

CONSOLIDATED BAKERIES JAMAICA LIMITED
UNAUDITED FINANCIAL STATEMENTS
PERIOD ENDED MARCH 31, 2014

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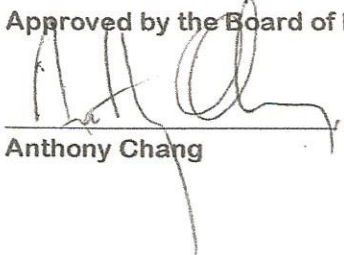
CONSOLIDATED BAKERIES (JAMAICA) LIMITED
UNAUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
PERIOD ENDED MARCH 31, 2014

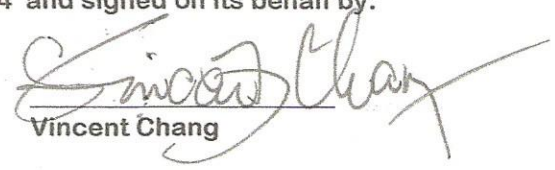
	Note	Unaudited March 2014 \$	Unaudited March 2013 \$	Audited December 2013 \$
Revenue		196,588,472	172,033,387	672,944,907
Cost of sales		<u>136,354,886</u>	<u>109,191,507</u>	<u>437,339,630</u>
Gross profit		60,233,586	62,841,880	235,605,277
Other income		981,640	722,832	2,256,795
		<u>61,215,226</u>	<u>63,564,712</u>	<u>237,862,072</u>
Operating expenses		<u>55,605,730</u>	<u>50,481,158</u>	<u>207,317,909</u>
Profit from operations		5,609,496	13,083,554	30,544,163
Unrealised gain on foreign exchange		2,795,897	2,542,614	7,986,620
Finance costs		<u>(1,028,041)</u>	<u>(1,378,758)</u>	<u>(5,416,186)</u>
Profit before tax		7,377,351	14,247,410	33,114,597
Tax		-	-	-
Net profit		<u>7,377,351</u>	<u>14,247,410</u>	<u>33,114,597</u>
Total comprehensive income		<u>7,377,351</u>	<u>14,247,410</u>	<u>33,114,597</u>
Earnings per share	8	0.03	0.06	0.15

CONSOLIDATED BAKERIES (JAMAICA) LIMITED
UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2014

	<u>Notes</u>	<u>Unaudited</u> <u>March</u> <u>2014</u> \$	<u>Unaudited</u> <u>March</u> <u>2013</u> \$	<u>Audited</u> <u>December</u> <u>2013</u>
<u>Assets</u>				
Non Current Asset				
Property , plant & equipment	3c & 5	393,642,634	379,090,463	391,871,899
		<u>393,642,634</u>	<u>379,090,463</u>	<u>391,871,899</u>
Currents Assets				
Inventories		22,749,384	18,240,217	25,657,172
Accounts receivable net of allowances		80,911,786	73,523,277	52,642,640
Owed by related parties	7	20,620,584	19,346,277	22,449,245
Cash & cash equivalents	6	114,242,422	91,192,118	110,123,126
		<u>238,524,176</u>	<u>202,301,889</u>	<u>210,872,183</u>
Total Assets		<u><u>632,166,811</u></u>	<u><u>581,392,352</u></u>	<u><u>602,744,082</u></u>
<u>Equity & Liabilities</u>				
Equity				
Share capital		90,726,664	90,726,664	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		69,067,999	42,823,461	61,690,648
		<u>511,474,242</u>	<u>485,229,704</u>	<u>504,096,891</u>
Non- current liabilities				
Long Term Loan		<u>43,931,787</u>	<u>6,965,776</u>	<u>47,926,801</u>
Current Liabilities				
Current portion of long- term loans		14,904,460	12,544,789	14,635,560
Payables & accruals		53,472,713	41,319,984	26,055,109
Bank overdraft		8,383,608	28,924,045	7,947,644
Taxation		-	6,408,054	2,082,077
		<u>76,760,781</u>	<u>89,196,872</u>	<u>50,720,390</u>
Total Equity & Liabilities		<u><u>632,166,811</u></u>	<u><u>581,392,352</u></u>	<u><u>602,744,082</u></u>

Approved by the Board of Directors on May 7, 2014 and signed on its behalf by:


