ARAWAK
PORT DEVELOPMENT

AN ACTIVE PARTNER IN
ECONOMIC DEVELOPMENT

2023 ANNUAL REPORT

MISSION

CONSISTENTLY DELIVERING OPERATIONAL EXCELLENCE

VISION

OPERATIONAL EXCELLENCE TO MAXIMIZE VALUE THROUGH PEOPLE DEVELOPMENT AND TECHNOLOGY

ONBOARDING ESG:

OUR JOURNEY TOWARDS ENVIRONMENT, SOCIAL, GOVERNANCE DISTINCTION

ARAWAK PORT DEVELOPMENT

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Financial Highlights

AUDITED FINANCIAL STATEMENTS

APD LIMITED

Incorporated in 2009, APD Limited (Arawak Port Development) is the owner and operator of the Nassau Container Port (NCP) and Gladstone Freight Terminal (GFT) with the mission to facilitate Port growth and build a bridge to a new and more prosperous future for Bahamians.

Specifically, APD Limited was established to:

- Facilitate the redevelopment of Downtown Nassau, the capital of The Bahamas
- Fuel growth of the essential and lucrative commercial shipping sector in The Bahamas
- Bring exciting new employment and skill-building opportunities to Bahamians
- Introduce efficiencies and border controls to the trade sector
- Stimulate business growth in New Providence.

APD Limited was responsible for the design, development, and construction of the 56.6-acre Nassau Container Port and 15-acre Gladstone Freight Terminal. NCP celebrated its formal opening on May 3, 2012, and GFT was officially launched on August 13, 2012. APD Limited holds a 20-year exclusive control over international imports and exports to and from New Providence via sea, as determined by the terms of a Memorandum of Understanding with the Government of The Bahamas.

Under APD's management and maintenance, NCP is fully International Ship and Port Facility Security (ISPS) code compliant and has been recognized as one of the most efficient ports in the region, garnering accolades from the maritime regulatory bodies and shipping community. Dedicated to quality service and conscientious environmental stewardship, the port and its inland terminal have achieved several firsts, including ISO 14001:2015 and ISO 9001:2015 in June 2019. With the same dedication, NCP acquired the coveted ISO 45001.

Ownership of the Port and inland terminal is a partnership between the Government of The Bahamas (40 percent equity stake) and Arawak Cay Port Development Holdings Limited (40 percent equity stake). Each stakeholder has invested in the Port operating company, APD Limited. In January 2012, a historic IPO allowed the Bahamian public to acquire 20 percent of the total equity of APD Limited, resulting in over 11,000 shareholders.

NASSAU CONTAINER PORT (NCP)

Nassau Container Port (NCP) is a strategically located port facility for containerized and general cargo shipping in the Caribbean and beyond to North America and the world. The port facility is located on Arawak Cay, just two miles west of Downtown Nassau at the mouth of Nassau Harbour.

OTHER FACILITIES

The Port provides facilities for both domestic and international bulk, break bulk, containerized and project cargo clients. Importers can use several ocean carriers simultaneously and conduct all business at Arawak Cay.

In compliance with the standards of the ISPS code, the Port features around-the-clock security guards, perimeter fencing and surveillance cameras to ensure the highest level of security.

APD Limited's Maritime Centre at NCP is the company's headquarters and the administrative and nerve centre of the Port. The Maritime Centre and its infrastructure place an emphasis on the protection of port data and enabling business to continue uninterrupted in times of inclemency. Shipping accounts for 90% of the global trade ensuring steady supply of food, fuel and medicines to consumers across the world.

The building is central to APD's mission to create a one-stop shop in port operations. In support of this goal, the Maritime Centre brings together such government agencies as units of the Environmental Health, Customs, Immigration and Agriculture Departments as well as the shipping companies doing business with the Port in a readily accessible, comfortable facility. Among the features contributing to customers' ease of doing business at the Port are good parking, an ATM machine, Wi-Fi connectivity, workstations for brokers and proximity to the ships calling at NCP.

MAJOR OCEAN CARRIERS, TERMINAL OPERATORS AND STEVEDORES OPERATING FROM NCP AT ARAWAK CAY

- ABACO SHIPPING TWO (DUKE OF TOPSAIL)
- ARAWAK STEVEDORING LIMITED (ASL)
- ARAWAK BULK TERMINALS
- BETTY K AGENCIES LTD
- MAILBOAT COMPANY LTD
- MEDITERRANEAN SHIPPING COMPANY (MSC)
- RORO COMPANY
- TROPICAL SHIPPING
- BAHAMAS FERRIES
- MCKINNEY STEVEDORING SERVICES
- DOCKSIDE SERVICES

BULK CAR CARRIERS

HOEGH AUTO LINERS
K-LINE
EUKOR
GLOVIS HYUNDAI
N.Y.K. (Nippon Yusen Kabushiki Kaisha)
MITSUI (MOL)

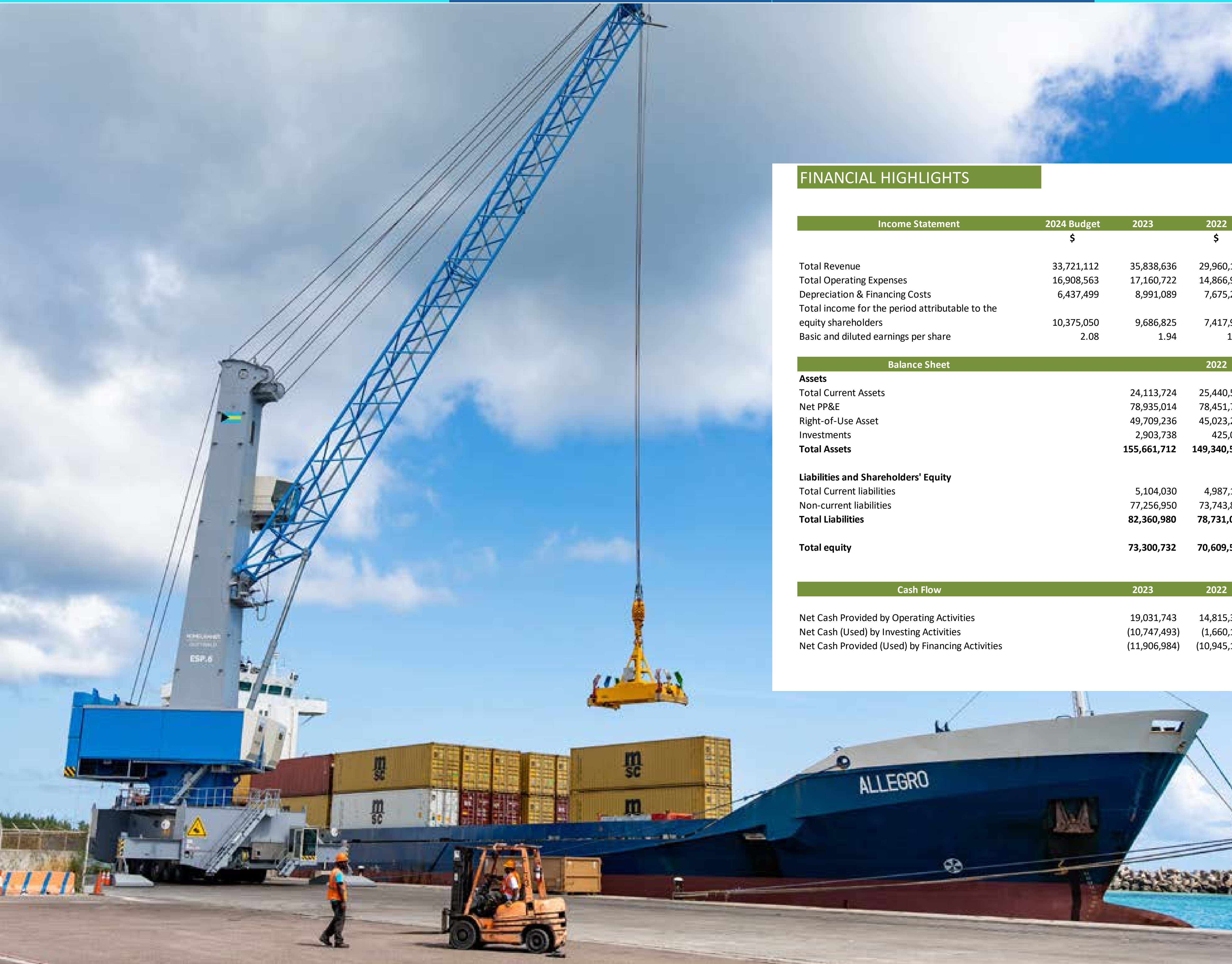
GLADSTONE FREIGHT TERMINAL (GFT)

The 15-acre Gladstone Freight Terminal is NCP's inland terminal, situated in the centre of New Providence, off Gladstone Road. GFT offers 100,000 square feet of cargo warehousing and deconsolidation space. The GFT site will offer carriers and importers a secure facility in which to process, clear and collect imported goods.

- 25,000-square-foot administration building provides a comprehensive menu of Customs services, including entry processing and duty payment.
- Administration building supports a 100,000 square-foot cargo warehouse, home to several tenants.
- On-site shipping companies operate their individual bonded warehouses.
- A common warehouse operator serves the needs of carriers who do not have leased warehouse space at GFT.
- Onsite security includes extensive monitoring by surveillance cameras, supported by a 24/7 presence of the Royal Bahamas Police Force.
- Back-up power supply and fuel storage capabilities.

The Nassau Container Port and Gladstone Freight Terminal both have backup power supply and fuel storage capabilities to ensure that the two facilities have the means to become operational should key elements of the island's utility supply temporarily become unavailable and require additional time to come online.

APD ANNUAL REPORT 2023



FINANCIAL HIGHLIGHTS

Income Statement	2024 Budget	2023	2022	2021	2020	2019
	$		$	$	$	$
Total Revenue	33,721,112	35,838,636	29,960,128	28,774,831	31,159,891	30,912,558
Total Operating Expenses	16,908,563	17,160,722	14,866,912	14,235,255	15,702,805	17,786,636
Depreciation & Financing Costs	6,437,499	8,991,089	7,675,228	7,867,998	8,227,178	5,095,574
Total income for the period attributable to the equity shareholders	10,375,050	9,686,825	7,417,988	6,671,578	7,229,908	8,030,347
Basic and diluted earnings per share	2.08	1.94	1.48	1.34	1.45	1.61

Balance Sheet			2022	2021	2020	2019
Assets						
Total Current Assets		24,113,724	25,440,556	22,088,505	22,605,098	20,692,048
Net PP&E		78,935,014	78,451,796	81,523,145	80,691,189	82,800,651
Right-of-Use Asset		49,709,236	45,023,241	45,586,032	46,148,822	
Investments		2,903,738	425,000			
Total Assets		**155,661,712**	**149,340,593**	**149,197,682**	**149,445,109**	**103,492,699**
Liabilities and Shareholders' Equity						
Total Current liabilities		5,104,030	4,987,166	33,253,178	4,118,538	5,244,150
Non-current liabilities		77,256,950	73,743,838	47,256,297	78,313,027	32,717,730
Total Liabilities		**82,360,980**	**78,731,004**	**80,509,475**	**82,431,565**	**37,961,880**
Total equity		**73,300,732**	**70,609,589**	**68,688,207**	**67,013,544**	**65,530,819**

Cash Flow	2023	2022	2021	2020	2019
Net Cash Provided by Operating Activities	19,031,743	14,815,384	14,770,463	15,327,837	12,459,994
Net Cash (Used) by Investing Activities	(10,747,493)	(1,660,109)	(4,448,157)	(1,662,309)	(1,199,588)
Net Cash Provided (Used) by Financing Activities	(11,906,984)	(10,945,145)	(11,042,446)	(12,138,999)	(14,224,811)

BOARD OF DIRECTORS

MICHAEL J MAURA, JR

Chairman, Appointed ACPDHL and confirmed by the Prime Minister

Michael J Maura Jr. was named chairman of the APD Limited Board on 1 November 2018. In July 2019, he was appointed regional director for the Caribbean and Americas of Global Ports Holding (GPH), the world's largest independent cruise port operator. GPH, the Bahamian Investment Fund ("BIF") and the Yes Foundation form Nassau Cruise Port Ltd a consortium, which was awarded the tender for a 25-year concession for the Prince George Wharf and related areas at Nassau cruise port.

A Bahamian, Mr. Maura had previously led APD Limited for nine years as president and chief executive officer. He brings to the APD Board the knowledge and experience garnered from over 20 years in Shipping and Logistics, working both in the United States and The Bahamas. He played a foundational role in the development of APD Limited and the company's Nassau Container Port and Gladstone Freight Terminal. Mr. Maura is credited with drafting the Nassau Container Port's conceptual plan and played a key role in the development of the Public Private Partnership between APD and the Government of The Bahamas in 2010. He serves as a director of Arawak Cay Port Development Holdings Limited and APD Limited.

Passionate about the quality development of the maritime industry of The Bahamas and the country's economy, Mr. Maura recently served as Chairman of the Bahamas Chamber of Commerce & Employers Confederation and was a committee member of the "WTO working group" charged with understanding how WTO accession may impact the Bahamian economy. He is a director of AML Foods, one of the country's largest food retailers. He is also a member of the National Ease of Doing Business Committee and was appointed to the Government's National Reconstruction & Disaster Committee.

Mr. Maura is a former director of the Bahamas Trade Commission. At home and abroad, including such countries as Korea, Jamaica, and the U.S., he has served as a panelist in various forums addressing "Efficient Port Infrastructure", and "Public Private Partnerships". In 2021, the American Caribbean Maritime Foundation (ACMF) honoured Michael Maura with its Anchor Award as "trailblazer and legend" in the maritime industry.

A graduate of Rollins College in Winter Park, Florida with a B.A. degree in Economics and a minor in Business Administration, Mr. Maura has completed postgraduate courses in Public Private Partnerships, Single Window for Foreign Trade, Maritime and Supply Chain Security and, most recently, a Harvard Kennedy School Executive Program on Mastering Trade Policy.

ROGER MINNIS

Deputy Chairman, Appointed by Government

An attorney-at-law by profession, Roger Minnis is a Nassauvian. He was born in historic Bain Town but spent his earliest years at Calabash Bay, Andros. A 1971 graduate of St. Augustine College, Mr. Minnis went on to complete tertiary-level studies in Canada, beginning at Toronto's Meisterschaft College. He graduated from York University in 1980 with a Bachelor of Arts degree in Economics.

In 1982, following a brief stint as a management trainee in the employ of Canadian Imperial Bank of Commerce, Mr. Minnis entered law school at the University of Buckingham. He obtained a Bachelor of Laws (LLB) degree in 1985 and, in the same year, began Articling under Hubert Ingraham, a partner at Christie, Ingraham & Co. He was called to The Bahamas Bar in October of 1990, his petition presented by Phillip "Brave" Davis Q.C, a partner at Christie, Ingraham & Co (later Davis & Co). He entered private practice on 1 June 1991 and continues to present.

Roger Minnis is a former member of the Board of the Bank of The Bahamas, serving as Chairman of the Credit Risk Committee for about two years. He is a member of the Anglican Community and a Freemason affiliated with Lodge St. David of the Scottish Constitution since June of 2000.

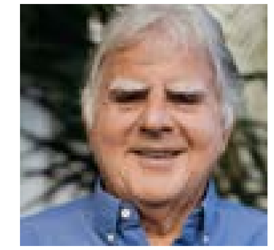
FRANKLYN A BUTLER II

Secretary, Appointed by ACPDHL

Franklyn Butler II serves as an independent Director. He is Chairman of the Milo Butler Groups and President and Managing Director of Milo B Butler & Sons Co. Ltd. Mr. Butler had managed the latter company's Sales and Operations units for ten years previously.

Having served as Vice-Chairman since June 2017, Mr. Butler was appointed CEO of Cable Bahamas Ltd. in May 2018, the first Bahamian to lead the company since its inception in 1994. He also holds the following positions: Chairman of AML Foods Limited; Chairman of Aliv, as well as Chairman of the Board of NewCo 2015 Limited (NewCo), recipient of the nation's second license for the provision of cellular and data services. He serves as a director of several companies, including Tuscan Shores Developments Company.

Mr. Butler is a graduate of St. Anne's High School, Fox Hill, New Providence. He furthered his education in England at Trent College in Nottingham, England, where he studied for and received his 'A' levels. He went on to the University of Warwick in Coventry, England, graduating with a Bachelor of Science degree in Accounting and Finance.



JAMES MOSKO

Appointed by ACPDHL

James Mosko returned to the Board of Directors in June 2021 after a hiatus of seven years. Mr. Mosko served as Chairman of the Board from the inception of APD in 2009 until February of 2014 when he retired from the post. He led the company through the construction of Nassau Container Port and Gladstone Freight Terminal, a challenging yet exciting undertaking.

A seasoned civil engineer and the President of the Mosko Group of Companies, he brought over decades of professional experience, which has included demanding projects throughout the islands of The Bahamas. Among the ventures to which he contributed his expertise were Phase II & III of the Atlantis Resort on Paradise Island.

R. CRAIG SYMONETTE

Appointed by ACPDHL

Craig Symonette was educated at St Andrew's School in Nassau, The Leys School in England and The UWO in Canada where he obtained his HBA in Business Administration. Mr. Symonette was the founding partner of Bahamas Ferries, a passenger and cargo transportation company operating within the islands of The Bahamas. Mr. Symonette is also active in local business and serves as a director on the Boards of Commonwealth Bank and RBC Trust.

DAVID DAVIS

Appointed by Government

David Davis brings to the APD Board a wealth of knowledge and experience as a career public servant, having contributed to several government ministries in various capacities since 1980, most recently as Permanent Secretary (PS) in the Office of the Prime Minister (OPM). Before this, his postings have included stints as PS with Ministry of Financial Services, Trade & Industry and Immigration and Ministry of Labour. Previously, he held the post of Director of Investments with Bahamas Investment Authority from 2007 to 2008 and, in the latter year, was first appointed Permanent Secretary (OPM).

Among Mr. Davis' other professional experiences, he spent a year as Technical Assistant to the Executive Director Caribbean Constituency of the Inter-American Development and Inter-American Investment Corporation, Washington, D.C., USA.

Mr. Davis is a graduate of Florida International University with a Master of Arts degree in Economics (1986). He holds a BSc (Hons.) in Economics from the University of the West Indies (1980) and is also a graduate of the International Monetary Fund Institute with a focus on Government Finance Statistics. He has also participated in the International Visitor Program of (ISIA) Industrial Security Integration & Application of the US Defense Counterintelligence and Security Agency.

PATRICK DAVIS

Appointed by Government

Currently National Coordinator for Information Technology/Programme Coordinator, Patrick Davis is a retired Chartered Accountant with extensive experience in his field of expertise. Since starting his professional career at Coopers & Lybrand Accounting Firm, he held various staff and executive positions in the private sector, which focused on managing corporate IT, finance and accounting departments as well as affording knowledge and experience in utilities, transportation, land development and local government municipalities operations. Mr. Davis is a passionate Bahamian entrepreneur and small business advocate with past and present holdings in restaurant franchises, petroleum, retail and the delivery of financial and accounting management and advisory services.

Mr. Davis is a lifelong learner, and his educational journey has taken him many places and ultimately granted him access to the achievements he now enjoys. He began his college career at home attending the College of The Bahamas, where he received an Associate of Arts in Accounting in 1985. Later, he graduated Magna Cum Laude from Temple University in Philadelphia, USA, with a Bachelor of Science in Accounting. Subsequently, he completed the unified certified public accountancy examination and qualification through the State of Colorado. An early member of the Bahamas Institute of Chartered Accountants, Mr. Davis credits his faith and work ethic as fundamental to his life's journey. He now serves as the National Coordinator for Information Technology with the Bahamas Government in the Ministry of Economic Affairs.

Mr. Davis' civic involvements are many as he has served on Boards such as The Anglican Central Education Authority, The National Insurance Board, the Grand Bahama Chamber of Commerce. His love for working with our youth is evident as he served as a Junior Achievement Advisor, Sunday School Teacher and Basketball Coach of the Bishop Michael Eldon School. However, accomplishments and civic duties aside, Mr. Davis' greatest joy is being a father to his son Navah.

CHAIRMAN'S STATEMENT

MIKE MAURA JR >>
Chairman, APD Board of Directors

I'm pleased to report that APD has had a banner year in terms of its overall outputs from the Board, the Executive, Management and staff, resulting in the best financial yield since 2017. As Chairman, I offer hearty congratulations to all contributors.

For those reading this report to appreciate the significance of this pleasing outcome, it must be considered in the context of the company's stakeholders. APD is 40% owned by the Government of the Bahamas. 40% owned by the founding shareholders, which is Arawak Cay Port Development Holdings Limited (ACPDH), and then 20% owned by the public. If I'm not mistaken, APD is the single largest publicly traded company in the country on a per investor basis with over 12,000 shareholders, exceeding that of any other publicly traded company. All concerned have certain expectations for a good and ongoing return of their novel ownership in an international, heavily contested field.

More than any other industrial/business concern, APD must be regarded as a national entity for the degree to which the quality of its direction, operations, international interface and achievements impacts the wellbeing of our country and all Bahamians. This key position in the overall Bahamian economy and across spectrum of Bahamian lives is reflected first in the composition of the Board of Directors.

From the beginning, its membership has consisted of qualified public servants appointed by government and representing its substantial interest in APD, and ACPDH comprising proven resident cargo and port professionals who continue to ensure the company efficiently meets both local and international demands.

