid expenses	4(d)	448,913	349,835	174,070
Other receivables and deposits	4(e)	703,566	152,276	124,116
Total Current Assets		23,221,993	23,442,548	17,547,209
Non-Current Assets				
Property, plant and equipment				
Land freehold	5	41,625,000	41,625,000	41,625,000
Docks and buildings	5	18,559,335	19,505,568	20,503,405
Other fixed assets	5	11,906,467	6,751,292	6,988,844
Work in progress	5, 8	413,159	95,312	67,412
Total property, plant and equipment		72,503,961	67,977,172	69,184,661
Right of use land and warehouses	6	433,707	540,281	426,579
Investment property	7, 9	9,300,000	9,100,000	9,000,000
Total Non-Current Assets		82,237,668	77,617,453	78,611,240
TOTAL ASSETS		105,459,661	101,060,001	96,158,449
LIABILITIES and EQUITY				
Current Liabilities				
Accounts payable and accrued expenses	10	2,920,027	2,522,526	2,180,273
Lease liability	6	119,846	118,942	118,064
Total Current Liabilities		3,039,873	2,641,468	2,298,337
Non-Current Liabilities				
Lease liability	6	334,446	423,892	313,871
Defined benefit liability	11, 28	48,702,000	51,774,000	43,931,000
Total Non-Current Liabilities		49,036,446	52,197,892	44,244,871
TOTAL LIABILITIES		52,076,319	54,839,360	46,543,208
RETAINED EARNINGS	28	15,944,968	8,782,267	12,176,867
ASSET REVALUATION RESERVE	3(e)	37,438,374	37,438,374	37,438,374
		53,383,342	46,220,641	49,615,245
TOTAL LIABILITIES and EQUITY		105,459,661	101,060,001	96,158,449

Approved:


Paul Hurlston
Port Director
30th April 2026


Don Hutchinson
Deputy Port Director - Finance
30th April 2026

The accompanying notes on pages 8-47 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 2025
(Stated in Cayman Islands dollars)

	Note	December 2025 \$	December 2024 (Restated) \$
OPERATING REVENUE			
Cargo handling	16	26,409,631	25,698,048
Cruise ship passenger fees	17	6,205,761	6,213,539
Maritime services	18	1,651,265	1,374,593
Rental income	24	1,340,487	1,293,363
Other income	19	648,959	385,724
Diesel sales	20	181,418	107,872
Total Operating Revenue		36,437,521	35,073,139
OPERATING EXPENSES			
Staff costs	21	21,182,734	19,130,027
Repairs and maintenance	23	3,965,253	3,477,104
Contracted services	22	2,192,699	2,594,607
Depreciation	5, 12(b)	2,039,982	1,989,336
Insurance	13(a)	973,498	887,386
Utilities		760,352	755,486
Stationery, supplies and computer supplies		639,030	420,330
Diesel		460,249	448,234
Travel, conventions and training		256,158	233,258
Miscellaneous	25	235,223	207,292
Board expenses and fees	13(d)	144,364	127,961
Advertising and entertainment		131,616	70,007
Finance charges		49,528	27,752
Fleet licenses		39,586	20,530
Claims		2,645	22,291
Bad debt	4(b)	-	298,947
Total Operating Expenses		33,072,917	30,710,548
GROSS OPERATING PROFIT		3,364,604	4,362,591
OTHER INCOME/EXPENSES			
Interest income		552,037	206,413
Loss on disposal of fixed assets		-	(4,697)
Defined benefit expense – post-employment health care	11, 28	(3,994,000)	(4,270,000)
Total Other Expenses		(3,441,963)	(4,068,284)
NET PROFIT/(LOSS)		(77,359)	294,307
OTHER COMPREHENSIVE INCOME/(LOSS):			
Remeasurements of defined benefit obligation:			
Effect of changes in financial assumptions	11, 28	6,715,000	(3,907,000)
Gain on revaluation of investment property	9	200,000	100,000
TOTAL COMPREHENSIVE INCOME/(LOSS)		6,837,641	(3,512,693)

The accompanying notes on pages 8-47 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 2025
(Stated in Cayman Islands dollars)

	Note	December 2025 \$	December 2024 (Restated) \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Comprehensive income / (loss)		6,837,641	(3,512,693)
Adjustments to reconcile comprehensive loss to net cash generated			
Defined benefit expense	28	(2,721,000)	8,177,000
Depreciation	5, 12(b)	2,039,982	1,989,336
Bad debts	4(b)	-	298,947
Loss on disposal of fixed assets		-	4,697
Gain on revaluation of investment property	7, 9	(200,000)	(100,000)
Prior period adjustments		13,701	(220,395)
Defined benefit payments		351,000	334,000
Other non-cash adjustments		-	(191,856)
Net changes in working capital			
Decrease in accounts receivable		(375,125)	(410,063)
(Decrease) increase in inventory		(148,259)	62,798
Decrease in prepaid expenses		(99,078)	(175,765)
Decrease in other receivables and deposits		(551,290)	(28,160)
Increase in accounts payable and accrued expenses		397,501	342,253
Net Cash Provided by Operating Activities		5,545,073	6,570,099
CASH FLOWS USED IN INVESTING ACTIVITIES			
Procurement of property, plant and equipment	5	(6,112,414)	(659,159)
Construction in progress	5	(338,993)	(27,900)
Proceeds from insurance settlement		-	(98,720)
Net Cash Used in Investing Activities		(6,451,407)	(785,779)
CASH FLOWS USED IN FINANCING ACTIVITIES			
Defined benefit payment for active enrolees	11	(351,000)	(334,000)
Principal lease payments		(136,973)	(106,171)
Net Cash Used in Financing Activities		(487,973)	(440,171)
Net (decrease) increase in cash and cash equivalents		(1,394,307)	5,344,149
Cash and cash equivalents at the beginning of the year	4(a)	18,730,565	13,386,416
Cash and cash equivalents at the end of year	4(a)	17,336,258	18,730,565

The accompanying notes on pages 8-47 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 2025
(Stated in Cayman Islands dollars)

	Retained Earnings (Restated) \$	Revaluation Reserve \$	Total (Restated) \$
Beginning balance 1 January 2024, as previously reported	16,662,867	37,438,374	54,101,241
Prior year impact of post-retirement health care valuation, December 2025	(4,486,000)	-	(4,486,000)
Beginning balance 1 January 2024, as restated	12,176,867	37,438,374	49,615,241
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	(3,512,693)	-	(3,512,693)
Ending balance 31 December 2024 (restated)	8,782,267	37,438,374	46,220,641
Beginning balance 1 January 2025 (restated)	8,782,267	37,438,374	46,220,641
Prior year adjustments:			
Payments made on defined obligation for the current beneficiaries	351,000	-	351,000
Net corrections	(25,940)*	-	(25,940)
Total comprehensive income	6,837,641	-	6,837,641
Ending balance 31 December 2025	15,944,968	37,438,374	53,383,342

The accompanying notes on pages 8-47 form an integral part of these financial statements.

