

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

**As at September 30, 2019 and  
the three months ended September 30, 2019**

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

**Unaudited Interim Statement of Financial Position**  
**As of September 30, 2019, and June 30, 2019**  
**(Amounts expressed in Bahamian dollars)**

	<b>September 30, 2019</b>	<b>June 30, 2019</b>
	<b>\$</b>	<b>(Audited) \$</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	19,254,782	16,800,558
Accounts receivable	2,031,281	1,539,297
Tax receivable	779,420	591,978
Deposits, prepayments and other assets	746,646	898,942
Spare parts inventory	882,794	834,494
Deferred borrowing costs	26,778	26,779
<b>Total current assets</b>	<b><u>23,721,701</u></b>	<b><u>20,692,048</u></b>
<b>Non-current assets</b>		
Property, plant and equipment	82,468,929	82,800,651
<b>Total assets</b>	<b><u>106,190,630</u></b>	<b><u>103,492,699</u></b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable	305,367	309,833
Due to related parties	1,893,238	2,300,874
Accrued expenses and other liabilities	2,000,977	1,047,443
Current portion of redeemable preference shares	1,607,500	1,286,000
Current portion of long-term debt	300,000	300,000
<b>Total current liabilities</b>	<b><u>6,107,082</u></b>	<b><u>5,244,150</u></b>
<b>Non-current liabilities</b>		
Deposits held	261,596	261,596
Long term debt	750,000	750,000
Redeemable preference shares	31,392,409	31,706,134
<b>Total non-current liabilities</b>	<b><u>32,404,005</u></b>	<b><u>32,717,730</u></b>
<b>Total liabilities</b>	<b><u>38,511,087</u></b>	<b><u>37,961,880</u></b>
<b>Equity</b>		
Share capital	49,969	49,969
Share premium	49,192,308	49,192,308
Retained earnings	18,437,266	16,288,542
<b>Total equity</b>	<b><u>67,679,543</u></b>	<b><u>65,530,819</u></b>
<b>Total liabilities and equity</b>	<b><u>106,190,630</u></b>	<b><u>103,492,699</u></b>

**APD LIMITED****Unaudited Interim Statement of Comprehensive Income  
For the three months ended September 30, 2019 and 2018  
(Amounts expressed in Bahamian dollars)**

	<b>2019</b>	<b>2018</b>
	\$	\$
<b>Revenue</b>		
Landing fees	3,674,244	3,472,277
Terminal handling fees	1,097,641	1,115,671
Stevedoring fees	818,975	751,645
Security	700,122	673,259
Gate fees	601,374	573,745
Subleases	405,807	436,767
Storage fees	338,430	369,627
Reefer line	165,100	181,450
Hazmat fees	97,000	87,050
Dockage	79,438	58,565
Line handling fees	20,400	15,907
Other income	12,850	14,843
	<u>8,011,381</u>	<u>7,750,806</u>
<b>Total revenue</b>	<b>8,011,381</b>	<b>7,750,806</b>
<b>Expenses</b>		
Salaries, employee benefits and training	1,354,365	1,309,432
Terminal handling costs	1,004,105	953,918
Government lease	729,391	701,205
Government fees & Taxes	370,610	379,641
Utilities	287,831	265,095
Insurance	83,985	90,092
Legal and other professional fees	101,231	91,791
Repairs and maintenance	369,965	392,135
Other operating expenses	110,314	26,163
Security	104,162	99,067
Company meetings and events	3,771	11,711
Office supplies, postage and delivery	56,213	41,854
	<u>4,575,943</u>	<u>4,362,104</u>
<b>Total expenses</b>	<b>4,575,943</b>	<b>4,362,104</b>
<b>Earnings before interest, depreciation and amortisation</b>	<u><b>3,435,438</b></u>	<u><b>3,388,702</b></u>

**APD LIMITED****Unaudited Interim Statement of Comprehensive Income (Continued)  
For the three months ended September 30, 2019 and 2018  
(Amounts expressed in Bahamian dollars)**

