TAYLOR INDUSTRIES LIMITED

Financial Statements For The Year Ended April 30, 2016, And Independent Practitioners' Review Report

Deloitte.

TAYLOR INDUSTRIES LIMITED

TABLE OF CONTENTS

Deloitte.

Deloitte & Touche
Chartered Accountants
and Management Consultants
2nd Terrace, Centreville
P.O. Box N-7120
Nassau, Bahamas

Tel: + 1 (242) 302-4800
Fax: + 1 (242) 322-3101
http://www.deloitte.com/bahamas

INDEPENDENT PRACTITIONERS' REVIEW REPORT

To the Shareholders of
Taylor Industries Limited:

We have reviewed the accompanying financial statements of Taylor Industries Limited, which comprise the statement of financial position as at April 30, 2016, and related statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with *International Financial Reporting Standards for Small and Medium-sized Entities ("IFRS for SMEs")*, 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.

Practitioners' responsibility

Our responsibility is to express a conclusion on the accompanying financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Historical Financial Statements. ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

Basis for qualified opinion

The Company has not disclosed related party balances and transactions other than intercompany balances and transactions in accordance with IFRS for SME Section 33 "Related Party Disclosures."

Practitioners' qualified opinion

Based on our review, except for the matter disclosed in the preceding paragraph, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of Taylor Industries Limited as at April 30, 2016, and its financial performance and cash flows for the year then ended, in accordance with IFRS for SMEs.

Deloitte & Touche

October 25, 2016

TAYLOR INDUSTRIES LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT APRIL 30, 2016
(Expressed in Bahamian dollars)
(Unaudited)

	2016	2015
ASSETS		
CURRENT ASSETS:		
Cash	$ 45,763	$ 52,701
Accounts receivable (Note 5)	297,965	846,424
Inventory (Note 6)	875,893	961,898
Deposits and prepayments	3,288	45,656
Total current assets	1,222,909	1,906,679
FIXED ASSETS (Note 8)	74,390	92,123
ADVANCES TO RELATED PARTIES (Note 7)	69,347	69,347
TOTAL	$ 1,366,646	$ 2,068,149
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Bank overdraft (Note 9)	$ 43,656	$ -
Accounts payable and accrued liabilities (Note 10)	396,010	392,761
Total current liabilities	439,666	392,761
EQUITY:		
Share capital		
Authorized, issued and fully paid:		
3,400 shares of $2.86 each	9,724	9,724
Contributed capital	43,026	43,026
Retained earnings	874,230	1,622,638
Total equity	926,980	1,675,388
TOTAL	$ 1,366,646	$ 2,068,149

See notes to unaudited financial statements.

These financial statements were approved on behalf of the Board of Directors on September 28, 2016 and are signed on its behalf by:

Director

Director

TAYLOR INDUSTRIES LIMITED

STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED APRIL 30, 2016
(Expressed in Bahamian dollars)
(Unaudited)

	2016	2015
NET SALES	$ 3,687,348	$ 4,466,495
COST OF SALES	2,528,552	2,731,026
Gross profit	1,158,796	1,735,469
OTHER INCOME	45,170	46,180
	1,203,966	1,781,649
OPERATING EXPENSES:		
Staff and related benefits (Note 11)	1,405,047	1,346,679
Administrative costs	521,743	605,625
Depreciation (Note 8)	25,584	37,822
Total operating expenses	1,952,374	1,990,126
NET AND COMPREHENSIVE LOSS	$ (748,408)	$ (208,477)

See notes to unaudited financial statements.

TAYLOR INDUSTRIES LIMITED

STATEMENT OF CHANGES IN EQUITY
YEAR ENDED APRIL 30, 2016
(Expressed in Bahamian dollars)
(Unaudited)

	Share Capital	Contributed Capital	Retained Earnings	Total
Balance at April 25, 2014	$ 9,724	$ 43,026	$ 1,831,115	$ 1,883,865
Comprehensive loss	-	-	(208,477)	(208,477)
Balance at April 25, 2015	9,724	43,026	1,622,638	1,675,388
Comprehensive loss	-	-	(748,408)	(748,408)
Balance at April 30, 2016	$ 9,724	$ 43,026	$ 874,230	$ 926,980

See notes to unaudited financial statements.

TAYLOR INDUSTRIES LIMITED

STATEMENT OF CASH FLOWS
YEAR ENDED APRIL 30, 2016
(Expressed in Bahamian dollars)
(Unaudited)

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (748,408)	$ (208,477)
Adjustments for:		
Depreciation (Note 8)	25,584	37,822
Cash flow before working capital changes	(722,824)	(170,655)
Decrease (increase) in accounts receivable	548,459	(153,048)
Decrease in inventory	86,005	124,419
(Decrease) increase in deposits and prepayments	42,368	(13,367)
Increase in accounts payable and accrued liabilities	3,249	162,070
Net cash used in operating activities	(42,743)	(50,581)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of fixed assets (Note 8)	(7,851)	-
Net cash used in investing activities	(7,851)	-
NET DECREASE IN CASH	(50,594)	(50,581)
CASH, BEGINNING OF YEAR	52,701	103,282
CASH, END OF YEAR	$ 2,107	$ 52,701
CASH AND CASH EQUIVALENTS IS REPRESENTED BY:		
Cash	$ 45,763	$ 52,701
Bank overdraft	(43,656)	-
	$ 2,107	$ 52,701

See notes to unaudited financial statements.

