CONSOLIDATED BAKERIES (JAMAICA) LIMITED
FINANCIAL STATEMENTS
DECEMBER 31, 2015

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CONSOLIDATED BAKERIES (JAMAICA) LIMITED
DECEMBER 31, 2015

Bogle and Company
Chartered Accountants
Worrick Bogle FCCA, FCA, CPA

AUDITORS' REPORT
TO THE MEMBERS
OF
CONSOLIDATED BAKERIES JAMAICA LIMITED

We have audited the financial statements Consolidated Bakeries Jamaica Limited set out on the following pages 3-24 which comprise statement of financial position, statement of profit or loss, statement of changes in equity and a statement of cash flows as of December 31, 2015 and a summary of significant accounting policies and other explanatory notes.

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 and with the requirements of the Jamaican Companies Act. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 as to 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 auditor's judgment, including the assessment of the risks of material misstatement of 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.

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Opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the company as of December 31, 2015 and the financial performance and cash flows of the company for the period then ended in accordance with International Financial Reporting Standards and the requirements of the Jamaican Companies Act.

Report on Other Legal Regulatory Requirements

As required by the Jamaican Companies Act, we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion, proper accounting records have been kept, so far as appears from our examination of those records, and the accompanying financial statements are in agreement therewith and give the information required by the Act, in the manner so required.

Bogle

BOGLE & COMPANY
Chartered Accountants
March 10, 2016

CONSOLIDATED BAKERIES (JAMAICA) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2015

	Notes	2015 $	2014 $
Assets			
Non-current asset			
Property , plant & equipment	3	438,122,286	407,460,355
		438,122,286	407,460,355
Currents assets			
Inventories	4	29,891,152	32,791,618
Accounts receivables net of allowances	5	49,320,276	52,174,554
Deposit on equipment		-	3,788,219
Owed by related parties	6	20,967,133	24,892,194
Financial investments	7	60,086,726	56,888,079
Cash & cash equivalents	8	58,050,218	50,501,972
Total current assets		218,315,505	221,036,636
Total assets		656,437,791	628,496,991
Equity & Liabilities			
Equity			
Capital and reserves			
Share capital	9	90,726,664	90,726,664
Capital reserve	10	20,825,532	20,825,532
Revaluation reserves	11	330,854,047	330,854,047
Other Comprehensive Income		8,370,754	5,609,455
Retained earnings		82,706,364	77,609,609
Total equity		533,483,361	525,625,307
Non- current liabilities			
Long term loans	12	32,983,308	41,280,240
Current liabilities			
Current portion of long- term loans	12	24,589,998	16,258,282
Payables & accruals	13	47,830,687	32,933,445
Bank overdraft	14	17,550,437	12,399,717
Tax		-	-
Total current liabilities		89,971,122	61,591,444
Total liabilities		122,954,430	102,871,684
Total Equity & Liabilities		656,437,791	628,496,991

Approved by the Board of Directors on March 10th, 2016 and signed on its behalf by:

Anthony Chang   Director

CONSOLIDATED BAKERIES (JAMAICA) LIMITED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME
YEAR ENDED DECEMBER 31, 2015

	Notes	2015 $	2014 $
Revenue		767,553,454	742,808,206
Cost of sales		498,325,443	488,429,679
Gross profit		269,228,012	254,378,527
Interest and Other Income	15	5,300,037	9,101,528
		274,528,049	263,480,055
Administrative and other expenses		(164,005,454)	(152,103,590)
Selling and distribution expenses		(97,708,662)	(85,463,794)
	16	(261,714,115)	(237,567,384)
Profit from operations		12,813,933	25,912,671
Finance costs		(7,671,839)	(7,133,738)
Gain/(Loss) on Fixed Assets		(45,340)	437,030
Net profit		5,096,755	19,215,964
Other comprehensive income			
Unrealized Gain on Investment		2,761,299	2,312,452
Total comprehensive income		7,858,054	21,528,416
Earnings per share		0.02	0.09

Earnings per share is arrived at by dividing net profit by the number of shares in issue

