

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

**As at March 31, 2016 and**  
**the nine months ended March 31, 2016**

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

**Unaudited Interim Statement of Financial Position**  
**As at March 31, 2016 and June 30, 2015**  
**(Amounts expressed in Bahamian dollars)**

	<b>March 31, 2016</b>	<b>June 30, 2015</b>
	\$	\$
		<b>(Audited)</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	3,412,630	6,040,249
Accounts receivable	2,440,076	1,839,018
VAT Receivable	119,876	162,974
Deposits, prepayments and other assets	920,099	777,760
Spare parts inventory	674,956	878,928
	<u>7,567,637</u>	<u>9,698,929</u>
<b>Total current assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	89,505,798	89,989,383
	<u>89,505,798</u>	<u>89,989,383</u>
<b>Total assets</b>		
	<u><u>97,073,435</u></u>	<u><u>99,688,312</u></u>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable	174,783	524,298
Due to related parties	2,330,977	2,577,247
Retention payable	61,150	93,826
Accrued expenses and other liabilities	1,067,369	1,132,512
Current portion of long term debt	425,532	425,532
	<u>4,059,811</u>	<u>4,753,415</u>
<b>Total current liabilities</b>		
<b>Non-current liabilities</b>		
Redeemable Preference shares	35,463,049	35,439,722
Long term debt	3,617,021	3,936,170
Deposits held	259,194	236,992
	<u>39,339,264</u>	<u>39,612,884</u>
<b>Total non-current liabilities</b>		
<b>Total liabilities</b>		
	<u>43,399,075</u>	<u>44,366,299</u>
<b>Equity</b>		
Share capital	49,969	49,969
Share premium	49,192,308	49,192,308
Retained earnings	4,432,083	6,079,736
	<u>53,674,360</u>	<u>55,322,013</u>
<b>Total equity</b>		
<b>Total liabilities and equity</b>		
	<u><u>97,073,435</u></u>	<u><u>99,688,312</u></u>

**APD LIMITED****Unaudited Interim Statement of Comprehensive Income  
For the nine months ended March 31, 2016 and 2015  
(Amounts expressed in Bahamian dollars)**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>Revenue</b>		
Landing fees	8,665,253	9,112,855
Terminal handling fees	3,186,246	3,479,313
Stevedoring fees	2,186,786	2,456,938
Gate fees	1,507,782	1,715,032
Security	1,448,089	1,460,361
Subleases	1,225,283	877,689
Storage fees	817,735	2,305,924
Hazmat fees	420,850	489,700
Reefer line	329,050	307,404
Dockage	203,458	203,868
Line handling fees	58,128	65,450
Other income	3,528	24,489
	<hr/>	<hr/>
<b>Total revenue</b>	<b>20,052,188</b>	<b>22,499,023</b>
	<hr/>	<hr/>
<b>Expenses</b>		
Terminal handling costs	2,619,402	3,686,494
Salaries, employee benefits and training	3,639,238	3,579,458
Government lease	1,899,351	2,133,800
Government fees and taxes	1,012,650	1,022,769
Utilities	684,651	840,022
Repairs and maintenance	959,491	652,058
Insurance	302,725	381,804
Legal and other professional fees	453,500	291,520
Other operating expenses	205,373	249,092
Security	235,795	227,931
(Gain) / Loss on disposal of assets	(8,990)	(21,920)
Company meetings and events	70,149	118,624
Office supplies, postage and delivery	89,790	105,142
Provision for bad debt	384,750	-
	<hr/>	<hr/>
<b>Total expenses</b>	<b>12,547,877</b>	<b>13,266,794</b>
	<hr/>	<hr/>
<b>Earnings before interest, depreciation and amortization</b>	<b>7,504,311</b>	<b>9,232,229</b>

**APD LIMITED****Unaudited Interim Statement of Comprehensive Income (Continued)  
For the nine months ended March 31, 2016 and 2015  
(Amounts expressed in Bahamian dollars)**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>Depreciation and amortization</b>		
Depreciation	2,489,192	2,421,509
Amortization of preference shares issue cost	23,327	54,004
	<u>2,512,519</u>	<u>2,475,513</u>
<b>Total depreciation and amortization</b>		
	<u>2,512,519</u>	<u>2,475,513</u>
<b>Earnings before interest</b>	<u>4,991,792</u>	<u>6,756,716</u>
<b>Interest (finance costs)</b>		
Interest on preference shares	(1,485,000)	(1,485,000)
Interest expense	(160,318)	(175,721)
Interest income	2,787	290
	<u>(1,642,531)</u>	<u>(1,660,431)</u>
<b>Total finance costs, net</b>		
	<u>(1,642,531)</u>	<u>(1,660,431)</u>
<b>Total earnings for the period attributable to the equity holders</b>	<u>3,349,261</u>	<u>5,096,285</u>
<b>Total comprehensive income for the period</b>	<u>3,349,261</u>	<u>5,096,285</u>
<b>Basic and diluted earnings per share</b>	<u>0.67</u>	<u>1.02</u>

**APD LIMITED****Unaudited Interim Statement of Changes in Equity  
For the nine months ended March 31, 2016 and 2015  
(Amounts expressed in Bahamian dollars)**

