

APD LIMITED
Unaudited Interim Financial Statements

As at December 31, 2015 and
the six months ended December 31, 2015

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

Unaudited Interim Statement of Financial Position
As at December 31, 2015 and June 30, 2015
(Amounts expressed in Bahamian dollars)

	December 31, 2015 \$	June 30, 2015 \$ (Audited)
ASSETS		
Current assets		
Cash and cash equivalents	1,270,171	6,040,249
Accounts receivable	1,792,987	1,839,018
VAT Receivable	469,225	162,974
Deposits, prepayments and other assets	561,765	777,760
Spare parts inventory	685,484	878,928
Total current assets	4,779,632	9,698,929
Non-current assets		
Property, plant and equipment	90,241,395	89,989,383
Total assets	95,021,028	99,688,312
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable	213,890	524,298
Due to related parties	2,197,775	2,577,247
Retention payable	81,764	93,826
Accrued expenses and other liabilities	167,512	1,132,512
Current portion of long term debt	425,532	425,532
Total current liabilities	3,086,473	4,753,415
Non-current liabilities		
Redeemable Preference shares	35,455,274	35,439,722
Long term debt	3,723,404	3,936,170
Deposits held	238,942	236,992
Total non-current liabilities	39,417,620	39,612,884
Total liabilities	42,504,093	44,366,299
Equity		
Share capital	49,969	49,969
Share premium	49,192,308	49,192,308
Retained earnings	3,274,658	6,079,736
Total equity	52,516,935	55,322,013
Total liabilities and equity	95,021,028	99,688,312

APD LIMITED**Unaudited Interim Statement of Comprehensive Income
For the Six months ended Dec 31, 2015 and 2014
(Amounts expressed in Bahamian dollars)**

	2015	2014
	\$	\$
Revenue		
Landing fees	5,902,043	6,052,124
Terminal handling fees	2,205,873	2,450,671
Stevedoring fees	1,523,817	1,669,108
Gate fees	1,037,448	1,161,960
Storage fees	453,602	1,563,844
Security	978,253	976,927
Subleases	791,001	585,126
Hazmat fees	283,000	332,350
Reefer line	211,600	192,154
Dockage	141,439	134,313
Line handling fees	40,128	45,850
Other income	3,450	21,978
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Total revenue	13,571,654	15,186,405
Expenses		
Terminal handling costs	1,834,033	2,579,561
Salaries, employee benefits and Training	2,442,519	2,350,049
Government lease	1,298,451	1,436,343
Government fees and taxes	675,196	675,980
Utilities	471,257	590,979
Repairs and maintenance	704,257	384,099
Insurance	223,945	258,555
Legal and other professional fees	309,579	187,427
Other operating expenses	159,196	148,425
Security	153,166	149,657
(Gain) / Loss on disposal of assets	(8,963)	(17,464)
Company meetings and events	62,139	107,933
Office supplies, postage and delivery	59,555	75,905
Bad debt recovery	256,500	-
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Total expenses	8,640,830	8,927,449
Earnings before interest, Depreciation and amortization	<hr/> 4,930,824	<hr/> 6,258,956

APD LIMITED**Unaudited Interim Statement of Comprehensive Income (Continued)
For the six months ended December 31, 2015 and 2014
(Amounts expressed in Bahamian dollars)**

	2015	2014
	\$	\$
Depreciation and amortization		
Depreciation	1,626,860	1,618,512
Amortization of preference shares issue cost	<u>15,552</u>	<u>46,228</u>
Total depreciation and amortization	<u>1,642,412</u>	<u>1,664,740</u>
Earnings before interest	<u>3,288,412</u>	<u>4,594,216</u>
Interest (finance costs)		
Interest on preference shares	(990,000)	(990,000)
Interest expense	(108,598)	(119,324)
Interest income	<u>2,022</u>	<u>184</u>
Total finance costs, net	<u>(1,096,576)</u>	<u>(1,109,140)</u>
Total earnings for the period attributable to the equity holders	<u>2,191,836</u>	<u>3,485,076</u>
Total comprehensive income for the period	<u>2,191,836</u>	<u>3,485,076</u>
Basic and diluted earnings per share	<u>0.44</u>	<u>0.70</u>

APD LIMITED**Unaudited Interim Statement of Changes in Equity
For the six months ended December 31, 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	-	-	3,485,076	3,485,076
Dividend paid for the period			(3,098,087)	(3,098,087)
Balances at December 31, 2014	49,969	49,192,308	2,811,734	52,054,011
Balance at July 1, 2015	49,969	49,192,308	6,079,737	55,322,014
Total comprehensive income for the period	-	-	2,191,836	2,191,836
Dividend paid for the period			(4,996,915)	(4,996,915)
Balances at December 31, 2015	49,969	49,192,308	3,274,658	52,516,935

APD LIMITED**Unaudited Interim Statement of Cash Flows
For the six months ended December 31, 2015 and 2014
(Amounts expressed in Bahamian dollars)**

	Notes	2015 \$	2014 \$
Cash flows from operating activities			
Total comprehensive income for the period		2,191,836	3,485,076
Adjustments for:			
Depreciation		1,626,860	1,618,512
Amortization of preference shares issue cost		15,552	46,228
(Gain) / Loss on disposal of assets		(8,963)	(17,464)
Provision for Bad Debts		256,500	
Interest income		(2022)	(184)
Interest on preference shares		990,000	990,000
Interest expense		108,598	119,324
		<hr/>	<hr/>
Operating profit before changes in working capital		5,178,361	6,241,492
Increase in accounts receivable		(210,469)	(320,540)
Increase in VAT receivable		(306,251)	
Decrease in deposits, prepayments and other assets		215,995	188,637
Increase (decrease) in spare parts inventory		193,444	(380,844)
(Decrease) increase in accounts payable		(310,408)	18,704
Increase (decrease) in due to related parties		(379,472)	611,112
Decrease in retention payable		(12,062)	(111,764)
Decrease in accrued expenses and other liabilities		(965,000)	(936,254)
Increase in deposits held		1,950	22,500
		<hr/>	<hr/>
Cash provided by operating activities		3,406,089	5,333,043
Cash flows from investing activities			
Construction of port facilities		(1,870,398)	(674,100)
Acquisition of property and equipment		(13,013)	(240,701)
Proceeds from sale of property and equipment		13,500	32,330
		<hr/>	<hr/>
Net cash used in investing activities		(1,869,911)	(882,471)
Cash flows from financing activities			
Net proceeds from preference share offering	-	-	-
Bridge loan principal (repayment)		-	-
Dividends paid to Share holders		(4,996,915)	(3,098,087)
Principal payment on long term debt		(212,766)	(212,766)
Interest on preference shares		(990,000)	(990,000)
Interest income received		2,022	184
Interest expense paid		(108,598)	(119,324)
		<hr/>	<hr/>
Net cash used by financing activities		(6,306,257)	(4,419,993)
Increase in cash and cash equivalents		(4,770,078)	30,579
Cash and cash equivalents, beginning of year		6,040,249	2,258,097
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Cash and cash equivalents, end of period		1,270,171	2,288,676
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APD Limited

Notes to the Condensed Unaudited Interim Financial Statements December 31, 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 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 six months ended December 31, 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.