CONSOLIDATED BAKERIES
(JAMAICA) LIMITED
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

CONSOLIDATED BAKERIES (JAMAICA) LIMITED
FINANCIAL STATEMENTS
DECEMBER 31, 2013

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BOGLE & COMPANY
CHARTERED ACCOUNTANTS

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AUDITORS' REPORT
TO THE MEMBERS
CONSOLIDATED BAKERIES (JAMAICA) LIMITED

We have audited the financial statements for Consolidated Bakeries (Jamaica) Limited set out on the following pages 3-17 which comprise the statement of financial position as of December 31, 2013 and the statement of comprehensive income, and statement of cashflows for the period then ended, 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 Financial Statements, whether due to fraud or error. In making these risk assessments, the auditor considers internal control relevant to 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2013 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 & Co

BOGLE & COMPANY
Chartered Accountants

March 13, 2014

CONSOLIDATED BAKERIES (JAMAICA) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED DECEMBER 31, 2013

	Notes	2013 $	2012 $
Revenue	17	672,944,907	474,554,193
Cost of sales		437,339,630	310,815,708
Gross profit		235,605,277	163,738,485
Other income	18	2,256,795	3,164,221
		237,862,072	166,902,706
Administrative and other expenses	22	122,992,607	99,539,675
Selling and distribution expenses	22	76,338,682	53,352,756
		199,331,289	152,892,431
Profit from operations	20	38,530,783	14,010,275
Finance costs		5,416,186	6,652,322
Profit before tax		33,114,597	7,357,953
Tax	19	-	3,681,693
Net profit		33,114,597	3,676,260
Total comprehensive income		33,114,597	3,676,260
Earnings per share		0.15	0.02
Earnings per share is arrived at by dividing profit after tax by the weighted average number of shares	11		

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED BAKERIES (JAMAICA) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2013

	Notes	2013 $	2012 $
Assets			
Non Current Asset			
Property , plant & equipment	3c & 6	391,871,899	374,962,934
		391,871,899	374,962,934
Currents Assets			
Inventories	3b &7	25,657,172	16,513,962
Accounts receivables net of allowances	8	52,642,640	43,018,199
Owed by related parties	9	22,449,245	25,643,141
Cash & cash equivalents	10	110,123,126	98,362,973
		210,872,183	183,538,275
Total Assets		602,744,082	558,501,209
Equity & Liabilities			
Equity			
Share capital	11	90,726,664	90,726,664
Capital reserve	12	20,825,532	20,825,532
Revaluation reserves	13	330,854,047	330,854,047
Retained earnings		61,690,648	28,576,051
		504,096,891	470,982,294
Non- current liabilities			
Long Term Loan	14	47,926,801	9,488,857
		552,023,692	480,471,151
Current Liabilities			
Current portion of long- term loans	14	14,635,560	12,544,789
Payables & accruals	15	26,055,108	35,359,735
Bank overdraft	16	7,947,644	18,049,422
Tax		2,082,077	12,076,112
		50,720,389	78,030,058
Total Equity & Liabilities		602,744,082	558,501,209

Approved by the Board of Directors on March 13, 2014 and signed on its behalf by:

Anthony Chang

Vincent Chang

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED BAKERIES (JAMAICA) LIMITED
STATEMENT OF CHANGES IN EQUITY
YEAR ENDED DECEMBER 31 2013

	Share Capital $	Revaluation Reserve $	Capital Reserve $	Retained Earnings $	Total $
At December 31, 2011	120,000	330,854,047	20,825,532	24,899,791	376,699,370
Share subscription 2012	90,606,664	-	-	-	90,606,664
Total comprehensive income	-	-	-	3,676,260	3,676,260
At December 31, 2012	90,726,664	330,854,047	20,825,532	28,576,051	470,982,294
Total comprehensive income	-	-	-	33,114,597	33,114,597
At December 31, 2013	90,726,664	330,854,047	20,825,532	61,690,648	504,096,891

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED BAKERIES (JAMAICA) LIMITED
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31 2013

