

Doctors Hospital Health System Limited

Interim report
Quarter ended April 30, 2015

Chairman's Report
Doctors Hospital Health System Limited

Dear Shareholder,

On behalf of the Board of Directors of Doctors Hospital Health System, I report on your company's financial results for the three months ended April 30, 2015.

Consolidated net profit for the three months was \$591,000 compared to a loss of \$(58,000) for the comparable period in fiscal 2015. Doctors Hospital (Bahamas) Limited's profit was \$ 836,347 compared with \$296,673, and Bahamas Medical Center's loss was \$(245,009) compared with \$(354,736)

Consolidated net patient revenue increased \$871,519 or 7.4% over the 1st quarter last year.

Total inpatient days are up 7.5% compared to a decrease for the same period last year of 18.2%; increases were in the intensive care areas and accounted for the increased profit in Doctors Hospital (Bahamas) Limited.

Consolidated expenses increased \$248,538 or 2.0%, over the same period last year, and is a direct result of increased business.

The Board joins me in thanking our valued shareholders, for your continued support and loyalty to the Hospital. We extend an invitation for you to join us at our Company's Annual General Meeting on June 23, 2015 at Doctors Hospital's Conference Center on Dowdeswell Street.

Joseph Krukowski
Chairman
May 29, 2015

DOCTORS HOSPITAL HEALTH SYSTEM LIMITED

Consolidated Statement of Financial Position

April 30, 2015 with comparative figures at January 31, 2015

(Expressed in thousands of Bahamian dollars)

	April 30, 2015	January 31, 2015
Assets		
Current assets:		
Cash and cash equivalents	\$ 4,655	4,525
Accounts receivable—patients, net (note 2)	710	648
Accounts receivable—third party payors, net (note 2)	5,392	5,025
Inventories	1,926	1,835
Other assets	1,168	1,044
	13,851	13,077
Non-current assets:		
Investments	30	30
Goodwill, net	431	431
Other intangible assets	508	566
Property, plant and equipment	16,449	16,562
	17,418	17,589
Total assets	\$ 31,269	30,666
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and other liabilities	\$ 3,659	3,647
	3,659	3,647
Shareholders' equity:		
Share capital:		
Authorized 12,500,000 common shares at par value of B\$0.04 each (January 31, 2015 – 12,500, 000 shares)		
Issued and fully paid 9,971,634 shares (January 31, 2015 – 9,971,634 shares)	399	399
Contributed surplus	12,358	12,358
Retained earnings	14,853	14,262
	27,610	27,019
Total liabilities and shareholders' equity	\$ 31,269	30,666

(Unaudited)

DOCTORS HOSPITAL HEALTH SYSTEM LIMITED

Consolidated Statement of Comprehensive Income

Three months ended April 30, 2015 with comparative figures for the three months ended April 30, 2014
(Expressed in thousands of Bahamian dollars)

	April 30, 2015	April 30, 2014
Revenues		
Patient service revenue, net	\$ 12,668	11,796
Other	436	410
Total revenues	13,104	12,206
Expenses		
Salaries and benefits	5,492	5,023
Medical supplies	1,858	1,743
Medical services	1,743	1,946
Bad debt expense, net of recoveries	415	449
Depreciation and amortization	817	785
Other operating	534	543
Utilities	409	403
Government taxes and fees	314	390
Outside services	237	236
Insurance	251	228
Repairs and maintenance	172	217
Rent	88	84
Dietary expenses	146	148
Legal expenses	37	69
Total expenses	12,513	12,264
Net loss/income for the period	\$ 591	(58)
Earnings per common share (expressed in Bahamian dollars):		
Basic and fully diluted	\$ 0.06	(0.01)

(Unaudited)

DOCTORS HOSPITAL HEALTH SYSTEM LIMITED

Consolidated Statement of Cash Flows

Three months ended April 30, 2015 with comparative figures for the three months ended April 30, 2014
(Expressed in thousands of Bahamian dollars)

	April 30, 2015	April 30, 2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 591	(58)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	817	785
Provision for doubtful accounts	415	449
Operating income before working capital changes	1,823	1,176
Increase in accounts receivable	(843)	(318)
Increase in inventories	(91)	(148)
Increase in prepaid expenses and other assets	(124)	(151)
Increase in accounts payable and other liabilities	12	119
Net cash from operating activities	777	678
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(647)	(568)
Purchase of intangible assets	-	-
Net cash used in investing activities	(647)	(568)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Dividends paid to shareholders	-	-
Net cash used in financing activities	-	-
Increase in cash and cash equivalents	130	110
Cash and cash equivalents at beginning of period	4,525	6,047
Cash and cash equivalents at end of period	\$ 4,655	6,157

Cash and cash equivalents comprise cash at bank and in hand, short-term deposits with an original maturity of three months or less.

(Unaudited)

DOCTORS HOSPITAL HEALTH SYSTEM LIMITED

Consolidated Statement of Changes in Equity

Three months ended April 30, 2015

(Expressed in thousands of Bahamian dollars)

	Number of shares	Share capital	Contributed surplus	Retained earnings
Balance at January 31, 2015	9,971,634	\$ 399	\$ 12,358	\$ 14,262
Net income for the period				591
Balance at April 30, 2015	9,971,634	\$ 399	\$ 12,358	\$ 14,853

(Unaudited)

DOCTORS HOSPITAL HEALTH SYSTEM LIMITED

Notes to Interim Consolidated Financial Statements

Three months ended April 30, 2015

1. Significant accounting policies

These interim financial statements have been prepared in accordance with International Accounting Standard No. 34, Interim Financial Reporting, using the same accounting policies applied in the January 31, 2015 audited consolidated financial statements.

2. Accounts receivable

Accounts receivable are stated net of provisions for doubtful accounts of \$5.3 million.