

APD LIMITED
Unaudited Interim Financial Statements

As at March 31, 2019 and
the nine months ended March 31, 2019

APD LIMITED**(Incorporated under the laws of the Commonwealth of The Bahamas)****Unaudited Interim Statement of Financial Position****As of March 31, 2019, and June 30, 2018****(Amounts expressed in Bahamian dollars)**

	March 31, 2019	June 30, 2018
	\$	(Audited) \$
ASSETS		
Current assets		
Cash and cash equivalents	16,614,508	19,764,963
Accounts receivable	1,858,516	1,615,954
Tax receivable	447,625	471,257
Deposits, prepayments and other assets	880,592	852,207
Spare parts inventory	781,090	826,601
Deferred borrowing costs	26,779	26,779
	<u>20,609,110</u>	<u>23,557,761</u>
Total current assets		
Non-current assets		
Property, plant and equipment	83,454,138	84,693,943
	<u>83,454,138</u>	<u>84,693,943</u>
Total assets		
	<u><u>104,063,248</u></u>	<u><u>108,251,704</u></u>
LIABILITIES AND EQUITY		
Current liabilities		
Due to related parties	3,799,327	2,605,808
Accounts payable	216,684	488,725
Accrued expenses and other liabilities	1,214,882	1,117,485
Current portion of long-term debt	300,000	3,385,106
Current portion of preference shares	2,250,500	2,572,000
	<u>7,781,393</u>	<u>10,169,124</u>
Total current liabilities		
Non-current liabilities		
Deposits held	261,596	274,964
Long term debt	900,000	1,050,000
Redeemable preference shares	32,019,858	32,961,031
	<u>33,181,454</u>	<u>34,285,995</u>
Total non-current liabilities		
Total liabilities		
	<u>40,962,847</u>	<u>44,455,119</u>
Equity		
Share capital	49,969	49,969
Share premium	49,192,308	49,192,308
Retained earnings	13,858,124	14,554,308
	<u>63,100,401</u>	<u>63,796,585</u>
Total equity		
Total liabilities and equity		
	<u><u>104,063,248</u></u>	<u><u>108,251,704</u></u>

APD LIMITED**Unaudited Interim Statement of Comprehensive Income
For the nine months ended March 31, 2019 and 2018
(Amounts expressed in Bahamian dollars)**

	2019	2018
	\$	\$
Revenue		
Landing fees	10,144,848	10,131,172
Terminal handling fees	3,222,939	3,274,469
Stevedoring fees	2,204,906	2,392,995
Gate fees	1,719,499	1,708,662
Storage fees	913,076	1,407,674
Security	1,969,444	2,000,702
Subleases	1,334,069	1,330,289
Hazmat fees	271,100	286,700
Reefer line	533,750	558,200
Dockage	198,524	202,630
Line handling fees	52,507	54,350
Other income	45,090	45,126
Total revenue	<u>22,609,752</u>	<u>23,392,969</u>
Expenses		
Salaries, employee benefits and training	4,019,150	4,039,275
Terminal handling costs	2,732,096	3,038,654
Government lease	2,062,940	2,063,624
Government fees & Taxes	1,129,897	1,106,458
Utilities	811,443	941,862
Insurance	256,854	210,083
Legal and other professional fees	301,777	302,598
Repairs and maintenance	954,479	970,921
Other operating expenses	333,287	140,624
Security	305,232	296,823
Company meetings and events	150,406	68,935
Office supplies, postage and delivery	118,457	142,599
Total expenses	<u>13,176,018</u>	<u>13,322,456</u>
Earnings before interest, depreciation and amortisation	<u>9,433,734</u>	<u>10,070,513</u>

APD LIMITED**Unaudited Interim Statement of Comprehensive Income (Continued)
For the nine months ended March 31, 2019 and 2018
(Amounts expressed in Bahamian dollars)**

	2019	2018
	\$	\$
Depreciation and amortization		
Depreciation	2,311,625	2,341,455
Amortisation of preference share issue cost	<u>23,327</u>	<u>23,327</u>
Total depreciation and amortisation	<u>2,334,952</u>	<u>2,364,782</u>
Earnings before interest	<u>7,098,782</u>	<u>7,705,731</u>
Interest (finance costs)		
Interest on preference shares	1,449,635	1,485,000
Interest expense	55,185	114,211
Interest income	<u>(5,972)</u>	<u>(6,219)</u>
Total finance costs, net	<u>1,498,848</u>	<u>1,592,992</u>
Total earnings for the period attributable to the equity holders	<u>5,599,934</u>	<u>6,112,739</u>
Total comprehensive income for the period	<u>5,599,934</u>	<u>6,112,739</u>
Basic and diluted earnings per share	<u>1.12</u>	<u>1.22</u>

APD LIMITED**Unaudited Interim Statement of Changes in Equity
For the nine months ended March 31, 2019 and 2018
(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	-	-	6,112,739	6,112,739
Dividend paid for the period	-	-	(5,646,514)	(5,646,514)
Balance at March 31, 2018	49,969	49,192,308	12,061,773	61,304,050
Balance at July 1, 2018	49,969	49,192,308	14,554,308	63,796,585
Total comprehensive income for the period	-	-	5,599,934	5,599,934
Dividend paid for the period	-	-	(6,296,118)	(6,296,118)
Balance at March 31, 2019	49,969	49,192,308	13,858,124	63,100,401

APD LIMITED**Unaudited Interim Statement of Cash Flows
For the nine months ended March 31, 2019 and 2018
(Amounts expressed in Bahamian dollars)**

	2019	2018
	\$	\$
Cash flows from operating activities		
Total comprehensive income for the period	5,599,934	6,112,739
Adjustments for:		
Depreciation	2,311,625	2,341,455
Amortisation of preference share issue cost	23,327	23,327
Interest income	(5,972)	(6,219)
Interest on Preference shares	1,449,635	1,485,000
Loan interest expense	55,185	114,211
Operating profit before changes in working capital	9,433,734	10,070,513
(Increase)/Decrease in accounts receivable	(242,562)	225,163
Increase deferred borrowing costs		(22,989)
Increase in Deposit, Prepayments & other assets	(28,385)	(187,256)
Decrease in Purchase inventory	45,511	44,591
Decrease in tax receivable	23,632	194,766
Decrease in accounts payable	(272,041)	(218,965)
Increase /(Decrease) in due to related parties	1,193,519	(622,978)
Increase in accrued expense and other liabilities	97,397	105,624
Decrease in deposits held	(13,368)	(6,557)
Net cash provided by operating activities	10,237,437	9,581,912
Cash flows from investing activities		
Acquisition of property, plant and equipment	(1,071,820)	(598,101)
Net cash used in investing activities	(1,071,820)	(598,101)
Cash flows from financing activities		
Principal payments on long term debt	(3,235,106)	(319,149)
USD Bank Loan Proceeds	-	1,500,000
Dividends paid to ordinary shareholders	(6,296,118)	(5,646,514)
Principal Payment on Pref Shares	(1,286,000)	-
Interest on preference shares	(1,449,635)	(1,485,000)
Interest income received	5,972	6,219
Interest expense paid	(55,185)	(114,211)
Net cash used in financing activities	(12,316,072)	(6,058,655)
Increase in cash and cash equivalents	(3,150,455)	2,925,156
Cash and cash equivalents, beginning of the period	19,764,963	13,830,892
Cash and cash equivalents, end of the period	16,614,508	16,756,048

APD LIMITED

Condensed Notes to the Unaudited Interim Financial Statements March 31, 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 nine months ended March 31, 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, 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.