The close and constant interface of the Board with the APD Executive Team in the person of the company's president and chief financial officer gives rise to an essential perspective on government relations and the legislations impacting APD, whether negatively or positively. This ensures that Company and Government are reliably informed on internal and global relations in making far-reaching economic decisions, particularly those relating to trade and the multifaceted maritime industry. It is important to realize that APD, in the forefront of this industry, is the vital transit point and gateway to the economy of The Bahamas via the cargo that the company receives from across the globe, particularly North America but also from as far afield as Japan and Korea.

So, as potential legislation or legislation and policies could be beneficial and or harmful to various sectors of the Bahamian economy, it is essential to establish and maintain a knowledgeable exchange of quality information among key entities of the decision-making process. Following the unprecedented pandemic-influenced socioeconomic shocks, governments throughout the region and the wider world have seen their debt levels increase considerably. Consequently, governments, including ours, have been forced into urgent debt reduction efforts, while maintaining necessary social expenditures and capital outlays. These obligations and debt reduction initiatives are materially fed by way of government tax receipts.

It is incumbent upon APD as a citizen of our Bahamas to serve and, where appropriate, respectfully counsel policy makers. Tax is an essential tool which must be used as skillfully as a surgeon's knife. Too much and the patient falters, but just enough, and the patient thrives. As stated earlier, APD works to assist policy makers in understanding potential consequences to volume and cost of trade, arising from contemplated or enacted policy and or legislation.

Sea ports have relatively high fixed costs, as these port companies must ensure facilities, infrastructure, cranes, heavy equipment, security, and personnel are available seven days per week to serve the trading community. Economic contraction results in fewer cargos to pay these fixed port costs while consistent growth mitigates the need to increase port tariffs. Tax policy must consider its impact on trade and the negative or positive consequence of such. In this delicate equation, APD must be as strategic, and continue to focus on cost control and working to efficiently align port services with market demand on a day-to-day basis.

The board wishes to commend Prime Minister Davis for his passionate argument, calling for climate justice. He makes an irrefutable case, highlighting a global disregard for small island states, which will very likely see their borders recede as sea levels rise in the years to come. He has challenged all to be better, to do better. APD has accepted this call to action.

The APD board and management are fully committed to environmental resilience as evidenced by our strategic value initiatives, namely Climate & Decarbonization, Port Modernization – Clean Energy, Climate Resilience, Environmental Care – Air, Water, Noise & Biodiversity, and Waste Management. The company has begun to transition out old equipment and to invest in a cleaner operating model which considers new fuel and energy sources, waste reduction and recycling and mitigating the new climate reality. The company's environmental commitment invites all trading partners to join APD in the effort to reduce our collective carbon footprint.

The company is also firmly committed to social and governance enhancement, with a further thirteen strategic value initiatives presently in development. The thirteen focus on people development, opportunity, and security internally and externally, and the digitalization and transparency of the business in support of greater efficiency and value to our shareholders and community.

As you review this report you will note the company's commitment to the people and government it serves. To fully realize the potential of these eighteen strategic value initiatives will require commitment, hard work, change and the relentless desire to succeed by all stakeholders, to include our government and trading partners. Consider the company's past achievements of 2016 Caribbean Development Bank's #1 ranking in the CDB's regional port study, along with the company's stellar financial performance as our share price has climbed 400% since the 2012 IPO.

The bottom line is WE CAN DO THIS!

APD is now 13 years old. The big hurdle for APD back in 2012 was to successfully consolidate cargo operations from independent wharfs along Bay Street to Arawak Cay. This required consolidating five different cargo operations into one, while working closely with these key operators to bring greater overall efficiency and supporting their unique capabilities. It involved a huge paradigm shift in New Providence Port activities and the cargo handling and supply chain. Now in the second decade of APD's existence, we are clearly making other paradigm shifts, and are, where appropriate, open to expanding operations and or port development beyond the capital.

The government has invited qualified and interested port operators to submit proposals for the redevelopment and operation of Marsh Harbour Port. APD has responded to this invitation and is presently reviewing this opportunity to determine if the fit is right for APD, our shareholders and the community of Marsh Harbour. While we are confident that APD can bring operational and development expertise to Marsh Harbour Port, we continue to study the opportunity carefully. This analysis will also include determining if the good people of Marsh Harbour, Abaco, have a real interest in partnering with APD. The reality is the redevelopment of the port comes at a cost and fees will need to be introduced to provide a return to the investor. As chairman of the board, I would say that there are four great things about fellow board members, the company's partnerships and the people of APD that I am especially proud of—All their synergy, output in strategic planning, hard work and wonderful achievements. I am a firm believer that there is no limit to Bahamian capability once we are provided the opportunity. I am very proud of the company APD is today and I look forward to seeing the company it will become tomorrow. Thank you to President & CFO Dion Bethell and his executive team for a great job and bravo to all!

Michael Maura, Jr
Chairman

EXECUTIVE **TEAM**

Photos taken at the Adastra Gardens

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DION BETHELL, CPA, C.Dir

President & Chief Financial Officer (CFO)

Mr. Bethell is President and Chief Financial Officer of APD with over 15 years' experience in international shipping, having served as CFO at Container Terminals Ltd; a subsidiary of Tropical Shipping Ltd. Prior to this, Mr. Bethell spent over 16 years working in the financial services industry with his last role being that of Director, Vice President and CFO at W&P Fund Services Ltd. /The St. James Bank & Trust Company Ltd. Mr. Bethell serves as Chairman of the Bahamasair Employees Provident Fund and he is also a director of The Airport Authority.

Mr. Bethell has a Bachelor of Business Administration degree in Accounting from Tiffin University in Ohio, U.S.A. and is a licensed Chartered Accountant with the Bahamas Institute of Chartered Accountants and also holds ICA International Diplomas in Anti-Money Laundering and in Compliance. Mr. Bethell also completed Portfolio Concepts and Management programs at Aresty Institute Executive Education Program - Wharton, University of Pennsylvania.

RUDOLPH TENER-KNOWLES

Asst. Vice President, Operations & Facilities

Rudolph C. Tener-Knowles is APD's Assistant Vice President/Sr. Manager of Operations & Facilities, having more than two decades of expertise in the business, including stints at the Freeport Harbour, Freeport Container Port, and Grand Bahama Airport Company in Grand Bahama. He is skilled at managing client relationships, formulating corporate strategy, and ensuring operational efficiency. Mr. Tener-Knowles holds a bachelor's degree in business from Valdosta State University, as well as credentials in finance and entrepreneurship, and has attended industry trade fairs both locally and globally.

RITA RAMSAY, MBA, CHRM

AVP/Sr. Manager of HR & Occupational Health, Safety & Environment (OHSE)

Rita Ramsay has 20-plus years' experience in the field of Human Resources as a human resources generalist providing support to Management in the following areas: staffing, employee relations, performance management, human resource policies, compensation and benefits, and training and development.

Prior to joining APD Limited, Mrs. Ramsay served as Human Resources Manager in the insurance and airline industries. Her passion lies in managing and helping people as well as managing properties, having spent her entire career in those fields. She has a broad range of experience in managing properties, marketing, public relations, training, airline security and asset procurement.

Mrs. Ramsay holds an Associate of Arts degree in Management from The College of the Bahamas, a Bachelor of Science degree in Management, and a Master of Business Administration (MBA) both from The University of Nova Southeastern University. She is also a Certified International Project Manager (CIPM) and a Certified Human Resources Manager (CHRM). She is a current member of The Bahamas Society for Human Resource Management (BSHRM).

KINO WILLIAMSON

Assistant VP, Senior Manager of Finance & ICT

Mr. Williamson is the Assistant VP/Senior Manager of Finance & ICT with over 20 years' experience in the accounting profession. He started his career at Deloitte, before moving to The Hongkong and Shanghai Banking Corporation Limited (HSBC) as the Finance Manager. More recently, Mr. Williamson served as the Head of Finance at Cable Bahamas where he had direct responsibility over all financial matters including financial reporting, debt financing, cash flow management, budget and strategic planning for the Group. In 2018, he transitioned into the telecom space as a Consultant with the Finance team at BeAliv Limited.

Mr. Williamson attained a Bachelor of Business Administration degree with a focus in Accounting from Acadia University in Nova Scotia, Canada. He is a Certified Public Accountant (CPA) and a member of the Bahamas Institute of Chartered Accountants. Mr. Williamson also completed his certification in the Canadian Securities Course.

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PRICEWATERHOUSECOOPERS
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Support Unit of the Royal Bahamas Police Force Reserves.

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MANAGEMENT **TEAM**

ANTHONY COOKE

Finance Manager (Operations & Reporting)

Anthony Cooke, with 12 years at APD, has accumulated over 20 years of experience in the financial services sector, serving as Accounts Manager at Cooke-McIver & Co and Operations Manager and Money Laundering Reporting Officer at The St. James Bank & Trust Company.

Mr. Cooke holds a Bachelor of Science degree in Accounting and Finance from Florida State University in Tallahassee, Florida and ICA International Diplomas in Anti-Money Laundering and in Compliance.

BRANDO GLINTON

Gate Interchange Manager

Before taking on the role of Gate, Interchange & Berthing Manager at APD, Brando Glinton previously worked for over 23 years in various roles within the Bahamas Customs Department, where his last posting was as a Customs/ Revenue Officer. He has attended numerous customs, intelligence and detection training courses over his career and is most notably certified to operate both the MT1213LT Mo-bile Container Scanner and the Smiths-Heimann X-Ray Portable Scanner.

Mr. Glinton earned his LLB Law degree from the University of Huddersfield, England and has an Associate of Arts degree in Management & Marketing from the Bahamas Baptist Community College in Nassau.

WILLIAM 'BILLY' HALL

Heavy Equipment Operations Manager

Grand Bahamian William Hall is a seasoned and well-trained professional in the field of mechanics and heavy equipment management. He brings a wealth of experience from years of contribution to some of the largest operations in Freeport, primarily in the maritime industry.

He worked for a time with Tropical, then started at Freeport Container Port Ltd, as a part of the Hutchison Port Holdings group as an engineering mechanic and advanced up the ladder to become a manager, a post in which he spent eight years.

Mr. Hall has taken advantage of many education and training opportunities in related fields. He pursued a programme in West Palm Beach, Florida learning to operate and maintain semi rigs. He also attended a school in Germany focusing on crane mechanics. His management knowledge and skills were boosted through training in the United States, notably in Ohio and Florida.

At APD, as Heavy Equipment Operations Manager, Mr. Hall is responsible for the maintenance of all machinery and equipment at Nassau Container Port and Gladstone Freight Terminal overseeing an eight-person team, consisting of three mechanics, a welder and four crane operators. Additionally, he considers most important the promotion of training for his team.

JEMINGTON JOHNSON
Occupational Health Safety & Environment Manager

Before his promotion to his current post on the Management Team to which he was promoted in February 2023, Mr. Johnson served in APD's Gate Department as an Interchange & Berthing Inspector and Supervisor for more than nine years. He was the company's premier designate for the operational hybrid programme that encompassed key roles in Security, Planning, Shipside Checking & Operations Coordination. He has also served as co-captain of APD's First Responder & Emergency Preparedness teams. Before joining the company, he had contributed almost a decade to the hospitality services sector, not only as a Destination Manager but also worked in commercial and private safety and security firms.

CLEMENT LIGHTBOURNE
Security & Surveillance Manager/ Port Facility Security Officer

Clement Lightbourne serves as the Security and Surveillance Manager. He brings with him forty years of law enforcement experience. He is responsible for keeping the port compliant with the International Ship and Port Security Code and the Merchant Act (Chapter 268) Ship and Port Facility (Security) Regulations, 2016. He has received international and local certifications to function in his capacity.

Mr. Lightbourne obtained a Master of Arts degree in Strategic Security from the National Defense University, Washington DC. He also holds a Bachelor of Arts degree in Public Administration from Sojourner Douglass College, Nassau Campus. He graduated from the Police Training College as the Best Recruit with the Baton of Honor. For his exemplary service, he was awarded Meritorious Service, and Long Service and Good Conduct Medals. Law enforcement is his passion, therefore he remains affiliated with local and international agencies to keep abreast of issues that can be mitigated to maintain a safe environment.

FELIX ROLLE
Facilities Maintenance Manager

Felix Rolle brings to his position as the Port's Facilities Maintenance Manager an extensive background as a contractor, building single and multifamily dwellings, commercial buildings and schools. For years, Mr. Rolle owned a construction company, Felix Rolle & Sons, and was responsible for overseeing construction projects from concept to the finished product.

Holder of an Electronics degree from the College of the Bahamas in Nassau, Mr. Rolle also received extensive training and systems certifications as a communications technician who worked closely with air traffic controllers in the civil aviation industry. He also holds the designation of Certified International Project Manager from the American Academy of Project Management. In addition, Mr. Rolle has also received certifications in Developing Managerial Skills and Result Driven Management.

CRISPIN SEYMOUR
Operations Manager

Crispin Seymour has over 27 years of experience in international shipping, previously working at the Freeport Container Port and Tropical Shipping, as the Heavy Equipment Maintenance Manager.

Mr. Seymour has attained numerous industry certifications from various courses throughout the United Kingdom and the United States. He is also a Reserve Police Corporal attached to the Maritime Support Unit of the Royal Bahamas Police Force Reserves.

IT'S ABOUT PEOPLE – The Year's Shining Stars

Congratulations, RITA RAMSAY!

We are delighted to extend our heartfelt congratulations to Mrs. Rita Ramsay on her well-deserved promotion to the esteemed position of Assistant Vice President (AVP) overseeing Human Resources and Environment Health and Safety (OHSE). This significant achievement is not only a testament to Mrs. Ramsay's remarkable career journey but also a reflection of her unwavering dedication and exceptional leadership. Mrs. Ramsay's ascent to this pivotal role has garnered enthusiastic support and commendation from our Senior Management team and the Board of Directors. Her educational accomplishments, extensive professional experience, and contributions to our organization have been exemplary. Her dynamic approach to leadership and her commitment to fostering a collaborative, respectful, and thriving work environment have left an indelible mark on our company. As we move forward, we are confident that Mrs. Ramsay's vision, expertise, and dedication will continue to play a pivotal role in the growth and success of our organization. We look forward to witnessing her continued impact and contributions to our company's mission and values. Once again, congratulations, Mrs. Rita Ramsay, on this remarkable achievement.

Here, we present an overview of her accomplishments and impact.

Educational Journey and Career Milestones: Mrs. Ramsay's educational pursuit has been marked by continual growth and excellence. She earned her Associate of Arts (AA) in Management in 2003, followed by a Bachelor of Science degree in 2004. Subsequently, she obtained prestigious certifications, including Chartered Portfolio Manager (CIPM) and Fellow of the American Academy of Project Management (FAAPM) in 2007. Her commitment to learning continued with the completion of a Master of Business Administration (MBA) in 2008 and the addition of the Certified Human Resources Manager (CHRM) credential in 2016. These educational achievements have provided a solid foundation for her career success.

Diverse Career Path and Contributions: Mrs. Ramsay's professional journey is characterized by versatility and impact. Beginning at British Fidelity, later known as CLICO, in 1999, she managed various functions, including HR, public relations, marketing, corporate facilities management, and compliance. Her adaptability and dedication were evident as she transitioned to Sky Bahamas Airlines in 2009, taking on roles as the Executive Assistant to the CEO and HR Manager. Her responsibilities further expanded to include the role of Director of Security and HR, particularly for international flights.

Since joining APD in 2013, Mrs. Ramsay's impact has been substantial, culminating in her recent promotion to AVP of HR and OHSE in May 2023. She has consistently demonstrated a deep understanding of HR laws and policies, exceptional interpersonal skills, and a commitment to creating a respectful and collaborative work environment. Mrs. Ramsay has also played a pivotal role in significant company achievements, including the successful ISO Audit and contributions to a new ESG project. Her commitment to APD's strategic value initiatives and her dedication to team development through mentorship, coaching, and training have been instrumental in shaping a skilled and motivated workforce.

Leadership and Community Engagement: Mrs. Ramsay's leadership extends beyond the workplace into her community involvement. She has been a member of the Bahamas Society of Human Resources since 1999, underscoring her commitment to continuous professional development. Additionally, she actively engages with her Church and Diocese, serving as a Eucharistic Minister and leading the Church's Soup Kitchen, where her contributions have provided nourishment and support to those in need. As a member of the Family Life Commission for her diocese, she actively contributes to strengthening family bonds and promoting overall well-being. Mrs. Ramsay's unwavering dedication to both her professional and community roles exemplifies her commitment to making a positive impact on the world around her. Mrs. Rita Ramsay's journey, from her educational accomplishments to her multifaceted career and community involvement, reflects a commitment to excellence, leadership, and a strong alignment with our company's values and mission. As she embarks on her new role as AVP of HR and OHSE, we anticipate her continued success and contributions to our organization's growth and prosperity.

-The Executive, Senior Management and the Board of Directors.

PAIGE C BASTIAN,
Sustainability Officer

From intern to our very first Sustainability Officer, APD has not only been a part of Paige's learning development but will be a part of her becoming a pioneer in our sustainability journey. We look forward to her dedication and passion for a greener future here at APD, which is very inspiring. Together we will make a make a lasting impact.

- Rita Ramsay, AVP/Sr. Manager of HR & Occupational Health, Safety & Environment (OHSE)

Paige Bastian first came to NCP as an intern from the University of The Bahamas, where she was a student. Her eagerness to learn and general conduct in that situation made her a worthy subject to benefit from APD's drive to help Bahamians achieve a foothold and success in the multifaced maritime industry and environmental management. She joined the NCP staff on 7 June 2023, and her work ethic and positive attitudes continue to justify her being taken on. Similarly, her resume attests to her character and preparation.

Ms. Bastian serves as The Nassau Container Port's (NCP) Sustainability Officer, promoting sustainable initiatives while supporting the company's commitment to its Environmental, Social, and Governance (ESG) framework. She assesses trends and best practices regarding the sustainable maritime transportation industry while determining appropriate implementation strategies in the Bahamian context.

Previously, Ms. Bastian worked as a Project Officer in the Strategic Development and Initiatives Unit at The Bahamas Development Bank (BDB) for two years. Here, she honed several technical skills with the goal of consistent evolution. This led to her becoming the only member of the organization to earn a certificate in Environmental and Social Risk Analysis. She also played a critical role in preparing the Bank to serve as the first national direct-access entity for the Green Climate Fund, an accomplishment that will allow the direct flow of climate finance into the country.

In 2020, she graduated from the University of The Bahamas (UB) with Distinction, earning a Bachelor of Science in Small Island Sustainability with a focus on Marine Science. At UB, she delved into the sustainability challenges facing Small Island Developing States, particularly waste management. Her capstone project focused on waste management realities and reduction strategies in New Providence.

For her next academic chapter, Paige Bastian received the honour of becoming one of The Bahamas' 2023 – 2024 Chevening Scholars. She is pursuing a Master of Science in Environmental Management at Glasgow Caledonian University in Scotland. During this experience, she endeavours to connect with individuals from various backgrounds to develop and leverage opportunities for The Bahamas with positive, lasting impacts.

Ms. Bastian's long-term career goal is to shape the linkages between policy, waste, infrastructure, vulnerability and adaptation while providing resilient, inclusive, and community-based sustainable solutions.

KENT REID,
Gate Inspector

Kent has been employed at the container port for over nine years, where he has been directly under my charge. During his tenure, he has displayed an unwavering dedication to his work, consistently striving to expand his knowledge and acquire new skills. Kent's ambition and eagerness to learn and adapt has made him a valued member of the organization in which he has elevated to Lead inspector. Kent's willingness to explore major avenues of the operation has allowed him to work as a planner and Operations coordinator, which made provisions to him contributing to the efficient operations of the container port. Kent's strong work ethic and problem-solving abilities have proven to be instrumental in overcoming challenges and achieving success in his professional endeavors. I wish him a desired success in his future with the company.

- Brandon Glinton, Gate Interchange Manager

At the age of 31, Kent Reid has already achieved significant milestones in both his personal and professional life. His educational journey began with the completion of an associate degree in accounting. Recognizing the importance of continuous growth and development, he is currently pursuing a bachelor's degree in accounting and an associate degree in business administration. His dedication to education reflects his ambition to excel in his chosen field and contribute meaningfully to the business world.

Mr. Reid has been employed at the container port for over nine years. During his tenure, he has displayed an unwavering dedication to his work, consistently striving to expand his knowledge and acquire new skills. His eagerness to learn and adapt has made him a valued member of the organization, contributing to the efficient operations of the container port.

His career in the shipping industry, coupled with his expertise in logistics and operations, has allowed him to develop a well-rounded understanding of the business world. His strong work ethic, attention to detail, and problem-solving abilities have proven instrumental in overcoming challenges and achieving success in his professional endeavors. As an avid automotive enthusiast, he enjoys working on various vehicles, utilizing his mechanical skills to restore and enhance their performance.

A father of twins and a devoted family man, Kent Reid is a determined individual who exemplifies dedication, resilience. With his educational pursuits, hands-on hobbies, and commitment to personal growth, he is poised to leave a lasting impact in the shipping industry while maintaining a fulfilling and balanced life.

KIMBERLY STURRUP,
HR Assistant

We are very excited to welcome Kimberly to our growing APD family of talent where, the future of HR meets limitless possibilities. Her friendly and welcoming spirit is a perfect fit for our HR department. As She embarks on this journey with us, her warmth and openness will be the guiding light in creating a supportive and inclusive future for APD. I am delighted to have her onboard my already dynamic team.

