



CHAIRMAN'S REPORT Q5 2015

The Board of Directors of *AML Foods Limited* is pleased to report results for the fifth quarter and fiscal year ended April 30th, 2016, reflecting a net profit of \$1.70m compared to \$1.47m for the same period in the previous year. Sales for the quarter were \$39m, an increase of 12.19% over the prior year. Net profit for the 15 months ended April 30, 2016 was \$6.90m compared to \$5.86m for the corresponding 15 month period.

We are pleased that our stores continued to record sales growth during this fifth quarter representing an extension of the 2015 fiscal period to accommodate the implementation of a new fiscal year, May 1st - April 30th. Our growth in sales continues to be driven by our success in staying competitive and driving increased customer traffic. The Bahamian consumer is looking for quality products at affordable prices and our brands are consistently providing this. As well, we remain committed to managing our businesses better and driving operational efficiencies. These strategies are allowing us to record consistent positive earnings.

Based on our quarter results, the Board of Directors have approved a dividend payment of \$0.02 per share, payable on June 29, 2016 to shareholders on record as of June 24, 2016.

We thank our loyal customers, dedicated staff and shareholders for their continued support of *AML Foods Limited*.

Dionisio D'Aguilar
Chairman

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED APRIL 30, 2016**

CONSOLIDATED BALANCE SHEET

(Expressed in thousands of Bahamian dollars)

	April 30, 2016	January 31, 2015
Assets		
Current assets		
Cash and bank balances	\$ 9,483	2,947
Receivables, net of provisions	1,319	1,197
Merchandise inventories, net of provisions	16,152	19,303
Other current assets	2,953	2,485
	29,907	25,932
Capital assets		
Property and buildings	16,737	8,800
Equipment	7,162	7,283
Leasehold improvements	8,104	7,723
Work In Progress	392	2,445
	32,395	26,251
Goodwill	3,019	3,019
Term deposits with maturities greater than 90 days (Note 4)	917	905
	3,936	3,924
	\$ 66,238	56,107
Liabilities and Equity		
Current liabilities		
Bank overdraft	\$ 130	2,033
Accounts payable and accrued expenses	11,853	11,328
Current portion of preference shares	1,775	1,775
Current portion of bank loan	623	-
	14,381	15,136
Long-term liabilities		
Preference shares	15,536	15,975
Bank loan	5,621	-
	21,157	15,975
Equity		
Ordinary shares	7,525	7,556
Treasury shares (note 3)	-	(125)
Capital paid in excess of par	2,230	2,323
Property revaluation surplus	3,159	3,159
Retained earnings	17,787	12,082
	30,701	24,995
	\$ 66,239	56,106

AML FOODS LIMITED

CONSOLIDATED STATEMENT OF INCOME

(Expressed in thousands of Bahamian dollars)

	Quarter Ended April 30, 2016	Quarter Ended April 30, 2015
Sales	\$ 39,052	34,810
Cost of sales	(26,394)	(23,324)
Gross profit	12,658	11,486
Selling, general and administrative expenses	(10,709)	(9,880)
Other operating income	106	150
Net operating profit	2,055	1,756
Interest expense	(87)	(21)
Dividends on preference shares	(261)	(266)
Net profit from continuing operations	\$ 1,707	1,469
Profit per share	\$0.113	\$0.097

	Fifteen Months Ended April 30, 2016	Fifteen Months Ended April 30, 2015
Sales	\$ 187,437	180,099
Cost of sales	(127,125)	(121,805)
Gross profit	60,312	58,294
Selling, general and administrative expenses	(52,736)	(51,235)
Other operating income	917	773
Net operating profit	8,493	7,832
Interest expense	(264)	(79)
Dividends on preference shares	(1,320)	(1,542)
Net profit from continuing operations	\$ 6,909	6,211
Loss on goodwill impairment		(582)
Extraordinary income		356
Pre-opening expenses	-	(125)
Net profit and comprehensive income	\$ 6,909	5,860
Profit per share	\$0.459	\$0.388

