

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

**As at June 30, 2020 and**  
**the twelve months ended June 30, 2020**

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

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

	<b>June 30, 2020</b>	<b>June 30, 2019</b>
	\$	(Audited) \$
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	18,327,087	16,800,558
Accounts receivable	1,891,098	1,539,297
Tax receivable	615,806	591,978
Deposits, prepayments and other assets	875,403	898,942
Spare parts inventory	868,925	834,494
Deferred borrowing costs	26,779	26,779
	<u>22,605,098</u>	<u>20,692,048</u>
<b>Total current assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	80,691,189	82,800,651
Right-of-use asset	46,148,822	-
	<u>126,840,011</u>	<u>82,800,651</u>
<b>Total non-current assets</b>		
	<u>149,445,109</u>	<u>103,492,699</u>
<b>Total assets</b>		
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable	447,152	309,833
Due to related parties	992,365	2,300,874
Retention payable	16,794	-
Accrued expenses and other liabilities	1,016,666	1,047,443
Current portion of redeemable preference shares	1,286,000	1,286,000
Current portion of lease liability	59,561	-
Current portion of long term debt	300,000	300,000
	<u>4,118,538</u>	<u>5,244,150</u>
<b>Total current liabilities</b>		
<b>Non-current liabilities</b>		
Redeemable preference shares	30,451,236	31,706,134
Long term debt	450,000	750,000
Lease liability	47,150,195	-
Deposits held	261,596	261,596
	<u>78,313,027</u>	<u>32,717,730</u>
<b>Total non-current liabilities</b>		
	<u>82,431,565</u>	<u>37,961,880</u>
<b>Total liabilities</b>		
<b>Equity</b>		
Share capital	49,969	49,969
Share premium	49,192,308	49,192,308
Retained earnings	17,771,267	16,288,542
	<u>67,013,544</u>	<u>65,530,819</u>
<b>Total equity</b>		
	<u>149,445,109</u>	<u>103,492,699</u>
<b>Total liabilities and equity</b>		

**APD LIMITED****Unaudited Interim Statement of Comprehensive Income  
For the twelve months ended June 30, 2020 and 2019  
(Amounts expressed in Bahamian dollars)**

	<b>2020</b>	<b>2019</b>
	\$	\$
<b>Revenue</b>		
Landing fees	13,284,990	13,651,974
Terminal handling fees	4,271,995	4,412,051
Stevedoring fees	2,944,719	3,057,399
Security	2,559,562	2,652,911
Storage fees	2,406,077	1,543,528
Gate fees	2,279,740	2,312,135
Subleases	1,492,182	1,756,378
Reefer line	1,132,900	755,900
Hazmat fees	365,000	364,000
Dockage	291,990	276,235
Line handling fees	73,300	72,907
Other income	57,436	57,140
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<b>Total revenue</b>	<b>31,159,891</b>	<b>30,912,558</b>
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<b>Expenses</b>		
Salaries, employee benefits, and training	5,104,726	5,431,342
Terminal handling costs	4,135,635	3,761,874
Government fees and taxes	1,491,877	1,500,507
Repairs and maintenance	1,325,789	1,235,080
Utilities	1,116,408	1,008,974
Government lease	648,405	2,775,494
Security	388,976	406,878
Legal and other professional fees	380,225	446,428
Insurance	339,970	316,106
Other operating expenses	324,320	577,996
Office supplies, postage and delivery	181,947	163,674
Company meetings and events	126,026	162,283
Loss on disposal of asset	138,501	-
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<b>Total expenses</b>	<b>15,702,805</b>	<b>17,786,636</b>
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<b>Earnings before interest, depreciation and amortisation</b>	<b>15,457,086</b>	<b>13,125,922</b>
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**APD LIMITED****Unaudited Interim Statement of Comprehensive Income (Continued)**  
**For the twelve months ended June 30, 2020 and 2019**  
**(Amounts expressed in Bahamian dollars)**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Depreciation - property, plant and equipment	3,633,270	3,092,880
Depreciation - right-of-use-asset	562,791	-
Amortisation of preference share issue cost	31,103	31,103
<b>Total depreciation and amortisation</b>	<b>4,227,164</b>	<b>3,123,983</b>
<b>Earnings before interest</b>	<b>11,229,922</b>	<b>10,001,939</b>
<b>Finance costs</b>		
Preference share dividends	1,838,547	1,909,272
Interest lease liability	2,127,004	-
Interest expense	43,304	70,474
Interest income	(8,841)	(8,154)
<b>Total finance costs, net</b>	<b>4,000,014</b>	<b>1,971,592</b>
<b>Total earnings for the year attributable to the equity shareholders</b>	<b>7,229,908</b>	<b>8,030,347</b>
<b>Total comprehensive income for the year</b>	<b>7,229,908</b>	<b>8,030,347</b>
<b>Basic and diluted earnings per share</b>	<b>1.45</b>	<b>1.61</b>