1. GENERAL

Taylor Industries Limited (the "Company") is incorporated in the Commonwealth of The Bahamas and its principal activities are electrical contracting and the wholesaling and retailing of electrical appliances.

The registered office of the Company is 111 Shirley Street, Nassau, Bahamas.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

These financial statements have been prepared in accordance with *International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs)* issued by the International Accounting Standard Board.

3. SIGNIFICANT ACCOUNTING POLICIES

a. ***Accounts receivable*** - Trade receivables are stated net of provision for doubtful accounts. The provision for doubtful accounts is based on management's evaluation of the accounts receivable portfolio.

b. ***Inventory*** - Inventory is stated at the lower of cost, which has been determined on a weighted average basis, and net realizable value. Net realizable value represents the estimated selling price less all estimated costs of completion and costs incurred in marketing, selling and distribution. Provision for obsolescence is based on management's evaluation after review of the inventory schedule.

c. ***Fixed assets*** - Fixed assets are stated at cost less accumulated depreciation. Depreciation on fixed assets is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings improvements	3-10 years
Office furniture and computers	2-4 years
Tools and equipment	2-4 years
Motor vehicles	4 years

d. ***Revenue*** - Contract revenue is recognized on the percentage-of-completion method in the ratio that cost incurred bears to estimated cost at completion. Contract revenue, related cost and gross profit on uncompleted contracts are included in the statement of comprehensive income in the year in which they occur. When the estimate indicates a loss, such loss is provided for currently in its entirety. All other revenue is recorded on the basis of date of sale of products or performance of services.

e. ***Service charges*** - Service charges at the rate of 1.5% per calendar month are applied to all normal credit accounts over 60 days old.

f. ***Impairment of non-financial assets other than inventories*** - Assets that are subject to depreciation or amortization are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or cash generating unit's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

g. ***Foreign currency transactions*** - Foreign currency transactions during the year have been converted to Bahamian dollars at the rates of exchange prevailing at the date of each transaction. Liabilities in foreign currencies have been translated into Bahamian dollars at the appropriate rates of exchange prevailing at April 30, 2016.

h. ***Related parties***- Related parties are defined as follows:

i. Controlling shareholders;
ii. Subsidiaries and fellow subsidiaries;
iii. Associates;
iv. Individuals owning, directly or indirectly, an interest in the voting power that gives them significant influence over the enterprise, i.e. normally more than 20% of shares (including close members of the families of such individuals);
v. Key management personnel - persons who have authority for planning, directing and controlling the enterprise (including close members of the family of such individuals);
vi. Enterprises owned by the individuals described in (iv) and (v).

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in conformity with IFRS for SMEs requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates.

Provision for doubtful accounts - As described in Note 3, provision for doubtful accounts is based on management's evaluation of the respective portfolio. The evaluation is based on the aged analysis of the accounts receivable portfolios.

Carrying value of fixed assets - The carrying value of fixed assets held and used by the Company are reviewed for potential impairment whenever events or changes in circumstances indicate that the carrying amount of a particular asset may not be fully recoverable as described in Note 3. The Company has reviewed its fixed assets for potential impairment and no impairment losses were identified as at April 30, 2016. In addition, the carrying values of the fixed assets are also determined using the estimated useful lives of the related assets as described in Note 3.

Percentage-of-completion on contract revenues - As described in Note 3, contract revenue is recognized on the percentage of completion method on the ratio that cost incurred bears to estimated cost at completion. This requires management to estimate the cost to complete on contracts.

5. ACCOUNTS RECEIVABLE

Accounts receivable consist of the following:

	2016	2015
Trade receivables	$ 613,445	$ 1,147,293
Unbilled work in progress	168,516	197,105
Less: Provision for doubtful accounts	(483,996)	(497,974)
	$ 297,965	$ 846,424

The movement in provision for doubtful accounts for the year is as follows:

Balance at beginning of year	$ 497,974	$ 417,176
Bad debts (recovery)	-	80,798
Amounts written off	(13,978)	-
Balance at end of year	$ 483,996	$ 497,974

(Continued)

The ageing of past due receivables are as follows:

	2016	2015
31 to 60 days	$ 124,954	$ 380,016
61 to 90 days	27,494	93,680
Over 90 days	461,711	735,566
	$ 614,159	$ 1,209,262

(Concluded)

6. INVENTORY

Inventory consists of the following:

