

CONSOLIDATED BAKERIES (JAMAICA) LIMITED
FINANCIAL STATEMENTS
SIX MONTHS ENDED 30 JUNE 2018
(Unaudited)

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CONSOLIDATED BAKERIES (JAMAICA) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018
(Unaudited)

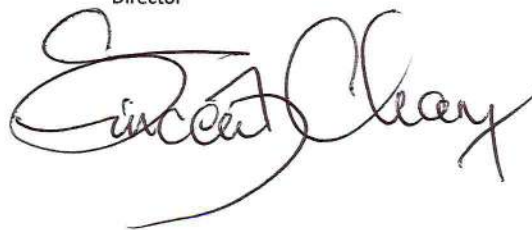
Expressed in whole \$	Notes	As at 30-June-18	As at 30-June-17	Audited 31-Dec-17
ASSETS:				
Property, plant and equipment	2d	707,623,642	488,977,909	688,413,659
Current assets:				
Inventories		39,330,617	34,485,881	35,007,985
Trade and other receivables		96,391,925	79,771,498	82,077,405
Deposit on equipment		6,234,399	12,063,096	-
Investments		44,017,115	72,416,051	42,297,331
Cash and cash equivalents	2e	54,630,030	53,852,510	74,339,438
Total current assets		<u>240,604,086</u>	<u>252,589,036</u>	<u>233,722,159</u>
Total Assets		<u>948,227,729</u>	<u>741,566,946</u>	<u>922,135,818</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		537,342,437	330,854,047	537,342,437
Accumulated other comprehensive income		14,787,809	12,845,321	14,563,853
Retained earnings		72,714,604	84,540,078	52,939,330
Total Equity		<u>736,397,046</u>	<u>539,791,642</u>	<u>716,397,816</u>
LIABILITIES:				
Non-Current Liabilities:				
Long-term loans		72,226,667	48,328,963	63,521,298
Deferred tax liability		-	-	1,133,019
		<u>72,226,667</u>	<u>48,328,963</u>	<u>64,654,317</u>
Current Liabilities:				
Current portion of long-term loans		34,621,142	44,563,861	38,997,363
Accounts payable and accruals		93,706,099	86,120,384	77,190,103
Tax Liability		2,825,039	-	-
Bank overdraft		8,451,735	22,762,095	24,896,220
		<u>139,604,015</u>	<u>153,446,341</u>	<u>141,083,690</u>
Total Liabilities		<u>211,830,682</u>	<u>201,775,304</u>	<u>205,738,003</u>
Total Equity and Liabilities		<u>948,227,729</u>	<u>741,566,945</u>	<u>922,135,818</u>

Approved by the Board of Directors on August 15, 2018 and signed on its behalf by:

Anthony Chang
Director



Vincent Chang
Director



CONSOLIDATED BAKERIES (JAMAICA) LIMITED
INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME
SIX MONTHS ENDED 30 JUNE 2018
(Unaudited)

Expressed in whole \$	Notes	Qtr Ended 30-June-18	Qtr Ended 30-June-17	YTD Ended 30-June-18	YTD Ended 30-June-17
Revenue		221,492,444	219,689,184	492,537,042	447,601,743
Cost of sales		143,945,084	150,690,348	305,883,543	296,214,299
Gross profit		77,547,360	68,998,836	186,653,499	151,387,444
Other income		603,673	1,085,288	1,653,067	2,321,693
Administrative and other expenses		(42,311,268)	(48,877,141)	(92,023,880)	(91,624,772)
Selling and distribution expenses		(33,309,475)	(34,665,016)	(66,918,664)	(68,046,479)
Profit (Loss) from operations		2,530,290	(13,458,033)	29,364,022	(5,962,114)
Finance costs		(3,550,388)	(812,931)	(6,763,708)	(2,532,662)
(Loss) Profit before tax		(1,020,098)	(14,270,965)	22,600,313	(8,494,776)
Tax		127,512	-	(2,825,039)	-
Deferred Tax		-	-	-	-
(Loss) Profit for the period		(892,586)	(14,270,965)	19,775,274	(8,494,776)
Other comprehensive income		-	-	-	-
Those that might be reclassified to profit or loss in subsequent periods		-	-	-	-
<i>Unrealized Gain on investments</i>		1,894,318	845,219	223,956	880,957
Revaluation of property, plant and equipment - increment net of tax		-	-	-	-
Total comprehensive (Loss)/ income		1,001,732	(13,425,746)	19,999,230	(7,613,820)
Earnings gain(loss) per share	2f	(0.004)	(0.06)	0.09	(0.04)

CONSOLIDATED BAKERIES (JAMAICA) LIMITED
STATEMENT OF CHANGES IN EQUITY
SIX MONTHS ENDED 30 JUNE 2018
(Unaudited)

