

APD LIMITED
Unaudited Interim Financial Statements

**As at March 31, 2020 and
the nine months ended March 31, 2020**

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

Unaudited Interim Statement of Financial Position
As of March 31, 2020, and June 30, 2019
(Amounts expressed in Bahamian dollars)

	March 31, 2020	June 30, 2019
	\$	(Audited) \$
ASSETS		
Current assets		
Cash and cash equivalents	19,442,281	16,800,558
Accounts receivable	1,946,132	1,539,297
Tax receivable	512,488	591,978
Deposits, prepayments and other assets	918,686	898,942
Spare parts inventory	873,111	834,494
Deferred borrowing costs	26,779	26,779
Total current assets	<u>23,719,477</u>	<u>20,692,048</u>
Non-current assets		
Property, plant and equipment	81,397,094	82,800,651
Total assets	<u>105,116,571</u>	<u>103,492,699</u>
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable	316,588	309,833
Due to related parties	2,555,488	2,300,874
Accrued expenses and other liabilities	1,130,506	1,047,443
Current portion of redeemable preference shares	2,250,500	1,286,000
Current portion of long term debt	300,000	300,000
Total current liabilities	<u>6,553,082</u>	<u>5,244,150</u>
Non-current liabilities		
Deposits held	261,596	261,596
Long term debt	597,069	750,000
Redeemable preference shares	30,764,961	31,706,134
Total non-current liabilities	<u>31,623,626</u>	<u>32,717,730</u>
Total liabilities	<u>38,176,708</u>	<u>37,961,880</u>
Equity		
Share capital	49,969	49,969
Share premium	49,192,308	49,192,308
Retained earnings	17,697,586	16,288,542
Total equity	<u>66,939,863</u>	<u>65,530,819</u>
Total liabilities and equity	<u>105,116,571</u>	<u>103,492,699</u>

APD LIMITED**Unaudited Interim Statement of Comprehensive Income
For the nine months ended March 31, 2020 and 2019
(Amounts expressed in Bahamian dollars)**

	2020	2019
	\$	\$
Revenue		
Landing fees	11,186,272	10,144,848
Terminal handling fees	3,484,305	3,222,939
Stevedoring fees	2,448,049	2,204,906
Security	2,142,070	1,969,444
Gate fees	1,890,544	1,719,499
Storage fees	1,672,260	913,076
Subleases	1,219,157	1,334,069
Reefer line	824,400	533,750
Hazmat fees	299,350	271,100
Dockage	244,568	198,524
Line handling fees	60,000	52,507
Other income	45,839	45,090
Total revenue	<u>25,516,814</u>	<u>22,609,752</u>
Expenses		
Salaries, employee benefits and training	3,982,345	4,019,150
Terminal handling costs	3,343,051	2,732,096
Government lease	2,289,027	2,062,940
Government fees & Taxes	1,114,189	1,129,897
Repairs and maintenance	973,636	954,479
Utilities	803,092	811,443
Security	308,534	305,232
Legal and other professional fees	300,968	301,777
Insurance	255,001	256,854
Other operating expenses	213,456	333,287
Office supplies, postage and delivery	152,241	118,457
Company meetings and events	123,528	150,406
Gain on sale of property and equipment	(1,385)	-
Total expenses	<u>13,857,683</u>	<u>13,176,018</u>
Earnings before interest, depreciation and amortisation	<u>11,659,131</u>	<u>9,433,734</u>

APD LIMITED**Unaudited Interim Statement of Comprehensive Income (Continued)
For the nine months ended March 31, 2020 and 2019
(Amounts expressed in Bahamian dollars)**

	2020	2019
	\$	\$
Depreciation and amortisation		
Depreciation	2,323,798	2,311,625
Amortisation of preference share issue cost	<u>23,327</u>	<u>23,327</u>
Total depreciation and amortisation	<u>2,347,125</u>	<u>2,334,952</u>
Earnings before interest	<u>9,312,006</u>	<u>7,098,782</u>
Interest (finance costs)		
Interest on preference shares	(1,378,908)	(1,449,635)
Interest expense	(34,625)	(55,185)
Interest income	<u>6,562</u>	<u>5,972</u>
Total finance costs, net	<u>(1,406,971)</u>	<u>(1,498,848)</u>
Total earnings for the period attributable to the equity holders	<u>7,905,034</u>	<u>5,599,934</u>
Total comprehensive income for the period	<u>7,905,034</u>	<u>5,599,934</u>
Basic and diluted earnings per share	<u>1.58</u>	<u>1.12</u>

APD LIMITED**Unaudited Interim Statement of Changes in Equity
For the nine months ended March 31, 2020 and 2019
(Amounts expressed in Bahamian dollars)**

	Share capital \$	Share premium \$	Retained earnings \$	Total \$
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
Balance at July 1, 2019	49,969	49,192,308	16,288,542	65,530,819
Total comprehensive income for the period	-	-	7,905,034	7,905,034
Dividend paid for the period	-	-	(6,495,990)	(6,495,990)
Balance at March 31, 2020	49,969	49,192,308	17,697,586	66,939,863

APD LIMITED**Unaudited Interim Statement of Cash Flows
For the nine months ended March 31, 2020 and 2019
(Amounts expressed in Bahamian dollars)**

	2020	2019
	\$	\$
Cash flows from operating activities		
Total comprehensive income for the period	7,905,034	5,599,934
Adjustments for:		
Depreciation	2,323,798	2,311,625
Amortisation of preference share issue cost	23,327	23,327
Interest income	(6,562)	(5,972)
Interest on preference shares	1,378,908	1,449,635
Loan interest expense	34,625	55,185
Operating profit before changes in working capital	11,659,130	9,433,734
Increase in accounts receivable	(406,835)	(242,562)
Increase in Deposit, Prepayments & other assets	(19,744)	(28,385)
(Increase) / Decrease in Purchase inventory	(38,617)	45,511
Decrease in tax receivable	79,490	23,632
Decrease in deposits held	-	(13,368)
Increase / (Decrease) in accounts payable	6,755	(272,041)
Increase in due to related parties	254,614	1,193,519
Increase in accrued expense and other liabilities	83,063	97,397
Net cash provided by operating activities	11,617,856	10,237,437
Cash flows from investing activities		
Acquisition of property, plant and equipment	(940,946)	(1,071,820)
Proceeds from sale of property, plant and equipment	20,705	-
Net cash used in investing activities	(920,241)	(1,071,820)
Cash flows from financing activities		
Principal payments on long term debt	(152,931)	(3,235,106)
Dividends paid to ordinary shareholders	(6,495,990)	(6,296,118)
Payment on redeemable preference Shares	-	(1,286,000)
Interest on preference shares	(1,378,908)	(1,449,635)
Interest income received	6,562	5,972
Interest expense paid	(34,625)	(55,185)
Net cash used in financing activities	(8,055,892)	(12,316,072)
Increase/(Decrease) in cash and cash equivalents	2,641,723	(3,150,455)
Cash and cash equivalents, beginning of the period	16,800,558	19,764,963
Cash and cash equivalents, end of the period	19,442,281	16,614,508

APD LIMITED

Condensed Notes to the Unaudited Interim Financial Statements March 31, 2020

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, 2020 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, 2019, 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, 2019.

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, 2019.

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, 2019. There have been no changes in the Company's risk management policies since June 30, 2019.

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.