	2016	2015
Electrical	$ 565,013	$ 661,095
Appliances	280,484	219,127
Parts	110,086	128,384
	955,583	1,008,606
Provision for obsolete inventory	(79,690)	(46,708)
	$ 875,893	$ 961,898

The movement in provision for obsolete inventory for the year is as follows:

Balance at beginning of year	$ 46,708	$ 64,495
Increase in provision	32,982	-
Inventory written off	-	(17,787)
Balance at end of year	$ 79,690	$ 46,708

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consist of the following:

	2016	2015
Accounts payable	$ 164,705	$ 106,939
Credit balances - accounts receivable	113,179	93,299
Other	77,947	61,724
Value added tax payable	25,179	106,418
Accruals	15,000	24,381
	$ 396,010	$ 392,761

11. STAFF AND RELATED BENEFITS

Included in staff and related benefits for the year is pension expense of $55,228 (2015: $22,345). The Company established a defined contribution pension plan for all employees employed for a minimum of 5 years. The Company and employees contribute up to 5% of employees' base compensation to the plan.

12. CONTINGENT LIABILITY

The Company is contingently liable for a customs bond guarantee of $50,000 (2015: $50,000).

* * * * * *

7. ADVANCES TO RELATED PARTIES

Advances to related parties represent unsecured, interest free advances with no specific terms of repayment.

8. FIXED ASSETS

The movement of fixed assets during the year is as follows:

	Buildings Improvements	Office Furniture And Computers	Tools And Equipment	Motor Vehicles	Total
COST:					
Balance at April 25, 2014	$ 805,015	$ 363,933	$ 169,556	$ 373,181	$ 1,711,685
Additions	-	-	-	-	-
Balance at April 25, 2015	805,015	363,933	169,556	373,181	1,711,685
Additions	-	351	-	7,500	7,851
Balance at April 30, 2016	$ 805,015	$ 364,284	$ 169,556	$ 380,681	$ 1,719,536
ACCUMULATED DEPRECIATION:					
Balance at April 25, 2014	$ 795,938	$ 273,136	$ 166,118	$ 346,548	$ 1,581,740
Depreciation	1,619	25,373	855	9,975	37,822
Balance at April 25, 2015	797,557	298,509	166,973	356,523	1,619,562
Depreciation	1,619	21,483	688	1,794	25,584
Balance at April 30, 2016	$ 799,176	$ 319,992	$ 167,661	$ 358,317	$ 1,645,146
CARRYING VALUE:					
At April 30, 2016	$ 5,839	$ 44,292	$ 1,895	$ 22,364	$ 74,390
At April 25, 2015	$ 7,458	$ 65,424	$ 2,583	$ 16,658	$ 92,123

9. BANK OVERDRAFT

The Company has a bank overdraft facility of $100,000 which charges interest at the rate of 7.75% (2015: $7.75%) per annum on the amount utilized.

TAYLOR INDUSTRIES LIMITED

Financial Statements For The Year Ended April 30, 2017, And Independent Practitioners' Review Report

Deloitte.

TAYLOR INDUSTRIES LIMITED

TABLE OF CONTENTS

Deloitte.

Deloitte & Touche
Chartered Accountants
and Management Consultants
2nd Terrace West, Centreville
P.O. Box N-7120
Nassau, Bahamas

Tel: +1 (242) 302 4800
Fax: +1 (242) 322 3101
www.deloitte.com/bs

INDEPENDENT PRACTITIONERS' REVIEW REPORT

To the Shareholders of
Taylor Industries Limited:

Report on the Financial Statements

We have reviewed the accompanying financial statements of Taylor Industries Limited, which comprise the statement of financial position as at April 30, 2017, and the related statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities ("IFRS for SMEs"), 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.

Practitioners' Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Historical Financial Statements. ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less thanthose performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

Basis of Qualified Conclusion

International Financial Reporting Standard for SME Section 33, "Related Party Disclosures" requires disclosure of key management personnel compensation. Management has opted, however, to omit disclosure of such information. Our opinion is not modified in this matter.

Qualified Conclusion

Based on our review, except for the possible effects of matters described in the preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying financial statements are not presented fairly, in all material respects the financial position of Taylor Industries Limited as at April 30, 2017 and its financial position and cash flows for the year them ended in accordance with International Financial Reporting Standards.

Deloitte & Touche

November 30, 2017

TAYLOR INDUSTRIES LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT APRIL 30, 2017
(Expressed in Bahamian dollars)
(Unaudited)

	2017	2016
ASSETS		
CURRENT ASSETS:		
Cash	$ 30,873	$ 45,763
Accounts receivable (Note 5)	620,371	297,965
Inventory (Note 6)	912,135	875,893
Deposits and prepayments	9,878	3,288
Total current assets	1,573,257	1,222,909
FIXED ASSETS (Note 8)	53,055	74,390
ADVANCES TO RELATED PARTIES (Note 7)	-	69,347
TOTAL	$ 1,626,312	$ 1,366,646
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Bank overdraft (Note 9)	$ 81,111	$ 43,656
Accounts payable and accrued liabilities (Note 10)	696,014	396,010
Total current liabilities	777,125	439,666
EQUITY:		
Share capital		
Authorized, issued and fully paid:		
3,400 shares of $2.86 each	9,724	9,724
Contributed capital	43,026	43,026
Retained earnings	796,437	874,230
Total equity	849,187	926,980
TOTAL	$ 1,626,312	$ 1,366,646

See notes to unaudited financial statements.

