



## GENERAL MANAGER'S STATEMENT

AMG Packaging & Paper Company Limited (AMG) is pleased to present our unaudited financial statements for the 3 month period ending November 30, 2014.

Revenues for the period declined .30%, moving from \$151.92 million (2013) to \$151.47 million (2014).

Units sold declined 10.4%, with 5.0 million pieces (2014), compared to 5.5 million pieces (2013).

Gross Profit increased by 3.3% to \$34.36 million (2014) from \$33.26 million (2013). A decrease in manufacturing costs of 1.3% from \$118.65 million (2013) to \$117.11 (2014) was a factor in the increase shown in Gross Profit.

Profit before tax decreased by 17%, from \$17.59 million (2013) to \$14.99 million (2014), due to Administrative Expenses increasing by 28.4%

	3 months to November 30,2014	3 months to November 30,2013
Total Revenues	151,478,776	151,922,665
Gross Profit	34,366,532	33,262,716
Profit	14,996,206	17,590,551
Total Assets	452,680,855	430,420,141

The realigning as well as the sharpening of costs contributed to the results we show in our first quarter financials. These measures are a part of our plans to combat the harsh economic environment we produce in, which will prove to be beneficial especially when the economy gains momentum. The increase in Administrative Expenses was mainly due to the increased personnel needed for a Human Resource Department which was a requirement for our ISO certification. We are happy to announce that on November 4<sup>th</sup>, 2014, we successfully passed our Stage 1 Audit and we are now approved for the Stage 2 Audit to be done early in the second quarter.

Our main focus for the year is to increase our customer base, while maintaining high customer satisfaction levels, through providing quality products and services. Continued efforts will be focused on managing expenses in this harsh environment.

On behalf of the AMG team we would like to thank our shareholders for your continued belief in the AMG team.

  
.....  
Michael P. Chin  
General Manager

AMG Packaging Paper Company Limited  
Unaudited Statement of Comprehensive Income  
**3 months**  
**to November 30, 2014**

	3 months to November 30, 2014	Audited August 30, 2014	3 months to November 30, 2013	Audited August 30, 2013
	\$	\$	\$	\$
<b>Turnover</b>	151,478,776	607,016,670	151,922,665	444,467,965
Cost of Inventories	(94,001,047)	(377,611,244)	(96,366,642)	(248,082,067)
Direct Expenses	(23,111,197)	(113,273,502)	(22,293,308)	(86,214,010)
<b>Total Manufacturing Costs</b>	<b>(117,112,244)</b>	<b>(490,884,746)</b>	<b>(118,659,949)</b>	<b>(334,296,077)</b>
<b>Gross Profit</b>	34,366,532	116,131,924	33,262,716	110,171,888
<b>Expenses:</b>				
Administrative	(12,167,084)	(44,063,643)	(9,475,062)	(43,682,769)
ISO 9001 Project	(917,853)	(2,568,853)	(260,402)	-
Financial	(2,435,828)	(10,630,658)	(2,291,964)	(6,232,927)
Directors Fees	(626,667)	(3,486,666)	(1,046,667)	(1,830,000)
Depreciation	(3,222,893)	(11,976,895)	(2,598,070)	(9,494,656)
<b>Profit Before Tax</b>	<b>14,996,206</b>	<b>43,405,209</b>	<b>17,590,551</b>	<b>48,931,536</b>
Other Income	371,016	2,191,686	394,089	500,193
<b>(Loss) Profit, Total Comprehensive Income for the period</b>	<b>15,367,222</b>	<b>45,596,895</b>	<b>17,984,641</b>	<b>49,431,729</b>
No. of Shares Issued	102,378,857	102,378,857	102,378,857	102,378,857
EPS	\$ 0.15	\$ 0.45	\$ 0.18	\$ 0.48

AMG Packaging Paper Company Limited  
Unaudited  
Statement of Financial Position  
November 30, 2014

