

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

**As at September 30, 2017 and  
the three months ended September 30, 2017**



**APD LIMITED****(Incorporated under the laws of the Commonwealth of The Bahamas)****Unaudited Interim Statement of Financial Position****As of September 30, 2017 and June 30, 2017****(Amounts expressed in Bahamian dollars)**

	<b>September 30, 2017</b>	<b>June 30, 2017</b>
	<b>\$</b>	<b>(Audited) \$</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	17,047,130	13,830,892
Accounts receivable	2,116,869	1,958,248
Tax receivable	657,761	553,204
Deposits, prepayments and other assets	725,237	733,485
Spare parts inventory	693,056	852,841
Deferred borrowing costs	22,989	-
<b>Total current assets</b>	<b><u>21,263,042</u></b>	<b><u>17,928,670</u></b>
<b>Non-current assets</b>		
Property, plant and equipment	86,122,995	86,736,933
<b>Total assets</b>	<b><u>107,386,037</u></b>	<b><u>104,665,603</u></b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Due to related parties	3,013,192	2,997,653
Accounts payable	240,634	369,626
Accrued expenses and other liabilities	1,581,774	1,179,781
Current portion of long term debt	425,532	425,532
Current portion of preference shares	2,102,500	1,286,000
<b>Total current liabilities</b>	<b><u>7,363,632</u></b>	<b><u>6,258,592</u></b>
<b>Non-current liabilities</b>		
Deposits held	261,595	268,152
Long term debt	2,978,723	3,085,106
Redeemable preference shares	33,902,204	34,215,928
<b>Total non-current liabilities</b>	<b><u>37,142,522</u></b>	<b><u>37,569,186</u></b>
<b>Total liabilities</b>	<b><u>44,506,154</u></b>	<b><u>43,827,778</u></b>
<b>Equity</b>		
Share capital	49,969	49,969
Share premium	49,192,308	49,192,308
Retained earnings	13,637,606	11,595,548
<b>Total equity</b>	<b><u>62,879,883</u></b>	<b><u>60,837,825</u></b>
<b>Total liabilities and equity</b>	<b><u>107,386,037</u></b>	<b><u>104,665,603</u></b>

**APD LIMITED****Unaudited Interim Statement of Comprehensive Income  
For the three months ended September 30, 2017 and 2016  
(Amounts expressed in Bahamian dollars)**

	<b>2017</b>	<b>2016</b>
	\$	\$
<b>Revenue</b>		
Landing fees	3,238,662	3,126,762
Terminal handling fees	1,086,146	1,045,474
Stevedoring fees	777,979	702,426
Storage fees	769,624	254,103
Security	619,229	562,764
Gate fees	574,098	515,975
Subleases	433,641	431,042
Reefer line	135,750	101,000
Hazmat fees	102,250	164,550
Dockage	67,517	66,407
Line handling fees	18,000	20,800
Other income	13,832	-
	<u>7,836,728</u>	<u>6,991,303</u>
<b>Total revenue</b>		
	<u><b>7,836,728</b></u>	<u><b>6,991,303</b></u>
<b>Expenses</b>		
Salaries, employee benefits and training	1,254,097	1,182,116
Terminal handling costs	1,109,469	862,432
Government lease	694,492	683,848
Repairs and maintenance	394,850	191,864
Government fees and taxes	363,209	337,526
Utilities	284,807	242,050
Security	101,356	90,558
Legal and other professional fees	83,736	149,022
Other operating expenses	70,912	40,847
Insurance	68,316	78,527
Office supplies, postage and delivery	37,871	30,317
Company meetings and events	7,538	5,581
Bad debt (recovery)/expense	-	128,250
	<u>4,470,653</u>	<u>4,022,938</u>
<b>Total expenses</b>		
	<u><b>4,470,653</b></u>	<u><b>4,022,938</b></u>
<b>Earnings before interest, depreciation and amortisation</b>	<u><b>3,366,075</b></u>	<u><b>2,968,365</b></u>

**APD LIMITED****Unaudited Interim Statement of Comprehensive Income (Continued)  
For the three months ended September 30, 2017 and 2016  
(Amounts expressed in Bahamian dollars)**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>Depreciation and amortization</b>		
Depreciation	783,356	820,841
Amortisation of preference share issue cost	7,776	7,776
	<u>791,132</u>	<u>828,617</u>
<b>Total depreciation and amortisation</b>		
	<u><b>791,132</b></u>	<u><b>828,617</b></u>
<b>Earnings before interest</b>	<u><b>2,574,943</b></u>	<u><b>2,139,748</b></u>
<b>Interest (finance costs)</b>		
Interest on preference shares	(495,000)	(495,000)
Interest expense	(39,924)	(49,607)
Interest income	2,039	919
	<u>(532,885)</u>	<u>(543,688)</u>
<b>Total finance costs, net</b>		
	<u><b>(532,885)</b></u>	<u><b>(543,688)</b></u>
<b>Total earnings for the period attributable to the equity holders</b>	<u><b>2,042,058</b></u>	<u><b>1,596,060</b></u>
<b>Total comprehensive income for the period</b>	<u><b>2,042,058</b></u>	<u><b>1,596,060</b></u>
<b>Basic and diluted earnings per share</b>	<u><b>0.41</b></u>	<u><b>0.32</b></u>

