

**APD LIMITED**  
**Unaudited Interim Financial Statements**

**As at September 30, 2014 and  
the three months ended September 30, 2014**

**APD LIMITED**  
**(Incorporated under the laws of the Commonwealth of The Bahamas)**

**Unaudited Interim Statement of Financial Position**  
**As at September 30, 2014 and June 30, 2014**  
**(Amounts expressed in Bahamian dollars)**

	September 30, 2014 \$	June 30, 2014 \$ (Audited)
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	5,144,467	2,258,097
Accounts receivable	1,938,710	1,728,110
Deposits, prepayments and other assets	637,537	684,722
Spare parts inventory	676,190	515,565
<b>Total current assets</b>	<b>8,396,904</b>	<b>5,186,494</b>
<b>Non-current assets</b>		
Property, plant and equipment	90,822,558	91,221,801
<b>Total assets</b>	<b>99,219,462</b>	<b>96,408,295</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable	548,007	696,040
Due to related parties	2,864,895	2,392,398
Retention payable	40,157	151,921
Accrued expenses and other liabilities	1,944,534	1,159,995
Current portion of long term debt	425,532	425,532
<b>Total current liabilities</b>	<b>5,823,125</b>	<b>4,825,886</b>
<b>Non-current liabilities</b>		
Redeemable Preference shares	35,416,395	35,377,943
Long term debt	4,255,319	4,361,702
Deposits held	198,242	175,742
<b>Total non-current liabilities</b>	<b>39,869,956</b>	<b>39,915,387</b>
<b>Total liabilities</b>	<b>45,693,081</b>	<b>44,741,273</b>
<b>Equity</b>		
Share capital	49,969	49,969
Share premium	49,192,308	49,192,308
Retained earnings	4,284,104	2,424,745
<b>Total equity</b>	<b>53,526,381</b>	<b>51,667,022</b>
<b>Total liabilities and equity</b>	<b>99,219,462</b>	<b>96,408,295</b>

**APD LIMITED****Unaudited Interim Statement of Comprehensive Income  
For the three months ended Sept 30, 2014 and 2013  
(Amounts expressed in Bahamian dollars)**

	2014	2013
	\$	\$
<b>Revenue</b>		
Landing fees	2,973,979	2,304,965
Terminal handling fees	1,192,790	1,123,050
Stevedoring fees	828,311	799,055
Gate fees	579,850	583,875
Storage fees	986,205	361,390
Security	482,403	471,227
Subleases	292,563	181,512
Hazmat fees	174,050	172,550
Reefer line	94,004	72,100
Dockage	59,741	60,281
Line handling fees	22,100	21,050
Other income	20,778	9,620
	<u>7,706,774</u>	<u>6,160,675</u>
<b>Total revenue</b>		
	<b>7,706,774</b>	<b>6,160,675</b>
<b>Expenses</b>		
Terminal handling costs	1,378,553	1,020,562
Staff costs	1,132,955	1,052,116
Government lease	709,296	669,432
Government fees and taxes	337,990	352,129
Utilities	276,163	223,087
Repairs and maintenance	196,386	246,441
Insurance	101,549	196,075
Legal and other professional fees	81,269	185,164
Other operating expenses	73,444	165,936
Security	73,245	51,016
Loss on disposal of assets	-	191,842
Company meetings and events	43,510	36,178
Office supplies, postage and delivery	37,955	36,757
Bad debt recovery	-	-
	<u>4,442,315</u>	<u>4,426,735</u>
<b>Total expenses</b>		
	<b>4,442,315</b>	<b>4,426,735</b>
<b>Earnings before interest, Depreciation and amortization</b>	<u><b>3,264,459</b></u>	<u><b>1,733,940</b></u>

**APD LIMITED****Unaudited Interim Statement of Comprehensive Income (Continued)**  
**For the three months ended September 30, 2014 and 2013**  
**(Amounts expressed in Bahamian dollars)**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>Depreciation and amortization</b>		
Depreciation	811,397	686,437
Amortization of preference shares issue cost	<u>38,453</u>	<u>          </u>
<b>Total depreciation and amortization</b>	<b><u>849,850</u></b>	<b><u>686,437</u></b>
<b>Earnings before interest</b>	<b><u>2,414,609</u></b>	<b><u>1,047,503</u></b>
<b>Interest (finance costs)</b>		
Interest on preference shares	(495,000)	(477,369)
Interest expense	(60,332)	(309,280)
Interest income	<u>82</u>	<u>438</u>
<b>Total finance costs, net</b>	<b><u>(555,250)</u></b>	<b><u>(786,211)</u></b>
<b>Total earnings for the period attributable to the equity holders</b>	<b><u>1,859,359</u></b>	<b><u>261,292</u></b>
<b>Total comprehensive income for the period</b>	<b><u>1,859,359</u></b>	<b><u>261,292</u></b>
<b>Basic and diluted earnings per share</b>	<b><u>0.37</u></b>	<b><u>0.05</u></b>