	Notes	2013 $	2012 $
Cash flows from operating activities			
Net profit		33,114,597	3,676,260
Items not affecting cash resources:			
Depreciation	6	12,710,634	10,543,956
		45,825,232	14,220,216
(Increase)/decrease in current assets			
Related parties		3,193,897	(1,662,955)
Inventories		(9,143,210)	(8,806,209)
Receivables		(9,624,440)	(6,954,336)
Increase/(decrease) in current liabilities			
Trade payables		(9,304,627)	12,553,393
Tax		(9,994,035)	154,423
Net cash provided by operating activities		10,952,816	9,504,532
Cash flows from investing activities			
Purchase of fixed assets	6	(29,619,600)	(14,012,139)
Net cash used in investing activities		(29,619,600)	(14,012,139)
Cash flows from financing activities			
Share subscription	11	-	90,606,664
Loan		40,528,713	8,827,952
Net cash flows from financing activities		40,528,713	99,434,616
Net cash generated this year		21,861,930	94,927,010
Cash and cash equivalents at beginning of year		80,313,551	(14,613,459)
Net cash and cash equivalents at year end		102,175,482	80,313,551
Represented by:			
Cash and cash equivalents	10	110,123,126	98,362,973
Bank overdraft		(7,947,644)	(18,049,422)
Net cash and cash equivalents at year end		102,175,482	80,313,551

1 Identification and principal activities

Consolidated Bakeries (Jamaica) Ltd - "the Company"

a) The Company is incorporated under the Jamaican 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 Jamaican 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

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

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, 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.

3 Significant accounting policies

(i) Statement 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.

Relevant or amended standards that became effective during the year or earlier

IAS 36 (Amendment) 'Impairment of assets' This amendment clarifies that the largest cash generating unit (or group of units) to which goodwill should be allocated for the purpose of impairment testing is an operating segment, as defined by paragraph 5 of IFRS 8 , "Operating Segments' (i.e. before the aggregation of segments with similar economic characteristics). The Company does not currently have goodwill or any operating segment.

IFRS 5 (Amendment), 'Non-current assets held for sale and discontinued operations'. The amendment clarifies that the IFRS 5 specifies the disclosures required in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations. It also clarifies that the general requirements of IAS 1 still apply, in particular paragraph 15 (to achieve a fair value presentation) and paragraph 125 (source of estimation uncertainty) of IAS 1.
The Company does not have non-current assets held for sale or discontinued operations.

IFRIC 19, 'Extinguishing financial liabilities with equity instruments'. The interpretation clarifies the accounting by an entity when the terms of a financial liability are renegotiated and result in the entity issuing equity instruments to a creditor of the entity to extinguish all or part of the financial liability (debt for equity swap). It requires a gain or loss to be recognised in profit or loss, which is measured in the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued. If the fair value of the equity instruments issued cannot be reliably measured, the equity instruments should be measured to reflect the fair value of the financial liability extinguished. The interpretation did not have an impact on the financial statements, as the Company has no debt for equity swap agreements.

IAS 24 (Revised), 'Related Party disclosures'
A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to as the 'reporting entity') .

(a) (i) has control or joint control over 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.

(b) (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 defined 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)

IFRS 9, 'Financial Instruments' (effective for annual periods beginning on or after 1 January 2013). This standard specifies how an entity should classify and measure financial instruments, including some hybrid contracts. It requires all financial assets to be classified on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset; initially measured at fair value plus, in the case of the financial asset not at fair value through profit or loss, particular transaction costs, and subsequently measured at amortised costs or fair value. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of IAS 39.
They apply a consistent approach to classifying financial assets and replace the four categories of financial assets in IAS 39, each of which had its own classification criteria. IFRS 9 also results in one impairment method, replacing the two impairment methods in IAS 39 that arise from the different classification categories.
In these financial statements there has been no significant change in the recognition and measurement of financial liabilities carried at amortised cost.

IFRS 13, 'Fair Value Measurement' (effective for annual periods beginning on or after 1 January 2013).The standard explains how to measure fair value for financial reporting. It defines fair value; sets out in a single IRFS a framework for measuring fair value; and requires value measurements. This standard applies to those standards that require or permit fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements), except in specified circumstances.

IAS 19 (revised) 'Employee Benefit's) 'effective for annual periods beginning on or after January 1, 2013 ' IAS 19 (revised) amends the accounting for employment benefits to require immediate recognition of all past service costs which were previously deferred over the period of vesting. It also eliminates the 'corridor' approach and requires that all actuarial gains and losses are recognised immediately in other comprehensive income. The revised standard also replaces the interest cost on defined benefit obligation and the expected return on plan assets with net interest cost based on the net defined benefit assets or liability and the discount rate, measured at the beginning of the year. This standard will not affect the Company as the Company's pension plan is a defined contribution plan.

