

APD LIMITED
Unaudited Interim Financial Statements

**As at September 30, 2013 and
the three months ended September 30, 2013**

APD LIMITED**(Incorporated under the laws of the Commonwealth of The Bahamas)****Unaudited Interim Statement of Financial Position****As at September 30, 2013 and June 30, 2013****(Amounts expressed in Bahamian dollars)**

	September 30, 2013 \$	June 30, 2013 \$ (Audited)
ASSETS		
Current assets		
Cash and cash equivalents	3,457,412	1,947,427
Accounts receivable	1,426,560	1,453,416
Deferred borrowing costs	-	329,485
Deposits, prepayments and other assets	610,883	504,837
Spare parts inventory	388,595	294,813
Total current assets	5,883,450	4,529,978
Non-current assets		
Property, plant and equipment	89,726,521	88,130,513
Total assets	95,609,971	92,660,491
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable	830,630	1,930,776
Due to related parties	2,036,852	1,937,194
Retention payable	152,959	562,907
Accrued expenses and other liabilities	2,441,970	1,539,355
Bridge loan (Note 6)	5,000,000	37,208,634
Total current liabilities	10,462,411	43,178,866
Non-current liabilities		
Preference shares (Note 7)	35,377,943	-
Deposits held	157,942	131,242
Total non-current liabilities	35,535,885	131,242
Total liabilities	45,998,296	43,310,108
Equity		
Share capital	49,969	49,969
Share premium	49,192,308	49,192,308
Retained earnings	369,398	108,106
Total equity	49,611,675	49,350,383
Total liabilities and equity	95,609,971	92,660,491

APD LIMITED**Unaudited Interim Statement of Comprehensive Income
For the three months ended September 30, 2013 and 2012
(Amounts expressed in Bahamian dollars)**

	2013	2012
	\$	\$
Revenue		
Landing fees	2,304,965	2,387,515
Terminal handling fees	1,123,050	1,266,901
Stevedoring fees	799,055	803,687
Gate fees	583,875	585,000
Security	471,227	482,862
Storage fees	361,390	500,360
Subleases	181,512	135,293
Hazmat fees	172,550	189,950
Reefer line	72,100	59,800
Dockage	60,281	76,226
Line handling fees	21,050	34,640
Other income	9,620	23,511
Total revenue	<u>6,160,675</u>	<u>6,545,745</u>
Expenses		
Terminal handling costs	1,020,562	1,190,873
Staff costs	1,052,116	937,258
Depreciation	686,437	537,215
Government lease	669,432	689,686
Other operating expenses	165,936	57,616
Real property tax	266,943	222,124
Repairs and maintenance	246,441	225,914
Utilities	223,087	242,345
Insurance	196,075	192,071
Legal and other professional fees	185,164	132,854
Business license	85,186	16,178
Security	51,016	180
Office supplies, postage and delivery	36,757	43,666
Company meetings and events	36,178	12,469
Bad debt expense	-	7,008
Total expenses	<u>4,921,330</u>	<u>4,507,457</u>
Operating income	<u>1,239,345</u>	<u>2,038,288</u>

APD LIMITED**Unaudited Interim Statement of Comprehensive Income (Continued)
For the three months ended September 30, 2013 and 2012
(Amounts expressed in Bahamian dollars)**

	2013 \$	2012 \$
Finance costs		
Preference share interest	(477,369)	-
Bridge loan interest	(309,280)	(521,675)
Interest income	438	545
Total finance costs, net	<u>(786,211)</u>	<u>(521,130)</u>
Disposal of property and equipment		
Loss on sale of property and equipment	(191,842)	-
Total disposal of property and equipment	<u>(191,842)</u>	<u>-</u>
Total income for the period attributable to the equity holders	<u>261,292</u>	<u>1,517,158</u>
Other comprehensive income	-	-
Total comprehensive income for the period	<u>261,292</u>	<u>1,517,158</u>
Basic and diluted income per share	<u>0.05</u>	<u>0.33</u>

APD LIMITED**Unaudited Interim Statement of Changes in Equity
For the three months ended September 30, 2013 and 2012
(Amounts expressed in Bahamian dollars)**

	<u>Share capital \$</u>	<u>Share premium \$</u>	<u>(Deficit) Retained earning \$</u>	<u>Total \$</u>
Balances at July 1, 2012	<u>49,969</u>	<u>49,192,308</u>	<u>(3,386,702)</u>	<u>45,855,575</u>
Total comprehensive income for the period	<u>-</u>	<u>-</u>	<u>1,517,158</u>	<u>1,517,158</u>
Balances at September 30, 2012	<u>49,969</u>	<u>49,192,308</u>	<u>(1,869,544)</u>	<u>47,372,733</u>
Balance at July 1, 2013	<u>49,969</u>	<u>49,192,308</u>	<u>108,106</u>	<u>49,350,383</u>
Total comprehensive income for the period	<u>-</u>	<u>-</u>	<u>261,292</u>	<u>261,292</u>
Balances at September 30, 2013	<u>49,969</u>	<u>49,192,308</u>	<u>369,398</u>	<u>49,611,675</u>

APD LIMITED

Unaudited Interim Statement of Cash Flows For the three months ended September 30, 2013 and 2012 (Amounts expressed in Bahamian dollars)