* This amount mainly consists of adjustments for closing of prior year accounts receivable and accounts payable \$25,940 (2024: insurance \$193,141, closing of prior year accounts receivable and accounts payable \$41,980 and audit fee write off (\$6,074)).

PORT AUTHORITY OF THE CAYMAN ISLANDS
Notes to the Financial Statements

For the financial year ended 31 December 2025
(Stated in Cayman Islands dollars)

1. Establishment and principal activities

The Port Authority of the Cayman Islands (the “Port Authority”) is a statutory body established on 15 September 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 2025, the Port Authority had 199 employees (2024: 184 employees). The Head Office is located at the Port Authority Building on 113 Seafarers Way, P.O. Box 1358 GT, Grand Cayman, whereas the 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. The land and buildings, investment property and right of use assets are reported at revalued amounts less subsequent depreciation where applicable.

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.

PORT AUTHORITY OF THE CAYMAN ISLANDS
Notes to the Financial Statements

For the financial year ended 31 December 2025
(Stated in Cayman Islands dollars)

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

A financial asset is classified as any asset that is cash, a contractual right to receive cash or another financial asset, exchange financial instruments under conditions that are potentially favourable or an equity instrument of another enterprise. Financial assets in the Port Authority's financial statements comprise of cash and cash equivalents, accounts receivable, other receivables and deposits.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial instrument or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable. Financial liabilities in the Port Authority's financial statements comprise accounts payable and accrued expenses.

(i) Classification

Financial assets are classified into one of three categories: amortized cost, fair value through other comprehensive income ("FVOCI") and fair value through profit or loss ("FVTPL"). The classification of financial assets is based on the business model in which a financial asset is managed and its contractual cash flow characteristics. The Port Authority's financial assets are all classified as amortized cost.

Financial liabilities are classified as either at FVTPL or amortized cost. The Port Authority's financial liabilities are all classified as amortized cost.

(ii) Measurement

At initial recognition, the Port Authority measures a financial asset at its fair value plus, in the case of financial assets not measured at FVTPL or FVOCI, transaction costs that are directly attributable to the acquisition of the financial asset. At initial recognition, the Port Authority measures a financial liability at its fair value less, in the case of financial liabilities not measured at FVTPL, transaction costs that are directly attributable to the financial liability. Transaction costs of financial instruments carried at FVTPL or FVOCI are expensed in the Statement of Comprehensive Income (Loss).

Financial instruments classified at amortized cost are subsequently measured at amortized cost using the effective interest method.

PORT AUTHORITY OF THE CAYMAN ISLANDS
Notes to the Financial Statements

For the financial year ended 31 December 2025
(Stated in Cayman Islands dollars)

3. Significant accounting policies (continued)

(c) Financial instruments (continued)

(iii) Impairment

In assessing impairment relating to financial assets, the Port Authority employs a simplified approach and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating the lifetime expected credit losses, the Port Authority uses its historical loss rates, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Any impairment impact recognized during the year is recorded in the Statement of Comprehensive Income (Loss).

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Port Authority currently has a legally enforceable right to set off the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously. As at 31 December 2025 and 2024, there were no financial assets or financial liabilities with offsetting arrangements.

(v) De-recognition

A financial asset is de-recognized when the Port Authority realizes the rights to the benefits specified in the contract or loses control over any right that compromise that asset. A financial liability is de-recognized when it is extinguished, that is, when the obligation is discharged, cancelled, or expired.

(d) Cash & cash equivalents

Cash and cash equivalents comprise cash, bank balances and short-term deposits, with original maturities of three months or less, held with reputable financial institutions in the Cayman Islands.

(e) 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.

PORT AUTHORITY OF THE CAYMAN ISLANDS
Notes to the Financial Statements

For the financial year ended 31 December 2025
(Stated in Cayman Islands dollars)

3. Significant accounting policies (continued)

(e) Property, plant and equipment (continued)

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 the 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.

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 to the asset’s carrying amount. Gains and losses on disposals are reported net in the Statement of Comprehensive Income.

PORT AUTHORITY OF THE CAYMAN ISLANDS
Notes to the Financial Statements

For the financial year ended 31 December 2025
(Stated in Cayman Islands dollars)

3. Significant accounting policies (continued)

(e) Property, plant and equipment (continued)

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 2025, the land and buildings and investment property were reported at revalued amounts less subsequent depreciation where applicable. This value was determined by independent appraisers.

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(k)) 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 recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

(f) 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.

Right-of-use asset and lease liability are recognized 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 the commencement date to the end of the lease term.

The lease liability initially measured at the present value of the lease payments that are not paid at the commencement date, is discounted using the Authority’s incremental borrowing rate.

PORT AUTHORITY OF THE CAYMAN ISLANDS
Notes to the Financial Statements

For the financial year ended 31 December 2025
(Stated in Cayman Islands dollars)

3. Significant accounting policies (continued)

(g) 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 derecognized 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 derecognized.

(h) 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 recognized 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 into the Cayman Islands dollars at the foreign exchange rates at the dates that the fair values were determined.

(i) Provision for expected credit losses of trade receivables

The Authority uses simplified loss rate model for trade receivables. 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 trade receivables being short-term in nature and the loss rate reflects the current and future outlook of the portfolio.

(j) 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.

(k) 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

PORT AUTHORITY OF THE CAYMAN ISLANDS
Notes to the Financial Statements

For the financial year ended 31 December 2025
(Stated in Cayman Islands dollars)

3. Significant accounting policies (continued)

(k) Inventory (continued)

change. There was no provision for obsolescence in the year ended 31 December 2025 or 31 December 2024.

(l) 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.

(ii) Passenger fees

In accordance with Port (Amendment) Regulations, 2024, the Port Authority charges the owners or agents of every ship a passenger fee of \$5.74 for every passenger appearing on the manifest as passenger fee.

(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 expenses.

(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.

