

FOCOL HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF JANUARY 31, 2014**

| | 31-Jan-14 | 31-Jan-13 | 31-Jul-13 |
|--|---------------------------|---------------------------|---------------------------|
| ASSETS | | | |
| CURRENT ASSETS: | | | |
| Cash and cash equivalents | 11,446,281 | 14,241,935 | 17,666,637 |
| Accounts receivable, net | 23,071,011 | 21,437,296 | 23,092,939 |
| Note receivable | 100,223 | 35,514 | 150,187 |
| Inventories | 26,259,268 | 31,317,559 | 35,790,884 |
| Investments | 274,000 | 324,500 | 275,000 |
| Prepaid expenses and sundry assets | 1,528,921 | 1,622,477 | 3,210,402 |
| Total current assets | <u>62,679,704</u> | <u>68,979,281</u> | <u>80,186,049</u> |
| NON-CURRENT ASSETS: | | | |
| Property, plant and equipment, net | 85,070,096 | 78,581,723 | 84,450,013 |
| Intangible assets | 15,771,901 | 12,655,020 | 15,771,901 |
| Total non-current assets | <u>100,841,997</u> | <u>91,236,743</u> | <u>100,221,914</u> |
| TOTAL ASSETS | <u><u>163,521,701</u></u> | <u><u>160,216,024</u></u> | <u><u>180,407,963</u></u> |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | |
| CURRENT LIABILITIES: | | | |
| Accounts payable and accrued liabilities | 26,675,173 | 35,232,367 | 40,750,964 |
| Dividends payable | 1,701,444 | 1,701,449 | 1,701,449 |
| Current portion of long-term debt | 368,388 | - | 357,225 |
| Bank overdraft | 2,343,754 | - | 4,825,829 |
| NON-CURRENT LIABILITIES: | <u>31,088,759</u> | <u>36,933,816</u> | <u>47,635,467</u> |
| Long term debt | 4,019,954 | - | 4,206,355 |
| Total liabilities | <u>35,108,713</u> | <u>36,933,816</u> | <u>51,841,822</u> |
| SHAREHOLDERS' EQUITY: | | | |
| Share capital | 85,072 | 85,072 | 85,072 |
| Preference shares | 500,000 | 500,000 | 500,000 |
| Contributed capital | 54,729,450 | 54,729,450 | 54,729,450 |
| Revaluation surplus | 1,221,039 | 1,247,389 | 1,221,039 |
| Retained earnings | 67,273,891 | 62,743,108 | 67,740,186 |
| Equity attributable to shareholders of the company | <u>123,809,452</u> | <u>119,305,019</u> | <u>124,275,747</u> |
| NON-CONTROLLING INTEREST | <u>4,603,536</u> | <u>3,977,189</u> | <u>4,290,394</u> |
| Total equity | <u>128,412,988</u> | <u>123,282,208</u> | <u>128,566,141</u> |
| TOTAL LIABILITIES AND EQUITY | <u><u>163,521,701</u></u> | <u><u>160,216,024</u></u> | <u><u>180,407,963</u></u> |

FOCOL HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
SIX MONTHS ENDED JANUARY 31, 2014**

| | 31-Jan-14 | 31-Jan-13 | 31-Jul-13 |
|--|----------------------|----------------------|----------------------|
| REVENUES | 179,848,429 | 181,956,770 | 379,858,165 |
| COST OF SALES | <u>(153,305,214)</u> | <u>(156,512,003)</u> | <u>(324,204,795)</u> |
| Gross profit | 26,543,215 | 25,444,767 | 55,653,370 |
| Other income | 8,113 | 4,807 | 10,759 |
| Marketing, administrative and general expenses | (18,695,494) | (17,027,528) | (35,039,122) |
| Depreciation and amortization | (1,978,699) | (1,789,262) | (3,366,213) |
| Finance costs | (302,727) | (121,740) | (301,231) |
| Unrealized gain (loss) on investments | <u>(1,000)</u> | <u>(36,500)</u> | <u>(86,000)</u> |
| NET AND COMPREHENSIVE INCOME | 5,573,408 | 6,474,544 | 16,871,563 |
| | | | |
| NET INCOME ATTRIBUTABLE TO: | | | |
| Shareholders of the company | 5,260,266 | 6,133,794 | 16,199,536 |
| Non-controlling interest | <u>313,142</u> | <u>340,750</u> | <u>672,027</u> |
| | <u>5,573,408</u> | <u>6,474,544</u> | <u>16,871,563</u> |
| | | | |
| EARNINGS PER SHARE | <u>0.12</u> | <u>0.14</u> | <u>0.38</u> |