				<u>Audited</u>
		November 2014	November 2013	August 2014
ASSETS EMPLOYED	<u>Notes</u>	\$	\$	\$
Property, Plant & Equipment	5	237,721,618	245,331,100	239,599,772
<b>Current Assets</b>				
Inventories	6	113,362,811	78,723,371	117,598,639
Accts Receivable Net Allowance	7	68,259,742	88,780,672	80,999,913
Deposit on Equipment	8	-	5,533,410	-
Cash & Cash Equivalents	10	33,336,685	12,051,588	21,866,726
Total Current Assets		214,959,237	185,089,041	220,465,278
Total Assets		452,680,855	430,420,141	460,065,050

**EQUITY & LIABILITIES**

**Capital & Reserves:**

**Authorised Share Capital - JMD140,000,000**

Share Capital	11	63,250,028	63,250,028	63,250,028
Revaluation Reserve	12	48,928,537	48,928,537	48,928,537
Retained Earnings		219,224,720	196,721,015	203,857,498
Total Capital		331,403,285	308,899,580	316,036,063

**Long-Term Liabilities**

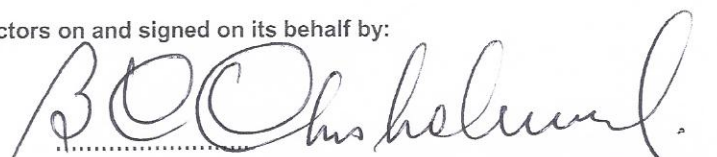
Loans	13	48,249,075	61,730,955	51,619,545
Related Parties	14	283,971	6,358,722	3,421,358
Total Long-Term Liabilities		48,533,046	68,089,677	55,040,903

**Current Liabilities**

Current Portion of Long Term Loan	13	27,481,880	17,481,880	17,681,880
Accounts Payable & Accruals	15	45,262,645	35,949,005	71,306,204
Total Current Liabilities		72,744,525	53,430,885	88,988,084
Total Liabilities & Capital		<u>452,680,855</u>	<u>430,420,141</u>	<u>460,065,050</u>

Approved for issue by the Board of Directors on and signed on its behalf by:

  
Peter Chin  
Director

  
Barrington Chisholm  
Chairman, Audit Committee

**AMG Packaging Paper Company Limited**  
**Statement of Changes in Stockholders' Equity**  
**November 30, 2014**

2015				
	Share Capital	Revaluation Reserves	Retained Earnings	Total
	\$	\$	\$	\$
<u>Notes</u>				
Balance at September 01, 2014	63,250,028	48,928,537	203,857,498	316,036,063
Profit, being total Comprehensive Income for the period	-	-	15,367,222	- 15,367,222
Balance at November 30 2014	63,250,028	48,928,537	219,224,720	331,403,285

2014				
	Share Capital	Revaluation Reserves	Retained Earnings	Total
	\$	\$	\$	\$
Balance at September 01, 2013	63,250,028	48,928,537	178,736,374	290,914,939
Profit, being total Comprehensive Income for the period	-	-	17,984,641	- 17,984,641
Balance at November 30, 2013	63,250,028	48,928,537	196,721,015	308,899,580



**AMG Packaging Paper Company Limited**  
**Unaudited Statement of Cash Flow**  
**3 months ending**  
**November 30, 2014**

	3 months to November 30, 2014	3 months to November 30, 2013
Cash Flows from operating activities		
Net Income	15,367,222	17,984,641
Items not affecting cash	3,222,893	2,598,070
Total Adjustments	<u>18,590,115</u>	<u>20,582,711</u>
Changes in non cash working capital components	(9,067,560)	(39,290,799)
Net Cash provided(used) by Operations	<u>9,522,555</u>	<u>(18,708,088)</u>
Cash Flows used in investing activities	<u>(1,344,740)</u>	<u>(4,275,832)</u>
Cash Provided by/(used)- Operating and Investing Activities	<u>8,177,815</u>	<u>(22,983,920)</u>
Cash Flows (used)/ Provided by financing activities	3,292,143	904,717
Net (Decrease)/IncreaseCash and Cash Equivalents	11,469,958	(22,079,203)
Cash and Cash Equivalents at beginning of year	<u>21,866,726</u>	<u>34,130,791</u>
Cash and Cash Equivalents at end of period	<u>33,336,684</u>	<u>12,051,588</u>

AMG PACKAGING & PAPER COMPANY LTD  
NOTES TO FINANCIAL STATEMENTS  
November 30, 2014

**1 Identification and principal activities**

AMG Packaging & Paper Company Limited "the company"

- (a) The company was incorporated on the 26th of September 2005, under the Jamaica Companies Act and is a wholly owned Jamaican company. It's registered office is located at 9 Retirement Crescent, Kingston 5.

