Annual Report 2015

BAHAMAS WASTE

MISSION STATEMENT

To provide the highest level of waste collection and related services to public and private customers nationwide by transporting, processing and disposing of waste in an environmentally responsible manner while protecting the public interest.

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Message from the Chairman

Our Company continues to set standards of excellence for the solid waste industry in The Bahamas and we continue to be leaders in providing services to many aspects of our community at large. We support so many service projects, with particular emphasis on the youth and their involvement with athletic endeavors.

From a financial perspective, our sales and cost controls resulted in an excellent level of profitability and dividends to shareholders. Staff turnover has stabilized with continued efforts to train, and promote from within. Thanks to the leadership of Rob Evans in our maintenance department, we have an excellent looking and reliable operating fleet of over sixty vehicles.

As a result of a long term agreement with 700 Islands Energy Ltd. which was approved by the board in December 2015, we can expect an improved Biodiesel product at a lower cost to our company.

We are also pleased that additional customers have been added to our cardboard recycling division. However, the continued depressed state of the worldwide commodity markets resulted in a less than profitable situation.

Lastly I must once again, mention the frequent occurrence of violent pollution emanating from the fires at the New Providence landfill. As concerned citizens we should see that this is the Main priority of the Ministry of Health. We particularly feel the effects at our business site, as do most residents of western New Providence.

Peter Andrews
Chairman

Managing Director's Report

I am pleased with our year-end results which showed respectable improvement over our 2014 performance despite the abrupt end to the Baha Mar Project during the latter part of second quarter 2015.

We had several new revenue streams, resulting in increased billings over 2014. Much of the excitement was due to the introduction of our new VIP Portable Restroom Trailer. Lower fuel prices were a direct contributor to our bottom line, substantially decreasing our Operating Expenses.

The Board of Directors also approved a 3-year extension to our Share Buy Back. A move which, hopefully, will continue to add value, along with consistent and increased dividends for our shareholders.

We continue to offer exceptional Residential Collection and most customers know who to call if they ever have a problem. We remain optimistic that The Ministry of the Environment and Department of Environmental Health (DEHS) will entrust us with more routes, as we have shown that we are willing and able.

On the Community Service front, we had an exciting Bahamas Independence Truck Celebration in July, followed by the November unveiling of Rotary International's "Rotary above Self" truck to celebrate the 2016 Rotary District Conference scheduled for May. By now many of you have seen both trucks on the streets of New Providence, and if not, you are welcome to visit our facility on Gladstone Road to check them out. We are looking forward to recognizing the Bahamas National Trust (BNT) with their very own truck wrap in 2016.

We are extremely proud of our continued support of our Nation's youth through our sustained, albeit low-key sponsorships of the National Sports Authority, BFA, National Tennis Center, as well as Freedom Farms and The Junior Baseball League of Nassau's youth baseball/softball programs.

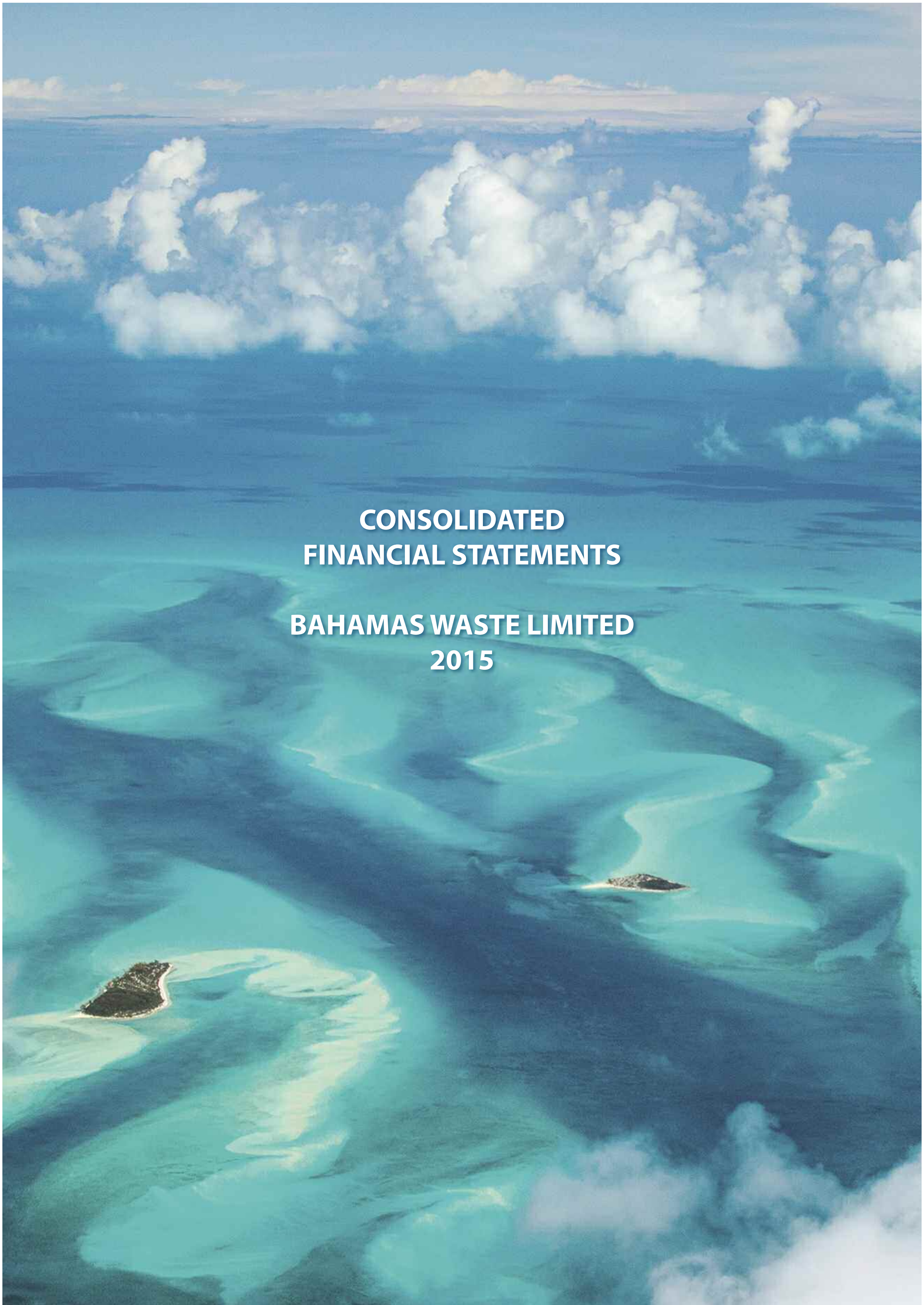
Our hardship cases, clean-ups and community services seem to be growing on a daily basis and we, as leading corporate citizens and being a Publically Traded Company, realize and understand that there are many people and groups who are less fortunate and need our help.