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	15,112	\$ 12,082	7,556	2,323	(125)	3,159	\$ 24,995
Net profit for period		6,909	-	-	-	-	6,909
Revaluation				-		-	-
Cancellation of treasury shares	(63)		(32)	(93)	125	-	-
Shares repurchased (note 3)	-		-			-	-
Declared dividends (note 2)		(1,203)	-	-	-	-	(1,203)
April 30, 2016	15,049	\$ 17,788	7,524	2,230	-	3,159	\$ 30,701
January 31, 2014	15,404	\$ 8,897	7,702	2,663	(486)	794	\$ 19,570
Net profit for period		5,860	-	-	-	-	5,860
Revaluation				-		2,365	2,365
Shares repurchased (note 3)			-		(125)	-	(125)
Cancellation of treasury shares	(292)		(146)	(340)	486		
Declared dividends (note 2)		(1,206)	-	-	-	-	(1,206)
April 30, 2015	15,112	\$ 13,551	7,556	2,323	(125)	3,159	\$ 26,464

AML FOODS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

(Expressed in thousands of Bahamian dollars)

	Quarter Ended April 30, 2016	Quarter Ended April 30, 2015
Cash flows from operating activities		
Net profit for period	\$ 1,707	1,470
Adjustments for:		
Depreciation and amortization of franchise fees	963	971
Dividends on preference shares	261	266
Increase / (Decrease) in inventory provision	(344)	(251)
Loss on impairment of goodwill		
Gain on property revaluation		
Loss on disposal property, plant and equipment	-	-
Increase in provision for doubtful debts	(1)	(6)
Bank Loan Interest		
Operating cash flow before changes in working capital	2,586	2,450
Working capital source / (use)		
Merchandising inventories	1,153	2,413
Accounts receivable	399	122
Other current assets	189	(571)
Accounts payable and accrued expenses	611	(223)
Net cash provided by operating activities	4,938	4,191
Investing activities source / (use)		
Additions to property, plant and equipment	(452)	(1,883)
Term deposits		648
Proceeds from disposal of property and equipment	-	-
Net cash used in investing activities	(452)	(1,235)
Financing activities source / (use)		
Proceeds from bank loans	-	-
Preference shares principal payment	-	-
Dividends on ordinary shares	(301)	-
Dividends paid on preference shares	(261)	(266)
Repurchase of treasury shares	-	-
Repayment of bank loan	(822)	-
Inter-Company movement	6	-
Net cash used in financing activities	(1,378)	(266)
Increase in cash	\$ 3,108	(2,690)
Cash, beginning of period	7,162	914
Cash, end of period	10,270	3,604
Movement for period	\$ 3,108	(2,690)
Cash and cash equivalents comprise cash less bank overdrafts.		

AML FOODS LIMITED

EXPLANATORY NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Quarter Ended April 30, 2016

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 2015 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. DECLARED DIVIDENDS

On June 26, 2015 the Company declared dividends of \$0.02 per ordinary share payable to shareholders on record as of July 06, 2015. The dividends were subsequently paid on July 13, 2015. The Company paid dividends of \$0.02 per ordinary share on October 23rd, 2015 to shareholders on record as of October 21, 2015. On December 11, 2015, the Board of Directors approved quarterly dividends of \$0.02 per ordinary share to be paid on December 30th, 2015 to shareholders of record on December 16th, 2015. On March 8, 2016, the Board of Directors approved quarterly dividends of \$0.02 per ordinary share to be paid on March 23, 2016 to shareholders of record on March 16, 2016. On June 15th, 2016, the Board of Directors approved quarterly dividends of \$0.02 per ordinary share to be paid on June 29, 2016 to shareholders of record on June 24, 2016.

AML FOODS LIMITED

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DIRECTORS

Dionisio D'Aguilar (Chairman)
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Franklyn Butler, II
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