Expressed in whole \$	Share Capital	Revaluation Reserve	Capital Reserve	Other Comp Income	Retained Earnings	Total
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 3 June 2017	90,726,664	330,854,047	20,825,532	12,845,321	84,540,078	539,791,642
Balance at 31 December 2017	90,726,664	537,342,437	20,825,532	14,563,853	52,939,330	716,397,815
Net profit for the period	-	-	-	-	19,775,274	19,775,274
Fair value appreciation of available for sale investments	-	-	-	223,956	-	223,956
Balance at 30 June 2018	90,726,664	537,342,437	20,825,532	14,787,809	72,714,604	736,397,046

CONSOLIDATED BAKERIES (JAMAICA) LIMITED
STATEMENT OF CASH FLOWS
SIX MONTHS ENDED 30 JUNE 2018
(Unaudited)

Expressed in whole \$	YTD Ended 30-June-18	YTD Ended 30-June-17	Audited Y/E 31-Dec-17
SOURCES/(USES) OF CASH			
Operating Activities			
Total Comprehensive income	19,999,230	(7,613,820)	168,992,352
Tax expense	2,825,039	-	7,994,819
Revaluation of land and building	-	-	(206,488,390)
Disposal of Fixed asset	-	-	(263,639)
Items not affecting cash resources:			
Unrealised currency translation	(223,956)	(880,957)	(2,599,490)
Depreciation	15,337,137	15,244,133	30,427,314
	<u>37,937,450</u>	<u>6,749,356</u>	<u>(1,937,034)</u>
Change in working capital			
Inventories	(4,322,632)	(2,119,217)	(2,641,321)
Receivables	(14,090,564)	(4,531,340)	(6,837,248)
Payables	16,515,996	28,336,364	18,525,130
Deposit on Equipment	(6,234,399)	(10,935,966)	-
Net cash from operating activities	<u>29,805,851</u>	<u>17,499,196</u>	<u>7,109,527</u>
Investing Activities			
Purchase of fixed assets	(34,547,119)	(9,334,675)	(25,073,379)
Proceed from sale of fixed assets	-	-	1,010,000
Financial investments	(1,719,784)	(5,024,207)	27,694,002
Net cash from investing activities	<u>(36,266,903)</u>	<u>(14,358,883)</u>	<u>3,630,624</u>
Financing Activities			
Loan	4,329,149	21,394,616	31,020,450
Deferred Tax Liability	(1,133,019)	-	-
Net cash from financing activities	<u>3,196,130</u>	<u>21,394,616</u>	<u>31,020,450</u>
Net increase cash and cash equivalents	(3,264,923)	24,534,929	41,760,603
Net cash and cash equivalents at beginning of year	49,443,218	6,555,485	7,682,615
Net cash and cash equivalents at end of the period	<u>46,178,295</u>	<u>31,090,415</u>	<u>49,443,218</u>
Represented by:			
Cash and cash equivalents	54,630,030	53,852,510	74,339,438
Bank overdraft	(8,451,735)	(22,762,095)	(24,896,220)
Net cash and cash equivalents at end of the period	<u>46,178,295</u>	<u>31,090,415</u>	<u>49,443,218</u>

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 2018, 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 2017.

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 2017, 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 from (2018 to 2022), 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-June-18	YTD Ended 30-June-17	Audited Y/E 31-Dec-17
NBV as at start of the period	688,413,659	494,887,367	494,887,368
Acquisitions	34,547,119	9,334,675	25,073,379
Depreciation charge	(15,337,137)	(15,244,133)	(30,427,314)
Revaluation increment	-	-	199,626,589
Disposal of Fixed Asset Net	-	-	(746,363)
NBV as at end of period	<u>707,623,641</u>	<u>488,977,909</u>	<u>688,413,659</u>

CONSOLIDATED BAKERIES (JAMAICA) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Cont'n)
SIX MONTHS ENDED 30 JUNE 2018
(Unaudited)

2. ACCOUNTING POLICIES (Cont'd)

(e) Cash & Cash Equivalents

Cash & cash

(f) Earnings per Share

Earnings per share have been calculated by dividing the Net profit/(loss) 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 2018

(a) Top Ten Shareholders

Chang Brothers Limited	136,496,956
Anthony Chang	19,200,468
General Accident Insurance Company Ja. Ltd.	11,863,631
Everton J Smith	5,456,647
David Chang	3,216,000
P.A.M. Ltd - Pooled Pension Equity Fund	2,481,241
Colin Steele	2,316,170
National Supply Company Ltd	2,029,805
Michael Subratie	2,000,000
JMMB Retirement Scheme	1,394,328

(b) Shareholdings of Directors and Senior Managers

Vincent Chang *	-
Anthony Chang *	19,200,468
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.