

Consolidated Bakeries (Jamaica) Limited

Financial Statements

For the nine months ended 30 September 2016

(Unaudited)

CONSOLIDATED BAKERIES (JAMAICA) LIMITED

FINANCIAL STATEMENTS

NINE MONTHS ENDED 30 SEPTEMBER 2016

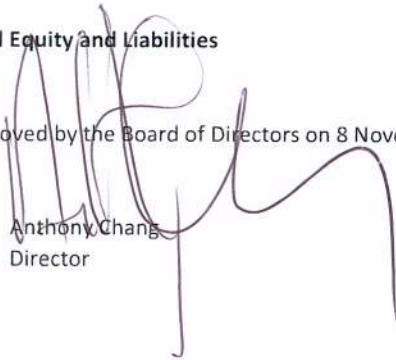
(Unaudited)

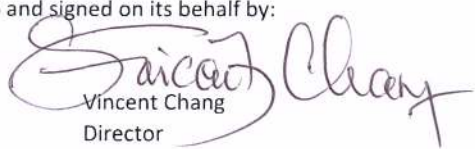
	Page
Statement of financial position	1
Statement of comprehensive income	2
Statement of changes in shareholders' equity	3
Statement of cash flows	4
Notes to the financial statements	5 - 6

CONSOLIDATED BAKERIES (JAMAICA) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2016
(Unaudited)

Expressed in whole \$	Notes	As at 30-Sep-16	As at 30-Sep-15	Audited 31-Dec-15
ASSETS:				
Property, plant and equipment	2d	487,522,464	428,224,028	438,122,286
Current assets:				
Inventories		34,998,917	30,142,058	29,891,152
Accounts Receivable net of allowances		55,192,479	58,222,049	49,320,276
Owed by related parties		21,559,342	22,069,291	20,967,133
Investments		67,013,951	59,135,642	60,086,726
Cash and cash equivalent	2e	24,522,184	57,134,315	58,050,218
Total current assets		<u>203,286,874</u>	<u>226,703,355</u>	<u>218,315,505</u>
Total Assets		<u>690,809,338</u>	<u>654,927,383</u>	<u>656,437,791</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
Accumulated appreciation of available for sale investments		16,112,631	9,140,792	8,370,754
Retained earnings		<u>112,703,404</u>	<u>82,295,277</u>	<u>82,706,364</u>
Total Equity		<u>571,222,279</u>	<u>533,842,312</u>	<u>533,483,361</u>
LIABILITIES:				
Non-Current Liabilities:				
Long term loans		<u>56,304,587</u>	<u>42,624,298</u>	<u>32,983,308</u>
Current Liabilities:				
Current portion of long term loan		15,728,336	18,331,353	24,589,998
Accounts payable and accruals		47,554,136	55,338,010	47,830,687
Bank overdraft		-	4,791,410	17,550,437
		<u>63,282,472</u>	<u>78,460,773</u>	<u>89,971,122</u>
Total Liabilities		<u>119,587,059</u>	<u>121,085,071</u>	<u>122,954,430</u>
Total Equity and Liabilities		<u>690,809,338</u>	<u>654,927,383</u>	<u>656,437,791</u>

Approved by the Board of Directors on 8 November 2016 and signed on its behalf by:


Anthony Chang
Director


Vincent Chang
Director

CONSOLIDATED BAKERIES (JAMAICA) LIMITED
INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME
NINE MONTHS ENDED 30 SEPTEMBER 2016
(Unaudited)

Expressed in whole \$	Notes	Qtr Ended 30-Sep-16	Qtr Ended 30-Sep-15	YTD Ended 30-Sep-16	YTD Ended 30-Sep-15
Revenue		209,116,588	175,241,916	680,636,576	570,159,669
Cost of sales		<u>135,589,188</u>	<u>115,756,462</u>	<u>434,656,410</u>	<u>365,385,172</u>
Gross profit		73,527,400	59,485,454	245,980,166	204,774,497
Other (income)		(718,868)	(146,297)	(3,715,184)	(2,913,103)
Administrative and other expenses		38,176,028	41,297,826	121,679,616	121,124,673
Selling and distribution expenses		<u>30,790,175</u>	<u>27,549,904</u>	<u>93,117,061</u>	<u>77,783,634</u>
Profit from operations		5,280,066	(9,215,979)	34,898,673	8,779,293
Finance costs		<u>2,419,851</u>	<u>888,481</u>	<u>4,901,633</u>	<u>4,093,625</u>
Net income		2,860,216	(10,104,460)	29,997,040	4,685,668
Other comprehensive income					
Fair value appreciation of available for sale					
Investments		<u>2,481,987</u>	<u>1,344,514</u>	<u>7,741,877</u>	<u>3,531,337</u>
Total comprehensive income		<u><u>5,342,202</u></u>	<u><u>(8,759,946)</u></u>	<u><u>37,738,918</u></u>	<u><u>8,217,005</u></u>
Earnings per share	2f	<u>\$ 0.013</u>	<u>\$ (0.045)</u>	<u>\$ 0.135</u>	<u>\$ 0.021</u>

