

# **Consolidated Bakeries (Jamaica) Limited**

Financial Statements

For the six months ended 30 June 2016

(Unaudited)

**CONSOLIDATED BAKERIES (JAMAICA) LIMITED**

FINANCIAL STATEMENTS

SIX MONTHS ENDED 30 JUNE 2016

(Unaudited)

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	Page
Statement of financial position	1
Statement of comprehensive income	2
Statement of changes in shareholders' equity	3
Statement of cash flows	4
Notes to the financial statements	5 - 6

**CONSOLIDATED BAKERIES (JAMAICA) LIMITED**

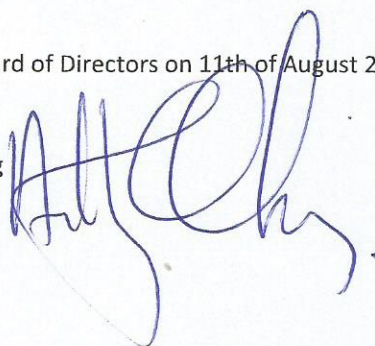
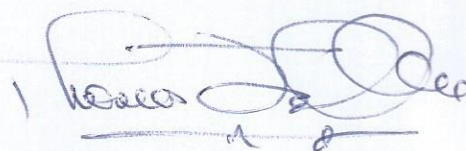
## STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2016

(Unaudited)

Expressed in whole \$	Notes	As at 30-Jun-16	As at 30-Jun-15	Audited 31-Dec-15
<b>ASSETS:</b>				
Property, plant and equipment	2d	445,113,575	422,296,578	438,122,286
Current assets:				
Inventories		32,207,913	22,889,257	29,891,152
Accounts receivable & prepayments		54,031,983	53,847,254	49,320,276
Deposit on equipment		29,144,081	-	-
Owed by related parties		20,980,063	22,112,330	20,967,133
Investments		55,391,415	58,757,275	60,086,726
Cash and cash equivalents	2e	47,663,607	62,968,917	58,050,218
Total current assets		239,419,063	220,575,033	218,315,505
<b>Total Assets</b>		<b>684,532,638</b>	<b>642,871,611</b>	<b>656,437,791</b>
<b>EQUITY:</b>				
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
Accumulated appreciation of available for sale investments		13,630,645	7,796,277	8,370,754
Retained earnings		109,843,189	92,399,738	82,706,364
<b>Total Equity</b>		<b>565,880,077</b>	<b>542,602,258</b>	<b>533,483,361</b>
<b>LIABILITIES:</b>				
Non-Current Liabilities:				
Long term loans		12,863,975	38,580,105	32,983,308
Current Liabilities:				
Current portion of long term loan		27,325,958	15,798,860	24,589,998
Accounts payable and accruals		78,462,628	43,985,152	47,830,687
Bank overdraft		-	1,905,236	17,550,437
		105,788,586	61,689,248	89,971,122
<b>Total Liabilities</b>		<b>118,652,562</b>	<b>100,269,353</b>	<b>122,954,430</b>
<b>Total Equity and Liabilities</b>		<b>684,532,638</b>	<b>642,871,611</b>	<b>656,437,791</b>

Approved by the Board of Directors on 11th of August 2016 and signed on its behalf by:

Anthony Chang  
Director

Thomas Chin  
Director


**CONSOLIDATED BAKERIES (JAMAICA) LIMITED**  
**INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME**  
**SIX MONTHS ENDED 30 JUNE 2016**  
(Unaudited)