I would like to again give thanks to all of our customers. We know you have a choice and we appreciate the fact that you have chosen us to service your waste collection needs.

To our employees - the drivers, helpers, mechanics, service technicians, office staff, managers - our ENTIRE TEAM, who work very hard every day to get the job done, thank you!

Finally, I would like to thank our shareholders and Directors for their trust in me and the Management Team. We look forward to new and exciting challenges in the years to come.

Francisco de Cardenas
Managing Director



CONSOLIDATED FINANCIAL STATEMENTS

BAHAMAS WASTE LIMITED 2015

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Independent Auditors' Report

The Shareholders and Directors
Bahamas Waste Limited

We have audited the accompanying financial statements of Bahamas Waste Limited (the Company) which comprise the statement of financial position as at December 31, 2015, and the statement of comprehensive income, statement of changes in shareholder's equity and statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bahamas Waste Limited at December 31, 2015, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Ernst + Young

March 30, 2016

BAHAMAS WASTE LIMITED
STATEMENT OF FINANCIAL POSITION
(Expressed in Bahamian Dollars)

	December 31 2015	December 31 2014
Assets		
Current assets		
Cash *(Note 3)*	$ 1,279,210	$ 793,612
Accounts receivable, net *(Note 4)*	2,471,641	2,196,291
Inventories *(Note 5)*	700,085	739,400
Other assets *(Notes 6 and 17)*	175,064	266,547
Total current assets	**4,626,000**	**3,995,850**
Non-current assets		
Investment in associate *(Note 7)*	48,994	63,711
Intangible asset *(Note 8)*	–	25,000
Property, plant, and equipment, net *(Note 9)*	6,253,825	6,598,329
Total non-current assets	6,302,819	6,687,040
Assets Held for sale *(Note 10)*	369,598	
Total assets	**$ 11,298,417**	**$ 10,682,890**
Liabilities and shareholder's equity		
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	$ 738,958	$ 315,655
Value added tax payable	47,112	–
Total current liabilities	**786,070**	**315,655**
Non-current liabilities		
Security deposits	559,890	540,696
Total liabilities	**1,345,960**	**856,351**
Shareholders' equity		
Share capital and contributed surplus *(Note 11)*	2,794,113	2,794,113
Treasury shares *(Note 11)*	(550,465)	(367,117)
Retained earnings	7,708,809	7,399,543
Total shareholders' equity	9,952,457	9,826,539
Total liabilities and shareholders' equity	**$ 11,298,417**	**$ 10,682,890**

See accompanying notes

Commitments and contingencies *(Note 17)*

Approved By The Board:

Director

Director

BAHAMAS WASTE LIMITED
STATEMENT OF COMPREHENSIVE INCOME
(Expressed in Bahamian Dollars)

	Year ended December 31 2015	2014
Continuing operations		
Income		
Sales and services rendered	$ 10,906,942	$ 10,804,893
Less: cost of sales and direct expenses *(Note 12)*	(7,140,613)	(7,333,114)
Gross profit	**3,766,329**	**3,471,779**
Expenses		
Salaries and related expenses *(Notes 13 and 18)*	1,242,478	1,209,825
General and administrative	640,978	702,733
Repairs and maintenance	164,780	165,893
Professional fees	142,266	141,316
Business license	141,922	140,203
Directors' fees *(Note 13)*	54,000	51,500
Advertising and promotion	53,392	50,694
Registration and transfer agent fees	42,468	45,095
Bad debts *(Note 4)*	129,577	45,000
Donations	41,754	42,813
Office supplies	34,323	32,799
Interest and bank charges	23,694	17,105
Total operating expenses	**2,711,632**	2,644,976
Income from operations	1,054,697	826,803
Other income	75,124	104,729
Share in loss of associate *(Note 7)*	(14,717)	(10,214)
Total other income	60,407	94,515
Profit from Continuing Operations	**1,115,104**	**921,318**
Discontinued operations		
Loss from discontinued operations *(Note 10)*	(159,687)	(158,572)
Net income for the year, being total comprehensive income for the year	$ 955,417	$ 762,746
Earnings per share *(Note 14)*	**$ 0.24**	**$ 0.19**

See accompanying notes

BAHAMAS WASTE LIMITED

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(Expressed in Bahamian Dollars)

