

AML FOODS LIMITED
UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED JULY 31, 2018

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Expressed in thousands of Bahamian dollars)

	July 31, 2018	April 30, 2018
Assets		
Current assets		
Cash and bank balances	\$ 4,745	\$ 5,065
Term deposits with maturities greater than 90 days	275	275
Receivables, net of provisions	732	177
Merchandise inventories, net of provisions	19,297	18,981
Other current assets	2,400	2,569
Current assets held for sale	712	729
Total current assets	28,161	27,796
Non-current assets		
Other assets	3,138	3,138
Property, plant and equipment		
Property and buildings	30,943	31,067
Equipment	7,235	7,249
Leasehold improvements	4,764	5,106
Work in progress	2,389	1,736
	45,331	45,138
Goodwill	2,845	2,845
Total non-current assets	51,314	51,141
Total Assets	\$ 79,475	\$ 78,937
Liabilities		
Current liabilities		
Bank overdraft	\$ 178	\$ -
Accounts payable and accrued expenses	13,821	13,029
Current portion of preference shares	1,775	1,775
Current portion of bank loan	1,376	1,310
Current liabilities held for sale	30	24
	17,180	16,138
Long-term liabilities		
Preference shares	11,986	11,986
Bank loan	9,505	9,892
	21,491	21,878
Equity		
Ordinary shares	7,524	7,524
Capital paid in excess of par	2,231	2,231
Property revaluation surplus	5,040	5,040
Dividends paid YTD	(602)	(1,204)
Net profit from operations	485	4,034
Retained earnings	26,126	23,296
	40,804	40,921
Total liabilities and equity	\$ 79,475	\$ 78,937

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Expressed in thousands of Bahamian dollars)

	Quarter Ended July 31, 2018	Quarter Ended July 31, 2017
Sales	\$ 41,437	\$ 39,741
Cost of sales	(28,865)	(26,726)
Gross profit	12,572	13,015
Selling, general and administrative expenses	(11,972)	(11,459)
Other operating income	272	161
Net operating profit	872	1,717
Interest expense	(133)	(103)
Dividends on preference shares	(206)	(233)
Net profit before pre-opening expenses	\$ 533	\$ 1,380
Pre-opening expenses	(-)	(76)
Net profit from continuing operations	\$ 533	\$ 1,305
Discontinued operations		
Loss from discontinued operations	(48)	(-)
Net profit	\$ 485	\$ 1,305
Profit per share from continuing operations	\$0.035	\$0.087
Loss per share from discontinued operations	\$(0.003)	\$0.000
Profit per share from continuing operations	\$0.032	\$0.087

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(Expressed in thousands of Bahamian dollars)

	No. of Shares	Retained Earnings	Share Capital	Contributed Surplus	Revaluation Surplus	Total
April 30, 2018	15,049	\$ 26,126	7,524	2,231	5,040	40,921
Net profit from continuing operations		533	-	-	-	533
Loss from discontinued operations		(48)	-	-	-	(48)
Declared dividends (\$0.04 per share)		(602)	-	-	-	(602)
July 31, 2018	15,049	\$ 26,009	7,524	2,231	5,040	\$ 40,804
April 30, 2017	15,049	\$ 23,296	7,524	2,231	3,159	\$ 36,210
Net profit from operations		1,305	-	-	-	1,305
Declared dividends (\$0.02 per share)		(301)	-	-	-	(301)
July 31, 2017	15,049	\$ 24,300	7,524	2,231	3,159	\$ 37,214

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CONSOLIDATED STATEMENT OF CASH FLOWS

(Expressed in thousands of Bahamian dollars)

	July 31, 2018	July 31, 2017
Cash flows from operating activities		
Net profit	\$ 485	\$ 1,305
Adjustments for:		
Depreciation and amortization of franchise fees	1,129	1,147
Dividends on preference shares	206	233
(Increase) in inventory provision	(506)	(142)
(Increase) / decrease in provision for doubtful debts	(5)	32
Operating cash flow before changes in working capital	1,309	2,598
Working capital source / (use)		
Merchandising inventories	191	481
Accounts receivable	(550)	175
Other current assets	173	(1,311)
Accounts payable and accrued expenses	798	1,292
Net cash provided by operating activities	1,921	3,235
Investing activities source / (use)		
Additions to property, plant and equipment	(1,302)	(6,206)
Net cash used in investing activities	(1,302)	(6,206)
Financing activities source / (use)		
Proceeds from bank loan	-	4,000
Dividends on ordinary shares	(602)	(301)
Dividends paid on preference shares	(206)	(233)
Repayment of bank loan	(321)	(351)
Net cash (used in) / provided by financing activities	(1,129)	3,115
(Decrease) / increase in cash	\$ (510)	\$ 144
Cash, beginning of period	5,084	4,398
Cash, end of period	4,574	4,542
Movement for period	\$ (510)	\$ 144

Cash and cash equivalents comprise cash less bank overdrafts and cash from discontinued operations.

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EXPLANATORY NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS Quarter Ended July 31, 2018

1. ACCOUNTING POLICIES

These financial statements have been prepared in accordance with International Financial Reporting Standards using the same accounting policies and methods of computation as the Consolidated Financial Statements included in the 2016 Annual Report.

The consolidated financial statements include the accounts of AML Foods Limited, formerly Abaco Markets Limited, (“the Company”) and its significant wholly owned subsidiaries: Solomon’s Supercentre (Nassau) Limited, Cost Right Nassau Limited, Solomon’s Club (Freeport) Limited, Thompson Wholesale Limited, Caribbean Franchise Holdings Limited, and Solomon’s Fresh Market Limited.

2. DECLARED DIVIDENDS

On September 12, 2018, the Board of Directors approved payment of ordinary dividends of \$0.03 per share payable on September 28, 2018 to shareholders of record on September 24, 2018. The Company previously paid an ordinary dividend of \$0.02 per share as well as an extraordinary dividend of \$0.02 per share on July 29, 2018.

3. BANK LOANS

The Company has two bank loans with RBC Royal Bank (Bahamas) Limited which bear a blended interest rate of 4.75% each. At July 31, 2018, the total principal amount outstanding on the Company’s loans was \$10.9m.

4. DISCONTINUED OPERATIONS

On December 11, 2017, the Company ceased operations at all three of its Carl’s Jr. franchise locations and, accordingly, deconsolidated this entity from the Company’s financial statements. The assets and liabilities from Carl’s Jr. are reflected on the statement of financial position as assets and liabilities held for sale. The fixed assets have been adjusted to fair market value in anticipation of sale of furniture, fixtures, and equipment. At July 31, 2018, the Company had entered into an agreement for the sale of equipment and lease of the premises at one of the former Carl’s Jr. locations.

AML FOODS LIMITED

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LEGAL COUNSEL

Callenders & Co.
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REGISTRAR & TRANSFER AGENTS

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DIRECTORS

Franklyn Butler, II (Chairman)
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Mike Maura Jr.
Alison Treco
Meike de Vaere
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