

INTERIM CONDENSED FINANCIAL STATEMENTS  
(UNAUDITED)

Bahamas Waste Limited  
Nine Months Ended September 30, 2018

Bahamas Waste Limited

Interim Condensed Financial Statements (Unaudited)

Nine Months Ended September 30, 2018

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## Bahamas Waste Limited

### Interim Statement of Financial Position (Unaudited) (Expressed in Bahamian Dollars)

	<b>September 30</b>	<b>December 31</b>
	<b>2018</b>	<b>2017</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash	\$ 1,014,762	\$ 1,210,575
Accounts receivable, net	2,822,117	2,322,879
Inventories	776,478	719,069
Prepaid expenses and other receivables	566,985	248,975
Total current assets	<b>5,180,342</b>	<b>4,501,498</b>
<b>Non-current assets</b>		
Loan Receivable	139,414	151,167
Investment in associates	116,825	160,214
Property, plant, and equipment, net	6,571,249	6,489,944
Total non-current assets	<b>6,827,488</b>	<b>6,801,325</b>
Total assets	<b>\$ 12,007,830</b>	<b>\$ 11,302,823</b>
<b>Liabilities and shareholders' equity</b>		
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 561,087	\$ 509,313
Total current liabilities	<b>561,087</b>	<b>509,313</b>
<b>Non-current liabilities</b>		
Security deposits	631,188	614,928
Total liabilities	<b>1,192,275</b>	<b>1,124,241</b>
<b>Shareholders' equity</b>		
Share capital and contributed surplus	2,794,113	2,794,113
Treasury shares	(667,936)	(638,475)
Retained earnings	8,689,378	8,022,944
Total shareholders' equity	<b>10,815,555</b>	<b>10,178,582</b>
Total liabilities and shareholders' equity	<b>\$ 12,007,830</b>	<b>\$ 11,302,823</b>

#### **Commitments and contingencies (Note 6)**

*See accompanying notes to interim condensed financial statements (unaudited).*

## Bahamas Waste Limited

### Interim Condensed Statement of Comprehensive Income (Unaudited) (Expressed in Bahamian Dollars)

	<b>Nine months Ended September 30</b>	
	<b>2018</b>	<b>2017</b>
Sales and services rendered	<b>\$ 9,416,408</b>	\$ 8,870,371
Cost of sales and direct expenses	<b>(5,888,384)</b>	(5,693,437)
Gross profit	<b>3,528,024</b>	3,176,934
<b>Expenses</b>		
Operating	<b>2,472,658</b>	2,275,811
Interest and bank charges	<b>29,609</b>	22,460
Total operating expenses	<b>2,502,267</b>	2,298,271
Net income being comprehensive income for the period	<b>\$ 1,025,757</b>	\$ 878,663
Earnings per share ( <i>Note 4</i> )	<b>\$ 0.26</b>	\$ 0.22

*See accompanying notes to interim condensed financial statements (unaudited).*

## Bahamas Waste Limited

### Interim Statement of Changes in Shareholders' Equity (Unaudited) (Expressed in Bahamian Dollars)

	<b>Number of Shares Issued</b>	<b>Share Capital</b>	<b>Contributed Surplus</b>	<b>Treasury Shares</b>	<b>Retained Earnings</b>	<b>Total</b>
Balance at December 31, 2017	4,200,000	\$ 42,000	\$ 2,752,113	\$ (638,475)	\$ 8,022,944	\$ 10,178,582
Net income being comprehensive income for the period	-	-	-	-	1,025,757	1,025,757
Purchase of treasury shares	-	-	-	(29,461)	-	(29,461)
Dividends	-	-	-	-	(359,323)	(359,323)
Balance at September 30, 2018	<b>4,200,000</b>	<b>\$ 42,000</b>	<b>\$ 2,752,113</b>	<b>\$ (667,936)</b>	<b>\$ 8,689,378</b>	<b>\$ 10,815,555</b>

	<b>Number of Shares Issued</b>	<b>Share Capital</b>	<b>Contributed Surplus</b>	<b>Treasury Shares</b>	<b>Retained Earnings</b>	<b>Total</b>
Balance at December 31, 2016	4,200,000	\$ 42,000	\$ 2,752,113	\$ (584,515)	\$ 7,801,919	\$ 10,011,517
Net income being comprehensive income for the period	-	-	-	-	878,663	878,663
Purchase of treasury shares	-	-	-	(31,961)	-	(31,961)
Dividends	-	-	-	-	(360,223)	(360,223)
Balance at September 30, 2017	<b>4,200,000</b>	<b>\$ 42,000</b>	<b>\$ 2,752,113</b>	<b>\$ (616,476)</b>	<b>\$ 8,320,359</b>	<b>\$ 10,497,996</b>