	Number of Shares Issued	Share Capital	Contributed Surplus	Treasury Shares	Retained Earnings	Total
Balance at December 31, 2013	4,200,000	$ 42,000	$ 2,752,113	$ (178,465)	$ 7,294,074	$ 9,909,722
Total comprehensive income	–	–	–	–	762,746	762,746
Purchase of treasury shares	–	–	–	(188,652)	–	(188,652)
Dividends *(Note 15)*	–	–	–	–	(657,277)	(657,277)
Balance at December 31, 2014	4,200,000	$ 42,000	$ 2,752,113	$ (367,117)	$ 7,399,543	$ 9,826,539
Total comprehensive income	–	–	–	–	955,417	955,417
Purchase of treasury shares	–	–	–	(183,348)	–	(183,348)
Dividends *(Note 15)*	–	–	–	–	(646,151)	(646,151)
Balance at December 31, 2014	**4,200,000**	**$ 42,000**	**$ 2,752,113**	**$ (550,465)**	**$ 7,708,809**	**$ 9,952,457**

See accompanying notes

BAHAMAS WASTE LIMITED
STATEMENT OF CASH FLOWS
(Expressed in Bahamian Dollars)

	Year ended December 31 2015	2014
Operating activities		
Net income from continuing operations	$ 1,115,104	$ 911,318
Net loss from discontinued operations	(159,687)	(158,572)
Net income being comprehensive income for the year	955,417	762,746
Adjustments for items not involving use of cash:		
Bad debts expense *(Note 4)*	129,577	45,000
Amortization of intangible assets *(Note 8)*	25,000	25,000
Depreciation *(Note 9)*	1,325,045	1,317,447
Share of loss from investment in associate *(Note 7)*	14,717	10,214
Gain on disposal of property, plant, and equipment	(17,000)	(25,000)
Change in non-cash working capital items:		
(Increase) decrease in accounts receivable	(404,927)	223,499
Decrease (increase) in inventories	3,836	(92,186)
Decrease (increase) in other assets	91,484	(76,045)
Increase (decrease) in accounts payable and accrued liabilities	470,415	(86,108)
Increase in security deposits	19,195	31,118
Net cash flow provided by operating activities	**2,612,759**	**2,135,685**
Investing activities		
Purchases of property, plant, and equipment *(Note 9)*	(1,314,662)	(914,706)
Proceeds from sale of property, plant, and equipment *(Note 9)*	17,000	25,000
Net cash flow utilized by investing activities	**(1,297,662)**	**(889,706)**
Financing activities		
Purchase of treasury shares	(183,348)	(188,652)
Dividends paid *(Note 15)*	(646,151)	(657,277)
Net cash flow utilized by financing activities	**(829,499)**	**(845,929)**
Net change in cash	485,598	400,050
Cash at beginning of the year	793,612	393,562
Cash at end of the year *(Note 3)*	**$ 1,279,210**	**$ 793,612**
Supplemental cash flow information		
Interest paid	**$ 324**	**$ 251**

See accompanying notes

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, disposal, and recycling, 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.

The registered office of the Company is located at Alexiou Knowles & Company, St. Andrews Court, Frederick Street, P. O. Box N-4805, Nassau, Bahamas. These financial statements were authorized for issuance by the Company's Board of Directors on March 30, 2016.

2. Summary of Significant Accounting Policies

Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB).

Basis of Preparation

The financial statements have been prepared on a historical cost basis. The financial statements are presented in Bahamian dollars, which is the Company's functional and presentation currency. The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates. Certain prior period amounts have been reclassified to conform to the current year's presentation.

Significant Accounting Judgments, Estimates, and Assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates, and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements:

Going Concern

The Company's management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

2. Summary of Significant Accounting Policies (continued)

Estimates and Assumptions

The key assumptions employed concerning a future event that may have a significant effect on the amounts disclosed in the financial statements are described below. Key assumptions and estimates used are based on information available when the financial statements were prepared. Existing circumstances may change for several reasons which are beyond the Company's control. Such changes are reflected as they occur.

Provisions for Accounts Receivables

The Company estimates its bad debt based on historical relationships with its customers and specifically reviews all balances that remain outstanding beyond normal credit terms and/or after relationships have been terminated. These balances are provided for in full after all attempts to collect the amounts have been exhausted and it is likely that they will not be collected.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial Recognition and Measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale investments. The classification of financial instruments at initial recognition depends on their purpose and characteristics and management's intention in acquiring them. All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss.

Purchases and sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent Measurement

At December 31, 2015, the Company's financial assets include loans and receivables. After initial measurement loans and receivables are measured as follows:

Loans and Receivables

Loans and receivables include accounts receivables. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Accounts receivable, which generally have 30-90 day terms, are recognized and carried at the original invoice amount less an allowance for impairment.

2. Summary of Significant Accounting Policies (continued)

Financial Assets (continued)

Loans and Receivables continued.

A provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are derecognized when they are assessed as uncollectible.

Receivables from affiliated companies are recognized and carried at the original invoice amount.

Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized where:

- the rights to receive cash flows from the asset have expired; or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of Financial Assets

An assessment is made at each statement of financial position date to determine whether there is objective evidence that a financial asset may be impaired. If such evidence exists, the carrying amount of the asset is reduced to its estimated recoverable amount either directly or through the use of an allowance account and the amount of the loss is included in the consolidated statement of comprehensive income.

Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include accounts payable and accrued liabilities and security deposits.

2. Summary of Significant Accounting Policies (continued)

Property, Plant, and Equipment (continued)

Subsequent Measurement

The measurement of financial liabilities depends on their classification.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, or cancelled, or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the consolidated statement of comprehensive income.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liability simultaneously. Income and expense will not be offset in the statement of comprehensive income unless required or permitted by any accounting standard or interpretation, as specifically disclosed in the accounting policies of the Company.

