



CHAIRMAN'S REPORT Q1 2015

The Board of Directors of *AML Foods Limited* are pleased to announce its results for the quarter ended April 30th, 2015 reflecting a net profit of \$1.47m compared to \$1.45m for the same period in the previous year. Sales for the period were \$34.8m, a decrease of 1.6% on the prior year.

Based on our quarter results, the Board of Directors have approved a dividend payment of \$0.02 per share, payable on July 13, 2015 to shareholders on record as of July 6, 2015.

We have seen an immediate and noticeable impact on our sales volumes upon the introduction of Value Added Tax. While transaction counts have largely remained constant, even in the face of an increasingly aggressive marketplace, our average transaction declined during the past quarter. It is evident that consumers have made adjustments to their spending habits.

Our customers are telling us that pricing is of great importance to them and we continue to drive value for Bahamians. We are constantly seeking new ways to deliver quality products and services at pricing that is affordable to all. Our various brands – Solomon's, Cost Right, Solomon's Fresh Market, Domino's & Carl's Jr. – allow us to serve everyone from all walks of life. It is through our brands that AML Foods Limited is committed to making a difference in the lives of Bahamians, giving them access to affordable quality products and services, in a clean, modern and environmentally friendly setting, helping them live better.

The Board of Directors thanks our loyal customers, dedicated staff and shareholders for their continued confidence in *AML Foods Limited*.

Dionisio D'Aguilar
Chairman



**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED APRIL 30, 2015**

CONSOLIDATED BALANCE SHEET

(Expressed in thousands of Bahamian dollars)

	April 30, 2015	January 31, 2015
Assets		
Current assets		
Cash and bank balances	\$ 4,932	2,947
Receivables, net of provisions	1,081	1,197
Merchandise inventories, net of provisions	17,141	19,303
Other current assets	3,056	2,485
	26,210	25,932
Capital assets		
Property and buildings	8,715	8,800
Equipment	7,799	7,723
Leasehold improvements	7,905	7,282
Work In Progress	2,741	2,445
	27,160	26,250
Term Deposits with maturities greater than 90 days	257	905
Goodwill	3,019	3,019
	\$ 56,646	56,106
Liabilities and Equity		
Current liabilities		
Bank overdraft	\$ 1,328	2,033
Accounts payable and accrued expenses	11,105	11,328
Current port of preference shares	1,775	1,775
	14,208	15,136
Long-term liabilities		
Preference shares	15,975	15,975
	30,183	31,111
Equity		
Ordinary shares	7,556	7,556
Treasury shares (note 3)	(125)	(125)
Capital paid in excess of par	2,323	2,323
Property revaluation surplus	3,159	3,159
Retained earnings	13,550	12,082
	26,463	24,995
	\$ 56,646	56,106

AML FOODS LIMITED

CONSOLIDATED STATEMENT OF INCOME

(Expressed in thousands of Bahamian dollars)

	Quarter Ended April 30, 2015	Quarter Ended April 30, 2014
Sales	\$ 34,810	35,379
Cost of sales	(23,324)	(23,821)
Gross profit	11,486	11,558
Selling, general and administrative expenses	(9,749)	(9,325)
Business License	(131)	(465)
Other operating income	150	123
Net operating profit	1,756	1,891
Interest expense	(21)	(17)
Dividends on preference shares	(265)	(362)
Net profit before pre-opening expenses	\$ 1,470	1,512
Pre-opening expenses	(-)	(66)
Net profit and comprehensive income	\$ 1,470	1,446
Profit per share	\$0.097	\$0.094

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Expressed in thousands of Bahamian dollars)

	No. of Shares	Retained Earnings	Share Capital	Contributed Surplus	Treasury Shares	Revaluation Surplus	Total
January 31, 2015	15,113	\$ 12,082	7,556	2,323	(125)	3,159	\$ 24,995
Net profit for period		1,470	-	-	-	-	1,470
April 30, 2015	15,113	\$ 13,552	7,556	2,323	(125)	3,159	\$ 26,465
January 31, 2014	15,404	\$ 8,897	7,702	2,664	(486)	794	\$ 19,571
Net profit for period		1,446	-	-	-	-	1,446
April 30, 2014	15,404	10,343	7,702	2,664	(486)	794	21,017

AML FOODS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

(Expressed in thousands of Bahamian dollars)

	Quarter Ended April 30, 2015	Quarter Ended April 30, 2014
Cash flows from operating activities		
Net profit for period	\$ 1,470	1,446
Adjustments for:		
Depreciation and amortisation of franchise fees	971	854
Dividends on preference shares	266	362
Decrease/(increase) in inventory provision	(251)	144
Decrease in provision for doubtful debts	(6)	7
Operating cash flow before changes in working capital	2,450	2,813
Working capital source/(use)		
Merchandising inventories	2,413	1,928
Accounts receivable	122	8
Other current assets	(571)	(178)
Accounts payable and accrued expenses	(223)	(692)
Net cash provided by operating activities	4,191	3,879
Investing activities source/(use)		
Additions to capital assets	(1,883)	(1,121)
Term Deposits with original maturities greater than 90 days	648	
Net cash used in investing activities	(1,235)	(1,121)
Financing activities source/(use)		
Dividends paid on preference shares	(266)	(362)
Movement on treasury shares	-	-
Net cash used in financing activities	(266)	(362)
Increase in cash	\$ 2,690	2,396
Cash, beginning of period	914	3,716
Cash, end of period	3,604	6,112
Movement for period	\$ 2,690	2,396

Cash and cash equivalents comprise cash less bank overdrafts.

AML FOODS LIMITED

EXPLANATORY NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS Quarter Ended April 30, 2015

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 2012 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, Solomon’s Fresh Market Limited and CJB Limited.

2. SUBSEQUENT EVENTS

On June 23, 2015 the Company declared interim dividends of \$0.02 per ordinary share. Dividends will be payable on July 13, 2015 to the shareholders on record as of July 6, 2015.

AML FOODS LIMITED

AUDITORS

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Nassau, The Bahamas

BANKERS

RBC Royal Bank (Bahamas) Limited
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LEGAL COUNSEL

Callenders & Co.
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REGISTRAR & TRANSFER AGENTS

Bahamas Central Securities Depository
2nd Floor, Fort Nassau Centre
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Nassau, The Bahamas

DIRECTORS

Dionisio D'Aguiar (Chairman)
Robert Sands (Vice Chairman)
R. Craig Symonette
Frank J. Crothers
Franklyn Butler, II
Michael R. Moss
Gavin Watchorn

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