These financial statements were approved on behalf of the Board of Directors on November 13, 2017, and are signed on its behalf by:

Director Director

TAYLOR INDUSTRIES LIMITED

STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED APRIL 30, 2017
(Expressed in Bahamian dollars)
(Unaudited)

	2017	2016
NET SALES	$ 3,661,492	$ 3,687,348
COST OF SALES	2,226,444	2,528,552
Gross profit	1,435,048	1,158,796
OTHER INCOME	32,537	45,170
	1,467,585	1,203,966
OPERATING EXPENSES:		
Staff and related benefits (Note 11)	1,297,706	1,405,047
Administrative costs	126,090	243,024
Vehicle	58,012	58,563
Legal and professional fees	52,637	20,976
Utilities	45,911	58,868
Depreciation (Note 8)	22,763	25,584
Bank charges and interest	11,865	10,812
Bad debts (recovery) expense (Note 5)	(138,953)	129,500
Total operating expenses	1,476,031	1,952,374
OPERATING LOSS	(8,446)	(748,408)
WRITE-OFF OF ADVANCES TO RELATED PARTIES (Note 7)	(69,347)	-
COMPREHENSIVE LOSS FOR THE YEAR	$ (77,793)	$ (748,408)

See notes to unaudited financial statements.

TAYLOR INDUSTRIES LIMITED

STATEMENT OF CHANGES IN EQUITY
YEAR ENDED APRIL 30, 2017
(Expressed in Bahamian dollars)
(Unaudited)

	Share Capital	Contributed Capital	Retained Earnings	Total
Balance at April 25, 2015	$ 9,724	$ 43,026	$1,622,638	$1,675,388
Total comprehensive loss	-	-	(748,408)	(748,408)
Balance at April 30, 2016	9,724	43,026	874,230	926,980
Total comprehensive loss	-	-	(77,793)	(77,793)
Balance at April 30, 2017	$ 9,724	$ 43,026	$ 796,437	$ 849,187

See notes to unaudited financial statements.

TAYLOR INDUSTRIES LIMITED

STATEMENT OF CASH FLOWS
YEAR ENDED APRIL 30, 2017
(Expressed in Bahamian dollars)
(Unaudited)

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Loss for the year	$ (77,793)	$ (748,408)
Adjustments for:		
Depreciation (Note 8)	22,763	25,584
Write-off of advances to related parties (Note 7)	69,347	-
Cash flows before working capital changes	14,317	(722,824)
(Increase) decrease in accounts receivable	(322,406)	548,459
(Increase) decrease in inventory	(36,242)	86,005
(Increase) decrease in deposits and prepayments	(6,590)	42,368
Increase in accounts payable and accrued liabilities	300,004	3,249
Net cash used in operating activities	(50,917)	(42,743)
CASH FLOWS FROM INVESTING ACTIVITY:		
Purchase of fixed assets (Note 8)	(1,428)	(7,851)
Net cash used in investing activity	(1,428)	(7,851)
NET DECREASE IN CASH	(52,345)	(50,594)
CASH, BEGINNING OF YEAR	2,107	52,701
CASH, END OF YEAR	$ (50,238)	$ 2,107
CASH AND CASH EQUIVALENTS IS REPRESENTED BY:		
Cash	$ 30,873	$ 45,763
Bank overdraft	(81,111)	(43,656)
	$ (50,238)	$ 2,107

See notes to unaudited financial statements.

1. GENERAL

Taylor Industries Limited (the "Company") is incorporated in the Commonwealth of The Bahamas and its principal activities are electrical contracting and the wholesaling and retailing of electrical appliances.

The registered office of the Company is 111 Shirley Street, Nassau, Bahamas.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

These financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities ("IFRS for SMEs") issued by the International Accounting Standard Board.