 Anthony Chang


 Vincent Chang

CONSOLIDATED BAKERIES (JAMAICA) LIMITED
UNAUDITED STATEMENT OF CHANGES IN EQUITY
PERIOD ENDED MARCH 31, 2014

	<u>Share Capital</u> \$	<u>Capital Reserve</u> \$	<u>Revaluation Reserve</u> \$	<u>Retained Earnings</u> \$	<u>Total</u> \$
At December 31, 2012	90,726,664	20,825,532	330,854,047	28,576,051	470,982,294
Total comprehensive income	-	-	-	14,247,410	14,247,410
At March 31, 2013	90,726,664	20,825,532	330,854,047	42,823,461	485,229,704
At December 31, 2013	90,726,664	20,825,532	330,854,047	61,690,648	504,096,891
Total comprehensive income	-	-	-	7,377,351	7,377,351
At March 31, 2014	90,726,664	20,825,532	330,854,047	69,067,999	511,474,242

CONSOLIDATED BAKERIES (JAMAICA) LIMITED
UNAUDITED STATEMENT OF CASH FLOWS
PERIOD ENDED MARCH 31, 2014

	Notes	Unaudited March 2014 \$	Unaudited March 2013 \$	Audited December 2013 \$
<u>Cash flows from operating activities</u>				
Net profit		7,377,351	14,247,410	33,114,598
Items not affecting cash resources:				
Depreciation		2,886,969	2,890,053	12,710,634
		<u>10,264,320</u>	<u>17,137,463</u>	<u>45,825,232</u>
<u>(Increase)/decrease in current assets</u>				
Related parties		1,828,662	6,296,864	3,193,897
Inventories		2,907,788	(1,726,259)	(9,143,211)
Receivables		(28,269,146)	(30,505,078)	(9,624,439)
<u>Increase/(decrease) in current liabilities</u>				
Trade payables		27,417,604	5,960,249	(9,304,625)
Tax		(2,082,077)	(5,668,058)	(9,994,035)
		<u>12,067,151</u>	<u>(8,504,819)</u>	<u>10,952,819</u>
<u>Cash flows from investing activities</u>				
Aquisition of property, plant and equipment	5	(5,477,702)	(7,017,582)	(29,619,600)
Disposal of property, plant and equipment		820,000		
Investments			33,000,000	
		<u>(4,657,702)</u>	<u>25,982,418</u>	<u>(29,619,600)</u>
<u>Cash flows from financing activities</u>				
Loan		(3,726,114)	(2,523,080)	40,528,712
		<u>(3,726,114)</u>	<u>(2,523,080)</u>	<u>40,528,712</u>
Net cash generated		3,683,332	14,954,522	21,861,931
Cash and cash equivalents at beginning of period		102,175,482	47,313,551	80,313,551
		<u>105,858,814</u>	<u>62,268,073</u>	<u>102,175,482</u>
<u>Represented by:</u>				
Cash and cash equivalents	6	114,242,422	91,192,118	110,123,126
Bank overdraft		(8,383,608)	(28,924,045)	(7,947,644)
		<u>105,858,814</u>	<u>62,268,073</u>	<u>102,175,482</u>

CONSOLIDATED BAKERIES (JAMAICA) LIMITED
NOTES TO FINANCIAL STATEMENTS
PERIOD ENDED MARCH 31, 2014

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.

The accounting policies and methods of computation for these statements are consistent with the most recent annual audited financial statements.

CONSOLIDATED BAKERIES (JAMAICA) LIMITED
NOTES TO FINANCIAL STATEMENTS
PERIOD ENDED MARCH 31, 2014

(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%

4 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.

CONSOLIDATED BAKERIES (JAMAICA) LIMITED
NOTES TO FINANCIAL STATEMENTS
PERIOD ENDED MARCH 31, 2014

5 <u>Property, plant & equipment</u>	<u>Unaudited</u> <u>March</u> <u>2014</u>	<u>Unaudited</u> <u>March</u> <u>2013</u>	<u>Audited</u> <u>December</u> <u>2013</u>
Cost as at January 1	500,806,626	471,187,024	471,187,025
Aquisitions	5,477,702	7,017,582	29,619,600
Disposals	(820,000)		
Accumulated depreciation	(111,821,693)	(99,114,143)	(108,934,727)
	<u>393,642,634</u>	<u>379,090,463</u>	<u>391,871,899</u>

6 Cash & cash equivalents

Cash equivalents consist of short term investments held-to-maturity within 90 days, amounts in savings and current accounts held at bank and cash in hand.

