



**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 SEPTEMBER 30 2012	AS AT DECEMBER 31 2011
<b><u>ASSETS</u></b>		
<b>Current</b>		
Cash	7 123 348 \$	11 344 973 \$
Receivable	9 930 992	9 178 542
	<u>17 054 340 \$</u>	<u>20 523 515 \$</u>
<b>Non-current</b>		
Property, plant and equipment	14 146 460 \$	7 850 873 \$
Intangible assets	200 048	183 318
<b>Total assets</b>	<u>31 400 848 \$</u>	<u>28 557 706 \$</u>
 <b><u>LIABILITIES</u></b>		
<b>Current</b>		
Accounts payable and accrued liabilities	11 687 743 \$	10 416 030 \$
	<u>11 687 743 \$</u>	<u>10 416 030 \$</u>
<b>Non-current</b>		
Post-employment benefits	300 251 \$	517 923 \$
<b>Total liabilities</b>	<u>11 987 994 \$</u>	<u>10 933 953 \$</u>
 <b><u>EQUITY OF CANADA</u></b>		
Retained earnings	19 412 854 \$	17 623 753 \$
	<u>19 412 854 \$</u>	<u>17 623 753 \$</u>
<b>TOTAL LIABILITIES AND EQUITY OF CANADA</b>	<u>31 400 848 \$</u>	<u>28 557 706 \$</u>



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STATEMENT OF COMPREHENSIVE INCOME  
(unaudited)

In Canadian Dollars	THREE MONTHS ENDED - SEPTEMBER 30		NINE MONTHS ENDED - SEPTEMBER 30	
	2012	2011	2012	2011
<b><u>Revenues</u></b>				
Pilotage charges	20 577 401 \$	19 754 193 \$	56 293 876 \$	56 139 719 \$
Other revenues	37 477	42 859	121 828	122 957
	<u>20 614 878 \$</u>	<u>19 797 052 \$</u>	<u>56 415 704 \$</u>	<u>56 262 676 \$</u>
<b><u>Expenses</u></b>				
Pilots' fees, salaries and benefits	16 771 988 \$	15 398 228 \$	44 757 030 \$	43 221 334 \$
Operating costs of pilot boats	1 681 163	1 543 006	6 094 757	5 799 593
Staff salaries and benefits	728 235	711 146	2 328 320	2 234 576
Professional and special services	222 319	208 486	691 167	628 544
Rentals	70 013	71 324	206 407	210 705
Utilities, material and supplies	21 219	12 395	137 344	95 173
Communications	24 493	21 710	57 088	55 292
Transportation, travel and hospitality	28 854	22 513	86 713	64 554
Maintenance	1 743	10 174	7 396	15 710
Financing costs	8 349	3 455	10 039	7 496
Other	12 202	15 436	250 342	112 083
	<u>19 570 578 \$</u>	<u>18 017 873 \$</u>	<u>54 626 603 \$</u>	<u>52 445 060 \$</u>
<b><u>Comprehensive income for the period</u></b>	<u>1 044 300 \$</u>	<u>1 779 179 \$</u>	<u>1 789 101 \$</u>	<u>3 817 616 \$</u>



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STATEMENT OF CHANGES IN EQUITY OF CANADA  
(unaudited)

In Canadian Dollars	THREE MONTHS ENDED - SEPTEMBER 30		NINE MONTHS ENDED - SEPTEMBER 30	
	2012	2011	2012	2011
Retained earnings, beginning of the period	18 368 554 \$	14 293 172 \$	17 623 753 \$	12 254 735 \$
Comprehensive income for the period	1 044 300 \$	1 779 179 \$	1 789 101 \$	3 817 616 \$
<b><u>Retained earnings, end of the period</u></b>	<b><u>19 412 854 \$</u></b>	<b><u>16 072 351 \$</u></b>	<b><u>19 412 854 \$</u></b>	<b><u>16 072 351 \$</u></b>



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STATEMENT OF CASH FLOW  
(unaudited)

In Canadian Dollars	THREE MONTHS ENDED - SEPTEMBER 30		NINE MONTHS ENDED - SEPTEMBER 30	
	2012	2011	2012	2011
<b><u>OPERATING ACTIVITIES</u></b>				
Comprehensive income for the period	1 044 300 \$	1 779 179 \$	1 789 101 \$	3 817 616 \$
<b>Items not affecting cash flows</b>				
Depreciation and amortization	57 752	65 187	172 548	171 056
Changes in long-term post-employment benefits	7 558	(155 834)	(217 672)	(127 513)
Loss (gain) on disposals of assets	-	-	-	-
<b>Changes in non-cash working capital items</b>				
Changes in receivable	(402 464)	739 846	(752 450)	(87 878)
Changes in accounts payable and accrued liabilities	(48 432)	(303 495)	1 271 714	26 241
<b>Cash flows from operating activities</b>	<b>658 714 \$</b>	<b>2 124 883 \$</b>	<b>2 263 241 \$</b>	<b>3 799 522 \$</b>
<b><u>INVESTING ACTIVITIES</u></b>				
Acquisition of property and equipment	(2 832 274) \$	(241 662) \$	(6 458 116) \$	(745 341) \$
Disposal of property and equipment	-	-	-	-
Acquisition of intangible asset	(14 375)	-	(26 750)	-
<b>Cash flows from investing activities</b>	<b>(2 846 649) \$</b>	<b>(241 662) \$</b>	<b>(6 484 866) \$</b>	<b>(745 341) \$</b>
<b><u>CASH</u></b>				
Change for the period	(2 187 935) \$	1 883 221 \$	(4 221 625) \$	3 054 181 \$
Balance, beginning of period	9 311 283	11 134 478	11 344 973	9 963 518
<b><u>BALANCE, END OF PERIOD</u></b>	<b>7 123 348 \$</b>	<b>13 017 699 \$</b>	<b>7 123 348 \$</b>	<b>13 017 699 \$</b>

**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, 2011.

On November 29, 2012, the Authority's Audit Committee has recommended these interim financial statements for approval by the Board of directors and for their disclosure.

The Authority's third operating quarter usually is usually representative in terms of assignment volume of the full year (almost 26% of total 2011 assignments were performed during the third quarter of 2011). 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 SEPTEMBER 30, 2012

**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, 2011. Note 3 of these audited annual financial statements can also be consulted to review future accounting changes.

**4. Commitments**

The Authority rents office space and equipment. Non-cancellable operating lease rental payments as at September 30, 2012 are as follow:

Less than 1 year	269 000 \$
1 to 5 years	163 000
Over 5 years	-
	<u>432 000 \$</u>

Furthermore, the Authority has entered into agreements covering the construction of a breakwater wharf and a pilot boat, legal services and computer services. As at September 30, 2012, estimated amounts payable are:

Less than 1 year	2 565 000 \$
1 to 5 years	373 000
Over 5 years	-
	<u>2 938 000 \$</u>