

INTERIM CONDENSED FINANCIAL STATEMENTS
(UNAUDITED)

Bahamas Waste Limited
Three Months Ended March 31, 2019

Bahamas Waste Limited

Interim Condensed Financial Statements (Unaudited)

Three Months Ended March 31, 2019

Contents

Interim Statement of Financial Position (Unaudited).....	2
Interim Condensed Financial Statements (Unaudited)	
Interim Condensed Statement of Comprehensive Income (Unaudited)	3
Interim Condensed Statement of Changes in Shareholders' Equity (Unaudited).....	4
Interim Condensed Statements of Cash Flows (Unaudited).....	5
Notes to Interim Condensed Financial Statements (Unaudited).....	6

Bahamas Waste Limited

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

	March 31	December 31
	2019	2018
Assets		
Current assets		
Cash	\$ 1,383,675	\$ 1,249,239
Accounts receivable, net	2,305,055	2,352,377
Inventories	770,918	758,133
Prepaid expenses and other receivables	894,759	533,646
Total current assets	5,354,407	4,893,395
Non-current assets		
Loan Receivable	131,333	135,398
Investment in associates	80,047	100,980
Property, plant, and equipment, net	6,604,660	6,594,331
Total non-current assets	6,816,039	6,830,709
Total assets	\$ 12,170,446	\$ 11,724,104
Liabilities and shareholders' equity		
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 623,085	\$ 583,135
Total current liabilities	623,085	583,135
Non-current liabilities		
Security deposits	684,526	653,374
Total liabilities	1,307,611	1,236,509
Shareholders' equity		
Share capital and contributed surplus	2,794,113	2,794,113
Treasury shares	(691,829)	(675,649)
Retained earnings	8,760,551	8,369,131
Total shareholders' equity	10,862,835	10,487,595
Total liabilities and shareholders' equity	\$ 12,170,446	\$ 11,724,104

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)

	Three Months Ended March 31	
	2019	2018
Sales and services rendered	\$ 3,279,079	\$ 3,056,284
Cost of sales and direct expenses	(2,011,245)	(1,919,740)
Gross profit	<u>1,267,834</u>	<u>1,136,544</u>
Expenses		
Operating	862,542	772,634
Bank charges	13,872	13,747
Total operating expenses	<u>876,414</u>	<u>786,381</u>
Net income being comprehensive income for the period	<u>\$ 391,420</u>	<u>\$ 350,163</u>
Earnings per share (Note 4)	<u>\$ 0.10</u>	<u>\$ 0.09</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)

	Number of Shares Issued	Share Capital	Contributed Surplus	Treasury Shares	Retained Earnings	Total
Balance at December 31, 2018	4,200,000	\$ 42,000	\$ 2,752,113	\$ (675,649)	\$ 8,369,131	\$ 10,487,595
Purchase of treasury shares	-	-	-	(16,180)	-	(16,180)
Net income being comprehensive income for the period	-	-	-	-	391,420	391,420
Balance at March 31, 2019	4,200,000	\$ 42,000	\$ 2,752,113	\$ (691,829)	\$ 8,760,551	\$ 10,862,835

	Number of Shares Issued	Share Capital	Contributed Surplus	Treasury Shares	Retained Earnings	Total
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	-	-	-	-	350,163	350,163
Balance at March 31, 2018	4,200,000	\$ 42,000	\$ 2,752,113	\$ (638,475)	\$ 8,373,107	\$ 10,528,745

See accompanying notes to interim condensed financial statements (unaudited)

Bahamas Waste Limited

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

	Three Months Ended	
	March 31	
	2019	2018
Operating activities		
Net income being comprehensive income for the period	\$ 391,420	\$ 350,163
Adjustments for items not involving use of cash:		
Depreciation	314,459	304,694
Bad debt expense	46,028	40,000
Share in loss from investment in associates	20,933	25,027
	<u>772,840</u>	<u>719,885</u>
Change in non-cash working capital items:		
Decrease (increase) in accounts receivable	1,294	(233,165)
Increase in inventories	(12,785)	(59,870)
Increase in prepaid expenses and other receivables	(361,113)	(340,042)
Decrease in loans receivable	4,066	3,872
Increase in accounts payable and accrued liabilities	39,950	71,390
Increase in security deposits	31,152	1,528
Net cash flow provided by operating activities	<u>475,404</u>	<u>163,597</u>
Investing activities		
Purchases of property, plant, and equipment	(324,788)	(284,149)
Net cash flow used in investing activities	<u>(324,788)</u>	<u>(284,149)</u>
Financing activities		
Purchases of treasury stock	(16,180)	-
Net cash flow used in financing activities	<u>(16,180)</u>	<u>-</u>
Net change in cash	134,436	(120,552)
Cash, at beginning of the period	1,249,239	1,210,575
Cash, at end of the period	<u>\$ 1,383,675</u>	<u>\$ 1,090,023</u>

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

Bahamas Waste Limited

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

March 31, 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, 2018, and the year then ended, in its reporting currency Bahamian Dollars.

The interim condensed financial statements (unaudited) for March 31, 2019 were authorized for issue by the directors on May 15, 2019.

2. Summary of Significant Accounting Policies

Basis of Preparation

These interim condensed financial statements (unaudited) for March 31, 2019 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, 2018, 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, 2018.

Bahamas Waste Limited

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

3. Earnings Per Share

Earnings per share of \$0.10 (March 2018 – \$0.09) 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>2018</u>
Shares outstanding at end of period	3,984,883	3,992,478

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 three months ended March 31, 2019 and 2018.

5. Treasury Stock

On October 24, 2012, the Company's Board of Directors approved a program for the repurchase of up to 10% (420,000) of its outstanding ordinary shares over the 36-month period ending October 31, 2015. The Board of Directors approved the extension of the share repurchase program on October 24, 2015, and again on October 30, 2018. The current program will run for further 36-month period ending October 31, 2021.

During the three months ended March 31, 2019, 3,000 common shares were repurchased (March 2018: none).

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.