The company was re-registered in July 2011 under the Companies Act 2004 as a public company

- (b) The company is engaged primarily in the manufacturing, distribution and retailing of cartons of varying sizes

(c) Stock Exchange Listing

The company has been listed on the Jamaica Junior Stock Exchange since July 14, 2011

**2 Reporting Currency**

The amounts in these financial statements are expressed in Jamaican dollars, which is the primary currency in the country which it operates.

**3 Statement of Compliance, Basis of Preparation and Significant Accounting Policies**

(a) Statement of compliance

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretation adopted by the International Accounting Standards Board, and have been prepared under the historical convention.

(b) Basis of Preparation and Significant Accounting Policies

*IFRS 7, Financial Instructions: Disclosures* led to some changes in the qualitative and quantitative disclosures relating to credit risk. In particular, disclosure of the amount of the company's 'maximum exposure to credit risk without considering any collateral held' is now made only if the carrying amount of the financial assets does not already reflect such exposure.

*Revised IAS 24, Related Party Disclosures* introduced changes to related party disclosure requirements for government-related entities and amends the definitions of a related party. Aside from the change of the definition of a related party in note 3(g), this revision did not have any impact on the financial statements.

*IAS 1, Presentation of Financial Statements: Presentation of Items of Other Comprehensive Income* is effective for annual periods beginning on or after July 1, 2012. It has been amended to require an entity to present separately the items of other comprehensive income (OCI) that may be classified to profit or loss in the future from those that would never be reclassified to profit or loss. Consequently, an entity that presents items of OCI before related tax effects will also have to allocate the aggregated tax amount between the sections. The existing option to present the profit or loss and other comprehensive income in two statements has not changed. The title of the statement has changed from Statement of Comprehensive Income to Statement of Profit or loss and Other Comprehensive Income. However, an entity is still allowed to use other titles.



AMG PACKAGING & PAPER COMPANY LTD  
NOTES TO FINANCIAL STATEMENTS  
November 30, 2014

(ii) Basis of Preparation and Significant Accounting Policies continued

*IFRS 9, Financial instruments* (effective January 1, 2013). It introduces new requirements for classifying and measuring financial instruments. The standard also amends some of the requirements of *IFRS 7* financial instruments: disclosures

- Including added disclosures about investments in equity instruments through other comprehensive income.

*IFRS 12, Disclosure of Interest on Other Entities* is effective for annual reporting periods beginning on or after January 1, 2013. It contains disclosure requirements for entities that have interests in subsidiaries, joint arrangements, associates and /or unconsolidated structured entities. These require disclosures aim to provide information to enable users to evaluate the nature of, and risks associated with, an entity's interests in other entities and effects of those interests on the entities' financial position, financial performance and cash flows.

*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 IFRS a framework for measuring fair value; and requires value measurements. This standards applies to those standards that require or permits 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.

The Accounting Policies of the Company have remained unchanged from those set out in the annual Financial Statement as at August 31, 2014

(c) Use of estimates

The preparation of the financial statements to conform to IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, contingent assets and liabilities at the date of the statement of Financial Position, and the income and expenses for the year then ended. Actual amounts may vary from the estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to the accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period of the revision and future periods if the revision affects both current and future periods.

(d) Judgement in evaluation of contingencies

For a contingent liability to qualify for recognition there must be a present obligation and the probability of an outflow of economic benefits to settle that obligation. In recognising contingent liabilities of the company, management determines the possibility of an outflow of resources and makes estimates of expenditure required to settle the present obligation at the reporting date.

No provision is made if management considers the possibility of any outflow in settlement to be remote.