(m) Expenses

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

PORT AUTHORITY OF THE CAYMAN ISLANDS
Notes to the Financial Statements

For the financial year ended 31 December 2025
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3. Significant accounting policies (continued)

(n) Borrowing costs

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

(o) 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.

(p) 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 2025. The Authority has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- Lack of exchangeability – Amendments to IAS 21

For annual reporting periods beginning on or after 1 January 2025, *Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates* specifies 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 did not have a material impact on the Authority’s financial statements.

(q) 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.

Effective for periods beginning on or after 1 January 2026

- *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.

PORT AUTHORITY OF THE CAYMAN ISLANDS
Notes to the Financial Statements

For the financial year ended 31 December 2025
(Stated in Cayman Islands dollars)

3. Significant accounting policies (continued)

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

- *IFRS 18 Presentation and Disclosure in Financial Statements (continued)*

The standard requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and it also 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, are 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. The initial expected material impacts on the Authority’s financial statements are, as follows:

- Rental income, change in fair value from investment properties and share of profit or an associate and a joint venture will be classified in the investing category within the statement of profit or loss.
- Foreign exchange difference will be classified in the category where the related income and expense form the item giving rising to the foreign exchange difference.
- New disclosure will be added: (a) management-defined performance measures; (b) specified expense by nature if expenses are presented by function in the operating category of the statement of profit or loss; and (c) a reconciliation for each line item in the statement of profit or loss between the restated amounts presented applying IFRS 18 and the amounts previously presented applying IAS 1.
- Interest received and interest paid will be classified in the investing activities and financing activities, respectively, on the statement of cash flows.

- *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

For the financial year ended 31 December 2025
(Stated in Cayman Islands dollars)

3. Significant accounting policies (continued)

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

- IFRS 19 *Subsidiaries without Public Accountability: Disclosures* (continued)

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.

- Amendments to the Classification and Measurement of Financial Instruments—Amendments to IFRS 9 and IFRS 7*

In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

- A clarification that a financial liability is derecognized on the ‘settlement date’ and the introduction of an accounting policy choice (if specific conditions are met) to derecognize financial liabilities settled using an electronic payment system before the settlement date
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed
- Clarifications on what constitute ‘non-recourse features’ and what are the characteristics of contractually linked instruments
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI)

The Amendments are effective for annual periods starting on or after 1 January 2026 with early adoption permitted for classification of financial assets and related disclosures only. The Authority does not anticipate that the amendments will have a material effect on the financial statements.

- Annual Improvements to IFRS Accounting Standards – Volume 11*

In July 2024, the IASB issued nine narrow scope amendments as part of its periodic maintenance of IFRS accounting standards. The amendments include clarifications, simplifications, corrections or changes to improve consistency in IFRS 1 *First-time Adoption of International Financial Reporting Standards*, IFRS 7 *Financial instruments: Disclosure and its accompanying Guidance on implementing IFRS 7*, IFRS 9 *Financial Instruments*, IFRS 10 *Consolidated Financial Statements* and IAS 7 *Statements of Cash Flows*.

For the financial year ended 31 December 2025
(Stated in Cayman Islands dollars)

3. Significant accounting policies (continued)

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

- Annual Improvements to IFRS Accounting Standards – Volume 11* (continued)

The amendments will be effective for reporting periods beginning on or after 1 January 2026. Earlier application is permitted and must be disclosed.

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

- Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7*

In December 2024, the IASB issued Amendments to IFRS 9 and IFRS 7 - *Contracts Referencing Nature dependent Electricity*. The amendments apply only to contracts that reference nature-dependent electricity; the amendments:

- Clarify the application of the ‘own-use’ requirements for in-scope contracts
- Amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts
- Add new disclosure requirements to enable investors to understand the effect of these contracts on a company’s financial performance and cash flows

The amendments will take effect for annual reporting periods starting on or after 1 January 2026. Early adoption is allowed, but it must be disclosed. The amendments concerning the own-use exception are to be applied retrospectively, while the hedge accounting amendments should be applied prospectively to new hedging relationships designated from the initial application date. Additionally, the IFRS 7 disclosure amendments must be implemented alongside the IFRS 9 amendments. If an entity does not restate comparative information, it cannot present comparative disclosures.

The Authority does not expect that the amendments will have a material impact on its financial statements.

(r) *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.

PORT AUTHORITY OF THE CAYMAN ISLANDS
Notes to the Financial Statements

For the financial year ended 31 December 2025
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4. (a) Cash and cash equivalents

	Dec 2025	Dec 2024
	\$	\$
Short-term deposits	13,564,259	12,106,161
Bank balance	3,771,999	6,624,404
Cash and cash equivalents	17,336,258	18,730,565

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 \$78,642 (2024: \$105,640) representing deposits held on escrow for tenants of renting the Port Authority’s investment property.

The Port Authority has an overdraft facility of CI\$250,000 (2024: CI\$250,000) and two (2024: two) corporate credit cards with a total credit limit of US\$50,000 (2024: US\$50,000). At 31 December 2025, the outstanding balance was \$172 (2024: \$412).

(b) Accounts receivable

	Dec 2025	Dec 2024
	\$	\$
Accounts receivable	3,190,168	2,976,118
Provision for expected credit losses	(427,121)	(588,196)
Accounts receivable, net	2,763,047	2,387,922

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 2025			Dec 2024		
	Gross	Expected Credit Losses	Net	Gross	Expected Credit Losses	Net
Past due up to 45 days	2,407,070	-	2,407,070	2,116,577	-	2,116,577
Past due 46- 90 days	128,545	-	128,545	84,522	-	84,522
Past due over 90 days	654,553	(427,121)	227,432	775,019	(588,196)	186,823
Total	3,190,168	(427,121)	2,763,047	2,976,118	(588,196)	2,387,922

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Notes to the Financial Statements

For the financial year ended 31 December 2025
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4. (b) Accounts receivable (continued)

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. The 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 trade 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 2025	Actual Dec 2024
	\$	\$
Balance at 1 January	588,196	294,206
Increase / (decrease) in provisions during the year	(161,075)	293,990
Balance at 31 December	427,121	588,196

Bad debt for the year is \$nil (2024: \$298,947) due to decrease (2024: increase) in credit loss provision and bad debt written off. The decrease is recognized as other income of \$161,075.

