

Consolidated Bakeries (Jamaica) Limited

Financial Statements

For the six months ended 30 June 2017

(Unaudited)

CONSOLIDATED BAKERIES (JAMAICA) LIMITED

FINANCIAL STATEMENTS

SIX MONTHS ENDED 30 JUNE 2017

(Unaudited)

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

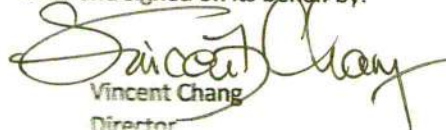
CONSOLIDATED BAKERIES (JAMAICA) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017
(Unaudited)

Expressed in whole \$	Notes	As at 30-Jun-17	As at 30-Jun-16	Audited 31-Dec-16
ASSETS:				
Property, plant and equipment	2d	488,977,909	445,113,575	494,887,367
Current assets:				
Inventories		34,485,881	32,207,913	32,366,664
Trade and other receivables		79,771,498	75,012,046	75,240,158
Deposit on equipment		12,063,096	29,144,081	1,127,130
Investments		72,416,051	55,391,415	67,391,844
Cash and cash equivalent	2e	53,852,510	47,998,459	60,390,382
Total current assets		252,589,037	239,753,914	236,516,178
Total Assets		741,566,946	684,867,489	731,403,545
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 other comprehensive income		12,845,321	13,630,645	11,964,363
Retained earnings		84,540,078	109,843,189	93,034,857
Total Equity		539,791,642	565,880,077	547,405,463
LIABILITIES:				
Non-Current Liabilities:				
Long term loans		48,328,963	12,863,975	58,297,230
Current Liabilities:				
Current portion of long term loan		44,563,861	27,325,958	13,200,979
Accounts payable and accruals		86,120,384	78,462,627	58,664,976
Bank overdraft		22,762,095	334,852	53,834,897
		153,446,341	106,123,437	125,700,852
Total Liabilities		201,775,304	118,987,412	183,998,082
Total Equity and Liabilities		741,566,945	684,867,489	731,403,545

Approved by the Board of Directors on August

Anthony Chang
Director

2017 and signed on its behalf by:


Vincent Chang
Director

CONSOLIDATED BAKERIES (JAMAICA) LIMITED
INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME
SIX MONTHS ENDED 30 JUNE 2017
(Unaudited)

Expressed in whole \$	Notes	Qtr Ended 30-Jun-17	Qtr Ended 30-Jun-16	YTD Ended 30-Jun-17	YTD Ended 30-Jun-16
Revenue		219,689,184	210,962,417	447,601,743	471,519,987
Cost of sales		150,690,348	134,864,255	296,214,299	299,067,222
Gross profit		68,998,835	76,098,162	151,387,443	172,452,765
Other (income)		(1,085,288)	(1,942,395)	(2,321,693)	(2,996,316)
Administrative and other expenses		48,877,141	41,931,245	91,624,772	83,503,588
Selling and distribution expenses		34,665,016	30,838,036	68,046,479	62,326,886
Profit from operations		(13,458,034)	5,271,276	(5,962,115)	29,618,607
Finance costs		812,931	953,467	2,532,662	2,481,782
Net income		(14,270,965)	4,317,809	(8,494,777)	27,136,825
Other comprehensive income					
<i>Those that might be reclassified to profit or loss in subsequent periods</i>					
Unrealized gain on investments		845,219	3,553,635	880,957	5,259,891
Total comprehensive income		(13,425,746)	7,871,444	(7,613,820)	32,396,716
Earnings per share	2f	\$ (0.064)	\$ 0.019	\$ (0.038)	\$ 0.122

CONSOLIDATED BAKERIES (JAMAICA) LIMITED

STATEMENT OF CHANGES IN EQUITY

SIX MONTHS ENDED 30 JUNE 2017

(Unaudited)

