

COMMONWEALTH BREWERY LIMITED

Interim Consolidated Financial Statements (Unaudited)

Three months ended March 31, 2016

COMMONWEALTH BREWERY LIMITED

Management comments on Interim Consolidated Financial Statements (Unaudited)

Three months ended March 31, 2016

Revenue declined by 4.8% in the first quarter compared to the same period last year despite flat volume sales reflecting a more conservative shift in consumer spending.

Operating expenses declined by 4.3%, driven by lower raw materials, consumables and services costs in line with Mix development.

Net income consequently decreased by \$0.3 million, or 9.0%, compared to the first quarter of 2015. Earnings per share for the 3 months, ended March 2016, amounted to \$0.10 compared to \$0.11 for the first quarter of 2015.

Net cash from operating activities increased by \$3.1 million. The company improved its working capital.

COMMONWEALTH BREWERY LIMITED

Interim Consolidated Statement of Financial Position (Unaudited)

March 31, 2016 with corresponding figures for December 31, 2015

(Expressed in Bahamian dollars)

	March 2016	December 2015
Assets		
Current Assets:		
Cash and cash equivalents	4,454,688	1,345,882
Trade receivables	3,349,955	3,370,556
Prepaid expenses and other assets	4,244,417	2,883,761
Inventories	21,552,253	19,893,831
Total current assets	33,601,313	27,494,030
Non-current Assets:		
Goodwill	4,487,242	4,487,242
Property, plant and equipment - net	36,424,664	36,556,901
Intangible assets	105,685	113,418
Total non-current assets	41,017,591	41,157,561
Total assets	74,618,904	68,651,591
Liabilities and Equity		
Current Liabilities:		
Accounts payable and accrued expenses	16,318,827	13,327,296
Total current liabilities	16,318,827	13,327,296
Equity:		
Share capital	150,000	150,000
Share premium	12,377,952	12,377,952
Contributed surplus	16,351,369	16,351,369
Revaluation surplus	7,096,254	7,096,254
Retained earnings	22,324,502	19,348,720
Total equity	58,300,077	55,324,295
Total liabilities and equity	74,618,904	68,651,591

COMMONWEALTH BREWERY LIMITED

Interim Consolidated Statement of Comprehensive Income (Unaudited)

For the three months ended March, 31, 2016, with corresponding figures for the three months ended March 31, 2015

(Expressed in Bahamian dollars)

	Note(s)	March 2016	March 2015
Revenue		27,519,158	28,573,366
Other income		(25,195)	307,552
Total income		27,493,963	28,880,918
Operating expenses:			
Raw materials, consumables and services		19,127,947	20,457,970
Personnel costs		4,584,649	4,388,983
Depreciation		797,663	749,709
Amortisation		7,733	12,733
Total operating expenses		24,517,992	22,609,395
Results from operating activities		2,975,971	3,271,523
Finance income		(189)	0
Net finance income		0	0
Net income and total comprehensive income		2,975,782	3,271,523
Basic and diluted earnings per share		0.10	0.11

(Unaudited)

COMMONWEALTH BREWERY LIMITED

Interim Consolidated Statement of Changes in Equity (Unaudited)

For the three months ended March 31, 2016

(Expressed in Bahamian dollars)

	Share capital	Share premium	Contributed surplus	Revaluation surplus	Retained earnings	Total equity
Balance at December 31, 2015	150,000	12,377,952	16,351,369	7,096,254	19,348,720	55,324,295
Total comprehensive income					2,975,782	2,975,782
Dividends declared						
Balance at March 31, 2016	150,000	12,377,952	16,351,369	7,096,254	22,324,502	58,300,077

(Unaudited)

COMMONWEALTH BREWERY LIMITED

Interim Consolidated Statement of Cash Flows (Unaudited)

For the three months ended March 31, 2016, with corresponding figures for the three months ended March 31, 2015

(Expressed in Bahamian dollars)

	Note(s)	2016	2015
Cash flows from operating activities			
Net income and total comprehensive income		2,975,782	3,271,523
Adjustments for:			
Depreciation		797,663	749,709
Amortisation		7,733	12,733
Loss/(Gain on disposal of PPE)		(1,000)	0
Interest paid		189	0
Net cash from operations before changes in working capital		3,780,367	4,033,965
Changes in non-cash working capital		(6,946)	(3,404,070)
Net cash from operating activities		3,773,421	629,895
Cash flows from financing activities			
Interest paid		(189)	0
Net cash used in financing activities		(189)	
Cash flows from investing activities			
Additions to property, plant and equipment		(665,425)	(350,349)
Loss/(Gain on disposal of PPE)		1,000	0
Interest received		0	0
Net cash used in investing activities		(664,425)	(350,349)
Net increase in cash and cash equivalents		3,108,806	279,546
Cash and cash equivalents, beginning of year		1,345,882	7,125,222
Cash and cash equivalents, end of period		4,454,688	7,404,768

(Unaudited)

COMMONWEALTH BREWERY LIMITED

Notes to Interim Consolidated Financial Statements (Unaudited)

Three months ended March 31, 2016

(Expressed in Bahamian dollars)

1. Accounting Policies

These interim financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”) for interim financial information. Accordingly, they do not include all of the information and footnotes required by IFRS for consolidated financial statements. In the opinion of management, these unaudited consolidated financial statements reflect all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation of the Company’s financial position and results of operations as at the end of and for the periods presented. All significant intercompany accounts and transactions have been eliminated from these unaudited consolidated financial statements.