



## CHAIRMAN'S REPORT Q1 2016

The Board of Directors at *AML Foods Limited* is pleased to report results for the first quarter ended July 31<sup>st</sup>, 2016 reflecting a net profit of \$1.47m compared to \$1.05m for the same period in the previous year. Sales for the quarter were \$37.9m, an increase of 7.4% over the same period in the prior year.

Based on our quarter results, the Board of Directors have approved a dividend payment of \$0.02 per share, payable on September 21, 2016 to shareholders on record as of September 16, 2016.

Customer traffic remained strong during the period, an indication that our Company's commitment to staying competitive and driving value for Bahamians, continues to resonate with our customers. As well, our continued focus on identifying and capitalizing on increased efficiencies and managing our businesses better, is allowing us to achieve consistent net profit earnings.

We are proud to announce that the Company purchased land to build a new 38,000 square-foot Solomon's food store, on Yamacraw Road. The new store, which is expected to open in 2017 before the Christmas season, will provide the residents of eastern New Providence with the convenience of the Solomon's shopping experience in their neighborhood. Construction has also commenced on the Carl's Jr. Carmichael Road location. With our growing presence of both destination and neighborhood stores, we expect to see continued sales growth and earnings for our shareholders.

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 JULY 31, 2016**

**CONSOLIDATED BALANCE SHEET**

*(Expressed in thousands of Bahamian dollars)*

	Quarter Ended <b>July 31, 2016</b>	Quarter Ended <b>April 30, 2015</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash and bank balances	\$ 8,236	9,483
Receivables, net of provisions	1,386	1,253
Merchandise inventories, net of provisions	15,561	16,152
Other current assets	3,031	2,953
	28,214	29,841
<b>Capital assets</b>		
Property and buildings	19,370	16,580
Equipment	6,894	7,162
Leasehold improvements	7,823	8,104
Work In Progress	794	392
	34,881	32,238
Goodwill	3,019	3,019
Term deposits with maturities greater than 90 days	269	917
	3,288	3,936
	\$ 66,383	66,015
<b>Liabilities and Equity</b>		
<b>Current liabilities</b>		
Bank overdraft	\$ -	130
Accounts payable and accrued expenses	11,249	11,772
Current portion of preference shares	1,775	1,775
Current portion of bank loan	631	623
	13,655	14,300
<b>Long-term liabilities</b>		
Preference shares	15,536	15,536
Bank loan	5,461	5,621
	20,997	21,157
<b>Equity</b>		
Ordinary shares	7,525	7,525
Treasury shares	-	-
Capital paid in excess of par	2,230	2,230
Property revaluation surplus	3,159	3,159
Retained earnings	18,817	17,644
	31,731	30,558
	\$ 66,383	66,015

**AML FOODS LIMITED****CONSOLIDATED STATEMENT OF INCOME***(Expressed in thousands of Bahamian dollars)*

	Quarter Ended July 31, 2016	Quarter Ended July 31, 2015
Sales	\$ 37,876	35,278
Cost of sales	(25,464)	(23,688)
Gross profit	12,412	11,590
Selling, general and administrative expenses	(10,747)	(10,400)
Other operating income	153	146
Net operating profit	1,818	1,336
Interest expense	(83)	(19)
Dividends on preference shares	(261)	(266)
Net profit from continuing operations	\$ 1,474	1,051
Profit per share	\$0.098	\$0.070

# **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
April 30, 2016	15,049	\$ 17,644	7,524	2,231	-	3,159	\$ 30,558
Net profit for period		1,474				-	1,474
Declared dividends		(301)				-	(301)
July 31, 2016	15,049	\$ 18,817	7,524	2,231	-	3,159	\$ 31,731
April 30, 2015	15,112	\$ 13,552	7,556	2,323	(125)	3,159	\$ 26,465
Net profit for period		1,051	-	-	-	-	1,051
Cancellation of treasury shares	(63)		(32)	(93)	125	-	-
Declared dividends		(301)	-	-	-	-	(301)
July 31, 2015	15,049	\$ 14,302	7,524	2,230	-	3,159	\$ 27,215

# AML FOODS LIMITED

## CONSOLIDATED STATEMENT OF CASH FLOWS

*(Expressed in thousands of Bahamian dollars)*

	Quarter Ended July 31, 2016	Quarter Ended July 31, 2015
<b>Cash flows from operating activities</b>		
Net profit for period	\$ 1,474	1,051
Adjustments for:		
Depreciation and amortization of franchise fees	1,100	1,005
Dividends on preference shares	261	267
Increase / (Decrease) in inventory provision	(133)	109
Loss on impairment of goodwill	-	-
Gain on property revaluation	-	-
Loss on disposal property, plant and equipment	-	-
Increase in provision for doubtful debts	13	1
Bank Loan Interest		
Operating cash flow before changes in working capital	2,715	2,433
Working capital source / (use)		
Merchandising inventories	724	(762)
Accounts receivable	(146)	(475)
Other current assets	(78)	83
Accounts payable and accrued expenses	(523)	(730)
Net cash provided by operating activities	2,692	549
<b>Investing activities source / (use)</b>		
Additions to property, plant and equipment	(3,743)	(1,187)
Term deposits	648	-
Proceeds from disposal of property and equipment	-	-
Net cash used in investing activities	(3,095)	(1,187)
<b>Financing activities source / (use)</b>		
Proceeds from bank loans	-	-
Preference shares principal payment	-	-
Dividends on ordinary shares	(301)	(301)
Dividends paid on preference shares	(261)	(266)
Repurchase of treasury shares	-	-
Repayment of bank loan	(152)	-
Inter-Company movement	-	-
Net cash used in financing activities	(714)	(567)
Increase in cash	\$ (1,117)	(1,205)
Cash, beginning of period	9,353	3,861
Cash, end of period	8,236	2,656
Movement for period	\$ (1,117)	(1,205)
Cash and cash equivalents comprise cash less bank overdrafts.		

# **AML FOODS LIMITED**

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## **EXPLANATORY NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

Quarter Ended July 31, 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 2016 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 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. On September 7th, 2016, the Board of Directors approved quarterly dividends of \$0.02 per ordinary share to be paid on September 21, 2016 to shareholders of record on September 16, 2016.

## **AML FOODS LIMITED**

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### **AUDITORS**

Deloitte & Touche  
2<sup>nd</sup> Terrace West, Centreville  
P.O. Box N-7120  
Nassau, The Bahamas

### **BANKERS**

RBC Royal Bank (Bahamas) Limited  
Royal Bank House  
East Hill Street  
P.O. Box N-7459  
Nassau, The Bahamas

### **LEGAL COUNSEL**

Callenders & Co.  
One Millars Court  
Shirley Street  
P.O. Box N-7117  
Nassau, The Bahamas

### **REGISTRAR & TRANSFER AGENTS**

Bahamas Central Securities Depository  
2<sup>nd</sup> Floor, Fort Nassau Centre  
Hilton British Colonial, Suite 202  
Bay Street  
P.O. Box EE-15672  
Nassau, The Bahamas

### **DIRECTORS**

Dionisio D'Aguilar (Chairman)  
Robert L. Sands  
R. Craig Symonette  
Frank J. Crothers  
Franklyn Butler, II  
Michael R. Moss  
Mike Maura Jr.  
Gavin Watchorn

### **AML FOODS LIMITED**

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