**APD LIMITED****Unaudited Interim Statement of Changes in Equity  
For the three months ended September 30, 2014 and 2013  
(Amounts expressed in Bahamian dollars)**

	<u>Share capital \$</u>	<u>Share premium \$</u>	<u>Retained earning \$</u>	<u>Total \$</u>
<b>Balances at July 1, 2013</b>	<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>
<b>Balances at September 30, 2013</b>	<u>49,969</u>	<u>49,192,308</u>	<u>369,398</u>	<u>49,611,675</u>
<b>Balance at July 1, 2014</b>	<u>49,969</u>	<u>49,192,308</u>	<u>2,424,745</u>	<u>51,667,022</u>
Total comprehensive income for the period	<u>-</u>	<u>-</u>	<u>1,859,359</u>	<u>1,859,359</u>
<b>Balances at September 30, 2014</b>	<u>49,969</u>	<u>49,192,308</u>	<u>4,284,104</u>	<u>53,526,381</u>

**APD LIMITED**

**Unaudited Interim Statement of Cash Flows**  
**For the three months ended September 30, 2014 and 2013**  
**(Amounts expressed in Bahamian dollars)**

	Notes	2014 \$	2013 \$
<b>Cash flows from operating activities</b>			
Total comprehensive income for the period		1,859,359	261,292
Adjustments for:			
Depreciation		811,397	686,437
Amortization of preference shares issue cost		38,452	
Loss on disposal of assets			191,842
Interest income		(82)	(438)
Interest on preference shares		60,332	-
Interest expense		495,000	786,649
		<u>3,264,458</u>	<u>1,925,782</u>
<b>Operating profit before changes in working capital</b>			
(Increase) decrease in accounts receivable		(210,600)	26,856
Decrease (increase) in deposits, prepayments and other assets		47,185	(106,046)
Increase in spare parts inventory		(160,625)	(93,782)
Decrease in deferred borrowing cost		-	329,485
Decrease in accounts payable		(148,033)	(1,100,146)
Increase in due to related parties		472,497	99,658
Decrease in retention payable		(111,764)	(409,947)
Increase in accrued expenses and other liabilities		784,539	902,615
Increase in deposits held		22,500	26,700
		<u>3,960,157</u>	<u>1,601,175</u>
<b>Cash provided by operating activities</b>			
<b>Cash flows from investing activities</b>			
Construction of port facilities		(193,922)	(815,922)
Acquisition of property and equipment		(218,232)	(3,008,406)
Proceeds from sale of property and equipment		-	1,350,041
		<u>(412,154)</u>	<u>(2,474,287)</u>
<b>Net cash used in investing activities</b>			
<b>Cash flows from financing activities</b>			
Net proceeds from preference share offering		-	35,377,943
Bridge loan principal (repayment)		-	(32,208,635)
Principal payment on long term debt		(106,383)	-
Interest on preference shares		(495,000)	-
Interest income received		82	438
Interest expense paid		(60,332)	(786,649)
		<u>(661,633)</u>	<u>2,383,097</u>
<b>Net cash used by financing activities</b>			
<b>Increase in cash and cash equivalents</b>		<b>2,886,370</b>	<b>1,509,985</b>
<b>Cash and cash equivalents, beginning of year</b>		<b>2,258,097</b>	<b>1,947,427</b>
<b>Cash and cash equivalents, end of period</b>		<b>5,144,467</b>	<b>3,457,412</b>

## **APD Limited**

### **Notes to the Condensed Unaudited Interim Financial Statements September 30, 2014**

#### **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, 2014 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, 2014, which have been prepared in accordance with the International Financial Reporting Standards (IFRSs).

## **3. Accounting policies**

The accounting policies applied, methods of computation and presentation are consistent with those of the annual financial statements for the year ended June 30, 2014.

There are no new IFRSs or interpretations of the International Financial Reporting Interpretations Committee (IFRICs) that are effective for the first time that would be expected to have a material impact on the Company.

## **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 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, 2014.

## **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 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, 2014. There have been no changes in the Company's risk management policies since June 30, 2014.

### **5.2 Liquidity risk**

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

## **6. Seasonality of operations**

Due to the nature of the Company's operations, seasonal trends are not applicable.