	<b>2019</b>	<b>2018</b>
	\$	\$
<b>Depreciation and amortisation</b>		
Depreciation	773,922	772,633
Amortisation of preference share issue cost	<u>7,776</u>	<u>7,776</u>
<b>Total depreciation and amortisation</b>	<u><b>781,698</b></u>	<u><b>780,409</b></u>
<b>Earnings before interest</b>	<u><b>2,653,740</b></u>	<u><b>2,608,293</b></u>
<b>Interest (finance costs)</b>		
Interest on preference shares	(495,000)	(495,000)
Interest expense	(12,258)	(24,705)
Interest income	<u>2,242</u>	<u>2,158</u>
<b>Total finance costs, net</b>	<u><b>(505,016)</b></u>	<u><b>(517,547)</b></u>
<b>Total earnings for the period attributable to the equity holders</b>	<u><b>2,148,724</b></u>	<u><b>2,090,746</b></u>
<b>Total comprehensive income for the period</b>	<u><b>2,148,724</b></u>	<u><b>2,090,746</b></u>
<b>Basic and diluted earnings per share</b>	<u><b>0.43</b></u>	<u><b>0.42</b></u>

**APD LIMITED****Unaudited Interim Statement of Changes in Equity  
For the three months ended September 30, 2019 and 2018  
(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, 2018</b>	<b>49,969</b>	<b>49,192,308</b>	<b>14,554,308</b>	<b>63,796,585</b>
Total comprehensive income for the period	<u>-</u>	<u>-</u>	<u>2,090,746</u>	<u>2,090,746</u>
<b>Balance at September 30, 2018</b>	<b><u>49,969</u></b>	<b><u>49,192,308</u></b>	<b><u>16,645,054</u></b>	<b><u>65,887,331</u></b>
<b>Balance at July 1, 2019</b>	<b>49,969</b>	<b>49,192,308</b>	<b>16,288,542</b>	<b>65,530,819</b>
Total comprehensive income for the period	<u>-</u>	<u>-</u>	<u>2,148,724</u>	<u>2,148,724</u>
<b>Balance at September 30, 2019</b>	<b><u>49,969</u></b>	<b><u>49,192,308</u></b>	<b><u>18,437,266</u></b>	<b><u>67,679,543</u></b>

**APD LIMITED****Unaudited Interim Statement of Cash Flows  
For the three months ended September 30, 2019 and 2018  
(Amounts expressed in Bahamian dollars)**

	2019	2018
	\$	\$
<b>Cash flows from operating activities</b>		
Total comprehensive income for the period	2,148,724	2,090,746
Adjustments for:		
Depreciation	773,922	772,633
Amortisation of preference share issue cost	7,776	7,776
Interest income	(2,242)	(2,158)
Interest on preference shares	495,000	495,000
Loan interest expense	12,258	24,705
<b>Operating profit before changes in working capital</b>	<b>3,435,438</b>	<b>3,388,702</b>
Increase in accounts receivable	(491,984)	(187,949)
Decrease in deposits, prepayments and other assets	152,296	121,275
(Increase) in spare parts inventory	(48,301)	(68,701)
Increase in tax receivable	(187,442)	(111,469)
Decrease in accounts payable	(4,466)	(299,362)
Decrease/(Increase) in due to related parties	(407,636)	434,063
Increase in accrued expenses and other liabilities	953,534	1,005,459
<b>Net cash provided by operating activities</b>	<b>3,401,439</b>	<b>4,282,018</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(442,199)	(721,256)
<b>Net cash used in investing activities</b>	<b>(442,199)</b>	<b>(721,256)</b>
<b>Cash flows from financing activities</b>		
Principal payments on long term debt		(3,085,106)
Payment on redeemable preference Shares		(1,286,000)
Interest on preference shares	(495,000)	(495,000)
Interest income received	2,242	2,158
Interest expense paid	(12,258)	(24,705)
<b>Net cash used in financing activities</b>	<b>(505,016)</b>	<b>(4,888,653)</b>
<b>Increase/(Decrease) in cash and cash equivalents</b>	<b>2,454,224</b>	<b>(1,327,891)</b>
<b>Cash and cash equivalents, beginning of the period</b>	<b>16,800,558</b>	<b>19,764,963</b>
<b>Cash and cash equivalents, end of the period</b>	<b>19,254,782</b>	<b>18,437,072</b>

## **APD LIMITED**

### **Condensed Notes to the Unaudited Interim Financial Statements September 30, 2019**

#### **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, 2019 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, 2019, 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, 2019.

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, 2019.

### **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, 2019. There have been no changes in the Company's risk management policies since June 30, 2019.

#### **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.