

CONSOLIDATED BAKERIES (JAMAICA) LIMITED

FINANCIAL STATEMENTS

THREE MONTHS ENDED 31 MARCH 2017

(Unaudited)

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CONSOLIDATED BAKERIES (JAMAICA) LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2017

(Unaudited)

Expressed in whole \$	Notes	As at 31 Mar 17	As at 31 Mar 16	Audited 31 Dec 16
ASSETS:				
Noncurrent asset				
Property, plant and equipment	2d	494,335,937	436,885,107	494,887,367
Current assets:				
Inventories		38,526,198	26,438,056	32,366,664
Trade and other receivables		83,375,763	112,470,037	75,240,158
Financial investments		71,725,918	61,547,541	67,391,844
Deposit on equipment		1,127,130	-	1,127,130
Cash and cash equivalents	2e	76,427,126	63,730,131	60,390,382
Total current assets		271,182,134	264,185,765	236,516,178
Total Assets		765,518,070	701,070,872	731,403,545
EQUITY:				
Share capital		90,726,664	90,726,664	90,726,664
Capital reserves		20,825,532	20,825,532	20,825,532
Revaluation reserves		330,854,047	330,854,047	330,854,047
Accumulated other comprehensive income		12,000,102	10,077,010	11,964,363
Retained earnings		98,811,043	105,525,382	93,034,857
Total Equity		553,217,388	558,008,635	547,405,463
LIABILITIES:				
Non-current liabilities:				
Long term loan		53,507,133	38,795,288	58,297,230
Current liabilities:				
Current portion of long term loan		52,751,815	17,089,880	13,200,979
Accounts payable and accruals		93,362,488	82,591,035	58,664,976
Bank overdraft		12,679,247	4,586,034	53,834,897
Total current liabilities		158,793,549	97,400,438	125,700,852
Total Liabilities		212,300,683	143,062,237	183,998,082
Total Equity and Liabilities		765,518,070	701,070,872	731,403,545


Approved by the Board of Directors on May 10, 2017

and signed on its behalf by:

Anthony Chang
Director



Vincent Chang
Director



CONSOLIDATED BAKERIES (JAMAICA) LIMITED**INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME****THREE MONTHS ENDED 31 MARCH 2017****(Unaudited)**

Expressed in whole \$	Notes	Qtr Ended 31 Mar 17	Qtr Ended 31 Mar 16	Audited Y/E 31 Dec 16
Revenue	3	227,912,559	260,557,570	880,273,417
Cost of sales		145,523,951	164,202,967	572,007,212
Gross profit		82,388,608	96,354,603	308,266,205
Other (income)		(1,236,405)	(1,053,921)	(9,239,982)
Administrative and Other Expenses		42,747,631	41,572,342	160,587,562
Selling and Distribution Expenses		33,381,463	31,488,850	134,973,481
Profit from operations		7,495,919	24,347,332	21,945,144
Finance costs		1,719,731	1,528,315	11,616,651
Net income		5,776,188	22,819,017	10,328,493
Other comprehensive income				
<i>Those that might be reclassified to profit or loss in subsequent periods</i>				
Unrealized gain on investments		35,738	1,706,256	3,593,609
Total comprehensive income		5,811,925	24,525,273	13,922,102
Earnings per share	2f	\$0.03	\$0.10	\$0.05

CONSOLIDATED BAKERIES (JAMAICA) LIMITED

STATEMENT OF CHANGES IN EQUITY

THREE MONTHS ENDED 31 MARCH 2017

(Unaudited)

Expressed in whole \$	Share Capital	Revaluation Reserve	Capital Reserve	Other Comprehensive Income	Retained Earnings	Total
Balance at 31 December 2015	90,726,664	330,854,047	20,825,533	8,370,754	82,706,364	533,483,362
Net income					22,819,017	22,819,017
Fair value appreciation of available for sale investments				1,706,256		1,706,256
Balance at 31 March 2016	<u>90,726,664</u>	<u>330,854,047</u>	<u>20,825,533</u>	<u>10,077,010</u>	<u>105,525,381</u>	<u>558,008,635</u>
Balance at 31 December 2016	90,726,664	330,854,047	20,825,533	11,964,364	93,034,855	547,405,463
Net income					5,776,188	5,776,188
Fair value appreciation of available for sale investments				35,738		35,738
Balance at 31 March 2017	<u>90,726,664</u>	<u>330,854,047</u>	<u>20,825,533</u>	<u>12,000,102</u>	<u>98,811,043</u>	<u>553,217,388</u>