Impairment of Non-Financial Assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. No such impairment was recorded during the year ended December 31, 2015 (2014 – $Nil).

Cash and Short-Term Deposits

Cash in the statement of financial position comprise cash at banks and on hand. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash at banks and on hand as defined above, net of outstanding bank overdrafts.

Inventories

Inventories are values at the lower of cost and net realizable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Parts and supplies: purchase cost on a first in, first out basis

2. Summary of Significant Accounting Policies (continued)

Inventories (continued)

- Finished goods and work in progress: cost of direct materials and labor and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Other Assets

Other assets are carried at cost which is the fair value of the consideration to be received in the future.

Investment in Associate

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries.

The Company's investment in its associate is accounted for using the equity method. Under the equity method, the investment in associate is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Company's share of net assets of the associate since the acquisition date.

The statement of comprehensive income reflects the Company's share of the results of operations of the associate. Any change in Other Cumulative Income (OCI) of the investee is presented as part of the Company's OCI. In addition, when there has been a change recognized directly in the equity of the associate, the Company recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Company and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Company's share of profit or loss of an associate is shown on the face of the statement of comprehensive income outside of operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate

The financial statements of the associate are prepared as at March 31, 2015. When necessary, adjustments are made to bring the accounting policies in line with those of the Company. After application of the equity method, the Company determines whether it is necessary to recognize an additional impairment loss on its investment in its associate. At each reporting date, the Company determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, then recognizes the loss as "share of profit/loss of an associate" in the statement of comprehensive income. No impairment charges were recorded at December 31, 2015, or 2014.

2. Summary of Significant Accounting Policies (continued)

Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of such intangible assets is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic life on a straight-line basis, and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for intangible assets with finite useful lives are reviewed at least at the end of each reporting period. Changes to the expected useful life or expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate and are treated as changes in accounting estimates. Amortization expense relative to intangibles with finite useful lives is recognized in the statement of comprehensive income.

Non-Current Assets Held for Sale and Discontinued Operations

Non-current assets and operating segments whose carrying amounts will be recovered through a sale within one year from the date of the classification are classified in the statement of financial position as held for sale. These non-current assets and operating segments classified as held for sale are measured at the lower of their carrying amount which approximates fair value. Assets are classified as held for sale only when the distribution is highly probable and the asset or disposal group is available for immediate distribution in its present condition and it is unlikely that significant changes to the distribution will be made or that the decision to distribute will be withdrawn. Property, plant and equipment and intangible assets are not depreciated or amortized once classified as held for sale.

An operating segment is classified as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and is part of a plan to dispose of a separate major line of business. Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss from discontinued operations in the statement of comprehensive income. Additional disclosures are provided in Note 10. All other notes to the financial statements include amounts for continuing operations, unless otherwise mentioned.

Property, Plant, and Equipment

Property, plant, and equipment are stated at cost less accumulated depreciation and any impairment in value. Depreciation is provided on the straight-line basis from the date of acquisition over the estimated useful lives of the assets which are as follows:

Buildings	20 years
Compactors and containers	5 – 7 years
Collection vehicles	3 – 7 years
Office vehicles	3 – 7 years
Furniture and Equipment	6 years
Computer equipment	3 years
Operating equipment	5 – 10 years

2. Summary of Significant Accounting Policies (continued)

Property, Plant and Equipment (continued)

The residual values, useful lives and methods of depreciation of property, plant, and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate. Impairment losses are recognized in profit or loss in those expense categories consistent with the function of the impaired asset. No such impairment was recorded during 2015 and 2014.

Accounts Payable and Accrued Liabilities

Liabilities classified as accounts payable and accrued liabilities which are normally settled on 30-60 day terms, are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received. Payables to affiliated companies are carried at the original invoice amount.

Security Deposits

Security deposits represent amounts received as deposits from customers at the signing of a customer service contract. The deposits do not bear interest and are either returned to the customer or applied to outstanding billings when service is terminated.

Share Capital

Ordinary share capital is recognized at the fair value of the consideration received by the Company.

Treasury Shares

The Company's ordinary shares which have been repurchased and held as Treasury Shares are recognized at cost and deducted from Shareholders' Equity. No gain or loss is recognized in the statement of comprehensive income on the purchase, sale or cancellation of the Treasury Shares. Voting rights related to the Treasury Shares are nullified and no dividends are allocated to them.

Revenue and Expense Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is to be made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements, has pricing latitude and is also exposed to inventory and credit risks.

Taxes

There are no income taxes imposed on the Company in the Commonwealth of The Bahamas; however, a Value Added Tax (VAT) of 7.5% is billed on all services rendered and paid on all goods and services consumed. The difference between amounts billed and paid in connection with VAT is reflected in the statement of financial position as Value-added tax payable. Such amount is payable monthly in accordance with the company's filing requirements. The Company is also required to pay a business license fee of 1.25% of total turnover.

2. Summary of Significant Accounting Policies (continued)

Related Parties

Related parties include companies under the control of the major shareholders of the Company. All balances and transactions with related parties have been disclosed in the financial statements and are stated at cost.

