



# **WESTBOND ENTERPRISES CORPORATION**

## **INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**September 30, 2024 and 2023**

**(Unaudited – See Notice to Reader)**

**WestBond Enterprises Corporation**  
101 – 7403 Progress Way, Delta, BC Canada V4G 1E7  
Tel: 604-940-3939 Fax: 604-940-9161  
[www.WestBond.ca](http://www.WestBond.ca) [info@WestBond.ca](mailto:info@WestBond.ca)



***WestBond Enterprises Corporation***

***Notice to Reader***

The accompanying interim consolidated financial statements of WestBond Enterprises Corporation for the three and six month periods ended September 30, 2024 and 2023 have been prepared by and are the responsibility of the company's management. They are unaudited and have not been reviewed by independent auditors.

**WestBond Enterprises Corporation**  
**Consolidated Statements of Financial Position**  
Canadian Dollars  
(Unaudited)

	<b>September 30</b>	<b>March 31</b>
	<b>2024</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Plant and equipment	7,240,873	7,598,240
Right-of-use assets	1,409,336	1,548,220
Deferred tax asset	74,910	63,242
	8,725,119	9,209,703
<b>Current Assets</b>		
Inventory	1,807,333	2,138,782
Trade and other receivables	1,467,617	1,095,619
Income tax recoverable	-	42,903
Prepaid expenses	93,053	96,164
Cash and cash equivalents	69,800	111,001
	3,437,803	3,484,468
<b>Total Assets</b>	<b>12,162,922</b>	<b>12,694,171</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Common shares issued and outstanding	4,206,910	4,206,910
Stock options	65,800	65,800
Contributed surplus	326,989	326,989
Retained earnings	3,104,582	3,020,954
<b>Equity attributable to common shareholders</b>	<b>7,704,281</b>	<b>7,620,653</b>
<b>Liabilities</b>		
<b>Non-Current Liabilities</b>		
Lease liability	1,363,136	1,512,412
Deferred tax liability	1,788,688	1,882,362
	3,151,824	3,394,774
<b>Current Liabilities</b>		
Revolving bank loans	95,000	670,000
Lease liability	294,735	281,845
Income tax payable	107,932	-
Trade and other payables	809,150	726,899
	1,306,817	1,678,744
<b>Total Liabilities</b>	<b>4,458,641</b>	<b>5,073,518</b>
<b>Total Equity and Liabilities</b>	<b>12,162,922</b>	<b>12,694,171</b>

The accompanying notes are an integral part of these interim consolidated financial statements.

**WestBond Enterprises Corporation**  
**Consolidated Statements of Profit and Comprehensive Income**  
Canadian Dollars  
(Unaudited)

	Notes	Three months ended September 30		Six months ended September 30	
		2024	2023	2024 \$	2023 \$
Sales	5	2,577,348	2,718,170	4,844,724	5,085,008
Cost of sales	6	2,178,877	2,321,940	4,191,475	4,559,183
Gross Profit		398,471	396,230	653,249	525,825
Selling and distribution expenses	7	48,053	46,417	89,226	90,813
General and administrative expenses	8	222,441	201,142	383,906	349,957
Operating Profit (Loss)		127,977	148,671	180,117	85,055
Foreign exchange (gain) loss		5,711	9,273	9,541	7,748
Interest expense-bank loans		5,099	14,319	16,179	24,230
Interest expense on lease liability		18,842	21,859	38,234	44,202
Profit (Loss) Before Tax		98,325	103,220	116,163	8,875
Income tax expense (recovery)		27,265	28,457	32,537	3,486
Profit (Loss) and Comprehensive Income		71,060	74,763	83,626	5,389
Weighted average shares outstanding		35,625,800	35,625,800	35,625,800	35,625,800
Earnings per share, basic and fully diluted		0.002	0.002	0.002	0.000

The accompanying notes are an integral part of these interim consolidated financial statements.