3. SIGNIFICANT ACCOUNTING POLICIES

a. ***Accounts receivable*** - Trade receivables are stated net of provision for doubtful accounts. The provision for doubtful accounts is based on management's evaluation of the accounts receivable portfolio.

b. ***Inventory*** - Inventory, which comprises appliances, supply and parts, is stated at the lower of cost and net realizable value less an estimated amount for obsolete inventory. Cost comprises purchase cost and those overheads that have been incurred in bringing the inventories to their present condition. Cost is calculated using the weighted average method. Management estimates inventory obsolescence based on total inventory over 360 days and on its knowledge of the Company's inventory.

c. ***Fixed assets*** - Fixed assets are stated at cost less accumulated depreciation. Depreciation on fixed assets is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings improvements	3-10 years
Office furniture and computers	2-4 years
Tools and equipment	2-4 years
Motor vehicles	4 years

d. ***Revenue*** - Contract revenue is recognized on the percentage-of-completion method in the ratio that cost incurred bears to estimated cost at completion. Contract revenue, related cost and gross profit on uncompleted contracts are included in the statement of comprehensive income in the year in which they occur. When the estimate indicates a loss, such loss is provided for currently in its entirety. All other revenue is recorded on the basis of date of sale of products or performance of services.

e. ***Service charges*** - Service charges at the rate of 1.5% per calendar month are applied to all normal credit accounts over 60 days old.

f. ***Impairment of non-financial assets other than inventories*** - Assets that are subject to depreciation or amortization are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or cash generating unit's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

g. ***Foreign currency transactions*** - Foreign currency transactions during the year have been converted to Bahamian dollars at the rates of exchange prevailing at the date of each transaction. Liabilities in foreign currencies have been translated into Bahamian dollars at the appropriate rates of exchange prevailing at April 30, 2017.

h. ***Related parties***- Related parties are defined as follows:

i. Controlling shareholders;
ii. Subsidiaries and fellow subsidiaries;
iii. Associates;
iv. Individuals owning, directly or indirectly, an interest in the voting power that gives them significant influence over the enterprise, i.e. normally more than 20% of shares (including close members of the families of such individuals);
v. Key management personnel - persons who have authority for planning, directing and controlling the enterprise (including close members of the family of such individuals); and
vi. Enterprises owned by the individuals described in (iv) and (v).

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in conformity with IFRS for SMEs requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates.

Provision for doubtful accounts - As described in Note 3, provision for doubtful accounts is based on management's evaluation of the respective portfolio. The evaluation is based on the aged analysis of the accounts receivable portfolios.

Carrying value of fixed assets - The carrying value of fixed assets held and used by the Company are reviewed for potential impairment whenever events or changes in circumstances indicate that the carrying amount of a particular asset may not be fully recoverable as described in Note 3. The Company has reviewed its fixed assets for potential impairment and no impairment losses were identified as at April 30, 2017. In addition, the carrying values of the fixed assets are also determined using the estimated useful lives of the related assets as described in Note 3.

Percentage-of-completion on contract revenues - As described in Note 3, contract revenue is recognized on the percentage of completion method on the ratio that cost incurred bears to estimated cost at completion. This requires management to estimate the cost to complete on contracts.

5. ACCOUNTS RECEIVABLE

Accounts receivable consist of the following:

	2017	2016
Trade receivables	$ 754,995	$ 613,445
VAT receivable	7,044	-
Unbilled work in progress	161,649	168,516
Less: provision for doubtful accounts	(303,317)	(483,996)
	$ 620,371	$ 297,965

The movement in provision for doubtful accounts for the year is as follows:

Balance at beginning of year	$ 483,996	$ 497,974
Bad debts (recovery) expense	(138,953)	129,500
Amounts written off	(41,726)	(143,478)
Balance at end of year	$ 303,317	$ 483,996

(Continued)

The ageing of current and past due receivables are as follows:

	2017	2016
Current	$ 197,932	$ 418
31 to 60 days	147,095	123,822
61 to 90 days	18,588	27,494
Over 90 days	391,380	461,711
	$ 754,995	$ 613,445

(Concluded)

6. INVENTORY

Inventory consists of the following:

	2017	2016
Electrical	$ 605,376	$ 565,013
Appliances	275,542	280,484
Parts	110,907	110,086
	991,825	955,583
Provision for obsolete inventory	(79,690)	(79,690)
	$ 912,135	$ 875,893

The movement in provision for obsolete inventory for the year is as follows:

Balance at beginning of year	$ 79,690	$ 46,708
Increase in provision	-	32,982
Inventory written off	-	-
Balance at end of year	$ 79,690	$ 79,690

7. ADVANCES TO RELATED PARTIES

Advances to related parties represent unsecured, interest free advances with no specific terms of repayment. During the year, it was determined that advances to related parties was deemed uncollectible. The amount was written-off at year end.

8. FIXED ASSETS

The movement of fixed assets during the year is as follows:

	Buildings Improvements	Office Furniture And Computers	Tools And Equipment	Motor Vehicles	Total
COST:					
Balance at April 25, 2015	$ 805,015	$ 363,933	$ 169,556	$ 373,181	$1,711,685
Additions	-	351	-	7,500	7,851
Balance at April 30, 2016	805,015	364,284	169,556	380,681	1,719,536
Additions	-	1,428	-	-	1,428
Balance at April 30, 2017	$ 805,015	$ 365,712	$ 169,556	$ 380,681	$1,720,964
ACCUMULATED DEPRECIATION:					
Balance at April 25, 2015	$ 797,557	$ 298,509	$ 166,973	$ 356,523	$1,619,562
Depreciation	1,619	21,483	688	1,794	25,584
Balance at April 30, 2016	799,176	319,992	167,661	358,317	1,645,146
Depreciation	1,619	18,662	688	1,794	22,763
Balance at April 30, 2017	$ 800,795	$ 338,654	$ 168,349	$ 360,111	$1,667,909
CARRYING VALUE:					
At April 30, 2017	$ 4,220	$ 27,058	$ 1,207	$ 20,570	$ 53,055
At April 25, 2016	$ 5,839	$ 44,292	$ 1,895	$ 22,364	$ 74,390

9. BANK OVERDRAFT

The Company has a bank overdraft facility of $100,000 which charges interest at the rate of 7.25% (2016: $7.75%) per annum on the amount utilized.