- Rita Ramsay, AVP/Sr. Manager of HR & Occupational Health, Safety & Environment (OHSE)

Kimberly Sturrup's early education began at Oakes Field Primary where she excelled in Reading, Writing and Grammar. Further studies later landed her at Red Bank Middle School and Red Bank Regional High School in Red Bank, NJ, USA. She later returned home to complete her secondary education at C. R. Walker Senior High School, graduating with special honours in English Language, Literature and History. She has continued to excel academically. She is just shy of completing her BSc from Capella University in Business Management with a specialization in Human Resources and is expected to graduate Magna Cum Laude. It is her hope to one day attain her MBA and become SHRM certified.

Always pursuing self-development, Mrs. Sturrup is a member of Toastmasters. She was elected President of Club #1095 in 2019 and Associate Matron of the Princess Na'ima Chapter in 2020. Kimberly has a heart geared toward people, hence choosing Human Resources field.

Gifted in athletics, she became the 2005 GSSSA Nationals Champion for the 110m and 200m hurdles. She represented The Bahamas as a member of the Junior National Volleyball Team in 2007 and, in the 2023 Bahamas Games, she served as Captain for the City of Nassau.

In her spare time, Mrs. Sturrup enjoys reading and is writing a book that she hopes will help trauma victims. She enjoys participating in charitable events feeding the homeless and less fortunate. She is a wife and mother to a son, a daughter and two Belgian Malinois. Kimberly believes that family is as important as food, air, and water and is grateful for the firm foundation her family provides for her. Her favorite quote is, "Discipline is the refining fire by which talent becomes ability" by Roy L. Smith. She believes that nothing is impossible when discipline is involved and lives her life making sure that discipline is the main ingredient throughout her life journey.

PRESIDENT'S REPORT

Dion Bethell,
President and Chief Financial Officer, APD Limited

The three years of Covid-19 global assault on world trade challenged even the strongest economies, not least those of small, developing nations like our Bahamas. It was sobering that the United Nations agency UNTAD early on predicted that global trade would, in 2023, continue to face multiple challenges such as inflation and high interest rates, debt distress and geopolitical frictions would weigh on many economies.

It gives me great pleasure that throughput at our Nassau Container Port (NCP) has recovered to pre-pandemic levels, and we anticipate this upward trend continuing. So, it decided to invest in a new Generation 6 Konecranes Gottwald Mobile Harbor Crane with the advanced technology necessary to increase capacity and take us further along the path to greening our operations to which increasing the introduction of cleaner energy sources is key. ('APD Departmental Highlights' for details of the new crane's features) In the downturns in international trade that inevitably followed, businesses of all types were forced to rely heavily on their internal strategies and operations. At APD, astute hiring, training and promoting staff as well as incorporating active, ongoing creation and reformulating of SOPs from the establishment of the company stood us in good stead in weathering that viral storm. The proof of the value of these practices is reflected in our recording a banner 2020/2023 fiscal year, the best since 2017. Revenue details will be provided in the Management Discussion & Analysis.

Developments Impacting Financial Performance

The Preliminary Overview of the Economies of Latin America and the Caribbean 2022 posted a decidedly encouraging picture for The Bahamas. It was noted that the Bahamian economy continued to recover in 2022 and was projected to grow by 8.0%, down from 13.7% in 2021. Growth was bolstered by the continued recovery in tourism as the sector reopened after collapsing at the height of the COVID-19 pandemic.

It has been reported that with the pickup in activity, the rate of unemployment trended downward, falling to13.9% in 2022 from 18.1% in 2021, owing in part to employment gains in tourism and distribution. The rate of inflation rose sharply to 7.3% in 2022 from 4.1% in 2021, mainly reflecting the impact of higher international fuel and food prices, partly due to the war in Ukraine. The fiscal deficit declined from 13.6% of GDP to 5.9%, as spending to ameliorate the effects of COVID-19 and carry out hurricane reconstruction was lower. The balance-of-payments current account deficit narrowed sharply from 22.7% of GDP in 2021 to 14.2% of GDP in 2022, owing mainly to a 60.3% increase in exports of goods and services, which were bolstered by tourism receipts and goods exports.

Over the period under review, trade activities at Nassau Container Port attested to this positivity. We saw volumes return to pre-Covid volumes and many aspects have exceeded them. Always a good barometer for how our economy has been doing is the performance of the construction industry. We have had several major building projects that contributed to our net bottom line over the past year, those being the US Embassy, the new cruise port and several mixed-use residential properties such as Goldwyn on Cable Beach. In the same area, Aqualina, one of two new residential projects came on board and were ongoing as of this writing. Then, there was another phase of the Albany development in the southwest of New Providence. Furthermore, the year saw extensive road improvement projects, which would have contributed to some of those financial net income increases over the year.

In close association with the revival of construction has been the increases in the performance of NCP's three bulk terminals.

One of the greatest impacts has been the importation of vehicles during Covid and immediately after the importation of cars owing to the high demand globally influenced by the decrease in the production of vehicles. No doubt, a fear of scarcity fed a swell in purchasing. In fact, during the last two months or so, we had one vessel that came in with a record-setting 1216 vehicles. That was an indication of a growing buoyancy in economy. Certainly, the new car dealers are now bringing in a lot more vehicles than they did during the Covid period. We have seen used car dealers increasing the importation of the small Asian cars.

Greening the Environment

The environment in which we operate is inevitably a factor of performance and consequently of revenue growth or decline. Even more important is the need to accept our necessary contributions to environmental protection as citizens of this planet. It is important, in fact a priority, to see how port operations are impacting in terms of carbon output. To establish a baseline, we have engaged in multiple assessments and testing modalities to see where we are at now and how we can continuously improve on decarbonization.

As port operators, we must accept that cargo ships, like cruise ships, have a great impact on their environment. We are focusing on reducing greenhouse gases emissions and placing greater emphasis on the environment, given the space that we work in. Renewable energies are not cheap to introduce, especially in this market, but we have begun the process in a softer way this year in terms of shipside and yard operations. We are sending a hopeful message to the powers that be by introducing a hybrid crane into our fleet. At this time, however, that would have not have any impact on the services we provide up or down.

Ideally, if we were able to operate more of our equipment on shore power, then that would certainly have a greater impact. If ships calling at NCP were retrofitted to operate from shore power, that certainly could add in a positive way to the impact on greenhouse gases reduction. At this time, the reality is that using a renewable source like solar or drawing from BPL resources would be an expensive undertaking that certainly would impact the cost of living, if not our income line. As responsible, contributing corporate and individual citizens of this country, we must, as far as possible, do our part to manage the cost of living. One of the abiding reasons for the overall cost-of-living increases is how expensive the cost of energy in this country. That factor increases our costs for operating NCP's fleet of equipment. In further consequence, it impacts the nature of the services that we provide. Transitioning to hybrid and even electric equipment would be very costly. While the cost of a simple internal combustion truck that we use frequently in our business would be around $35,000, a similar electric vehicle could cost north of $80,000.

As is the case of many other stakeholders in our space, we face deciding as to when would be the right time to fully transition. The result would be a higher cost to operate, which would then result in a higher cost at some point to the importers to afford that transition. The reality is that we will have to move in that direction at some point. So, it may have to be in small steps as opposed to changing out the entire fleet at one time. Having a well-thought-out transition plan so the impact won't be as great on the importer and the public is essential.

As we look at alternatives, we have already begun the process of expanding our solar array here at the Port. We currently have a 36-kilowatt system, and we are increasing that by 150-kw, which should add or reduce our cost of electricity, which is already extremely high. We have a battery-less system. A lot of our usage or the high percentage of it really occurs at night with the high-mast lighting. Even though we have transitioned to LEDs from a metal halide type of bulb which was inefficient and expensive. So, it is essential to find and continue to pursue creative ways of amplifying awareness of environmental impact for good or ill. Also top of mind and planning must be how we would be able to introduce change for key stakeholders. More than likely, it will be through our tariff where we could offer some kind of incentives to those stakeholders taking the initiative to adopt greener or more energy-efficient equipment into their operations.

Alternate Revenue Sources

We have tried to find alternate revenue streams to offset, or minimize the impact of having to go up on our tariff. There are revenue streams that are not attached to the cargo volumes that we bring in directly. That has brought us to a place today where we haven't had to go up on tariffs because those amounts have exceeded our expectations. We are not going to go offline. Let me explain.

Storage income. We charge storage on cargo that is left here beyond the free time, and also on the equipment that a carrier may leave here beyond the free time. We can't control that. So, the management of that equipment and how long it takes the importer to come for cargo or vehicle, we don't have any control. So, the revenue associated with all that has been extremely high. As it relates to containers coming in, we didn't have to do much work for that. That's just having the property here and having a fee in place that has put us in a situation where we have had some revenue streams that we didn't have to do much for. That is why we haven't had to go up on the tariff as much, especially in the last year. This past year that we just ended, this secondary income was astronomical.

However, one of the reasons it is hard to forecast storage costs and income is that number fluctuates. Our intent has never been to make what we have here a burden on the public. It speaks loudly to our goodwill towards port partners, our clients and the consumers that we first had an increase some years ago on landing fees for vehicles and that increase was just $40. However, the carriers then used that opportunity to go up on their fees by $80. There's no correlation. So, it is a waiting game—waiting for APD to go up on a fee so they can use that as an opportunity to go up threefold.

OUTLOOK 2023/2024

Among our major considerations and actions at NCP, has been a focus on four matters—one relates to the critical environmental goal of greening of our property and operations. The other three concern diversifying and increasing revenue streams while tremendously increasing value for port users and the public.
Top of the list is the rescue of the western breakwater that helps to protect the western access to Nassau, which is in continuing rapid decay. This is of massive importance not only for the safety of NCP and related shipping but is of even greater import to the viability of our capital city and of first concern to human life and business. I made a statement to the media on these issues that bears repeating here.

I cannot overstate the immense and critical value of the breakwater to our business, as well as to the nearby shoreline businesses and tourist attractions. It plays a vital role in ensuring the safety of vessels as they enter the harbor to dock, discharge, and load cargo. Crucially, the breakwater provides extensive protection to the northern coast of the country's capital, safeguarding it from inundation during storms and other environmental incidents that pose threats to lives and have the potential to disrupt economic activities.

I once again emphasize that APD remains committed to repairing the breakwater at the western entrance to Nassau Harbour. Since 2021, we have committed significant resources to achieving this goal in terms of securing world-class expertise to assess the state of the breakwater and identifying a highly reputable firm to carry out the necessary rebuilding. Success is highly dependent upon government approval and partnership, which we continue to pursue. We will continue to lobby for firm and marketable government approval in that regard.

In terms of ease of doing business, business development, and new revenue generation, three pertinent matters come to the fore. Firstly, the construction of a dedicated customs freight station at the Port, aimed at facilitating the inspection and clearance of flagged cargo, has been a topic of discussion at APD for several years, aligning with our company's growth strategy and national mandate. However, previous government administrations were not minded to engage this project. Furthermore, when APD acquired the franchise to land imported vehicles at NCP, almost immediately the notion arose to create a building for the Road Traffic Department that would facilitate vehicle inspection, licensing and insurance providers. The idea is to allow importers to drive vehicles off the dock fully up to code in all respects. There is indication that government is ready to move on this proposal as well.

In November, there was a clear indication that government is ready to move forward on our proposal. Formerly, the sticking point was repayment to APD for the funds that would be expended to bring this project to fruition. Last year, the idea materialized that importers should be authorized to pay certain customs fees directly to APD to amortize the costs.

In addition, APD has also proposed developing two Family Island ports. In the latter instance, government invited qualified entities to submit expressions of interest in development of ports at two locations in Abaco, Marsh Harbour and Cooperstown. Documents containing a formal expression of APD's interest as well as pricing were forwarded, as directed by government request.

What's next in the outlook for the 2023/2024 fiscal year? We are pleased to note that the rebounding in Bahamas tourism, which continued at the time of this report, has done much to revive quality investor interest and spending, which has generated a positive response throughout the services industries generally. This has been greatly encouraging. As Fitch Ratings reports, supply-chain pressures have eased dramatically. Container shipping costs are back to pre-Covid-19 levels. This has helped to reduce trade and consumer anxieties and has been good for business.

There are global developments which must be considered in the outlook for the new fiscal year. In projecting a global GDP growth of 2.7 per cent, the OECD stated the following:

The global economy proved more resilient than expected in the first half of 2023, but the growth outlook remains weak. With monetary policy becoming increasingly visible and a weaker-than-expected recovery in China, global growth in 2024 is projected to be lower than in 2023. While headline inflation has been declining, core inflation remains persistent, driven by the services sector and still relatively tight labour markets.

Saadia Zahidi, a managing director and board member at the World Economic Forum has commented on *the current high inflation, low growth, high debt and high fragmentation environment reduces incentives for the investments needed to get back to growth and raise living standards for the world's most vulnerable. Leaders must look beyond today's crises to invest in food and energy innovation, education and skills development, and in job-creating, high-potential markets of tomorrow. There is no time to lose."*

In May of this year, Zahidi published an article entitled "AI, Green Transition and Deglobalisation: Work will Become Disruptive, but It Needn't Be Dystopian." In it, she outlines strategies to enhance staff development in anticipation of the forthcoming changes, emphasizing the critical importance of analytical and interpersonal skills, as well as the ability to understand and effectively work with technology.

Concerning and disruptive changes that may come, we must, as we have been doing for the past 12 years, bolster our resilience and flexibility by raising firewalls of intelligent, purpose-targeted strategizing, in infrastructural development, environmental defences and practical skills. We must continue to manage costs without cutting performance quality, staff benefits and returns on investment for stakeholders.

This has been APD's guiding light in staff hiring, training and overall development from inception, which has paid dividends in terms of retaining quality staff and, consequently, in terms of revenue and growth. While continuously seeking dialogue and consensus with stakeholders, particularly legislators and partners in shipping and other aspects of the maritime industry and in the world of trade generally.

In terms of the environment, we will continue our efforts to decarbonize and ways to create green spaces for our APD people, port partners and others who come within our ambit. We will continue our drive for incorporating cleaner energy sources for NCP, especially retrofits to institute shore-generated energy for ships calling. In dealing with infrastructure, it has become urgent to resolve such issues as the crippled western harbour breakwater. Unresolved it would be to the peril of business, new investments and, foremost, to the lives and livelihood of Bahamians. The renewal of the breakwater must not become a political football tossed back and forth without concrete resolution. We need balanced and objective thinking.

In a year marked by significant changes and challenges, I am profoundly grateful for the leadership of Chairman Michael Maura, Jr, and the entire Board of Directors. My heartfelt thanks go to the members of my Executive and Management Teams and our staff for your ongoing stellar professionalism, creative input, hard work, and steadiness, all of which have helped me fulfill my obligations and achieve our objectives with the highest quality.
At APD, we remain hopeful that the New Year will usher in the necessary consensus, broader partnerships, and funding. The upcoming fiscal year will necessitate our unwavering commitment to our visionary and proven strategy of resilience, ensuring we are well-prepared to withstand any challenges that may arise.

Appreciation for Port Partners/Service Providers

This year APD continued to enjoy the support of key Port Partners, including the Department of Customs, Arawak Stevedoring Limited, the Port Department and the truckers. The level of their cooperation has played a much-appreciated role in protecting the steady flow, security, integrity and profitability to the Bahamian supply chain, which is a major element of life and business quality in our country.

We continue to thank The Counsellors Ltd., who have contributed professionalism and fellowship to APD's public relations quality since our establishment in 2009. I commend the group for their services.

The continuance of our partners' dedicated support for a 2023/2024 promises remarkable progress if the synergy effected this year shines even more brightly on our operations. For myself and on behalf of the entire Executive and Management Teams, I thank you all for your gracious and reliable input.

With our entire personnel complement and all associated agencies, we look eagerly forward to further excellent cooperation for mutual benefit.

Dion Bethell, President & CFO

APD DEPARTMENTAL HIGHLIGHTS

Several changes have been instituted in to NCP departments to reorder managerial and staff responsibilities to align more closely with key APD goals in operational quality standards, especially relating to standards in quality of management staffing, security, health and safety and the environment. This section begins with APD/NCP achievements in three major areas that define operational standards, performance and legitimacy—ISPS, ISO and ESG. Continuously developed in well-defined programs, these factors go a long way in underwriting the company's ability to gain and retain respect and operate in legitimate global trade. Important also is the fact that the work to achieve the related designations and certifications intimately involve all NCP departments. All are credited with the successes enjoyed in these pursuits.

ISPS (International Ship and Port Security)

The role of the global ISPS program is to detect security threats and implement security measures. To establish roles and responsibilities concerning maritime security for governments, local administrations, ship and port industries at the national and international level. In 2022/2023, NCP was again ISPS audited and certified in this respect, which allows the Port to participate in international maritime trade.

ISO (International Organization for Standardization) Certifications

In 2023, APD successfully completed an audit for a new certification in a new quality performance area—ISO 45,001—for Occupational Health and Safety Standards Management. This acquisition follows two earlier certifications, ISO 14001:2015 (promotes organizational improvement relating environmental performance through more efficient use of resources and reduction of waste to gaining a competitive advantage and the trust of stakeholders). In 2019, NCP also gained and has maintained ISO 9001:2015 (specifying requirements for a quality management system).

With NCP's dedication to quality service and conscientious environmental stewardship, the new ISO 45,001 acquisition has resulted in the formation of an integrated management system which combines all three systems in keeping with the organization's core developmental goals. These achievements flag the Port as offering measurable and audited quality standards in its operations, which are recognized internationally and allow NCP to trade and maintain a valued place in the global maritime industry.

ESG (Environmental, Social and Governance) Strategy Enhancement

Since its establishment, APD has been making a vital contribution to the economic development of The Bahamas through its daily operations, continuously thriving to provide the most efficient, high quality port services to the port users and the general public. As a critical national infrastructure service and member of the community, APD is continuously looking for more effective ways to support local businesses and users of the port, minimize our environmental impacts, provide our employees with a safe working space and the opportunity to develop their skills, and simultaneously contribute to the wider communities we operate in.

To continue our progress on this journey, APD has an ongoing engagement with ESG advisors, KPMG Advisory Services Ltd., to support us in embedding ESG strategy, targets and metrics across the organization and governance structure. Initial actions included a benchmarking exercise and a review of relevant international standards to shape our ESG Strategy and approach. Our Board and ESG Committee worked with our advisors to develop several ESG-driven strategic value initiatives (SVIs). We then completed a baseline assessment of these SVIs and are developing implementation plans to embed the SVIs into the governance of the organization to enhance our ESG performance.

To further align managerial decisions with broader societal and environmental goals, which is increasingly vital for responsible and resilient corporate leadership, our senior management performance assessments will be informed by our ESG performance to provide a comprehensive evaluation of their leadership.

Further details to the key objectives of these SVIs are as follows:
SVI Objective

1. Climate and Decarbonization: Reduce the Greenhouse gas (GHG) emissions footprint of the port and its tenants, with initial focus on Scope 1 & 2 emissions.
2. Port Modernization: Enhance our ability to provide clean energy to customers, with an initial focus on reduction of reliance on fossil fuels for APD's own operations.
3. Climate Resilience: Protect the Port from adverse physical impacts of climate change, making it more resilient to catastrophic events such as hurricanes.
4. Environmental Care: Minimize the Port's impact on the environment (air, water, soil, acoustic environment, biodiversity).
5. Waste Management: Reduce the amount of waste from the Port that ends up in landfill / enhance awareness of the waste challenge.
6. Staff Professional Development: Focus on developing a skilled workforce for the future and remain an attractive employer of choice.
7. Health & Safety: Protect staff, contractors, and customers from health & safety hazards
8. Well-being Support: Improve well-being of employees.
9. Cybersecurity: Reduce exposure to cyber risk.
10. Investing in Local Community – Education: Create lasting improvements in the quality of life for local communities through education.
11. Local Business Support: Foster a healthy local business environment for businesses in the vicinity of the port, as well as our users.
12. Safeguard for Families – Education: Support local working families by providing schoolchildren with maritime interest access to scholarships.
13. Diversity, Equity & Inclusion: Promote diversity and inclusion across the organization.
14. Responsible Business: Promote an ethical work culture with robust governance.
15. Digitalization of Processes: Improve agility, productivity value to the community, and supply chains. In addition, reduce costs and increase employee productivity by moving to digital processes where more efficient.
16. Digitalization of Operations: Develop a Port community system to improve efficiency and effectiveness.
17. Transparency & Stakeholder Engagement, including Shareholder Education: Promote transparency for stakeholders.
18. Executive Incentives: Manage ESG-related business risks and pursue opportunities .

Environmental

- ·Decarbonization – Scope 1, 2 and partial scope 3 emissions have been calculated, totaling 1,505 tCO2e – roughly the equivalent annual emissions of 327 cars. Further assessment was undertaken to identify improvements that can be made to port equipment to reduce fossil fuel dependance as currently only 2% of APDs energy use comes from renewable sources. Enhancements will ultimately reduce APD's greenhouse gas (GHG) emissions footprint.
- Climate Resilience – We have conducted an evaluation of various climate-related projects and enhancements that could be implemented at the port, aiming to bring about both economic and environmental advantages. This assessment involved gathering pertinent options from comparable establishments to inform our improvement efforts.
- Environmental Care – We have engaged with third party consultants (SEV Consulting) to undertake a study on air, water and noise pollution within the port to provide an understanding, ultimately to help guide us in implementing ways to improve on the environmental impact of port operations.
- ·Waste – Existing waste streams have been identified and the baseline output of waste estimated as 715m3 for the period. The knowledge gained during the exercise will be applied to guide waste reduction strategies and improve waste management practices, for example on recycling, as there is currently no recycling being undertaken.

