

APD LIMITED
Unaudited Interim Financial Statements

For the nine months ended March 31, 2017

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

Unaudited Interim Statement of Financial Position
As at March 31, 2017 and June 30, 2016
(Amounts expressed in Bahamian dollars)

	March 31, 2017	June 30, 2016
	\$	\$
		(Audited)
ASSETS		
Current assets		
Cash and cash equivalents	8,953,690	5,689,676
Accounts receivable	2,777,788	1,950,066
VAT receivable	480,569	159,882
Deposits, prepayments and other assets	843,644	816,652
Spare parts inventory	881,789	693,498
	<u>13,937,480</u>	<u>9,309,774</u>
Total current assets		
Non-current assets		
Property, plant and equipment	87,208,448	88,819,789
	<u>87,208,448</u>	<u>88,819,789</u>
Total assets		
	<u><u>101,145,928</u></u>	<u><u>98,129,563</u></u>
LIABILITIES AND EQUITY		
Current liabilities		
Due to related parties	2,556,112	2,330,346
Accrued Expenses and other Liabilities	1,236,303	1,058,445
Current portion of long term debt	425,532	425,532
Accounts payable	238,533	408,136
Retention payable	-	2,911
	<u>4,456,480</u>	<u>4,225,370</u>
Total current liabilities		
Non-current liabilities		
Redeemable preference shares	35,494,152	35,470,825
Long term debt	3,191,489	3,510,638
Deposits held	262,895	259,194
	<u>38,948,536</u>	<u>39,240,657</u>
Total non-current liabilities		
Total liabilities		
	<u>43,405,016</u>	<u>43,466,027</u>
Equity		
Share capital	49,969	49,969
Share premium	49,192,308	49,192,308
Retained earnings	8,498,635	5,421,259
	<u>57,740,912</u>	<u>54,663,536</u>
Total equity		
Total liabilities and equity		
	<u><u>101,145,928</u></u>	<u><u>98,129,563</u></u>

APD LIMITED**Unaudited Interim Statement of Comprehensive Income
For the nine months ended March 31, 2017 and 2016
(Amounts expressed in Bahamian dollars)**

	2017	2016
	\$	\$
Revenue		
Landing fees	10,267,946	8,665,253
Terminal handling fees	3,254,816	3,186,246
Stevedoring fees	2,484,290	2,186,786
Gate fees	1,714,766	1,507,782
Security	1,861,851	1,448,089
Storage fees	1,687,394	817,735
Subleases	1,269,584	1,225,283
Hazmat fees	487,900	420,850
Reefer line	372,350	329,050
Dockage	210,970	203,458
Line handling fees	54,300	58,128
Other income	40,010	3,528
	<u>23,706,177</u>	<u>20,052,188</u>
Total revenue	23,706,177	20,052,188
Expenses		
Salaries, employee benefits and training	3,723,898	3,639,238
Terminal handling costs	2,743,700	2,619,402
Government lease	2,197,466	1,899,351
Government fees and taxes	1,013,322	1,012,650
Utilities	772,203	684,651
Repairs and maintenance	587,413	959,491
Legal and other professional fees	277,277	453,500
Security	265,145	235,795
Other operating expenses	232,967	205,373
Insurance	229,552	302,725
(Gain) / Loss on disposal of assets	(5,292)	(8,990)
Company meetings and events	88,167	70,149
Office supplies, postage and delivery	91,677	89,790
Bad debt recovery	(700,168)	384,750
	<u>11,517,327</u>	<u>12,547,877</u>
Total expenses	11,517,327	12,547,877
Earnings before interest, Depreciation and amortization	<u>12,188,850</u>	<u>7,504,311</u>

APD LIMITED**Unaudited Interim Statement of Comprehensive Income (Continued)
For the nine months ended March 31, 2017 and 2016
(Amounts expressed in Bahamian dollars)**

