

APD LIMITED
Unaudited Interim Financial Statements

**As at September 30, 2018 and
the three months ended September 30, 2018**

APD LIMITED**(Incorporated under the laws of the Commonwealth of The Bahamas)****Unaudited Interim Statement of Financial Position****As of September 30, 2018, and June 30, 2018****(Amounts expressed in Bahamian dollars)**

	September 30, 2018	June 30, 2018
	\$	(Audited) \$
ASSETS		
Current assets		
Cash and cash equivalents	18,437,072	19,764,963
Accounts receivable	1,803,903	1,615,954
Tax receivable	582,726	471,257
Deposits, prepayments and other assets	730,932	852,207
Spare parts inventory	895,302	826,601
Deferred borrowing costs	26,779	26,779
	<u>22,476,714</u>	<u>23,557,761</u>
Total current assets		
Non-current assets		
Property, plant and equipment	84,642,566	84,693,943
	<u>84,642,566</u>	<u>84,693,943</u>
Total assets	<u>107,119,280</u>	<u>108,251,704</u>
LIABILITIES AND EQUITY		
Current liabilities		
Due to related parties	3,039,871	2,605,808
Accounts payable	189,363	488,725
Accrued expenses and other liabilities	2,122,944	1,117,485
Current portion of long term debt	300,000	3,385,106
Current portion of preference shares	1,607,500	2,572,000
	<u>6,959,678</u>	<u>10,169,124</u>
Total current liabilities		
Non-current liabilities		
Deposits held	274,964	274,964
Long term debt	1,050,000	1,050,000
Redeemable preference shares	32,647,307	32,961,031
	<u>34,272,271</u>	<u>34,285,995</u>
Total non-current liabilities		
Total liabilities	<u>41,231,949</u>	<u>44,455,119</u>
Equity		
Share capital	49,969	49,969
Share premium	49,192,308	49,192,308
Retained earnings	16,645,054	14,554,308
	<u>65,887,331</u>	<u>63,796,585</u>
Total equity		
Total liabilities and equity	<u>107,119,280</u>	<u>108,251,704</u>

APD LIMITED**Unaudited Interim Statement of Comprehensive Income
For the three months ended September 30, 2018 and 2017
(Amounts expressed in Bahamian dollars)**

	2018	2017
	\$	\$
Revenue		
Landing fees	3,472,277	3,238,662
Terminal handling fees	1,115,671	1,086,146
Stevedoring fees	751,645	777,979
Gate fees	573,745	574,098
Storage fees	369,627	769,624
Security	673,259	619,229
Subleases	436,767	433,641
Hazmat fees	87,050	102,250
Reefer line	181,450	135,750
Dockage	58,565	67,517
Line handling fees	15,907	18,000
Other income	14,843	13,832
	<u>7,750,806</u>	<u>7,836,728</u>
Total revenue	7,750,806	7,836,728
Expenses		
Salaries, employee benefits and training	1,309,432	1,254,097
Terminal handling costs	953,918	1,109,469
Government lease	701,205	694,492
Government fees & Taxes	379,641	363,209
Utilities	265,095	284,807
Insurance	90,092	68,316
Legal and other professional fees	91,791	83,736
Repairs and maintenance	392,135	394,850
Other operating expenses	26,163	70,912
Security	99,067	101,356
Company meetings and events	11,711	7,538
Office supplies, postage and delivery	41,854	37,871
	<u>4,362,104</u>	<u>4,470,653</u>
Total expenses	4,362,104	4,470,653
Earnings before interest, depreciation and amortisation	<u>3,388,702</u>	<u>3,366,075</u>

APD LIMITED**Unaudited Interim Statement of Comprehensive Income (Continued)
For the three months ended September 30, 2018 and 2017
(Amounts expressed in Bahamian dollars)**

