

**AML FOODS LIMITED**  
**UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED January 31, 2019**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

*(Expressed In thousands of Bahamian dollars)*

	January 31, 2019	April 30, 2018
<b>Assets</b>		
<b>Current assets</b>		
Cash and bank balances	\$ 2,375	\$ 5,065
Term deposits with original maturities greater than 90 days	277	275
Receivables, net of provision	837	177
Merchandise inventories, net of provisions	21,216	18,981
Other current assets	2,116	2,569
Current assets held for sale	642	729
<b>Total current assets</b>	<b>27,463</b>	<b>27,796</b>
<b>Non-current assets</b>		
Other assets	3,138	3,138
<b>Property, plant and equipment, net</b>		
Property, land improvements, and buildings	30,679	31,067
Equipment	4,155	7,249
Leasehold improvements	6,843	5,106
Work in progress	3,211	1,736
	44,888	45,158
Goodwill	2,845	2,845
<b>Total assets</b>	<b>\$ 78,334</b>	<b>\$ 78,937</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Bank overdrafts	-	\$ -
Accounts payable and accrued expenses	14,695	13,029
Current portion of preference shares	1,775	1,775
Current portion of bank loan	1,372	1,310
Current liabilities held for sale	-	24
<b>Total current liabilities</b>	<b>17,842</b>	<b>16,138</b>
<b>Longterm liabilities</b>		
Preference shares	10,211	11,986
Bank loan	8,856	9,892
	19,067	21,878
<b>Shareholders' equity</b>		
Ordinary share capital	7,524	7,524
Contributed surplus	2,231	2,231
Revaluation surplus	5,040	5,040
Dividends paid YTD	(1,545)	(1,204)
Net profit from operations	2,049	4,034
Retained Earnings	26,126	23,296
	41,425	40,921
<b>Total liabilities and shareholders' equity</b>	<b>\$ 78,334</b>	<b>\$ 78,937</b>

**AML FOODS LIMITED**  
**UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED January 31, 2019**  


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**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

*(Expressed In thousands of Bahamian dollars except per share amounts)*

	<b>Quarter ended January 31, 2019</b>	<b>Quarter ended January 31, 2018</b>
Sales	\$ 45,473	\$ 44,319
Cost of sales	(31,607)	(30,317)
Gross profit	13,866	14,002
Selling, general and administrative expenses	(12,154)	(11,657)
Other operating income	265	608
Net operating profit	1,977	2,953
Interest expense	(126)	(141)
Dividends on preference shares	(180)	(206)
Net profit before pre-opening expenses	1,671	2,606
Pre-opening expenses	-	(114)
Net profit (loss) from continuing operations	1,671	2,492
Loss/Profit from discontinued operations	-	(1,117)
Net profit (loss)	\$ 1,671	\$ 1,375
Earnings per share from continuing operations	<u>\$ 0.111</u>	<u>\$ 0.166</u>
Earnings per share from discontinued operations	<u>\$ -</u>	<u>\$ (0.074)</u>
Earnings per share	<u>\$ 0.111</u>	<u>\$ 0.091</u>

**AML FOODS LIMITED**  
**UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED JANUARY 31, 2019**  


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**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

*(Expressed In thousands of Bahamian dollars except per share amounts)*

	<b>Nine months ended January 31, 2019</b>	<b>Nine months ended January 31, 2018</b>
Sales	\$ 125,428	\$ 120,744
Cost of sales	(87,636)	(81,979)
Gross profit	37,792	38,766
Selling, general and administrative expenses	(35,379)	(33,248)
Other operating income	732	982
Net operating profit (loss)	3,145	6,500
Interest expense	(388)	(388)
Dividends on preference shares	(593)	(672)
Net profit before pre-opening expenses	2,164	5,439
Pre-opening expenses	-	(422)
Net profit from continuing operations	2,164	5,017
Loss from discontinued operations	(115)	(1,451)
Net profit	\$ 2,049	\$ 3,566
Earnings per share from continuing operations	<u>\$ 0.144</u>	<u>\$ 0.333</u>
Earnings per share from discontinued operations	<u>\$ (0.008)</u>	<u>\$ (0.096)</u>
Earnings per share	<u>\$ 0.136</u>	<u>\$ 0.237</u>

**AML FOODS LIMITED**  
**UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED JANUARY 31, 2019**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

