



GENERAL MANAGER'S STATEMENT

AMG Packaging & Paper Company Limited (AMG) is pleased to present our unaudited financial statements for the 6 month period ending February 29, 2016.

Revenues for the period increased 1.01%, moving from \$301.67 million (2015) to \$304.99 million (2016).

Gross Profit increased by 53.15% to \$106.74 million (2016) from \$69.69 million (2015). The decrease in Manufacturing Costs of 17.01% from \$231.97 million (2015) to \$198.25 (2016) was one of the major factors that contributed to the increase shown in Gross Profit.

Profit before tax increased by 61.21%, from \$30.38 million (2015) to \$48.98 million (2016).

	6 months ending February 29, 2016	6 months ending February 28, 2015
Total Revenues	304,992,640	301,674,603
Gross Profit	106,740,828	69,98,039
Profit	48,989,171	31,684,490
Total Assets	600,158,545	448,255,799

Revenues for the second quarter increased 3.68%, moving from \$150.19 million (2015) to \$155.72 million (2016). Total Manufacturing Costs decreased by 14.27%, moving from \$114.79 million (2015) down to \$100.46 million (2016)

Gross Profit for the quarter increased 56.11% to \$55.26 million (2016) from \$35.39 million (2015).

Profit before Tax increased, from \$15.40 million (2015) to \$22.38 million (2016). An increase of 45.26%

AMG is currently in the process of transitioning from ISO 9001:2008 to ISO 9001:2015. We expect to be certified under the new system by January 2018.


There were set backs that prevented us from starting the production of the Toilet Paper project. Our toilet paper has passed the requirements of the Bureau of Standards. We are currently in dialog with major distributors who can penetrate the local market with our products.

We celebrated our 10th year anniversary with our employees within in this quarter. Employees that have been with us throughout the last decade were recognized for their contributions and loyalty to the company.

Management continues to focus on the sharpening of costs where improvements can be made and the drive to increase sales.

We again urge everyone to buy Jamaican to help build Jamaica. Local support is key to building brand Jamaica.

We would like to thank our shareholders for your continued belief in the AMG team. As we move forward, we look to AMG's continuous improvement.



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Michael P. Chin
General Manager

AMG Packaging Paper Company Limited
Unaudited Statement of Comprehensive Income
6 months
to February 29, 2016

	3 months to February 29, 2016	6 months to February 29, 2016	3 months to February 28, 2015	6 months to February 28, 2015
Turnover	\$ 155,725,039	\$ 304,992,640	\$ 150,195,828	\$ 301,674,603
Cost of Inventories	(75,717,003)	(149,598,552)	(93,051,064)	(187,119,599)
Direct Expenses	(24,745,515)	(48,653,260)	(21,745,768)	(44,856,965)
Total Manufacturing Costs	(100,462,518)	(198,251,812)	(114,796,832)	(231,976,564)
Gross Profit	55,262,521	106,740,828	35,398,996	69,698,039
Expenses:				
Administrative	(15,261,379)	(26,620,643)	(11,927,598)	(23,965,144)
Financial	(2,149,859)	(4,296,577)	(2,439,074)	(4,874,569)
ISO 9001 Project	(22,500)	(236,803)	(348,575)	(1,266,428)
Directors Fees	(1,570,000)	(3,566,666)	(1,186,667)	(1,893,333)
Depreciation	(3,353,389)	(6,631,952)	(3,237,644)	(6,460,538)
Prelim Expenses- Toilet Paper operation	(10,522,494)	(16,399,016)	(850,732)	(850,732)
Profit Before Tax	22,382,900	48,989,171	15,408,706	30,387,296
Other Income	1,110,657	3,179,102	772,846	1,297,195
(Loss) Profit, Total Comprehensive Income for the period	23,493,557	52,168,273	16,181,552	31,684,490
No. of Shares Issued	102,378,857	102,378,857	102,378,857	102,378,857
EPS	\$ 0.23	\$ 0.51	\$ 0.16	\$ 0.31

AMG Packaging Paper Company Limited
Unaudited
Statement of Financial Position
February 29, 2016