FOCOL HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
SIX MONTHS ENDED JANUARY 31, 2014**

| | 31-Jan-14 | 31-Jan-13 | 31-Jul-13 |
|---|-------------------------|--------------------------|--------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | |
| Net income | 5,573,408 | 6,474,544 | 16,871,563 |
| Adjustments for: | | | |
| Depreciation | 1,978,699 | 1,789,262 | 3,366,213 |
| Unrealized (gain) loss on investments | 1,000 | 36,500 | 86,000 |
| Loss (gain) on disposals of property, plant and equipment | - | - | 46,653 |
| Income from operations before working capital changes | <u>7,553,107</u> | <u>8,300,306</u> | <u>20,370,429</u> |
| (Increase) Decrease in accounts receivable, net | 21,928 | 2,410,864 | (1,787,984) |
| Decrease (Increase) in prepaid expenses and deposits | 1,681,481 | 1,349,542 | (251,325) |
| (Increase) Decrease in inventories | 9,531,616 | (1,549,985) | (5,982,377) |
| Increase (Decrease) in accounts payable and accrued expenses | (14,075,791) | (5,062,723) | 2,896,529 |
| Increase (Decrease) in dividends payable | (5) | 5 | - |
| Net cash from operating activities | <u>4,712,336</u> | <u>5,448,009</u> | <u>15,245,272</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | |
| Net cash inflow on acquisition of subsidiaries | - | - | (1,205,716) |
| (Increase) Decrease in notes receivable | 49,964 | - | (545,148) |
| Purchase of property, plant and equipment | <u>(2,616,968)</u> | <u>(3,961,009)</u> | <u>(8,312,451)</u> |
| Net cash used in investing activities | <u>(2,567,004)</u> | <u>(3,961,009)</u> | <u>(10,063,315)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | | |
| Common share dividends paid | (4,083,465) | (4,083,465) | (9,086,370) |
| Repayment of long-term debt | (175,238) | - | (68,089) |
| Dividends paid to non-controlling shareholders | - | (1,600,000) | - |
| Preference dividends | <u>(1,625,000)</u> | <u>(1,625,000)</u> | <u>(3,250,000)</u> |
| Net cash used in financing activities | <u>(5,883,703)</u> | <u>(7,308,465)</u> | <u>(12,404,459)</u> |
| NET DECREASE IN CASH | (3,738,371) | (5,821,465) | (7,222,502) |
| CASH, BEGINNING OF YEAR | 12,840,898 | 20,063,400 | 20,063,400 |
| CASH, END OF YEAR | <u>9,102,527</u> | <u>14,241,935</u> | <u>12,840,898</u> |
| CASH AND CASH EQUIVALENTS IS COMPRISED OF THE FOLLOWING: | | | |
| Cash and bank balances | 11,446,281 | 14,241,935 | 17,666,637 |
| Bank overdraft | <u>(2,343,754)</u> | - | <u>(4,825,829)</u> |
| | <u>9,102,527</u> | <u>14,241,935</u> | <u>12,840,808</u> |
| SUPPLEMENTAL INFORMATION : | | | |
| Interest paid on bank overdraft and loans | <u>302,727</u> | <u>121,470</u> | <u>301,231</u> |
| Interest received | <u>2,113</u> | <u>4,807</u> | <u>10,759</u> |
| Dividends received | <u>6,000</u> | - | - |