

**BERGER PAINTS JAMAICA LIMITED  
UNAUDITED THREE MONTHS FINANCIAL RESULTS  
FOR PERIOD ENDED MARCH 31, 2019**

**BERGER PAINTS JAMAICA LIMITED**

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**BERGER PAINTS JAMAICA LIMITED**  
**UNAUDITED Q1 FINANCIAL STATEMENTS**  
**DIRECTORS' STATEMENT**

Berger Paints Jamaica Limited (BPJL) reported a Net Profit of \$3.96 million compared to \$7.73 million for the comparative period in 2018. Total net sales for the three months ended March 31, 2019 totaled \$498 million, a decrease of 1.5% when compared to the corresponding period last year, is attributable to an increase in fiscal management of receivables and tightening of trade credit terms.

There was a 5.4% increase in cost of sales when compared to prior period arising from supplier increases and the fluctuating value of the J\$ during the period with swings from a decline of 7% in January to an appreciation of 1% by end of March also negatively impacted our results

With Management's continued focus on controlling expenses, total operating expenses for the quarter amounted to \$231.83 million, a decrease of 6.3% when compared to the corresponding quarter ended March 31, 2018.

Re-alignment of our market focus is very much on our agenda for 2019, and through diligent partnerships with local stakeholders, we expect this direction to yield improved returns.

On behalf of the Board

  
Adam N. Sibga  
Chairman

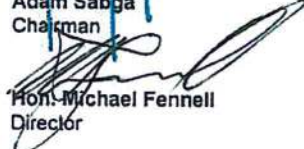
**BERGER PAINTS JAMAICA LIMITED**  
**UNAUDITED STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31 2019**

	(Unaudited)	(Audited)
	<u>March 31</u>	<u>December 31</u>
	<u>2019</u>	<u>2018</u>
	\$'000	\$'000
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant & equipment	241,109	291,943
Post employment benefits	136,738	163,230
Right-of-use asset	19,674	-
Deferred tax assets	5,473	4,566
<b>Total non-current assets</b>	<u>402,994</u>	<u>459,739</u>
<b>Current Assets</b>		
Inventories	444,589	505,610
Due from fellow subsidiaries	21,831	20,856
Trade and other receivables	377,640	571,356
Income tax recoverable	61,977	-
Cash and bank balances	511,436	111,834
<b>Total Current Assets</b>	<u>1,417,473</u>	<u>1,209,656</u>
<b>Total Assets</b>	<u>1,820,466</u>	<u>1,669,395</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Shareholders' Equity</b>		
Share capital	141,793	141,793
Revaluation reserve	45,445	45,295
Revenue reserve	957,103	871,820
	<u>1,144,341</u>	<u>1,058,908</u>
<b>Non-current Liabilities</b>		
Post employment benefits	138,367	136,796
Lease liabilities	20,452	-
	<u>158,819</u>	<u>136,796</u>
<b>Current Liabilities</b>		
Due to immediate parent company	88,782	16,982
Due to fellow subsidiaries	207,361	193,596
Dividends payable	11,862	11,191
Provisions	15,830	19,443
Trade and other payables	193,472	228,988
Income tax payable	-	3,491
<b>Current Liabilities</b>	<u>517,307</u>	<u>473,691</u>
<b>Total Equity and Liabilities</b>	<u>1,820,467</u>	<u>1,669,395</u>

Approved by:

  
Adam Sabga  
Chairman

Approved by:

  
Hon. Michael Fennell  
Director

**BERGER PAINTS JAMAICA LIMITED**  
**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME**  
**THREE MONTHS ENDED MARCH 31 2019**

	Audited		
	QUARTER ENDED <u>March 31</u> <u>2019</u> \$'000	QUARTER ENDED <u>March 31</u> <u>2018</u> \$'000	YEAR ENDED <u>December 31</u> <u>2018</u> \$'000
Revenue from contracts with customers	498,072	506,098	2,714,994
Raw materials and consumable used	(247,579)	(269,954)	(1,384,371)
Changes in inventories of finished goods and work in progress (net)	(13,558)	22,353	34,733
Manufacturing expenses	(18,829)	(22,699)	(132,595)
Depreciation	(8,067)	(7,276)	(40,805)
Employee benefits expense	(132,912)	(118,027)	(530,389)
Other operating expenses	(71,645)	(99,410)	(450,225)
Finance costs	(376)	-	-
Other income	171	139	818
<b>PROFIT BEFORE TAXATION</b>	<u>5,277</u>	<u>11,224</u>	<u>212,160</u>
Taxation	(1,319)	(3,491)	(38,610)
<b>NET PROFIT</b>	<u>3,958</u>	<u>7,733</u>	<u>173,550</u>
Other Comprehensive Income			
Other comprehensive income net of tax	-	-	(15,488)
<b>TOTAL COMPREHENSIVE INCOME</b>	<u><u>3,958</u></u>	<u><u>7,733</u></u>	<u><u>158,062</u></u>
Earnings per stock unit	\$0.02	\$0.04	\$0.81