Social:

- ·Staff Professional Development – There is a Training Policy in place to ensure adequate training is provided to all APD staff. Monitoring of training logs as part of ESG management has indicated that 100% of employees have received at least one training course in the year, with over 6,300 total hours of training being spent over the 2020 – 2023 period. Looking forward, we are seeking to provide more value-add training that seeks to address any potential skills gaps that may exist to better ensure alignment with our strategic goals. This will also aid in the development of comprehensive, customized training programs for each of our employee grades.
- Health & Safety – There is a robust health & safety management system in place for which success in this system has been indicated by there being zero fatalities or hospital admissions due to work-related accidents and a decrease in overall health and safety incidents since the prior year.
- Wellbeing – A corporate mental health and wellbeing program is being developed in collaboration with partners to be launched next year.
- Cybersecurity – We run an effective cybersecurity program with regular routing testing and checks. We conduct regular reviews to identify potential areas of improvement to reduce cybersecurity risk.
- Corporate Social Responsibility (CSR) – As in previous years, beyond its mandated Port obligations, APD has contributed to national development over several important platforms underpinned by our able and willing company teams, skills, knowledge, funds and time. We continue to provide significant support to a variety of organizations and charities in The Bahamas. We are in the process of identifying additional frameworks that we could potentially support.
- Diversity, Equity & Inclusion – We exercise a no-bias policy and strive to achieve gender equality within our organization by providing male and female staff with equal opportunities. Work undertaken during the year has improved transparency in diversity data which will help to guide our ongoing diversity strategy, ultimately to increase representation of underrepresented demographic groups.

Governance:

- ·Responsible Business - A review of our current code of conduct was undertaken which included a benchmarking exercise with several other leading ports around the world to make the most impactful changes.
- · Digitalization of processes – With the goal of improving agility, productivity value to the community, and the supply chain while simultaneously reducing costs, a maturity assessment of current processes has been undertaken which has identified priorities for ongoing improvements to be made.
- Transparency & Stakeholder Engagement, including Shareholder Education – To promote transparency in our annual reporting we are working to apply the two inaugural global sustainability disclosure standards, recently published by the International Sustainability Standards Board (ISSB), in forthcoming annual reports. By meeting this globally accepted baseline for reporting standards, we aim to improve trust and confidence disclosures about sustainability to help inform decision making.
- Executive Incentives – Aligning our efforts on sustainability with incentives ensures accountability of top executives while rewarding them for making decisions that are good for the environment and society, as well as for APD.

FACILITIES MAINTENANCE

The Facilities team are responsible for the day-to-day maintenance and physical upkeep of three APD entities—NCP Maritime Centre, the Breakbulk Terminal and the Gladstone Road Terminal. The ten-person Facilities Department must respond to whatever challenges or issues impacting the Port's internal and external customers. Calling for prevention or remediation are a variety of issues that may arise, including leaks, sewer, electrical and even adverse weather. The work encompasses the entire plant and operations from shipside to the gates.

The Facilities department is also instrumental in helping with cost management along with continuing its efforts to reduce the carbon footprint of APD's plant and operations. Leading up to 2023, the Company had 36kw of solar power installed. During the year, the company embarked on adding additional solar panels increasing the solar power by 157kw. It is projected that the addition will help to reduce energy costs by roughly 30% to 40%. As electricity represents a major cost, the department introduced further cost controls. Light sensors that respond to room occupancy were added to some offices and restrooms. If there is no movement in the space, the lights will go off reducing waste of costly energy.

Further initiatives planned include purchases of more electrical vehicles (EV) over time and establishing charging stations for EV. As we are moving towards more sustainable ways of operating business, EV falls within this purview. Our plan is to install four charging stations for our EV including the golf carts, which would enable us to measure how much energy our fleet of EV consumes and the less harmful impact on the environment versus that of internal-combustion-engine (ICE) vehicles. Persons doing business at the Port will also be able to utilize one of the charging stations. In respect of waste management, the company is looking to recycle certain items. The entire company is well on the way to reducing paper use towards the creation of a paperless environment through ongoing digitalization.

FINANCE/ICT

With the growing demands of increased sophistication of the Finance Department and the need for its expansion and digitalization, it has long been in the company's strategic planning to elevate its Finance's directorate to the Executive Team. To serve as point man, the company brought to the team Kino Williamson, CPA as Assistant VP/Senior Manager of Finance & ICT. Mr. Williamson brings to his portfolio a wide leadership experience in accounting, finance and communication at internationally renowned entities. Similarly, in keeping with the newest goals in Finance, Anthony Cooke was promoted to the role of Finance Manager, Operations.

One of the department's chief goals is to consolidate, modernize and reduce the number of steps in its day-to-day functions. The department is continuing to look for ways to become more efficient. Projects are in the pipeline to help drive this goal. One project being the repetitive tasks on the payment of invoices. Historically, when an invoice came in, it was taken through a 15 to 20-step process that the related payment could be made. The new goal is to streamline while maintaining the proper authorizations and readily traceable chain of documentation with solutions that would lead to more accurate and timely execution of tasks.

Increasing effective modernization is also being engaged on the processing of invoices as well boosting efficiencies such as timeliness of invoicing which should lead to timeliness of payments by vendors. One such innovation relates to the department working with NCP's main carrier's MSC to integrate Navis billing with their invoice processing and payment system. In theory this linking should allow for quicker invoicing to MSC, which will hopefully spur quicker payment from MSC, a shipping company which holds 33%+ of the Bahamas market share.

Regarding IT and through the ESG framework, report automations are also in the pipeline with the various departments in the Company that should provide for more timely decision making.

As COVID has subsided, remote working has ceased. Motivation and morale seemingly were impacted with the remote working instituted during the COVID pandemic. To rebuild team interactivity, efficacy, morale and leadership opportunities, full team meetings have been engaged, allowing team members to lead meetings and projects within the department. The department is also hosting team activities offsite and allowing persons to openly express their feelings with honest communications. AVP Finance has said that staff empowerment was one of his chief goals in accepting the portfolio.

GATE & INTERCHANGE: Expanding Vigilance

Gate & Interchange is a key to Port safety and its people have been leaders in the staff hybridization process. Every unit that goes in and out of the port falls within its purview and vigilance. The manager and his ten-person team must inspect and give account for movement units on the move around NCP, whether they be trucks and cars or containers from ship to dockside or the reverse. There is especially keen vigilance and recording of anything going in and out of the gates.

Over the past year, Gate & Interchange embarked successfully on merging two separate NCP operations which were formerly the responsibility of two departments. The fused operational entity manages gates operation, gate inspectors and shipside inspection. Departmental staff account for every unit that goes in and out of the Gate and on and off ships.

HEAVY EQUIPMENT OPERATIONS:

A New Crane for Mighty & Greener Lift

APD's purchase of the new Generation 6 Konecranes Gottwald

Mobile Harbor Crane achieved for the company an excellent article in Hoist Magazine. Terminal development is a continuous process. From the company's establishment, APD has maintained a focus on the best available lifting equipment that suits NCP's present needs and will continue to function optimally in the future. Konecranes was able to offer an easily adaptable, high-performance hybrid solution that will help build even more capacity as the Port readies for incorporating shore power and greater energy efficiency.

Wear and tear on the cranes is an expected part of the lifespan of these hardworking mechanical systems. Thus, crane viability is a major factor in decision-making. L 1, the crane that served NCP from its inception has been decommissioned. Looking to the future, it must be accepted that L 2 and L 3 are already about 20 years old, and the company must look eventually to their replacement. This is an expected and major cost that must be planned for.

Special Features of the New Crane

The Generation 6 Konecranes Gottwald ESP.7 Mobile Harbor Crane has a working radius of 51m and a lifting capacity of 125t to serve vessels up to post-Panamax class. It features a high tower cab for a better view of the vessels in port and stronger lifting capacity curves for improved handling performance and a higher classification, doubling service life in container handling operations.

The crane uses Konecranes hybrid drive, which comprises a diesel generator set paired with an ultracapacitor that can be recharged by energy recovered from lowering and braking motions. This gives the power needed for peak performance, while saving fuel when moving lighter loads.

APD opted to buy the Konecranes TruConnect remote monitoring with the customer web portal yourKonecranes, as it will support the drive for increased digitalization of the Port. The crane sends its data via a secure mobile connection to the Konecranes cloud service, accessible through the site. This service gives customers a full overview of their crane's operation, with information such as the exact location of the crane on the quay, its fuel consumption and handling performance.

In support of the acquisition of the new Konecrane equipment, four men were sent to Germany to learn specifics of the equipment's make up, its operational capabilities and trained to work it. They are Vincent Dorsette, Shawn Gilbert, Wayde Johnson and Dave Nagee who has a long history of contributing to crane operations at the NCP.

OCCUPATIONAL HEALTH, SAFETY & ENVIRONMENTAL (OHSE)

OHSE's manager and safety officers take responsibility not only for the management of the health, safety and environmental aspects of APD's operations but also for empowering the other departments in this respect. The department's goals include mitigation of any identified health & safety hazards inclusive of environmental disasters, while also maintaining a quality driven, detail oriented, environmentally prioritized culture. Ideally, the department's outreach to all company staff encompasses inculcating the right habits, while providing practical, easy-to-follow information to all port users in constant efforts to create general safety awareness within our zero tolerant environment regarding any drug and alcohol usage.

APD's OHSE team through its vital endeavors and continuous licensees, stakeholders & tenant partnerships are also key factors in the environmental aspect of the company's ESG program which seeks to reduce APD's carbon footprint. The Port's premises represent an industrial setting which entails heavy equipment and frequent movement of personnel and machinery. The daily duties require strategic planning and care to optimize safety. Managing essential tools through keen observance and logistical practices demand knowledge of risks on premises with the back of the house activity being a heavy focus due to the volume of equipment. Consequently, dealing with the front of the house requires ongoing assessments with mitigation against port property misuse which can be as simple as parking. Provisions for mitigation for safety in times of inclement weather are a still standard incorporation.

Safety Provisions through Partnership

Port users, licensees, stakeholders and tenants are expeditiously encouraged to explore the implementation of an "in house" safety officer(s)within their own operations. They are encouraged to designate personnel from within their respective areas to increase and enforce safety awareness. In such cases, those involved may obtain specific safety training via their organizational arrangements with ongoing opportunities during the initiative to partake in general port safety training sessions. Shared values have also allowed stakeholders to consider potential undertaking of safety programs as a group, which would help with managing costs. The OHSE department has noted gradual increase in the acceptance of safety culture adaptation amongst all port users, resulting in respective team member's names being submitted with specific companies even engaging in sourcing of external, independent safety assessments to seek solutions in their respective workplaces.

It should be emphasized, however, that in the case of any actual incidents of accidents or near-misses, APD's OHSE department would lead the response. APD has also established the company's willingness to facilitate planned drills and exercises in conjunction with licensees, tenants, and stakeholders with support from external agencies as needed once terms can be agreed upon for execution. Furthermore, it is with this exuberant pride in Occupational Health, Safety & Environmental endeavors that APD continues to foster paramount culture growth while encouraging consistent contributions to all port users' safety excellence

HUMAN RESOURCE: Staff Development & ESG

This year APD had several new hires that follow the company's strategic staffing policy. The practice is always to look for those who exemplify quality in their field or show a drive for self-improvement or to excel. As always, the company provides opportunities for students and new graduates from the tertiary-level institutions, who are just at the beginning of their professional life. This year, the post of Sustainability Officer established, and the Apprentice Mechanic Program was launched.

In its multifaceted portfolio, HR also continued to be responsible for policy making and adherence to policy as well as disciplinary action when lapses in adherence occur. Well-designed and managed policies are a necessary adjunct to maintenance of standards and quality. In the three-year period of Covid-19's prevalence, formulating strong, workable Covid policies consistent with existing labour laws and human dignity was essential for preserving the lives of our APD people, port partners, tenants and other port users. Such policies served admirably in mitigating any major outbreaks that could have disrupt NCP operations with snowballing effects that could have occasioned serious harm to life and the supply chain, thus rattling the entire economy.

ESG – "Project Butterfly" is among the department's responsibilities under the direct charge of AVP Rita Ramsay.

In 2022/2023, internal management of APD's ESG program was lodged in the Human Resources portfolio with AVP Rita Ramsay leading the charge. KPMG continues to provide professional external support in development, metrics and reporting. The company's internal promotion and the achievement of buy-in from all the other departments reflect the demonstrated awareness of need for ESG and what each section needs to deliver for its success. There is a communications plan in the works to boost understanding of the plan to help departments toward creating contributing strategies tailored to their units' unique responsibilities, capabilities and needs as well as proposing cooperative strategies. On the environmental side, one of the objectives is to measure NCP's carbon footprint to inform, to establish baselines and development of decarbonization processes.

OPERATIONS

The work of Operations, which includes Planning, is the nucleus of Port activities. It is complex and touches just about every department of NCP. All cargo that comes in or leaves the terminal come through this department. Information and instruction come from the shipping lines in an Electronic Data Interchange (EDI) which is then broken down and the instructions contained therein disseminated to the various relevant parties. In the manner of air traffic control, Operations also advises the shipping lines on port traffic and when they can gain access. The final internal customer is in Accounts as billing information is forwarded to the accounting team who process invoices for payment.

Health and safety of our employees, port partners, customers and the environment play an important role for Operations. NCP is one of the cleanest ports. We work to keep the environment in a way that it remains safe for generations to come. An important aspect of our function is to look out for hazardous materials coming into the Port. Such materials must be indicated in the EDI and we must plan how to handle and where to place them. It is important to note that some hazardous material are not allowed to come into the Bahamas. Additionally, as part of the department's environmental vigilance, staff are always on the waterside, looking at the vessels to see what type of water they are discharging. Grey water could be a sign of oil or sewage. The rules and regulations of the Criminal Justice System (CJS) is the rule here, any anomalies are addressed immediately.

From the planning perspective, with the assistance of the terminal operating system (Navis), Operations knows where 99.9% of each one of the containers is located that come to the Port. Beforehand, such information was sourced from the incoming vessels. Now, Operations can pinpoint any container as this information is entered into Navis. This has helped with maintaining efficiency. It also helps with safety. If there is a fire, the team can pinpoint the location to reduce time in handling the problem. The department is always working on improving KPIs. One such KPI is trucks turnaround time. In times past, a truck may have taken 30 minutes to get to a location. It now takes only 15 - 17 minutes.

As regards Operations participation in the social element of the ESG plan—staff development, APD's policy of cross training has been good for staff. They get the benefit of understanding the different roles that everybody plays. Not only do the developmental opportunities keep staff motivated, but they also add value to their professional capabilities and to any other company to which they may migrate.

SECURITY & SURVEILLANCE

Security and surveillance activities at NCP is more complex than most people think. These processes involve more than just a regular security officer standing at the gate. Everybody who works on the Port must have security awareness training. So basically, everybody who works at the port has some type of security duties.

APD personnel and all port users are reminded in many ways that NCP must adhere to the International Ship and Port Security Code. For port users and the protection of cargo, access control is obligatory. There are many local laws and international conventions and agreements as well as security agreements which ships must adhere to operate in safety and do business.

Security operations at the Port undergo internal and external assessments. It requires adherence to the port regulations of the Bahamas that comes under chapter 268 of the Merchant Shipping Act. The Port also undergoes external assessments, such as ISPS (International Ship and Port Security Code) audit and certification. Once again in 2022/2023, this all-important certification that is so essential for legal and respected international maritime trade was secured. The Port welcomed a visit from the US Coast Guard who were pleased with the quality of the operations.

Security also helps with the inspection of vehicles that access the Port to ensure their fitness to operate safely in NCP environs.

COMMUNITY OUTREACH & PARTNERSHIP

As in previous years, APD has fostered and maintain mutually beneficial relations with the following groups:

Bahamas Down Syndrome Association
Bahamas Police Staff Association
Adastra Gardens
Bahamas Customs
Bahamas Speed Week
Centerville Neighbourhood Association
Royal Rangers Boys Club
Race for The Cure
Bahamas National Trust
Bahamas Brass Band
Bahamas Chamber of Commerce
Central Andros Youth Camp
The Department of Road Traffic
Bahamas Cancer Society
REACH
CARIFTA Track and Field and Swimming
The Bahamas Games
The National Parkinson Foundation
The Bahamas Primary School Association

Bahamas Heart Foundation

Special Events

In leading APD's community outreach, which encourages social volunteerism among management and staff, Human Resources conducted a cleanup along the beachfront bordering the LJM Maritime School, where tidal flows carry a lot of flotsam and jetsam through the channel onto this area. Plastic bottles, plastic bags, clothing and a range of other unsightly debris is cast up. In April of this year, APD staff volunteers spent a Saturday morning there collecting and removing a substantial amount of trash. Whoever showed up to participate was rewarded with quality points for their team.

MANAGEMENT DISCUSSION & ANALYSIS

MANAGEMENT DISCUSSION AND ANALYSIS

This management discussion and analysis (MD&A) should be read in conjunction with the audited financial statements of APD Limited (the Company or APD) for the year ended June 30, 2023, and related notes. The financial statements have been prepared in accordance with International Financial Reporting Standards and are expressed in Bahamian dollars. This MD&A is dated October 31, 2023.

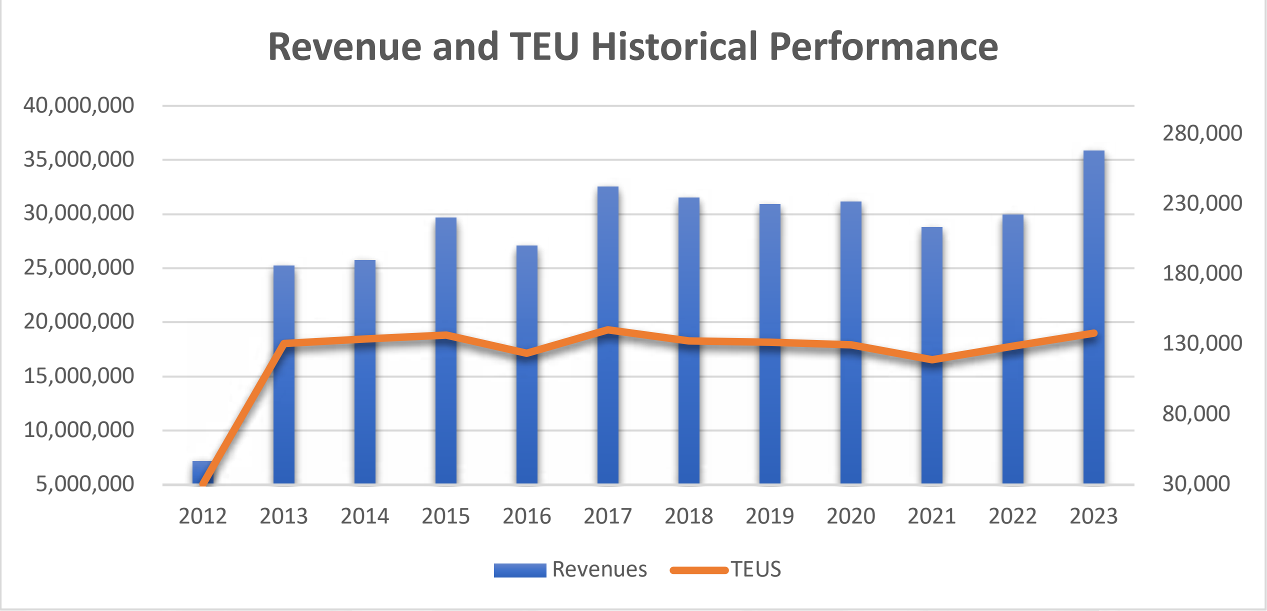
Forward Looking Disclaimer

From time to time, we make written or oral forward-looking statements. By their very nature, forward-looking statements involve numerous factors and assumptions which give rise to the possibility that these forward-looking statements may not be achieved. We caution readers not to place undue reliance on these statements as a number of important factors, including domestic and external influences, including unknown and unplanned economic and operational factors, could cause our actual results to differ materially from the expectations expressed in these forward-looking statements.

OVERVIEW

APD Limited owns, operates, and maintains the commercial port at Arawak Cay known as “Nassau Container Port” (the Port or NCP), an inland terminal on Gladstone Road known as “Gladstone Freight Terminal” (the Depot or GFT) and administrative offices on Arawak Cay known as “NCP Maritime Centre”. The financial year ended June 30, 2023, represents the eleventh full year of operations after officially opening in May 2012. Our GFT facility was opened in August 2012.