CONSOLIDATED BAKERIES (JAMAICA) LIMITED
STATEMENT OF CHANGES IN EQUITY
AS AT DECEMBER 31, 2015

	Share Capital $	Revaluation Reserve $	Capital Reserve $	Other Comprehensive Income	Retained Earnings $	Total $
Balance at December 31, 2013	90,726,664	330,854,047	20,825,532	3,297,003	58,393,645	504,096,891
Net profit	-	-	-	-	19,215,964	19,215,964
Fair value appreciation of available for sale investments				2,312,452		2,312,452
At December 31, 2014	90,726,664	330,854,047	20,825,532	5,609,455	77,609,609	525,625,307
Net profit	-	-	-	-	5,096,755	5,096,755
Fair value appreciation of available for sale investments	-	-	-	2,761,299	-	2,761,299
Balance at December 31, 2015	90,726,664	330,854,047	20,825,532	8,370,754	82,706,364	533,483,361

CONSOLIDATED BAKERIES (JAMAICA) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015

	2015 $	2014 $
Cash flows from operating activities		
Comprehensive Income	7,858,054	21,528,416
Items not affecting cash resources:		
Net disposal of fixed asset	45,340	(374,060)
Unrealized currency translation	(2,761,299)	(2,312,452)
Depreciation	20,542,748	15,926,662
	25,684,842	34,768,565
(Increase)/decrease in current assets		
Related parties	3,925,060	(2,442,949)
Inventories	2,900,466	(7,134,446)
Receivables	2,854,278	468,086
Deposit on equipment	3,788,219	(3,788,219)
Increase/(decrease) in current liabilities		
Trade payables	14,897,242	6,878,338
Tax	-	(2,082,077)
Net cash generated by operating activities	54,050,108	26,667,297
Cash flows from investing activities		
Purchase of fixed assets	(51,680,019)	(31,578,089)
Proceeds from sale of fixed assets	430,000	-
Financial investment	(437,349)	(5,586,583)
Net cash used in investing activities	(51,687,367)	(37,164,672)
Cash flows from financing activities		
New Loan	3,000,000	-
Loan Payment	(2,965,216)	(5,023,841)
Net cash (used in)/generated from financing activities	34,784	(5,023,841)
Net increase/(decrease) in cash and cash equivalents	2,397,525	(15,521,213)
Cash and cash equivalents at the beginning of the year	38,102,255	53,623,468
Net cash and cash equivalents at the year end	40,499,780	38,102,255
Represented by:		
Cash and cash equivalents	58,050,218	50,501,972
Bank overdraft	(17,550,438)	(12,399,717)
Net cash and cash equivalents at year end	40,499,780	38,102,255

1. Reporting Entity

Consolidated Bakeries (Jamaica) Ltd - "the Company"

a) The Company is incorporated under the Jamaican Companies Act and is a subsidiary of Chang Brothers Limited which is a Jamaican Company incorporated under the Jamaican Companies Act.

Stock exchange listing

The Company had its application to the Junior Stock Exchange approved after its successful public share offer of ordinary shares in December 2012.

b) Activities

The main activities of the Company are the manufacture and wholesale and retail sale of edible baked products.

2. Summary of significant accounting policies

a. Statement of compliance

These financial statements have been prepared using the historical cost convention which is in accordance with the International Financial Reporting Standards (IFRS).

New and revised IFRSs in issue but not yet effective

The Company has not applied the following new and revised IFRSs that have been issued but are not yet effective:

Amendments to IAS 1	Disclosure Initiative[1]
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[1]
Amendments to IFRS 7	Amendments resulting from September 2014 Annual Improvements to IFRSs[1]

[1]Effective for annual periods beginning on or after 1 January 2016.

Summary of significant accounting policies (cont'd)

b. **Reporting currency**

These financial statements are presented in the Jamaican dollars, which is the functional currency of the Company.

c. **Basis of preparation**

These financial statements have been prepared on the historical cost basis (as modified by the revaluation of land and building) except for certain financial instruments that are measured at fair value as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

In addition, for financial reporting purposes, fair value measurements are categorised into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the company can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly;

Level 3 inputs are unobservable inputs for the asset or liability.

d. **IFRS 7: Financial Instruments: Disclosures**

This standard requires disclosure of information about the significance of financial instruments to an entity, and the nature and extent of risks arising from those financial instruments, both in qualitative and quantitative terms. Specific disclosures are required in relation to transferred financial assets and a number of other matters.

