

Consolidated Bakeries (Jamaica) Limited

Financial Statements

For the three months ended 31 March 2019

(Unaudited)

CONSOLIDATED BAKERIES (JAMAICA) LIMITED
FINANCIAL STATEMENTS
THREE MONTHS ENDED 31 MARCH 2019
(Unaudited)


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CONSOLIDATED BAKERIES (JAMAICA) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019
(Unaudited)

Expressed in whole \$	Notes	As at 31-March-19	As at 31-March-18	Audited 31-Dec-18
ASSETS:				
Property, plant and equipment	2d	726,243,730	685,498,411	724,800,556
Current assets:				
Inventories		57,142,610	35,109,751	43,341,568
Trade and other receivables		112,372,115	119,700,391	89,270,823
Deposit on equipment		6,819,343	6,234,359	4,659,833
Investments		43,811,929	42,598,502	43,453,292
Cash and cash equivalents	2e	79,095,340	74,158,591	77,612,690
Total current assets		299,241,338	277,801,594	258,338,206
Total Assets		1,025,485,069	963,300,006	983,138,762
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	537,342,437	537,342,437
Accumulated other comprehensive income		4,902,419	12,893,492	5,867,911
Retained earnings		79,474,354	73,607,190	65,898,345
Total Equity		733,271,406	735,395,315	720,660,889
LIABILITIES:				
Non-Current Liabilities:				
Long-term loans		107,449,300	76,316,919	95,265,269
Deferred tax liability		-	1,133,019	7,023,952
		107,449,300	77,449,938	102,289,221
Current Liabilities:				
Current portion of long-term loans		4,866,295	36,832,547	21,962,148
Accounts payable and accruals		122,848,678	97,334,230	106,666,101
Tax Liability		1,939,430	2,952,551	-
Bank overdraft		55,109,959	13,335,426	31,560,403
		184,764,362	150,454,754	160,188,652
Total Liabilities		292,213,663	227,904,692	262,477,873
Total Equity and Liabilities		1,025,485,069	963,300,006	983,138,762

Approved by the Board of Directors on 14 MAY, 2019 and signed on its behalf by:


Anthony Cheng
Director


Nicola Chang-Murphy
Director

CONSOLIDATED BAKERIES (JAMAICA) LIMITED
INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME
THREE MONTHS ENDED 31 MARCH 2019
(Unaudited)

Expressed in whole \$	Notes	Qtr Ended 31-March-19	Qtr Ended 31-March-18	Audited Y/E 31-Dec-18
Revenue		273,633,249	271,044,598	960,318,626
Cost of sales		161,343,766	158,097,706	588,146,967
Gross profit		112,289,483	112,946,892	372,171,659
Depreciation		(7,477,923)	(7,440,942)	(27,371,857)
Administrative and other expenses		(49,569,477)	(48,183,504)	(153,879,634)
Selling and distribution expenses		(37,785,375)	(31,538,108)	(158,939,714)
		(94,832,775)	(87,162,554)	(340,191,205)
Profit from operations		17,456,708	25,784,338	31,980,454
Interest and Other income		831,254	1,049,394	9,939,613
Finance costs		(2,772,523)	(3,213,320)	(23,070,117)
Profit before tax		15,515,439	23,620,412	18,849,950
Tax		(1,939,430)	(2,952,551)	-
Deferred Tax		-	-	(5,890,933)
Profit for the period		13,576,009	20,667,860	12,959,017
Other comprehensive income				
<i>Those that might be reclassified to profit or loss in subsequent periods</i>				
Unrealized Gain/(Loss) on investments		(965,492)	(1,670,362)	268,421
Realized gain on investment reclassified to profit and loss		-	-	(8,964,363)
Total comprehensive income		12,610,517	18,997,498	4,263,075
Earnings per share	2f	0.06	0.09	0.06

CONSOLIDATED BAKERIES (JAMAICA) LIMITED
STATEMENT OF CHANGES IN EQUITY
THREE MONTHS ENDED 31 MARCH 2019
(Unaudited)