**BERGER PAINTS JAMAICA LIMITED**  
**UNAUDITED STATEMENT OF CASH FLOWS**  
**THREE MONTHS ENDED MARCH 31 2019**

	<u>March 31</u> <u>2019</u> \$'000	<u>Unaudited</u> <u>March 31</u> <u>2018</u> \$'000	<u>Audited</u> <u>December 31</u> <u>2018</u> \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net Profit	3,958	7,733	173,550
<i>Adjustments for:</i>			
Depreciation	8,067	7,276	40,805
Net provision charge	-	-	425
Post retirement benefit charge	5,135	5,049	20,195
Impairment loss on trade & other receivables	2,527	10,837	18,301
Interest expense	376		
Income tax expense	1,319	3,491	38,610
Impact of IFRS 9 & 15 adoption	-	-	(14,081)
Operating cashflows before movements in working capital:	<u>21,382</u>	<u>34,386</u>	<u>277,805</u>
Decrease in trade and other receivables	256,430	140,770	25,354
Decrease/(Increase) in inventories	27,407	(96,876)	(33,217)
Decrease in trade and other payables	(81,419)	(151,807)	(105,904)
(Decrease)/Increase in due to fellow subsidiaries	(68,870)	177,109	143,171
Provisions utilised	(5,279)	-	(4,038)
Increase/(Decrease) in due to immediate parent company	13,588	(10,494)	47,718
Post employment benefits contribution	(524)	(620)	(13,164)
<b>Cash generated from operations</b>	<b>162,715</b>	<b>92,468</b>	<b>337,725</b>
Income tax paid	-	(101,736)	(143,179)
<b>Net Cash flows from operating activities</b>	<b>162,715</b>	<b>(9,268)</b>	<b>194,546</b>
<b>Investing Activities</b>			
Acquisition of property, plant & equipment	(5,074)	(110,894)	(12,370)
<b>Net cash from (used) In Investment activities</b>	<b>(5,074)</b>	<b>(110,894)</b>	<b>(12,370)</b>
<b>Financing Activities</b>			
Dividends paid	-	-	(60,377)
<b>Net cash used in financing activities</b>	<b>-</b>	<b>-</b>	<b>(60,377)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES</b>	<b>157,641</b>	<b>(120,162)</b>	<b>121,799</b>
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<b>353,795</b>	<b>231,996</b>	<b>231,996</b>
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>511,436</b>	<b>111,834</b>	<b>353,795</b>

**BERGER PAINTS JAMAICA LIMITED**  
**UNAUDITED STATEMENT OF CHANGES STOCKHOLDERS' EQUITY**  
**AS AT 31 MARCH 2019**

	<u>Share Capital</u>	<u>Revaluation reserve</u>	<u>Revenue Reserve - Profit &amp; Loss Account</u>	<u>Total</u>
	\$'000	\$'000	\$'000	\$'000
Balance at January 31, 2018	141,793	45,295	870,395	1,057,483
Adjustment for impact of of IFRS 9	-	-	(6,308)	(6,308)
Net profit for three months	-	-	7,733	7,733
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the period	-	-	7,733	7,733
<b>Balance at 31 March 2018</b>	<b>141,793</b>	<b>45,295</b>	<b>871,820</b>	<b>1,058,908</b>
Balance at January 31, 2019	141,793	45,445	953,145	1,140,383
Net profit for three months	-	-	3,958	3,958
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the period	-	-	3,958	3,958
<b>Balance at 31 March 2019</b>	<b>141,793</b>	<b>45,445</b>	<b>957,103</b>	<b>1,144,341</b>

**BERGER PAINTS JAMAICA LIMITED**  
**NOTES TO THE UNAUDITED FINANCIAL RESULTS**  
**THREE MONTHS ENDED MARCH 31, 2019**

**1. Basis of preparation**

The unaudited financial results for the three-month period ended March 31, 2019 have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting.

**2. Significant accounting policies**

These unaudited results have been prepared under the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The same accounting policies, presentation and methods of computation have been followed in these unaudited financial results as were applied in the preparation of the company's audited financial statements for the year ended December 31, 2018.