*(Expressed In thousands of Bahamian dollars)*

	<b>No. of Shares (<b>'000s</b>)</b>	<b>Retained Earnings</b>	<b>Share Capital</b>	<b>Contributed Surplus</b>	<b>Revaluation Surplus</b>	<b>Total</b>
Balance as of April 30, 2017	15,049	\$ 23,296	\$ 7,524	\$ 2,231	\$ 3,159	\$ 36,210
Net profit from continuing operations		5,506			-	5,506
Net loss from discontinued operations		(1,472)			-	(1,472)
Declared dividends (\$0.08 per share)		(1,204)			-	(1,204)
Revaluation surplus					1,881	1,881
Balance as of April 30, 2018	15,049	26,126	7,524	2,231	5,040	40,921
Net profit from continuing operations		2,164	-	-	-	2,164
Net loss from discontinued operations		(115)				(115)
Declared dividends (\$0.10 per share)		(1,545)	-	-	-	(1,545)
Balance as of January 31, 2019	15,049	\$ 26,630	\$ 7,524	\$ 2,231	\$ 5,040	\$ 41,425

**AML FOODS LIMITED**  
**UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED January 31, 2019**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**

*(Expressed In thousands of Bahamian dollars)*

	Quarter ended January 31, 2019	Quarter ended January 31, 2018
<b>Cash flows from operating activities</b>		
Net profit (loss)	\$ 1,671	\$ 1,375
Adjustments for:		
Impairment on discontinued operations	-	613
Depreciation and amortization of franchise fees	1,084	1,265
Dividends on preference shares	180	206
Increase in inventory provision	73	368
(Decrease) / Increase in provision for doubtful debts	10	(14)
Loss on disposal of property, plant and equipment	-	-
Operating cash flow before changes in working capital	3,018	3,813
Working capital source / (use)		
Merchandising inventories	(1,028)	(3,160)
Accounts receivable	271	(528)
Other current assets	(835)	220
Accounts payable and accrued expenses	1,511	1,848
Net cash provided by operating activities	2,937	2,193
<b>Investing activities source / (use)</b>		
Additions to property, plant and equipment	(783)	(1,165)
Proceeds from disposal of property & equipment	350	
Net cash used in investing activities	(433)	(1,165)
<b>Financing activities source / (use)</b>		
Repayment of preference shares	-	-
Dividends on ordinary shares	(492)	(301)
Dividends paid on preference shares	(180)	(206)
Repayment of bank loan	(328)	(313)
Net cash used in financing activities	(1,000)	(820)
Decrease in cash	1,503	208
Cash, beginning of period	1,528	2,234
Cash, end of period	3,031	2,442
Movement for period	\$ 1,503	\$ 208

# AML FOODS LIMITED

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## EXPLANATORY NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Quarter Ended January 31, 2019

### 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 2017 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 March 12, 2019, the Board of Directors approved payment of ordinary dividends of \$0.03 per share payable on March 29, 2019 to shareholders of record on March 22, 2019. The Company paid an ordinary dividend of \$0.03 per share on September 28, 2018 and on December 28, 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 January 31, 2019, the total principal amount outstanding on the Company’s loans was \$10.2m.

### 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 January 31, 2019, the Company has opted out of one lease commitment and has assigned the lease and sold the equipment of the other to a third party.

## **AML FOODS LIMITED**

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### **AUDITORS**

Deloitte & Touche  
2<sup>nd</sup> Terrace West, Centreville  
P.O. Box N-7120  
Nassau, The Bahamas

### **BANKERS**

RBC Royal Bank (Bahamas) Limited  
Royal Bank House  
East Hill Street  
P.O. Box N-7459  
Nassau, The Bahamas

### **LEGAL COUNSEL**

Callenders & Co.  
One Millars Court  
Shirley Street  
P.O. Box N-7117  
Nassau, The Bahamas

### **REGISTRAR & TRANSFER AGENTS**

Bahamas Central Securities Depository  
2<sup>nd</sup> Floor, Fort Nassau Centre  
Hilton British Colonial, Suite 202  
Bay Street  
P.O. Box EE-15672  
Nassau, The Bahamas

### **DIRECTORS**

Franklyn Butler, II (Chairman)  
Robert L. Sands  
R. Craig Symonette  
Frank J. Crothers  
Michael R. Moss  
Mike Maura Jr.  
Alison Treco  
Meike de Vaere  
Gavin Watchorn

### **AML FOODS LIMITED**

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