(e) Inventories

Inventories are stated at the lower of cost and net realisable value and have been calculated on the First- In First -Out basis



AMG PACKAGING & PAPER COMPANY LTD  
NOTES TO FINANCIAL STATEMENTS  
November 30, 2014

(ii) Basis of Preparation and Significant Accounting Policies continued

(f) Depreciation

Depreciation is charged on the straight line basis at rates designed to write off the cost or valuation of assets over their useful lives. The first year is pro-rated based on date of acquisition. Rates are as follows:

Buildings	2.5%
Equipment	10%
Computer & Equipment	20%
Furniture & Fixtures	10%

(g) Related Parties

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

A party is related to the company, if:

- (i) directly or indirectly through one or more intermediaries, the party :
  - (a) is controlled by, or is under common control with, the company (this includes parties, subsidiaries and fellow subsidiaries)
  - (b) has an interest in the company that gives it significant influence over the entity; or
  - (c) has joint control over the company;
- (ii) the party is an associate of the company
- (iii) the party is a joint venture in which the company is a venturer;
- (iv) the party is a member of the key management personnel of the entity or its parent;
- (v) the party is a close member of the family of any individual referred to in (i) or (iv);
- (vi) the party is an entity controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- (vii) the party is a post -employment benefit plan for the benefit of employees of the company, or of any entity that is a related party of the entity.

The company has related party relationship with it's directors and key management personnel.

(h) Investments

Investment is carried in the financial statements at fair value. Gains and losses arising in changes in the market value of the investment is recorded in the Statement of Comprehensive Income in the period in which they arise.

(i) Tax Exemption Status

The company is currently listed on the Jamaica Junior Stock Exchange. This listing renders the company exempt from Income Tax for five years from the original listing in July 2011, with the proviso that the company remains on the Stock Exchange for at least fifteen years.

AMG PACKAGING & PAPER COMPANY LTD  
NOTES TO FINANCIAL STATEMENTS  
November 30, 2014

(ii) Basis of Preparation cont'd

(j) Foreign Currency Transaction

Foreign currency transactions are converted 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 income transactions are reflected in the statement of comprehensive income.

(k) 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.

(l) Borrowings & Borrowing costs

Borrowings are recognised initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost and any difference between proceeds and redemption value is recognised in the Statement of Comprehensive income over the period of the borrowings. Borrowing costs are recognised in the period in which they are incurred.

(m) Cash & Cash Equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of the Statement of Cash flows, this is comprised of deposits, cash at bank and cash in hand.

(n) Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

(o) Revenue Recognition

Revenue is recognised in the income statement 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 are measured at fair value of the consideration received or receivable net of discounts and allowances.

(p) Interest Income

Interest income is recognised in the statement of comprehensive income for all interest bearing instruments on the accruals basis.

(q) Dividends

Dividends are recognised when they become legally payable. Interim dividends payable to shareholders are approved by the directors, while final dividends have to be approved by the equity shareholders at the Annual General Meeting.



**AMG PACKAGING & PAPER COMPANY LTD**  
**NOTES TO FINANCIAL STATEMENTS**  
**November 30, 2014**

**4 Financial Instruments and Risk Management**

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 in the Statement of Financial Position include accounts receivable and cash. 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 loans and it's bank balances as at November 30, 2014

**(b) Credit Risks**

Credit risk is the risk of exposure occasioned by one party to financial instruments when the other party fails to discharge an obligation thus causing the other party to suffer a financial loss. The company has policies in place to ensure that sale of products and services are made to customers with an appropriate credit history. 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 value amount of each financial asset as follows:

	<u>Carrying Amount</u>	
	<u>2014</u>	<u>2013</u>
	\$	\$
Cash equivalents	33,336,685	12,051,588
Receivables	68,259,742	88,780,672
	<u>101,596,426</u>	<u>100,832,260</u>

**(c) Foreign Currency Risk**

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

The company has direct exposure to foreign currency risk regarding United States dollar denominated savings account and foreign payables.

**(d) Cash Flow Risk**

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

**(e) Liquidity Risk**

Liquidity risk is that risk which a company faces when it encounters difficulty 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 the availability of funding through an adequate amount of committed facilities.