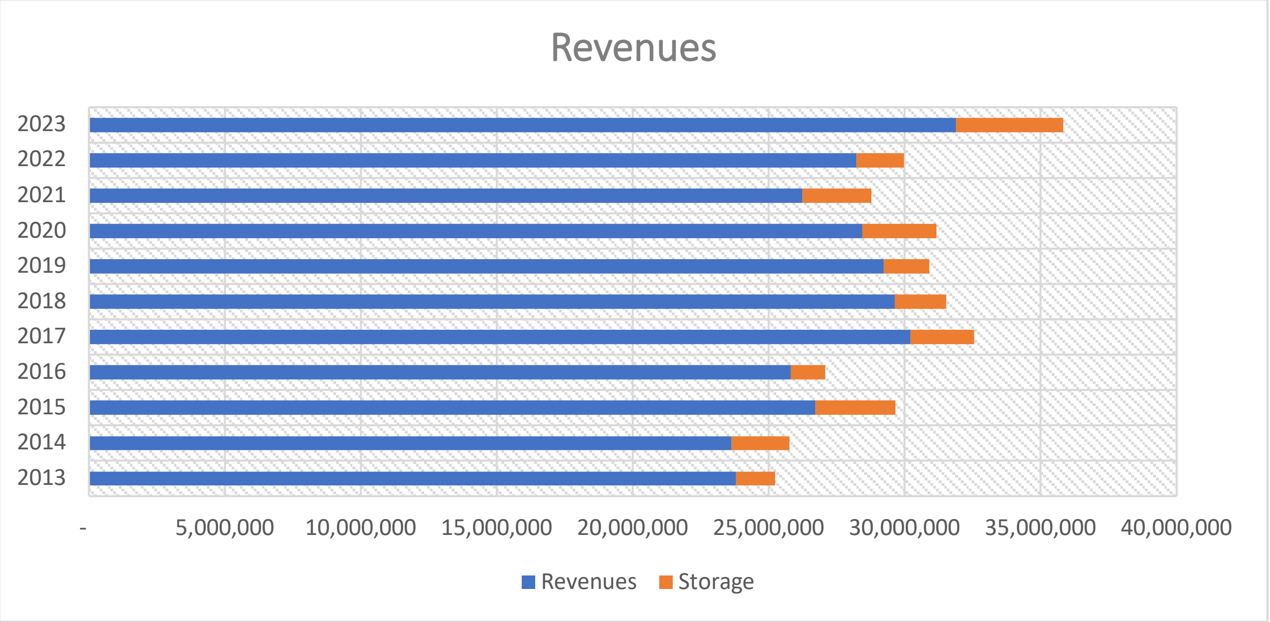
FINANCIAL PERFORMANCE



For the year ended June 30, 2023, NCP had processed 138,256 (2022: 128,995) inbound/outbound Twenty-foot Equivalent Units (TEUs). This represents a 7% increase in container volumes over financial year 2022 (FY22) volumes. This is the highest TEU volume activity we’ve seen since 2017 and the second highest we have seen to date. At the low point of our TEU volumes in FY21 because of Covid-19, we have

seen our TEU volumes increase by 19,254 or approximately 16% from 118,962. From all indications our volumes have rebounded from the impact of covid and in this case surpassed our pre-covid levels. The average TEU volume activity before Covid-19 averaged about 132,400 TEUs per year.

In the 2023 financial year (FY23), APD exceeded both budgeted net income projections and prior year results. Budgeted net income was $8,176,631 (2022: $6,207,570) while actual net income for FY23 was $9,686,825 (2022: $7,417,988) which is $1,510,194 or 19% more than budget and $2,268,837 or 31% more than prior year. Driving the strong net income results were total revenues. Total revenues for the Company in FY23 were $35,838,636 (2022: $29,960,128) which is $5,878,508 or 20% higher than the prior year. In comparison to the revenue budget of $30,569,298 (2022: $27,525,000), total revenue exceeded budget by $5,269,338 or 17%. Contributing to the positive revenue results is not only due to project-related cargo and TEUs but also to non-TEU related revenue such as storage fees. The highest the company seen since inception, total storage fees earned during the year inclusive of Reefer storage was $3,959,282 (2022: $1,734,143) compared to a budget $1,610,924. This non-TEU related revenue stream accounted for 45% of the overall total revenue’s positive variance to budget of $5,269,338.



Additionally, bulk car volumes in FY23 of 15,664 were 5,164 or 49% more than the budgeted car volumes of 10,500. This resulted in revenues of approximately $3,000,130 (2022: $1,910,640) on landing and security fees for vehicles exceeding both budget and prior amounts by $1,005,130 and $1,089,490 respectively. Vehicle volumes are back to pre-Covid levels. At the low point of our vehicle volumes in FY21 because of Covid-19, vehicle volumes increased by 6,970 or 80% from 8,694 in that year. Before FY21, vehicle volumes averaged to about 14,915 per year from FY16 – FY20. Other significant contributing factors to the positive revenue results to budget includes:

- Reefer income inclusive of storage fees for the reefer units ending the year at $1,396,650 (2022: $764,450) which was approximately $634,150 or 83% over budget during the year.
- Stevedoring revenue ending the year at $3,388,435 (2022: $3,144,096) which was over budget by $136,079 or 4% during the year and

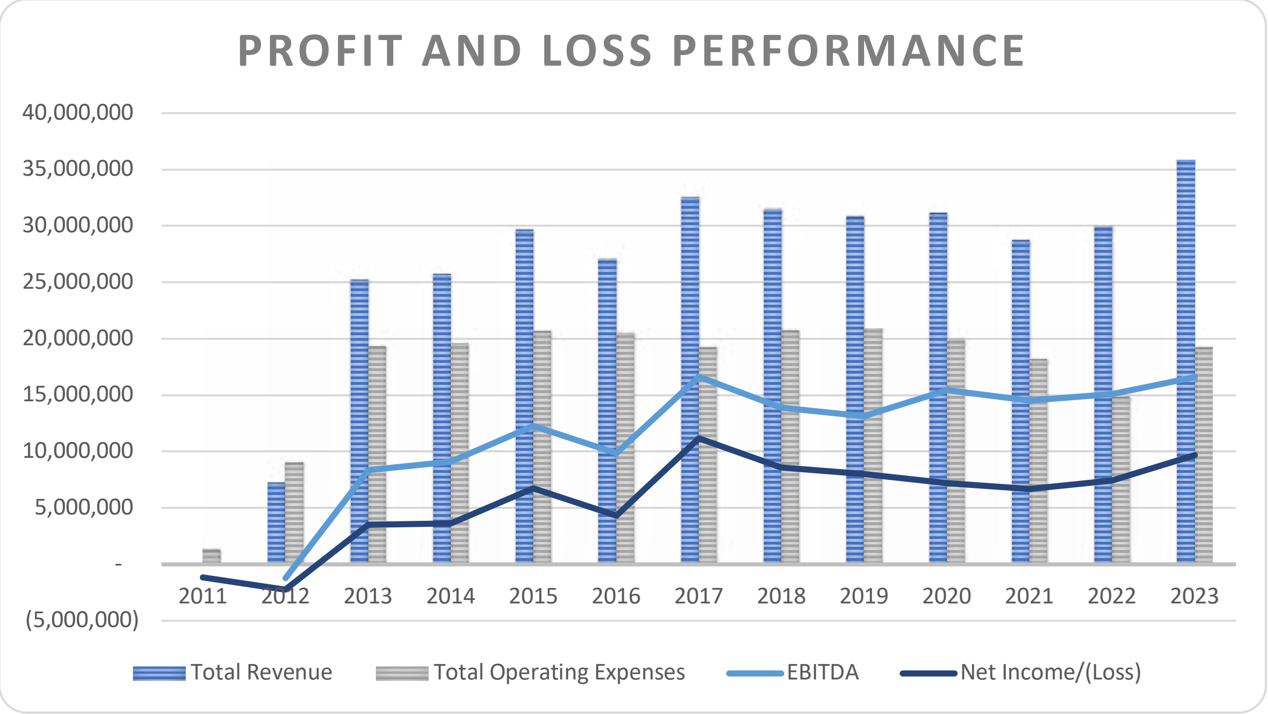
- Terminal handling fees relating to the movement of containers and non-containerized cargo handled by APD or its agent, shares a direct relationship with the import volumes for the CTO and ended the year at $4,870,963 (2022: $4,312,692) which was $323,892 or 7% positive variance to budget.

Our Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) for FY23 was $18,677,914 (2022: $15,093,216) which was $3,584,698 or 24% more than prior year and $3,248,985 or 21% more than budget. EBITDA margin ended the year at 52% (2022: 50%) compared to a budget of 50%.

During the year, APD declared and paid its highest dividend to ordinary shareholders since inception of $6,995,681 (2021: $5,496,607) representing $1.40 (2022: $1.10) per share. As of June 30, 2023, basic and diluted earnings per share were $1.94 (2022: $1.48).

Operating expenses including depreciation and amortization of $23,197,514 (2022: $19,334,863) for the period ended June 30, 2023, were $3,892,970 higher than our 2023 budgeted operating expenses of $19,304,544. Significantly contributing to the increase in operating expenses was the accelerated depreciation of two of our oldest cranes due to age and market value decline by $2,108,271. As the Company embraces the ESG framework and looks to drive clean energy production over the upcoming years these older model cranes will be phased out, opening the door for more modern, dual powered machinery.

Net finance cost ended the year at $2,954,297 (2022: $3,207,277) which was $135,826 favorable to the FY23 budget amount of $3,088,123. As part of the Company's financial management strategy, the Company would have instituted measures to help reduce its cost of capital including the refinancing of its preference shares for a facility with better interest rates in that of the FCIBC loan. Also, contributing to the lower net finance charge amount was the interest earned on investments in Government bonds purchased during the year. The interest income amount including the amortization of the bonds purchased discount earned during the year was $455,128 (2022: $2,887).



Total current assets decreased as at June 30, 2023 to $24,113,724 (2021: 25,440,556) or a decrease of 5%. Cash and cash equivalents decreased by $3,622,734 mainly driven by the Company's investment in two significant assets, that is the purchase of a new hybrid crane for $5,114,428 and financial investment in fixed rate USD Bahamian Government bonds for a total of $4,741,926. The Company saw an opportunity and took advantage of the discounted amounts and extraordinary yields offered on the bonds. During the year, the Company purchased collectively 5,980,000 bonds at a discounted rate of $4,741,926. These bonds were split into two tranches as described below:

i) 3,445,000 6% bonds purchased at $68.25 due to mature on November 21, 2028, and
ii) 2,535,000 5.75% bonds purchased at $94.31 due to maturity on January 16, 2024.

The bonds were purchased at a discount of $1,238,074. This amount will be amortized over the life of the bond and added to the value of the bonds to maturity. The current portion of the bonds as at June 30, 2023 was valued at $2,480,905 (2022: $Nil)

Accounts receivable decreased by $231,480 during the year and spare parts inventory decreased by $93,270.

Total non-current assets increased as at June 30, 2023 to $131,547,988 (2022: $123,900,037) or an increase of 6%. Property plant & equipment increased to $78,935,014 (2022: $78,451,796) as of June 30, 2023, and the Right-of-use assets, representing the Company's right to the use of the land leased from the Government of The Bahamas increased to $49,709,236 (2022: $45,023,241). The non-current asset portion of the investments at June 30, 2023 was $2,903,738 (2022: $425,000).

Total liabilities as at June 30, 2023 equated to $82,360,980 (2022: $78,731,004) increasing by $3,629,975 or 7% from prior year mainly relating to the lease liability recorded on the leased land from Government of The Bahamas.

Financial Performance

Income Statement	2023	2022	2021	2020	2019
	$	$	$	$	$
Total Revenue	35,838,636	29,960,128	28,774,831	31,159,891	30,912,558
Total Operating Expenses	23,197,514	19,334,863	18,207,783	19,929,969	20,910,619
Total income for the period attributable to equity shareholders	9,686,825	7,417,988	6,671,578	7,229,908	8,030,347
Basic and diluted earnings (loss) per share	1.94	1.48	1.34	1.45	1.61

Balance Sheet	2023	2022	2021	2020	2019
Assets					
Total Current Assets	24,113,724	25,440,556	22,088,505	22,605,098	20,692,048
Total Non-Current Assets	131,547,988	123,900,037	127,109,177	126,840,011	82,800,651
Total Assets	**155,661,712**	**149,340,593**	**149,197,682**	**149,445,109**	**103,492,699**
Liabilities and Shareholder's Equity					
Total Current liabilities	5,104,030	4,987,166	33,253,178	4,118,538	5,244,150
Non-current liabilities	77,256,950	73,743,838	47,256,297	78,313,027	32,717,730
Total Liabilties	**82,360,980**	**78,731,004**	**80,509,475**	**82,431,565**	**37,961,880**
Total Equity	**73,300,732**	**70,609,589**	**68,688,207**	**67,013,544**	**65,530,819**

There are several projects where construction would have slowed down or concluded during the year such as the US Embassy, the Cruise Port and Goldwynn Condo-Hotel and Residences to name a few. Although there are quite a number of projects slated to begin or continue in financial year 2024 (FY24) such as Ritz Carlton, Goldwynn 2, UB dormitories, Atlantis-Somewhere Else, and Venetian Village management remains conservative and does not foresee a significant increase in project volumes in FY24 over volumes experienced in FY23. Total market volumes are estimated to be around 144,000 TEUs for FY24 or 8,000 TEU more the 2023 budgeted volumes of 136,000 TEUs.

NCP's TEU volumes as of 30 September 2023, are tracking to close 3% over budget. Total revenues as of 30 September 2023, are tracking to roughly 7% over budget and our EBITDA is 53% which is 3% more than our budgeted DOM for the same period.

LIQUIDITY AND CAPITAL RESOURCES

APD's principal source of operating liquidity is cash flows generated from operations, including working capital. We maintain an appropriate level of liquidity. Given that the project is fully complete, liquidity will be managed through several sources, including operating cash flows, and an unused $2,150,000 credit facility with FCIBC with an interest rate of BSD prime rate of 4.25% minus a margin of 0.25%, for a total interest rate of 4% on the outstanding balance. APD also has an overdraft facility of $3,000,000 with RBC.

- Cash and Cash Equivalents: At the end of FY23, the Company held $16,194,347 in cash and cash equivalents, compared to $19,817,081 at the end of FY22.
- Capital Expenditures: APD invested a total of $6,005,567 in capital expenditures during FY23, primarily focused on improving efficiency and safety at the NCP and GFT facilities, as well as implementing new technologies to modernize operations.
- Debt: Total debt at the end of FY23 stood at $26,741,867, compared to $28,798,934 at the end of FY22, indicating the company's commitment to reducing its debt burden.

As of June 30, 2023, APD's financing needs are well supported by the available line of credit and cash flows from operations.

APD's principal uses of cash are to fund planned operating expenditures, capital expenditures, dividend payments on ordinary shares, interest and principal payments on the long-term debt and any mandatory quarterly lease payments on port lands to the Government. With the cash and cash equivalents on our statement of financial position and our ability to generate cash from operations over the course of a year, we believe we have sufficient liquidity to meet our ongoing needs for at least the next 12 months.

Based on the Company's current financial forecast, our default risk is assessed as low. To-date we have utilized $850,000 of the $3,000,000 FCIBC credit facility for Bahamas Customs Bonds and have not drawn down on any portion of the $3,000,000 overdraft facility with RBC. In the event of an unanticipated adverse variance compared to the financial forecast, which might lead to an event of default, we have the opportunity to take certain mitigating actions in order to avoid such default including reducing or deferring discretionary expenditures, modifying our tariff rates, and securing additional sources of financing or investment.

We believe an important measure of APD's liquidity is unlevered free cash flow. This measure is a useful indicator of our ability to generate cash to meet our liquidity demands. We believe unlevered free cash flow provides investors with a better understanding of how the Company is performing and measures management's effectiveness in managing cash. We define unlevered free cash flow as net cash, which is provided by/ (used in) operating activities from continuing operations, adjusted to remove the impact of interest payments, and deducting the impact of capital expenditures on property and equipment additions. We believe this measure gives management and investors a better understanding of the cash flows generated by our core business, as interest payments will be primarily related to our debt and capital expenditures are primarily related to the development and operation of the port.

TRANSACTIONS WITH RELATED PARTIES

APD is 40% owned by Arawak Cay Port Development Holdings Limited (ACPDHL), a consortium of private companies operating in The Bahamas that are involved in shipping or maritime services. Most of the revenues of the Company are derived from the services to companies that have some ownership stake in ACPDHL.

APD sub-lets warehouse space to Betty K Agencies Ltd., Tropical Shipping, Bahamas Customs and Gladstone Warehouse Services Ltd., at competitive market rates. APD also sub-lets administrative office space to the Ministry of Finance – Department of Inland Revenue, Arawak Stevedoring Limited, MSC and Tycoon Management at the GFT inland facility and at the Maritime Center on Arawak Cay.

For the fiscal year 2023 the minimal annual rent of 50,000 TEUs at $48.65 (2022: $46.07) will be no less than $2,432,496 (2022: $2,303,500).

CRITICAL ACCOUNTING ESTIMATES

Management determines the estimated useful lives of the property, plant and equipment, based on the period over which the assets are expected to be available for use. The Company annually reviews the estimated useful lives of property, plant and equipment based on factors that include, but are not limited to, asset utilization, internal technical evaluation, technological changes, environmental and anticipated use of assets. It is possible that the future results of operations could be materially affected by changes in these estimates brought about by changes in the above-mentioned factors.

LOANS AND LT DEBT

On 3 September 2021 the Company executed a credit agreement with FirstCaribbean International Bank (Bahamas) Limited (the Lender). The Lender extended credit in the form of Facility A loans in an aggregate principal amount not in excess of B$33,856,000 and Facility B loans in an aggregate principal amount not in excess of B$3,000,000. The proceeds from the Facility A loans were used to early redeem the preference shares.

Facility A: Long term debt being a $30,856,000 senior, non-revolving reducing term loan for a fifteen (15) year period, amortized over fifteen (15) years with principal and interest payable semi-annually in arrears at a rate of BSD Prime rate of 4.25% minus a margin of 1.15%, for a total interest rate of 3.1%. Considering possible changes in the BSD prime rate, the credit agreement stipulates a minimum interest rate of 3.1% and a maximum rate of 4.75%. The long-term portion of the principal outstanding as of 30 June 2023 is $24,684,800 (2022: $26,741,867) and the current portion of the debt outstanding is $2,057,067 (2022: $2,057,067).

Facility B: $3,000,000 demand revolving credit facility by way of an overdraft facility at a rate of BSD prime rate of 4.25% minus a margin of 0.25%, for a total interest rate of 4.0% on the outstanding balance. There have been no drawdowns against this facility.

The above facilities are secured by the following:

- Security/Collateral
  - Loan agreement and associated documentation;
  - Promissory note for the facility amount.

CONTROLS AND PROCEDURES

Our Management, with the participation of the Company's Chief Financial Officer, has evaluated the effectiveness of its disclosure controls and procedures. Based on the evaluation performed, the Company's Chief Financial Officer concluded that the Company's disclosure controls and procedures are effective.

The Company maintains disclosure controls and procedures designed to provide reasonable assurance that information required to be disclosed in reports filed under the Securities Industry Act of 2011 (the "Act") is recorded, processed, summarized and reported within the specified time periods and communicated to management, including its Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

CHANGES IN INTERNAL CONTROLS OVER FINANCIAL REPORTING

There have been no material changes in internal control over the financial reporting period to which this report relates that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

RISK MANAGEMENT

APD maintains a comprehensive risk management framework to identify, assess, mitigate, and manage risks that could impact its operational and financial performance. This framework includes insurance coverage, safety protocols, emergency preparedness plans, and financial controls.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG)

APD is committed to embracing ESG principles in its operations. The Company continued its investments in renewable energy, waste reduction, and community engagement initiatives during FY23.

LOOKING AHEAD

Despite the positive performance in FY23, APD remains cautious due to global economic uncertainties and the ongoing impacts of the COVID-19 pandemic. The Company will continue to focus on operational efficiency, cost management, and strategic investments to ensure sustainable growth and value creation for shareholders.

CONCLUSION

FY23 was a remarkable year for APD Limited, with significant financial and operational achievements. The Company's commitment to continuous improvement, sustainability, and shareholder value remains unwavering as we navigate through challenging times. We express our gratitude to our employees, customers, partners, and shareholders for their ongoing support and dedication.

AUDITED FINANCIAL STATEMENTS

AUDITED FINANCIAL STATEMENTS

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Independent auditors' report

To the Shareholders of APD Limited

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of APD Limited (the Company) as at June 30, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

The Company's financial statements comprise:

- the statement of financial position as at June 30, 2023;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Our audit approach

Overview

- Overall materiality: $484,300, which represents approximately 5% of net income and total comprehensive income

- In addition to determining materiality, we also assessed, amongst other factors, the following in designing our audit:
  - the risk of material misstatement in the financial statements
  - significant accounting estimates
  - the risk of management override of internal controls

- Potential impairment of property, plant and equipment

Audit scope

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

Overall materiality	$484,300
How we determined it	Approximately 5% of net income and total comprehensive income
Rationale for the materiality benchmark applied	We chose net income as the benchmark because, in our view, it is the benchmark against which the performance of the Company is most commonly measured by users, and is a generally accepted benchmark. We chose 5% which is within a range of acceptable benchmark thresholds.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above $48,430, as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Potential impairment of property, plant and equipment. *Refer to notes 2(a)(i), 2(g), 2(h), 9 and 21 to the financial statements for disclosures of related accounting policies and balances.* As of June 30, 2023, property, plant and equipment represented $78,935,014 or 51% of total assets of the Company. There were no impairment losses recognised during the year. The Company operates a commercial port at Arawak Cay known as Nassau Container Port (the Port) and an inland terminal on Gladstone Road, known as Gladstone Freight Terminal (the Depot). These two facilities encompass all of the Company's property, plant and equipment. Management, in assessing the Port and Depot operation as a cash-generating unit, determined that there were no indicators of impairment on its property, plant and equipment. We focused on potential impairment of property, plant and equipment due to the magnitude of the balance and because the factors in determining whether impairment	We performed the following procedures, amongst others, over property, plant and equipment: Assessed the reasonableness of accounting policies related to property, plant and equipment. Obtained and evaluated management's impairment assessment, which included an analysis of all of the Company's assets by asset class and agreed the information in the analysis to the fixed asset register, which was reconciled to the general ledger and financial statements. Performed an analysis of the Company's property, plant and equipment using the external and internal factors outlined in management's accounting policy. This included examining external sources of information such as data published by credit rating agencies, local news articles and the Company's listing on the Bahamas International Securities Exchange website to obtain evidence of both local and global industry performance as well as

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exists involves significant judgement by management. In determining whether circumstances indicating impairment existed, management considered the following factors:

- A decline in the asset's market value that is significantly greater than would be expected as a result of the passage of time or normal use;
- Significant adverse changes in the technological, market, economic or legal environment;
- Increases in interest rates or other market rates of return;
- Obsolescence or physical damage affecting the asset;
- Significant adverse changes that have taken place or are expected in the way that an asset is used or expected to be used;
- Deterioration in the expected level of the asset's performance; and
- Management's own forecasts of future net cash inflows or operating profits showing a significant decline from previous budget and forecasts.

movements in the Company's share price. We also examined internal sources of information such as budgets for the purpose of comparing against actual results.