*See accompanying notes to interim condensed financial statements (unaudited)*

# Bahamas Waste Limited

## Interim Statements of Cash Flows (Unaudited) (Expressed in Bahamian Dollars)

	<b>Nine months Ended September 30</b>	
	<b>2018</b>	<b>2017</b>
<b>Operating activities</b>		
Net income being comprehensive income for the period	\$ 1,025,757	\$ 878,663
Adjustments for items not involving use of cash:		
Depreciation	916,083	987,298
Bad debt expense	101,712	69,800
Write down of obsolete inventory	10,000	-
Share in loss from investment in associates	43,388	42,157
Gain on disposal of property, plant and equipment	-	(18,737)
	2,096,940	1,959,181
Change in non-cash working capital items:		
Increase in accounts receivable	(600,950)	(177,641)
(Increase) decrease in inventories	(67,410)	66,530
Increase in prepaid expenses and other receivables	(306,256)	(213,190)
Increase in accounts payable and accrued liabilities	51,773	85,098
Increase in security deposits	16,260	31,895
Net cash flow provided by operating activities	1,190,357	1,751,873
<b>Investing activities</b>		
Purchases of property, plant and equipment	(997,386)	(1,432,529)
Proceeds from sale of property, plant and equipment	-	33,066
Net cash flow used in investing activities	(997,386)	(1,399,463)
<b>Financing activities</b>		
Purchases of treasury stock	(29,461)	(31,961)
Dividends	(359,323)	(360,223)
Net cash flow used in financing activities	(388,784)	(392,184)
Net change in cash	(195,813)	(39,774)
Cash, at beginning of the period	1,210,575	1,462,647
Cash, at end of the period	\$ 1,014,762	\$ 1,422,873

*See accompanying notes to interim condensed financial statements (unaudited).*

# Bahamas Waste Limited

## Notes to Interim Condensed Financial Statements (Unaudited) (Expressed in Bahamian Dollars)

September 30, 2018

### **1. Corporate Information**

Bahamas Waste Limited (the Company) was incorporated under the laws of the Commonwealth of The Bahamas on August 18, 1987. It is engaged in the business of solid and medical waste collection and disposal, including the sale, installation, rental, and maintenance of waste compactors and containers. The Company has publicly traded shares which are registered on the Bahamas International Stock Exchange (BISX).

The quarter ends of the Company fall on March 31, June 30, and September 30, with the year-end of the Company being December 31. The latest audited accounts of the Company were prepared as at December 31, 2017 and for the year then ended. Its reporting currency is Bahamian Dollars.

The interim condensed financial statements (unaudited) for September 30, 2018 were authorized for issue by the directors on October 30, 2018.

### **2. Summary of Significant Accounting Policies**

#### **Basis of Preparation**

These interim condensed financial statements (unaudited) for September 30, 2018 have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting.

The interim condensed financial statements (unaudited) do not include all of the information and Company's disclosures required in the annual financial statements, and should be read in conjunction with the December 31, 2017 audited financial statements.

The accounting policies adopted in the preparation of the interim condensed financial statements (unaudited) are consistent with those followed in the preparation of the Company's annual financial statements for the year ended December 31, 2017.

## Bahamas Waste Limited

### Notes to Interim Condensed Financial Statements (Unaudited) (continued) (Expressed in Bahamian Dollars)

#### 3. Earnings per Share

Earnings per share of \$0.26 (September 2017 – \$0.22) were calculated based on the shares outstanding at the end of the period, which approximated average shares outstanding during the period.

	<u>2018</u>	<u>2017</u>
Shares outstanding at end of period	<b>3,984,878</b>	3,998,578

#### 4. Related-Party Transactions and Balances

During the quarter, the Company entered into transactions with related parties. All transactions and balances were conducted at arm's length. There were no significant obligations to the related parties for the nine months ended September 30, 2018 and 2017.

#### 5. Treasury Stock

On October 24, 2015, the Board of Directors authorized the purchase of up to 10% (420,000) of the Company's outstanding common shares over the 36 month period ending October 31, 2018. During the nine months ended September 30, 2018, 7,600 common shares were repurchased (September 30, 2017: 8,948).

#### 6. Commitments and Contingencies

The Company guarantees its compactors sales for a 60-day period from the date of purchase. The Company is reimbursed by the manufacturer for any claims paid under such guarantees.