

CONSOLIDATED BAKERIES (JAMAICA) LTD
Unaudited Financial Statements For the
three Months Ended 31 March 2013

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CONSOLIDATED BAKERIES (JAMAICA) LTD
Unaudited Statement Of Comprehensive Income
For the three Months ended 31 March 2013

	<u>Notes</u>	Unaudited 3 months ended March 31 2013	Unaudited 3 months ended March 31 2012
Revenue		172,033,387	139,967,678
Cost of Sales		109,191,507	86,701,186
Gross Profit		62,841,880	53,266,492
Other Income		722,832	3,460
		63,564,712	53,269,952
Operating Expenses		50,481,158	43,611,388
Profit from operations		13,083,554	9,658,564
Unrealized Gain on Foreign Exchange		2,542,614	100,968
Finance costs		(1,378,758)	(750,005)
Profit before Taxation		14,247,410	9,009,527
Taxation	4	-	(4,508,090)
Total Comprehensive Income		14,247,410	4,501,437
Earnings per Share	9	0.06	0.38

CONSOLIDATED BAKERIES (JAMAICA) LTD
Unaudited Statement Of Financial Position
As at 31 March 2013

	Notes	As at March 31, 2013	As at March 31, 2012	As at December 31, 2012
ASSETS:				
NON-CURRENT ASSETS:				
Property , Plant & Equipment	5	379,090,463	373,055,187	374,962,934
		<u>379,090,463</u>	<u>373,055,187</u>	<u>374,962,934</u>
CURRENT ASSETS:				
Inventories		18,240,216	7,178,012	16,513,962
Accounts Receivables	6c	73,523,277	41,659,904	43,018,199
Owed by Related Parties	7	19,346,277	20,941,817	25,643,141
Investments	6c	64,951,474	-	33,000,000
Cash & Cash Equivalents	6c	26,240,644	27,079,789	65,362,973
		<u>202,301,888</u>	<u>96,859,522</u>	<u>183,538,275</u>
TOTAL ASSETS		<u>581,392,352</u>	<u>469,914,709</u>	<u>558,501,209</u>
EQUITIES & LIABILITIES				
Share Capital		90,726,664	120,000	90,726,664
Capital Reserve		20,825,532	20,825,532	20,825,532
Revaluation Reserves		330,854,047	330,854,047	330,854,047
Retained Earnings		42,823,461	29,401,229	28,576,051
		<u>485,229,704</u>	<u>381,200,808</u>	<u>470,982,294</u>
NON-CURRENT LIABILITIES				
Long Term Loan	8	6,965,776	19,267,193	9,488,857
CURRENT LIABILITIES				
Current Portion of long Term Debt	8	12,544,789	6,850,440	12,544,789
Payables & Accruals		41,319,984	35,734,630	35,359,735
Bank Overdraft	6c	28,924,045	11,946,892	18,049,422
Tax		6,408,054	14,914,746	12,076,112
		<u>89,196,872</u>	<u>69,446,708</u>	<u>78,030,058</u>
TOTAL EQUITIES & LIABILITIES		<u>581,392,352</u>	<u>469,914,709</u>	<u>558,501,209</u>

Approved by the Board of Directors on May 15, 2013 and signed on its behalf by:

Anthony Chang
Director

Vincent Chang
Director

CONSOLIDATED BAKERIES (JAMAICA) LTD
Unaudited Statement Of Changes in Shareholders' equity
For the three Months ended 31 March 2013

	<u>Share Capital</u>	<u>Revaluation Reserve</u>	<u>Capital Reserve</u>	<u>Retained Earnings</u>	<u>Total</u>
Balance at December 31, 2011	120,000	330,854,047	20,825,532	24,899,792	376,699,371
Total Comprehensive Income	-	-	-	4,501,437	4,501,437
Balance at March 31, 2012	<u>120,000</u>	<u>330,854,047</u>	<u>20,825,532</u>	<u>29,401,229</u>	<u>381,200,808</u>
Balance at December 31, 2012	90,726,664	330,854,047	20,825,532	28,576,051	470,982,294
Total Comprehensive Income	-	-	-	14,247,410	14,247,410
Balance at March 31, 2013	<u>90,726,664</u>	<u>330,854,047</u>	<u>20,825,532</u>	<u>42,823,461</u>	<u>485,229,704</u>

CONSOLIDATED BAKERIES (JA.) LTD
 Unaudited Statement Of Cash Flow
 For the three Months ended 31 March 2013

	Unaudited 3 months ended March 31, 2013	Unaudited 3 months ended March 31, 2012
<u>Cash Flows from Operating Activities</u>		
Net Profit	14,247,410	9,009,527
Items not affecting cash resources:		
Depreciation	2,890,053	2,506,265
	17,137,463	11,515,792
<u>(Increase)/Decrease in Current Assets</u>		
Related Parties	6,296,864	3,038,370
Inventories	(1,726,254)	529,741
Receivables	(30,505,078)	(5,596,042)
<u>Increase/(Decrease) in Current Liabilities</u>		
Trade Payables	5,960,249	12,928,288
Taxation	(5,668,058)	(1,515,033)
Net cash provided by operating activities	(8,504,813)	20,901,115
<u>Cash Flows from Investing Activities</u>		
Investments	(31,951,474)	-
Purchase of Fixed Assets	(7,017,582)	(4,066,702)
Net cash used in investing activities	(38,969,056)	(4,066,702)
<u>Cash Flows from Financing Activities</u>		
Loan	(2,523,080)	12,911,942
Net cash flows from financing activities	(2,523,080)	12,911,942
Net cash generated this quarter	(49,996,950)	29,746,355
Cash and cash equivalents at beginning of year	47,313,551	(14,613,459)
Cash and cash equivalents at end of quarter	(2,683,401)	15,132,896
<u>Represented By:</u>		
Cash and Cash Equivalents	26,240,644	27,079,789
Bank Overdraft	(28,924,045)	(11,946,892)
	(2,683,401)	15,132,896