Expressed in whole \$	Share Capital	Revaluation Reserve	Capital Reserve	Other Comp Income	Retained Earnings	Total
Balance at 31 December 2017	90,726,664	537,342,437	20,825,532	14,563,854	52,939,330	716,397,815
Net income	-	-	-	-	20,667,860	20,667,860
Fair value appreciation of available for sale investments	-	-	-	(1,670,362)	-	(1,670,362)
Balance at 31 March 2018	90,726,664	537,342,437	20,825,532	12,893,492	73,607,190	735,395,313
Balance at 31 December 2018	90,726,664	537,342,437	20,825,532	5,867,911	65,898,345	720,660,889
Net income	-	-	-	-	13,576,009	13,576,009
Fair value appreciation of available for sale investments	-	-	-	(965,492)	-	(965,492)
Balance at 31 March 2019	90,726,664	537,342,437	20,825,532	4,902,419	79,474,354	733,271,406

CONSOLIDATED BAKERIES (JAMAICA) LIMITED
STATEMENT OF CASH FLOWS
THREE MONTHS ENDED 31 MARCH 2019
(Unaudited)

Expressed in whole \$	Qtr Ended 31-March-19	Qtr Ended 31-March-18	Audited Y/E 31-Dec-18
SOURCES/(USES) OF CASH			
Operating Activities			
Total Comprehensive income	12,610,517	18,997,498	4,263,075
Tax expense	1,939,430	2,952,551	5,890,933
Items not affecting cash resources:			
Unrealised currency translation	965,492	1,670,362	(268,421)
Depreciation	7,477,922	7,440,941	27,371,857
	<u>22,993,361</u>	<u>31,061,353</u>	<u>37,257,444</u>
Change in working capital			
Inventories	(13,801,042)	(101,766)	(8,333,582)
Receivables	(23,101,292)	(39,293,348)	(11,853,253)
Payables	16,182,577	20,144,127	29,475,994
Deposit on Equipment	(2,159,510)	(6,234,359)	-
	<u>114,093</u>	<u>5,576,007</u>	<u>46,546,603</u>
Net cash from operating activities			
Investing Activities			
Purchase of fixed assets	(8,921,096)	(4,525,693)	(63,758,754)
Appreciation of Available for Sale Investments	-	-	-
Financial investments	(1,324,129)	(301,171)	(887,538)
	<u>(10,245,225)</u>	<u>(4,826,864)</u>	<u>(64,646,292)</u>
Net cash from investing activities			
Financing Activities			
Loan and deferred tax	(11,935,774)	10,630,805	14,708,758
	<u>(11,935,774)</u>	<u>10,630,805</u>	<u>14,708,758</u>
Net cash from financing activities			
Net increase/(decrease) cash and cash equivalents	(22,066,905)	11,379,947	(3,390,929)
Net cash and cash equivalents at beginning of year	46,052,287	49,443,218	49,443,218
	<u>23,985,381</u>	<u>60,823,165</u>	<u>46,052,287</u>
Net cash and cash equivalents at end of the period			
Represented by:			
Cash and cash equivalents	79,095,340	74,158,591	77,612,690
Bank overdraft	(55,109,959)	(13,335,426)	(31,560,403)
	<u>23,985,381</u>	<u>60,823,165</u>	<u>46,052,287</u>
Net cash and cash equivalents at end of the period			

CONSOLIDATED BAKERIES (JAMAICA) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
THREE MONTHS ENDED 31 MARCH 2019
(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 2019, 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 2018.

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 2018, 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 \$	Qtr Ended 31-March-19	Qtr Ended 31-March-18	Audited Y/E 31-Dec-18
NBV as at start of the period	724,800,556	688,413,659	688,413,659
Acquisitions	8,921,096	4,525,693	63,758,754
Depreciation charge	(7,477,922)	(7,440,941)	(27,371,857)
Revaluation increment	-	-	-
Disposal of Fixed Asset Net	-	-	-
NBV as at end of period	<u>726,243,730</u>	<u>685,498,411</u>	<u>724,800,556</u>

CONSOLIDATED BAKERIES (JAMAICA) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Cont'n)
THREE MONTHS ENDED 31 MARCH 2019
(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 (2018 - 222,709,171).

3. SHAREHOLDERS' INFORMATION at 31 March 2019

(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	5,258,235
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 *	nil
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	374,200
Thomas Chin	256,636

* Directors are major shareholders in Chang Brothers Limited.