

**COMMONWEALTH BREWERY LIMITED**

Interim Consolidated Financial Statements (Unaudited)

Nine months ended September 30, 2013

## **COMMONWEALTH BREWERY LIMITED**

Management comments on Interim Consolidated Financial Statements (Unaudited)

Nine months ended September 30, 2013

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Revenue in the third quarter was slightly ahead of last year in spite of a seemingly slower economy and ongoing parallel import of beer in the market. Sales revenue year-to-date stayed 0.6% behind compared to 2012 due to lower sales in Q1 (first quarter of 2012 was exceptionally strong due to a high level of activities in the domestic market and a strong Spring break season).

Operating expenses in the third quarter increased 3.3% compared to 2012. A difference in the timing of recognizing administrative expenses compared to 2012 accounted for 0.7% increase. Marketing expenses continued to exceed the level in prior year due to activities related to Heineken and Kalik. Personnel cost increased in line with regular wage increases and due to additional recruitment to improve customer service.

Year-to-date operating expenses increased 1.1% driven by higher marketing expenses and slightly higher personnel costs. Overall cost development remained prudent.

Net income year-to-date September 2013 decreased 7.0% compared to 2012 mainly due to lower sales in Q1 and higher marketing expenses. Earnings per share for the nine months ended September 2013 amounted to \$ 0.45.

# COMMONWEALTH BREWERY LIMITED

## Interim Consolidated Statement of Financial Position (Unaudited)

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

(Expressed in Bahamian dollars)

	September 2013	December 2012
<b>Assets</b>		
Current Assets:		
Cash and cash equivalents	9,057,160	11,848,434
Trade receivables	1,786,940	2,859,718
Prepaid expenses and other assets	2,511,782	2,013,603
Inventories	21,388,293	16,804,392
<b>Total current assets</b>	<b>34,744,175</b>	<b>33,526,147</b>
Non-current Assets:		
Goodwill	4,487,242	4,487,242
Property, plant and equipment - net	33,669,507	35,002,959
Intangible assets	82,941	263,831
<b>Total non-current assets</b>	<b>38,239,690</b>	<b>39,754,032</b>
<b>Total assets</b>	<b>72,983,865</b>	<b>73,280,179</b>
<b>Liabilities and Equity</b>		
Current Liabilities:		
Accounts payable and accrued expenses	11,176,797	13,202,341
<b>Total current liabilities</b>	<b>11,176,797</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	28,658,160	26,928,930
<b>Total equity</b>	<b>61,807,068</b>	<b>60,077,838</b>
<b>Total liabilities and equity</b>	<b>72,983,865</b>	<b>73,280,179</b>

# COMMONWEALTH BREWERY LIMITED

## Interim Consolidated Statement of Comprehensive Income (Unaudited)

For the three months ended September 30, 2013, with corresponding figures for the three months ended September 30, 2012  
(Expressed in Bahamian dollars)

	Note(s)	September 2013	September 2012
Revenue		28,731,068	28,519,258
Other income		212,486	90,275
Total income		28,943,554	28,609,532
Operating expenses:			
Raw materials, consumables and services		20,226,865	19,386,076
Personnel costs		4,070,634	3,917,982
Depreciation		784,836	895,930
Amortisation		60,127	129,321
Total operating expenses		25,142,462	24,329,309
Results from operating activities		3,801,092	4,280,223
Finance income		339	5,604
Net finance income		339	5,604
Net income and total comprehensive income		3,801,431	4,285,827
Basic and diluted earnings per share		0.13	0.14

(Unaudited)

# COMMONWEALTH BREWERY LIMITED

## Interim Consolidated Statement of Comprehensive Income (Unaudited)

For the nine months ended September 30, 2013, with corresponding figures for the nine months ended September 30, 2012  
(Expressed in Bahamian dollars)

	Note(s)	September 2013	September 2012
Revenue		87,036,337	87,550,364
Other income		659,197	311,889
Total income		87,695,534	87,862,253
Operating expenses:			
Raw materials, consumables and services		59,731,118	59,003,741
Personnel costs		12,042,410	11,902,680
Depreciation		2,315,427	2,399,864
Amortisation		180,890	134,693
Total operating expenses		74,269,845	73,440,978
Results from operating activities		13,425,689	14,421,275
Finance income		3,541	19,224
Net finance income		3,541	19,224
Net income and total comprehensive income		13,429,230	14,440,497
Basic and diluted earnings per share		0.45	0.48

(Unaudited)

## COMMONWEALTH BREWERY LIMITED

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

For the nine months ended September 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					13,429,230	13,429,230
Dividends declared					(11,700,000)	(11,700,000)
Balance at September 30, 2013	150,000	12,377,952	16,351,369	4,269,587	28,658,160	61,807,068

**(Unaudited)**

# COMMONWEALTH BREWERY LIMITED

## Interim Consolidated Statement of Cash Flows (Unaudited)

For the nine months ended September 30, 2013, with corresponding figures for the nine months ended September 30, 2012  
(Expressed in Bahamian dollars)

	Note(s)	2013	2012
<b>Cash flows from operating activities</b>			
Net income and total comprehensive income		13,429,230	14,440,497
Adjustments for:			
Depreciation		2,315,427	2,399,864
Amortisation		180,890	134,693
Interest income		(3,541)	(19,224)
Net cash from operations before changes in working capital		15,922,006	16,955,830
Changes in non-cash working capital		(6,034,846)	(5,046,506)
Net cash from operating activities		9,887,160	11,909,324
<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		(981,975)	(1,379,025)
Additions to intangible assets		-	-
Proceeds from sale of property, plant and equipment		-	-
Interest received		3,541	19,224
Net cash used in investing activities		(978,434)	(1,359,801)
Net increase in cash and cash equivalents		(2,791,274)	649,523
Cash and cash equivalents, beginning of year		11,848,434	11,359,313
Cash and cash equivalents, end of period		9,057,160	12,008,836

(Unaudited)

# **COMMONWEALTH BREWERY LIMITED**

Notes to Interim Consolidated Financial Statements (Unaudited)

Six months ended September 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.