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consist of the following:

	2017	2016
Accounts payable	$ 411,802	$ 164,705
Credit balances - accounts receivable	141,344	113,179
Other	127,868	77,947
Value added tax payable	-	25,179
Accruals	15,000	15,000
	$ 696,014	$ 396,010

11. STAFF AND RELATED BENEFITS

Included in staff and related benefits for the year is pension expense of $25,953 (2016: $55,228). The Company established a defined contribution pension plan for all employees employed for a minimum of 5 years. The Company and employees contribute up to 5% of employees' base compensation to the plan.

12. CONTINGENT LIABILITY

The Company is contingently liable for a customs bond guarantee of $50,000 (2016: $50,000).

* * * * * *

TAYLOR INDUSTRIES LIMITED

Financial Statements For The
Year Ended April 30, 2018, And
Independent Practitioners' Review Report

Deloitte.

TAYLOR INDUSTRIES LIMITED

TABLE OF CONTENTS

Deloitte & Touche
Chartered Accountants
and Management Consultants
2nd Terrace West, Centreville
P.O. Box N-7120
Nassau, Bahamas

Tel: +1 (242) 302 4800
Fax: +1 (242) 322 3101
www.deloitte.com/bs

INDEPENDENT PRACTITIONERS' REVIEW REPORT

To the Shareholders of
Taylor Industries Limited:

Report on the Financial Statements

We have reviewed the accompanying financial statements of Taylor Industries Limited, which comprise the statement of financial position as at April 30, 2018, and the related statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities ("IFRS for SMEs"), 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.

Practitioners' Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Historical Financial Statements. ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

Basis for Qualified Conclusion

IFRS for SMEs Section 33, "Related Party Disclosures" requires disclosure of key management personnel compensation. Management has opted, however, to omit disclosure of such information.

Qualified Conclusion

Based on our review, except for the possible effects of the matter described in the Basis for Qualified conclusion paragraph, nothing has come to our attention that causes us to believe that the accompanying financial statements do not present fairly, in all material respects, the financial performance of Taylor Industries Limited as at April 30, 2018 and its financial position and cash flows for the year then ended, in accordance with International Financial Reporting Standards for Small and Medium-sized Entities.

Deloitte & Touche

August 22, 2018

TAYLOR INDUSTRIES LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT APRIL 30, 2018
(Expressed in Bahamian dollars)
(Unaudited)

	2018	2017
ASSETS		
CURRENT ASSETS:		
Cash	$ 103,174	$ 30,873
Accounts receivable (Note 5)	503,513	620,371
Inventory (Note 6)	525,221	912,135
Deposits and prepayments	24,495	9,878
Total current assets	1,156,403	1,573,257
Property, plant & equipment (Note 8)	48,336	53,055
TOTAL	$ 1,204,739	$ 1,626,312

(Continued)

TAYLOR INDUSTRIES LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT APRIL 30, 2018
(Expressed in Bahamian dollars)
(Unaudited)

	2018	2017
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Bank overdraft	$ -	$ 81,111
Accounts payable and accrued liabilities (Note 9)	732,808	696,014
Total current liabilities	732,808	777,125
EQUITY:		
Share capital		
Authorized, issued and fully paid:		
3,400 shares of $2.86 each	9,724	9,724
Contributed capital	43,026	43,026
Retained earnings	419,181	796,437
Total equity	471,931	849,187
TOTAL	$ 1,204,739	$ 1,626,312

(Concluded)

See notes to unaudited financial statements.

These financial statements were approved on behalf of the Board of Directors on August 22, 2018, and are signed on its behalf by:

Director

Director

TAYLOR INDUSTRIES LIMITED

STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED APRIL 30, 2018
(Expressed in Bahamian dollars)
(Unaudited)

	2018	2017
NET SALES	$ 3,140,518	$ 3,661,492
COST OF SALES	2,019,362	2,226,444
Gross profit	1,121,156	1,435,048
OTHER INCOME	24,857	32,537
	1,146,013	1,467,585
OPERATING EXPENSES:		
Staff and related benefits (Note 10)	1,341,594	1,297,706
Administrative costs	122,689	126,090
Vehicle	46,575	58,012
Utilities	40,463	45,911
Legal and professional fees	26,527	52,637
Bank charges and interest	12,523	11,865
Depreciation (Note 8)	4,719	22,763
Bad debts recovery (Note 5)	(71,821)	(138,953)
Total operating expenses	1,523,269	1,476,031
OPERATING LOSS	(377,256)	(8,446)
WRITE-OFF OF ADVANCES TO RELATED PARTIES (Note 7)	-	(69,347)
COMPREHENSIVE LOSS FOR THE YEAR	$ (377,256)	$ (77,793)

See notes to unaudited financial statements.

