

INTERIM CONDENSED FINANCIAL STATEMENTS
(UNAUDITED)

Bahamas Waste Limited
Six Months Ended June 30, 2017

Bahamas Waste Limited

Interim Condensed Financial Statements (Unaudited)

Six Months Ended June 30, 2017

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Bahamas Waste Limited

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

	June 30 2017	December 31 2016
Assets		
Current assets		
Cash	\$ 1,402,447	\$ 1,462,647
Accounts receivable, net	2,103,711	2,266,354
Inventories	689,074	772,013
Prepaid expenses and other receivables	445,564	168,406
Total current assets	4,640,796	4,669,420
Non-current assets		
Loan Receivable	158,760	166,165
Investment in associates	247,877	247,877
Property, plant, and equipment, net	6,211,590	6,003,470
Total non-current assets	6,618,227	6,617,512
Total assets	\$ 11,259,023	\$ 11,086,932
Liabilities and shareholders' equity		
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 464,793	\$ 425,331
	50,756	54,787
Total current liabilities	515,549	480,118
Non-current liabilities		
Security deposits	617,448	595,296
Total liabilities	1,132,997	1,075,414
Shareholders' equity		
Share capital and contributed surplus	2,794,113	2,794,113
Treasury shares	(616,475)	(584,514)
Retained earnings	7,948,388	7,801,919
Total shareholders' equity	10,126,026	10,011,518
Total liabilities and shareholders' equity	\$ 11,259,023	\$ 11,086,932

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	June 30
	2017	2016
Sales and services rendered	\$ 5,929,860	\$ 5,270,817
Cost of sales and direct expenses	(3,911,680)	(3,479,373)
Gross profit	2,018,180	1,791,444
Expenses		
Operating	1,495,897	1,347,428
Interest and bank charges	15,591	13,173
Total operating expenses	1,511,488	1,360,601
Net income being comprehensive income for the period	\$ 506,692	\$ 430,843
Earnings per share (<i>Note 4</i>)	\$ 0.13	\$ 0.11

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, 2016	4,200,000	\$ 42,000	\$ 2,752,113	\$ (584,515)	\$ 7,801,919	\$ 10,011,517
Purchase of treasury shares	-	-	-	(31,960)	-	(31,961)
Net income being comprehensive income for the period	-	-	-	-	506,692	506,692
Dividends paid					(360,223)	(360,223)
Balance at June 30, 2017	4,200,000	\$ 42,000	\$ 2,752,113	\$ (616,475)	\$ 7,948,388	\$ 10,126,026

	Number of Shares Issued	Share Capital	Contributed Surplus	Treasury Shares	Retained Earnings	Total
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	-	-	-	-	430,843	430,843
Dividends paid					(361,123)	(361,123)
Balance at June 30, 2016	4,200,000	\$ 42,000	\$ 2,752,113	\$ (566,929)	\$ 7,778,529	\$ 10,005,713

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 2017	June 30 2016
Operating activities		
Net income being comprehensive income for the period	\$ 506,692	\$ 430,843
Adjustments for items not involving use of cash:		
Bad debt expense	24,400	43,500
Gain on disposal of property, plant, and equipment	(14,737)	-
Depreciation	658,458	633,731
	1,174,813	1,232,762
Change in non-cash working capital items:		
Decrease (increase) in accounts receivable	138,243	282,146
Decrease (increase) in inventories	82,939	(38,127)
Increase in prepaid expenses and other receivables	(277,159)	(237,231)
Increase in loan receivable	-	(173,388)
Increase (decrease) in accounts payable and accrued liabilities	35,431	(16,022)
Increase in security deposits	22,152	7,295
Net cash flow provided by operating activities	1,176,419	932,747
Investing activities		
Purchases of property, plant, and equipment	(873,642)	(374,551)
Proceeds from sale of property, plant and equipment	29,206	-
Net cash flow used in investing activities	(844,436)	(374,551)
Financing activities		
Loan receivable Bahamas Sustainable Fuels Ltd.	-	180,433
Purchases of treasury stock	(31,961)	(16,464)
Dividends	(360,223)	(361,123)
Net cash flow used in financing activities	(392,184)	(197,154)
Net change in cash	(60,200)	361,042
Cash, at beginning of the period	1,462,647	1,279,210
Cash, at end of the period	\$ 1,402,447	\$ 1,640,252

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, 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, 2014, and the year then ended in its reporting currency Bahamian Dollars.

The interim condensed financial statements (unaudited) for June 30, 2016, were authorized for issue by the directors on July 26, 2017.

2. Summary of Significant Accounting Policies

Basis of Preparation

These interim condensed financial statements (unaudited) for June 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 \$0.13 (June 2016 – \$0.11) 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/year	3,998,578	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 significant obligations to the related parties for the three months ended June 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 six months ended June 30, 2017, 8,948 common shares were repurchased (June 2016: 3,700).

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.