

Unaudited Consolidated Financial Statements of

COMMONWEALTH BREWERY LIMITED

Three months ended March 31, 2017

COMMONWEALTH BREWERY LIMITED

Management comments on Interim Consolidated Financial Statements (Unaudited)

Three months ended March 31, 2017

Revenue increased by 9% for the first quarter compared to the same period last year, which was impacted by new streams of revenue added to the portfolio during the first quarter 2017.

Operating expenses increased by 11.4% driven mainly by higher import costs for finished products and raw and packaging materials.

Net income consequently decreased 11.8% compared to the same period last year. Earnings per share for the three months ended March 2017 amounted to \$ 0.09, compared to \$ 0.10 for the first quarter 2016.

Net cash from operating activities decreased by \$2.9 million for the first quarter 2017 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)

March 31, 2017, with corresponding figures for December 31, 2016

(Expressed in Bahamian dollars)

	Note(s)	March 2017	December 2016
Assets			
Current assets:			
Cash and cash equivalents	\$	6,544,896	9,853,627
Trade receivables, net		4,548,153	2,864,600
Prepaid expenses and other assets		5,521,265	4,514,802
Inventories		20,111,457	22,289,872
Total current assets		36,725,771	39,522,901
Non-current assets:			
Property, plant and equipment		36,441,864	36,858,468
Goodwill		4,487,242	4,487,242
Other intangible assets		241,915	258,603
Total non-current assets		41,171,021	41,604,313
Total assets	\$	77,896,792	81,127,214
Liabilities and equity			
Current liabilities:			
Accounts payable and accrued expenses	\$	11,526,756	17,383,230
Non-current liabilities:			
Loans and borrowings	\$	5,999,993	5,999,993
Total liabilities		17,526,749	23,383,223
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		24,394,468	21,768,416
Total equity		60,370,043	57,743,991
Total liabilities and equity	\$	77,896,792	81,127,214

COMMONWEALTH BREWERY LIMITED

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

For the three months ended March, 31, 2017, with corresponding figures for the three months ended March 31, 2016

(Expressed in Bahamian dollars)

	Note(s)	March 2017	March 2016
Income:			
Revenue		\$ 30,256,062	27,519,158
Operating expenses:			
Raw materials, consumables and services		21,904,581	19,127,947
Personnel costs		4,951,822	4,584,649
Depreciation		802,727	797,663
Amortisation		16,688	7,733
Total operating expenses		27,675,820	24,517,992
Other income, net		53,642	(25,195)
Results from operating activities		2,633,884	2,975,971
Finance expenses		7,833	189
Total comprehensive income		\$ 2,626,052	2,975,782
Basic and diluted earnings per share		\$ 0.09	0.10

COMMONWEALTH BREWERY LIMITED
Interim Consolidated Statement of Changes in Equity (Unaudited)

For the three months ended March 31, 2017
(Expressed in Bahamian dollars)

	Share capital	Share premium	Contributed surplus	Revaluation surplus	Retained earnings	Total equity
Balance at December 31, 2016	150,000	12,377,952	16,351,369	7,096,254	21,768,416	57,743,991
Comprehensive income	–	–	–	–	2,626,052	2,626,052
Balance at March 31, 2017	\$ 150,000	12,377,952	16,351,369	7,096,254	24,394,468	60,370,043

COMMONWEALTH BREWERY LIMITED

Consolidated Statement of Cash Flows (Unaudited)

For the three months ended March 31, 2017, with corresponding figures for the three months ended March 31, 2016

(Expressed in Bahamian dollars)

	Note(s)	2017	2016
Cash flows from operating activities			
Net income		\$ 2,626,052	2,975,782
Adjustments for:			
Depreciation		802,727	797,663
Amortisation		16,688	7,733
(Gain)/Loss on disposal of property, plant and equipment		-	(1,000)
Finance expense		7,833	189
Net cash from operation activities		3,453,300	3,780,367
Changes in non-cash working capital		(6,368,076)	(6,946)
Net cash from operations before changes in working capital		(2,914,775)	3,773,421
Cash flows from financing activities			
Interest paid		(7,833)	(189)
Net cash used in financing activities		(7,833)	(189)
Cash flows from investing activities			
Additions to property, plant and equipment		(386,723)	(665,425)
Proceeds from sale of property, plant and equipment		600	1,000
Net cash used in investing activities		(386,123)	(664,425)
Net increase/ (decrease) in cash and cash equivalents		(3,308,731)	3,108,806
Cash and cash equivalents, beginning of year		9,853,627	1,345,882
Cash and cash equivalents, end of the period		\$ 6,544,896	4,454,688

COMMONWEALTH BREWERY LIMITED

Interim Consolidated Statement of Changes in Equity (Unaudited)

For the three months ended March 31, 2017
(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.