

Unaudited Consolidated Financial Statements of

**COMMONWEALTH BREWERY LIMITED**

Six months ended June 30, 2017

## **COMMONWEALTH BREWERY LIMITED**

Management comments on Interim Consolidated Financial Statements (Unaudited)

Six months ended June 30, 2017

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Revenue increase by 13% for the first six months compared to the same period last year, which is impacted by the addition of new product lines introduced during early 2017.

Operating expenses increased by 14.5%, driven higher import costs for finished product and raw and packaging materials.

Net income has a slight increase of 3.5% compared to the same period last year. Earnings per share for the six months ended June 30 2017 amounted to \$ 0.25.

Net cash from operating activities decreased by \$0.9 million as the Company continues to complete the restoration efforts as a result of Hurricane Matthew in 2016.

## COMMONWEALTH BREWERY LIMITED

Consolidated Statement of Financial Position (Unaudited)

June 30, 2017, with corresponding figures for December 31, 2016

(Expressed in Bahamian dollars)

	June 2017	December 2016
<b>Assets</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 5,815,069	9,853,627
Trade receivables, net	3,110,922	2,864,600
Prepaid expenses and other assets	4,057,621	4,514,802
Inventories	25,406,771	22,289,872
Total current assets	38,390,384	39,522,901
<b>Non-current assets:</b>		
Property, plant and equipment	35,997,357	36,858,468
Goodwill	4,487,242	4,487,242
Other intangible assets	225,227	258,603
Total non-current assets	40,709,826	41,604,313
Total assets	\$ 79,100,210	81,127,214
<b>Liabilities and equity</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued expenses	\$ 11,050,648	17,383,230
Dividends payable	9,900,000	-
<b>Non-current liabilities:</b>		
Loans and borrowings	\$ 5,999,993	5,999,993
Total liabilities	26,950,641	23,383,223
<b>Equity:</b>		
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	16,173,994	21,768,416
Total equity	52,149,569	57,743,991
Total liabilities and equity	\$ 79,100,210	81,127,214

## COMMONWEALTH BREWERY LIMITED

Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income (Unaudited)

For the three months ended June 30, 2017, with corresponding figures for the three months ended June 30, 2016

(Expressed in Bahamian dollars)

	June 2017	June 2016
<b>Income:</b>		
Revenue	\$ 36,258,479	31,172,676
<b>Operating expenses:</b>		
Raw materials, consumables and services	25,436,015	21,308,349
Personnel costs	4,923,440	4,714,722
Depreciation	781,662	800,733
Amortisation	16,688	7,733
Total operating expenses	31,157,805	26,831,537
Other (expense)/income, net	(63,328)	9,500
Results from operating activities	5,037,346	4,350,639
Finance expenses	5	2,859
Total comprehensive income	\$ 5,037,341	4,347,780
Basic and diluted earnings per share	\$ 0.17	0.14

## COMMONWEALTH BREWERY LIMITED

Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income (Unaudited)

For the six months ended June 30, 2017, with corresponding figures for the six months ended June 30, 2016

(Expressed in Bahamian dollars)

	June 2017	June 2016
<b>Income:</b>		
Revenue	\$ 66,514,541	58,691,835
<b>Operating expenses:</b>		
Raw materials, consumables and services	47,316,577	40,436,296
Personnel costs	9,877,344	9,299,371
Depreciation	1,584,389	1,598,396
Amortisation	33,376	15,466
Total operating expenses	58,811,686	51,349,529
Other (expense)/income, net	(116,970)	(15,696)
Results from operating activities	7,585,885	7,326,610
Finance expenses	7,837	2,670
Total comprehensive income	\$ 7,578,048	7,323,940
Basic and diluted earnings per share	\$ 0.25	0.24

**COMMONWEALTH BREWERY LIMITED**

## Interim Consolidated Statement of Changes in Equity (Unaudited)

For the six months ended June 30, 2017  
(Expressed in Bahamian dollars)

	Share capital	Share premium	Contributed surplus	Revaluation surplus	Retained earnings	Total equity
Balance at December 30, 2016	150,000	12,377,952	16,351,369	7,096,254	21,768,416	57,743,991
Comprehensive income	-	-	-	-	7,578,048	7,578,048
Long Term Incentive Plan	-	-	-	-	25,730	25,730
Dividends declared	-	-	-	-	(13,200,000)	(13,200,000)
Balance at June 30, 2017	\$ 150,000	12,377,952	16,351,369	7,096,254	16,173,994	52,149,569

## COMMONWEALTH BREWERY LIMITED

### Consolidated Statement of Cash Flows (Unaudited)

For the six months ended June 30, 2017, with corresponding figures for the six months ended June 30, 2016

(Expressed in Bahamian dollars)

	2017	2016
<b>Cash flows from operating activities</b>		
Net income	\$ 7,578,048	7,323,940
Adjustments for:		
Depreciation	1,584,389	1,598,396
Amortisation	33,376	15,466
Bad debt expense	276,294	-
(Gain)/Loss on disposal of property, plant and equipment	(1,904)	(1,000)
Finance expense	55,295	2,670
Net cash from operation activities	9,525,498	8,939,472
Changes in non-cash working capital	1,738,232	3,251,381
Net cash from operations before changes in working capital	11,263,730	12,190,853
<b>Cash flows from financing activities</b>		
Interest paid	(55,295)	(2,706)
Dividends paid	(6,225,000)	(10,800,000)
Net cash used in financing activities	(6,280,295)	(10,802,706)
<b>Cash flows from investing activities</b>		
Additions to property, plant and equipment	(714,319)	(1,189,712)
Interest received	-	36
Proceeds from sale of property, plant and equipment	600	1,000
Net cash used in investing activities	(713,719)	(1,188,676)
Net increase/ (decrease) in cash and cash equivalents	4,269,716	199,471
Cash and cash equivalents, beginning of period	1,545,353	1,345,882
Cash and cash equivalents, end of period	\$ 5,815,069	1,545,353

## **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.