

APD LIMITED
Unaudited Interim Financial Statements

**As at June 30, 2018 and
the twelve months ended June 30, 2018**

UNAUDITED

APD LIMITED**(Incorporated under the laws of the Commonwealth of The Bahamas)****Condensed Unaudited Interim Statement of Comprehensive Income****As of June 30th, 2018, and 2017****(Amounts expressed in Bahamian dollars)**

	June 30, 2018	June 30, 2017
	\$	(Audited)
		\$
ASSETS		
Current assets		
Cash and cash equivalents	19,764,963	13,830,892
Accounts receivable	1,615,954	1,958,248
Tax receivable	471,257	553,204
Deposits, prepayments and other assets	827,207	733,485
Spare parts inventory	826,601	852,841
Deferred borrowing costs	26,779	-
Total current assets	23,532,761	17,928,670
Non-current assets		
Property, plant and equipment	84,693,943	86,736,933
Total assets	108,226,704	104,665,603
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable	488,725	369,626
Due to related parties	2,605,808	2,997,653
Accrued expenses and other liabilities	1,117,485	1,179,781
Current portion of preference shares	2,572,000	1,286,000
Current portion of long term debt	3,385,106	425,532
Total current liabilities	10,169,124	6,258,592
Non-current liabilities		
Redeemable preference shares	32,961,031	34,215,928
Long term debt	1,050,000	3,085,106
Deposits held	274,963	268,152
Total non-current liabilities	34,285,994	37,569,186
Total liabilities	44,455,118	43,827,778
Equity		
Share capital	49,969	49,969
Share premium	49,192,308	49,192,308
Retained earnings	14,529,309	11,595,548
Total equity	63,771,585	60,837,825
Total liabilities and equity	108,226,704	104,665,603

APD LIMITED**Condensed Unaudited Interim Statement of Comprehensive Income
For the twelve months ended June 30, 2018 and 2017
(Amounts expressed in Bahamian dollars)**

	2018	2017
	\$	(Audited) \$
Revenue		
Landing fees	13,800,456	14,281,422
Terminal handling fees	4,375,092	4,389,282
Stevedoring fees	3,214,922	3,305,587
Security	2,718,707	2,568,446
Gate fees	2,314,667	2,328,860
Subleases	1,767,119	1,699,550
Storage fees	1,680,299	2,206,719
Reefer line	889,450	691,550
Hazmat fees	379,150	665,150
Dockage	261,431	286,833
Line handling fees	71,550	75,100
Other income	58,676	52,929
Total revenue	31,531,519	32,551,428
Expenses		
Salaries, employee benefits, and training	5,461,574	5,093,634
Terminal handling costs	3,987,927	3,795,215
Government lease	2,567,262	2,964,964
Government fees and taxes	1,486,099	1,449,069
Repairs and maintenance	1,328,578	1,024,585
Utilities	1,153,336	860,150
Legal and other professional fees	442,942	365,775
Security	395,796	367,725
Insurance	287,449	302,622
Other operating expenses	246,862	173,262
Office supplies, postage and delivery	181,286	117,384
Company meetings and events	79,769	98,830
Loss/(Gain) on disposal of assets	21,959	12,082
Bad debt (reversal)/expense	-	(700,168)
Total expenses	17,640,839	15,925,129
Earnings before interest, depreciation and amortization	13,890,680	16,626,299

APD LIMITED**Condensed Unaudited Interim Statement of Comprehensive Income (Continued)
For the twelve months ended June 30, 2018 and 2017
(Amounts expressed in Bahamian dollars)**

	2018	2017
	\$	(Audited)
		\$
Depreciation and amortization		
Depreciation	3,124,443	3,245,535
Impairment of property, plant and equipment	-	24,309
Amortisation of preference share issue cost	31,103	31,103
	<u>3,155,546</u>	<u>3,300,947</u>
Total depreciation and amortisation		
	<u>3,155,546</u>	<u>3,300,947</u>
Earnings before interest	<u>10,735,134</u>	<u>13,325,352</u>
Interest (finance costs)		
Interest on preference shares	1,980,000	1,980,000
Interest expense	183,291	178,331
Interest income	(8,431)	(4,183)
	<u>2,154,860</u>	<u>2,154,148</u>
Total finance costs, net		
	<u>2,154,860</u>	<u>2,154,148</u>
Total earnings for the period attributable to the equity holders	<u>8,580,274</u>	<u>11,171,204</u>
Total comprehensive income for the period	<u>8,580,274</u>	<u>11,171,204</u>
Basic and diluted earnings per share	<u>1.72</u>	<u>2.24</u>