Expressed in whole \$	Notes	Qtr Ended 30-Jun-16	Qtr Ended 30-Jun-15	YTD Ended 30-Jun-16	YTD Ended 30-Jun-15
Revenue		210,962,417	170,147,672	471,519,987	394,917,753
Cost of sales		134,864,255	101,679,880	299,067,222	249,628,710
<b>Gross profit</b>		76,098,162	68,467,792	172,452,765	145,289,043
Other (income)		(1,942,395)	(1,980,806)	(2,996,316)	(2,766,805)
Administrative and other expenses		41,931,245	41,464,784	83,503,588	79,826,847
Selling and distribution expenses		30,838,036	26,407,321	62,326,886	50,233,730
<b>Profit from operations</b>		5,271,276	2,576,493	29,618,607	17,995,271
Gain on Fixed assets		-	-	-	-
Finance costs		953,467	1,695,859	2,481,782	3,205,143
<b>Net income</b>		4,317,809	880,634	27,136,825	14,790,128
<b>Other comprehensive income</b>					
Fair value appreciation of available for sale					
Investments		3,553,635	1,961,429	5,259,891	2,186,823
<b>Total comprehensive income</b>		7,871,443	2,842,063	32,396,715	16,976,951
Earnings per share	2f	\$ 0.019	\$ 0.004	\$ 0.122	\$ 0.066

**CONSOLIDATED BAKERIES (JAMAICA) LIMITED**

## STATEMENT OF CHANGES IN EQUITY

SIX MONTHS ENDED 30 JUNE 2016

(Unaudited)

Expressed in whole \$	Share Capital	Revaluation Reserve	Capital Reserve	Other Comp Income	Retained Earnings	Total
Balance at 1 January 2015	90,726,664	330,854,047	20,825,532	5,609,455	77,609,609	525,625,307
Net income					14,790,128	14,790,128
Fair value appreciation of available for sale investments				2,186,823		2,186,823
<b>Balance at 30 June 2015</b>	<b>90,726,664</b>	<b>330,854,047</b>	<b>20,825,532</b>	<b>7,796,278</b>	<b>92,399,737</b>	<b>542,602,258</b>
Balance at 1 January 2016	90,726,664	330,854,047	20,825,532	8,370,754	82,706,364	533,483,361
Net income					27,136,825	27,136,825
Fair value appreciation of available for sale investments				5,259,891		5,259,891
<b>Balance at 30 June 2016</b>	<b>90,726,664</b>	<b>330,854,047</b>	<b>20,825,532</b>	<b>13,630,645</b>	<b>109,843,189</b>	<b>565,880,076</b>

**CONSOLIDATED BAKERIES (JAMAICA) LIMITED**

## STATEMENT OF CASH FLOWS

SIX MONTHS ENDED 30 JUNE 2016

(Unaudited)

Expressed in whole \$	YTD Ended 30-Jun-16	YTD Ended 30-Jun-15	Audited 31-Dec-15
<b>SOURCES/(USES) OF CASH</b>			
Operating Activities			
Comprehensive income	32,396,715	16,976,951	7,858,054
Items not affecting cash resources:			
Net disposal of fixed asset			45,340
Unrealised currency translation	(5,259,891)	(2,186,823)	(2,761,299)
Depreciation	5,447,721	4,898,661	20,542,748
	<u>32,584,546</u>	<u>19,688,789</u>	<u>25,684,843</u>
Change in working capital			
Inventories	(2,316,761)	9,902,361	2,900,466
Receivables	(4,711,707)	2,115,519	2,854,278
Related parties	(12,930)	2,779,864	3,925,060
Deposit on Equipment	(29,144,081)	-	3,788,219
Payables	30,631,940	11,051,707	14,897,244
	<u>27,031,006</u>	<u>45,538,240</u>	<u>54,050,110</u>
Net cash from operating activities			
Investing Activities			
Financial investments	4,695,311	(1,869,196)	(437,349)
Purchase of plant and equipment	(12,439,010)	(19,734,884)	(51,680,019)
Other comprehensive income	5,259,891	2,186,823	430,000
	<u>(2,483,808)</u>	<u>(19,417,257)</u>	<u>(51,687,368)</u>
Net cash from investing activities			
Financing Activities			
Loan, net of repayments	(17,383,372)	(3,159,557)	34,784
	<u>(17,383,372)</u>	<u>(3,159,557)</u>	<u>34,784</u>
Net cash from financing activities			
Net cash and cash equivalents	7,163,826	22,961,426	2,397,526
Net cash and cash equivalents at beginning of year	40,499,781	38,102,255	38,102,255
	<u>47,663,607</u>	<u>61,063,681</u>	<u>40,499,781</u>
Net cash and cash equivalents at end of the period			
Represented by:			
Cash and cash equivalents	47,663,607	62,968,917	58,050,218
Bank overdraft	-	(1,905,236)	(17,550,437)
Net cash and cash equivalents at end of the period	<u>47,663,607</u>	<u>61,063,681</u>	<u>40,499,781</u>