**APD LIMITED****Unaudited Interim Statement of Changes in Equity  
For the three months ended September 30, 2017 and 2016  
(Amounts expressed in Bahamian dollars)**

	<b>Share capital \$</b>	<b>Share premium \$</b>	<b>Retained earnings \$</b>	<b>Total \$</b>
<b>Balance at July 1, 2016</b>	<b>49,969</b>	<b>49,192,308</b>	<b>5,421,259</b>	<b>54,663,536</b>
Total comprehensive income for the period	<u>-</u>	<u>-</u>	<u>1,596,060</u>	<u>1,596,060</u>
<b>Balance at September 30, 2016</b>	<b><u>49,969</u></b>	<b><u>49,192,308</u></b>	<b><u>7,017,319</u></b>	<b><u>56,259,596</u></b>
<b>Balance at July 1, 2017</b>	<b>49,969</b>	<b>49,192,308</b>	<b>11,595,548</b>	<b>60,837,825</b>
Total comprehensive income for the period	<u>-</u>	<u>-</u>	<u>2,042,058</u>	<u>2,042,058</u>
<b>Balance at September 30, 2017</b>	<b><u>49,969</u></b>	<b><u>49,192,308</u></b>	<b><u>13,637,606</u></b>	<b><u>62,879,883</u></b>

**APD LIMITED****Unaudited Interim Statement of Cash Flows  
For the three months ended September 30, 2017 and 2016  
(Amounts expressed in Bahamian dollars)**

	2017	2016
	\$	\$
<b>Cash flows from operating activities</b>		
Total comprehensive income for the period	2,042,058	1,596,060
Adjustments for:		
Depreciation	783,356	820,841
Amortisation of preference share issue cost	7,776	7,776
Bad debt expense	-	128,250
Interest income	(2,039)	(919)
Interest on preference shares	495,000	495,000
Loan interest expense	39,924	49,607
<b>Operating profit before changes in working capital</b>	<b>3,366,075</b>	<b>3,096,615</b>
Increase in accounts receivable	(158,621)	(222,233)
Increase in deferred borrowing cost	(22,989)	-
(Increase)/Decrease in deposits, prepayments and other assets	8,248	160,459
Decrease / (Increase) in spare parts inventory	159,785	(138,251)
Increase in tax receivable	(104,557)	(63,677)
Decrease in accounts payable	(128,992)	(58,496)
Increase in due to related parties	15,539	118,546
Decrease in retention payable	-	(2,030)
Increase in accrued expenses and other liabilities	401,993	834,911
Decrease in deposits held	(6,557)	-
<b>Net cash provided by operating activities</b>	<b>3,529,924</b>	<b>3,725,844</b>
<b>Cash flows from investing activities</b>		
Construction of port facilities	-	(187,552)
Acquisition of property, plant and equipment	(169,418)	(1,424)
<b>Net cash used in investing activities</b>	<b>(169,418)</b>	<b>(188,976)</b>
<b>Cash flows from financing activities</b>		
Principal payments on long term debt	(106,383)	(106,383)
Interest on preference shares	-	(495,000)
Interest income received	2,039	919
Interest expense paid	(39,924)	(49,607)
<b>Net cash used in financing activities</b>	<b>(144,268)</b>	<b>(650,071)</b>
<b>Increase in cash and cash equivalents</b>	<b>3,216,238</b>	<b>2,886,797</b>
<b>Cash and cash equivalents, beginning of the period</b>	<b>13,830,892</b>	<b>5,689,676</b>
<b>Cash and cash equivalents, end of the period</b>	<b>17,047,130</b>	<b>8,576,473</b>

## **APD LIMITED**

### **Condensed Notes to the Unaudited Interim Financial Statements September 30, 2017**

#### **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) (Note 13).

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 unaudited interim financial statements for the three months ended September 30, 2017 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, 2017, 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, 2017.

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, 2017.

### **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, 2017. There have been no changes in the Company's risk management policies since June 30, 2017.

#### **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.