APD LIMITED**Condensed Unaudited Interim Statement of Changes in Equity
For the twelve months ended June 30, 2018 and 2017
(Amounts expressed in Bahamian dollars)**

	Share capital \$	Share premium \$	Retained earnings \$	Total \$
Balance at July 1, 2016	49,969	49,192,308	5,421,259	54,663,536
Total comprehensive income for the year	-	-	11,171,204	11,171,204
Dividends paid (Note 11)	-	-	(4,996,915)	(4,996,915)
Balance at June 30, 2017	49,969	49,192,308	11,595,548	60,837,825
Balance at July 1, 2017	49,969	49,192,308	11,595,548	60,837,825
Total comprehensive income for the year	-	-	8,580,274	8,580,274
Dividends paid (Note 11)	-	-	(5,646,514)	(5,646,514)
Balance at June 30, 2018	49,969	49,192,308	14,529,308	63,771,585

APD LIMITED

**Condensed Unaudited Interim Statement of Cash Flow
For the twelve months ended June 30, 2018 and 2017
(Amounts expressed in Bahamian dollars)**

	2018	2017
	\$	(Audited)
		\$
Cash flows from operating activities		
Total comprehensive income for the year	8,580,274	11,171,204
Adjustments for:		
Depreciation	3,124,443	3,245,535
Impairment of property, plant and equipment	-	24,309
Amortization of preference share issue cost	31,103	31,103
Bad debt expense / (reversal)	-	(700,168)
Loss on disposal of assets	21,959	12,082
Interest income	(8,431)	(4,183)
Preference share dividends	1,980,000	1,980,000
Loan interest expense	183,291	178,331
Operating profit before changes in working capital	13,912,639	15,938,213
Decrease / (Increase) in spare parts inventory	26,240	(159,343)
(Increase) in deferred borrowing cost	(26,779)	-
(Increase) / Decrease in deposits, prepayments and other assets	(93,722)	83,167
Decrease in accounts receivable	342,294	691,986
Decrease / (Increase) in tax receivable	81,947	(393,322)
Increase in deposit held	6,812	8,958
Increase / (Decrease) in accounts payable	119,098	(38,510)
(Decrease) / Increase in due to related parties	(391,845)	667,307
(Decrease) in retention payable	-	(2,911)
(Decrease) / Increase in accrued expense and other liabilities	(62,296)	121,336
Net cash provided by operating activities	13,914,388	16,916,881
Cash flows from investing activities		
Acquisition of property, plant and equipment	(1,103,411)	(1,204,770)
Proceeds from sale of property, plant and equipment	-	5,700
Net cash used in investing activities	(1,103,411)	(1,199,070)
Cash flows from financing activities		
Principal payment on long term debt	(575,532)	(425,532)
Loan proceeds	1,500,000	-
Dividends paid to ordinary shareholders	(5,646,514)	(4,996,915)
Preference share dividends	(1,980,000)	(1,980,000)
Interest income received	8,431	4,183
Interest expense paid	(183,291)	(178,331)
Net cash used in financing activities	(6,876,906)	(7,576,595)
Increase / (Decrease) in cash and cash equivalents	5,934,071	8,141,216
Cash and cash equivalents, beginning of year	13,830,892	5,689,676
Cash and cash equivalents, end of year	19,764,963	13,830,892

APD LIMITED

Condensed Notes to the Unaudited Interim Financial Statements June 30, 2018

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 twelve months ended June 30, 2018 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, 2017, 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, 2017.

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, 2017.

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, 2017. There have been no changes in the Company's risk management policies since June 30, 2017.

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.