At November 30, 2014 the company faced liquidity risks as indicated below:



**AMG PACKAGING & PAPER COMPANY LTD**  
**NOTES TO FINANCIAL STATEMENTS**  
November 30, 2014

(e) Liquidity Risk cont'd

<u>2014</u>				
<u>Assets</u>	Within 3 months	3 to 12 months	1 to 5 years	Total
	\$	\$	\$	\$
Cash Resources	33,336,685			33,336,685
Other	47,244,740	23,780,242		71,024,982
Total	80,581,425	23,780,242	-	104,361,667
<u>Liabilities</u>				
Loans	17,370,470	10,471,410	47,889,075	75,730,955
Payables	45,262,645	-	-	45,262,645
Total	62,633,115	10,471,410	47,889,075	120,993,599
Total Liquidity GAP	17,948,311	13,308,832	(47,889,075)	(16,631,932)
Cumulative GAP	17,948,311	31,257,143	(16,631,932)	-
<u>2013</u>				
Total Liquidity GAP	33,406,125	15,793,462	(61,730,955)	(12,531,368)
Cumulative GAP	33,406,125	49,199,587	(12,531,368)	

**AMG PACKAGING & PAPER COMPANY LTD**  
**NOTES TO FINANCIAL STATEMENTS**  
November 30, 2014

**5 Property, Plant & Equipment**

	Land	Building	Equipment	Motor Cycle	Computer & Equipment	Furniture & Fixtures	Total
	\$	\$	\$	\$	\$	\$	\$
<u>At cost</u>							
Balance as at September 1, 2014	29,600,000	156,036,704	80,172,977	180,258	1,979,452	5,033,414	273,002,805
Additions	-	-	42,159	-	155,789	1,146,792	1,344,740
Balance as at November 30, 2014	29,600,000	156,036,704	80,215,136	180,258	2,135,241	6,180,206	274,347,545
<u>Accumulated depreciation</u>							
Balance as at September 1, 2014	-	10,254,119	20,974,066	45,064	618,408	1,511,377	33,403,034
Current year charges	-	975,229	2,005,027	5,633	94,236	142,768	3,222,893
Balance as at November 30, 2014	-	11,229,348	22,979,093	50,697	712,644	1,654,145	36,625,927
<u>Net Book Value</u>							
November 30, 2014	29,600,000	144,807,356	57,236,043	129,561	1,422,598	4,526,061	237,721,618
November 30, 2013	29,600,000	148,708,274	63,369,074	152,093	507,204	2,994,456	245,331,100

**AMG PACKAGING & PAPER COMPANY LTD**  
**NOTES TO FINANCIAL STATEMENTS**  
**November 30, 2014**

6 <u>Inventories</u>	<u>2014</u>	<u>2013</u>
	\$	\$
Raw Materials	110,098,798	77,154,030
Finished Goods	3,264,013	1,088,327
Goods in transit	-	481,014
	<u>113,362,811</u>	<u>78,723,371</u>

7 <u>Accounts Receivable</u>	<u>2014</u>	<u>2013</u>
	\$	\$
Trade Receivables	66,667,881	85,316,846
Provision for bad debts	<u>(2,765,241)</u>	<u>(1,798,211)</u>
	63,902,641	83,518,635
Other Receivables	4,357,101	5,262,038
	<u>68,259,742</u>	<u>88,780,672</u>

	<u>Aged Trade Receivables</u>			<u>Carrying Value</u>
	<u>Within 1</u>	<u>31 to 60</u>	<u>Over 60</u>	
	<u>Months</u>	<u>Days</u>	<u>Days</u>	
	\$	\$	\$	\$
<u>Balance at</u>				
November 30, 2014	47,244,740	5,637,516	13,785,625	66,667,881
November 30, 2013	60,686,678	14,820,910	9,809,258	85,316,846

8 <u>Deposit on Equipment</u>	<u>2014</u>	<u>2013</u>
	\$	\$
Equipment	-	5,533,410

9 Tax Recoverable

Amount represents General Consumption Tax (GCT) recoverable from the collectorate based on the company's input tax in excess of it's output tax.