Changes in Accounting Policies and Disclosures Adoption of New and Revised International Financial Reporting Standards

The accounting policies adopted are consistent with those used in the previous financial year. Amendments to certain International Accounting Standards (IAS) issued by the International Accounting Standards Board (IASB) and International Financial Reporting Standards (IFRS) issued by the International Financial Reporting Interpretations Committee (IFRIC) are relevant to the Company. Amendments to the following standards did not have any impact on the accounting policies, financial position or performance of the Company:

- Amendment to IAS 32 – *Offsetting Financial Assets and Financial Liabilities*
- Amendment to IAS – 36 –*Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets*
- Amendment to IAS 39 – *Novation of Derivatives and Continuation of Hedge Accounting*
- Amendments to IFRS 10, IFRS 12 and IAS 27 – *Investment Entities*
- *Annual Improvements 2010-2012 Cycle*
- *Annual Improvements 2011-2013 Cycle*

New Standards, Interpretations and Amendments to Published Standards Relevant to the Company That are Not Yet Effective

Certain new standards, interpretations and amendments to existing standards have been published that are mandatory for the Company's accounting but which the Company has not early adopted are as follows:

Effective for annual periods beginning on or after January 1, 2016:

IFRS 9 *Financial Instruments*

In July 2014, the IASB issued the final version of IFRS 9 *Financial Instruments* that replaces IAS 39 *Financial Instruments: Recognition and Measurement,* and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

IFRS 15 *Revenue From Contracts With Customers*

IFRS 15 was issued in May 2014 and establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under IFRS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after January 1, 2018, when the IASB finalizes their amendments to defer the effective date of IFRS 15 by one year. Early adoption is permitted.

2. Summary of Significant Accounting Policies (continued)

Amendments to IFRS 11: *Joint Arrangements: Accounting for Acquisitions of Interests*

The amendments to IFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business, must apply the relevant IFRS 3 principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to IFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party. The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation and are prospectively effective for annual periods beginning on or after January 1, 2016, with early adoption permitted.

Amendments to IAS 16 and IAS 38: *Clarification of Acceptable Methods of Depreciation and Amortization*

The amendments clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortize intangible assets. The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted.

Amendments to IAS 27: *Equity Method in Separate Financial Statements*

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying IFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively. For first-time adopters of IFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to IFRS. The amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted.

Amendments to IFRS 10 and IAS 28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognized in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture. These amendments must be applied prospectively and are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments are not expected to have any impact on the Company.

(Expressed in Bahamian Dollars)

2. Summary of Significant Accounting Policies (continued)

Annual Improvements *2012-2014 Cycle*

These improvements are effective for annual periods beginning on or after 1 January 2016. They include:

- IFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations*
- IFRS 7 – *Financial Instruments: Disclosures*
- IAS 19 – *Employee Benefits*
- IAS 34 – *Interim Financial Reporting*
- Amendments to IAS 1 - *Disclosure Initiative*
- Amendments to IFRS 10, IFRS 12 and IAS 28 – *Investment Entities: Applying the Consolidation Exception*

The Company is currently assessing the impact of the new and revised standards and the impact on the results of its operations from the implementation of these new standards when they become effective.

3. Cash

For the purpose of the statement of cash flows, cash comprises the cash on hand and at the bank at the date of the statement of financial position.

The Company has an agreement with the RBC Royal Bank (Bahamas) Limited for an overdraft facility of $300,000. The facility is unsecured and bears interest at a rate of Nassau Prime interest rate +3.00% (2015 and 2014 – 7.75%). The Company also maintains an overdraft facility at CIBC FirstCaribbean International Bank (Bahamas) Limited of $100,000. The facility is unsecured and bears interest at a rate of Nassau Prime interest rate +3.00% (2015 and 2014 – 7.75%). At December 31, 2015, the Company had $400,000 (2014 – $400,000) of undrawn funds available from its approved overdraft facilities.

The Company also has an unsecured Corporate VISA facility from RBC Royal Bank (Bahamas) Limited with a limit of $50,000. As of December 31, 2015, none of this amount was used (2014 – $28,722).

4. Accounts Receivable, Net

Accounts receivable consists of the following:

	2015	2014
Receivables from related parties	$ 35,350	$ 45,743
Trade receivables	2,951,291	2,536,375
	2,986,641	**2,582,118**
Less: provision for doubtful accounts	(515,000)	(385,827)
	$ 2,471,641	**$ 2,196,291**

(Expressed in Bahamian Dollars)

4. Accounts Receivable, Net (continued)

For terms and conditions relating to receivables from related parties, refer to Note13.

Accounts receivable are non-interest bearing and are generally on terms of 30 to 90 days.

As at December 31, 2015, accounts receivable with a nominal value of $129,577 (2014 – $45,000) were impaired and fully provided for. No accounts were written off in 2015 (2014 – $Nil), and movements in the provision for impairment do not include any restored balances (2014 – $Nil).

The aging analysis of trade receivables as at December 31, 2015, follows:

		Neither Past Due Nor Impaired	Past Due But Not Impaired		
	Total		**30 Days**	**60 Days**	**90 Days or More**
2015	**2,471,641**	**886,263**	**673,170**	**299,822**	**612,386**
2014	2,196,291	907,428	553,048	348,353	387,462

5. Inventories

	2015	2014
Raw materials (at cost)	$ –	$ 19,547
Work in progress (at cost)	–	28,034
Finished goods (at lower of cost or net realizable value)	–	7,728
Spare parts and supplies (at cost)	700,085	684,091
Ending balance	**$ 700,085**	**$ 739,400**

6. Other Assets

	2015	2014
Prepaid expenses and other receivables	$ 120,313	$ 140,308
Deposits *(Note 17)*	–	75,000
Employee Advances	41,851	38,339
Security deposits	12,900	12,900
Ending balance	**$ 175,064**	**$ 266,547**

Employee advances are carried at cost which is the fair value of consideration to be received in the future. The amounts are interest free and are repaid via salary deductions.