CONSOLIDATED BAKERIES (JAMAICA) LIMITED**STATEMENT OF CASH FLOWS****THREE MONTHS ENDED 31 MARCH 2017****(Unaudited)**

Expressed in whole \$	Qtr Ended 31 Mar 17	Qtr Ended 31 Mar 16	Audited Y/E 31 Dec 16
SOURCES/(USES) OF CASH			
Operating Activities			
Comprehensive income for the period	5,811,925	24,525,273	13,922,102
Adjustments for:			
Depreciation	7,613,963	5,530,784	25,426,120
Unrealized currency transaction	(35,738)	(1,706,256)	(3,593,609)
	13,390,151	28,349,801	35,754,613
Change in working capital			
Inventories	(6,159,534)	3,453,096	(2,475,512)
Receivables	(8,099,867)	(40,476,372)	(4,952,751)
Payables	34,697,511	39,346,384	11,536,232
Deposit on equipment	-	-	(1,127,130)
Net cash from operating activities	33,828,260	30,672,909	38,735,452
Investing Activities			
Purchase of fixed assets	(7,062,532)	(4,293,605)	(82,191,201)
Financial investment	(4,334,074)	(1,460,815)	(3,711,508)
Net cash from investing activities	(11,396,606)	(5,754,420)	(85,902,709)
Financing Activities			
Loan	34,760,740	(1,688,138)	13,222,959
Net cash from financing activities	34,760,740	(1,688,138)	13,222,959
Net increase in cash and cash equivalents	57,192,394	23,230,351	(33,944,298)
Cash and cash equivalents at beginning of year	6,555,485	40,499,780	40,499,780
Net cash and cash equivalents at end of the period	63,747,879	63,730,131	6,555,482
Represented by:			
Cash and cash equivalents	76,427,126	68,316,165	60,390,382
Bank overdraft	(12,679,247)	(4,586,034)	(53,834,897)
Net cash and cash equivalents at end of the period	63,747,879	63,730,131	6,555,485

CONSOLIDATED BAKERIES (JAMAICA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

THREE MONTHS ENDED 31 MARCH 2017

(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 baked products.

2. ACCOUNTING POLICIES

(a) Statements of Compliance

These interim financial statements for the period ended 31 March 2017, 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 2016.

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 2016, 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 31 Mar 17	Qtr Ended 31 Mar 16	Audited Y/E 31 Dec 16
NBV as at start of the period	494,887,367	438,122,286	438,122,286
Acquisitions	7,062,532	4,293,605	82,191,201
Depreciation charge	(7,613,963)	(5,530,784)	(25,426,120)
NBV as at end of the period	494,335,937	436,885,107	494,887,367

(e) Cash & Cash Equivalents

Cash & cash equivalents include cash and 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 (2016 - 222,709,171).

CONSOLIDATED BAKERIES (JAMAICA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

THREE MONTHS ENDED 31 MARCH 2017

(Unaudited)

3. REVENUE

The first quarter of 2016 included the Easter season, but the first quarter of 2017 did not.

4. SHAREHOLDERS' INFORMATION**(a) Top Ten Shareholders**

Chang Brothers Limited	136,496,956
Anthony Chang	19,178,330
General Accident Insurance Company Ja. Ltd.	11,863,631
Colin Steele	3,344,752
Everton J. Smith	4,000,000
David Chang	3,216,000
P.A.M. Ltd – Pooled Equity Pension Fund	2,481,241
National Supply Company Ltd	2,029,805
Michael J.G. Subratie	2,000,000
JMMB Retirement Scheme	1,394,328

(b) Shareholding of Directors/Senior Managers

Anthony Chang *	19,178,330
Noel daCosta	800,000
Philmore Ogle	800,000
Keith Collister	800,000
Thomas Chin	256,636
Victor Salazar-Chang	174,200
Nicola Chang Murphy *	89,000

* Directors are major shareholders in Chang Brothers Limited.