



**LAURENTIAN PILOTAGE
AUTHORITY**

(Established under the Pilotage Act)

**ADMINISTRATION DE PILOTAGE
DES LAURENTIDES**

(Constituée en vertu de la Loi sur le pilotage)

STATEMENT OF FINANCIAL POSITION
(unaudited)

In Canadian Dollars	AS AT MARCH 31 2013	AS AT DECEMBER 31 2012
<u>ASSETS</u>		
Current		
Cash	3 682 205 \$	6 861 784 \$
Receivable	7 465 833	9 178 542
	<u>11 148 038 \$</u>	<u>16 040 326 \$</u>
Non-current		
Property, plant and equipment	17 123 922 \$	16 895 435 \$
Intangible assets	809 677	183 318
Total assets	<u>29 081 637 \$</u>	<u>33 119 079 \$</u>
 <u>LIABILITIES</u>		
Current		
Accounts payable and accrued liabilities	8 802 852 \$	10 416 030 \$
	<u>8 802 852 \$</u>	<u>10 416 030 \$</u>
Non-current		
Post-employment benefits	289 649 \$	277 373 \$
Total liabilities	<u>9 092 501 \$</u>	<u>10 693 403 \$</u>
 <u>EQUITY OF CANADA</u>		
Retained earnings	19 989 136 \$	20 355 852 \$
	<u>19 989 136 \$</u>	<u>20 355 852 \$</u>
TOTAL LIABILITIES AND EQUITY OF CANADA	<u>29 081 637 \$</u>	<u>31 049 255 \$</u>



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STATEMENT OF COMPREHENSIVE INCOME
(unaudited)

THREE MONTHS ENDED
- MARCH 31

In Canadian Dollars

2013 2012

Revenues

Pilotage charges	16 130 617 \$	16 753 118 \$
Other revenues	31 746	49 725
	<u>16 162 363 \$</u>	<u>16 802 843 \$</u>

Expenses

Pilots' fees, salaries and benefits	12 836 225 \$	13 103 757 \$
Operating costs of pilot boats	2 457 738	2 653 316
Staff salaries and benefits	801 434	805 484
Professional and special services	244 658	188 367
Rentals	78 491	69 451
Utilities, material and supplies	49 892	24 214
Communications	16 002	17 019
Transportation, travel and hospitality	15 618	22 362
Maintenance	3 527	1 404
Financing costs	2 326	1 755
Other	23 168	21 598
	<u>16 529 079 \$</u>	<u>16 908 727 \$</u>

Comprehensive income for the period

(366 716) \$ (105 884) \$



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STATEMENT OF CHANGES IN EQUITY OF CANADA
(unaudited)

In Canadian Dollars	THREE MONTHS ENDED - MARCH 31	
	2013	2012
Retained earnings, beginning of the period	20 355 852 \$	17 623 753 \$
Comprehensive income for the period	(366 716) \$	(105 884) \$
<u>Retained earnings, end of the period</u>	<u>19 989 136 \$</u>	<u>17 517 869 \$</u>



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STATEMENT OF CASH FLOW
(unaudited)

THREE MONTHS ENDED
- MARCH 31

In Canadian Dollars

2013

2012

OPERATING ACTIVITIES

Comprehensive income for the period	(366 716) \$	(105 884) \$
Items not affecting cash flows		
Depreciation and amortization	122 339	57 398
Changes in long-term post-employment benefits	12 276	(233 852)
Loss (gain) on disposals of assets	-	-
Changes in non-cash working capital items		
Changes in receivable	1 882 835	2 027 713
Changes in accounts payable and accrued liabilities	(3 875 518)	(1 812 097)
Cash flows from operating activities	<u>(2 224 784) \$</u>	<u>(66 722) \$</u>

INVESTING ACTIVITIES

Acquisition of property and equipment	(347 495) \$	(1 213 187) \$
Disposal of property and equipment	-	-
Acquisition of intangible asset	(607 300)	(12 375)
Cash flows from investing activities	<u>(954 795) \$</u>	<u>(1 225 562) \$</u>

CASH

Change for the period	(3 179 579) \$	(1 292 284) \$
Balance, beginning of period	6 861 784	11 344 973
<u>BALANCE, END OF PERIOD</u>	<u>3 682 205 \$</u>	<u>10 052 689 \$</u>

Notes to the interim financial statements (unaudited)
(in Canadian dollars)

1. Status and activities

The Laurentian Pilotage Authority was established in 1972 under the *Pilotage Act*. Its objectives are to establish, operate, maintain and administer, in the interest of safety, an efficient pilotage service within certain designated Canadian waters in and around the Province of Québec. The Act provides that pilotage tariffs shall permit the Authority to operate on a self-sustaining financial basis and shall be fair and reasonable. The Authority does not have access to Parliamentary appropriations.

The Authority is a Crown corporation named in Part I of Schedule III to the *Financial Administration Act*. The Authority is not an agent of Her Majesty and is exempt from income taxes.

2. Basis of preparation

The Laurentian Pilotage Authority (or the « Authority » or the « LPA ») prepares its financial statements in accordance with generally accepted accounting principles (GAAP), which incorporates International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). These financial statements have been prepared in accordance with IFRS applicable to the preparation of interim financial statements, including IAS 34 « Interim Financial Reporting ». The current financial statements do not include all of the financial statement disclosures required for annual financial statements and should be read in conjunction with the annual audited financial statements of the Authority for the year ended December 31, 2012.

The Authority's Board of directors have approved for issue these interim financial statements on May 15, 2013.

The Authority's first operating quarter is usually includes the lowest assignment volume of the year (almost 19% of total 2012 assignments were performed during the first quarter of 2012). This slowdown is the result of the annual closing, for navigation purposes, of the St-Lawrence Seaway between the end of December until the end of March of the following year. The Authority's cost structure includes an important proportion of variable costs which reduces the unfavorable economic impact of reduced revenues during this seasonal slowdown.

LAURENTIAN PILOTAGE AUTHORITY
Unaudited financial statements
QUARTER ENDED MARCH 31, 2013

Notes to the interim financial statements (unaudited)
(in Canadian dollars)

3. Significant accounting policies

The interim financial statements of the Laurentian Pilotage Authority have been prepared in accordance with accounting policies outlined in Note 4 of its audited annual financial statements as at December 31, 2012. Note 3 of these audited annual financial statements can also be reviewed to consult future accounting changes.

4. Commitments

The Authority rents office space and equipment. Non-cancellable operating lease rentals as at March 31, 2013 are as follows:

Less than 1 year	\$ 229 094
1 to 5 years	698 888
Over 5 years	<u>482 869</u>
	\$ <u>1 410 851</u>

Furthermore, the Authority has entered into agreements covering legal services, computer services, ancillary costs to pilotage services and pilot boat construction. As at March 31, 2013, estimated amounts payable are :

Less than 1 year	\$ 1 341 188
1 to 5 years	746 027
Over 5 years	<u>---</u>
	\$ <u>2 087 215</u>