CONSOLIDATED BAKERIES (JAMAICA) LIMITED

STATEMENT OF CHANGES IN EQUITY

NINE MONTHS ENDED 30 SEPTEMBER 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					4,685,668	4,685,668
Fair value appreciation of available for sales investments				3,531,337		3,531,337
Balance at 30 September 2015	90,726,664	330,854,047	20,825,532	9,140,792	82,295,277	533,842,312
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					29,997,040	29,997,040
Fair value appreciation of available for sales investments				7,741,877		7,741,877
Balance at 30 September 2016	90,726,664	330,854,047	20,825,532	16,112,631	112,703,404	571,222,279

CONSOLIDATED BAKERIES (JAMAICA) LIMITED

STATEMENT OF CASH FLOW

NINE MONTHS ENDED 30 SEPTEMBER 2016

(Unaudited)

Expressed in whole \$	YTD Ended 30-Sep-16	YTD Ended 30-Sep-15	Audited 31-Dec-15
SOURCES/(USES) OF CASH			
Operating Activities			
Comprehensive income	37,738,918	8,217,005	7,858,054
Items not affecting cash resources:			
Net disposal of fixed asset			45,340
Unrealised currency translation	(7,741,877)	(3,531,337)	(2,761,299)
Depreciation	8,479,210	7,512,138	20,542,748
	<u>38,476,250</u>	<u>12,197,806</u>	<u>25,684,843</u>
Change in working capital			
Inventories	(5,107,765)	2,649,560	2,900,466
Receivables	(5,872,203)	(2,259,276)	2,854,278
Related parties	(592,209)	2,822,903	3,925,060
Deposit on Equipment	918,990	-	3,788,219
Payables	<u>(1,195,542)</u>	<u>22,404,565</u>	<u>14,897,244</u>
Net cash from operating activities	<u>26,627,521</u>	<u>37,815,558</u>	<u>54,050,110</u>
Investing Activities			
Financial investments	(6,927,225)	(2,247,563)	(437,349)
Purchase of fixed assets and equipment	(57,879,387)	(28,275,811)	(51,680,019)
Other comprehensive income	7,741,877	3,531,337	430,000
Net cash from investing activities	<u>(57,064,736)</u>	<u>(26,992,037)</u>	<u>(51,687,368)</u>
Financing Activities			
Loan,net	<u>14,459,617</u>	<u>3,417,129</u>	<u>34,784</u>
Net cash from financing activities	<u>14,459,617</u>	<u>3,417,129</u>	<u>34,784</u>
Net cash and cash equivalents	(15,977,597)	14,240,650	2,397,526
Net cash and cash equivalents at beginning of year	<u>40,499,781</u>	<u>38,102,255</u>	<u>38,102,255</u>
Net cash and cash equivalents at end of the period	<u><u>24,522,184</u></u>	<u><u>52,342,905</u></u>	<u><u>40,499,781</u></u>
Represented by:			
Cash and cash equivalents	24,522,184	57,134,315	58,050,218
Bank overdraft	-	(4,791,410)	(17,550,437)
Net cash and cash equivalents at end of the period	<u><u>24,522,184</u></u>	<u><u>52,342,905</u></u>	<u><u>40,499,781</u></u>

CONSOLIDATED BAKERIES (JAMAICA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

NINE MONTHS ENDED 30 SEPTEMBER 2016

(Unaudited)

1. GENERAL INFORMATION

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

2. ACCOUNTING POLICIES

(a) Statements of Compliance

These interim financial statements for the period ended 30 September 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 \$	YTD 30-Sep-16	YTD 30-Sep-15	Audited Y/E 31-Dec-15
NBV as at January 1	438,122,286	407,460,355	407,460,355
Acquisitions	57,879,387	28,275,811	51,680,019
Disposals, net of accumulated derpreciation	-	-	(475,340)
Depreciation	(8,479,210)	(7,512,138)	(20,542,748)
	487,522,464	428,224,028	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

NINE MONTHS ENDED 30 SEPTEMBER 2016

(Unaudited)

3. SHAREHOLDERS' INFORMATION AT 30 SEPTEMBER 2016

(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
Nigel O. Coke	2,000,000

(b) Shareholding of Directors/Senior Managers

Anthony Chang *	19,178,330
Nicola Chang Murphy *	89,000
Noel daCosta	800,000
Philmore Ogle	800,000
Keith Collister	800,000
Victor Salazar-Chang	194,392
Thomas Chin	256,636

* Directors are major shareholders in Chang Brothers Limited.