**WestBond Enterprises Corporation**  
**Consolidated Statements of Changes in Equity**  
Canadian Dollars  
(Unaudited)

	Common Shares	Stock Options	Contributed Surplus	Retained Earnings	Total
	\$	\$	\$	\$	\$
<b>Balance as at March 31, 2023</b>	4,206,910	81,200	311,589	3,231,636	7,831,335
<b>Forfeiture of stock options</b>	-	(14,000)	14,000	-	-
<b>Profit for the period</b>	-	-	-	5,389	5,389
<b>Balance as at September 30, 2023</b>	4,206,910	67,200	325,589	3,237,025	7,836,724
<b>Balance as at March 31, 2024</b>	4,206,910	65,800	326,989	3,020,954	7,620,653
<b>Profit (Loss) for the period</b>	-	-	-	83,626	83,626
<b>Balance as at September 30, 2024</b>	4,206,910	65,800	326,989	3,104,580	7,704,279

The accompanying notes are an integral part of these interim consolidated financial statements.

**WestBond Enterprises Corporation**  
**Consolidated Statements of Cash Flows**

Canadian Dollars  
(Unaudited)

Notes	Three months ended		Six months ended	
	September 30		September 30	
	2024	2023	2024	2023
	\$	\$	\$	\$
<b>Operating Activities</b>				
Profit (Loss)	71,060	74,763	83,626	5,389
Adjustments to reconcile profit to cash flows from operating activities				-
- depreciation of plant and office equipment	239,085	251,928	479,430	492,936
- depreciation of right-of-use assets	69,822	69,822	138,884	138,884
- Expected credit loss on trade receivables	-	-	(20,000)	-
- interest expense on bank loans	5,099	14,319	16,179	24,230
- interest expense on lease liabilities	18,842	21,859	38,234	44,202
- income tax expense	27,265	28,457	32,537	3,486
- income tax recovered (paid)	12,957	(200,326)	12,957	(221,836)
Cash flows from operating activities before changes in non-cash working capital	444,130	260,822	781,847	487,291
Decrease (increase) in				-
- inventory	295,904	(29,334)	331,449	(221,612)
- trade and other receivables	(67,947)	37,256	(351,998)	(464,937)
- prepaid expenses	97,088	86,279	3,111	270,174
- trade and other payables	(131,928)	(121,917)	68,684	(56,115)
Net Cash Flow from Operating Activities	637,246	233,106	833,092	14,800
<b>Investing Activities</b>				
Purchase of plant and equipment	9	(89,763)	(101,836)	(114,556)
Net Cash Flow from Investing Activities		(89,763)	(101,836)	(114,556)
<b>Financing Activities</b>				
Repayment of term bank loans	-	(116,944)	-	(297,783)
Interest paid on bank loans	(5,099)	(14,319)	(16,179)	(24,230)
Increase (decrease) in revolving bank loans	(430,000)	167,004	(575,000)	767,649
Interest portion of lease payments	(19,092)	(22,099)	(32,174)	(37,155)
Principal portion of lease payments	(68,577)	(65,570)	(136,386)	(130,407)
Net Cash Flow from Financing Activities	(522,768)	(51,928)	(759,739)	278,074
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	24,715	79,341	(41,203)	26,200
<b>Cash and Cash Equivalents at the Beginning of the Period</b>	45,085	20,349	111,003	73,490
<b>Cash and Cash Equivalents at the End of the Period</b>	69,800	99,690	69,800	99,690

The accompanying notes are an integral part of these interim consolidated financial statements.

# WESTBOND ENTERPRISES CORPORATION

## Notes to the Interim Consolidated Financial Statements

September 30, 2024 and 2023

(Canadian Dollars)

(unaudited)

### 1. GENERAL INFORMATION

WestBond Enterprises Corporation and its wholly owned subsidiary, WestBond Industries Inc., (together, the company) are a paper manufacturer and converter that manufactures disposable products for the medical, personal hygiene and food service/hospitality markets. The company's manufacturing facilities are in Canada and its sales are primarily to Canada and the United States of America. The company is incorporated in British Columbia, Canada, and has its principal place of business at 101 – 7403 Progress Way, Delta, British Columbia.

The interim consolidated financial statements of the company for the three and six month periods ended September 30, 2024 were approved and authorized for issue by resolution of the directors on November 19, 2024.