**CONSOLIDATED BAKERIES (JAMAICA) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SIX MONTHS ENDED 30 JUNE 2016**  
**(Unaudited)**

1. GENERAL INFORMATION

Consolidated Bakeries (Jamaica) Limited (the 'Company') is incorporated under the Jamaica Companies Act and is a subsidiary of Chang Brothers Limited, a Jamaican company incorporated under the Jamaica Companies Act.

The Company had its application to the Junior Stock Exchange approved after its successful public share offer of ordinary shares in December 2012.

The main activities of the Company are the manufacture, wholesale and retail sale of edible baked products.

2. ACCOUNTING POLICIES

(a) Statements of Compliance

These interim financial statements for the period ended 30 June 2016, have been prepared in accordance with IAS34, 'Interim Financial Reporting'. These interim financial statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015.

The accounting policies followed in these interim financial statements are consistent with those used in the audited financial statements for the year ended 31 December 2015, which have been prepared in accordance with International Financial Reporting Standards (IFRS) and comply with the provisions of the Jamaican Companies Act.

(b) Reporting Currency

These financial statements are presented in Jamaican dollars unless otherwise indicated.

(c) Tax Status

Under the Income Tax Act (Jamaica Stock Junior Market Remission Notice 2010), 100% of the Company's income tax liability is relieved for 5 years (2013 to 2018), then 50% for another 5 years, provided the Company remains on the Stock Exchange for a total of 15 years.

(d) Property, Plant and Equipment

All property, plant and equipment are initially recorded at cost. Freehold land and buildings are subsequently shown at market valuation by external independent valuers, less subsequent depreciation of buildings. All other fixed assets are carried at cost less accumulated depreciation.

Expressed in whole \$	Qtr Ended 30-Jun-16	Qtr Ended 30-Jun-15	Audited Y/E 31-Dec-15
NBV as at start of period	438,122,286	407,460,355	407,460,355
Acquisitions	12,439,010	19,734,884	51,680,019
Disposals	-	-	(475,340)
Depreciation	(5,447,721)	(4,898,661)	(20,542,748)
	445,113,575	422,296,578	438,122,286

(e) Cash & Cash Equivalent

Cash & cash equivalent includes investments with settlement date of 90 days or less.

(f) Earnings per Share

Earnings per share have been calculated by dividing the 'Net Income' by the total number of shares at the end of the respective period 222,709,171 (2015 - 222,709,171).

**CONSOLIDATED BAKERIES (JAMAICA) LIMITED**

## NOTES TO THE FINANCIAL STATEMENTS

(Unaudited)

(Unaudited)

## 3. SHAREHOLDERS' INFORMATION

## (a) Top Ten Shareholders

Chang Brothers Limited	136,496,956
Anthony Chang	19,178,330
General Accident Insurance Company Ja. Ltd.	12,000,000
Colin Steele	4,390,475
Everton J. Smith	4,000,000
David Chang	3,216,000
P.A.M. Ltd – Pooled Equity Pension	2,481,241
National Supply	2,029,805
Michael JG Subratie	2,000,000
JMMB Retirement	1,394,328

## (b) Shareholding of Directors/Senior Managers

Anthony Chang *	19,078,330
Nicola Chang Murphy *	89,000
Noel daCosta	800,000
Philmore Ogle	800,000
Keith Collister	800,000
Victor Salazar-Chang	174,200
Thomas Chin	256,636

\* Directors are major shareholders in Chang Brothers Limited.