

INTERIM CONDENSED FINANCIAL STATEMENTS  
(UNAUDITED)

Bahamas Waste Limited  
Nine Months Ended September 30, 2017

Bahamas Waste Limited

Interim Condensed Financial Statements (Unaudited)

Nine Months Ended September 30, 2017

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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>2017</b>	<b>2016</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash	\$ 1,422,873	\$ 1,462,647
Accounts receivable, net	2,374,195	2,266,354
Inventories	705,483	772,013
Prepaid expenses and other receivables	392,771	168,406
Total current assets	<b>4,895,322</b>	<b>4,669,420</b>
<b>Non-current assets</b>		
Loan Receivable	154,987	166,165
Investment in associates	205,720	247,877
Property, plant, and equipment, net	6,434,374	6,003,469
Total non-current assets	<b>6,795,081</b>	<b>6,417,511</b>
Total assets	<b>\$ 11,690,403</b>	<b>\$ 11,086,931</b>
<b>Liabilities and shareholders' equity</b>		
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 565,216	\$ 480,118
Total current liabilities	<b>565,216</b>	<b>480,118</b>
<b>Non-current liabilities</b>		
Security deposits	627,191	595,296
Total liabilities	<b>1,192,407</b>	<b>1,075,414</b>
<b>Shareholders' equity</b>		
Share capital and contributed surplus	2,794,113	2,794,113
Treasury shares	(616,476)	(584,515)
Retained earnings	8,320,359	7,801,919
Total shareholders' equity	<b>10,497,996</b>	<b>10,011,517</b>
Total liabilities and shareholders' equity	<b>\$ 11,690,403</b>	<b>\$ 11,086,931</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>2017</b>	<b>2016</b>
Sales and services rendered	\$ 8,870,371	\$ 8,166,518
Cost of sales and direct expenses	<u>(5,693,437)</u>	<u>(5,405,284)</u>
Gross profit	<u>3,176,934</u>	<u>2,761,234</u>
<b>Expenses</b>		
Operating	2,275,811	2,062,229
Interest and bank charges	<u>22,460</u>	<u>20,354</u>
Total operating expenses	<u>2,298,271</u>	<u>2,082,583</u>
Net income being comprehensive income for the period	<u>\$ 878,663</u>	<u>\$ 678,651</u>
Earnings per share ( <i>Note 4</i> )	<u>\$ 0.22</u>	<u>\$ 0.18</u>

*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, 2016	4,200,000	\$ 42,000	\$ 2,752,113	\$ (584,515)	\$ 7,801,919	\$ 10,011,517
Purchase of treasury shares	-	-	-	(31,961)	-	(31,961)
Net income being comprehensive income for the period	-	-	-	-	878,663	878,663
Dividends paid					(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>
	<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, 2015	4,200,000	\$ 42,000	\$ 2,752,113	\$ (550,465)	\$ 7,708,809	\$ 9,952,457
Purchase of treasury shares	-	-	-	(16,464)	-	(16,464)
Net income being comprehensive income for the period	-	-	-	-	678,651	678,651
Dividends paid					(361,123)	(361,123)
Balance at September 30, 2016	<b>4,200,000</b>	<b>\$ 42,000</b>	<b>\$ 2,752,113</b>	<b>\$ (566,929)</b>	<b>\$ 8,026,337</b>	<b>\$ 10,253,521</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>2017</b>	<b>2016</b>
<b>Operating activities</b>		
Net income being comprehensive income for the period	\$ 878,663	\$ 678,651
Adjustments for items not involving use of cash:		
Bad debt expense	69,800	43,500
Share in loss from investment in associates	42,157	
Gain on disposal of property, plant, and equipment	(18,737)	-
Depreciation	987,298	952,536
	<b>1,959,181</b>	<b>1,674,687</b>
Change in non-cash working capital items:		
Increase in accounts receivable	(177,641)	(80,897)
Decrease (increase) in inventories	66,530	(72,354)
Increase in prepaid expenses and other receivables	(213,190)	(166,706)
Increase (decrease) in accounts payable and accrued liabilities	85,098	(182,986)
Increase in security deposits	31,895	27,631
Net cash flow provided by operating activities	<b>1,751,873</b>	<b>1,199,375</b>
<b>Investing activities</b>		
Purchases of property, plant, and equipment	(1,432,529)	(662,769)
Proceeds from sale of property, plant and equipment	33,066	-
Net cash flow used in investing activities	<b>(1,399,463)</b>	<b>(662,769)</b>
<b>Financing activities</b>		
Purchases of treasury stock	(31,961)	(16,464)
Dividends	(360,223)	(361,123)
Net cash flow used in financing activities	<b>(392,184)</b>	<b>(377,587)</b>
Net change in cash	(39,774)	159,019
Cash, at beginning of the period	1,462,647	1,279,210
Cash, at end of the period	<b>\$ 1,422,873</b>	<b>\$ 1,438,229</b>

*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, 2017

### **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, 2016, and the year then ended in its reporting currency Bahamian Dollars.

The interim condensed financial statements (unaudited) for September 30, 2017, were authorized for issue by the directors on November 1, 2017.

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

#### **Basis of Preparation**

These interim condensed financial statements (unaudited) for September 30, 2017, 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, 2016, 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, 2016.

## Bahamas Waste Limited

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

#### 3. Earnings Per Share

Earnings per share of \$0.22 (September 2016 – \$0.17) were calculated based on the shares outstanding at the end of the period, which approximated average shares outstanding during the period.

	<u>2017</u>	<u>2016</u>
Shares outstanding at end of period	<b>3,998,578</b>	4,012,478

#### 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, 2017 and 2016.

#### 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, 2017, 8,948 common shares were repurchased (September 2016: 4,700).

#### 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.