New, revised or amended standards not yet effective

IFRS 9 ' Financial Instruments' (effective for annual periods beginning on or before January 1 , 2015) This standard will replace IAS 39 'financial Instruments Recognition and Measurements'. IFRS 9 speaks to the classification and measurement of financial assets and replaces the multiple classification models in IAS 39 with a single model which has only two classification categories:
amortized cost and fair value. Classification of debt instruments under IFRS 9 is driven by the entity's business model for managing the financial assets. Under IFRS 9 all equity instruments are measured at fair value. IFRS 9 also removes the requirement to separate embedded derivatives from financial asset hosts. IFRS 9 retains most of IAS 39 regarding financial liabilities including amortised cost accounting for most financial liabilities. The Company has not fully assessed the impact this standard will have on its reporting and has not opted for early adoption.

*IAS 16, Property, Plant and Equipmen*t, has been amended to clarify that the definition of 'property plant and equipment' in IAS 16 is now considered in determining whether spare parts, standby equipment and servicing equipment should be accounted for under the standard.
If these items do not meet the definition, then they are accounted for using IAS 2, inventories.

(ii) Basis of preparation

(a) Use of estimates

The preparation of the financial statements to conform to IFRS requires management to make estimates and assumptions that affect the amounts reported in these financial statements and accompanying notes. Actual amounts may vary from these estimates.
The estimates and underlying assumptions are reviewed on an ongoing basis. Revision of accounting estimates is recognised in the period in which the estimate is reviewed if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(b) Inventories

Inventories are stated at the lower of costs and net realisable value with no profit being included in work in progress.

(c) Property, plant & equipment

Property, plant & equipment are depreciated under the straight line method at rates designed to write off their cost or valuation over their estimated useful lives. Depreciation is prorated on a monthly basis during the year of purchase. The rates used for depreciation are as follows:

Buildings	2.5%
Plant, machinery & equipment	10%
Furniture & fixtures	10%
Motor vehicles	12.5%
Computer system	20%

(d) Foreign currency

Foreign currency transactions are translated and included in the financial statements at the prevailing rate of exchange at the transaction date. Deposits held and liabilities in foreign currency at the date of the Statement of Financial Position are adjusted to reflect the Jamaican equivalent as at that date. Exchange differences arising from settling transactions are reflected in the statement of comprehensive income.

(e) Trade receivables

A trade receivable is carried at invoiced amounts less provision made for impairment losses. Provision for impairment of trade receivable is established when there is sufficient evidence that the Company will not be able to recover the full amounts in accordance with the original terms of the transaction.

(f) Borrowings & borrowings costs

Borrowings are recognised initially at the proceeds received plus transaction costs incurred. Subsequently they are stated net of repayments, while the monthly costs are expensed.

(g) Cash & cash equivalents

Cash and cash equivalents are carried in the Statement of Financial Position at cost. This is comprised of deposits, cash at bank and cash in hand.

(h) Revenue recognition

Revenue is recognised in the Statement of Comprehensive Income when it is probable that future economic benefit associated with the items of revenue will flow to the Company and is able to be reliably measured. Revenue from the sale of goods is measured at fair value of the consideration received or receivable net of discounts and allowances.

(i) Tax status

The Company was listed on the Junior Market of the Jamaica Stock Exchange in December 2012 Under the Income Tax Act (Jamaica Stock Junior Market) (Remission) Notice 2010 all of the company's income tax will be remitted by the Minister of Finance during the first 5 years and 50% will be remitted in the next 5 years, provided the company remains on the Stock Market for at least 15 years.

4 Financial instruments

A financial instrument is a contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another. Financial assets carried on the Statement of Financial Position include accounts receivable, cash and cash at bank . Bank overdraft and accounts payable are deemed financial liabilities.

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 loan, savings accounts and bank overdraft

b) Credit risk

Credit risk is the risk of exposure occasioned by one party to financial instruments. This occurs when one party fails to discharge its obligation thus causing the other party to suffer a financial loss.

The Company is exposed to credit risks in respect of its receivables from other companies and individuals.

