

INTERIM CONDENSED FINANCIAL STATEMENTS
(UNAUDITED)

Bahamas Waste Limited
Six Months Ended June 30, 2019

Bahamas Waste Limited

Interim Condensed Financial Statements (Unaudited)

Six Months Ended June 30, 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)

	June 30 2018	December 31 2018
Assets		
Current assets		
Cash	\$ 1,582,669	\$ 1,249,239
Accounts receivable, net	2,168,608	2,352,377
Inventories	834,850	758,133
Prepaid expenses and other receivables	800,684	533,646
Total current assets	5,386,811	4,893,395
Non-current assets		
Loan Receivable	127,216	135,398
Investment in associates	62,857	100,980
Property, plant, and equipment, net	6,544,691	6,594,331
Total non-current assets	6,734,764	6,830,709
Total assets	\$ 12,121,575	\$ 11,724,104
Liabilities and shareholders' equity		
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 521,659	\$ 583,135
Total current liabilities	521,659	583,135
Non-current liabilities		
Security deposits	694,966	653,374
Total liabilities	1,216,625	1,236,509
Shareholders' equity		
Share capital and contributed surplus	2,794,113	2,794,113
Treasury shares	(697,234)	(675,649)
Retained earnings	8,808,071	8,369,131
Total shareholders' equity	10,904,950	10,487,595
Total liabilities and shareholders' equity	\$ 12,121,575	\$ 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)

	Six Months Ended	
	June 30	
	2019	2018
Sales and services rendered	\$ 6,483,618	\$ 6,223,059
Cost of sales and direct expenses	(3,930,399)	(3,839,789)
Gross profit	2,553,219	2,383,270
Expenses		
Operating	1,691,068	1,647,446
Interest and bank charges	25,180,	22,405
Total operating expenses	1,716,248	1,669,851
Net income being comprehensive income for the period	\$ 836,971	\$ 713,419
Earnings per share (<i>Note 4</i>)	\$ 0.21	\$ 0.18

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
Net income being comprehensive income for the period	–	–	–	–	836,971	836,971
Purchase of treasury shares	–	–	–	(21,585)	–	(21,585)
Dividends	–	–	–	–	(398,031)	(398,031)
Balance at June 30, 2019	4,200,000	\$ 42,000	\$ 2,752,113	\$ (697,234)	\$ 8,808,071	\$ 10,904,950

	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	–	–	–	–	713,419	713,419
Purchase of treasury shares	–	–	–	(20,135)	–	(20,135)
Dividends	–	–	–	–	(359,323)	(359,323)
Balance at June 30, 2018	4,200,000	\$ 42,000	\$ 2,752,113	\$ (658,610)	\$ 8,377,040	\$ 10,512,543

See accompanying notes to interim condensed financial statements (unaudited)

Bahamas Waste Limited

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

	Six Months Ended	
	June 30	
	2019	2018
Operating activities		
Net income being comprehensive income for the period	\$ 836,971	\$ 713,419
Adjustments for items not involving use of cash:		
Depreciation	630,952	605,718
Bad debt expense	76,004	85,000
Write down of obsolete inventory	-	10,000
Share in loss from investment in associates	38,123	57,942
	1,582,050	1,174,813
Change in non-cash working capital items:		
Decrease (increase) in accounts receivable	107,765	(513,022)
Increase in inventories	(76,717)	(70,690)
Increase in prepaid expenses and other receivables	(267,038)	(332,507)
Decrease in Loan receivable	8,182	7,788
(Decrease) Increase in accounts payable and accrued liabilities	(61,476)	58,502
Increase in security deposits	41,591	9,986
Net cash flow provided by operating activities	1,334,357	632,137
Investing activities		
Purchases of property, plant and equipment	(581,311)	(698,326)
Net cash flow used in investing activities	(581,311)	(698,326)
Financing activities		
Purchases of treasury stock	(21,585)	(20,135)
Dividends	(398,031)	(359,323)
Net cash flow used in financing activities	(419,616)	(379,458)
Net change in cash	333,430	(445,647)
Cash, at beginning of the period	1,249,239	1,210,575
Cash, at end of the period	\$ 1,582,669	\$ 764,928

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

Bahamas Waste Limited

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

June 30, 2019

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 for the year then ended. Its reporting currency is Bahamian Dollars.

The interim condensed financial statements (unaudited) for June 30, 2019 were authorized for issue by the directors on August 7, 2019.

2. Summary of Significant Accounting Policies

Basis of Preparation

These interim condensed financial statements (unaudited) for June 30, 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 \$0.21 (June 2018 – \$0.18) were calculated based on the shares outstanding at the end of the period, which approximated average shares outstanding during the period.

	<u>2019</u>	<u>2018</u>
Shares outstanding at end of period	3,979,305	3,986,978

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 six months ended June 30, 2019 and 2018.

5. Treasury Stock

On October 30, 2018, 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, 2021. During the six months ended June 30, 2019, 4,000 common shares were repurchased (June 30, 2018: 5,500).

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.