### 2. BASIS OF PREPARATION AND INTERIM PERIOD REPORTING

The interim consolidated financial statements of the company have been prepared in compliance with International Accounting Standard 34, *Interim Financial Reporting*, ("IAS 34"). The policies applied in these interim consolidated financial statements are based on International Financial Reporting Standards ("IFRS") issued and outstanding as of the date the Board of Directors approved the statements. Any subsequent changes to IFRS that are given effect in the company's annual consolidated financial statements for the year ending March 31, 2025 could result in restatement of these interim consolidated financial statements. The interim consolidated financial statements have been prepared under the historical cost convention.

The company notes that there is a change in the classification of "Shipping" costs in our financial reports starting in quarter ended June 30, 2023. Upon our external auditor's recommendation, we have added shipping costs to the Cost of sales category and removed it from Selling and distribution expenses category. For equitable comparison, in this report we have adjusted all numbers reported in previous periods to reflect this change.

The same accounting policies and methods of computation were followed in the preparation of these interim consolidated financial statements as in the consolidated financial statements for the year ended March 31, 2024.

The disclosure contained in these interim consolidated financial statements is condensed and includes only selected explanatory notes and does not duplicate or repeat disclosure reported in the consolidated financial statements for the year ended March 31, 2024 that has not changed materially since their date of issue. Accordingly, these interim consolidated financial statements should only be read in conjunction with the consolidated financial statements of the company for the year ended March 31, 2024.

### 3. RELATED PARTY TRANSACTIONS

During the six months ended September 30, 2024 the company incurred total compensation, comprising short-term employee benefits, of \$205,417 (2023 – \$186,920), to the directors and officers of the company and incurred \$9,576 (2023 – \$11,590) of legal fees in the normal course of operations with a firm in which a director of the company is associated.

## WESTBOND ENTERPRISES CORPORATION

### Notes to the Interim Consolidated Financial Statements

September 30, 2024 and 2023

Canadian Dollars

(unaudited)

	Three months ended September 30		Six months ended September 30	
	2024	2023	2024	2023
			\$	\$
<b>5. SALES</b>				
Personal hygiene products	548,236	647,459	1,123,547	1,337,489
Clinical products	269,434	434,934	603,098	935,967
Wipes	499,265	659,593	1,061,147	1,156,916
Non-wipe air laid products	1,243,323	966,286	2,037,707	1,584,710
Other products	17,090	9,898	19,225	69,926
	<u>2,577,348</u>	<u>2,718,170</u>	<u>4,844,724</u>	<u>5,085,008</u>
<b>6. COST OF SALES</b>				
Materials	1,121,802	1,202,920	2,137,560	2,344,617
Production labour	240,144	257,701	451,687	521,813
Factory overhead labour	124,434	121,265	244,587	245,946
Variable overhead	108,324	118,036	205,839	232,301
Fixed overhead	84,656	77,536	176,519	159,021
Shipping	198,464	230,389	372,650	438,902
Depreciation of plant equipment	235,979	249,019	473,193	487,143
Depreciation of right-of-use assets	65,074	65,074	129,440	129,440
	<u>2,178,877</u>	<u>2,321,940</u>	<u>4,191,475</u>	<u>4,559,183</u>
<b>7. SELLING AND DISTRIBUTION EXPENSES</b>				
Wages, commissions and other employee benefits	43,286	38,365	76,956	80,464
Other	4,767	8,052	12,270	10,349
	<u>48,053</u>	<u>46,417</u>	<u>89,226</u>	<u>90,813</u>
<b>8. GENERAL AND ADMINISTRATIVE EXPENSES</b>				
Administration and office	42,430	37,377	72,673	68,172
Corporate promotion	2,528	2,457	2,926	4,225
Depreciation of right-of-use assets	4,748	4,748	9,444	9,444
Impairment (gain) loss on trade receivables	-	-	(19,374)	(50,000)
Professional fees	22,329	28,230	39,879	47,471
Salaries and other employee benefits	150,406	128,330	278,358	270,645
	<u>222,441</u>	<u>201,142</u>	<u>383,906</u>	<u>349,957</u>
<b>9. NON-CASH INVESTING ACTIVITIES</b>				
Increase (decrease) in accounts payable related to purchase of plant and equipment	(20,357)	(9,442)	7,507	(6,302)