**IFRS 9**

The Group implemented Phase II – Impairment of IFRS 9, 'Financial Instruments' and adopted IFRS 15, 'Revenue from Contracts with Customers' effective 1 January 2018. Phase III – Hedge Accounting of IFRS 9 was not applicable to the Company.

**3. Related party transactions**

The company carried out transactions in the ordinary course of business during the period with its affiliates. Balances at the period end were:

	Amount owed by/ (to)	
	<u>Related Parties</u>	
	2019	2018
	\$'000	\$'000
Immediate parent		
Lewis Berger Overseas Holding	(88,782)	(16,982)
Fellow subsidiaries		
Berger Trinidad	17,316	23,185
Berger Barbados	(1,387)	3,924
Penta Paints (Caribbean)	(124,749)	(124,136)
Ansa McAL (US) Inc.	(75,384)	(72,523)
Ansa Mcal Limited	(3,422)	-
Ansa Barbados	(70)	-
Ansa McAL Enterprise Ltd	(1,532)	(3,190)
Ansa Mcal Chemicals	3,602	-



#### **4. Initial Application of IFRS 16 Leases**

The Company applied IFRS 16 leases and has not restated prior periods as allowed by the Standard.

On adoption of IFRS 16, the Company recognised a liability in relation to leases, which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. The liability is measured at the present value of the remaining lease payments, discounted using appropriate weighted average incremental borrowing rates applied on 1 January 2019 was 7.5%. The associated right-of-use asset for the property lease is measured at the amount equal to the lease liability

#### **5. Dividends**

A final dividend of 30.7 cents per share totaling \$65.79 million for the year ended December 31, 2018 was recommended by the Board of Directors to be paid on May 28, 2019 to shareholders on the company's register of members at the close of business on May 10, 2019.

#### **6. Issued share capital**

There were no movements in the issued capital of the company in either the current or the prior interim reporting periods.

#### **7. Earnings per stock unit**

The calculation of the earnings per stock unit is based on the profit after tax and the number of stock units in issue during the period of 214,322,393.

**BERGER PAINTS JAMAICA LIMITED**

**LIST OF SHAREHOLDERS  
AS AT 31 MARCH 2019**

**10 LARGEST SHAREHOLDERS**

<b>SHAREHOLDERS</b>	<b>SHAREHOLDING</b>	<b>% OF ISSUED CAPITAL</b>
ANSA COATINGS INTERNATIONAL LIMITED	116,023,364	54.13
SAGICOR POOLED EQUITY FUND	22,284,944	10.40
IDEAL GROUP CORPORATION LIMITED	10,988,500	5.13
IDEAL PORTFOLIO SERVICES COMPANY LIMITED	5,610,413	2.62
IDEAL BETTING COMPANY LIMITED	4,624,152	2.16
IDEAL GLOBAL INVESTMENTS LIMITED	4,020,000	1.88
JCS D TRUSTEE SERVICES LTD - SIGMA EQUITY	3,082,116	1.44
GUARDIAN LIFE LTD - GUARDIAN EQUITY FUND	2,750,000	1.28
FIRST JAM./H.E.A.R.T/NTA PENSION SCHEME	2,433,500	1.14
KARL P WRIGHT	1,903,829	0.89
<b>TOTAL</b>	<b>173,720,818</b>	<b>81.06</b>

**DIRECTORS' SHAREHOLDINGS  
AS AT 31 MARCH 2019**

<b>DIRECTORS</b>	<b>SHAREHOLDING</b>	<b>CONNECTED PARTY</b>	<b>SHAREHOLDING</b>
MICHAEL FENNELL	NIL		
ANDY MAHADEO	NIL		
ANEAL MAHARAJ	NIL		
WARREN MCDONALD	NIL		
ADAM SABGA	NIL		
MILTON SAMUDA	NIL	MILTON SAMUDA/ ELIZABETH SAMUDA	NIL
RAY A. SUMAIRSINGH	NIL		
<b>TOTAL</b>	<b>0</b>		<b>0</b>

**SENIOR MANAGEMENT SHAREHOLDINGS  
AS AT 31 MARCH 2019**

<b>SENIOR MANAGEMENT</b>	<b>SHAREHOLDING</b>	<b>CONNECTED PARTY</b>	<b>SHAREHOLDING</b>
NEWTON ABRAHAMS			
BARRINGTON GRAHAM	NIL	BARRINGTON GRAHAM/GEORGE HALL	1,500
HURON GORDON	NIL		
PETA GAYE LEVENE-THOMAS	NIL		
GLADYS MILLER	NIL		
ANGELA SCOTT-BROWN	NIL		
JACQUELINE WARREN-WILSON	3,799		
<b>TOTAL</b>	<b>3,799</b>		<b>1,500</b>