

COMMONWEALTH BREWERY LIMITED

Interim Consolidated Financial Statements (Unaudited)

Six months ended June 30, 2014

COMMONWEALTH BREWERY LIMITED

Management comments on Interim Consolidated Financial Statements (Unaudited)

Six months ended June 30, 2014

Revenue increased 4.8% in the second quarter compared to the same period last year, mainly driven by higher sales volume in beer. The strong Q2 performance more than compensated for a weak Q1 leading to a year-to-date Revenue growth for 1.9%

Operating expenses in the second quarter increased 3.3% compared to 2013. Personnel Expenses increased by 5.7% in the second quarter due to annual salary increases.

Net income consequently increased 2.5% compared to the second quarter of 2013. Notwithstanding a solid Q2 performance, Net income is still 8.3% below last year.

Net cash from operating activities increased to over \$9.6 million representing an 87% increase over last year. The positive impact is mainly explained by better working capital performance.

Cash and cash equivalents at June 30th 2014 amounted to \$3.5 million. The company paid in April 2014 \$11.7 million final dividend related to the year 2013.

COMMONWEALTH BREWERY LIMITED

Interim Consolidated Statement of Financial Position (Unaudited)

June 30, 2014 with corresponding figures for December 31, 2013

(Expressed in Bahamian dollars)

	June 2014	December 2013
Assets		
Current Assets:		
Cash and cash equivalents	3,470,468	6,753,447
Trade receivables	4,007,882	2,930,875
Prepaid expenses and other assets	3,192,358	2,670,503
Inventories	21,852,065	19,168,108
Total current assets	32,522,722	31,522,933
Non-current Assets:		
Goodwill	4,487,242	4,487,242
Property, plant and equipment - net	33,822,181	34,121,628
Intangible assets	21,667	31,667
Total non-current assets	38,331,090	38,640,537
Total assets	70,853,862	70,163,470
Liabilities and Equity		
Current Liabilities:		
Accounts payable and accrued expenses	13,735,755	10,136,702
Total current liabilities	13,735,755	10,136,702
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	23,969,200	26,877,860
Total equity	57,118,108	60,026,768
Total liabilities and equity	70,853,862	70,163,470

COMMONWEALTH BREWERY LIMITED

Interim Consolidated Statement of Comprehensive Income (Unaudited)

For the three months ended June, 30, 2014, with corresponding figures for the three months ended June 30, 2013

(Expressed in Bahamian dollars)

	Note(s)	June 2014	June 2013
Revenue		32,360,301	30,881,771
Other income		-197,962	301,070
Total income		32,162,339	31,182,841
Operating expenses:			
Raw materials, consumables and services		21,620,066	20,922,719
Personnel costs		4,381,152	4,143,485
Depreciation		742,060	774,110
Amortisation		5,000	60,331
Total operating expenses		26,748,279	25,900,645
Results from operating activities		5,414,060	5,282,196
Finance income		1,972	172
Net finance income		1,972	172
Net income and total comprehensive income		5,416,032	5,282,368
Basic and diluted earnings per share		0.18	0.18

(Unaudited)

COMMONWEALTH BREWERY LIMITED

Interim Consolidated Statement of Comprehensive Income (Unaudited)

For the six months ended June, 30, 2014, with corresponding figures for the six months ended June 30, 2013

(Expressed in Bahamian dollars)

	Note(s)	June 2014	June 2013
Revenue		59,405,618	58,305,269
Other income		1,753	446,711
Total income		59,407,371	58,751,980
Operating expenses:			
Raw materials, consumables and services		40,466,058	39,504,253
Personnel costs		8,598,419	7,971,776
Depreciation		1,507,308	1,530,591
Amortisation		10,000	120,763
Total operating expenses		50,581,785	49,127,383
Results from operating activities		8,825,587	9,624,597
Finance income		2,205	3,202
Net finance income		2,205	3,202
Net income and total comprehensive income		8,827,791	9,627,799
Basic and diluted earnings per share		0.29	0.32

(Unaudited)

COMMONWEALTH BREWERY LIMITED

Interim Consolidated Statement of Changes in Equity (Unaudited)

For the six months ended June 30, 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					8,827,791	8,827,791
LTIP					(36,452)	(36,452)
Dividends declared/paid					(11,700,000)	(11,700,000)
Balance at June 30, 2014	150,000	12,377,952	16,351,369	4,269,587	23,969,200	57,118,108

(Unaudited)

COMMONWEALTH BREWERY LIMITED

Interim Consolidated Statement of Cash Flows (Unaudited)

For the six months ended June 30, 2014, with corresponding figures for the six months ended June 30, 2013

(Expressed in Bahamian dollars)

	Note(s)	2014	2013
Cash flows from operating activities			
Net income and total comprehensive income		8,827,791	9,627,799
Adjustments for:			
Depreciation		1,507,308	1,530,591
Amortisation		10,000	120,763
Interest income		(2,205)	(3,202)
Net cash from operations before changes in working capital		10,342,894	11,275,951
Changes in non-cash working capital		(720,218)	(6,154,477)
Net cash from operating activities		9,622,676	5,121,474
Cash Flows from financing activities			
Repayments of bank loans			
Proceeds from issue of share capital			
Interest paid			
Dividends paid		(11,700,000)	(11,700,000)
Net Cash used in financing activities		(11,700,000)	(11,700,000)
Cash flows from investing activities			
Additions to property, plant and equipment		(1,207,861)	(877,835)
Interest received		2,205	3,202
Net cash used in investing activities		(1,205,656)	(874,633)
Net increase in cash and cash equivalents		(3,282,979)	(7,453,159)
Cash and cash equivalents, beginning of year		6,753,447	11,848,434
Cash and cash equivalents, end of period		3,470,468	4,395,275

(Unaudited)

COMMONWEALTH BREWERY LIMITED

Notes to Interim Consolidated Financial Statements (Unaudited)

Six months ended June 30, 2014
(Expressed in Bahamian dollars)

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.