Evaluated management's assumptions used in determining if an asset is impaired and challenged management's process by examining a sample of assets which had not been identified by management as potentially impaired and formed our own independent conclusion as to whether there were indicators of impairment. This included the inspection of a sample of assets to determine whether these items were in working condition or if there was evidence of damage or obsolescence.

Tested revenue and expenses on a sample basis through the examination of supporting documentation, which supported the movement in revenue year on year and did not identify any information that would contradict management's conclusions over the impairment assessment.

The results of our procedures indicated that management's conclusion that no impairment indicators exist for the year ended June 30, 2023 was not unreasonable.

Other information

Management is responsible for the other information. The other information comprises the 2023 APD Limited Annual Report (but does not include the financial statements and our auditors' report thereon), which is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we willnot express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the 2023 APD Limited Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Carlton Cartwright Jr.

PricewaterhouseCoopers

Chartered Accountants
Nassau, Bahamas

October 27, 2023

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

Statement of Financial Position
As at June 30, 2023
(Amounts expressed in Bahamian dollars)

	Notes	2023 $	2022 $
ASSETS			
Current assets			
Cash and cash equivalents	3	16,194,347	19,817,081
Accounts receivable	4	2,828,080	3,059,560
Tax receivable		584,793	752,398
Deposits, prepayments and other assets	6	1,331,528	1,024,176
Spare parts inventory		694,071	787,341
Investments	7	2,480,905	-
Total current assets		**24,113,724**	**25,440,556**
Non-current assets			
Property, plant and equipment	9	78,935,014	78,451,796
Right-of-use asset	13	49,709,236	45,023,241
Investments	7	2,903,738	425,000
Total non-current assets		**131,547,988**	**123,900,037**
Total assets		**155,661,712**	**149,340,593**
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable		315,890	468,787
Due to related parties	5	1,472,223	1,243,372
Accrued expenses and other liabilities	10	1,183,147	1,033,746
Current portion of lease liability	13	75,703	184,194
Current portion of long term debt	7	2,057,067	2,057,067
Total current liabilities		**5,104,030**	**4,987,166**
Non-current liabilities			
Long term debt	7	24,684,800	26,741,867
Lease liability	13	52,297,487	46,727,308
Deposits held	13	274,663	274,663
Total non-current liabilities		**77,256,950**	**73,743,838**
Total liabilities		**82,360,980**	**78,731,004**
Equity			
Share capital	11	49,969	49,969
Share premium		49,192,308	49,192,308
Retained earnings		24,058,455	21,367,312
Total equity		**73,300,732**	**70,609,589**
Total liabilities and equity		**155,661,712**	**149,340,593**

Approved by the Board of Directors on October 27, 2023 and signed on its behalf by:

Director

Director

The accompanying notes are an integral part of these financial statements.

APD LIMITED

Statement of Comprehensive Income
For the year ended June 30, 2023
(Amounts expressed in Bahamian dollars)

	Notes	2023 $	2022 $
Revenue			
Landing fees	14	15,063,550	13,018,507
Terminal handling fees	14	4,870,963	4,312,692
Stevedoring fees	14	3,388,435	3,144,096
Security	14	2,852,470	2,528,523
Storage fees	14	3,594,932	1,586,943
Gate fees	14	2,404,835	2,285,614
Subleases	13	1,464,212	1,420,908
Reefer line	14	1,396,650	764,450
Hazmat fees	14	334,050	349,300
Dockage	14	311,517	293,794
Line handling fees	14	87,850	81,150
Other income	14	69,172	174,151
Total revenue		**35,838,636**	**29,960,128**
Expenses			
Salaries, employee benefits, and training		5,035,613	4,472,451
Terminal handling costs		5,281,709	3,784,056
Government fees and taxes		1,254,407	1,334,153
Repairs and maintenance		1,049,211	1,031,188
Utilities		1,101,323	946,735
Government lease	13	998,986	658,078
Security		371,535	366,421
Legal and other professional fees	15	821,924	625,380
Insurance		364,733	376,838
Other operating expenses		458,110	258,933
Office supplies, postage and delivery		176,978	145,969
Company meetings and events		85,005	91,752
Loss on disposal of property, plant & equipment		161,188	774,958
Total expenses		**17,160,722**	**14,866,912**
Earnings before interest, depreciation and amortisation		**18,677,914**	**15,093,216**

The accompanying notes are an integral part of these financial statements.

APD LIMITED

Statement of Comprehensive Income (Continued)
For the year ended June 30, 2023
(Amounts expressed in Bahamian dollars)

	Notes	2023 $	2022 $
Depreciation - property, plant and equipment	9	5,361,160	3,531,500
Depreciation - right-of-use-asset	13	675,632	562,791
Amortisation of preference share issue cost		-	373,660
Total depreciation and amortisation		**6,036,792**	**4,467,951**
Earnings before interest		**12,641,122**	**10,625,265**
Finance costs			
Preference share dividends		-	320,563
Interest on lease liability	13	2,532,557	2,119,306
Interest expense		876,868	770,295
Interest income		(455,128)	(2,887)
Total finance costs, net		**2,954,297**	**3,207,277**
Total earnings for the year attributable to the equity shareholders		**9,686,825**	**7,417,988**
Net income and total comprehensive income		**9,686,825**	**7,417,988**
Basic and diluted earnings per share	12	**1.94**	**1.48**

The accompanying notes are an integral part of these financial statements.

APD LIMITED

Statement of Changes in Equity
For the year ended June 30, 2023
(Amounts expressed in Bahamian dollars)

	Share capital $	Share premium $	Retained earnings $	Total $
Balance at July 1, 2021	**49,969**	**49,192,308**	**19,445,930**	**68,688,207**
Total comprehensive income for the year	-	-	7,417,988	7,417,988
Dividends paid (Note 11)	-	-	(5,496,607)	(5,496,607)
Balance at July 1, 2022	**49,969**	**49,192,308**	**21,367,311**	**70,609,588**
Total comprehensive income for the year	-	-	9,686,825	9,686,825
Dividends paid (Note 11)	-	-	(6,995,681)	(6,995,681)
Balance at June 30, 2023	**49,969**	**49,192,308**	**24,058,455**	**73,300,732**

The accompanying notes are an integral part of these financial statements.

APD LIMITED

Statement of Cash Flows
For the year ended June 30, 2023
(Amounts expressed in Bahamian dollars)

	Notes	2023 $	2022 $
Cash flows from operating activities			
Net income for the year		9,686,825	7,417,988
Adjustments for:			
Depreciation - property, plant and equipment	9	5,361,160	3,531,500
Depreciation - right-of-use-asset	13	675,632	562,791
Amortisation of preference share issue cost		-	373,660
Amortisation of bond discount		(217,717)	-
Loss on disposal of property, plant & equipment		161,188	774,958
Interest income		(455,128)	(2,887)
Preference share dividends		-	320,563
Interest on lease liability	13	2,532,557	2,119,306
Loan interest expense		876,868	770,295
Operating profit before changes in working capital		**18,621,385**	**15,868,174**
Decrease in spare parts inventory		93,270	49,132
Increase in deposit, prepayments & other assets		(307,352)	(294,306)
Decrease / (increase) in accounts receivable		231,480	(970,593)
Decrease in tax receivable		167,605	73,850
(Decrease) / increase in accounts payable		(152,897)	229,768
Increase in due to related parties		228,851	184,798
Increase / (decrease) in accrued expense and other liabilities		149,401	(325,437)
Net cash provided by operating activities		**19,031,743**	**14,815,386**
Cash flows from investing activities			
Acquisition of property, plant and equipment	9	(6,005,567)	(1,235,107)
Purchase of investments		(4,741,926)	(425,000)
Net cash used in investing activities		**(10,747,493)**	**(1,660,107)**
Cash flows from financing activities			
Principal payments on lease liability		(72,443)	(184,194)
Principal payments on long term debt		(2,057,067)	(2,057,067)
Interest expense paid		(876,868)	(770,295)
Interest income received		455,128	2,887
Interest expense paid on lease liability		(2,360,053)	(2,119,306)
Interest on preference shares		-	(320,563)
Dividends paid to ordinary shareholders	11	(6,995,681)	(5,496,607)
Net cash used in financing activities		**(11,906,984)**	**(10,945,145)**
(Decrease) / increase in cash and cash equivalents		**(3,622,734)**	**2,210,134**
Cash and cash equivalents, beginning of year		**19,817,081**	**17,606,947**
Cash and cash equivalents, end of year	3	**16,194,347**	**19,817,081**

The accompanying notes are an integral part of these financial statements.

APD LIMITED

Notes to Financial Statements
June 30, 2023

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 principal activity of the Company is to manage, operate and maintain a commercial port at Arawak Cay known as Nassau Container Port (the Port) and an inland terminal on Gladstone Road, known as Gladstone Freight Terminal (the Depot) (Note 13).

The Company is a public company listed on the Bahamas International Securities Exchange. The Company's registered office is located at Ocean Centre, Montagu Foreshore, East Bay Street, New Providence, The Bahamas.

Operations of the Port include a break bulk, a bulk and a container terminal. The container terminal has the capability of handling at least 200,000 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.

2. Significant accounting policies

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

(a) Basis of preparation

The Company's financial statements have been prepared under the historical cost convention, except for certain financial assets which are measured at fair value and in accordance with International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretations Committee (IFRIC) Interpretations (hereinafter collectively referred to as IFRS).

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Company's accounting policies. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The areas involving a higher degree of judgment or complexity or areas where assumptions and estimates are significant to the financial statements are as follows:

(i) Critical accounting estimates and assumptions

Useful lives of property, plant and equipment

Management determines the estimated useful lives of property, plant and equipment based on the period over which the assets are expected to be available for use. The Company annually reviews the estimated useful lives of property, plant and equipment based on factors that include, but are not limited to, asset utilisation, internal technical evaluation, technological changes, environmental and anticipated use of assets. It is possible that the future results of operations could be materially affected by changes in these estimates brought about by changes in the above-mentioned factors.

APD LIMITED

Notes to Financial Statements
June 30, 2023
(Continued)

2. Significant accounting policies (Continued)

(a) Basis of preparation (continued)

(i) Critical accounting estimates and assumptions (continued)

Impairment of non-financial assets

Items of property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Identifying and assessing circumstances that indicate that the carrying amount of an item of property, plant and equipment may not be recoverable requires significant judgment. In determining whether circumstances indicating impairment exist, management, at a minimum, considers the following factors:

- A decline in the asset's market value that is significantly greater than would be expected as a result of the passage of time or normal use;
- Significant adverse changes in the technological, market, economic or legal environment;
- Increases in interest rates or other market rates of return;
- Obsolescence or physical damage affecting the asset;
- Significant adverse changes that have taken place or are expected in the way that an asset is used or expected to be used;
- Deterioration in the expected level of the asset's performance; and
- Management's own forecasts of future net cash inflows or operating profits showing a significant decline from previous budgets and forecasts.

Measurement of the Expected Credit Loss (ECL) allowance

The measurement of the ECL allowance for financial assets measured at amortised cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). A number of significant judgements are also required in applying the accounting requirements for measuring the ECLs, such as:

- Definition of default
- Determining the criteria for significant increase in credit risk
- Choosing appropriate models and assumptions for the measurement of ECLs
- Establishing the number and relative weightings of forward-looking scenarios for each type of product and the associated ECLs

The Company applies the IFRS 9 simplified approach to measuring expected credit losses. Explanation of the inputs, assumptions and estimation techniques used in measuring the ECLs are further detailed in Note 18.

The Company regularly reviews and validates the models and inputs to the models to reduce any differences between ECL estimates and actual credit loss experience.

A sensitivity analysis is not disclosed as the impact of reasonable changes in key assumptions would not be material to the ECL.

APD LIMITED

Notes to Financial Statements
June 30, 2023
(Continued)

2. Significant accounting policies (Continued)

(a) Basis of preparation (continued)

(ii) Critical judgment in applying the entity's accounting policies

Capitalisation of directly attributable costs related to the acquisition of property, plant and equipment

International Accounting Standard (IAS) 16 *'Property, Plant and Equipment'* requires that the cost of an item of property, plant and equipment should include directly attributable costs of bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Determining directly attributable costs requires significant judgment. Management determines directly attributable costs as those that are incremental in nature and/or would be necessarily incurred by a third party in bringing the asset to the location and condition necessary for it to be used for the intended purpose.

(iii) Alternative performance measures

Management has determined that earnings before interest, depreciation and amortisation is the most useful performance measure to the users of the financial statements as it can be useful in comparing companies with different debt profiles and depreciation policies and is a widely accepted performance measure. Earnings before interest, depreciation and amortisation as presented on the statement of comprehensive income reconciles to operating profit as follows:

	2023 $	2022 $
Earnings before interest, depreciation and amortisation	18,677,914	15,093,216
Depreciation - property, plant and equipment	(5,361,160)	(3,531,500)
Depreciation - right-of-use-asset	(675,632)	(562,791)
Amortisation of preference shares issue expense	-	(373,660)
Operating profit	**12,641,122**	**10,625,265**

APD LIMITED

Notes to Financial Statements
June 30, 2023
(Continued)

2. Significant accounting policies (Continued)

(b) Changes in applicable accounting policy and disclosures

(i) New and amended standards adopted by the Company

Standards, amendments and interpretations to published standards that became effective for the Company's financial year beginning on July 1, 2022 were not relevant or not significant to the Company's operations and accordingly did not have a material impact on the financial statements.

(ii) New standards and interpretations not yet adopted by the Company

Certain new accounting standards and amendments to standards and interpretations have been published that are not mandatory for June 30, 2023 reporting periods and have not been early adopted by the Company. These standards, amendments or interpretations are not expected to have a material impact on the financial statements of the Company in the current or future reporting periods and on foreseeable future transactions.

(c) Foreign currency translation

(i) Functional and presentation currency

The financial statements are presented in Bahamian dollars, which is the Company's functional and presentation currency, as it represents the currency of the primary economic environment in which the Company operates.

(ii) 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 recognised in the statement of comprehensive income.

(d) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, cash held with banks and other short-term, highly liquid investments with original maturities of three (3) months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(e) Accounts receivable

Accounts receivable are amounts due from customers for services performed in the ordinary course of business. They are generally due for settlement within 15 days and are therefore all classified as current. Accounts receivable are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value. The Company holds the accounts receivable with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance. Impairment of accounts receivable is discussed in Note 2(o).

APD LIMITED

Notes to Financial Statements
June 30, 2023
(Continued)

2. Significant accounting policies (Continued)

(f) Inventory

Inventory primarily includes spare crane parts that are valued at the lower of cost or net realisable value. Cost is determined using the first-in, first-out (FIFO) method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Inventory is derecognised when the parts are used in operations.

(g) Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical costs include expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company, and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. Repairs and maintenance are charged to the statement of comprehensive income during the period in which they are incurred.

Buildings under construction, termed capital work in progress, are carried at cost and not depreciated until construction is complete and the assets are ready for their intended use. At that time, the accumulated cost is transferred from capital work in progress to the appropriate asset category.

All other items of property, plant and equipment are depreciated using the straight-line method to allocate their cost less residual values, over their estimated useful lives, as follows:

Container terminal	5 to 44 years
Freight handling equipment (cranes)	15 to 25 years
Other freight handling equipment	1 to 33 years
Buildings and improvements	2 to 44 years
Motor vehicles	1 to 5 years
Furniture and fixtures, communications and office equipment	2 to 20 years

The assets' residual values and estimated useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount [Note 2(h)].

At the time of disposal or retirement of assets, the cost and related accumulated depreciation are eliminated, and any resulting gain or loss is reflected in the statement of comprehensive income.

APD LIMITED

Notes to Financial Statements
June 30, 2023
(Continued)

2. Significant accounting policies (Continued)

(h) Impairment of non-financial assets

Items of property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows [Cash Generating Units (CGUs)]. Non-financial assets that incurred impairment charges are reviewed for possible reversal of the impairment at each reporting date.

(i) Accounts payable

Accounts payable represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Accounts payable are classified as current liabilities if payment is due within twelve (12) months after the reporting period. If not, they are presented as non-current liabilities.

Accounts payable are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(j) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs.

To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in the statement of comprehensive income as finance costs.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve (12) months after the reporting period.

APD LIMITED

Notes to Financial Statements
June 30, 2023
(Continued)

2. Significant accounting policies (Continued)

(j) Borrowing costs (continued)

General and specific borrowing costs directly attributable to the acquisition, and construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the statement of comprehensive income in the period in which they are incurred.

(k) Share capital and share premium

Ordinary shares are classified as equity. Total value of shares issued in excess of the par value is recognised as share premium. Mandatorily redeemable preference shares are classified as liabilities [Note 2(j)].

Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction from the proceeds.

(l) Revenue and expense recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of services provided in the ordinary course of the Company's activities. Revenue is shown net of returns, rebates and discounts.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and when specific criteria have been met for each of the Company's activities as described below:

Revenue from services

Revenue from general cargo and vessel services comprises landing fees, terminal handling fees, security, stevedoring fees, hazmat fees, dockage, and line handling fees. Revenue from port services includes gate fees, storage fees and reefer line. The above revenues are recognised upon delivery of services.

Revenue from rental and other fixed-term contracts is recognised using a straight-line basis over the term of the contract.

Interest income and expense

Interest income and expense for all interest-bearing financial assets and liabilities are recognised in the statement of comprehensive income using the effective interest method.

All other costs and expenses are recognised in the statement of comprehensive income as incurred.

APD LIMITED

Notes to Financial Statements
June 30, 2023
(Continued)

2. Significant accounting policies (Continued)

(m) Leases

Accounting as lessee

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:
- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Company under residual value guarantees
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:
- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- makes adjustments specific to the lease, e.g. term, country, currency and security.

The Company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:
- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

APD LIMITED

Notes to Financial Statements
June 30, 2023
(Continued)

2. Significant accounting policies (Continued)

(m) Leases (continued)

Extension and termination options

Extension and termination options are included in a number of property leases. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. The extension and termination options held are exercisable only by the Company and not by the lessor.

Critical judgements in determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For the Company's leases, the following factors are the most relevant:
- If there are significant penalties to terminate (or not extend), the Company is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Company is typically reasonably certain to extend (or not terminate).
- Otherwise, the Company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The extension option on the land lease has been included in the lease liability, because the Company could not replace the leasehold improvements without significant cost or business disruption.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

Accounting as lessor

Lease income on operating leases is recognised over the term of the lease on a straight-line basis. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the statement of financial position based on their nature.

(n) Financial instruments

i) Financial assets

Initial recognition and measurement

IFRS 9 establishes three primary categories for financial assets: amortised cost, fair value through profit or loss (FVTPL), and fair value through other comprehensive income (FVOCI). The Company classifies financial assets, at initial recognition as subsequently measured at amortised cost.

APD LIMITED

Notes to Financial Statements
June 30, 2023
(Continued)

2. Significant accounting policies (Continued)

(n) Financial instruments (continued)

i) Financial assets (continued)

Initial recognition and measurement (continued)

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Regular-way purchases and sales of financial assets are recognised on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument.

Subsequent measurement

Subsequent measurement depends on the Company's business model for managing the asset and the cash flow characteristics of the asset.

Financial assets at fair value through profit or loss (FVTPL) include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVTPL, irrespective of the business model.

Financial assets and liabilities are classified at fair value through other comprehensive income (FVOCI) if the financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

APD LIMITED

Notes to Financial Statements
June 30, 2023
(Continued)

2. Significant accounting policies (Continued)

(o) Financial instruments (continued)

i) Financial assets (continued)

Subsequent measurement (continued)

There were no financial assets which met the criteria to be classified as financial assets at FVOCI.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in other gains/(losses) in the statement of comprehensive income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Financial assets at amortised cost

This category is the most relevant to the Company. The Company's financial assets at amortised cost include 'cash and cash equivalents' and 'accounts receivable' in the statement of financial position.