	2017	2016
	\$	\$
Depreciation and amortization		
Depreciation	2,465,104	2,489,192
Amortization of preference shares issue cost	<u>23,327</u>	<u>23,327</u>
Total depreciation and amortization	<u>2,488,431</u>	<u>2,512,519</u>
Earnings before interest	<u>9,700,419</u>	<u>4,991,792</u>
Interest (finance costs)		
Interest on preference shares	(1,485,000)	(1,485,000)
Interest expense	(143,777)	(160,318)
Interest income	<u>2,649</u>	<u>2,787</u>
Total finance costs, net	<u>(1,626,128)</u>	<u>(1,642,531)</u>
Total earnings for the period attributable to the equity holders	<u>8,074,291</u>	<u>3,349,261</u>
Total comprehensive income for the period	<u>8,074,291</u>	<u>3,349,261</u>
Basic and diluted earnings per share	<u>1.62</u>	<u>0.67</u>

APD LIMITED**Unaudited Interim Statement of Changes in Equity
For the nine months ended March 31, 2017 and 2016
(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	-	-	3,349,261	3,349,261
Dividend paid for the period	-	-	(4,996,915)	(4,996,915)
Balances at March 31, 2016	49,969	49,192,308	4,432,083	53,674,360
Balance at July 1, 2016	49,969	49,192,308	5,421,259	54,663,536
Total comprehensive income for the period	-	-	8,074,291	8,074,291
Dividend paid for the period	-	-	(4,996,915)	(4,996,915)
Balances at March 31, 2017	49,969	49,192,308	8,498,635	57,740,912

APD LIMITED**Unaudited Interim Statement of Cash Flows
For the nine months ended March 31, 2017 and 2016
(Amounts expressed in Bahamian dollars)**

	2017	2016
	\$	\$
Cash flows from operating activities		
Total comprehensive income for the period	8,074,291	3,349,261
Adjustments for:		
Depreciation	2,465,104	2,489,192
Amortization of preference shares issue cost	23,326	23,327
(Gain) / Loss on disposal of assets	(5,292)	(8,990)
Provision for bad debts	(700,168)	384,750
Interest income	(2,649)	(2,787)
Interest on preference shares	1,485,000	1,485,000
Interest expense	143,777	160,318
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Operating profit before changes in working capital	11,483,389	7,880,071
Increase in accounts receivable	(127,554)	(985,808)
(Increase) / decrease in tax receivables	(320,687)	43,098
Increase in deposits, prepayments and other assets	(26,992)	(142,339)
Increase in deposit held	3,701	22,202
(Increase) / decrease in spare parts inventory	(188,291)	203,972
Decrease in accounts payable	(169,603)	(349,515)
Increase / (decrease) in due to related parties	225,766	(246,270)
Decrease in retention payable	(2,911)	(32,676)
Increase / (decrease) in accrued expenses and other liabilities	177,858	(65,143)
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Cash provided by operating activities	11,054,676	6,327,592
Cash flows from investing activities		
Construction of port facilities	(805,690)	(1,987,309)
Acquisition of property and equipment	(48,481)	(22,807)
Proceeds from sale of property and equipment	5,700	13,500
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Net cash used in investing activities	(848,471)	(1,996,616)
Cash flows from financing activities		
Principal payment on long term debt	(319,149)	(319,149)
Dividends paid to ordinary shareholders	(4,996,915)	(4,996,915)
Interest on preference shares	(1,485,000)	(1,485,000)
Interest income received	2,649	2,787
Interest expense paid	(143,777)	(160,318)
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Net cash used by financing activities	(6,942,192)	(6,958,595)
Increase in cash and cash equivalents	3,264,013	(2,627,619)
Cash and cash equivalents, beginning of year	5,689,676	6,040,249
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Cash and cash equivalents, end of period	8,953,689	3,412,630
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APD Limited

Notes to the Condensed Unaudited Interim Financial Statements March 31, 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).

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 nine months ended March 31, 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, 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.