	Dec 2025	Dec 2024
	\$	\$
Increase in provision for expected credit loss	-	293,991
Bad debt written off	-	4,956
Balance at 31 December	-	298,947

4. (c) Inventory

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

	Dec 2025	Dec 2024
	\$	\$
Service parts and consumables	1,934,921	1,757,717
Diesel	35,288	64,233
Total	1,970,209	1,821,950

PORT AUTHORITY OF THE CAYMAN ISLANDS
Notes to the Financial Statements

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(Stated in Cayman Islands dollars)

4. (d) Prepaid expenses

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

	Dec 2025	Dec 2024
	\$	\$
Unamortized accrued insurance benefit	263,376	242,686
Firewall licence renewal	185,537	102,149
Rent (Accrued prepayment)	-	5,000
Total	448,913	349,835

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 2026 financial year.

	Dec 2025	Dec 2024
	\$	\$
Deposits for assets and expenses	703,566	152,276

5. Property, plant and equipment

	Freehold Land	Docks and Buildings	Other Assets	Construction In Progress	Total
	\$	\$	\$	\$	\$
Book Value					
Beginning balance at 31 Dec 2024	41,625,000	24,858,584	18,961,769	95,312	85,540,665
Additions	-	425,323	5,717,026	338,993	6,481,342
Disposals	-	-	-	-	-
Transfers	-	-	-	(21,146)	(21,146)
Closing balance at 31 Dec 2025	41,625,000	25,283,907	24,678,795	413,159	92,000,861
Accumulated Depreciation					
Beginning balance at 31 Dec 2024	-	5,353,016	12,210,477	-	17,563,493
Charge for the year	-	1,371,556	561,851	-	1,933,407
Disposals	-	-	-	-	-
Transfers	-	-	-	-	-
Closing balance at 31 Dec 2025	-	6,724,572	12,772,328	-	19,496,900
Net Book Value					
Closing balance at 31 Dec 2025	41,625,000	18,559,335	11,906,467	413,159	72,503,961
Closing balance at 31 Dec 2024	41,625,000	19,505,568	6,751,292	95,312	67,977,172

PORT AUTHORITY OF THE CAYMAN ISLANDS
Notes to the Financial Statements

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5. Property, plant and equipment (continued)

Depreciation Summary	Dec 2025	Dec 2024
	\$	\$
Buildings	1,371,555	1,351,197
Cranes, fleet, plant and equipment	497,284	462,006
Computer equipment and software	64,568	76,651
Right of use assets	106,575	99,482
Total depreciation expense	2,039,982	1,989,336

Analysis of Other Assets

	Vehicles & Equipment	Computer Equipment	Computer Software	Equipment & Furniture	Lights & Buoys	Loose Tools	Total
	\$	\$	\$	\$	\$	\$	\$
Book Value							
At 31 Dec 2024	13,615,606	983,634	1,537,398	1,896,905	709,563	218,663	18,961,769
Additions	5,311,416	121,153	-	254,969	-	29,488	5,717,026
Disposals	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
At 31 Dec 2025	18,927,022	1,104,787	1,537,398	2,151,874	709,563	248,151	24,678,795
Accumulated Depreciation							
At 31 Dec 2024	7,392,734	742,280	1,537,398	1,679,539	662,246	196,279	12,210,477
Charge for the year	378,510	64,886	-	100,926	5,011	12,518	561,851
Disposals	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
At 31 Dec 2025	7,771,244	807,166	1,537,398	1,780,466	667,257	208,797	12,772,328
Book Value							
At 31 Dec 2025	11,155,778	297,621	-	371,408	42,306	39,354	11,906,467
At 31 Dec 2024	6,222,872	241,354	-	217,366	47,317	22,384	6,751,292

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Notes to the Financial Statements

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6. Capitalization of leases

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

	Net Present Value	Accumulated Depreciation	Fair value 2025	Fair value 2024
Description	\$	\$	\$	\$
Unit A, Storage Unit	100,086	68,258	31,828	59,131
Unit B, Storage Unit	130,809	99,683	31,126	57,287
South Terminal (14BHP135)	485,824	115,071	370,753	423,863
Total	716,719	283,012	433,707	540,281

	Net Present Value	Principal Payments	Lease Liability 2025	Lease Liability 2024
Description	\$	\$	\$	\$
Unit A, Storage Unit	178,812	141,397	37,415	64,173
Unit B, Storage Unit	130,809	93,487	37,322	63,106
South Terminal (14BHP135)	817,913	438,358	379,555	415,555
Total	1,127,534	673,242	454,292	542,834

Current and non-current lease liability are shown below.

	Dec 2025	Dec 2024
	\$	\$
Current lease liability	119,846	118,942
Non-current lease liability	334,446	423,892
Total	454,292	542,834

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 the Lands and Survey Department, with an effective revaluation date of 31 December 2025, in accordance with IAS 40. The revaluation shows an increase in investment property value from \$9,100,000 at 31 December 2024 to \$9,300,000 at 31 December 2025, a gain of \$200,000.

PORT AUTHORITY OF THE CAYMAN ISLANDS
Notes to the Financial Statements

For the financial year ended 31 December 2025
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7. Revaluation of land, buildings and investment property (continued)

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: - 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.
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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:

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Notes to the Financial Statements

For the financial year ended 31 December 2025
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7. Revaluation of land, buildings and investment property (continued)

Fair Value Measurements (continued)

Assets and Fair Values as at 31 December 2025:

	Level 1	Level 2	Level 3	Total
Land and buildings	-	60,184,335	-	60,184,335
Investment property	-	9,300,000	-	9,300,000
Total	-	69,484,335	-	69,484,335

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 1 January 2021. Except for the revaluation of investment property at 31 December 2025, there was no such revaluation of the assets during the financial year ended 31 December 2025.

8. Capital work in progress

	Dec 2025	Dec 2024
	\$	\$
Others	413,159	95,312
Total	413,159	95,312

9. Investment property

	Buildings
	\$
Beginning balance at 31 December 2024	9,100,000
Additions during the year	-
Changes in fair value at 31 December 2025	200,000
Ending balance at 31 December 2025	9,300,000
Ending balance at 31 December 2024	9,100,000

Investment Property is reported under IAS 40, using the fair value basis. Investment Property consists of retail shops which are leased. This is 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 \$200,000 (2024: increase of \$100,000) in the fair value of the Investment Property upon revaluation by Lands and Survey Department for value date 31 December 2025.

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9. Investment property (continued)

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	1,284,879
Direct Operating Expenses arising from Investment Property (i) that generated the income	(865,005)
Net Income	419,874

i. This represents repairs and maintenance expenses of \$387,772, contracted services of \$360,961 and utilities of \$116,272 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 \$742,786 (2024: \$625,990) of the total \$2,920,027 (2024: 2,522,526) pertains to payables occurring in the normal course of business. \$994,189 (2024: \$970,428) represents amount owed to the Government for insurance coverage.