Summary of significant accounting policies (cont'd)

e. **IAS 16 Property, Plant and Equipment**

This standard shall be applied in accounting for property, plant and equipment except when another standard requires or permits a different accounting treatment.

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if:

(a) It is probable that future economic benefits associated with the item will flow to the entity; and

(b) The cost of the item can be measured reliably

Items of property, plant and equipment may be acquired for safety or environmental reasons. The acquisition of such property, plant and equipment, although not directly increasing the future economic benefits of any particular existing item of property, plant and equipment, may be necessary for an entity to obtain the future economic benefits from its other assets. Such items of property, plant and equipment qualify for recognition as assets because they enable an entity to derive future economic benefits from related assets in excess of what could be derived had those items not been acquired.

An item of property, plant and equipment that qualifies for recognition as an asset shall be measured at its cost.

An entity shall choose either the cost model or the revaluation model as its accounting policy and shall apply that policy to an entire class of property, plant and equipment.

The company uses the revaluation model for its building and the cost model for all other category of assets as its measurement of recognition.

IAS 16 Property, Plant and Equipment (cont'd)

Revaluation

After recognition as an asset, an item of property, plant and equipment whose fair value can be measured reliably shall be carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

When an item of property, plant and equipment is revalued, the carrying amount of that asset is adjusted to the revalued amount. At the date of the revaluation, the asset is treated in one of the following ways:

(a) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. The accumulated depreciation at the date of the revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses; or (b) the accumulated depreciation is eliminated against the gross carrying amount of the asset

After recognition as an asset, an item of property, plant and equipment shall be carried at its cost less any accumulated depreciation and any accumulated impairment losses.

The depreciation charge for each period shall be recognised in profit or loss unless it is included in the carrying amount of another asset.

This Company recognises depreciation under the expense heading of "depreciation" in the period.

The depreciable amount of an asset shall be allocated on a systematic basis over its useful life.

IAS 16 Property, Plant and Equipment (cont'd)

The depreciation method used by the company is the reducing balance basis for all categories of assets apart from computer which uses the straight line basis and is designed to write off the cost assets over the period of their useful lives. The annual rates of depreciation are as follows:

Computer	20%
Furniture & fixtures	10%
Plant, machinery and equipment	10%
Building	2.5%
Motor vehicle	12.5%

Repairs and maintenance expenditures are charged to the profit or loss during the financial period in which they are incurred.

f. **Inventory**

Inventories include assets held for sale or use in the ordinary course of business (finished goods), assets in the production process for sale in the ordinary course of business (work in process), and materials and supplies that are consumed in production (raw materials). [IAS 2.6]

Inventories are required to be stated at the lower of cost and net realizable value (NRV). [IAS 2.9]

[IAS 2.10] Cost should include all:

- costs of purchase (including taxes, transport, and handling) net of trade discounts received
- costs of conversion (including fixed and variable manufacturing overheads) and
- other costs incurred in bringing the inventories to their present location and condition

IAS 2 allows the FIFO or weighted average cost formulas. [IAS 2.25] The LIFO formula, which had been allowed prior to the 2003 revision of IAS 2, is no longer allowed.

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

Inventory (cont'd)

[IAS 2.6] Any write-down to NRV should be recognized as an expense in the period in which the write-down occurs. Any reversal should be recognized in the income statement in the period in which the reversal occurs.

g. **Cash and cash equivalents**

Cash and cash equivalents are held for the purposes of meeting short term commitments rather than for investments for other purposes. For an investment to qualify it must be convertible to a known amount of cash and be subject to an insignificant risk of changes in value. An investment normally qualifies as a cash equivalent when it has a short maturity of three months or less from the date of acquisition

h. **IAS 18 — Revenue**

This standard outlines the accounting requirements as to when to recognise revenue from the sale of goods, rendering of services, and for interest, royalties and dividends. Revenue is measured at the fair value of the consideration received or receivable and recognised when prescribed conditions are met, which depend on the nature of the revenue.