The maximum exposure to credit risk at the reporting date is represented by the carrying of each financial asset as follows:

	2013	2012
	$	$
Cash equivalents	110,123,126	86,560,243
Receivables	52,642,640	43,018,199
Owed by related parties	22,449,245	25,643,141
	185,215,011	155,221,583

c) Liquidity risk

Liquidity risk is that risk which the Company faces when it encounters difficulties in raising funds to meet commitments associated with its financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at, or close to, its fair value. Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents, and an adequate amount of committed facilities.

At December 31, 2013 the Company was not faced with any liquidity risk.

d) Cash flow risk

Monetary financial instrument will fluctuate in amount. The company manages this risk by budgetary measures, ensuring that fluctuations in cash flows relating to the monetary financial assets and liabilities are matched, to mitigate any significant adverse cash flows.

e) Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument held in foreign currency will fluctuate due to changes in the foreign currency exchange rates.
The company is exposed to foreign currency risk at December 31, 2013 in respect of bank balances and savings accounts.

5 Employee benefits

The Company participates in a defined contribution plan, the assets of which are held separately from those of the company. The scheme is funded by employee's contribution of 5% of salary with an option to increase to the maximum 10% and the employer's contribution of 5%.

CONSOLIDATED BAKERIES (JAMAICA) LIMITED
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31,2013

6 Property, plant & equipment

	Land & Building $	Plant, Machinery & Equipment $	Furniture & Fixtures $	Motor Vehicles $	Computer System $	Total $
Costs/ Valuation						
January 1, 2012	372,219,562	46,714,629	5,419,989	31,474,634	1,346,071	457,174,886
Additions	1,005,333	2,903,490	296,061	99,025	9,708,230	14,012,139
December 31, 2012	373,224,895	49,618,119	5,716,050	31,573,659	11,054,301	471,187,025
Additions	135,305	6,321,596	1,215,505	15,108,628	6,838,566	29,619,600
December 31, 2013	373,360,200	55,939,716	6,931,554	46,682,287	17,892,867	500,806,625
Accumulated Depreciation						
January 1, 2012	53,001,577	14,012,040	2,739,953	14,772,414	1,154,151	85,680,135
Charge for the year	5,075,207	2,204,605	271,979	2,022,490	969,674	10,543,956
December 31, 2012	58,076,784	16,216,646	3,011,933	16,794,903	2,123,826	96,224,091
Charge for the year 2013	5,101,958	2,211,480	329,464	1,829,677	3,238,056	12,710,634
December 31, 2013	63,178,742	18,428,126	3,341,396	18,624,579	5,361,881	108,934,726
Net Book Value						
December 31, 2013	310,181,459	33,401,473	3,590,158	28,057,708	12,530,986	391,871,899
December 31, 2012	315,148,111	33,401,473	2,704,118	14,778,757	8,930,475	374,962,934

7 Inventories

	2013	2012
	$	$
Raw materials	8,075,684	4,102,002
Packaging materials & spares	15,894,193	10,820,715
Finished goods	1,687,295	1,591,245
	25,657,172	16,513,962

8 Receivables

	2013	2012
	$	$
Trade receivables	46,845,430	39,058,085
Less provision for bad debt	(645,425)	(572,739)
	46,200,005	38,485,346
Other receivables	6,442,635	4,532,854
	52,642,640	43,018,199

Aged Trade Receivables

Balance at :	0 to 30 days	31 to 60 days	61-90 days	Over 90 days	Carrying value
	$	$	$		$
December 31, 2013	37,230,558	8,126,880	906,177	581,814	46,845,430
December 31, 2012	29,492,575	8,461,219	432,757	671,534	39,058,085

9 Owed by related parties

	2013	2012
	$	$
Parent company	-	1,989,427
Directors	9,414,112	10,235,505
Poly Cello Packaging Ltd	10,614,305	11,653,690
Other related parties	2,420,828	1,764,519
	22,449,245	25,643,141

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

10 Cash & cash equivalents

	2013	2012
	$	$
Cash in hand	10,825,611	11,802,729
Bank accounts (Jamaican Dollars)	16,125,502	33,021,819
Bank accounts (United States Dollars)	10,766,883	20,498,332
Bank account (Canadian Dollars)	42,306	40,093
Investments - held -to-maturity		
Stocks and Securities Ltd - Deposit	-	10,000,000
First Global Investments	10,618,333	-
Scotia DBG Investments (United States Dollars)	13,192,077	-
Scotia DBG Investments(Jamaican Dollars)	400	-
NCB Capital Markets Ltd, Gov. Of Ja. Repo.(United States Dollars)	48,552,014	23,000,000
	110,123,126	98,362,973