A total of \$1,183,052 (2024: \$926,108), 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.

	Dec 2025	Dec 2024
Detail	\$	\$
Creditors	1,736,975	1,596,418
Accruals and staff benefits	989,705	671,873
Provisions and other accruals	102,098	137,838
Escrow deposits	91,249	116,397
Total	2,920,027	2,522,526

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11. Defined benefit 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 \$48,702,000 at the end of the financial year 31 December 2025 (2024: \$51,774,000). 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 the 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 \$48,702,000 (2024: 51,774,000) is unfunded; the monthly savings will begin to offset the liability in the coming years. At 31 December 2025, the savings totalled \$2,263,793 (2024: \$1,963,793).

The Port Authority also currently pays a monthly pension to a small number of retirees or their dependent (spouse). As of 31 December 2025, there was 1 retiree dependent (2024: 1).

Management does not consider the pension paid to retired workers to be material, as the retirees currently receive a combined \$9,121 per annum (2024: \$10,947). This benefit will not pass to their estate.

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

Plan Name	Port Authority of the Cayman Islands	
	31 Dec 2025	31 Dec 2024 (Restated)
Financial year ending on		
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	51,774,000	43,931,000
2. Service cost		
a. Current service cost	1,539,000	1,207,000
b. Past service cost	(391,000)	819,000
c. (Gain) / loss on settlements	-	-
3. Interest expense	2,846,000	2,244,000
4. Cash flows		
d. Benefit payments from plan assets	-	-
e. Benefit payments from employer	(351,000)	(334,000)
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	(11,290,000)	8,160,000
b. Effect of changes in financial assumptions	5,215,000	(3,910,000)
c. Effect of experience adjustments	(640,000)	(343,000)
7. Effect of changes in Foreign exchange rates		-
8. Defined benefit obligation at the end of year	48,702,000	51,774,000
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	351,000	334,000
iii. Employer direct settlement payments	-	-
b. Participant contributions	-	-
c. Benefit payments from plan assets	-	-
d. Benefit payments from employer	(351,000)	(334,000)
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	-	-

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

Plan Name	Port Authority of the Cayman Islands	
	31 Dec 2025	31 Dec 2024 (Restated)
Financial period ending on		
C. Change in asset ceiling/onerous liability		
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	48,702,000	51,774,000
7. Fair value of plan assets	-	-
8. Funded status	48,702,000	51,774,000
9. Effect of asset ceiling/onerous liability	-	-
10. Net defined benefit liability/(asset)	48,702,000	51,774,000
E. Components of defined benefit cost		
1. Service cost		
a. Current service cost	1,539,000	1,207,000
b. Past service cost	(391,000)	819,000
c. (Gain) / loss on settlements	-	-
d. Total service cost	1,148,000	2,026,000
2. Net interest cost	2,846,000	2,244,000
a. Interest expense on Defined Benefit Obligation (DBO)	-	-
b. Total net interest cost	2,846,000	2,244,000
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)	3,994,000	4,270,000
6. Remeasurements (recognized in the other comprehensive income)		
a. Effect of changes in demographic assumptions	(11,290,000)	8,160,000
b. Effect of changes in financial assumptions	5,215,000	(3,910,000)
c. Effect of experience adjustments	(640,000)	(343,000)
d. Total remeasurement included in Other Comprehensive Income (OCI)	(6,715,000)	3,907,000
7. Total defined benefit cost recognized in P&L and OCI	(2,721,000)	8,177,000
F. Net defined benefit liability/(asset) reconciliation		
1. Net defined benefit liability/(asset)		
2. Defined benefit cost included in P&L	51,774,000	43,931,000
3. Total remeasurement included in OCI	3,994,000	4,270,000
4. Other significant events	(6,715,000)	3,907,000
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	(351,000)	(334,000)
6. Net defined benefit liability/(asset) at end of year	48,702,000	51,774,000

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

Plan Name	Port Authority of the Cayman Islands	
	31 Dec 2025	31 Dec 2024 (Restated)
Financial period ending on		
G. Defined benefit obligation		
1. Defined benefit obligation by participant status		
a. Actives	40,689,000	42,158,000
b. Vested differed	-	-
c. Retirees	8,013,000	9,616,000
d. Total	48,702,000	51,774,000
H. Significant actuarial assumptions		
<i>Weighted-average assumptions to determine defined benefit obligations</i>		
Effective discount rate for defined benefit obligation	5.85%	5.75%
Health care cost trend rates		
Immediate trend rate	7.51%	5.17%
Ultimate trend rate	4.00%	4.00%
Year rate reaches ultimate trend rate	2048	2045
Mortality assumption	RP-2014/MP20	RP-2014/MP20
<i>Weighted-average assumptions to determine defined benefit cost</i>		
Effective discount rate for defined benefit obligation	5.75%	5.20%
Effective rate for net interest	5.56%	5.16%
Effective discount rate for service cost	5.90%	5.20%
Effective rate for interest on service cost	5.85%	5.19%
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
I. Sensitivity analysis		
<i>Change in the defined benefit obligation</i>		
Effective discount rate - 25 basis points	1,940,000	1,573,000
Effective discount rate + 25 basis points	(1,843,000)	(1,504,000)
Health care cost trend rates – 100 basis points	(4,184,000)	(2,503,000)
Health care cost trend rates + 100 basis points	3,865,000	2,298,000
Mortality assumption + 10%	(1,140,000)	(818,000)
J. Expected cash flows for following year		
1. Expected employer contributions	812,000	1,179,000
2. Expected total benefit payments		
Year 1	812,000	1,179,000
Year 2	1,000,000	1,301,000
Year 3	1,170,000	1,474,000
Year 4	1,369,000	1,703,000
Year 5	1,564,000	1,947,000
Next 5 years	11,783,000	13,580,000

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11. Defined benefit 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, 2025 - Dec 31, 2024	5.85% per annum 5.75% 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, 2025 - Dec 31, 2024	6.10% per annum 5.90% per annum	
Rate of medical inflation used to determine 31 December 2025 benefit obligation (p.a.)	Medical (other than drugs): 7.00% in 2024 grading down to 4.00% per annum in and after 2048 Drugs:12% in 2024 grading down to 4.00% per annum in and after 2048. Dental and Vision: 4.00%	
Rate of medical inflation used to determine 31 December 2024 benefit obligation (p.a.)	5.18% in 2024 (5.17% per annum in 2025) 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
Administration expenses used to determine 31 December 2025 defined benefit obligation	33.3% of claims	Based on target loss ratio of 75%
Administration expenses used to determine 31 December 2024 defined benefit obligation	33.3% of claims	Based on target loss ratio of 75%