The company's main revenue source which is sale of edible baked products is recognised on the Sales-basis method. Under this method revenue is recognised at the time of the sale, which is defined as the moment when the title of the goods is transferred to the buyer.

The company recognises other income when rights and obligations have been transferred to the entity.

i. **IAS 21- Effects of changes in foreign exchange rates**

An entity may carry on foreign activities in two ways. It may have transactions in foreign currencies or it may have foreign operations.

This Standard shall be applied:

(a) In accounting for transactions and balances in foreign currencies, except for those derivative transactions and balances that are within the scope of IFRS 9 Financial Instruments;

IAS 21- Effects of changes in foreign exchange rates (cont'd)

(b) In translating the results and financial position of foreign operations that are included in the financial statements of the entity by consolidation or the equity method; and

(c) In translating an entity's results and financial position into a presentation currency.

This company owns a foreign currency savings account and investment accounts which are subject to changes in exchange rate.

A foreign currency transaction shall be recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.
At the end of each reporting period foreign currency monetary items shall be translated using the closing rate on the reporting date.

j. **IAS 24 Related Party Disclosures**

The objective of this Standard is to ensure that an entity's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and profit or loss may have been affected by the existence of related parties and by transactions and outstanding balances, including commitments, with such parties.

A **related party** is a person or entity that is related to the entity that is preparing its financial statements (in this Standard referred to as the 'reporting entity').

(a) A person or a close member of that person's family is related to a reporting entity if that person:

(i) has control or joint control of the reporting entity;
(ii) has significant influence over the reporting entity; or
(iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity

IAS 24 Related Party Disclosures (cont'd)

(b) An entity is related to a reporting entity if any of the following conditions applies:

(i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity

(v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

A **related party transaction** is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged

k. **IAS 39 Financial Instruments: Recognition and Measurement**

Financial assets and financial liabilities are recognized when an entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities , as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

IAS 39 Financial Instruments: Recognition and Measurement (cont'd)

Financial assets are classified into the following specified categories: financial assets 'securities available-for-sale' (AFS) and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular purchases or sales of financial assets are recognized and derecognized on a trade date basis.

Regular purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

AFS financial assets are non-derivatives that are either designated as AFS or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at fair value through profit or loss.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Financial Investments

Listed redeemable notes held by the company that are traded in an active market are classified as AFS and are stated at fair value at the end of each reporting period.

2. Financial risk management

Interest rate risk

The company faces interest rate exposure risk. Interest rate risk arises when the value of financial instruments fluctuates during a specified period due to changes in market interest rates.

At the reporting date, the interest rate profile of the company's interest bearing financial instruments was:

	Carrying Amount	
	2015	2014
	$	$
Interest bearing assets	97,498,668	83,089,722
Interest bearing liabilities	75,123,744	69,938,239
	172,622,412	153,027,961

Financial risk management (cont'd)

Credit risk

Credit risk is the risk of exposure occasioned by one party to financial instrument when the other party fails to discharge an obligation thus causing the other party to suffer a financial loss.

The carrying amount of financial assets represents the maximum exposure to credit risk (before application of collateral held) which at the statement of financial position date was:

	2015	2014
	$	$
Investment securities	60,086,726	56,888,079
Resale agreement assets	37,411,542	26,201,243
Accounts receivable	49,320,276	52,174,554
Owed by related parties	20,967,133	24,892,194
	167,785,677	160,156,070

Foreign currency risk

A foreign currency risk is that the value of a financial instrument will fluctuate due to changes in the foreign currency exchange rates.

As at December 31, 2015 the company faces foreign currency risk as it relates to it foreign currency investments and repurchase agreements. The company also face risk as it relates to a small investment in Canadian dollars, as much of its exposure is in United States dollars.

Below highlights the change in exchange rates, as well as the total translation adjustments made by the company.