(Expressed in Bahamian Dollars)

7. Investment in Associate

The Company holds a 19% interest in the shares of Green Systems Ltd., a Company incorporated under the laws of the Commonwealth of The Bahamas and engaged in the business of green waste recycling for the manufacture of mulch, compost, and soil. The Company's interest in Green Systems Ltd. is accounted for using the equity method. During 2015 and 2014, the Company made no additional investment in the Associate.

	2015	2014
Beginning balance	$ 63,711	$ 73,925
Share in loss of associate	(14,717)	(10,214)
Ending balance	**$ 48,944**	**$ 63,711**

8. Intangible Asset

On March 31, 2010, the Company entered into an agreement to acquire the Rear Load Commercial Garbage business from WasteNot Limited effective May 1, 2010. The total purchase price was $400,000, with the last installment payment being made on September 30, 2010.

The fair value of the identifiable assets of WasteNot Limited and the intangible asset derived from the existing customer accounts of WasteNot Limited that were transferred to the Company as at the date of acquisition were as follows:

Equipment	$ 275,000
Intangible asset	125,000
Purchase price of acquisition	$ 400,000

The intangible asset relative to the WasteNot customer accounts had been determined to have a finite useful life, and was amortized over a five-year period. The Company performed annual impairment tests and considers the revenue streams specifically generated by this book of business and the book value of the goodwill, among other factors, in determining indicators of impairment. As at December 31, 2015, the intangible asset had been amortized in full (2014 Net Book Value: $25,000).

(Expressed in Bahamian Dollars)

9. Property, Plant, and Equipment

The movement of property, plant, and equipment for the year ended December 31, 2015, was as follows:

	Opening Balance	Additions	Disposals	Ending Balance
Cost				
Land	$ 986,508	$ –	$ –	$ 986,508
Buildings	4,353,134	55,162	–	4,408,296
Compactors and containers	8,708,810	565,170	(140,150)	9,133,830
Collection vehicles	7,880,490	583,715	(663,214)	7,800,991
Office vehicles	127,731	–	–	127,731
Furniture and equipment	496,238	40,316	–	536,554
Computer equipment	278,993	26,210	–	305,203
Operating equipment	566,109	39,330	–	605,439
Assets Held for sale	740,605	4,759	–	745,364
	24,138,618	1,314,662	(803,364)	24,649,916
Depreciation				
Land	–	–	–	–
Buildings	2,148,249	237,676	–	2,385,925
Compactors and containers	7,562,006	450,439	(140,150)	7,872,295
Collection vehicles	6,223,741	436,021	(663,214)	5,996,548
Office vehicles	140,873	14,972	–	155,845
Furniture and equipment	349,317	63,145	–	412,462
Computer equipment	255,149	11,802	–	266,951
Operating equipment	539,246	21,453	–	560,699
Assets Held for Sale	321,708	89,537	–	411,245
	17,540,289	1,325,045	(803,364)	18,061,970
2015 book value	**$ 6,598,329**	**$ (10,383)**	**$ –**	**$ 6,587,946**

The movement of property, plant, and equipment for the year ended December 31, 2014, was as follows:

	Opening Balance	Additions	Disposals	Ending Balance
Cost				
Land	$ 986,508	$ –	$ –	$ 986,508
Buildings	4,307,890	45,244	–	4,353,134
Compactors and containers	8,423,794	285,016	–	8,708,810
Collection vehicles	7,956,924	481,070	(493,180)	7,944,814
Office vehicles	127,731	–	–	127,731
Furniture and equipment	478,378	27,325	–	505,703
Computer equipment	287,604	13,799	(22,410)	278,993
Operating equipment	1,170,673	62,252	–	1,232,925
	23,739,502	914,706	(515,590)	24,138,618
Depreciation				
Land	–	–	–	–
Buildings	1,912,443	235,806	–	2,148,249
Compactors and containers	7,113,449	448,557	–	7,562,006
Collection vehicles	6,388,722	378,586	(493,180)	6,274,128
Office vehicles	123,997	16,876	–	140,873
Furniture and equipment	296,802	61,980	–	358,782
Computer equipment	252,274	25,285	(22,410)	255,149
Operating equipment	650,745	150,357	–	801,102
	16,738,432	1,317,447	(515,590)	17,540,289
2014 book value	$ 7,001,070	$ (402,741)	$ –	$ 6,598,329

(Expressed in Bahamian Dollars)

9. Property, Plant, and Equipment (continued)

Depreciation expense is allocated to cost of sales and direct expenses (Note 12) in the amount of $999,082 (2014 – $981,012) and general and administrative expenses in the amount of $236,427 (2014 – $248,778), and to Assets held for sale (Note 10) in the amount of $89,536 (2014 - $87,657). Fully depreciated property and equipment that are still being used by the Company as of December 31, 2015, amounted to $10,952,170 (2014 – $10,750,290).

10. Assets Held for Sale and discontinued operations

On December15, 2015, the Board of Directors approved the transfer of the equipment and vehicles used in the WVO Recycling Division to Bahamas Sustainable Fuels, Ltd. The transfer was completed on January 7, 2016 and the Company owns a 49% non-controlling interest in Bahamas Sustainable Fuels, Ltd. As at December 31, 2015, the equipment and vehicles were classified as held for sale and as discontinued operations, and the division is no longer presented in the segment note.