ASSETS EMPLOYED	Notes	February 2016 \$	February 2015 \$	<u>Audited</u> August 2015 \$
Property, Plant & Equipment	4	286,505,638	234,658,124	232,455,910
Current Assets				
Inventories	5	123,378,023	120,239,424	122,640,713
Accts Receivable Net Allowance	6	86,052,843	68,062,765	89,538,525
Related Parties	12	6,115,637	6,000,000	-
Deposit on Equipment	7	-	-	59,112,881
Cash & Cash Equivalents	8	98,106,406	19,295,486	63,863,562
Total Current Assets		313,652,908	213,597,675	335,155,681
Total Assets		<u>600,158,545</u>	<u>448,255,799</u>	<u>567,611,591</u>

EQUITY & LIABILITIES

Capital & Reserves:

Authorised Share Capital - JMD140,000,000

Share Capital	9	63,250,028	63,250,028	63,250,028
Revaluation Reserve	10	48,928,537	48,928,537	48,928,537
Retained Earnings		278,194,009	217,113,794	264,929,699
Total Capital		390,372,574	329,292,359	377,108,264

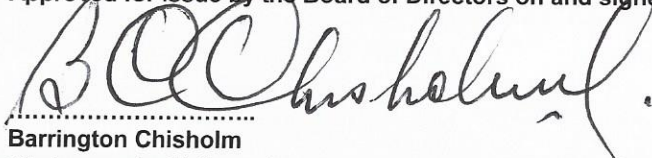
Long-Term Liabilities

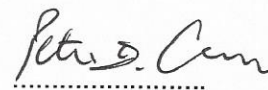
Loans	11	111,410,699	44,878,605	130,897,876
Total Long-Term Liabilities		111,410,699	44,878,605	130,897,876

Current Liabilities

Current Portion of Long Term Loan	11	27,058,052	13,481,880	20,722,070
Accounts Payable & Accruals	13	71,317,220	60,602,955	38,883,381
Total Current Liabilities		98,375,272	74,084,835	59,605,451
Total Liabilities & Capital		<u>600,158,545</u>	<u>448,255,799</u>	<u>567,611,591</u>

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


Barrington Chisholm
Chairman, Audit Committee


Peter Chin
Director

AMG Packaging Paper Company Limited
Statement of Changes in Stockholders' Equity
February 29, 2016

		2016			
		Share Capital	Revaluation Reserves	Retained Earnings	Total
		\$	\$	\$	\$
	<u>Notes</u>				
Balance at September 01, 2015		63,250,028	48,928,537	264,929,699	377,108,264
Dividend Paid	15			(38,903,963)	(38,903,963)
Profit, being total Comprehensive Income for the period		-	-	52,168,273	52,168,273
Balance at February 29, 2016		63,250,028	48,928,537	278,194,009	390,372,574

		2015			
		Share Capital	Revaluation Reserves	Retained Earnings	Total
		\$	\$	\$	\$
Balance at September 01, 2014		63,250,028	48,928,537	203,857,498	316,036,063
Dividend Paid				(18,428,195)	(18,428,195)
Profit, being total Comprehensive Income for the period		-	-	31,684,490	-
Balance at February 28, 2015		63,250,028	48,928,537	217,113,794	329,292,359

AMG Packaging Paper Company Limited
Unaudited Statement of Cash Flow
6 months ending
February 29, 2016

	6 months to February 29, 2016	6 months to February 28, 2015
<u>Cash Flow from operating activities</u>		
Profit for the Year	52,168,273	31,684,490
Adjustments to reconcile income from year to net cash provided by operating activities		
Depreciation	9,100,288	6,460,538
	61,268,561	38,145,028
(Increase)/Decrease in inventories	(737,310)	(2,640,785)
(Increase)/Decrease Related parties	(6,115,637)	(9,421,358)
(Increase)/Decrease in Receivables	3,485,682	12,937,148
Increase/(decrease) in Payables & Accruals	32,433,839	(10,703,250)
Net cash flows provided by operating activities	90,335,135	28,316,783
 <u>Cash Flow from Investing activities</u>		
Purchase of Property, Plant & Equipment	(4,037,135)	(1,518,890)
Net cash flow used in Investing activities	(4,037,135)	(1,518,890)
 <u>Cash Flow from Financing Activities</u>		
Loan Acquisition/(payments)	(13,151,195)	(10,940,940)
Dividends Paid	(38,903,963)	(18,428,195)
	(52,055,158)	(29,369,135)
Net increase(decrease in cash & cash equivalents)	34,242,843	(2,571,241)
Cash & Cash equivalents at beginning of the year	63,863,562	21,866,726
Cash & Cash equivalents at end of the year(note 8)	98,106,405	19,295,485

AMG PACKAGING & PAPER COMPANY LTD
NOTES TO FINANCIAL STATEMENTS
February 29, 2016

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 various 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**

These statements have been prepared using historical cost basis except for certain financial instruments that are measured at fair value as explained in the accounting policies below.