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

APD LIMITED

Notes to Financial Statements
June 30, 2023
(Continued)

2. Significant accounting policies (Continued)

(o) Financial instruments (continued)

i) Financial assets (continued)

Derecognition (continued)

- The rights to receive cash flows from the asset have expired; or

- The Company has transferred its rights to receive cash flows from the asset and has transferred substantially all the risks and rewards of the asset.

Impairment of financial assets

The Company assesses, on a forward-looking basis, the ECL for financial assets measured at amortised cost. The Company measures ECL and recognises a credit loss allowance, if material, at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

Financial instruments measured at amortised cost are presented in the statement of financial position, net of the allowance for ECL.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for accounts receivable. This did not result in any change in the loss allowance as of June 30, 2023.

Dividends

Dividends are received from financial assets measured at fair value through profit or loss (FVPL) and at fair value through other comprehensive income (FVOCI). Dividends are recognised as other income in profit or loss when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of part of the cost of an investment. In this case, the dividend is recognised in OCI if it relates to an investment measured at FVOCI.

ii) Financial liabilities

Financial liabilities are classified as subsequently measured at amortised cost.

Derecognition

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

APD LIMITED

Notes to Financial Statements
June 30, 2023
(Continued)

2. Significant accounting policies (Continued)

(p) Retirement benefit costs

The Company has a defined contribution pension plan for all eligible employees whereby the Company makes contributions to a privately administered pension plan. The Company has no legal or constructive obligations to pay further contributions if the plan does not hold sufficient assets to pay all employees the benefits relating to employee service in the current or prior years. The Company and employees make contributions based on eligible earnings, and the Company's contributions are recognised in the statement of comprehensive income in the financial period to which they relate. Enrolment in the defined contribution pension plan is at the discretion of the employee.

(q) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive management that makes strategic decisions.

(r) Taxation

Under the current laws of The Bahamas, the Company is not subject to income, capital or other corporate taxes. The Company's operations do not subject it to taxation in any other jurisdiction. The Company is however subject to value added tax (VAT), assessed at a rate of 10% (2022: 10%), and is required to assess VAT on all commercial leases and other services, to be payable to the Government. The Company also incurs VAT on certain goods and services acquired during the normal course of business which are offset against this payable.

(s) Earnings per share

(a) Basic

Basic earnings per share is calculated by dividing:

- the earnings attributable to the equity shareholders, excluding any costs of servicing equity other than ordinary shares.
- by the weighted average number of ordinary shares outstanding during the financial year, excluding treasury shares, if any.

(b) Diluted

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

APD LIMITED

Notes to Financial Statements
June 30, 2023
(Continued)

2. Significant accounting policies (Continued)

(s) Earnings per share (continued)

(b) Diluted (continued)

- the effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares, if any.

(t) Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's Board of Directors.

(u) Corresponding figures

Where necessary, certain corresponding figures have been adjusted to conform with changes in presentation in the current year. The presentation of cash and cash equivalents in Note 3 was adjusted to separately present restricted cash balances from those balances not subject to any restrictions.

3. Cash and cash equivalents

	2023	**2022**
	$	**$**
Cash on hand	2,442	1,935
Cash held with bank	13,681,904	18,217,412
Restricted cash	2,510,001	1,597,734
	16,194,347	**19,817,081**

4. Accounts receivable

	2023	**2022**
	$	**$**
Customers' account - gross:		
Trade receivables -		
Third parties	343,628	447,638
Related parties (Note 5)	2,395,546	2,611,922
	2,739,174	3,059,560
Less: Allowance for expected credit losses	-	-
	2,739,174	3,059,560
Accrued interest receivables	88,906	-
	2,828,080	**3,059,560**

APD LIMITED

Notes to Financial Statements
June 30, 2023
(Continued)

4. Accounts receivable (Continued)

There were no movements in the allowance for expected credit losses during the year. The loss allowance calculated after the application of the impairment requirements of IFRS 9 was immaterial to the financial statements and was therefore not recognised.

The other classes within accounts receivable do not contain impaired assets.

As of reporting date, the aging analysis of trade receivables is as follows:

	Total $	Current $	1-30 days $	31-60 days $	61-90 days $	More than 90 days $
2023	2,739,174	1,307,530	1,045,103	222,362	11,846	152,333
2022	3,059,560	1,447,616	1,392,355	107,946	14,985	96,658

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The credit quality of accounts receivable that are neither past due nor impaired at reporting date can be assessed by reference to historical information about counterparty default rates. Credit risk is discussed in Note 18(b).

5. Related party balances and transactions

A party is related to the Company if:

(i) directly, or indirectly through one or more intermediaries, the party:
- controls, is controlled by, or is under common control with, the Company;
- has an interest in the Company that gives it significant influence over the Company;

(ii) the party is a member of the key management personnel, including directors and officers, of the Company or its shareholders;

(iii) the party is a close member of the family of any individual referred to in (ii) above; and

(iv) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entities resides with, directly or indirectly, any individual referred to in (ii) or (iii) above.

APD LIMITED

Notes to Financial Statements
June 30, 2023
(Continued)

5. Related party balances and transactions (Continued)

(a) Amounts due from related parties included in accounts receivable comprise:

	2023 $	2022 $
Due from Shareholder	1	1
Due from other related parties - affiliates	2,395,545	2,611,921
	2,395,546	**2,611,922**

The amount due from Shareholder represents amounts paid on behalf of the Shareholder. The amount due from other related parties - affiliates arise mainly from the services provided by the Company. The receivables are unsecured and bear no interest.

(b) Amounts due to related parties comprise:

	2023 $	2022 $
Due to Shareholder	1,863,248	1,471,984
Due to other related parties - affiliates	108,021	286,923
	1,971,269	**1,758,907**

The due to Shareholder includes real property taxes payable and lease payable to the Government relevant to the lease of the Port and Depot Lands (Note 13) and customs security surcharges collected on behalf of the Bahamas Customs & Excise Department. The amounts due to other related parties - affiliates arise mainly from services provided to the Company in the ordinary course of business and services obtained for terminal handling operations. These amounts are included in due to related parties ($1,472,223 [2022: $1,243,372]) and accrued expenses and other liabilities ($499,046 [2022: $515,535]) on the statement of financial position.

Settlement of the above payables is within the payment terms agreed in the agreements and invoices.

(c) Sales and purchases of services:

	2023 $	2022 $
Sales of services		
Other related parties - affiliates	**28,289,977**	**24,528,690**

Sales of services to other related parties - affiliates pertains to the various general cargo and vessel services, port services, and rental income with terms as agreed in the invoices and agreements and are recognised as revenues in the statement of comprehensive income.

APD LIMITED

Notes to Financial Statements
June 30, 2023
(Continued)

5. Related party balances and transactions (Continued)

(c) Sales and purchases of services: (continued)

Revenue from transactions with two customers amount to 10% or more of the Company's total revenues. Transactions with these two customers included in sales of services account for 69% (2022: 70%) of total revenues during the year, amounting to $14,037,313 (2022: $12,395,290) and $10,579,448 (2022: $8,530,809) respectively.

	2023 $	2022 $
Purchases of services		
Other related parties - affiliates	**5,879,212**	**4,281,789**

The services purchased from other related parties - affiliates are related to services provided by the common terminal operator at the Port facilities.

(d) Key management compensation

Key management includes the directors of the Company and senior management. The compensation paid or payable to key management for their services is shown below:

	2023 $	2022 $
Salaries	507,474	436,032
Short term employee benefits	373,234	339,900
Retirement benefits	28,087	18,666
	908,795	**794,598**

6. Deposits, prepayments and other assets

	2023 $	2022 $
Security deposits	275,775	275,775
Prepayments	1,055,753	748,401
	1,331,528	**1,024,176**

APD LIMITED

Notes to Financial Statements
June 30, 2023
(Continued)

7. Investments

(a) Mutual funds

Financial assets measured at fair value through profit or loss comprise an investment in the Nassau Cruise Port Ltd. equity offering via the Bahamas Investment Fund (BIF). The Company purchased 85,000 Bahamas Investment Fund Class A Investor Shares at $5.00 per share in December 2022. The fund will have an annual net asset value calculated on March 31 of each year. Directors of the fund, along with the Investment Manager, will determine appropriate valuation methods for The Nassau Cruise Port shares which are owned by BIF. Directors intend to use the book value of BIF's ownership stake in Nassau Cruise Port as a base case for the value of the shares. Accordingly, the net asset value will reflect movements in Nassau Cruise Port's equity and primarily be driven by the performance of the company. The value of this at the end of June 30, 2023, was $425,000 (2022: $425,000).

(b) Fixed rate government bonds

The Company in November 2022 purchased fixed-rate USD Bahamas Government Bonds (Bonds) at a discount as follows (i) 3,445,000 6% bonds at $68.25 due to mature November 21, 2028 and (ii) 2,535,000 5.75% bonds at $94.31 due to mature January 16, 2024. The purpose of the bonds is to hold to maturity and collect the interest earned over the bonds term. These bonds were classified and measured at amortised cost and booked to the statement of financial position. The value of these bonds at the end of June 30, 2023 was $4,959,643 (2022: $Nil).

The bond discount is amortised over the life of the bonds and booked at each semi-annual interest payment date to interest income in the statement of comprehensive income and to the bond investment in the statement of financial position. During the year ended June 30, 2023, the amount of discount amortised collectively amounted to $217,717 (2022: $Nil). Interest earned on these bonds are paid semi-annually and booked to interest income in the statement of comprehensive income. During the year ended June 30, 2023, interest earned on these bonds collectively amounted to $223,714 (2022: $Nil).

Description	Face Value		Amortised cost	
	2023 $	2022 $	2023 $	2022 $
6.00%; 2028	3,445,000	-	2,351,081	-
5.75%; 2024	2,535,000	-	2,390,845	-
	5,980,000	-	4,741,926	-
Amortisation of bond discount	-	-	217,717	-
	5,980,000	-	**4,959,643**	-

APD LIMITED

Notes to Financial Statements
June 30, 2023
(Continued)

8. Long term debt

On September 3, 2021 the Company executed a credit agreement with FirstCaribbean International Bank (Bahamas) Limited (the Lender). The Lender extended credit in the form of Facility A loans in an aggregate principal amount not in excess of B$33,856,000 and Facility B loans in an aggregate principal amount not in excess of B$3,000,000.

Facility A: Long term debt being a $30,856,000 senior, non-revolving reducing term loan for a fifteen (15) year period, amortised over fifteen (15) years with principal and interest payable semi-annually in arrears at a rate of BSD Prime rate of 4.25% minus a margin of 1.15%, for a total interest rate of 3.1%. Considering possible changes in the BSD prime rate, the credit agreement stipulates a minimum interest rate of 3.1% and a maximum rate of 4.75%.

The principal outstanding as of June 30, 2023 is $26,741,867 (2022: $28,798,934), comprising the non-current portion of long-term debt of $24,684,800 (2022: $26,741,867) and the current portion of long-term debt of $2,057,067 (2022: $2,057,067).

Facility B: $3,000,000 demand revolving credit facility by way of an overdraft facility at a rate of BSD prime rate of 4.25% minus a margin of 0.25%, for a total interest rate of 4.0% on the outstanding balance. There have been no drawdowns against this facility.

The above facilities are unsecured.

APD LIMITED

Notes to Financial Statements
June 30, 2023
(Continued)

9. Property, plant and equipment

	Container terminal	Freight handling equipment	Buildings, improvements & office trailers	Motor vehicles	Furniture & fixtures, communications and office equipment	Capital work in progress	Total
	$	$	$	$	$	$	$
At July 1, 2022 (Restated)							
Cost	44,732,440	12,725,603	43,543,957	779,769	5,334,151	607,086	107,723,006
Accumulated depreciation and impairment	(10,343,269)	(4,935,558)	(9,133,776)	(582,811)	(4,275,796)	-	(29,271,210)
Net book value	**34,389,171**	**7,790,045**	**34,410,181**	**196,958**	**1,058,355**	**607,086**	**78,451,796**
Year ended June 30, 2023							
Opening net book value	34,389,171	7,790,045	34,410,181	196,958	1,058,355	607,086	78,451,796
Additions	-	-	-	-	-	6,016,185	6,016,185
Transfers	-	5,191,380	353,943	160,554	59,348	(5,765,225)	-
Disposals	(18,375)	(152,312)	-	-	-	-	(170,687)
Reclassification:							
Cost	-	-	-	-	-	(1,120)	(1,120)
Depreciation charge for the year	(1,050,430)	(2,808,368)	(1,018,964)	(95,745)	(387,653)	-	(5,361,160)
Closing net book value	**33,320,366**	**10,020,745**	**33,745,160**	**261,767**	**730,050**	**856,926**	**78,935,014**
At June 30, 2023							
Cost	44,706,787	17,584,410	43,897,902	886,269	5,384,416	856,926	113,316,710
Accumulated depreciation and impairment	(11,386,421)	(7,563,665)	(10,152,742)	(624,502)	(4,654,366)	-	(34,381,696)
Net book value	**33,320,366**	**10,020,745**	**33,745,160**	**261,767**	**730,050**	**856,926**	**78,935,014**

Capital work in progress includes costs incurred as of June 30, 2023 in connection with ongoing construction and special projects at the Port. These projects are expected to be completed during the 2024 fiscal year.

APD LIMITED

Notes to Financial Statements
June 30, 2023
(Continued)

9. Property, plant and equipment (Continued)

	Container terminal	Freight handling equipment	Buildings, improvements & office trailers	Motor vehicles	Furniture & fixtures, communications and office equipment	Capital work in progress	Total
	$	$	$	$	$	$	$
At July 1, 2021							
Cost	44,707,374	12,938,635	43,507,976	677,839	5,062,035	369,792	107,263,651
Accumulated depreciation and impairment	(9,293,523)	(3,954,515)	(8,114,972)	(499,946)	(3,877,550)	-	(25,740,506)
Net book value	**35,413,851**	**8,984,120**	**35,393,004**	**177,893**	**1,184,485**	**369,792**	**81,523,145**
Year ended June 30, 2022 (Restated)							
Opening net book value	35,413,851	8,984,120	35,393,004	177,893	1,184,485	369,792	81,523,145
Additions	-	-	-	-	-	1,251,611	1,251,611
Transfers	25,066	531,028	64,481	101,930	272,231	(994,736)	-
Disposals	-	(744,060)	(28,500)	-	(115)	-	(772,675)
Reclassification:							
Cost	-	-	-	-	-	(19,581)	(19,581)
Accumulated depreciation	-	-	796	-	-	-	796
Depreciation charge for the year	(1,049,746)	(981,043)	(1,019,600)	(82,865)	(398,246)	-	(3,531,500)
Closing net book value	**34,389,171**	**7,790,045**	**34,410,181**	**196,958**	**1,058,355**	**607,086**	**78,451,796**
At June 30, 2022							
Cost	44,732,440	12,725,603	43,543,957	779,769	5,334,151	607,086	107,723,006
Accumulated depreciation and impairment	(10,343,269)	(4,935,558)	(9,133,776)	(582,811)	(4,275,796)	-	(29,271,210)
Net book value	**34,389,171**	**7,790,045**	**34,410,181**	**196,958**	**1,058,355**	**607,086**	**78,451,796**

Restatements between the cost and accumulated depreciation within the freight handling equipment ($2,196,344), motor vehicles ($13,353) and furniture & fixtures communications & office equipment ($8,203) categories were made in the prior year. The net book values in all categories remain unchanged.

APD LIMITED

Notes to Financial Statements
June 30, 2023
(Continued)

10. Accrued expenses and other liabilities

	2023	2022
	$	$
Accrued real property tax	499,046	515,535
General accruals	684,101	518,211
	1,183,147	**1,033,746**

11. Share capital

The Company has an authorised capital of $65,000 divided into 5,000,000 ordinary shares and 150,000 cumulative preference shares with a par value of $0.01 and $0.10 each, respectively.

As of reporting date, the Company has issued 4,996,915 (2022: 4,996,915) ordinary shares that were fully paid for by the shareholders with a value of $49,969 (2022: $49,969).

During the year, the Company declared and paid dividends to ordinary shareholders of $6,995,681 (2022: $5,496,607) representing $1.40 (2022: $1.10) per share.

12. Basic and diluted earnings per share

The calculation of basic and diluted earnings per share is based on the profit attributable to the equity shareholders divided by the weighted average number of ordinary shares outstanding during the period.

	2023	2022
	$	$
Total earnings for the year attributable to the equity shareholders	9,686,825	7,417,988
Weighted average number of ordinary shares in issue	4,996,915	4,996,915
Basic and diluted earnings per share	**1.94**	**1.48**

13. Significant agreements

(a) Memorandum of Understanding (MOU)

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).

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.

Notes to Financial Statements
June 30, 2023
(Continued)

13. Significant agreements (Continued)

(a) Memorandum of Understanding (MOU) (continued)

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 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 MOU states that the Government will allow the Company to make such adjustments to fees and tariffs as may be required from time to time to maintain an Internal Rate of Return (IRR) of no less than 10%.

Under the MOU, the Government has granted the Company an exclusive arrangement whereby no other port (including sufferance wharfs) or container terminals (whether inland or not) can be established on the islands of New Providence and Paradise Island as well as within 20 miles of the shoreline of New Providence for a period of twenty (20) years from the date of the substantial completion.

The MOU also provides that so long as the Government will hold at least 40% of the Company's issued capital, no action or decision shall be taken by the Board of Directors (BOD) in relation to specific matters in the MOU (hereinafter referred to as the Reserved Matters) unless prior approval from the Government has been obtained. Where the context provides, the Reserved Matters are applicable to the Company and its subsidiaries, if any, from time to time (the Company and its subsidiaries are hereinafter referred to as the Group Members). The Reserved Matters are summarised as follows:

- adopting or altering the Memorandum of Association, Articles of Association or other constitutive documents;
- changing the authorised or issued share capital, granting share options or issuing instruments carrying rights of conversion into ordinary shares;
- incurring financial indebtedness which would result in the secured debt exceeding 3 times the Earnings Before Interest, Taxation, Depreciation and Amortisation or Debt Service Coverage Ratio that is less than 1.5 times;
- making loans or advances to any person other than in the ordinary course of the business;

APD LIMITED

Notes to Financial Statements
June 30, 2023
(Continued)

13. Significant agreements (Continued)

(a) Memorandum of Understanding (MOU) (continued)

- selling, transferring, leasing, assigning or otherwise disposing of a material part of undertaking, property and/or assets except for sub-leases made in the ordinary course of business;
- creating encumbrances over all or a material part of undertaking, property and/or assets, or giving guarantees or indemnities for any purpose other than as security in respect of the financial indebtedness which is not otherwise prohibited under the terms of the MOU;
- entering into any contract, liability or commitment which (a) is unusual or onerous or outside the ordinary course of business, or (b) is other than at commercial arm's length terms, except where such contract, liability or commitment satisfies authorisation criteria agreed between the Company and the Government;
- awarding of contracts, transactions or arrangements, other than contracts for provision of goods and services being at arm's length whose value does not exceed B$5 million in a 12 month period, with (a) ACPDHL (b) a Director of ACPDHL and/or (c) an affiliate of ACPDHL, or any director or employee of such affiliate, except where such contracts, transactions or arrangements are awarded in compliance with procedures governing the awards of such that may be agreed between the Company and the Government;
- imposing fees and charges, save for such charges and fees preapproved by the Government, which are required to maintain a minimum IRR of 10% per annum;
- taking of any corporate action, legal proceedings or other procedures or steps in relation to (a) suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, liquidation, administration or reorganisation of Group Members (b) a composition, compromise, assignment or arrangement with, or for the benefit of, any creditor of the Group Members or (c) appointment of liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Group Members or any of its assets.

The consent and approval of the Government to a Reserved Matter will only be deemed to have been given where a document confirming such consent or approval has been delivered to the Company's registered office. If a consent or refusal of a Reserved Matter is not delivered within twenty (20) business days after receipt of the matter by the Government, the Reserved Matter request shall be deemed to have been approved.

The Company's financial statements shall be subject to annual audits. The auditor of the Company shall also review and report on the Company's compliance with the provisions of the MOU relating to the Reserved Matters.

APD LIMITED

Notes to Financial Statements
June 30, 2023
(Continued)

13. Significant agreements (Continued)

(b) Leases

Pursuant to the terms of the MOU, on June 21, 2011 the Company entered into forty-five (45) year lease agreements for 56.55 and 15 acres of the Port Land and the Depot Land, respectively, with the Minister responsible for Lands and Survey. Payments commenced upon Substantial Completion of the Port and Depot which was deemed to have occurred at such time as all works necessary for the full operation of the Port and the Depot were duly completed and evidenced by (i) the issuance of performance certificates or taking over certificates pursuant to the construction contracts and (ii) certificates of occupancy. Substantial Completion of the Port and Depot were achieved on May 1, 2012 and August 13, 2012, respectively.

Under the terms of the lease agreement for the Port land, the Company shall pay an annual rent of $40 per TEU until such time as the Substantial Completion is achieved. Once Substantial Completion is achieved, the Company will pay a minimum annual rent of $2,000,000 or $40 per TEU, whichever is greater. The fixed rent is payable quarterly in advance during the term and any adjustments based on the rent per TEU is payable within 14 days from the end of each quarter. The rent is subject to annual increases based on the increases in the cost of living. For the year ended June 30, 2023, the total rent expense recognised in the statement of comprehensive income amounted to $998,986 (2022: $658,078). Interest expense on the lease liability amounted to $2,532,557 (2022: $2,119,306). As of the end of the reporting period, lease payable to the Government amounted to $52,373,188 (2022: $46,911,502) which is included in lease liabilities in the statement of financial position.