**AMG PACKAGING & PAPER COMPANY LTD**  
**NOTES TO FINANCIAL STATEMENTS**  
November 30, 2014

10 <u>Cash &amp; Cash equivalent</u>	<u>2014</u>	<u>2013</u>
	\$	\$
Bank of Nova Scotia Ja Ltd		
- Current accounts	19,280,285	2,035,422
- Savings account (US dollar denominated)	340,913	308,634
National Commercial Bank Limited		
- Current accounts	2,851,190	3,940,323
Alliance Financial Services Limited		
- Cash Securities(denominated in United States Dollars)	9,207,000	4,142,288
- Repurchase Agreement	994,098	975,909
JN Fund Managers		
- Repurchase Agreement	632,998	618,813
Petty Cash	30,200	30,200
	<u>33,336,685</u>	<u>12,051,588</u>

11 <u>Share Capital</u>	<u>2014</u>	<u>2013</u>
	\$	\$
Authorised:		
140,000,000 (2010 - 15,000,000) ordinary shares no par value		
Capital issued and fully paid-		
102,387,857 ordinary shares at no par value	63,250,028	63,250,028
(i) The company's authorised share capital was increased by five million dollars to 20 million dollars by the creation of 5 million ordinary shares of \$1.00 each. The new shares are to rank pari-passu with the existing shares.		
(ii) By resolution on May 31, 2011, each ordinary share has been sub-divided into 7 ordinary shares such that the total issued shares of 20 million is now multiplied by 7 making a total of 140 million shares.		

**12 Revaluation Reserves**

Revaluation reserve results from the difference between the revaluation of land, building and equipment and their carrying value at February 12, 2011. The valuation was carried out by professional appraisers Valerie Levy & Associates Limited and Stellar Caribbean (Ja.) Limited

**AMG PACKAGING & PAPER COMPANY LTD**  
**NOTES TO FINANCIAL STATEMENTS**  
November 30, 2014

13 <u>Loans</u>	<u>2014</u>	<u>2013</u>
	\$	\$
Bank of Nova Scotia Jamaica Limited		
Loan 1	-	4,000,000
Loan 2	4,295,045	7,007,705
Loan 3	57,435,910	68,205,130
Loan 4	14,000,000	-
Total loans	<u>75,730,955</u>	<u>79,212,835</u>
Current portion of loans	<u>27,481,880</u>	<u>17,481,880</u>
Long-term portion of loans	<u>48,249,075</u>	<u>61,730,955</u>

(i) Loan 3 has a duration of 7 years with a six (6) months moratorium on the principal repayments. This Loan has a Fixed Interest rate of 9.25% for five (5) years, thereafter the Weighted Average (180 days) Treasury Bill Yield (WATBY), plus 3.25% per annum.

(ii) Loan 2 has a duration of 5 years and a moratorium period of four (4) months on the principal payments. This loan is at an interest rate of 8.95% per annum.

(iii) Loans 1 & 4 are revolving loans and are expected to be repaid within 90 days, the interest rate is based on the Weighted Average (180 days) Treasury Bill Yield (WATBY), plus 3.5% per annum.

Securities:

Bank of Nova Scotia Jamaica Limited

- (1) Assignment of Commercial All Risks policy in favour of the bank to cover replacement value of the machinery equipment
- (2) Second legal mortgage stamped an aggregate of \$25,600,000 and registered over commercial property located at lot # 30, 10 Retirement Crescent, Kingston 5 and Lot B Collins Green, Kingston 5. Volume 1094 Folio 743 and Volume 1402 Folio 431 respectively. Appraised value of Real Estate pledged \$80,000,000 as at 1 March 2011.
- (3) Bill of sale stamped \$25,600,000, collateral to 2nd legal mortgage over the above property, and over the following machinery & equipments:
  - i) Model: 2003 Dock stocker DSX40
  - ii) SG-3 Semi-auto gluing machine L1400x W2800mm; MS Strapping machine; Pallet jacks
  - iii) Two colors printer and rotary die cutting machine chain feeding.
  - iv) Machine spare parts