	Dollar/USD exchange rate	currency translation adjustment
December 31, 2015	120.24	4,927,206
December 31, 2014	114.26	7,607,551

Financial risk management (cont'd)

Liquidity risk

Liquidity risk is that which the Company faces when it encounters difficulties in raising funds to meet commitments associated with its financial instruments.

	2015	2014
	$	$
Current assets	218,315,505	221,036,636
current liabilities	89,971,123	61,591,444

The liquid asset ratio at the end of the year was 1:2.43 (2014: 1:3.59). There has been no change to the company's exposure to liquidity risk or the manner in which it manages and measures the risk.

CONSOLIDATED BAKERIES (JAMAICA) LIMITED
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

3. Property, Plant and Equipment

	Land[1] & building $	Plant, machinery & equipment $	Furniture & fixtures $	Motor vehicles $	Computer system $	Total $
Costs/ valuation						
January 1, 2014	373,360,200	55,939,716	6,931,554	46,682,287	17,892,867	500,806,624
Additions	252,064	15,708,206	921,802	13,551,186	1,144,831	31,578,089
Disposal	-	-	-	(1,420,000)	-	(1,420,000)
December 31, 2014	373,612,264	71,647,922	7,853,356	58,813,473	19,037,698	530,964,713
Additions	753,174	24,921,170	1,706,321	19,070,709	5,228,645	51,680,019
Disposal	-	-	-	(1,880,000)	-	(1,880,000)
December 31, 2015	374,365,438	96,569,092	9,559,677	76,004,182	24,266,343	580,764,732
Accumulated depreciation						
January 1, 2014	63,178,742	18,428,126	3,341,397	18,624,580	5,361,881	108,934,727
Disposal	-	-	-	(1,357,030)	-	(1,357,030)
Charge for the year	4,979,568	2,986,978	377,297	4,070,472	3,512,347	15,926,662
December 31, 2014	68,158,310	21,415,104	3,718,694	21,338,022	8,874,228	123,504,358
Disposal				(1,404,660)		(1,404,660)
Charge for the year	4,873,027	5,536,228	496,574	5,318,880	4,318,039	20,542,748
December 31, 2015	73,031,337	26,951,331	4,215,268	25,252,242	13,192,267	142,642,446
Net book value						
December 31, 2015	301,334,101	69,617,762	5,344,409	50,751,940	11,074,076	438,122,286
December 31, 2014	305,453,954	50,232,817	4,134,663	37,475,451	10,163,470	407,460,355

[1] Land and building includes land in the amount of $106,500,000

4. Inventories

	2015	2014
	$	$
Raw materials	8,847,420	10,882,982
Packaging materials & spares	12,640,715	15,782,797
Finished goods	8,403,017	6,125,839
	29,891,152	32,791,618

5. Accounts receivables

	2015	2014
	$	$
Trade receivables	38,536,401	43,508,934
Less provision for bad debt	(872,824)	(645,425)
	37,663,577	42,863,509
Other receivables	11,656,699	9,311,045
	49,320,276	52,174,554

Aged trade receivables

	0 to 30 days	31 to 60 days	61-90 days	Over 90 days	Carrying value
	$	$	$	$	$
Balance at :					
December 31, 2015	24,239,828	4,172,804	187,151	9,936,618	38,536,401
December 31, 2014	28,850,672	5,783,959	2,043,021	6,831,281	43,508,934

6. Owed by related parties

	2015	2014
	$	$
Directors	3,884,888	6,914,112
Poly Cello Packaging Ltd	15,837,255	15,837,255
Other related parties	1,244,990	2,140,827
	20,967,133	24,892,194

Loans to directors are for a period of 4 years ending December, 2017 at an interest rate of 8 % per annum on the reducing balance basis

7. Financial investments

	2015	2014
Available for sale securities	$	$
NCB Capital Markets Limited		
Government of Jamaica repo investment	60,086,726	56,888,079
(denominated in United States Dollars)	60,086,726	56,888,079

8. Cash & cash equivalents

	2015	2014
	$	$
Cash in hand	8,788,907	8,579,272
Bank accounts (Jamaican Dollars)	4,448,458	1,663,631
Bank accounts (United States Dollars)	7,361,188	14,016,089
Bank account (Canadian Dollars)	39,723	41,337
First Global Bank Limited Repo - (United States Dollars)	22,142,384	11,720,405
Scotia DBG Investments Repo:		
United States Dollars	15,269,158	14,480,838
Jamaican Dollars	400	400
	58,050,218	50,501,972

9. Share capital

Authorised share capital
427,260,000 ordinary shares of no par value.