	2013 \$	2012 \$
Cash flows from operating activities		
Total comprehensive income for the period	261,292	1,517,158
Adjustments for:		
Depreciation	686,437	537,215
Loss on sale of property and equipment	191,842	-
Reversal of provision for bad debts	-	7,008
Interest income	(438)	(545)
Interest expense	786,649	521,675
Cash flow provided by operating activities before changes in working capital	<u>1,925,782</u>	<u>2,582,511</u>
Decrease in accounts receivable	26,856	164,564
(Increase) decrease in deposits, prepayments and other assets	(106,046)	11,105
Decrease in deferred borrowing cost	329,485	-
Increase in spare parts inventory	(93,782)	(49,114)
Decrease in accounts payable	(1,100,146)	(1,033,155)
Increase (decrease) in due to related parties	99,658	(649,438)
Decrease in retention payable	(409,947)	(956,892)
Increase in accrued expenses and other liabilities	902,615	378,211
Increase in deposits held	26,700	27,000
Cash provided by operating activities	<u>1,601,175</u>	<u>474,792</u>
Cash flows from investing activities		
Construction of port facilities	(815,922)	(1,525,317)
Proceeds from sale of property and equipment	1,350,041	-
Acquisition of property and equipment	(3,008,406)	(221,605)
Net cash used in investing activities	<u>(2,474,287)</u>	<u>(1,746,922)</u>
Cash flows from financing activities		
Net proceeds from preference share offering	35,377,943	-
Bridge loan principal (repayment) drawdown	(32,208,635)	1,813,316
Interest income received	438	545
Interest expense paid	(786,649)	(521,675)
Net cash from financing activities	<u>2,383,097</u>	<u>1,292,186</u>
Increase (decrease) in cash and cash equivalents	<u>1,509,985</u>	<u>20,056</u>
Cash and cash equivalents, beginning of period	<u>1,947,427</u>	<u>1,704,845</u>
Cash and cash equivalents, end of period	<u>3,457,412</u>	<u>1,724,901</u>

APD LIMITED

Notes to the Condensed Unaudited Interim Financial Statements September 30, 2013

1. General information

APD Limited (the Company) was incorporated on February 24, 2009, under the Companies Act, 1992 of the Commonwealth of The Bahamas (The Bahamas). The Company is 40% owned by The Treasurer of The Bahamas, 40% owned by Arawak Cay Port Development Holdings Limited (ACPDHL) and 20% owned by the general public, hereinafter collectively referred to as the Shareholders. ACPDHL is owned by a consortium of private companies operating in The Bahamas.

The Company is a public company, which was listed on the Bahamas International Securities Exchange effective April 11, 2012. The Company's registered office is located at Ocean Centre, Montagu Foreshore, East Bay Street, New Providence, The Bahamas.

On May 10, 2010, the Company and the Government of The Bahamas (the Government) entered into a Memorandum of Understanding (MOU), whereby the Government initiated the relocation of the freight, cargo and port handling activities from downtown Bay Street on the island of New Providence to Arawak Cay, New Providence, and the Company agreed to design, develop, construct, manage, operate and maintain a new commercial port at Arawak Cay to be known as Nassau Container Port (the Port) and an inland terminal on Gladstone Road, to be known as Gladstone Freight Terminal (the Depot).

In accordance with the MOU, 20% of the Company's ordinary shares were offered for sale to the general public through an Initial Public Offering (IPO) held in February 2012. At the conclusion of the IPO, the Government and ACPDHL each owned 40% and the general public owned 20% of the ordinary share capital of the Company.

The Port and Depot facilities were developed on 56.55 acres of land on Arawak Cay, New Providence (the Port Land) and 15 acres of land at Gladstone Road, New Providence (the Depot Land). On June 21, 2011, the Minister responsible for the Lands and Survey, acting on behalf of the Government leased the Port Land and Depot Land and licensed 27.88 acres of seabed for use of the Company for 45 years which became effective May 1, 2012 and August 13, 2012, respectively, when the Port and Depot facilities were substantially completed.

The Company commenced operations on the date of substantial completion of the Port facility on May 1, 2012. Operations of the Port include a break bulk, a bulk and a container terminal that has 1,167 linear feet of berthing. The container terminal will have the capability of handling at least 75,000 Twenty-foot Equivalent Units (TEUs) annually. The Depot is comprised of 100,000 square feet and 10,000 square feet of warehouse and administrative office space respectively, and serves as a deconsolidation and distribution centre.

These condensed interim financial statements have not been audited.

2. Basis of preparation

These condensed interim financial statements for the three months ended September 30, 2013 have been prepared in accordance with International Accounting Standard (IAS) 34, 'Interim financial reporting'. The condensed interim financial information should be read in conjunction with the annual financial statements for the year ended June 30, 2013, which have been prepared in accordance with the International Financial Reporting Standards (IFRSs).

3. Accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as described below.

IFRS 13 'Fair value measurement'. IFRS 13 measurement and disclosure requirements are applicable for the June 2014 year-end. The Company has included the disclosures required by IAS 34 paragraph 16A. See Note 5.

4. Estimates

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended June 30, 2013.

5. Financial risk management

5.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

These condensed interim financial statements do not include all the financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Company's annual financial statements as at June 30, 2013. There have been no changes in the Company's risk management policies since June 30, 2013.

5.2 Liquidity risk

Compared to year end, there was no material change in the contractual undiscounted cash outflows for financial liabilities.

6. Bridge loan

During the period, the bridge loan was partially repaid with funds received from the issuance of preference shares as described in Note 7.

7. Preference shares

On July 5, 2013 the Company issued 72,000 series A 5.5% fixed rate, non-voting, cumulative redeemable preference shares. The net proceeds of the offer totalled \$35,377,943. The shares have an issue price of \$500 per share, with par value of \$0.10 per share and have a maturity date of June 30, 2033.