Historical cost is generally based on 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 marketing 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 measurement 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 follow:

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 , that are observable for the asset or liability, either directly or indirectly; and

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

AMG PACKAGING & PAPER COMPANY LTD
NOTES TO FINANCIAL STATEMENTS
February 29, 2016

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
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to IFRS 7	Amendments resulting from September 2014 Annual Improvements to IFRSs'

Effective for annual periods beginning on or after 1 January 2016

Application of the new and revised International Financial Reporting Standards (IFRSs')

IFRS 13, 'Fair Value Measurement'	Short -term receivables and payables and clarifying the interrelationship between IFRS 3 IAS 40 when classifying property as investment property or owner-occupied property
IAS 16 Property, Plant and Equipment	Revaluation method-proportionate restatement of accumulated depreciation
IAS 38 Intangible Assets	Revaluation method-proportionate restatement of accumulated depreciation

IFRS 13 Fair Value Measurement: Scope of paragraph 52 (portfolio exemption), paragraph 52 of IFRS 13 includes a scope of exception for measuring the fair value of a company of financial assets and financial liabilities on a net basis. This is referred to as the portfolio exception. The objective of this amendment is to clarify that the portfolio exception applies to all contracts within the scope of IAS 39 *Financial Instruments: Recognition and Measurements* or IFRS 9 *Financial Instruments*, regardless of whether they meet the definitions of financial assets or financial liabilities as defined in IAS 32 *Financial Instruments: Presentation*

IAS 16 Property, Plant and Equipment: Revaluation Method- proportionate restatement of accumulated depreciation clarifies that when an item of property, plant and equipment is revalued the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount.

IAS 38 Intangible Assets: Revaluation method - proportionate restatement of accumulated amortisation clarifies that when an intangible asset is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount.

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 disclosure are required in relation to transferred financial assets and a number of other matters.

The Accounting Policies of the Company have remained unchanged from those set out in the annual Financial Statement as at August 31, 2015

AMG PACKAGING & PAPER COMPANY LTD
NOTES TO FINANCIAL STATEMENTS
February 29, 2016

Financial Risk Management

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 faces significant interest rate risk in respect to loans and investments

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 is exposed to credit risk at February 29, 2016 in respect to receivables from other companies

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.

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 February 29, 2016 the company faced liquidity risks as indicated below:

AMG PACKAGING & PAPER COMPANY LTD
NOTES TO FINANCIAL STATEMENTS
February 29, 2016

Liquidity Risk cont'd

	<u>2016</u>			
	<u>Within 3</u>	<u>3 to 12</u>	<u>1 to 5</u>	<u>Total</u>
	<u>months</u>	<u>months</u>	<u>years</u>	
<u>Assets</u>	\$	\$	\$	\$
Cash Resources	98,106,406			98,106,406
Other	204,219,669	9,534,587		213,754,257
Total	302,326,075	9,534,587	-	311,860,662
<u>Liabilities</u>				
Loans	7,216,623	19,841,429	111,410,699	138,468,751
Payables	71,317,220	-	-	71,317,220
Total	78,533,843	19,841,429	111,410,699	209,785,970
Total Liquidity GAP	223,792,233	(10,306,842)	(111,410,699)	102,074,692
Cumulative GAP	223,792,233	213,485,392	102,074,692	-
	<u>2015</u>			
Total Liquidity GAP	134,428,530	1,849,550	(44,878,605)	91,399,475
Cumulative GAP	134,428,530	136,278,080	91,399,475	

AMG PACKAGING & PAPER COMPANY LTD
NOTES TO FINANCIAL STATEMENTS
February 29, 2016

(c) 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 or 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.

