

COMMONWEALTH BREWERY LIMITED

Interim Consolidated Financial Statements (Unaudited)

Nine months ended September 30, 2014

COMMONWEALTH BREWERY LIMITED

Management comments on Interim Consolidated Financial Statements (Unaudited)

Nine months ended September 30, 2014

Revenue increased 5.9% in the third quarter compared to the same period last year, mainly driven by higher sales volume, and pricing.

It should be noted that in the third quarter the negative trend in volume has been changed as a result of successful promotions and new products introduction.

Operating expenses increased with 5.9% in the third quarter driven by higher raw materials, consumables and services costs. Overall costs remained well under control.

Net income consequently increased 17.2% compared to the third quarter of 2013. Earnings per share for the 3 months ended September 2014 amounted to \$ 0.15.

Notwithstanding a solid Q2 and Q3 performance, Net income is slightly below last year.

Cash and cash equivalents at September 30th 2014 amounted to \$3.4 million. The company paid in April 2014 an \$11.7 million final dividend related to the year 2013.

COMMONWEALTH BREWERY LIMITED

Interim Consolidated Statement of Financial Position (Unaudited)

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

(Expressed in Bahamian dollars)

	September 2014	December 2013
Assets		
Current Assets:		
Cash and cash equivalents	3,414,954	6,753,447
Trade receivables	1,845,286	2,930,875
Prepaid expenses and other assets	2,525,801	2,670,503
Inventories	23,003,550	19,168,108
Total current assets	30,789,591	31,522,933
Non-current Assets:		
Goodwill	4,487,242	4,487,242
Property, plant and equipment - net	33,324,704	34,121,628
Intangible assets	168,750	31,667
Total non-current assets	37,980,696	38,640,537
Total assets	68,770,287	70,163,470
Liabilities and Equity		
Current Liabilities:		
Accounts payable and accrued expenses	7,199,528	10,136,702
Total current liabilities	7,199,528	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	28,421,851	26,877,860
Total equity	61,570,759	60,026,768
Total liabilities and equity	68,770,287	70,163,470

COMMONWEALTH BREWERY LIMITED

Interim Consolidated Statement of Comprehensive Income (Unaudited)

For the three months ended September, 30, 2014, with corresponding figures for the three months ended September 30, 2013
(Expressed in Bahamian dollars)

	Note(s)	September 2014	September 2013
Revenue		30,430,880	28,731,068
Other income		644,907	212,486
Total income		31,075,787	28,943,554
Operating expenses:			
Raw materials, consumables and services		21,573,866	20,226,865
Personnel costs		4,245,627	4,070,634
Depreciation		794,225	784,836
Amortisation		7,577	60,127
Total operating expenses		26,621,295	25,142,462
Results from operating activities		4,454,492	3,801,092
Finance income		-1,841	339
Net finance income		-1,841	339
Net income and total comprehensive income		4,452,651	3,801,431
Basic and diluted earnings per share		0.15	0.13

(Unaudited)

COMMONWEALTH BREWERY LIMITED

Interim Consolidated Statement of Comprehensive Income (Unaudited)

For the nine months ended September, 30, 2014, with corresponding figures for the nine months ended September 30, 2013

(Expressed in Bahamian dollars)

	Note(s)	September 2014	September 2013
Revenue		89,836,499	87,036,337
Other income		646,660	659,197
Total income		90,483,159	87,695,534
Operating expenses:			
Raw materials, consumables and services		62,039,924	59,731,118
Personnel costs		12,844,045	12,042,410
Depreciation		2,301,532	2,315,427
Amortisation		17,578	180,890
Total operating expenses		77,203,079	74,269,845
Results from operating activities		13,280,080	13,425,689
Finance income		363	3,541
Net finance income		363	3,541
Net income and total comprehensive income		13,280,443	13,429,230
Basic and diluted earnings per share		0.44	0.45

(Unaudited)

COMMONWEALTH BREWERY LIMITED
Interim Consolidated Statement of Changes in Equity (Unaudited)

For the nine months ended September 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					13,280,443	13,280,443
LTIP					(36,452)	(36,452)
Dividends declared/paid					(11,700,000)	(11,700,000)
Balance at September 30, 2014	150,000	12,377,952	16,351,369	4,269,587	28,421,851	61,570,759

(Unaudited)

COMMONWEALTH BREWERY LIMITED

Interim Consolidated Statement of Cash Flows (Unaudited)

For the nine months ended September 30, 2014, with corresponding figures for the nine months ended September 30, 2013

(Expressed in Bahamian dollars)

	Note(s)	2014	2013
Cash flows from operating activities			
Net income and total comprehensive income		13,280,443	13,429,230
Adjustments for:			
Depreciation		2,301,532	2,315,427
Amortisation		17,578	180,890
Interest income		(363)	(3,541)
Net cash from operations before changes in working capital		15,599,190	15,922,006
Changes in non-cash working capital		(5,578,777)	(6,034,846)
Net cash from operating activities		10,020,413	9,887,160
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		(1,659,269)	(981,975)
Interest received		363	3,541
Net cash used in investing activities		(1,658,906)	(978,434)
Net increase in cash and cash equivalents		(3,338,493)	(2,791,274)
Cash and cash equivalents, beginning of year		6,753,447	11,848,434
Cash and cash equivalents, end of period		3,414,954	9,057,160

(Unaudited)

COMMONWEALTH BREWERY LIMITED

Notes to Interim Consolidated Financial Statements (Unaudited)

Nine months ended September 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. Change in Management.

On September 3rd 2014, The Board of Directors unanimously adopted a resolution to appoint Mr. Hans Neven as the new Managing Director, and the replacement of Mr. Nicolaos Pinotsis

3. 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.