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11. Defined benefit 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 31 December 2025 benefit obligation	Scale MP -2021	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-2021.
Mortality improvements used to determine 31 December 31 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.
Turnover rates	See below ***	
Disability rates	None assumed	
Retirement Age	Age 60	
2025 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 were excluded due to the impact of the Covid 19 pandemic on claiming patterns. Claims were adjusted to average age 65 using Mercer US aging assumptions.
2024 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 December 2019. 2020 and 2021 claims experience were excluded due to the impact of the pandemic on claims patterns.
Aging factors 2025	Cayman-specific healthcare aging assumptions	Based on analysis of Cayman Islands resident healthcare utilization
Aging factors 2024	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%

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

During the year, the Port Authority changed the basis of calculations of the defined benefit liability using the employees claim data as well as the CIG retirement table. These changes impact the liability as determined by the actuaries but given that they are change in estimates, they are prospective in application, in accordance with IFRS. The net impact on the remeasurement of the defined benefit liability arising from the change in assumption is \$10,622,00, as shown below:

Remeasurements in 2025	Note	Pre-adjustment \$	Post-adjustment \$	Difference / Impact \$
Change in demographic assumptions		790,000	(11,290,000)	(12,080,000)
Change in financial assumptions		3,776,000	5,215,000	1,439,000
Change in experience adjustments	11, 28	(659,000)	(640,000)	19,000
Net impact on Remeasurement		3,907,000	(6,715,000)	(10,622,000)

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 the core Government unless otherwise directed by Cabinet, after written consultation with the Board. In prior years, the 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 2025.

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 2024, 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 as 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 the 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 2025 financial year will be set at 0% (2024: 0%) and that no capital charge will be payable for 2025 (2024: \$0). Going forward, the Authority may be required to pay a capital charge in accordance with the PAA.

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12. Contingencies and commitments (continued)

a) Leases

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

	Dec 2025 \$	Dec 2024 \$
Depreciation charge for right-of-use	106,575	106,574
Interest expense on lease liabilities	30,399	11,894
Total cash outflow for leases	136,974	118,468

b) Liability to Cayman Islands Government

The following pertains to the 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	31,046	7,935	-
Unit B, Storage Unit	130,809	28,800	4,800	-
South Terminal (14BHP135)	817,913	60,000	240,000	170,000
Total	1,127,534	119,846	252,735	170,000

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 are enjoyed by the lessor. Consequently, the Port Authority has no receivable to book in the statement of financial position as at 31 December 2025 as well as at 31 December 2024.

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For the financial year ended 31 December 2025
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12. Contingencies and commitments (continued)

c) Operating Lease (continued)

The following pertains to timing of contractual payment:

	Less than 1 year	2 – 5 years	More than 5 years	Total
Description	\$	\$	\$	\$
Security	1,034,008	3,791,363	-	4,825,371
Janitorial	245,928	450,868	-	696,796
Legal	40,334	-	-	40,334
Stevedore contract- CYB	27,000	-	-	27,000
Total	1,347,270	4,242,231	-	5,589,501

d) Legal Proceedings against the Authority

- (i) On 4 November 2022, PACI received a letter from attorneys representing a member of staff. This correspondence gave rise 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 2025, the Attorney General’s chambers applied to strike out the Plaintiff’s claim. In February 2026, the strike-out application was dismissed, and it was agreed to take the matter to trial. The amended claim against PACI is \$470,722 plus other unquantified alleged damages.
- (ii) 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 2024. On 29 December 2024, a letter was received from the attorneys. A meeting in January 2025 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 a Writ and Statement of Claim. On 17 July, PACI filed a Reply and Defence to Set-Off. Tom Lowe KC advised that the limitation defence has merit. Notice of Court Action for claims totalling \$2.8 million. PACI’s counterclaim is approximately \$2.3 million.

e) Capital equipment on order and professional services engaged

Outstanding amounts due to capital equipment on order and professional services engaged is \$1,183,956. These are expected to be settled in the next year.

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13. Related party transactions

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

- a) Insurance coverage for property, motor, workers’ compensation, and other risks is provided through the Cayman Islands government for an annual premium of \$988,327 (2024: \$887,386). 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 \$973,498 (2024: \$887,386) in the Statement of Comprehensive Income represents the amortized estimated insurance premium for the period 1 January to 31 December 2025.

- b) A director is the principal of Miracle Brokers Ltd and Aeropost GCM Ltd, from which the Port Authority earned \$106,667 (2024: \$88,813) and \$46 (2024: \$209), respectively in 2025, with unpaid balance of \$327 (2024: \$6,617) and \$46 (2024: (\$333.31)), respectively at the end of the financial year.

The Port Authority also incurred expenditure of \$106,667 for the year (2024: \$40,240) with a balance of \$0 at the end of 2025 (2024: (\$7,512)). The outstanding amount 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 2025, there are two (2) full-time executive management personnel on open-ended employment agreements (2024: 3), and one (1) on a fixed-term contract (2024: 1). One (1) executive management personnel retired during the financial year. 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 those provided for all employees. Total remuneration (including benefits) for executive management in 2025 was \$891,944 (2024: \$764,630).

	Dec 2025	Dec 2024
	\$	\$
Salaries	776,158	680,786
Pension	75,307	49,499
Medical	34,864	31,980
Life Insurance	5,615	2,365
Total remuneration (including benefits)	891,944	764,630

- d) Board members

There are 10 members on the Port Authority’s board (2024: 10); of those, only 7 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

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13. Related party transactions (continued)

- d) Board members (continued)
- One board member receives an additional \$344 per meeting (2024: \$344) attended for travel, car, and accommodation allowance. The total fees and expenses paid for the eligible members for the year ended 31 December 2025 were \$144,364 (2024: \$127,961).
- e) Royal Watler Cruise Terminal (RWCT) Tenants
- As at 31 December 2025, rental income earned from government entities totalled \$46,408 (2024: \$46,408).

14. Fair value disclosure

At 31 December 2025, 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 are non-interest-bearing obligations for post-employment health care. The carrying amount of these obligations represents the discounted liability and is adjusted each year through 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.