The results of operations of the WVO Recycling Division are as follow:

	2015	2014
Inter-segment revenue	$ 356,163	$ 347,420
Repairs and maintenance	(342,418)	(333,718)
Salaries and related benefits	(83,895)	(84,617)
Depreciation expense	(89,537)	(87,657)
Loss on discontinued operations	**(159,687)**	**$ (158,572)**

The assets classified as held for sale are comprised of the following:

Equipment	$ 328,288
Inventories	35,479
Vehicles	5,781
Assets held for sale	$ 369,548

11. Share Capital

	2015	2014
Authorized: 10,000,000 ordinary shares of $0.01 (2014 – 10,000,000 shares of $0.01 each)	**100,000**	100,000
Issued and fully paid: 4,200,000 ordinary shares (2014 – 4,200,000 shares)	**42,000**	42,000

(Expressed in Bahamian Dollars)

11. Share Capital (continued)

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. As at the date of the statement of financial position, the Company had repurchased 182,822 (2014 – 125,772) ordinary shares for a total of $550,465. The repurchased shares are held in Treasury and cannot be released without the consent of the Board.

On October 24, 2015, the Board of Directors approved the extension of the share repurchase program for a further 36-month period ending October 31, 2018.

At December 31, share capital and contributed surplus was comprised of the following:

	2015	2014
Share capital	$ 42,000	$ 42,000
Contributed surplus	2,752,113	2,752,113
Treasury shares	(550,465)	(367,117)
	$ 2,243,648	**$ 2,426,996**

12. Cost of Sales and Direct Expenses

Cost of sales and direct expenses comprise the following:

	2015	2014
Salaries and related expenses	$ 3,241,150	$ 3,189,471
Repairs and maintenance	1,709,287	1,829,558
Depreciation expense *(Note 9)*	999,082	981,011
Fuel	922,063	1,064,719
Landfill fees	196,941	170,477
Other	72,090	97,878
	$ 7,140,613	**$ 7,333,114**

13. Related-Party Balances and Transactions

The following is a summary of the balances at December 31, 2015 and 2014, and the transactions during the year then ended with related parties:

(Expressed in Bahamian Dollars)

13. Related-Party Balances and Transactions (continued)

	2015	2014
Accounts receivable	$ 35,350	$ 45,743
Additions to property, plant, and equipment	$ 9,274	$ 3,311
Accounts payable and accrued liabilities	$ 600	$ 600
Sales and services rendered	$ 91,851	$ 139,912
Repairs and maintenance – cost of sales	$ –	$ 2,196
Chairman's compensation	$ 58,758	$ 58,479

Compensation of key management personnel of the Company

	2015	2014
Short-term employee benefits	$ 768,290	$ 755,631
Defined contribution pension and medical insurance expense	107,464	114,249
Total compensation paid to key management personnel	**$ 875,754**	**$ 869,880**

Pursuant to an approval from the Board of Directors, the Chairman of the Board also provides consulting services to the Company. Amounts paid relative to this agreement for the year ended December 31, 2015, include fees of $48,360 (2014 – $48,360) and incidental of $10,396 (2014 – $10,119), inclusive of telephone and medical insurance expenses. These fees are included in professional fees, salaries and related expenses, and general and administrative expenses. The Chairman of the Board is also a major shareholder of the Company. The other non-executive directors were paid directors fees of $54,000 (2014 – $51,500) for services rendered and do not receive any other types of benefits from the Company.

14. Earnings Per Share

Basic earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

	2015	2014
Net income attributable to ordinary shares	$ 955,417	$ 762,746
Weighted average number of ordinary shares outstanding	4,080,973	4,100,508
Earnings per share	**$ 0.24**	**$ 0.19**

Earnings per share of $0.24 is comprised of net income per share from continuing operations of $0.28 and net loss per share from discontinued operations of $0.04 (2014: $0.23 and $0.04, respectively).

There were no dilutive securities outstanding during the 2015 and 2014.

(Expressed in Bahamian Dollars)

15. Dividends

Dividends are declared at the discretion of the Board of Directors. A dividend payout ratio of 50% – 70% of net income is used as a basis for declared amounts, subject to the capital requirements and liquidity of the Company. During 2015, dividends totaling $646,151 (2014 – $657,277) were declared by the Board of Directors and paid on May 19, 2015, ($0.05 per share) and November 11, 2015 ($0.11 per share).

16. Segment Information

For management purposes, operating divisions are grouped into four reportable segments as follows, based on the general nature of services:

- Collections include all solid and wet waste collection, treatment, and disposal, including roll-on/roll-off and rear load collections, medical waste collections, and portable toilet services.
- OCC Recycling collects and bales various paper products for export.
- Corporate Administration provides oversight and administrative support to all divisions.

Management monitors the operating results of its various divisions for the purpose of performance assessment, particularly with respect to the start-up and growth of its new recycling ventures. Administrative overheads are managed on a group basis and are, therefore, viewed separately and are not allocated to operating segments. The cost of the biodiesel is allocated to the various operating divisions based on the quantity dispensed to each division and the average market prices of premium diesel.

December 31, 2015	Collections	WVO Recycling	OCC Recycling	Corporate Administration	Total
Revenue					
External customers	$ 10,832,413	$ –	$ 74,529	$ 60,407	$ 10,967,348
Inter-segment revenue (expense)	–	–	–	–	–
Total revenue	$ 10,832,413	$ –	$ 74,529	$ 60,407	$ 10,967,348
Segment profit	$ 3,949,682	$ –	$ (183,357)	$ (2,651,221)	$ 1,115,104
Operating assets	$ 7,221,727	$ –	$ 464,969	$ 3,242,123	$ 10,928,819
Operating liabilities	$ 947,742	$ –	$ –	$ 398,218	$ 1,345,960
Other segment information					
Depreciation and amortization	$ 928,455	$ –	$ 66,864	$ 236,427	$ 1,231,746
Salaries and related expenses	$ 3,112,764	$ –	$ 128,390	$ 1,242,478	$ 4,483,632
Repairs and maintenance and fuel	$ 2,841,512	$ –	$ 62,632	$ 1,232,724	$ 4,136,868