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 fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment loss. Revaluations shall be made sufficient regularly 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 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 that carrying amount of the asset after taking into account accumulated impairment losses; or

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NOTES TO FINANCIAL STATEMENTS
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IAS 16 Property, Plant and Equipment (cont'd)

(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.

The company recognises depreciation under the expense heading of "depreciation".

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

The depreciation method used by the company is the straight line basis and is designed to write off the assets over its useful life.

Rates are as follows:

Buildings	2.5%
Machinery & Equipment	10%
Computer	20%
Furniture & Fixtures	10%
Motor Vehicle	12.5%

Repairs and Maintenance expenditures are charged to the profit or loss in the statement of comprehensive income during the financial period in which they are incurred.

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

d. Inventory

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

Cost should include all: [IAS 2.10]

- (i) costs of purchase (including taxes, transport, and handling) net of trade discounts received
- (ii) costs of conversion (including fixed and variable manufacturing overheads) and
- (iii) 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, [IAS 2.6]. Any write-down to NRV should be recognised as an expense in the period in which the write-down occurs. Any reversal should be recognised in the income statement in the period in which the reversal occurs.

AMG PACKAGING & PAPER COMPANY LTD
NOTES TO FINANCIAL STATEMENTS
February 29, 2016

e. **Cash & Cash Equivalents**

Cash and cash equivalents are held for the purpose 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 change in value, An investment normally qualifies as a cash equivalent when it has a short maturity of three months or less from date of acquisition

f. **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 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 is manufactured and printed boxes which is recognised on the Sales -basis method. Under this method revenue is recognised at the time of sale, which is defined as the moment when title of the goods is transferred to the buyer. The company recognises other income when rights and obligations have been transferred to the entity.

g **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;

(b) In translating the results and financial position of foreign operations that are included in the financial statements of the entity by consolidation or 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 which is 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 exchange amount the spot exchange rate between the functional currency and 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.

AMG PACKAGING & PAPER COMPANY LTD
NOTES TO FINANCIAL STATEMENTS
February 29, 2016

h. 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 the 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

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

- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary, 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 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 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.

AMG PACKAGING & PAPER COMPANY LTD
NOTES TO FINANCIAL STATEMENTS
February 29, 2016

4 Property, Plant & Equipment

<u>At cost</u>	Land, Buildings & Leasehold Improvement	Equipment	Motor Cycle	Computer & Equipment	Furniture & Fixtures	Total
	\$	\$	\$	\$	\$	\$
Balance as at September 1, 2015	188,410,403	81,727,298	180,258	2,194,041	6,288,913	278,800,913
Additions	6,578,507	49,983,362		243,984	6,362,104	63,167,957
Disposal	-	(17,940)				(17,940)
Balance as at February 29, 2016	194,988,910	131,692,720	180,258	2,438,025	12,651,017	341,950,930
<u>Accumulated depreciation</u>						
Balance as at September 1, 2015	14,155,036	29,058,997	67,597	950,804	2,112,571	46,345,005
Current year charges	2,593,672	5,733,492	11,266	189,785	581,192	9,109,407
Disposal	-	(9,120)				(9,120)
Balance as at February 29, 2016	16,748,708	34,783,370	78,863	1,140,589	2,693,763	55,445,293
<u>Net Book Value</u>						
Feb 29, 2016	178,240,202	96,909,350	101,395	1,297,437	9,957,254	286,505,638
Feb 28, 2015	173,432,127	55,299,056	123,927	1,352,125	4,450,889	234,658,124

AMG PACKAGING & PAPER COMPANY LTD
NOTES TO FINANCIAL STATEMENTS
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5 Inventories	2016	2015
	\$	\$
Raw Materials	118,650,986	115,560,247
Finished Goods	3,742,522	3,750,518
Goods in transit	984,514	928,659
	<u>123,378,023</u>	<u>120,239,424</u>

6 Accounts Receivable	2016	2015
	\$	\$
Trade Receivables	79,658,552	64,012,973
Provision for bad debts	<u>(4,323,392)</u>	<u>(2,765,241)</u>
	75,335,160	61,247,732
Other Receivables	10,717,682	6,815,033
	<u>86,052,843</u>	<u>68,062,765</u>