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15. Financial instruments and associated risks

The Port Authority’s activities expose it to various risks. 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 recognized 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 its customers’ financial condition but generally does not require collateral.

The Port Authority invests its available cash and cash equivalents with two financial institutions. 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 financial institutions and the debtors to renege on their obligations, due to the soundness of the financial institutions and the credit checks done by the Port Authority. When bad debts are identified, they are expensed.

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

	Dec 2025	Dec 2024
	\$	\$
Financial assets		
Cash and cash equivalents	17,336,258	18,730,565
Accounts receivable	2,763,047	2,387,922
Other receivables, prepaids and deposits	1,152,479	502,111
Total financial assets	21,251,784	21,620,598
Non-financial assets	-	-
Total assets exposed to credit risks	21,251,784	21,620,598

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15. Financial instruments and associated risks (continued)

Concentration of credit risk (continued)

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

	Neither past due nor impaired	Past due but not impaired	Impaired	Total
As at 31 December 2025	\$	\$	\$	\$
Cash and cash equivalents	17,336,258	-	-	17,336,258
Accounts receivable	-	3,190,168	(427,121)	2,763,047
Other receivables, prepaids and deposits	1,152,479	-	-	1,152,479
Total assets exposed to credit risks	18,488,737	3,190,168	(427,121)	21,251,784
	Neither past due nor impaired	Past due but not impaired	Impaired	Total
As at 31 December 2024	\$	\$	\$	\$
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

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

	Up to 45 days	46 to 90 days	91 to 120 days	Over 120 days	Total
As at 31 December 2025	\$	\$	\$	\$	\$
Expected credit loss rate	63%	4%	1%	7%	
Estimated total gross carrying amount at default	1,868,771	128,545	42,376	612,177	2,651,869
Expected credit loss	209,145	9,763	4,868	424,973	648,749
	Up to 45 days	46 to 90 days	91 to 120 days	Over 120 days	Total
As at 31 December 2024	\$	\$	\$	\$	\$
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

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15. Financial instruments and associated risks (continued)

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 31 December 2025 and 31 December 2024.

	Contractual cash flows (undiscounted)				
	Carrying amount	No stated maturity	0 – 1 yr.	1 – 2 yrs.	> 2 yrs.
31 December 2025	\$	\$	\$	\$	\$
Financial assets					
Cash and cash equivalents	17,336,258	-	17,336,258	-	-
Accounts receivable	2,763,047	-	2,763,047	-	-
Other receivables, prepaids and deposits	1,152,479	-	1,152,479	-	-
Total	21,251,784	-	21,251,784	-	-
Short-term liabilities					
Accounts payable	2,920,027	-	2,920,027	-	-
Loans repayable within 12 months	-	-	-	-	-
Total	2,920,027	-	2,920,027	-	-
Difference in contractual cash flows	18,331,757	-	18,331,757	-	-

	Contractual cash flows (undiscounted)				
	Carrying amount	No stated maturity	0 – 1 yr.	1 – 2 yrs.	> 2 yrs.
31 December 2024	\$	\$	\$	\$	\$
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 payables	2,522,526	-	2,522,526	-	-
Other liabilities repayable within 12 months	-	-	-	-	-
Total	2,522,526	-	2,522,526	-	-
Difference in contractual cash flows	19,098,072	-	19,098,072	-	-

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15. Financial instruments and associated risks (continued)

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 2025	Dec 2024
	\$	\$
Cargo dues	17,441,970	16,976,813
Crane fees	3,570,150	3,372,950
Storage charges	2,481,516	2,538,137
Trucking fees	2,179,101	2,136,478
Empty container handling and storage	414,338	402,697
Cargo handling charges	184,337	136,738
Other fees	138,219	134,235
Total cargo handling income	26,409,631	25,698,048

17. Cruise ship passenger fees

The Port Authority collects a passenger fee of \$5.74 (2024: \$5.74) per manifested cruise passenger. During the period 1 January 2025 to 31 December 2025, the Cayman Islands recorded 1,081,143 cruise passenger arrivals (2024: 1,082,498) giving rise to passenger fees of \$6,205,761 (2024: \$6,213,539).

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18. Maritime services

Maritime services is comprised of the following:

	Dec 2025	Dec 2024
	\$	\$
Berthing fees	548,697	538,362
Overtime worked	513,467	320,670
Dock usage surcharge	318,300	265,640
Line handling	187,400	176,850
Cruise ship tender dues	43,481	40,215
Navigation aids	27,526	26,056
Hire of equipment	10,550	6,800
Lay-up anchorage fees	1,844	-
Total maritime services income	1,651,265	1,374,593

19. Other income

Other income is comprised of the following:

	Dec 2025	Dec 2024
	\$	\$
ID's, vessel inspection, miscellaneous	378,617	153,689
Proceeds from auction sale	90,083	-
Finance charges on overdue balances	59,425	134,956
Garbage fees	55,575	53,625
Container trans-shipments	49,800	30,800
Water sales (net)	9,259	10,254
Crane heavy lift	6,200	2,400
Total other income	648,959	385,724

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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 2025	Dec 2024
	\$	\$
Diesel sales	331,876	476,661
Diesel cost of sales	(150,458)	(368,789)
Net income from diesel sales	181,418	107,872

The sales are further broken down in two categories: Throughput sales and Third-party sales. With the throughput sales, the PACI allows a vendor to sell diesel fuel to 3rd parties at the dock, which results in a fixed rate concession for the Port. The other category of sales is where PACI sells directly to third parties.

	Dec 2025	Dec 2024
	\$	\$
Throughput sales	324,120	476,661
Third-party sales	7,756	-
Net income from diesel sales	331,876	476,661

21. Staff costs

	Dec 2025	Dec 2024
	\$	\$
Salary and wages	16,644,231	15,287,987
Medical insurance	2,474,965	2,179,080
Pension	1,560,290	1,411,239
Other staff costs – uniforms, training, etc.	503,248	251, 721
Total staff costs	21,182,734	19,130,027

Total pension contributions for 2025 were \$1,560,290 (2024: \$1,411,239). 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 \$53,944 (2024: \$43,035). Contributions to Silver Thatch for the financial year were \$1,494,822 (2024: \$1,368,204).

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Notes to the Financial Statements

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22. Contracted services

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

	Dec 2025	Dec 2024
	\$	\$
Security	1,073,123	1,037,825
Professional	446,173	1,067,917
Janitorial	338,140	266,242
Legal	203,263	112,623
Audit	132,000	110,000
Total contracted services	2,192,699	2,594,607

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 2025, repairs and maintenance amounted to \$3,965,253 (2024: \$3,477,104).

