

APD LIMITED
Unaudited Interim Financial Statements

As at March 31, 2018 and
the nine months ended March 31, 2018

APD LIMITED**(Incorporated under the laws of the Commonwealth of The Bahamas)****Unaudited Interim Statement of Financial Position****As of March 31, 2018, and June 30, 2017****(Amounts expressed in Bahamian dollars)**

	March 31, 2018	June 30, 2017
	\$	(Audited) \$
ASSETS		
Current assets		
Cash and cash equivalents	16,756,048	13,830,892
Accounts receivable	1,733,085	1,958,248
Tax receivable	358,438	553,204
Deposits, prepayments and other assets	920,741	733,485
Spare parts inventory	808,250	852,841
Deferred borrowing costs	22,989	-
Total current assets	<u>20,599,551</u>	<u>17,928,670</u>
Non-current assets		
Property, plant and equipment	84,993,579	86,736,933
Total assets	<u>105,593,130</u>	<u>104,665,603</u>
LIABILITIES AND EQUITY		
Current liabilities		
Due to related parties	2,374,675	2,997,653
Accounts payable	150,661	369,626
Accrued expenses and other liabilities	1,285,405	1,179,781
Current portion of long term debt	425,532	425,532
Current portion of preference shares	2,250,500	1,286,000
Total current liabilities	<u>6,486,773</u>	<u>6,258,592</u>
Non-current liabilities		
USD Long Term Debt	1,500,000	-
Deposits held	261,595	268,152
Long term debt	2,765,957	3,085,106
Redeemable preference shares	33,274,755	34,215,928
Total non-current liabilities	<u>37,802,307</u>	<u>37,569,186</u>
Total liabilities	<u>44,289,080</u>	<u>43,827,778</u>
Equity		
Share capital	49,969	49,969
Share premium	49,192,308	49,192,308
Retained earnings	12,061,773	11,595,548
Total equity	<u>61,304,050</u>	<u>60,837,825</u>
Total liabilities and equity	<u>105,593,130</u>	<u>104,665,603</u>

APD LIMITED**Unaudited Interim Statement of Comprehensive Income
For the nine months ended March 31, 2018 and 2017
(Amounts expressed in Bahamian dollars)**

	2018	2017
	\$	\$
Revenue		
Landing fees	10,131,172	10,267,946
Terminal handling fees	3,274,469	3,254,816
Stevedoring fees	2,392,995	2,484,290
Gate fees	1,708,662	1,714,766
Storage Fees	1,407,674	1,687,394
Security	2,000,702	1,861,851
Subleases	1,330,289	1,269,584
Hazmat Fees	286,700	487,900
Reefer Line	558,200	372,350
Dockage	202,630	210,970
Line handling fees	54,350	54,300
Other income	45,126	40,010
	<u>23,392,969</u>	<u>23,706,177</u>
Total revenue	23,392,969	23,706,177
Expenses		
Salaries, employee benefits and training	4,039,275	3,723,898
Terminal handling costs	3,038,654	2,743,700
Government lease	2,063,624	2,197,466
Government fees & Taxes	1,106,458	1,013,322
Utilities	941,862	772,203
Insurance	210,083	229,552
Legal and other professional fees	302,598	277,277
Repairs and maintenance	970,921	587,413
Other operating expenses	140,624	232,967
Loss on sale of property and equipment	-	(5,292)
Security	296,823	265,145
Company meetings and events	68,935	88,167
Office supplies, postage and delivery	142,599	91,677
Bad debt (recovery)/expense	-	(700,168)
	<u>13,322,456</u>	<u>11,517,327</u>
Total expenses	13,322,456	11,517,327
Earnings before interest, depreciation and amortisation	10,070,513	12,188,850

APD LIMITED**Unaudited Interim Statement of Comprehensive Income (Continued)
For the nine months ended March 31, 2018 and 2017
(Amounts expressed in Bahamian dollars)**

	2018	2017
	\$	\$
Depreciation and amortization		
Depreciation	2,341,455	2,465,104
Amortisation of preference share issue cost	<u>23,327</u>	<u>23,327</u>
Total depreciation and amortisation	<u>2,364,782</u>	<u>2,488,431</u>
Earnings before interest	<u>7,705,731</u>	<u>9,700,419</u>
Interest (finance costs)		
Interest on preference shares	(1,485,000)	(1,485,000)
Interest expense	(114,211)	(143,777)
Interest income	<u>6,219</u>	<u>2,649</u>
Total finance costs, net	<u>(1,592,992)</u>	<u>(1,626,128)</u>
Total earnings for the period attributable to the equity holders	<u>6,112,739</u>	<u>8,074,291</u>
Total comprehensive income for the period	<u>6,112,739</u>	<u>8,074,291</u>
Basic and diluted earnings per share	<u>1.22</u>	<u>1.62</u>

APD LIMITED**Unaudited Interim Statement of Changes in Equity
For the nine months ended March 31, 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 period	-	-	8,074,291	8,074,291
Dividend paid for the period	-	-	(4,996,915)	(4,996,915)
Balance at March 31, 2017	<u>49,969</u>	<u>49,192,308</u>	<u>8,498,635</u>	<u>57,740,912</u>
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	<u>49,969</u>	<u>49,192,308</u>	<u>12,061,773</u>	<u>61,304,050</u>

APD LIMITED**Unaudited Interim Statement of Cash Flows
For the nine months ended March 31, 2018 and 2017
(Amounts expressed in Bahamian dollars)**

	2018	2017
	\$	\$
Cash flows from operating activities		
Total comprehensive income for the period	6,112,739	8,074,291
Adjustments for:		
Depreciation	2,341,455	2,465,104
Amortisation of preference share issue cost	23,327	23,326
(Gain) / loss on disposal of assets	-	(5,292)
Bad debt expense	-	(700,168)
Interest income	(6,219)	(2,649)
Interest on preference shares	1,485,000	1,485,000
Loan interest expense	114,211	143,777
Operating profit before changes in working capital	10,070,513	11,483,389
Decrease / (Increase) in Purchase inventory	44,591	(188,291)
Increase in deferred borrowing cost	(22,989)	-
Increase in prepayments & deposits	(187,256)	(26,992)
Decrease / (Increase) in accounts receivable	225,163	(127,554)
Decrease / (Increase) in tax receivable	194,766	(320,687)
(Decrease) / Increase in deposit held	(6,557)	3,701
Decrease in accounts payable	(218,965)	(169,603)
(Decrease) / Increase in due to related parties	(622,978)	225,766
Increase in accrued expense and other liabilities	105,624	177,858
Decrease in retention payable	-	(2,911)
Net cash provided by operating activities	9,581,912	11,054,676
Cash flows from investing activities		
Construction of port facilities	(598,101)	(805,690)
Acquisition of property, plant and equipment	-	(48,481)
Proceeds from sale of property, plant and equipment	-	5,700
Net cash used in investing activities	(598,101)	(848,471)
Cash flows from financing activities		
Principal payment long term debt	(319,149)	(319,149)
USD Bank Loan Proceeds	1,500,000	-
Dividends paid on ordinary shareholders	(5,646,514)	(4,996,915)
Interest income	6,219	2,649
Interest expense paid	(114,211)	(143,777)
Interest on preference shares	(1,485,000)	(1,485,000)
Net cash used in financing activities	(6,058,655)	(6,942,192)
Increase in cash and cash equivalents	2,925,156	3,264,013

Cash and cash equivalents, beginning of the period

13,830,892

5,689,676

Cash and cash equivalents, end of the period

16,756,048

8,953,689

APD LIMITED

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