



**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 JUNE 30 2013	AS AT DECEMBER 31 2012
<u>ASSETS</u>		
Current		
Cash	3 750 454 \$	6 861 784 \$
Receivable	9 529 870	9 348 668
	<u>13 280 324 \$</u>	<u>16 210 452 \$</u>
Non-current		
Property, plant and equipment	16 961 512 \$	16 895 435 \$
Intangible assets	1 067 564	205 708
Total assets	<u>31 309 400 \$</u>	<u>33 311 595 \$</u>
 <u>LIABILITIES</u>		
Current		
Accounts payable and accrued liabilities	10 205 526 \$	12 678 370 \$
	<u>10 205 526 \$</u>	<u>12 678 370 \$</u>
Non-current		
Post-employment benefits	258 000 \$	277 373 \$
Total liabilities	<u>10 463 526 \$</u>	<u>12 955 743 \$</u>
 <u>EQUITY OF CANADA</u>		
Retained earnings	20 845 874 \$	20 355 852 \$
	<u>20 845 874 \$</u>	<u>20 355 852 \$</u>
TOTAL LIABILITIES AND EQUITY OF CANADA	<u>31 309 400 \$</u>	<u>33 311 595 \$</u>



**LAURENTIAN PILOTAGE
AUTHORITY**

(Established under the Pilotage Act)

**ADMINISTRATION DE PILOTAGE
DES LAURENTIDES**

(Constituée en vertu de la Loi sur le pilotage)

STATEMENT OF COMPREHENSIVE INCOME
(unaudited)

In Canadian Dollars	THREE MONTHS ENDED - JUNE 30		SIX MONTHS ENDED - JUNE 30	
	2013	2012	2013	2012
<u>Revenues</u>				
Pilotage charges	19 725 300 \$	18 963 357 \$	35 855 917 \$	35 716 475 \$
Other revenues	20 350	34 626	52 096	84 351
	<u>19 745 650 \$</u>	<u>18 997 983 \$</u>	<u>35 908 013 \$</u>	<u>35 800 826 \$</u>
<u>Expenses</u>				
Pilots' fees, salaries and benefits	15 915 162 \$	14 881 285 \$	28 751 387 \$	27 985 042 \$
Operating costs of pilot boats	1 808 016	1 760 278	4 265 754	4 413 594
Staff salaries and benefits	778 280	794 601	1 579 714	1 600 085
Professional and special services	182 669	280 481	427 327	468 848
Rentals	71 780	66 943	150 271	136 394
Utilities, material and supplies	49 333	91 911	99 225	116 125
Communications	14 577	15 576	30 578	32 595
Transportation, travel and hospitality	21 490	35 497	37 108	57 859
Maintenance	3 512	4 249	7 039	5 653
Financing costs	4 958	(65)	7 284	1 690
Other	39 135	216 542	62 304	238 140
	<u>18 888 912 \$</u>	<u>18 147 298 \$</u>	<u>35 417 991 \$</u>	<u>35 056 025 \$</u>
<u>Comprehensive income for the period</u>	<u>856 738 \$</u>	<u>850 685 \$</u>	<u>490 022 \$</u>	<u>744 801 \$</u>



**LAURENTIAN PILOTAGE
AUTHORITY**

(Established under the Pilotage Act)

**ADMINISTRATION DE PILOTAGE
DES LAURENTIDES**

(Constituée en vertu de la Loi sur le pilotage)

STATEMENT OF CHANGES IN EQUITY OF CANADA
(unaudited)

In Canadian Dollars	THREE MONTHS ENDED - JUNE 30		SIX MONTHS ENDED - JUNE 30	
	2013	2012	2013	2012
Retained earnings, beginning of the period	19 989 136 \$	17 517 869 \$	20 355 852 \$	17 623 753 \$
Comprehensive income for the period	856 738 \$	850 685 \$	490 022 \$	744 801 \$
<u>Retained earnings, end of the period</u>	<u>20 845 874 \$</u>	<u>18 368 554 \$</u>	<u>20 845 874 \$</u>	<u>18 368 554 \$</u>



**LAURENTIAN PILOTAGE
AUTHORITY**

(Established under the Pilotage Act)

**ADMINISTRATION DE PILOTAGE
DES LAURENTIDES**

(Constituée en vertu de la Loi sur le pilotage)

STATEMENT OF CASH FLOW
(unaudited)

	THREE MONTHS ENDED - JUNE 30		SIX MONTHS ENDED - JUNE 30	
	2013	2012	2013	2012
In Canadian Dollars				
<u>OPERATING ACTIVITIES</u>				
Comprehensive income for the period	856 738 \$	850 685 \$	490 022 \$	744 801 \$
Items not affecting cash flows				
Depreciation and amortization	229 665	57 398	352 004	114 796
Changes in long-term post-employment benefits	(31 649)	8 622	(19 373)	(225 230)
Loss (gain) on disposals of assets	-	-	-	-
Changes in non-cash working capital items				
Changes in receivable	(2 064 037)	(2 377 699)	(181 202)	(349 986)
Changes in accounts payable and accrued liabilities	1 402 674	3 132 242	(2 472 844)	1 320 145
Cash flows from operating activities	393 391 \$	1 671 248 \$	(1 831 393) \$	1 604 526 \$
<u>INVESTING ACTIVITIES</u>				
Acquisition of property and equipment	(6 242) \$	(2 412 655) \$	(353 737) \$	(3 625 842) \$
Disposal of property and equipment	-	-	-	-
Acquisition of intangible asset	(318 900)	-	(926 200)	(12 375)
Cash flows from investing activities	(325 142) \$	(2 412 655) \$	(1 279 937) \$	(3 638 217) \$
<u>CASH</u>				
Change for the period	68 249 \$	(741 407) \$	(3 111 330) \$	(2 033 691) \$
Balance, beginning of period	3 682 205	10 052 689	6 861 784	11 344 973
<u>BALANCE, END OF PERIOD</u>	3 750 454 \$	9 311 282 \$	3 750 454 \$	9 311 282 \$

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 Audit Committee has approved for issue these interim financial statements on August 26, 2013.

The Authority's second operating quarter usually is usually representative in terms of assignment volume of the full year (more than 24% of total 2012 assignments were performed during the second quarter of 2012). This period coincides with the reopening of the St-Lawrence Seaway which closes 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 potential unfavorable economic impact in the event of reduced revenues.

LAURENTIAN PILOTAGE AUTHORITY
Unaudited financial statements
QUARTER ENDED JUNE 30, 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 June 30, 2013 are as follows:

Less than 1 year	\$ 330 277
1 to 5 years	624 820
Over 5 years	<u>379 389</u>
	\$ <u>1 334 486</u>

Furthermore, the Authority has entered into agreements covering legal services, computer services, ancillary costs to pilotage services and pilot boat construction. As at June 30, 2013, estimated amounts payable are :

Less than 1 year	\$ 939 504
1 to 5 years	469 766
Over 5 years	<u>--</u>
	\$ <u>1 409 270</u>