The annual rent on the Depot Land is $1, payable annually in advance.

Under the provision of Item 2 of the Second Schedule of the Stamp Act (revised), the leases of the Port Land and Depot Land were exempt from imposition of stamp tax as the leases were issued on behalf of the Government of the Commonwealth of The Bahamas.

Upon expiration of the term of the above leases, the Company shall have an option to renew the same for another term of forty-five (45) years on the same terms and conditions but at an annual rent to be agreed between the parties.

Contemporaneously with the signing of the lease agreements on June 21, 2011, the Company was granted a forty-five (45) year license by the Minister responsible for Lands and Survey to use the 27.88 acres of seabed for purposes ancillary to the adjacent Port facility, for an annual license fee of $1, payable annually in advance. Upon expiration of the term of the license, the Company can apply for renewal of the license for another term of forty-five (45) years but at an annual license fee to be agreed between the parties.

APD LIMITED

Notes to Financial Statements
June 30, 2023
(Continued)

13. Significant agreements (Continued)

(b) Leases (continued)

Amounts recognised in the statement of financial position

The statement of financial position shows the following amounts relating to leases:

	2023 $	2022 $
Right-of-use assets		
Land	49,709,236	45,023,241
Lease liabilities		
Current	75,703	184,194
Non-current	52,297,487	46,727,308
	52,373,190	46,911,502

Amounts recognised in the statement of comprehensive income

The statement of comprehensive income shows the following amounts relating to leases:

	2023 $	2022 $
Depreciation charge of right-of-use assets		
Land	675,632	562,791
Interest expense (included in finance costs)	2,532,557	2,119,306

The total cash outflow for leases in 2023 was $2,432,496 (2022: $2,303,500).

APD LIMITED

Notes to Financial Statements
June 30, 2023
(Continued)

13. Significant agreements (Continued)

(c) Subleases

The lease terms for existing lease agreements began in September 2011 and range from less than one (1) year to ten (10) years with options to renew for monthly to ten (10) year periods. The lease agreements provide at varying terms for the annual lease to be adjusted based on The Bahamas Consumer Price Index but there are no other variable lease payments that depend on an index or rate.

Although the risks associated with rights the Company retains in the underlying assets are not considered to be significant, the Company employs strategies to further minimize these risks. The Company requires the lessee to submit a cash security deposit upon signing the lease for the majority of its lease contracts. Additionally, although the Company is exposed to changes in the residual value at the end of the current leases, the Company typically enters into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases. Deposits held as per the lease agreements totalled $274,663 as of June 30, 2023 (2022: $274,663). Additionally, during the year the Company executed certain short-term leases, which are on a month-to-month basis.

Income amounting to $1,464,212 (2022: $1,420,908) is shown as subleases income in the statement of comprehensive income. At year end, the analysis of the Company's aggregate future minimum lease payments receivable under the lease is as follows:

	2023 $	2022 $
No later than one year	1,299,344	1,394,579
Later than one year and no later than five years	1,161,013	2,132,605
	2,460,357	**3,527,184**

APD LIMITED

Notes to Financial Statements
June 30, 2023
(Continued)

14. Revenue from contracts with customers

a) Disaggregation of revenue from contracts with customers

The Company derives revenue from the delivery of services over time and at a point in time in the following major revenue streams:

	At a point in time $	Over time $	2023 Total $
Landing fees	15,063,550	-	15,063,550
Terminal handling fees	4,870,963	-	4,870,963
Stevedoring fees	3,388,435	-	3,388,435
Security	2,852,470	-	2,852,470
Gate fees	2,404,835	-	2,404,835
Storage fees	-	3,594,932	3,594,932
Reefer line	-	1,396,650	1,396,650
Other income	802,589	-	802,589
Total	**29,382,842**	**4,991,582**	**34,374,424**

	At a point in time $	Over time $	2022 Total $
Landing fees	13,018,507	-	13,018,507
Terminal handling fees	4,312,692	-	4,312,692
Stevedoring fees	3,144,096	-	3,144,096
Security	2,528,523	-	2,528,523
Gate fees	2,285,614	-	2,285,614
Storage fees	-	1,586,943	1,586,943
Reefer line	-	764,450	764,450
Other income	898,395	-	898,395
Total	**26,187,827**	**2,351,393**	**28,539,220**

Other income includes hazmat fees, dockage, line handling fees and other income as presented on the statement of comprehensive income.

b) Performance obligations

Landing fees are charges for the use of the Nassau Container Port (NCP) wharves and piers. The performance obligation is satisfied at a point in time, i.e. when the cargo lands at NCP. There is no significant financing component as payment is typically due and payable upon presentation of an invoice or within 15 calendar days of the invoice date. The consideration is fixed based on the size and type of cargo and there are no elements of variable consideration.

APD LIMITED

Notes to Financial Statements
June 30, 2023
(Continued)

14. Revenue from contracts with customers (Continued)

b) Performance obligations (continued)

Terminal handling fees are charges for the use of freight handling equipment and operating costs associated with moving containers, trailers and non-containerised cargo in the common terminal area. The performance obligation is satisfied at a point in time, i.e. when the cargo is moved. There is no significant financing component as payment is typically due and payable upon presentation of an invoice or within 15 calendar days of the invoice date. The consideration is fixed based on the size and type of cargo and there are no elements of variable consideration.

Stevedoring fees are charges for all containers, vehicles or non-containerised cargo discharged or loaded by cranes at NCP. The performance obligation is satisfied at a point in time, i.e. when the cargo is discharged or loaded. There is no significant financing component as payment is typically due and payable upon presentation of an invoice or within 15 calendar days of the invoice date. The consideration is fixed based on the size and type of cargo and is charged per Twenty-foot Equivalent Unit (TEU). There are no elements of variable consideration.

Security fees are charges for providing security services at the Port and are assessed to all cargo entering NCP. The performance obligation is satisfied at a point in time, i.e. when the cargo enters the Port. There is no significant financing component as payment is typically due and payable upon presentation of an invoice or within 15 calendar days of the invoice date. The consideration is fixed based on the size and type of cargo and there are no elements of variable consideration.

Gate fees are charges for containers, chassis and trailers entering or leaving the Port's gates. The performance obligation is satisfied at a point in time, i.e. when the cargo moves through the gate. There is no significant financing component as payment is typically due and payable upon presentation of an invoice or within 15 calendar days of the invoice date. The consideration is fixed and is charged per container.

Storage and reefer fees are charges for the time that cargo remains at NCP or GFT beyond an established free time period. The performance obligation is satisfied over time, i.e. during the period that the cargo remains on site. There is no significant financing component as payment is typically due and payable upon presentation of an invoice or within 15 calendar days of the invoice date. The consideration is fixed based on the type of cargo and there are no elements of variable consideration.

Hazmat fees are charges for handling hazardous cargo. The performance obligation is satisfied at a point in time, i.e. when the cargo arrives at the Port. There is no significant financing component as payment is typically due and payable upon presentation of an invoice or within 15 calendar days of the invoice date. The consideration is fixed based on the weight of the cargo and there are no elements of variable consideration.

Dockage fees are charges assessed on a vessel for berthing or making use of any of the dock space at NCP. The performance obligation is satisfied at a point in time, i.e. when the vessel berths. There is no significant financing component as payment is typically due and payable upon presentation of an invoice or within 15 calendar days of the invoice date. The consideration is fixed based on the Length Overall (LOA) of the vessel and there are no elements of variable consideration.

APD LIMITED

Notes to Financial Statements
June 30, 2023
(Continued)

14. Revenue from contracts with customers (Continued)

b) Performance obligations (continued)

Line handling fees are charges for mooring the vessel to the berth and are assessed when a ship moves berth. The performance obligation is satisfied at a point in time, i.e. when the vessel berths, unberths, or moves berth. There is no significant financing component as payment is typically due and payable upon presentation of an invoice or within 15 calendar days of the invoice date. The consideration is fixed based on the size of the vessel and there are no elements of variable consideration.

Other income includes charges for equipment rental and weighing charges. The performance obligation is satisfied at a point in time, i.e. when the equipment is rented or when the cargo is weighed. There is no significant financing component as payment is typically due and payable upon presentation of an invoice or within 15 calendar days of the invoice date. The consideration is fixed based on the type of equipment or weight and there are no elements of variable consideration.

15. Legal and other professional fees

Legal and other professional fees comprise the following:

	2023 $	2022 $
Legal and other professional fees	700,296	498,308
Regulatory fees	121,628	127,072
	821,924	**625,380**

16. Retirement benefits

Pension costs for the year which are included in salaries, employee benefits and training in the statement of comprehensive income totalled $104,401 (2022: $105,488). The Company's contributions to the pension plan vest 50% with the employees upon completion of five (5) years of employment, incrementally vesting annually, with full vesting upon completion of ten (10) years of employment.

17. Commitments and contingencies

Outstanding capital commitments as of reporting date were as follows:

	2023 $	2022 $
Contracted but not yet incurred	270,040	-
	270,040	-

As of June 30, 2023, the Company is contingently liable to its bankers in respect of customs bonds issued to the Bahamas Government and corporate credit cards in the total amount of $970,000 (2022: $1,030,000). There is an annual bank charge of 1.25% on the face value of each bond.

APD LIMITED

Notes to Financial Statements
June 30, 2023
(Continued)

18. Financial risk management

The Company's activities expose it to a variety of financial risks such as market risk, credit risk and liquidity risk. The Company's overall risk management framework seeks to minimise potential adverse effects of these risks on the Company's financial performance by understanding and effectively managing these risks.

Risk management is carried out by senior management of the Company under policies approved by the Board of Directors.

(a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company's objective when managing market risk is to maintain risk exposure at a level that would optimise return on risk. The Company is exposed to the following types of market risks:

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign exchange risk arises from future transactions, recognised assets and liabilities.

In the normal course of the business, the Company is exposed to foreign exchange risk arising primarily with respect to the United States dollar.

The exchange rate between the Bahamian dollar and the United States dollar is fixed at 1:1 and therefore, the Company's exposure to currency risk is considered minimal.

(ii) Cash flow and fair value interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of the financial interest will fluctuate because of changes in the market interest rates.

As of June 30, 2023, the Company held variable interest rate financial instruments which could possibly expose it to significant fair value or cash flow interest rate risk. The long-term debt is subject to the prevailing market interest rate: the BSD prime rate. This rate has not fluctuated significantly in prior years and the credit agreement stipulates a minimum and maximum interest rate, limiting the exposure to interest rate risk. Management does not foresee cash flow and fair value interest rate risks on the financial liability to be significant.

(b) Credit risk

Credit risk arises from the potential failure of a counterparty to perform according to the terms of the contract. The Company's exposure to credit risk is concentrated in its cash and deposits with bank and accounts receivable. The carrying amount of these financial assets represents the maximum credit exposure to the Company.

18. Financial risk management (Continued)

(b) Credit risk (continued)

The Company seeks to mitigate such risk from its cash and cash equivalents by placing its cash with financial institutions in good standing with the Central Bank of The Bahamas. The credit risk from accounts receivable is mitigated by monitoring the payment history of the counterparties before continuing to extend credit to them. The Company does not have a significant concentration of credit risk as it transacts and deals with various customers and counterparties.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and other receivables. While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, all cash balances are held with a reputable financial institution which is a branch of a bank which holds under Moody's an external credit rating of Aa2 and under Fitch an external credit rating of AA, and as such are in stage 1. Given the strong credit worthiness of the bank, management does not expect a material ECL on the cash balances.

To measure the expected credit losses, trade receivables and other receivables have been grouped based on shared credit risk characteristics and the days past due. The other receivables relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables. The Company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the other receivables. These two balances are grouped together as accounts receivable on the statement of financial position.

The expected loss rates are based on the payment profiles of sales over a period of 12 months before June 30, 2023 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified gross domestic product (GDP) of The Bahamas and the geographical location in which it operates which make it prone to potential hurricanes to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

On that basis, the loss allowance as at June 30, 2023 was determined to be immaterial and no adjustments were booked.

Trade receivables and other receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments for a period of greater than 365 days past due.

Impairment losses on trade receivables and other receivables are presented as net impairment losses within EBITDA. Subsequent recoveries of amounts previously written off are credited against the same line item.

APD LIMITED

Notes to Financial Statements
June 30, 2023
(Continued)

18. Financial risk management (Continued)

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with financial liabilities that are to be settled by delivering cash or another financial asset.

Management monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs at all times so that the Company does not default on its contractual obligations.

The table below analyses the Company's financial liabilities in relevant maturity groupings based on the remaining period at the contractual maturity date as of June 30, 2023. The amounts disclosed in the table are the contractual undiscounted cash flows.

As of June 30, 2023	Carrying amount $	Contractual cash flows $	0-12 months $	1-5 years $	More than 5 years $
Liabilities					
Accounts payable	315,890	315,890	315,890	-	-
Due to related parties	1,472,223	1,472,223	1,472,223	-	-
Accrued expenses and other liabilities	1,183,147	1,183,147	1,183,147	-	-
Lease liabilities	52,373,190	191,761,768	2,432,496	9,729,984	179,599,288
Long term debt	26,741,867	32,343,848	2,872,437	10,844,808	18,626,603
Deposits held	274,663	274,663	168,519	106,144	-
Total financial liabilities	**82,360,980**	**227,351,539**	**8,444,712**	**20,680,936**	**198,225,891**

As of June 30, 2022	Carrying amount $	Contractual cash flows $	0-12 months $	1-5 years $	More than 5 years $
Liabilities					
Accounts payable	468,787	468,787	468,787	-	-
Due to related parties	1,243,372	1,243,372	1,243,372	-	-
Accrued expenses and other liabilities	1,033,746	1,033,746	1,033,746	-	-
Lease liabilities	46,911,502	129,910,012	2,303,500	9,214,000	118,392,512
Long term debt	28,798,934	35,272,280	2,933,935	11,098,093	21,240,252
Deposits held	274,663	274,663	21,000	21,701	231,962
Total financial liabilities	**78,731,004**	**168,202,860**	**8,004,340**	**20,333,794**	**139,864,726**

The Company has sufficient cash flows from operations to meet its liquidity needs. In addition, the Company has an undrawn line of credit with FirstCaribbean International Bank (Bahamas) Limited totalling $2,150,000 ($3,000,000 Facility B as described in Note 7 less customs bonds issued to the Bahamas Government of $850,000) and an undrawn line of credit with RBC Royal Bank (Bahamas) Limited totalling $3,000,000.

APD LIMITED

Notes to Financial Statements
June 30, 2023
(Continued)

18. Financial risk management (Continued)

(c) Liquidity risk (continued)

As disclosed in Note 17, the Company has total capital commitments for provision of goods and services in the amount of $270,040 (2022: $Nil) which mainly related to the purchase of operational assets.

19. Fair value of financial instruments

Financial instruments utilised by the Company include recorded financial assets and liabilities. Except for long term debt, redeemable preference shares and deposits held, the Company's financial liabilities are principally short term in nature. Due to the short-term nature of these instruments, management does not consider the estimated fair values of financial instruments to be materially different from the carrying values of each major category of the Company's financial assets and liabilities as of the reporting date.

For long term debt, redeemable preference shares and deposits held, the respective market interest rates have not experienced significant changes since origination and therefore fair values approximate carrying values. The Bahamian dollar prime rate was reduced by 0.50% effective January 2017, and prior to this change had not experienced any changes since the year ended June 30, 2011.

Fair value hierarchy and measurements

The Company ranks its financial instruments based on the hierarchy of valuation techniques required by IFRS, which is determined based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Company's market assumptions. These two types of inputs lead to the following fair value hierarchy:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

APD LIMITED

Notes to Financial Statements
June 30, 2023
(Continued)

19. Fair value of financial instruments (Continued)

Fair value hierarchy and measurements (continued)

This hierarchy requires the use of observable market data when available. The Company considers relevant and observable market prices in its valuations where possible.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset.

The determination of what constitutes 'observable' requires significant judgment by the Company. The Company considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

	Level 1 $	Level 2 $	Total $
FINANCIAL ASSETS			
Financial assets at amortised cost			
Cash and cash equivalents	16,194,347	-	16,194,347
Accounts receivable	-	2,828,080	2,828,080
Investments	-	4,959,643	4,959,643
Investments at fair value through profit or loss	-	425,000	425,000
Total financial assets	**16,194,347**	**8,212,723**	**24,407,070**
FINANCIAL LIABILITIES			
Financial liabilities at amortised cost			
Accounts payable	-	315,890	315,890
Due to related parties	-	1,472,223	1,472,223
Accrued expenses and other liabilities	-	1,183,147	1,183,147
Current portion of long-term debt	-	2,057,067	2,057,067
Current portion of lease liability	-	75,703	75,703
Long term debt	-	24,684,800	24,684,800
Long term lease liability	-	52,297,487	52,297,487
Deposits held	-	274,663	274,663
Total financial liabilities	**-**	**82,360,980**	**82,360,980**

APD LIMITED

Notes to Financial Statements
June 30, 2023
(Continued)

19. Fair value of financial instruments (Continued)

Fair value hierarchy and measurements (continued)

	Level 1 $	Level 2 $	Total $
FINANCIAL ASSETS			
Financial assets at amortised cost			
Cash and cash equivalents	19,817,081	-	19,817,081
Accounts receivable	-	3,059,560	3,059,560
Investments at fair value through profit or loss	-	425,000	425,000
Total financial assets	**19,817,081**	**3,484,560**	**23,301,641**
FINANCIAL LIABILITIES			
Financial liabilities at amortised cost			
Accounts payable	-	468,787	468,787
Due to related parties	-	1,243,372	1,243,372
Accrued expenses and other liabilities	-	1,033,746	1,033,746
Current portion of long term debt	-	2,057,067	2,057,067
Current portion of lease liability	-	184,194	184,194
Long term debt	-	26,741,867	26,741,867
Long term lease liability	-	46,727,308	46,727,308
Deposits held	-	274,663	274,663
Total financial liabilities	**-**	**78,731,004**	**78,731,004**

At the reporting date, the initial NAV in the shares of the NCP equity offering has not been calculated. Management has determined that the transaction price approximates the fair value at June 30, 2023. For a period of 1 year after December 31, 2021 the shareholders of BIF will not be able to transfer, sell, pledge, grant any option to purchase, otherwise dispose of, any shares in the fund and for a period of 3 years after December 31, 2021, the shareholders will not be able to redeem any shares in the fund.

The Company does not have any financial instruments with a Level 3 classification at June 30, 2023 and 2022. There were no transfers between levels during the year.

20. Capital management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

In order to achieve the above objective, the Company may adjust the amount of dividends paid to shareholders, raise additional capital through equity and/or debt financing, return capital to shareholders and/or sell assets to reduce debt.

The frequency of dividends and the dividend payout ratio are at the sole discretion of the Board of Directors. The Company will seek to distribute free cash flows after maintenance of the minimum capital reserve, and meeting its capital and other financial commitments.

In addition to the above, the MOU has imposed other restrictions on the Company as it relates to capital management, which are detailed in Note 13.

APD LIMITED

Notes to Financial Statements
June 30, 2023
(Continued)

NOTES

20. Capital management (Continued)

Total capital represents equity shown in the statement of financial position plus net debt.

Long term debt covenants

Under the terms of the borrowing facilities (Note 7), the Company is required to comply with the following financial covenants:

- to maintain a debt service coverage ratio of at least 2.00:1:00

The Company has complied with this covenant throughout the reporting period. As at June 30, 2023, the debt service coverage ratio was 5.65 (2022: 5.14).

- to maintain in the debt service reserve account an amount in cash equal to or exceeding the minimum debt service reserve cash balance

The Company has complied with this covenant throughout the reporting period. As at June 30, 2023, the balance in the debt service reserve account exceeded the minimum debt service reserve cash balance.

- to maintain a debt to EBITDA ratio of less than 3.00:1.00

The Company has complied with this covenant throughout the reporting period. As at June 30, 2023, the debt to EBITDA ratio was 1.61 (2022: 1.91).

- to make minimum major maintenance reserve payments equal to 3% of gross annual revenues as shown in the audited financial statements until the major maintenance reserve account is equal to or exceeds the minimum major maintenance reserve balance, and to maintain the minimum major maintenance reserve balance at any time thereafter.

The Company has complied with this covenant throughout the reporting period. As at June 30, 2023, payments made to the major maintenance reserve account exceed 3% of revenues as shown in the June 30, 2022 audited financial statements.

- to maintain a minimum current ratio of 1.00:1.00

The Company has complied with this covenant throughout the reporting period. As at June 30, 2023, the current ratio was 4.72 (2022: 5.12).

21. Segment reporting

Management determines the operating segments based on the information reported to the Company's operating decision maker. The executive management is identified as the chief operating decision maker of the Company. The Company is engaged in the operation of a commercial port facility in Arawak Cay and an inland depot terminal on Gladstone Road located in Nassau, Bahamas. Resources of the Company are allocated based on what is beneficial to the Company in enhancing the value of both the Port and Depot facilities rather than any specific unit. The executive management considers that the performance assessment of the Company should be based on the results of both facilities as a whole. Therefore, management considers the port operations to be only one operating segment under the requirements of IFRS 8, *Operating Segments*.

NASSAU CONTAINER PORT
HOURS OF OPERATION
Monday - Friday, 8:00 am - 4:00 pm

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