

Bahamas Property Fund Limited
(Incorporated under the laws of the Commonwealth of The Bahamas)

Consolidated Statement of Financial Position (Unaudited)
As of 30 September 2023
(Expressed in Bahamian dollars)

	Sep 30 2023 \$	Dec 31 2022 \$
ASSETS		
Non-current assets		
Investment property	39,100,000	37,600,000
Current assets		
Cash at bank	2,277,303	3,866,512
Trade receivables	257,764	718,054
Other assets	520,282	101,202
	3,055,349	4,685,768
Total assets	42,155,349	42,285,768
LIABILITIES		
Non-current liabilities		
Security deposits from tenants	497,368	484,277
Redeemable preference shares	8,000,000	8,000,000
	8,497,368	8,484,277
Current liabilities		
Accrued expenses and other liabilities	213,320	1,062,841
Unearned tenant income	113,250	-
Borrowings	-	-
	326,570	1,062,841
Total liabilities	8,823,938	9,547,118
EQUITY		
Capital - ordinary shares	12,035,000	12,035,000
Retained earnings	21,296,411	20,703,650
Total equity	33,331,411	32,738,650
Total liabilities and equity	42,155,349	42,285,768

Bahamas Property Fund Limited

Consolidated Statement of Comprehensive Income (Unaudited) For the Period Ended 30 September 2023 (Expressed in Bahamian dollars)

	Sep 30 2023 \$	Sep 30 2022 \$
INCOME		
Rental and parking revenue	2,665,630	2,385,573
Net fair value loss on investment property	-	-
	<u>2,665,630</u>	<u>2,385,573</u>
EXPENSES		
Landlord expenses	964,688	1,064,866
Management fee	117,851	114,639
Business license fees	16,259	11,566
Legal and professional fees	79,311	210,345
Directors' fees	45,000	45,000
Bad debt expense	-	-
Other	39,264	35,258
	<u>1,262,373</u>	<u>1,481,674</u>
Operating profit	1,403,257	903,899
Interest expense and related charges	(329,096)	(132,703)
Net income and total comprehensive income	<u>1,074,161</u>	<u>771,196</u>
Weighted average number of ordinary shares outstanding	2,407,000	2,407,000
Earnings per share	0.45	0.32

Bahamas Property Fund Limited

Consolidated Statement of Changes in Equity (Unaudited)

For the Period Ended 30 September 2023

(Expressed in Bahamian dollars)

	Capital – Ordinary Shares \$	Retained Earnings \$	Total \$
As of 1 January 2022	<u>12,035,000</u>	<u>18,847,299</u>	<u>30,882,299</u>
Total comprehensive income	-	2,097,051	2,097,051
Dividends Paid	<u>-</u>	<u>(240,700)</u>	<u>(240,700)</u>
As of 31 December 2022	<u>12,035,000</u>	<u>20,703,650</u>	<u>32,738,650</u>
Total comprehensive income	-	1,074,161	1,074,161
Dividends Paid	<u>-</u>	<u>(481,400)</u>	<u>(481,400)</u>
As of 30 September 2023	<u>12,035,000</u>	<u>21,296,411</u>	<u>33,331,411</u>

Bahamas Property Fund Limited

Consolidated Statement of Cash Flows (Unaudited) For the Period Ended 30 September 2023 (Expressed in Bahamian dollars)

	30-Sep 2023 \$	31-Dec 2022 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	1,074,161	2,097,051
Adjustments for:		
Net fair value (gain)/loss on investment property	-	(900,000)
Interest expense and related charges	329,096	406,331
	1,403,257	1,603,382
(Increase)/Decrease in operating assets:		
Trade receivables	460,290	(614,183)
Other assets	(187,396)	10,475
Increase/(Decrease) in operating liabilities:		
Security deposits from tenants	13,091	127,318
Accrued expenses and other liabilities	(1,081,205)	(338,968)
Unearned Income	113,250	-
	721,287	788,024
Net cash from operating activities		
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of investment property	(1,500,000)	-
	(1,500,000)	-
Net cash used in investing activities		
CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(329,096)	(406,333)
Repayments of borrowings	-	(7,618,758)
Dividends Paid	(481,400)	(240,700)
Purchase of preference shares	-	8,000,000
	(810,496)	(265,791)
Net cash used in financing activities		

