

APD LIMITED
Unaudited Interim Financial Statements

**As at September 30, 2015 and
the three months ended September 30, 2015**

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

Unaudited Interim Statement of Financial Position
As at September 30, 2015 and June 30, 2015
(Amounts expressed in Bahamian dollars)

	September 30, 2015 \$	June 30, 2015 \$ (Audited)
ASSETS		
Current assets		
Cash and cash equivalents	5,818,104	6,040,249
Accounts receivable	2,012,915	1,839,018
VAT receivable	362,691	162,974
Deposits, prepayments and other assets	633,467	777,760
Spare parts inventory	692,408	878,928
	<u>9,519,585</u>	<u>9,698,929</u>
Total current assets		
Non-current assets		
Property, plant and equipment	90,542,610	89,989,383
	<u>90,542,610</u>	<u>89,989,383</u>
Total assets		
	<u>100,062,195</u>	<u>99,688,312</u>
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable	160,244	524,298
Due to related parties	1,438,675	2,577,247
Retention payable	93,826	93,826
Accrued expenses and other liabilities	1,832,331	1,132,512
Current portion of long term debt	425,532	425,532
	<u>3,950,608</u>	<u>4,753,415</u>
Total current liabilities		
Non-current liabilities		
Redeemable Preference shares	35,447,498	35,439,722
Long term debt	3,829,787	3,936,170
Deposits held	236,992	236,992
	<u>39,514,277</u>	<u>39,612,884</u>
Total non-current liabilities		
Total liabilities		
	<u>43,464,885</u>	<u>44,366,299</u>
Equity		
Share capital	49,969	49,969
Share premium	49,192,308	49,192,308
Retained earnings	7,355,033	6,079,736
	<u>56,597,310</u>	<u>55,322,013</u>
Total equity		
Total liabilities and equity		
	<u>100,062,195</u>	<u>99,688,312</u>

APD LIMITED**Unaudited Interim Statement of Comprehensive Income
For the three months ended Sept 30, 2015 and 2014
(Amounts expressed in Bahamian dollars)**

	2015	2014
	\$	\$
Revenue		
Landing fees	3,078,199	2,973,979
Terminal handling fees	1,071,848	1,192,790
Stevedoring fees	776,668	828,311
Gate fees	500,850	579,850
Storage fees	240,560	986,205
Security	480,314	482,403
Subleases	395,501	292,563
Hazmat fees	139,200	174,050
Reefer line	93,400	94,004
Dockage	76,390	59,741
Line handling fees	20,800	22,100
Other income	2,950	20,778
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Total revenue	6,876,680	7,706,774
Expenses		
Terminal handling costs	902,459	1,378,553
Salaries, employee benefits and training	1,195,088	1,132,955
Government lease	630,184	709,296
Government fees and taxes	337,598	337,990
Utilities	237,005	276,163
Repairs and maintenance	356,801	196,386
Insurance	118,715	101,549
Legal and other professional fees	159,043	81,269
Other operating expenses	65,872	73,444
Security	67,347	73,245
(Gain) / Loss on disposal of assets	(8,963)	-
Company meetings and events	11,756	43,510
Office supplies, postage and delivery	34,185	37,955
Bad debt recovery	128,250	-
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Total expenses	4,235,340	4,442,315
Earnings before interest, depreciation and amortization	<hr/> 2,641,340	<hr/> 3,264,459

APD LIMITED**Unaudited Interim Statement of Comprehensive Income (Continued)
For the three months ended September 30, 2015 and 2014
(Amounts expressed in Bahamian dollars)**

	2015	2014
	\$	\$
Depreciation and amortization		
Depreciation	808,535	811,397
Amortization of preference shares issue cost	<u>7,776</u>	<u>38,453</u>
Total depreciation and amortization	<u>816,311</u>	<u>849,850</u>
Earnings before interest	<u>1,825,029</u>	<u>2,414,609</u>
Interest (finance costs)		
Interest on preference shares	(495,000)	(495,000)
Interest expense	(54,969)	(60,332)
Interest income	<u>240</u>	<u>82</u>
Total finance costs, net	<u>(549,729)</u>	<u>555,250</u>
Total earnings for the period attributable to the equity holders	<u>1,275,300</u>	<u>1,859,359</u>
Total comprehensive income for the period	<u>1,275,300</u>	<u>1,859,359</u>
Basic and diluted earnings per share	<u>0.26</u>	<u>0.37</u>

APD LIMITED**Unaudited Interim Statement of Changes in Equity
For the three months ended September 30, 2015 and 2014
(Amounts expressed in Bahamian dollars)**

	<u>Share capital \$</u>	<u>Share premium \$</u>	<u>Retained earning \$</u>	<u>Total \$</u>
Balances at July 1, 2014	49,969	49,192,308	2,424,745	51,667,022
Total comprehensive income for the period	-	-	1,859,359	1,859,359
Balances at September 30, 2014	49,969	49,192,308	4,284,104	53,526,381
Balance at July 1, 2015	49,969	49,192,308	6,079,737	55,322,014
Total comprehensive income for the period	-	-	1,275,296	1,275,296
Balances at September 30, 2015	49,969	49,192,308	7,355,033	56,597,310

APD LIMITED**Unaudited Interim Statement of Cash Flows
For the three months ended September 30, 2015 and 2014
(Amounts expressed in Bahamian dollars)**

	2015	2014
	\$	\$
Cash flows from operating activities		
Total comprehensive income for the period	1,275,296	1,859,359
Adjustments for:		
Depreciation	808,535	811,397
Amortization of preference shares issue cost	7,776	38,452
(Gain) / Loss on disposal of assets	(8,963)	
Provision for Bad Debts	128,250	
Interest income	(240)	(82)
Interest on preference shares	54,969	60,332
Interest expense	495,000	495,000
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Operating profit before changes in working capital	2,760,624	3,264,458
Increase in accounts receivable	(302,147)	(210,600)
Increase in VAT receivable	(199,717)	-
Decrease in deposits, prepayments and other assets	144,293	47,185
Decrease/ (increase) in spare parts inventory	186,520	(160,625)
Decrease in deferred borrowing cost	-	-
Decrease in accounts payable	(364,054)	(148,033)
(Decrease) / increase in due to related parties	(1,138,572)	472,497
Decrease in retention payable	-	(111,764)
Increase in accrued expenses and other liabilities	699,819	784,539
Increase in deposits held	-	22,500
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Cash provided by operating activities	1,786,766	3,960,157
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Cash flows from investing activities		
Construction of port facilities	(1,363,981)	(193,922)
Acquisition of property and equipment	(2,319)	(218,232)
Proceeds from sale of property and equipment	13,500	-
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Net cash used in investing activities	(1,352,800)	(412,154)
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Cash flows from financing activities		
Net proceeds from preference share offering	-	-
Bridge loan principal (repayment)	-	-
Principal payment on long term debt	(106,383)	(106,383)
Interest on preference shares	(495,000)	(495,000)
Interest income received	240	82
Interest expense paid	(54,969)	(60,332)
	<hr/>	<hr/>
Net cash used by financing activities	(656,113)	(661,633)
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Increase in cash and cash equivalents	(222,145)	2,886,370
Cash and cash equivalents, beginning of year	6,040,249	2,258,097
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Cash and cash equivalents, end of period	5,818,104	5,144,467
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APD Limited

Notes to the Condensed Unaudited Interim Financial Statements September 30, 2015

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 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, 2015 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, 2015, 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, 2015.

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, 2015.

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, 2015. There have been no changes in the Company's risk management policies since June 30, 2015.

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.