	2018	2017
	\$	\$
Depreciation and amortization		
Depreciation	772,633	783,356
Amortisation of preference share issue cost	7,776	7,776
	<u>780,409</u>	<u>791,132</u>
Total depreciation and amortisation		
	<u>780,409</u>	<u>791,132</u>
Earnings before interest	<u>2,608,293</u>	<u>2,574,943</u>
Interest (finance costs)		
Interest on preference shares	(495,000)	(495,000)
Interest expense	(24,705)	(39,924)
Interest income	2,158	2,039
	<u>(517,547)</u>	<u>(532,885)</u>
Total finance costs, net		
	<u>(517,547)</u>	<u>(532,885)</u>
Total earnings for the period attributable to the equity holders	<u>2,090,746</u>	<u>2,042,058</u>
Total comprehensive income for the period	<u>2,090,746</u>	<u>2,042,058</u>
Basic and diluted earnings per share	<u>0.42</u>	<u>0.41</u>

APD LIMITED**Unaudited Interim Statement of Changes in Equity
For the three months ended September 30, 2018 and 2017
(Amounts expressed in Bahamian dollars)**

	Share capital \$	Share premium \$	Retained earnings \$	Total \$
Balance at July 1, 2017	49,969	49,192,308	11,595,548	60,837,825
Total comprehensive income for the period	<u>-</u>	<u>-</u>	<u>2,042,058</u>	<u>2,042,058</u>
Balance at September 30, 2017	<u>49,969</u>	<u>49,192,308</u>	<u>13,637,606</u>	<u>62,879,883</u>
Balance at July 1, 2018	49,969	49,192,308	14,554,308	63,796,585
Total comprehensive income for the period	<u>-</u>	<u>-</u>	<u>2,090,746</u>	<u>2,090,746</u>
Balance at September 30, 2018	<u>49,969</u>	<u>49,192,308</u>	<u>16,645,054</u>	<u>65,887,331</u>

APD LIMITED**Unaudited Interim Statement of Cash Flows
For the three months ended September 30, 2018 and 2017
(Amounts expressed in Bahamian dollars)**

	2018	2017
	\$	\$
Cash flows from operating activities		
Total comprehensive income for the period	2,090,746	2,042,058
Adjustments for:		
Depreciation	772,633	783,356
Amortisation of preference share issue cost	7,776	7,776
Interest income	(2,158)	(2,039)
Interest on reference shares	495,000	495,000
Loan interest expense	24,705	39,924
Operating profit before changes in working capital	3,388,702	3,366,075
Increase in accounts receivable	(187,949)	(158,621)
Decrease in deferred borrowing cost		(22,989)
Decrease in deposits, prepayments and other assets	121,275	8,248
(Increase)/Decrease in spare parts inventory	(68,701)	159,785
Increase in tax receivable	(111,469)	(104,557)
Decrease in accounts payable	(299,362)	(128,992)
Increase in due to related parties	434,063	15,539
Increase in accrued expenses and other liabilities	1,005,459	401,993
Increase in deposits held	-	(6,557)
Net cash provided by operating activities	4,282,018	3,529,924
Cash flows from investing activities		
Acquisition of property, plant and equipment	(721,256)	(169,418)
Net cash used in investing activities	(721,256)	(169,418)
Cash flows from financing activities		
Principal payments on long term debt	(3,085,106.00)	(106,383)
Principal Payment on Pref Shares	(1,286,000.00)	-
Interest on preference shares	(495,000)	-
Interest income received	2,158	2,039
Interest expense paid	(24,705)	(39,924)
Net cash used in financing activities	(4,888,653)	(144,268)
Increase in cash and cash equivalents	(1,327,891)	3,216,238
Cash and cash equivalents, beginning of the period	19,764,963	13,830,892
Cash and cash equivalents, end of the period	18,437,072	17,047,130

APD LIMITED

Condensed Notes to the Unaudited Interim Financial Statements September 30, 2018

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, 2018 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, 2018, 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, 2018.

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, 2018.

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, 2018. There have been no changes in the Company's risk management policies since June 30, 2018.

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.