

**COMMONWEALTH BREWERY LIMITED**

Interim Consolidated Financial Statements (Unaudited)

Six months ended June 30, 2013

## **COMMONWEALTH BREWERY LIMITED**

Management comments on Interim Consolidated Financial Statements (Unaudited)

Six months ended June 30, 2013

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Revenue in the second quarter was in line with last year in spite of increased parallel import of beer in the market. Sales revenue year-to-date stayed 1.3% behind compared to 2012 due to lower sales in Q1 (first quarter of 2012 was exceptional strong due to a high level of activities in the domestic market and a strong Spring break season).

Operating expenses in the 2<sup>nd</sup> quarter increased 2.7% compared to 2012. Marketing expenses were higher amongst others due to Kalik 25<sup>th</sup> Anniversary activities. Year-to-date operating expenses were flat against last year. Overall costs remained well under control.

Net income year-to-date June 2013 decreased 5.2% compared to 2012 due to lower sales in Q1 and timing of marketing expenses. Earnings per share for the 6 months ended June 2013 amounted to \$ 0.32.

# COMMONWEALTH BREWERY LIMITED

## Interim Consolidated Statement of Financial Position (Unaudited)

June 30, 2013 with corresponding figures for December 31, 2012

(Expressed in Bahamian dollars)

	June 2013	December 2012
<b>Assets</b>		
Current Assets:		
Cash and cash equivalents	4,395,275	11,848,434
Trade receivables	2,552,823	2,859,718
Prepaid expenses and other assets	2,766,910	2,013,603
Inventories	19,532,538	16,804,392
<b>Total current assets</b>	<b>29,247,546</b>	<b>33,526,147</b>
Non-current Assets:		
Goodwill	4,487,242	4,487,242
Property, plant and equipment - net	34,350,203	35,002,959
Intangible assets	143,068	263,831
<b>Total non-current assets</b>	<b>38,980,513</b>	<b>39,754,032</b>
<b>Total assets</b>	<b>68,228,059</b>	<b>73,280,179</b>
<b>Liabilities and Equity</b>		
Current Liabilities:		
Accounts payable and accrued expenses	10,222,422	13,202,341
<b>Total current liabilities</b>	<b>10,222,422</b>	<b>13,202,341</b>
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	4,269,587	4,269,587
Retained earnings	24,856,729	26,928,930
<b>Total equity</b>	<b>58,005,637</b>	<b>60,077,838</b>
<b>Total liabilities and equity</b>	<b>68,228,059</b>	<b>73,280,179</b>

## COMMONWEALTH BREWERY LIMITED

### Interim Consolidated Statement of Comprehensive Income (Unaudited)

For the three months ended June 30, 2013, with corresponding figures for the three months ended June 30, 2012

(Expressed in Bahamian dollars)

	Note(s)	June 2013	June 2012
Revenue		30,881,771	30,817,777
Other income		301,070	43,618
Total income		31,182,841	30,861,395
Operating expenses:			
Raw materials, consumables and services		20,922,719	20,379,926
Personnel costs		4,143,485	4,090,663
Depreciation		774,110	749,576
Amortisation		60,331	305
Total operating expenses		25,900,645	25,220,470
Results from operating activities		5,282,196	5,640,925
Finance income		172	8,886
Net finance income		172	8,886
Net income and total comprehensive income		5,282,368	5,649,811
Basic and diluted earnings per share		0.18	0.19

(Unaudited)

# COMMONWEALTH BREWERY LIMITED

## Interim Consolidated Statement of Comprehensive Income (Unaudited)

For the six months ended June 30, 2013, with corresponding figures for the six months ended June 30, 2012

(Expressed in Bahamian dollars)

	Note(s)	June 2013	June 2012
Revenue		58,305,269	59,031,106
Other income		446,711	221,614
Total income		58,751,980	59,252,720
Operating expenses:			
Raw materials, consumables and services		39,504,253	39,617,666
Personnel costs		7,971,776	7,984,698
Depreciation		1,530,591	1,503,934
Amortisation		120,763	5,372
Total operating expenses		49,127,383	49,111,670
Results from operating activities		9,624,597	10,141,050
Finance income		3,202	13,620
Net finance income		3,202	13,620
Net income and total comprehensive income		9,627,799	10,154,670
Basic and diluted earnings per share		0.32	0.34

(Unaudited)

## COMMONWEALTH BREWERY LIMITED

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

For the six months ended June 30, 2013

(Expressed in Bahamian dollars)

	Share capital	Share premium	Contributed surplus	Revaluation surplus	Retained earnings	Total equity
Balance at December 31, 2012	150,000	12,377,952	16,351,369	4,269,587	26,928,930	60,077,838
Total comprehensive income					9,627,799	9,627,799
Dividends declared					(11,700,000)	(11,700,000)
Balance at June 30, 2013	150,000	12,377,952	16,351,369	4,269,587	24,856,729	58,005,637

**(Unaudited)**

# COMMONWEALTH BREWERY LIMITED

## Interim Consolidated Statement of Cash Flows (Unaudited)

For the six months ended June 30, 2013, with corresponding figures for the six months ended June 30, 2012

(Expressed in Bahamian dollars)

	Note(s)	2013	2012
<b>Cash flows from operating activities</b>			
Net income and total comprehensive income		9,627,799	10,154,670
Adjustments for:			
Depreciation		1,530,591	1,503,934
Amortisation		120,763	5,372
Interest income		(3,202)	(13,620)
Net cash from operations before changes in working capital		11,275,951	11,650,356
Changes in non-cash working capital		(6,154,477)	(3,690,126)
Net cash from operating activities		5,121,474	7,960,230
<b>Cash flows from financing activities</b>			
Repayments of bank loans		-	-
Proceeds from issue of share capital		-	-
Interest paid		-	-
Dividends paid		(11,700,000)	(9,900,000)
Net cash used in financing activities		(11,700,000)	(9,900,000)
<b>Cash flows from investing activities</b>			
Additions to property, plant and equipment		(877,835)	(710,414)
Additions to intangible assets		-	-
Proceeds from sale of property, plant and equipment		-	-
Interest received		3,202	13,620
Net cash used in investing activities		(874,633)	(696,794)
Net increase in cash and cash equivalents		(7,453,159)	(2,636,564)
Cash and cash equivalents, beginning of year		11,848,434	11,359,313
Cash and cash equivalents, end of period		4,395,275	8,722,749

(Unaudited)

# COMMONWEALTH BREWERY LIMITED

Notes to Interim Consolidated Financial Statements (Unaudited)

Six months ended June 30, 2013  
(Expressed in Bahamian dollars)

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## 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.

## 2. Dividends Declared

On March 5, 2013 the Board of Directors of the Company declared a final dividend of \$0.39 per share related to 2012 to be paid to the shareholders of record on April 20, 2013. The total declared amounted to \$11,700,000 with a payment date of April 30, 2013.

## 3. Change in Board of Directors

Mr. Bart van den Huijsen resigned as director of the Company effective March 5, 2013. Subsequently, Mr. Radovan Sikorsky was appointed director of the Company on the same date.

Mr. LeRoy Archer and Mr. Algernon Cargill retired from office as directors of Commonwealth Brewery Limited at the AGM held June 4<sup>th</sup> 2013 as per article 76 of the Company’s Articles of Association. Mr. Dennis T. Hanna and Mrs. Cecile S. Williams-Bethel were appointed by shareholders present at the AGM held June 4<sup>th</sup> 2013 as directors of the Company.