11 Share Capital

Authorised share capital

On August 17, 2012 the issued A and B shares were both converted and split in to two hundred ordinary shares. The Share Capital increased from $120,000 to $4,272,600 by increasing the ordinary shares by $4,152,600. Total ordinary shares increased in number from 12,000,000 to 427,260,000

		2013	2012
Issued and fully paid share capital			
222,709,171 ordinary shares at no par value.		222,709,171	222,709,171
Weighted average		222,709,171	69,285,098
For 2012			
1/12 of 222,709,171	18,559,098		
3/12 of 170,904,000	42,726,000		
8/12 of 12,000,000	8,000,000		
	69,285,098	$	$
Initial shareholdings		1,708,869	1,708,869
Amount received from public issue		97,337,272	97,337,272
less transaction costs of share issue		(8,319,477)	(8,319,477)
		90,726,664	90,726,664

12 Capital reserve

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

13 Revaluation reserve

This represents revaluation of land and building done by independent professional valuators In October 2012

14 Loans

	2013 $	2012 $
National Commercial Bank Limited (NCB)		
a) Business Grow loan (for 6 1/2 years)	8,159,605	10,033,650
b) DBJ loan (for 3 1/2 years)	714,280	4,999,996
c) Motor vehicle loan (for 10 years)	10,842,678	-
d) Ordinary loan (for 10 years)	12,845,798	-
Working capital (short term revolving loan)	-	7,000,000
First Global Bank Limited (FGB)	30,000,000	-
	62,562,362	22,033,646
Less Current Portion	(14,635,560)	(12,544,789)
Long Term Portion	47,926,801	9,488,857

CONSOLIDATED BAKERIES (JAMAICA) LIMITED
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31 2013

Security

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

b) First Global Bank Limited

Second borrower's mortgage over commercial property located 111 Red Hills Road and registered at Volume 1450 Folio 148, stamped to cover $30m. Subject to first mortgage registered to National Commercial Bank and stamped to cover $29.5M

15 **Payables & accruals**

	2013	2012
	$	$
Accounts payable- trade	23,725,337	33,721,233
Other payables & accruals	2,329,771	1,638,502
	26,055,108	35,359,735

Aged Trade Payables

	0 to 30 days	31 to 60 days	61 to 90 days	Over 90 days	Amount Due
Balance at	$	$	$	$	$
December 31, 2013	13,659,990	9,900,532	57,505	107,310	23,725,337
December 31, 2012	2,133,507	11,387,581	15,712,798	4,487,347	33,721,233

16 **Bank overdraft**

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

17 **Revenue**

Turnover represents goods sold net of General Consumption Tax and discounts.

18 **Other income**

This is comprised of interest on saving and deposits accounts.

19 Tax

Taxation is based on operating results for the year, adjusted for taxation purposes and is made up as follows:

	2013	2012
	$	$
Profit before tax	33,114,597	7,357,953
Add net adjustments necessary for tax purposes	1,141,025	3,688,229
Profit for Tax purposes	34,255,622	11,046,182
Tax at 28.75% (2012 : 33 1/3%)	9,848,492	3,681,693
Adjustment for the effect of tax remission:		
Current tax (note 3(ii) i)	(9,848,492)	-
Tax charge	-	3,681,693

20 Profit from operations

Stated after charging the following	2013	2012
	$	$
Directors emoluments		
Fees	1,700,000	240,000
Management	16,000,000	15,405,717
Auditors remuneration	900,000	850,000
Depreciation	12,710,634	10,543,956

21 Contingent liability

A former employee now a subcontractor of the Company has filed a suit against the company for unpaid vacation leave over a 25 year period.
Legal opinion is that the case is defendable and that any award will not be material, thus no provision has been made in these financial statements.

22 Expenses by nature

	2013	2012
	$	$
Staff cost	70,616,411	53,997,199
Directors fees and management remuneration	17,700,000	15,645,717
Travelling and motor vehicle expenses	25,447,182	18,315,632
Utilities	17,640,624	12,997,115
Advertising and promotion	6,129,368	8,437,573
Other	61,797,704	43,499,195
	199,331,289	152,892,431