

# **Consolidated Bakeries (Jamaica) Limited**

Financial Statements

For the nine months ended 30 September 2017

(Unaudited)

**CONSOLIDATED BAKERIES (JAMAICA) LIMITED**

**FINANCIAL STATEMENTS**

**NINE MONTHS ENDED 30 SEPTEMBER 2017**

**(Unaudited)**

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

Expressed in whole \$	Notes	As at 30-Sept-17	As at 30-Sept-16	Audited 31-Dec-16
<b>ASSETS:</b>				
Property, plant and equipment	2d	487,529,070	487,522,464	494,887,367
Current assets:				
Inventories		29,265,255	34,998,917	32,366,664
Trade and other receivables		79,772,286	76,751,821	75,240,158
Deposit on equipment		12,063,096	-	1,127,130
Investments		58,052,804	67,013,951	67,391,844
Cash and cash equivalent	2e	48,704,774	24,522,184	60,390,382
Total current assets		227,858,215	203,286,873	236,516,178
<b>Total Assets</b>		<b>715,387,287</b>	<b>690,809,337</b>	<b>731,403,545</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 other comprehensive income		9,845,250	16,112,631	11,964,363
Retained earnings		74,416,969	112,703,404	93,034,857
<b>Total Equity</b>		<b>526,668,461</b>	<b>571,222,278</b>	<b>547,405,463</b>
<b>LIABILITIES:</b>				
Non-Current Liabilities:				
Long term loans		36,929,988	56,304,587	58,297,230
Current Liabilities:				
Current portion of long term loan		44,943,633	15,728,336	13,200,979
Accounts payable and accruals		83,539,868	47,554,136	58,664,976
Bank overdraft		23,305,337	-	53,834,897
		151,788,838	63,282,472	125,700,852
<b>Total Liabilities</b>		<b>188,718,825</b>	<b>119,587,059</b>	<b>183,998,082</b>
<b>Total Equity and Liabilities</b>		<b>715,387,287</b>	<b>690,809,337</b>	<b>731,403,545</b>

Approved by the Board of Directors on November 8 2017 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 2017**  
(Unaudited)

Expressed in whole \$	Notes	Qtr Ended 30-Sept-17	Qtr Ended 30-Sept-16	YTD Ended 30-Sept-17	YTD Ended 30-Sept-16
Revenue		195,611,648	209,116,588	643,070,074	680,636,576
Cost of sales		134,578,274	135,589,188	430,794,096	434,656,410
<b>Gross profit</b>		61,033,374	73,527,400	212,275,978	245,980,166
Other (income)		(1,057,858)	(718,868)	(3,379,551)	(3,715,184)
Administrative and other expenses		40,551,887	38,176,028	132,191,485	121,679,616
Selling and distribution expenses		34,904,957	30,790,175	102,949,136	93,117,061
<b>Profit from operations</b>		(13,365,612)	5,280,065	(19,485,092)	34,898,673
Finance costs		838,360	2,419,851	3,371,022	4,901,633
<b>Net (Loss) income</b>		(14,203,972)	2,860,214	(22,856,114)	29,997,040
<b>Other comprehensive income</b>					
<i>Those that might be reclassified to profit or loss in subsequent periods</i>					
Unrealized gain on investments		3,000,071	2,481,987	2,119,114	7,741,877
<b>Total comprehensive income</b>		(11,203,901)	5,342,201	(20,737,000)	37,738,917
Earnings per share	2f	\$ (0.064)	\$ 0.013	\$ (0.103)	\$ 0.135

**CONSOLIDATED BAKERIES (JAMAICA) LIMITED**

## STATEMENT OF CHANGES IN EQUITY

NINE MONTHS ENDED 30 SEPTEMBER 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					29,997,040	29,997,040
Fair value appreciation of available for sale investments				7,741,877		7,741,877
<b>Balance at 30 September 2016</b>	<b>90,726,664</b>	<b>330,854,047</b>	<b>20,825,532</b>	<b>16,112,631</b>	<b>112,703,404</b>	<b>571,222,278</b>
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					(22,856,114)	(22,856,114)
Fair value appreciation of available for sale investments				(2,119,114)		(2,119,114)
<b>Balance at 30 September 2017</b>	<b>90,726,664</b>	<b>330,854,047</b>	<b>20,825,532</b>	<b>9,845,250</b>	<b>70,178,741</b>	<b>522,430,234</b>

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

Expressed in whole \$	YTD Ended 30-Sept-17	YTD Ended 30-Sept-16	Audited 31-Dec-16
<b>SOURCES/(USES) OF CASH</b>			
Operating Activities			
Comprehensive income	(20,737,000)	37,738,918	13,922,102
Items not affecting cash resources:			
Unrealised currency translation	(2,119,114)	(7,741,877)	(3,593,609)
Depreciation	22,799,879	8,479,210	25,426,120
	(56,235)	38,476,251	35,754,613
Change in working capital			
Inventories	3,101,409	(5,107,765)	(2,475,512)
Receivables	(4,532,128)	(5,872,203)	(4,952,748)
Related Parties	-	(592,209)	
Payables	24,874,892	(1,195,542)	11,536,232
Deposit on Equipment	(10,935,966)	918,990	(1,127,130)
Net cash from operating activities	12,451,972	26,627,522	38,735,455
Investing Activities			
Purchase of fixed assets	(15,441,582)	(57,879,387)	(82,191,201)
Appreciation of Available for Sale Investments	2,119,115	7,741,877	
Financial investments	9,339,040	(6,927,225)	(3,711,508)
Net cash from investing activities	(3,983,427)	(57,064,735)	(85,902,709)
Financing Activities			
Loan	10,375,411	14,459,617	13,222,959
Net cash from financing activities	10,375,411	14,459,617	13,222,959
Net increase cash and cash equivalents	18,843,956	(15,977,596)	(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	25,399,441	24,522,184	6,555,485
Represented by:			
Cash and cash equivalents	48,704,774	24,522,184	60,390,382
Bank overdraft	(23,305,337)	-	(53,834,897)
Net cash and cash equivalents at end of the period	25,399,441	24,522,184	6,555,485

**CONSOLIDATED BAKERIES (JAMAICA) LIMITED**
**NOTES TO THE FINANCIAL STATEMENTS**  
**NINE MONTHS ENDED 30 SEPTEMBER 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 September 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 2017), 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.

<b>Expressed in whole \$</b>	<b>YTD Ended 30-Sept-17</b>	<b>YTD Ended 30-Sept-16</b>	<b>Audited 31-Dec-16</b>
NBV as at start of the period	494,887,367	438,122,286	438,122,286
Acquisitions	15,441,582	57,879,387	82,191,201
Depreciation charge	(22,799,879)	(8,479,210)	(25,426,120)
NBV as at end of period	<u>487,529,070</u>	<u>487,522,463</u>	<u>494,887,367</u>

**CONSOLIDATED BAKERIES (JAMAICA) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Cont'n)**  
**NINE MONTHS ENDED 30 SEPTEMBER 2017**  
**(Unaudited)**

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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 September 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's 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.