

**COMMONWEALTH BREWERY LIMITED**

Interim Consolidated Financial Statements (Unaudited)

Three months ended March 31, 2014

## **COMMONWEALTH BREWERY LIMITED**

Management comments on Interim Consolidated Financial Statements (Unaudited)

Three months ended March 31, 2014

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Revenue declined 1.4% in the first quarter compared to the same period last year, mainly driven by lower sales volume reflecting sluggish market conditions.

Operating expenses increased 2.6% driven by higher cost of Raw Materials, Consumables and Services. This cost increase is mainly caused by an earlier Overhaul of the production line compared with 2013, and more volume produced than sold. Personnel Expenses for the quarter increased by \$0.4 million due to both the annual salary increase as well as different phasing in expenses compared to last year.

Net income consequently decreased 21.5% compared to the first quarter of 2013. Earnings per share for the 3 months ended March 2014 amounted to \$0.11, which is approximately three cent below the level of the first quarter of 2013.

On March 20<sup>th</sup>, 2014 the board of directors declared a final dividend of \$0.39 per share related to 2013, payable on April 30<sup>th</sup>, 2014 to shareholders of record on April 17<sup>th</sup>, 2014. Including the earlier payment of an interim dividend of \$0.25 per share, this brings total dividend related to 2013 to \$ 0.64 per share.

# COMMONWEALTH BREWERY LIMITED

## Interim Consolidated Statement of Financial Position (Unaudited)

March 31, 2014 with corresponding figures for December 31, 2013

(Expressed in Bahamian dollars)

	March 2014	December 2013
<b>Assets</b>		
Current Assets:		
Cash and cash equivalents	13,869,851	6,753,447
Trade receivables	2,319,453	2,930,875
Prepaid expenses and other assets	1,771,464	2,670,503
Inventories	16,990,449	19,168,108
<b>Total current assets</b>	<b>34,951,217</b>	<b>31,522,933</b>
Non-current Assets:		
Goodwill	4,487,242	4,487,242
Property, plant and equipment - net	34,055,873	34,121,628
Intangible assets	26,667	31,667
<b>Total non-current assets</b>	<b>38,569,782</b>	<b>38,640,537</b>
<b>Total assets</b>	<b>73,520,999</b>	<b>70,163,470</b>
<b>Liabilities and Equity</b>		
Current Liabilities:		
Accounts payable and accrued expenses	21,782,472	10,136,702
<b>Total current liabilities</b>	<b>21,782,472</b>	<b>10,136,702</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	18,589,619	26,877,860
<b>Total equity</b>	<b>51,738,527</b>	<b>60,026,768</b>
<b>Total liabilities and equity</b>	<b>73,520,999</b>	<b>70,163,470</b>

# COMMONWEALTH BREWERY LIMITED

## Interim Consolidated Statement of Comprehensive Income (Unaudited)

For the three months ended March, 31, 2014, with corresponding figures for the three months ended March 31, 2013

(Expressed in Bahamian dollars)

	Note(s)	March 2014	March 2013
Revenue		27,045,317	27,423,498
Other income		199,715	145,640
Total income		27,245,032	27,569,138
Operating expenses:			
Raw materials, consumables and services		18,845,993	18,581,533
Personnel costs		4,217,266	3,828,291
Depreciation		765,247	756,481
Amortisation		5,000	60,432
Total operating expenses		23,833,506	23,226,737
Results from operating activities		3,411,526	4,342,401
Finance income		233	3,030
Net finance income		233	3,030
Net income and total comprehensive income		3,411,759	4,345,431
Basic and diluted earnings per share		0.11	0.14

(Unaudited)

## COMMONWEALTH BREWERY LIMITED

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

For the three months ended March 31, 2014

(Expressed in Bahamian dollars)

	Share capital	Share premium	Contributed surplus	Revaluation surplus	Retained earnings	Total equity
Balance at December 31, 2013	150,000	12,377,952	16,351,369	4,269,587	26,877,860	60,026,768
Total comprehensive income					3,411,759	3,411,759
Dividends declared					(11,700,000)	(11,700,000)
Balance at March 31, 2014	150,000	12,377,952	16,351,369	4,269,587	18,589,619	51,738,527

(Unaudited)

# COMMONWEALTH BREWERY LIMITED

## Interim Consolidated Statement of Cash Flows (Unaudited)

For the three months ended March 31, 2014, with corresponding figures for the three months ended March 31, 2013

(Expressed in Bahamian dollars)

	Note(s)	2014	2013
<b>Cash flows from operating activities</b>			
Net income and total comprehensive income		3,411,759	4,345,431
Adjustments for:			
Depreciation		765,247	756,481
Amortisation		5,000	60,432
Interest income		(233)	(3,030)
Net cash from operations before changes in working capital		4,181,773	5,159,314
Changes in non-cash working capital		3,633,890	(3,658,408)
Net cash from operating activities		7,815,663	1,500,906
<b>Cash flows from investing activities</b>			
Additions to property, plant and equipment		(699,492)	(526,312)
Interest received		233	3,030
Net cash used in investing activities		(699,259)	(523,282)
Net increase in cash and cash equivalents		7,116,404	977,624
Cash and cash equivalents, beginning of year		6,753,447	11,848,434
Cash and cash equivalents, end of period		13,869,851	12,826,058

(Unaudited)

# **COMMONWEALTH BREWERY LIMITED**

Notes to Interim Consolidated Financial Statements (Unaudited)

Three months ended March 31, 2014  
(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 20, 2014 the Board of Directors of the Company declared a final dividend of \$0.39 per share related to 2013 to be paid to the shareholders of record on April 17, 2014. The total declared amounted to \$11,700,000 with a payment date of April 30, 2014.