	Aged Trade Receivables			
	Within 1 Month	31 to 60 Days	Over 60 Days	Carrying Value
	\$	\$	\$	\$
Balance at				
29-Feb-16	<u>65,532,777</u>	<u>4,591,188</u>	<u>9,534,587</u>	<u>79,658,552</u>
28-Feb-15	<u>50,596,653</u>	<u>1,455,360</u>	<u>11,960,960</u>	<u>64,012,973</u>

7 Deposits	2016	2015
	\$	\$
Equipment		-

This represents deposits made on machinery and equipment for new business segment

AMG PACKAGING & PAPER COMPANY LTD
NOTES TO FINANCIAL STATEMENTS
February 29, 2016

8 <u>Cash & Cash equivalents</u>	<u>2015</u>	<u>2014</u>
	\$	\$
Bank of Nova Scotia Ja Ltd		
- Current accounts	28,863,761	13,522,393
- Savings account (US dollar denominated)	4,859,261	1,237,283
National Commercial Bank Limited		
- Current accounts	3,177,550	1,948,073
Alliance Financial Services Limited		
- Cash Securities(denominated in United States Dollars)	59,497,490	926,420
- Repurchase Agreement	1,013,106	994,405
JN Fund Managers		
- Repurchase Agreement	645,238	636,712
Petty Cash	50,000	30,200
	<u>98,106,406</u>	<u>19,295,486</u>

9 <u>Share Capital</u>	<u>2015</u>	<u>2014</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.

10 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
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11 Long-term Loans	\$	\$
	<u>2016</u>	<u>2015</u>
Bank of Nova Scotia Jamaica Limited		
Loan 1	904,220	3,616,880
Loan 2	43,974,385	54,743,605
Loan3	65,513,221	-
Loan 4	28,076,925	-
Total loans	<u>138,468,751</u>	<u>58,360,485</u>
Current portion of loans	<u>27,058,052</u>	<u>13,481,880</u>
Long-term portion of loans	<u>111,410,699</u>	<u>44,878,605</u>

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
- (4) Joint and several Demand Debenture stamped \$202,000,000 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, Second and Third Legal Mortgages stamped \$202,000,000 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)

AMG PACKAGING & PAPER COMPANY LTD
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12 <u>Related Parties</u>	<u>2016</u>	<u>2015</u>
Director Current Account	6,115,637	6,000,000

13 <u>Accounts Payable & Accruals</u>	<u>2016</u>	<u>2015</u>
	\$	\$
Trade Payables	16,825,623	26,432,060
Accruals	6,690,199	5,017,527
Other Payables	6,774,374	9,133,977
Statutories Payable	1,952,416	1,450,627
Dividends	39,074,609	18,568,764
	71,317,220	60,602,955

Balance at	Aged Trade Payables			
	Within 1 Months	31 to 60 Days	Over 60 Days	Amount Due
29-Feb-16	\$ 14,988,945	\$ 195,071	\$ 1,641,607	\$ 16,825,623
28-Feb-15	3,688,959	5,836,811	16,906,290	26,432,060

14 Taxation

The Company having been listed on the Junior Stock Exchange in 2011 became eligible for remission of Income Tax for 10 years, as below, provided the shares remain listed for at least 15 years

Years 1 to 5	100%
Years 6 to 10	50%

15 Dividend

The Board of Directors met on January 14, 2016 and declared a dividend of \$0.38 per share payable on March 15, 2016 to shareholders on record as at March 1, 2016.

AMG PACKAGING & PAPER COMPANY LIMITED

TOP 10 SHAREHOLDERS AT 29 FEBRUARY 2016

		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	2,763,057	2.699
HAROLD SOLTAU	1,361,605	1.330
CHESTON JAMAICA LIMITED	1,072,687	1.048
COLIN STEELE	887,465	0.867
SJLIC FOR SCOTIABRIDGE RETIREMENT SCHEME	860,371	0.840
GUARDIAN LIFE LIMITED GUARDIAN EQUITY FUND	643,896	0.629
V.M.B.S. A/C CONTRIBUTORY PENSION SCHEME	597,293	0.583
	89,065,676	86.996
NO. OF SHAREHOLDERS AT 29/02/2016	JCSD	352
	MAIN REGISTER	2
	TOTAL	354

**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