24. Rental income

The Port Authority owns properties that it lets to tenants for a monthly rental. The rent receipts at full occupancy are estimated at \$1,579,165 (2024: \$1,579,165) per annum. For the year ended 31 December 2025, the actual rent earned was \$1,340,487 (2024: \$1,293,363).

The lease payable by the tenant at 31 December 2025 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	1,582,175
Rental income for 2-5 years	6,328,698

25. Miscellaneous expenses

	Dec 2025	Dec 2024
	\$	\$
Miscellaneous - day/night operations	137,691	107,292
Professional association membership dues	50,528	42,170
Miscellaneous – various expense	20,975	36,656
Miscellaneous - administration	18,817	20,934
Miscellaneous - cruise and security	7,212	240
Total miscellaneous expenses	235,223	207,292

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25. Miscellaneous expenses (continued)

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

The Port Authority made \$nil donations to the F.C. International summer football camp for the year ended 31 December 2025 (2024: \$5,000 included in Miscellaneous - various expense).

26. Segment reporting statements of financial position

	Grand Cayman	Cayman Brac	Total 2025	Total 2024
	\$	\$	\$	\$
Current assets				
Cash and cash equivalents	16,933,784	402,474	17,336,258	18,730,565
Accounts receivable	2,454,045	309,002	2,763,047	2,387,922
Inventory	1,894,409	75,800	1,970,209	1,821,950
Prepaid expenses	448,913	-	448,913	349,835
Other receivables	703,566	-	703,566	152,276
Total current assets	22,434,717	787,276	23,221,993	23,442,548
Current liabilities				
Accounts payable and accrued expenses	2,867,760	52,267	2,920,027	2,522,526
Lease liability	119,846	-	119,846	-
Total current liabilities	2,987,606	52,267	3,039,873	2,522,526
Working capital	19,447,111	735,009	20,182,120	20,920,022
Plant, property and equipment	70,202,917	2,301,044	72,503,961	67,977,172
Leases-right of use land and warehouse	433,707	-	433,707	540,281
Investment property	9,300,000	-	9,300,000	9,100,000
Lease liability	(334,446)	-	(334,446)	(542,834)
Defined benefit liability-health care	(48,702,000)	-	(48,702,000)	(51,774,000)
Net assets	50,347,289	3,036,053	53,383,342	46,220,641
Represented by:				
Retained earnings	30,540,927	(14,595,959)	15,944,968	8,782,267
Asset revaluation reserve	36,748,392	689,982	37,438,374	37,438,374
Inter-branch account	(16,942,030)	16,942,030	-	-
Equity	50,347,289	3,036,053	53,383,342	46,220,641

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.

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Notes to the Financial Statements

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27. Segment reporting statements of comprehensive income

	Grand Cayman	Cayman Brac	Total 2025	Total 2024
	\$	\$	\$	\$
Operating income	34,968,396	1,469,125	36,437,521	35,073,139
Operating expenses	(29,072,072)	(1,960,863)	(31,032,935)	(28,721,212)
Depreciation	(1,781,612)	(258,370)	(2,039,982)	(1,989,336)
Gross operating profit (loss)	4,114,712	(750,108)	3,364,604	4,362,591
Other income (expense)				
Loss on disposal of fixed assets	-	-	-	(4,697)
Interest income	552,037	-	552,037	206,413
Defined benefit annual expense	(3,994,000)	-	(3,994,000)	(4,270,000)
Total other income/(expense)	(3,441,963)	-	(3,441,963)	(4,068,284)
Net loss	672,749	(750,108)	(77,359)	294,307
Other comprehensive income:				
Remeasurements-defined benefit	6,715,000	-	6,715,000	(3,907,000)
Gain on revaluation of land and buildings	-	-	-	-
Gain on revaluation of property	200,000	-	200,000	100,000
Total comprehensive loss	7,587,749	(750,108)	6,837,641	(3,512,693)
Retained Earnings	30,540,927	(13,845,851)	15,944,968	8,782,267
Revaluation reserve	36,748,392	689,982	37,438,374	37,438,374
General reserve at 31 December	67,289,319	(13,905,977)	53,383,342	46,220,641

Financial performance of Cayman Brac Operations

Cayman Brac continues to post annual losses on an annual basis. Total accumulated loss for the 2025 period was \$750,108 (2024: \$726,499) as seen in the table above. The total losses for Cayman Brac to date are reflected in the negative general reserve figure of \$13,905,977 as at 31 December 2025 (2024: (\$13,155,877)).

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

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28. Correction of prior period errors

During 2025, PACI discovered that the defined benefit liability calculated was incorrect due to the omission of lifetime administrative cost. As a consequence, the prior years defined benefit liability was understated and equity overstated. The following table summarizes the impact on the financial statements:

	Impact of correction of error		
	As previously reported		As restated
	31 December 2023	Adjustments	1 January 2024
	\$	\$	\$
Statement of Financial Position:			
Defined benefit liability	39,445,000	4,486,000	43,931,000
General equity	16,662,867	(4,486,000)	12,176,867
	Impact of correction of error		
	As previously reported		As restated
	31 December 2024	Adjustments	31 December 2024
	\$	\$	\$
Statement of Financial Position:			
Defined benefit liability	45,376,000	6,398,000	51,774,000
General equity	15,180,267	(6,398,000)	8,782,267
Statement of Comprehensive Income:			
Defined Benefit Expense	(3,879,000)	(391,000)	(4,270,000)
Remeasurement of Defined Benefit	(2,386,000)	(1,521,000)	(3,907,000)
Statement of Cash Flows:			
Comprehensive income/(loss)	(1,600,693)	(1,912,000)	(3,512,693)
Defined benefit expense	3,816,000	1,912,000	8,177,000

29. Subsequent events

Subsequent to the reporting date, on 10 February 2026, the Authority awarded a procurement contract amounting to \$604,109 in relation to the modernization of its IT infrastructure. As this commitment arose after the year-end, no adjustment has been made to the financial statements for the year ended 31 December 2025.

In addition, the Authority initiated the transfer of a parcel of land to the Crown. The transfer process commenced in 2025 and remains ongoing as at 30 April 2026. Legal title had not transferred as at 31 December 2025; accordingly, the land continues to be recognised in the financial statements. The asset will be derecognised upon completion of the legal transfer.





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