Expressed in whole \$	Share Capital	Revaluation Reserve	Capital Reserve	Other Comp Income	Retained Earnings	Total
Balance at 31 December 2015	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
Balance at 30 June 2016	90,726,664	330,854,047	20,825,532	13,630,645	109,843,189	565,880,077
Balance at 31 December 2016	90,726,664	330,854,047	20,825,532	11,964,364	93,034,855	547,405,462
Net income					(8,494,777)	(8,494,777)
Fair value appreciation of available for sale investments				880,957		880,957
Balance at 30 June 2017	90,726,664	330,854,047	20,825,532	12,845,321	84,540,078	539,791,642

CONSOLIDATED BAKERIES (JAMAICA) LIMITED**STATEMENT OF CASH FLOWS****SIX MONTHS ENDED 30 JUNE 2017****(Unaudited)**

Expressed in whole \$	YTD Ended 30-Jun-17	YTD Ended 30-Jun-16	Audited 31-Dec-16
SOURCES/(USES) OF CASH			
Operating Activities			
Comprehensive income	(7,613,820)	32,396,715	13,922,102
Items not affecting cash resources:			
Unrealised currency translation	(880,957)	(5,259,891)	(3,593,609)
Depreciation	15,244,133	5,447,721	25,426,120
	6,749,356	32,584,545	35,754,613
Change in working capital			
Inventories	(2,119,217)	(2,316,761)	(2,475,512)
Receivables	(4,531,340)	(4,711,707)	(4,952,748)
Payables	28,336,364	35,878,902	11,536,232
Deposit on Equipment	(10,935,966)	(29,144,081)	(1,127,130)
Net cash from operating activities	17,499,196	32,290,898	38,735,455
Investing Activities			
Purchase of fixed assets	(9,334,675)	(12,439,010)	(82,191,201)
Financial investments	(5,024,207)	4,695,311	(3,711,508)
Net cash from investing activities	(14,358,881)	(7,743,699)	(85,902,709)
Financing Activities			
Loan	21,394,616	(17,383,372)	13,222,959
Net cash from financing activities	21,394,616	(17,383,372)	13,222,959
Net increase cash and cash equivalents	24,534,930	7,163,827	(33,944,295)
Net 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	31,090,415	47,663,607	6,555,485
Represented by:			
Cash and cash equivalents	53,852,510	47,998,459	60,390,382
Bank overdraft	(22,762,095)	(334,852)	(53,834,897)
Net cash and cash equivalents at end of the period	31,090,415	47,663,607	6,555,485

CONSOLIDATED BAKERIES (JAMAICA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

SIX MONTHS ENDED 30 JUNE 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 30 June 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 \$	YTD Ended 30-Jun-17	YTD Ended 30-Jun-16	Audited 31-Dec-16
NBV as at start of the period	494,887,367	438,122,286	438,122,286
Acquisitions	9,334,675	12,439,010	82,191,201
Depreciation charge	(15,244,133)	(5,447,721)	(25,426,120)
NBV as at end of period	<u>488,977,909</u>	<u>445,113,575</u>	<u>494,887,367</u>

CONSOLIDATED BAKERIES (JAMAICA) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Cont'n)
SIX MONTHS ENDED 30 JUNE 2017
(Unaudited)

2. ACCOUNTING POLICIES (Cont'd)

(e) Cash & Cash Equivalents

Cash & cash equivalents include 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).

3. SHAREHOLDERS' INFORMATION at 30 June 2017

(a) Top Ten Shareholders

Chang Brothers Limited	136,496,956
Anthony Chang	19,178,330
General Accident Insurance Company Ja. Ltd.	12,000,000
Everton J Smith	3,942,019
P.A.M. Ltd - Pooled Pension Equity Fund	2,481,241
National Supply	2,380,000
David Chang	2,200,000
Crissa'a Group Ltd	1,648,358
Prakash Vaswani	1,506,000
JMMB Retirement Scheme	1,394,328

(b) Shareholdings of Directors and Senior Managers

Vincent Chang *	-
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	374,200
Thomas Chin	256,636

* Directors are major shareholders in Chang Brothers Limited.