7 <u>Owed by related parties</u>	<u>Unaudited</u> <u>March</u> <u>2014</u>	<u>Unaudited</u> <u>March</u> <u>2013</u>	<u>Audited</u> <u>December</u> <u>2013</u>
Directors	9,280,451	11,720,024	9,414,112
Poly Cello Packaging Ltd	8,919,305	7,626,253	10,614,305
Other related parties	2,420,828		2,420,828
	<u>20,620,584</u>	<u>19,346,277</u>	<u>22,449,245</u>

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

8 Earnings per share

The earnings per share is calculated by dividing the profit after tax by the weighted average of the number of shares in issue during the period. This is stated as follows:

	<u>Unaudited</u> <u>March</u> <u>2014</u>	<u>Unaudited</u> <u>March</u> <u>2013</u>	<u>Audited</u> <u>December</u> <u>2013</u>
Issued and fully paid share capital 222,709,171 ordinary shares at no par value.	<u>222,709,171</u>	<u>222,709,171</u>	<u>222,709,171</u>

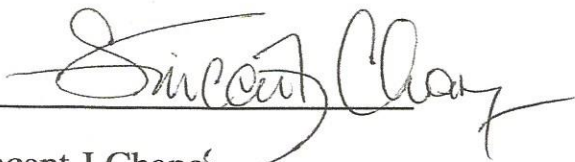
The Directors of Consolidated Bakeries Jamaica Limited presents the first quarter results for the period ended March 31, 2014.

For the three (3) month period under review ending March 31, 2014 revenue for the Company increased to \$196.6 M from \$ 172 M over the corresponding period last year. This reflects the continued efforts of our trade team, which resulted in increased sales per account. In 2014, Easter occurred in the second quarter, where as in 2013 Easter occurred in the first quarter and thus sales for the first quarter 2013 reflects the full seasonal Easter bun sales.

Total comprehensive profit registered \$7.4 M for this quarter versus \$14.2 for the corresponding period 2013. Gross profit was reduced as rising input costs affected margins. Furthermore market prices for the period did not increase and the company kept prices in line with the market. The current ratio was 3.10 at the end of the reporting quarter. The growth in sales and cost affected the increase in Receivables and Payables.

During the quarter the Company expanded distribution of the new “Artisan bread line” which was developed in the fourth quarter of 2013. Our Social Media project was also expanded with the addition of new fans and Social Media partners. Additional effort was placed on trade relationship and point of sale promotions. Additions were made to our fleet.

Market retail prices are expected to increase during the coming quarter. We expect continued increases in input cost due to the slide of the Jamaican dollar. Exports started in the first quarter are expected to continue in the following quarters. Additional equipment was ordered to enhance production and we expect these to be commissioned during the coming months.



Vincent J Chang
Chairman

Top 10 for Consolidated Bakeries Jamaica Limited

As at March 31, 2014

Name Account(s)	Joint Holders	Volume	Percentage
CHANG BROTHERS LIMITED		136,496,956.00	61.29
		136,496,956.00	61.29
ANTHONY V. CHANG		19,078,330.00	8.57
		19,078,330.00	8.57
GENERAL ACCIDENT INSURANCE COMPANY JA. LTD.		12,000,000.00	5.39
		12,000,000.00	5.39
JCSD TRUSTEE SERVICES LTD - SIGMA OPTIMA		2,650,000.00	1.19
		2,650,000.00	1.19
DAVID CHANG		2,200,000.00	0.99
		2,200,000.00	0.99
NATIONAL SUPPLY CO. LIMITED		2,128,000.00	0.96
		2,128,000.00	0.96
CRISSA'S GROUP LTD		1,648,358.00	0.74
		1,648,358.00	0.74
SUNFISHER CORP.		1,183,000.00	0.53
		1,183,000.00	0.53
BRUCE TERRIER		1,064,000.00	0.48
		1,064,000.00	0.48
PRAKASH VASWANI		1,006,000.00	0.36
		1,006,000.00	0.36

End of Report

Directors Holdings for Consolidated Bakeries Jamaica Limited

As at March 31, 2014

Name	Joint Holders	Volume	Percentage
ANTHONY V. CHANG		19,078,330.00	8.57
		19,078,330.00	8.57
PHILMORE OGLE		800,000.00	0.35
		800,000.00	0.35
NOEL DACOSTA		800,000.00	0.35
		800,000.00	0.35
KEITH COLLISTER		800,000.00	0.35
		800,000.00	0.35
VICTOR SALAZAR-CHANG		374,200.00	0.16
		374,200.00	0.16
THOMAS CHIN		200,000.00	0.08
		200,000.00	0.08
NICOLA CHANG MURPHY		89,000.00	0.03
		89,000.00	0.03
VINCENT CHANG		0.00	0.00
		0.00	0.00

End of Report

Senior Managers Holdings for Consolidated Bakeries Jamaica Limited

As at March 31, 2014

Name Account(s)	Joint Holders	Volume	Percentage
RONDENE DACOSTA		1,000.00	
		1,000.00	
JAVIER SALAZAR CHANG		0.00	
		0.00	
CHRISTOPHER GOODISON		0.00	
		0.00	
DELARNO FORREST		0.00	
		0.00	

End of Report