(Expressed in Bahamian Dollars)

16. Segment Information (continued)

		Collections		WVO Recycling		OCC Recycling		Corporate Administration		Total
December 31, 2014										
Revenue										
External customers	$	10,710,835	$	–	$	94,058	$	94,515	$	10,899,408
Inter-segment revenue (expense)		(366,005)		376,182		(10,177)		–		–
Total revenue	$	10,344,830	$	–	$	83,881	$	94,515	$	10,899,408
Segment profit	$	3,641,683	$	–	$	(170,353)	$	(2,550,012)	$	921,318
Operating assets	$	6,755,410	$	862,479	$	515,581	$	2,549,420	$	10,682,890
Operating liabilities	$	643,243	$	–	$	–	$	213,108	$	856,351
Other segment information										
Depreciation and amortization	$	883,160	$	–	$	94,089	$	248,778	$	1,226,027
Salaries and related expenses	$	3,066,270	$	–	$	123,206	$	1,044,591	$	4,234,066
Repairs and maintenance and fuel	$	3,119,722	$	–	$	47,116	$	1,351,158	$	4,517,996

17. Commitments and Contingencies

The Company guarantees all compactors sold for a 60-day period from the date of sale. Any claims pursuant to these guarantees are reimbursable by the manufacturer.

As at December 31, 2014, the Company had entered into a contract valued at $167,250 for the purchase of collection vehicles. A cash deposit of $75,000 was made against this contract and the amount is included in Other Assets in the Statement of Financial Position. The purchase was completed in 2015.

18. Employee Pension Plan

The Company began a defined contribution pension plan on July 1, 2004. The manager of the plan is Colina Financial Advisors Ltd. The Company matches up to 5% of the contributions of the participants of the plan. Contributions to the plan for 2015 amounted to $160,188 (2014 – $143,451). Participants are entitled upon termination, retirement, disability, or death, to redeem their portion of the plan's assets, and are entitled to a portion of the Company's contributions after participation in the plan for a minimum of 5 years, with complete vesting after 10 years of participation.

19. Financial Risk Management

General

Risk is inherent in the Company's activities but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits, and other controls. The process of risk management is critical to the Company's ongoing profitability and each individual within the Company is accountable for the risk exposures related to their responsibilities. The Company is exposed to credit risk, liquidity risk, interest rate risk, and market risk. The Company is also subject to general operating risk.

The risk control process does not include business risks such as changes in the environment, technology, and industry. These risks are managed through the Company's strategic management processes.

Risk Management Structure

The Board of Directors is ultimately responsible for identifying and controlling risk. The Company does not have a significant amount of financial risk due to its operations and as such, separate committees on the Board of Directors are not considered necessary. The Company does not have any trading positions.

Risk Measurement and Reporting Systems

The Company's risks are measured using a method which reflects both expected and unexpected losses. The risk measurements are based on historical experiences. Based on historical experience there are no significant risks of loss from credit risks, liquidity risks, interest rate risks, or market risks.

Risk Concentrations and Credit Risk

The Company does not have any significant concentrations of general risk or credit risk as the majority of its customers do not have business with the Company that is material to its operations; however, the top five of the Company's customers contributed to 20% (2014 – 16%) of the Company's outstanding accounts receivable and 32% (2014 – 30%) of the Company's annual sales and services rendered. The Company has experienced credit losses which are in line with management's expectations and are reasonable as its customers are primarily small businesses.

Liquidity Risk

Liquidity risk is the risk that the Company will be unable to meet its net funding requirements. This risk is mitigated due to management's ability to temporarily borrow funds from its bankers and the monitoring of cash flow needs by management on a daily basis.

19. Financial Risk Management (continued)

Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect the value of the financial instruments. The Company's exposure to interest rate risk relates primarily to the overdraft facility.

Interest rate risk on the Company's overdraft facilities is not material.

Net Fair Value of Financial Instruments and Market Risk

Financial instruments utilized by the Company include recorded assets and liabilities. The Company's financial instruments are either short-term in nature or have interest rates that automatically reset to market on a periodic basis. Where financial assets and liabilities have fixed rates, those rates approximate market interest rates in its operating environment. Accordingly, the estimated fair value is not significantly different from the carrying value for each major category of the Company's recorded assets and liabilities.

20. Capital Management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions.

To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders, or issue new shares. No changes were made in the objectives, policies, or processes during the years ended December 31, 2015 and 2014.

The Company monitors capital uses ratios which compare income, assets, and liabilities to capital. The Company does not have any statutory or regulatory capital requirements and as such, management adjusts capital levels as required for the Company's future development plans and returns the remainder of its capital to its shareholders.

21. Subsequent Events

On January 7, 2016, the Company completed the transfer all of its operating equipment and vehicles relative to its waste vegetable oil recycling operations to a new entity, Bahamas Sustainable Fuels Limited and entered into an operating lease with Bahamas Sustainable Fuels Limited over the building which previously housed the Company's waste vegetable oil recycling operations.

21. Subsequent Events (continued)

Additionally, the company sold 51% of its interest in these assets to 700 Islands Energy Limited, a Bahamian Company, for the sum of $180,433.03. The purchase is financed through a 10 year loan facility with interest of 5% per annum and monthly payments of $1,914.00. Consequently, the Company will own a 49% non-controlling interest in Bahamas Sustainable Fuels, Ltd. The Company continues to assess the nature of this transaction.

There were no other significant events occurring after the reporting period that require adjustment to or disclosure in the financial statements.

BAHAMAS WASTE LIMITED

NOTES