TAYLOR INDUSTRIES LIMITED

STATEMENT OF CHANGES IN EQUITY
YEAR ENDED APRIL 30, 2018
(Expressed in Bahamian dollars)
(Unaudited)

	Share Capital	Contributed Capital	Retained Earnings	Total
Balance at April 30, 2016	$ 9,724	$ 43,026	$ 874,230	$ 926,980
Total comprehensive loss	-	-	(77,793)	(77,793)
Balance at April 30, 2017	9,724	43,026	796,437	849,187
Total comprehensive loss	-	-	(377,256)	(377,256)
Balance at April 30, 2018	$ 9,724	$ 43,026	$ 419,181	$ 471,931

See notes to unaudited financial statements.

TAYLOR INDUSTRIES LIMITED

STATEMENT OF CASH FLOWS
YEAR ENDED APRIL 30, 2018
(Expressed in Bahamian dollars)
(Unaudited)

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Loss for the year	$ (377,256)	$ (77,793)
Adjustments for:		
Depreciation (Note 8)	4,719	22,763
Write-off of advances to related parties (Note 7)	-	69,347
Cash flows before working capital changes	(372,537)	14,317
Increase (decrease) in accounts receivable	116,858	(322,406)
Increase (decrease) in inventory	386,914	(36,242)
Increase in deposits and prepayments	(14,617)	(6,590)
Increase in accounts payable and accrued liabilities	36,794	300,004
Net cash from in operating activities	153,412	(50,917)
CASH FLOWS FROM INVESTING ACTIVITY:		
Purchase of property, plant & equipment (Note 8)	-	(1,428)
Net cash used in investing activity	-	(1,428)
NET INCREASE (DECREASE) IN CASH	153,412	(52,345)
CASH, BEGINNING OF YEAR	(50,238)	2,107
CASH, END OF YEAR	$ 103,174	$ (50,238)
CASH AND CASH EQUIVALENTS IS REPRESENTED BY:		
Cash	$ 103,174	$ 30,873
Bank overdraft	-	(81,111)
	$ 103,174	$ (50,238)

See notes to unaudited financial statements.

1. GENERAL

Taylor Industries Limited (the "Company") is incorporated in the Commonwealth of The Bahamas and its principal activities are electrical contracting and the wholesaling and retailing of electrical appliances.

The registered office of the Company is 111 Shirley Street, Nassau, Bahamas.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

These financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities ("IFRS for SMEs") issued by the International Accounting Standard Board.

3. SIGNIFICANT ACCOUNTING POLICIES

a. ***Accounts receivable*** - Trade receivables are stated net of provision for doubtful accounts. The provision for doubtful accounts is based on management's evaluation of the accounts receivable portfolio.

b. ***Inventory*** - Inventory, which comprises appliances, supply and parts, is stated at the lower of cost and net realizable value less an estimated amount for obsolete inventory. Cost comprises purchase cost and those overheads that have been incurred in bringing the inventories to their present condition. Cost is calculated using the weighted average method. Management estimates inventory obsolescence based on total inventory over 360 days and on its knowledge of the Company's inventory.

c. ***Property, plant and equipment*** - Property, plant and equipment are stated at cost less accumulated depreciation. Depreciation on property, plant and equipment is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings improvements	3-10 years
Office furniture and computers	2-4 years
Tools and equipment	2-4 years
Motor vehicles	4 years

d. ***Revenue*** - Contract revenue is recognized on the percentage-of-completion method in the ratio that cost incurred bears to estimated cost at completion. Contract revenue, related cost and gross profit on uncompleted contracts are included in the statement of comprehensive income in the year in which they occur. When the estimate indicates a loss, such loss is provided for currently in its entirety. All other revenue is recorded on the basis of date of sale of products or performance of services.

e. ***Service charges*** - Service charges at the rate of 1.5% per calendar month are applied to all normal credit accounts over 60 days old.

f. ***Impairment of non-financial assets other than inventories*** - Assets that are subject to depreciation or amortization are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or cash generating unit's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

g. ***Foreign currency transactions*** - Foreign currency transactions during the year have been converted to Bahamian dollars at the rates of exchange prevailing at the date of each transaction. Liabilities in foreign currencies have been translated into Bahamian dollars at the appropriate rates of exchange prevailing at April 30, 2018.

h. ***Related parties***- Related parties are defined as follows:

i. Controlling shareholders;
ii. Subsidiaries and fellow subsidiaries;
iii. Associates;
iv. Individuals owning, directly or indirectly, an interest in the voting power that gives them significant influence over the enterprise, i.e. normally more than 20% of shares (including close members of the families of such individuals);
v. Key management personnel - persons who have authority for planning, directing and controlling the enterprise (including close members of the family of such individuals); and
vi. Enterprises owned by the individuals described in (iv) and (v).