**APD LIMITED**  
**Unaudited Interim Statement of Changes in Equity**  
**For the twelve months ended June 30, 2020 and 2019**  
**(Amounts expressed in Bahamian dollars)**

	Share capital \$	Share premium \$	Retained earnings \$	Total \$
<b>Balance at July 1, 2018</b>	<b>49,969</b>	<b>49,192,308</b>	<b>14,554,308</b>	<b>63,796,585</b>
Total comprehensive income for the year	-	-	8,030,347	8,030,347
Dividends paid (Note 11)	-	-	(6,296,113)	(6,296,113)
<b>Balance at June 30, 2019 as originally presented</b>	<b>49,969</b>	<b>49,192,308</b>	<b>16,288,542</b>	<b>65,530,819</b>
Change in accounting policy (Note 2 (b) i)	-	-	748,806	748,806
<b>Balance at July 1, 2019</b>	<b>49,969</b>	<b>49,192,308</b>	<b>17,037,348</b>	<b>66,279,625</b>
Total comprehensive income for the year	-	-	7,229,908	7,229,908
Dividends paid (Note 11)	-	-	(6,495,989)	(6,495,989)
<b>Balance at June 30, 2020</b>	<b>49,969</b>	<b>49,192,308</b>	<b>17,771,267</b>	<b>67,013,544</b>

## APD LIMITED

### Unaudited Interim Statement of Cash Flows For the twelve months ended June 30, 2020 and 2019 (Amounts expressed in Bahamian dollars)

	2020	2019
	\$	\$
<b>Cash flows from operating activities</b>		
Total comprehensive income for the year	7,229,908	8,030,347
Adjustments for:		
Depreciation - property, plant and equipment	3,633,270	3,092,880
Depreciation - right-of-use-asset	562,791	-
Amortisation of preference share issue cost	31,103	31,103
Loss on disposal of assets	138,501	-
Interest income	(8,841)	(8,154)
Preference share dividends	1,838,547	1,909,272
Interest on lease liability	2,127,004	-
Loan interest expense	43,304	70,474
<b>Operating profit before changes in working capital</b>	<b>15,595,587</b>	<b>13,125,922</b>
Increase in spare parts inventory	(34,431)	(7,893)
Decrease / (Increase) in deposits, prepayments & other assets	23,539	(46,735)
(Increase) / Decrease in accounts receivable	(351,801)	76,657
Increase in tax receivable	(23,828)	(120,721)
Decrease in deposits held	-	(13,368)
Increase / (Decrease) in accounts payable	137,319	(178,892)
Decrease in due to related parties	(4,565)	(304,934)
Decrease in accrued expense and other liabilities	(30,777)	(70,042)
Increase in retention payable	16,794	-
<b>Net cash provided by operating activities</b>	<b>15,327,837</b>	<b>12,459,994</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(1,662,309)	(1,199,588)
<b>Net cash used in investing activities</b>	<b>(1,662,309)</b>	<b>(1,199,588)</b>
<b>Cash flows from financing activities</b>		
Loan repayment	-	(3,085,106)
Principal payment on lease liability	(56,996)	-
Principal payment on long term debt	(300,000)	(300,000)
Principal payment on preference shares	(1,286,000)	(2,572,000)
Interest expense paid	(43,304)	(70,474)
Interest income received	8,841	8,154
Interest on lease liability	(2,127,004)	-
Dividends paid to ordinary shareholders	(6,495,989)	(6,296,113)
Preference share dividends	(1,838,547)	(1,909,272)
<b>Net cash used in financing activities</b>	<b>(12,138,999)</b>	<b>(14,224,811)</b>
<b>Increase / (Decrease) in cash and cash equivalents</b>	<b>1,526,529</b>	<b>(2,964,405)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>16,800,558</b>	<b>19,764,963</b>
<b>Cash and cash equivalents, end of year</b>	<b>18,327,087</b>	<b>16,800,558</b>

## **APD LIMITED**

### **Condensed Notes to the Unaudited Interim Financial Statements June 30, 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 twelve months ended June 30, 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.