AMG PACKAGING & PAPER COMPANY LTD  
NOTES TO FINANCIAL STATEMENTS  
November 30, 2014

13 cont'd

(4) Joint and several Demand Debenture to be stamped \$102,000,000 from AMG Packaging and Paper Company Limited, creating a first Charge over fixed assets, and a floating charge over other assets of the company supported by:-

- First and Third Legal Mortgages to be stamped \$102,000,000 jointly over Commercial Premises located at (a) 9B Retirement Crescent registered in the name AMG Packaging and Paper Company Limited. (b) 10 Retirement Crescent registered in the name of AMG Packaging and Paper Company Limited and collateral to the aforementioned Demand Debenture

(5) Assignment of "All Risk" insurance coverage over 9B Retirement Crescent for the full replacement (covers over building, inventory, furniture, fixtures and equipment owned by the company)

14 <u>Related Parties</u>	<u>2014</u>	<u>2013</u>
Director's Loan	283,971	6,358,722

This is a vendor's mortgage for balance owing to a director for land sold to the company

15 <u>Accounts Payable &amp; Accruals</u>	<u>2014</u>	<u>2013</u>
	\$	\$
Trade Payables	33,111,349	28,208,343
Accruals	8,713,374	6,227,682
Other Payables	1,973,591	149,159
Statutories Payable	1,323,760	1,363,821
Dividends	140,570	-
	<u>45,262,645</u>	<u>35,949,005</u>

Balance at	Aged Trade Payables			
	Within 1 Months	31 to 60 Days	Over 60 Days	Amount Due
	\$	\$	\$	\$
November 30, 2014	26,130,898	5,485,041	1,495,410	33,111,349
November 30, 2013	27,967,313	77,977	163,053	28,208,343

16 Taxation

Taxation is comprised of company tax at 25% on the profit for the year after adjustments for tax purposes.

17 Turnover

Turnover represents total sales net of discounts and General Consumption Tax (GCT)

18 <u>Other Income</u>	<u>2014</u>	<u>2013</u>
	\$	\$
Rental Income	-	360,000.00
Interest income	187,016	34,089
	<u>187,016</u>	<u>394,089</u>



**AMG PACKAGING & PAPER COMPANY LIMITED**

**TOP 10 SHAREHOLDERS AT 30 NOVEMBER 2014**

Issued Ordinary shares

102,378,857

SHAREHOLDERS	SHAREHOLDINGS	%
RANKINSTON LIMITED	32,351,718	31.600
GEORGE HUGH HOLDINGS LIMITED	24,263,792	23.700
HEISS HOLDINGS LIMITED	24,263,792	23.700
JCSD TRUSTEE SERVICES SIGMA VENTURE FUND	1,915,428	1.871
HAROLD SOLTAU	1,361,605	1.330
SJLIC FOR SCOTIABRIDGE RETIREMENT SCHEME	860,371	0.840
GERALD W. PURDY	850,000	0.830
JCSD TRUSTEE SERVICES SIGMA OPTIMA	847,629	0.828
GUARDIAN LIFE LIMITED GUARDIAN EQUITY FUND	643,896	0.629
JAMAICA STOCK EXCHANGE PENSION FUND	601,440	0.587
	87,959,671	85.916
NO. OF SHAREHOLDERS AT 30/11/2014	JCSD MAIN REGISTER TOTAL	311 2 313

**AMG PACKAGING & PAPER COMPANY LIMITED**  
**DIRECTORS SHAREHOLDINGS**

DIRECTORS' NAMES	SHAREHOLDING	CONNECTED PARTY
ANTONIA HUGH	32,351,718	RANKINSTON LIMITED
MARK CHIN/PAUL CHIN	24,263,792	HEISS HOLDINGS LIMITED
GEORGE HUGH	24,263,792	GEORGE HUGH HOLDINGS LTD
PETER D. CHIN	332,370	
MICHAEL FRASER	382,913	
BARRINGTON CHISHOLM	76,583	
	81,671,168	

**SENIOR MANAGERS**

MICHAEL P. CHIN	394,487
LESLIE MCPHERSON	38,291
CHRISTOPHER HENDRIKS	1,249
	434,027