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in conformity with IFRS for SMEs requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates.

Provision for doubtful accounts - As described in Note 3, provision for doubtful accounts is based on management's evaluation of the respective portfolio. The evaluation is based on the aged analysis of the accounts receivable portfolios.

Carrying value of Property, plant and equipment - The carrying value of property, plant and equipment held and used by the Company are reviewed for potential impairment whenever events or changes in circumstances indicate that the carrying amount of a particular asset may not be fully recoverable as described in Note 3. The Company has reviewed its property, plant and equipment for potential impairment and no impairment losses were identified as at April 30, 2018. In addition, the carrying values of the property, plant and equipment are also determined using the estimated useful lives of the related assets as described in Note 3.

Percentage-of-completion on contract revenues - As described in Note 3, contract revenue is recognized on the percentage of completion method on the ratio that cost incurred bears to estimated cost at completion. This requires management to estimate the cost to complete on contracts.

5. ACCOUNTS RECEIVABLE

Accounts receivable consist of the following:

	2018	2017
Trade receivables	$ 594,507	$ 754,995
VAT receivable	7,132	7,044
Unbilled work in progress	84,082	161,649
Less: provision for doubtful accounts	(182,208)	(303,317)
	$ 503,513	$ 620,371

The movement in provision for doubtful accounts for the year is as follows:

Balance at beginning of year	$ 303,317	$ 483,996
Bad debts recovery	(71,821)	(138,953)
Amounts written off	(49,288)	(41,726)
Balance at end of year	$ 182,208	$ 303,317

(Continued)

The ageing of current and past due receivables are as follows:

	2018	2017
Current	$ 227,370	$ 197,932
31 to 60 days	9,950	147,095
61 to 90 days	78,782	18,588
Over 90 days	278,405	391,380
	$ 594,507	$ 754,995

(Concluded)

6. INVENTORY

Inventory consists of the following:

	2018	2017
Electrical	$ 344,355	$ 605,376
Appliances	136,488	275,542
Parts	72,071	110,907
	552,914	991,825
Provision for obsolete inventory	(27,693)	(79,690)
	$ 525,221	$ 912,135

The movement in provision for obsolete inventory for the year is as follows:

Balance at beginning of year	$ 79,690	$ 79,690
Inventory written off	(51,997)	-
Balance at end of year	$ 27,693	$ 79,690

7. ADVANCES TO RELATED PARTIES

Advances to related parties represented unsecured, interest free advances with no specific terms of repayment. During the prior year, it was determined that advances to related parties was deemed uncollectible and was written-off.

8. PROPERTY, PLANT AND EQUIPMENT

The movement of property, plant and equipment during the year is as follows:

	Buildings Improvements	Office Furniture And Computers	Tools And Equipment	Motor Vehicles	Total
COST:					
Balance at April 30, 2016	$ 805,015	$ 364,284	$ 169,556	$ 380,681	$ 1,719,536
Additions	-	1,428	-	-	1,428
Balance at April 30, 2017	805,015	365,712	169,556	380,681	1,720,964
Additions	-	-	-	-	-
Balance at April 30, 2018	$ 805,015	$ 365,712	$ 169,556	$ 380,681	$ 1,720,964
ACCUMULATED DEPRECIATION:					
Balance at April 30, 2016	$ 799,176	$ 319,992	$ 167,661	$ 358,317	$ 1,645,146
Depreciation	1,619	18,662	688	1,794	22,763
Balance at April 30, 2017	800,795	338,654	168,349	360,111	1,667,909
Depreciation	1,619	1,084	222	1,794	4,719
Balance at April 30, 2018	$ 802,414	$ 339,738	$ 168,571	$ 361,905	$ 1,672,628
CARRYING VALUE:					
At April 30, 2018	$ 2,601	$ 25,974	$ 985	$ 18,776	$ 48,336
At April 30, 2017	$ 4,220	$ 27,058	$ 1,207	$ 20,570	$ 53,055

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consist of the following:

Accounts payable	$ 541,868	$ 411,802
Credit balances - accounts receivable	155,640	141,344
Accruals	22,203	15,000
Value added tax payable	13,097	-
Other	-	127,868
	$ 732,808	$ 696,014

10. STAFF AND RELATED BENEFITS

Included in staff and related benefits for the year is pension expense of $21,490 (2017: $25,953). The Company established a defined contribution pension plan for all employees employed for a minimum of 5 years. The Company and employees contribute up to 5% of employees' base compensation to the plan.

11. CONTINGENT LIABILITY

The Company is contingently liable for a customs bond guarantee of $50,000 (2017: $50,000).

* * * * * *