Bahamas Property Fund Limited

Consolidated Statement of Cash Flows (Unaudited) **For the Period Ended 30 September 2023** **(Expressed in Bahamian dollars)**

Net (decrease)/increase in cash and cash equivalents	(1,589,209)	522,233
Cash and cash equivalents as of the beginning of the year	3,866,512	3,344,279
Cash and cash equivalents as of the end of the period	2,277,303	3,866,512

CASH AND CASH EQUIVALENTS

Cash at bank	2,277,303	3,866,512
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Bahamas Property Fund Limited

Notes to the Consolidated Financial Statements (Unaudited) For the Period Ended 30 September 2023 (Expressed in Bahamian dollars)

1. General Information

Bahamas Property Fund Limited (the Company) is incorporated under the Companies Act, 1992 of the Commonwealth of The Bahamas (The Bahamas). The Company's principal activity, through its subsidiaries, is the investing in selected commercial real estate properties in The Bahamas for the purposes of rental income yields, through leases, and achieving long-term capital appreciation.

The Company has three (3) wholly owned subsidiaries, Fincen Limited (Fincen), Marina Drive Number One Limited (Marina) and ProvHouse Limited (ProvHouse), all of which are incorporated under the Companies Act, 1992 of The Bahamas. Fincen owns the Bahamas Financial Centre located in New Providence, Bahamas; Marina owns One Marina Drive located in Paradise Island, Bahamas; and ProvHouse owns Providence House located in New Providence, Bahamas. The Company and its subsidiaries are referred to as the Group.

The Company's Class A ordinary shares are listed and traded on the Bahamas International Securities Exchange, and the registered office of the Company and its subsidiaries (collectively referred to as the Group) is located at Providence House, East Hill Street, Nassau, Bahamas.

2. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

(a) Basis of preparation

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and these unaudited interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended 31 December 2022.

(b) Principles of consolidation

Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and can affect those returns through its power over the entity. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances, and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred. Accounting policies of subsidiaries are changed where necessary to ensure consistency with the policies adopted by the Group.

Bahamas Property Fund Limited

Notes to the Consolidated Financial Statements (Unaudited) For the Period Ended 30 September 2023 (Expressed in Bahamian dollars)

2. Summary of Significant Accounting Policies (Continued)

(c) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Bahamian dollars (B\$), which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of comprehensive income as a part of net income.

(d) Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by companies in the Group, is classified as investment property. Investment property comprises freehold land and buildings.

Investment property is measured initially at its cost, including related transaction costs. Subsequently, investment property is carried at fair value. Fair value is based on valuation methods using discounted cash flow projections.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions. The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property. The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this future expenditure other than those a rational market participant would take into account when determining the fair value of the property.

Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All repairs and maintenance costs are charged to the consolidated statement of comprehensive income as a part of net income during the financial period in which they are incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

Bahamas Property Fund Limited

Notes to the Consolidated Financial Statements (Unaudited) For the Period Ended 30 September 2023 (Expressed in Bahamian dollars)

2. Summary of Significant Accounting Policies (Continued)

(d) Investment property (continued)

Changes in fair values are recognized in the consolidated statement of comprehensive income as a part of net income. Investment property is derecognized either when it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

(e) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the Group are classified as operating leases. Properties leased out under such leases are included in investment property in the consolidated statement of financial position. Rental income recognition is described in Note 2(f).

(f) Income and expense recognition

Rental income from operating leases (including office, retail, and parking space) is recognized on a straight-line basis over the lease term. When the Group provides incentives to its customers, the costs of incentives are recognized over the lease term, on a straight-line basis, as a reduction of rental income. Rental payments received in advance are recognized as unearned rental income and recorded in income over the period to which the payment relates.

Interest income and expense are recognized using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and commissions paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

All other income and expenses are recognized on the accrual basis.