	2015	2014
Issued and fully paid share capital	$	$
222,709,171 (2014: 222,709,171) ordinary shares at no par value.	90,726,664	90,726,664

10. Capital reserve

This represents compensation received for a building which had to be demolished due to land development with PriceSmart Limited.

11. Revaluation reserve

This represents revaluation of land and building done by independent professional valuators In October 2012. The valuators are reputable and well respected.

12. Long-term loans

	2015	2014
	$	$
National Commercial Bank Jamaica Limited		
a) Business Grow loan (for 6 1/2 years)	3,565,072	6,016,308
c) Motor vehicle loan (for 10 years)	24,570,447	16,817,039
d) Ordinary loan (for 10 years)	8,264,683	10,705,187
First Global Bank Limited		
a) Motor vehicle loan (for 3 years)	3,000,000	-
b) DBJ loan (for 3 years)	18,173,104	23,999,988
	57,573,306	57,538,522
Less current portion	(24,589,998)	(16,258,282)
Long term portion	32,983,308	41,280,240

Security for loans

a) National Commercial Bank Jamaica Limited

i. First mortgage over commercial property at 2F Valentine Drive/ 111 Red Hills Road, Kingston 19, registered and stamped to cover J$ 29.5M

Assignment of adequate FEH Insurance.

ii. Legal mortgage over commercial property at 2F Valentine Drive/ 111 Red Hills Road Kingston 19, registered and stamped to cover $44m

Assignment of adequate FEH Insurance.

iii. Guarantee of Vincent Chang and Anthony Chang stamped for J$75.5M and US $30,000.00

Security on loans (cont'd)

b) First Global Bank Limited
   i. Second borrower's mortgage over commercial property located 111 Red Hills Road and stamped to cover $30m. Subject to first mortgage registered in favour of National Commercial Bank and stamped to cover $29.5M
   ii. Motor vehicle loan secured by cash.

13. Payables & accruals

	2015	2014
	$	$
Accounts payable- trade	45,654,273	27,268,983
Other payables & accruals	2,176,415	5,664,462
	47,830,687	32,933,445

Aged trade payables

	0 to 30 days	31 to 60 days	61 to 90 days	Over 90 days	Amount Due
Balance at	$	$	$	$	$
December 31, 2015	26,330,795	15,526,014	1,808,645	1,988,818	45,654,272
December 31, 2014	16,286,174	6,544,008	1,712,019	2,726,782	27,268,983

14. Bank overdraft

This is secured by first legal mortgage over commercial property located at 111 Red Hills Road and by guarantee of Directors Anthony and Vincent Chang.

15. Interest and other income

	2015	2014
	$	$
Interest on savings and investments	3,134,130	3,806,429
Realized Gain on foreign exchange transactions.	2,165,907	5,295,099
	5,300,037	9,101,528

16. Expenses by nature

	2015	2014
	$	$
Staff cost	87,551,802	78,391,504
Sales contractors	25,234,986	25,094,524
Security	8,308,887	8,119,417
Travelling and motor vehicle expenses	37,016,682	31,413,122
Utilities	16,834,339	19,923,212
Advertising and promotion	16,762,209	8,507,604
Directors Fees	1,700,000	1,700,000
Directors Management remuneration	21,972,275	18,088,653
Auditors remuneration	1,045,000	900,000
Depreciation	20,542,748	15,926,662
Other	24,745,187	29,502,686
	261,714,116	237,567,383

17. Financial Commitment

After December 31, 2015 the Company entered into a commitment to incur cost of JMD$22 million, for acquisition of fixed assets.