

APD LIMITED
Unaudited Interim Financial Statements

**As at September 30, 2016 and
the three months ended September 30, 2016**

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

Unaudited Interim Statement of Financial Position
As at September 30, 2016 and June 30, 2016
(Amounts expressed in Bahamian dollars)

	September 30, 2016 \$	June 30, 2016 \$ (Audited)
ASSETS		
Current assets		
Cash and cash equivalents	8,576,473	5,689,676
Accounts receivable	2,044,049	1,950,066
VAT Receivable	223,559	159,882
Deposits, prepayments and other assets	656,193	816,652
Spare parts inventory	831,749	693,498
Total current assets	12,332,023	9,309,774
Non-current assets		
Property, plant and equipment	88,187,925	88,819,789
Total assets	100,519,948	98,129,563
LIABILITIES AND EQUITY		
Current liabilities		
Due to related parties	2,448,892	2,330,346
Accrued Expenses and Other Liabilities	1,893,357	1,058,445
Current portion of long term debt	425,532	425,532
Accounts payable	349,640	408,136
Retention Payable	881	2,911
Total current liabilities	5,118,302	4,225,370
Non-current liabilities		
Redeemable Preference shares	35,478,601	35,470,825
Long term debt	3,404,255	3,510,638
Deposits held	259,194	259,194
Total non-current liabilities	39,142,050	39,240,657
Total liabilities	44,260,352	43,466,027
Equity		
Share capital	49,969	49,969
Share premium	49,192,308	49,192,308
Retained earnings	7,017,319	5,421,259
Total equity	56,259,596	54,663,536
Total liabilities and equity	100,519,948	98,129,563

APD LIMITED**Unaudited Interim Statement of Comprehensive Income
For the three months ended Sept 30, 2016 and 2015
(Amounts expressed in Bahamian dollars)**

	2016	2015
	\$	\$
Revenue		
Landing fees	3,126,762	3,078,199
Terminal handling fees	1,045,474	1,071,848
Stevedoring fees	702,426	776,668
Gate fees	515,975	500,850
Storage fees	254,103	240,560
Security	562,764	480,314
Subleases	431,042	395,501
Hazmat fees	164,550	139,200
Reefer line	101,000	93,400
Dockage	66,407	76,390
Line handling fees	20,800	20,800
Other income	-	2,950
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Total revenue	6,991,303	6,876,680
Expenses		
Salaries, employee benefits and Training	1,182,116	1,195,088
Terminal handling costs	862,432	902,459
Government lease	683,848	630,184
Government fees and taxes	337,526	337,598
Utilities	242,050	237,005
Repairs and maintenance	191,864	356,801
Insurance	78,527	118,715
Legal and other professional fees	149,022	159,043
Other operating expenses	40,847	65,876
Security	90,558	67,347
(Gain) / Loss on disposal of assets	-	(8,963)
Company meetings and events	5,581	11,756
Office supplies, postage and delivery	30,317	34,185
Bad debt recovery	128,250	128,250
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Total expenses	4,022,938	4,235,344
Earnings before interest, Depreciation and amortization	<hr/> 2,968,365	<hr/> 2,641,336

APD LIMITED**Unaudited Interim Statement of Comprehensive Income (Continued)
For the three months ended September 30, 2016 and 2015
(Amounts expressed in Bahamian dollars)**

	2016	2015
	\$	\$
Depreciation and amortization		
Depreciation	820,841	808,535
Amortization of preference shares issue cost	<u>7,776</u>	<u>7,776</u>
Total depreciation and amortization	<u>828,617</u>	<u>816,311</u>
Earnings before interest	<u>2,139,748</u>	<u>1,825,025</u>
Interest (finance costs)		
Interest on preference shares	(495,000)	(495,000)
Interest expense	(49,607)	(54,969)
Interest income	<u>919</u>	<u>240</u>
Total finance costs, net	<u>(543,688)</u>	<u>(549,729)</u>
Total earnings for the period attributable to the equity holders	<u>1,596,060</u>	<u>1,275,296</u>
Total comprehensive income for the period	<u>1,596,060</u>	<u>1,275,296</u>
Basic and diluted earnings per share	<u>0.32</u>	<u>0.26</u>

APD LIMITED**Unaudited Interim Statement of Changes in Equity
For the three months ended September 30, 2016 and 2015
(Amounts expressed in Bahamian dollars)**

	<u>Share capital \$</u>	<u>Share premium \$</u>	<u>Retained earning \$</u>	<u>Total \$</u>
Balances 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
Balance at July 1, 2016	49,969	49,192,308	5,421,259	54,663,536
Total comprehensive income for the period	-	-	1,596,060	1,596,060
Balances at September 30, 2016	49,969	49,192,308	7,017,319	56,259,596

APD LIMITED**Unaudited Interim Statement of Cash Flows
For the three months ended September 30, 2016 and 2015
(Amounts expressed in Bahamian dollars)**

	2016	2015
	\$	\$
Cash flows from operating activities		
Total comprehensive income for the period	1,596,060	1,275,296
Adjustments for:		
Depreciation	820,841	808,535
Amortization of preference shares issue cost	7,776	7,776
(Gain) / Loss on disposal of assets	-	(8,963)
Provision for Bad Debts	128,250	128,250
Interest income	(919)	(240)
Interest on preference shares	49,607	54,969
Interest expense	495,000	495,000
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Operating profit before changes in working capital	3,096,615	2,760,624
Increase in accounts receivable	(222,233)	(302,147)
Increase in tax receivables	(63,677)	(199,717)
Decrease in deposits, prepayments and other assets	160,459	144,293
(Increase) / Decrease in spare parts inventory	(138,251)	186,520
Decrease in accounts payable	(58,496)	(364,054)
Increase / (Decrease) in due to related parties	118,546	(1,138,572)
Decrease in retention payable	(2,030)	-
Increase in accrued expenses and other liabilities	834,911	699,819
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Cash provided by operating activities	3,725,844	1,786,766
Cash flows from investing activities		
Construction of port facilities	(187,552)	(1,363,981)
Acquisition of property and equipment	(1,424)	(2,319)
Proceeds from sale of property and equipment	-	13,500
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Net cash used in investing activities	(188,976)	(1,352,800)
Cash flows from financing activities		
Principal payment on long term debt	(106,383)	(106,383)
Interest on preference shares	(495,000)	(495,000)
Interest income received	919	240
Interest expense paid	(49,607)	(54,969)
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Net cash used by financing activities	(650,071)	(656,113)
Increase in cash and cash equivalents	2,886,797	(222,145)
Cash and cash equivalents, beginning of year	5,689,676	6,040,249
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Cash and cash equivalents, end of period	8,576,473	5,818,104
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APD Limited

Notes to the Condensed Unaudited Interim Financial Statements September 30, 2016

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, 2016 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, 2016, 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, 2016.

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, 2016.

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, 2016. There have been no changes in the Company's risk management policies since June 30, 2016.

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.