	<u>Share capital \$</u>	<u>Share premium \$</u>	<u>Retained earning \$</u>	<u>Total \$</u>
<b>Balances at July 1, 2014</b>	<b>49,969</b>	<b>49,192,308</b>	<b>2,424,745</b>	<b>51,667,022</b>
Total comprehensive income for the period	-	-	5,096,285	5,096,285
Dividend paid for the period			(3,098,087)	(3,098,087)
<b>Balances at March 31, 2015</b>	<b>49,969</b>	<b>49,192,308</b>	<b>4,422,943</b>	<b>53,665,220</b>
<b>Balance at July 1, 2015</b>	<b>49,969</b>	<b>49,192,308</b>	<b>6,079,737</b>	<b>55,322,014</b>
Total comprehensive income for the period	-	-	3,349,261	3,349,261
Dividend paid for the period			(4,996,915)	(4,996,915)
<b>Balances at March 31, 2016</b>	<b>49,969</b>	<b>49,192,308</b>	<b>4,432,083</b>	<b>53,674,360</b>

**APD LIMITED****Unaudited Interim Statement of Cash Flows**  
**For the nine months ended March 31, 2016 and 2015**  
**(Amounts expressed in Bahamian dollars)**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Total comprehensive income for the period	3,349,261	5,096,285
Adjustments for:		
Depreciation	2,489,192	2,421,509
Amortization of preference shares issue cost	23,327	54,004
(Gain) / Loss on disposal of assets	(8,990)	(21,920)
Provision for Bad Debts	384,750	-
Interest income	(2,787)	(290)
Interest on preference shares	1,485,000	1,485,000
Interest expense	160,318	175,721
	<u>7,880,071</u>	<u>9,210,309</u>
<b>Operating profit before changes in working capital</b>	<b>7,880,071</b>	<b>9,210,309</b>
(Increase) decrease in accounts receivable	(985,808)	249,111
Decrease (increase) in tax receivable	43,098	(40,448)
Increase in deposits, prepayments and other assets	(142,339)	(85,449)
Decrease (increase) in spare parts inventory	203,972	(290,962)
Decrease in accounts payable	(349,515)	(400,709)
(Decrease) increase in due to related parties	(246,270)	756,269
Decrease in retention payable	(32,676)	(115,709)
(Decrease) increase in accrued expenses and other liabilities	(65,143)	29,022
Increase in deposits held	22,202	22,500
	<u>6,327,592</u>	<u>9,333,934</u>
<b>Cash provided by operating activities</b>	<b>6,327,592</b>	<b>9,333,934</b>
<b>Cash flows from investing activities</b>		
Construction of port facilities	(1,987,309)	(985,272)
Acquisition of property and equipment	(22,807)	(244,651)
Proceeds from sale of property and equipment	13,500	38,830
	<u>(1,996,616)</u>	<u>(1,191,093)</u>
<b>Net cash used in investing activities</b>	<b>(1,996,616)</b>	<b>(1,191,093)</b>
<b>Cash flows from financing activities</b>		
Dividends paid to Share holders	(4,996,915)	(3,098,087)
Principal payment on long term debt	(319,149)	(319,149)
Interest on preference shares	(1,485,000)	(1,485,000)
Interest income received	2,787	290
Interest expense paid	(160,318)	(175,721)
	<u>(6,958,595)</u>	<u>(5,077,667)</u>
<b>Net cash used by financing activities</b>	<b>(6,958,595)</b>	<b>(5,077,667)</b>
<b>Increase in cash and cash equivalents</b>	<b>(2,627,619)</b>	<b>3,065,174</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>6,040,249</b>	<b>2,258,097</b>
<b>Cash and cash equivalents, end of period</b>	<b>3,412,630</b>	<b>5,323,271</b>

## **APD Limited**

### **Notes to the Condensed Unaudited Interim Financial Statements March 31, 2016**

#### **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, 2016 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. Related party balances and transactions**

A party is related to the Company if:

- (a) Directly, or indirectly through one or more intermediaries, the party:
  - (i) controls, is controlled by, or is under common control with, the Company;
  - (ii) has an interest in the Company that gives it significant influence over the Company;
- (b) the party is a member of the key management personnel, including directors and officers, of the Company or its shareholders;
- (c) the party is a close member of the family of any individual referred to in (b) above; and
- (d) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entities resides with, directly or indirectly, any individual referred to in (b) or (c) above.

## **6. Financial risk management**

### **6.1 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.



## **6.2 Liquidity risk**

Compared to year end there was no material change in the contractual undiscounted cash flows for the financial liabilities.

## **7. Seasonality of operations**

Due to the nature of the Company's operations, seasonal trends are not applicable.

## **8. Dividends paid**

### **a) Common shares**

On December 12, 2015, the Company declared and paid a dividend of \$1.00 per share to all shareholder of record at the close of business November 27<sup>th</sup>, 2015. Total dividend paid was \$4,996,915 (2014: \$3,098,087).

### **b) Preference shares**

The Company paid its semi-annual dividend on Preference shares on the last business day in December 2015. Total dividend on Preference shares was \$990,000 (2014: \$990,000).