CONSOLIDATED BAKERIES (JAMAICA) LTD

Notes to the Financial Statements

For the three Months ended 31 March 2013

1 Identification and Principal Activities**Consolidated Bakeries (Jamaica) Ltd - "The Company"**

- a) The Company is incorporated under the Jamaica Companies Act and up to November 2012 was a wholly owned subsidiary of Chang Brothers Limited which is also a wholly owned Jamaican Company incorporated under the Jamaica Companies Act. In December 2012 the percentage shareholding of Chang Brothers Ltd was reduced to 76.3% due to the following:

Re-registration of the Company and Stock Exchange Listing.

On a resolution passed at an extraordinary general meeting the shareholders of the Company approved the following action. Re-registration of the company as a public company under the Companies Act 2004 and adoption of new Articles of incorporation.

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, wholesale and retail of edible baked products.

2 Reporting Currency

Except as otherwise indicated the amounts in these financial statements are expressed In Jamaican Dollars which is the primary currency in the country in which the Company operates.

3 Significant Accounting Policies**Statements of Compliance**

These Financial Statements have been prepared in accordance with and comply with International Financial Reporting Standards (IFRS) and have been prepared under the historical cost convention as modified by the revaluations of land and building. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies.

CONSOLIDATED BAKERIES (JA.) LTD

Notes to the Financial Statements

For the three Months ended 31 March 2013

4 Tax Status

Under the Income Tax Act (Jamaica Stock Junior Market Remission Notice 20100) 100% of the Company's income tax liability will be granted a remission for the next 5 years and 50% of the income tax liability will be granted a remission for an additional 10 years, provided the Company remains on the Stock Exchange during that period.

<u>Income Taxes</u>	Unaudited 3 months ended March 31 2013	Unaudited 3 months ended March 31 2012
Income Taxes		
Profit before Taxation	14,247,410	9,009,527
Taxation at effective tax rate	-	(4,508,090)
Total Comprehensive Income	14,247,410	4,501,437

The 3 months ended 31 March 2012 taxation figure has been arrived at using a effective tax rate of 50% for the year 2012.

5 Property, Plant & Equipment

	3 Months ended March 31, 2013	3 Months ended March 31, 2012
Cost as at January 1,	471,187,024	457,174,885
Acquisitions	7,017,582	4,066,702
Disposals	-	-
Accumulated depreciation and amortization	(99,114,143)	(88,186,400)
Net book Value as at March 31,	379,090,463	373,055,187

CONSOLIDATED BAKERIES (JA.) LTD

Notes to the Financial Statements

For the three Months ended 31 March 2013

6 Financial Risk

a) Interest rate risk

Interest rate risk arises when the value of a financial instrument fluctuates during a specified period due to changes in market interest rates. The Company is exposed to interest rate risk regarding its loans, savings accounts and bank overdraft.

b) Liquidity Risk

Liquidity risk refers to the difficulty The Company faces in raising funds to meet its commitments associated with its Financial instruments. As at March 31, 2013 The Company did not face any liquidity risks.

c) Credit risk

Credit risk is the risk that arises when one party fails to discharge its financial obligation, thus resulting in the other party suffering a financial loss. The Company is exposed to credit risk in respect of its receivables from both other companies and from individuals.

The maximum exposure to Interest rate and Credit risk as at March 31, 2013 is represented by the following:

	3 Months ended March 31, 2013	3 Months ended March 31, 2012	Audited year ended December 31, 2012
Cash and Cash Equivalents	26,240,644	27,079,789	65,362,973
Investments	64,951,474	-	33,000,000
Owed by related parties	19,346,277	20,941,817	25,643,141
Receivables	73,523,277	41,659,904	43,018,199
Bank Overdraft	28,924,045	11,946,892	18,049,422

CONSOLIDATED BAKERIES (JA.) LTD

Notes to the Financial Statements

For the three Months ended 31 March 2013

7 Related Parties

Related parties are those parties that possess the ability to control or exercise significant influence over the Companies Operational or Financial decisions. Amounts owed are as follows:

	3 Months ended March 31, 2013	3 Months ended March 31, 2012	Audited year ended December 31, 2012
Parent Company	-	400,387	1,989,427
Directors' Account	11,720,024	8,377,472	12,000,024
Poly Cello Packaging Ltd.	7,626,253	12,163,958	11,653,690
	<u>19,346,277</u>	<u>20,941,817</u>	<u>25,643,141</u>

8 Loan Liability

	3 Months ended March 31, 2013	3 Months ended March 31, 2012	Audited year ended December 31, 2012
Current Amount	12,544,789	6,850,440	12,544,789
Long Term Amount	6,965,776	19,267,193	9,488,857
Total	<u>19,510,565</u>	<u>26,117,633</u>	<u>22,033,645</u>

CONSOLIDATED BAKERIES (JA.) LTD

Notes to the Financial Statements

For the three Months ended 31 March 2013

9 Earnings per share

The earnings per share have been arrived at by dividing the total Comprehensive Income by the total number of shares in issue as at the end of the respective period.

	3 Months ended March 31, 2013	3 Months ended March 31, 2012
Ordinary Shares	222,709,171	12,000,000