

COMMONWEALTH BREWERY LIMITED

Interim Consolidated Financial Statements (Unaudited)

Six months ended June 30, 2015

COMMONWEALTH BREWERY LIMITED

Management comments on Interim Consolidated Financial Statements (Unaudited)

Six months ended June 30, 2015

Revenue slightly increased by 0.2% in the second quarter compared to the same period last year, mainly driven by higher sales volume in beer. The strong Q1 performance and a stable Q2 leading to a year-to-date Revenue growth of 2.7%

Operating expenses increased by 4.0% in Q2, driven by higher packaging materials costs, higher cost of goods bought for resale, and investments in marketing activities.

Net income consequently decreased 9.8% compared to the first six months of 2014. Earnings per share for the 6 months ended June amounted to \$ 0.27, which is two cents below the level of the first half of 2014.

Changes in non-cash working capital resulted from heavy stock increases for new customers, and new SKUs added to the portfolio.

On March 19th, 2015 the board of directors declared a final dividend of \$0.36 per share related to 2014. This amount was paid on May 21st, 2015 to shareholders of record on May 7th 2015. Including the earlier payment of an interim dividend of \$0.25 per share, total dividend paid related to 2014 was \$0.61 per share.

COMMONWEALTH BREWERY LIMITED

Interim Consolidated Statement of Financial Position (Unaudited)

June 30, 2015 with corresponding figures for December 31, 2014

(Expressed in Bahamian dollars)

	June 2015	December 2014
Assets		
Current Assets:		
Cash and cash equivalents	(4,014,206)	7,125,222
Trade receivables	3,466,161	3,163,708
Prepaid expenses and other assets	4,621,338	1,791,837
Inventories	27,091,408	20,400,172
Total current assets	31,164,701	32,480,939
Non-current Assets:		
Goodwill	4,487,242	4,487,242
Property, plant and equipment - net	36,469,386	37,130,247
Intangible assets	130,551	156,017
Total non-current assets	41,087,179	41,773,506
Total assets	72,251,880	74,254,445
Liabilities and Equity		
Current Liabilities:		
Accounts payable and accrued expenses	13,270,781	12,431,642
Total current liabilities	13,270,781	12,431,642
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	7,096,254	7,096,254
Retained earnings	23,005,524	25,847,228
Total equity	58,981,099	61,822,803
Total liabilities and equity	72,251,880	74,254,445

COMMONWEALTH BREWERY LIMITED

Interim Consolidated Statement of Comprehensive Income (Unaudited)

For the three months ended June, 30, 2015, with corresponding figures for the three months ended June 30, 2014

(Expressed in Bahamian dollars)

	Note(s)	June 2015	June 2014
Revenue		32,409,891	32,360,301
Other income		180,781	(197,962)
Total income		32,590,672	32,162,339
Operating expenses:			
Raw materials, consumables and services		22,491,674	21,620,066
Personnel costs		4,611,137	4,381,153
Depreciation		788,355	742,061
Amortisation		12,733	5,000
Total operating expenses		27,903,899	26,748,279
Results from operating activities		4,686,773	5,414,060
Finance income		0	1,972
Net finance income		0	1,972
Net income and total comprehensive income		4,686,773	5,416,032
Basic and diluted earnings per share		0.16	0.18

(Unaudited)

COMMONWEALTH BREWERY LIMITED

Interim Consolidated Statement of Comprehensive Income (Unaudited)

For the six months ended June, 30, 2015, with corresponding figures for the six months ended June 30, 2014

(Expressed in Bahamian dollars)

	Note(s)	June 2015	June 2014
Revenue		60,983,257	59,405,618
Other income		488,333	1,753
Total income		61,471,590	59,407,371
Operating expenses:			
Raw materials, consumables and services		42,949,644	40,466,058
Personnel costs		9,000,120	8,598,419
Depreciation		1,538,064	1,507,308
Amortisation		25,466	10,000
Total operating expenses		53,513,294	50,581,785
Results from operating activities		7,958,296	8,825,587
Finance income		-	2,205
Net finance income		-	2,205
Net income and total comprehensive income		7,958,296	8,827,791
Basic and diluted earnings per share		0.27	0.29

(Unaudited)

COMMONWEALTH BREWERY LIMITED

Interim Consolidated Statement of Changes in Equity (Unaudited)

For the six months ended June 30, 2015

(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	7,096,254	25,847,228	61,822,803
Total comprehensive income					7,958,296	7,958,296
LTIP						
Dividends declared/paid					(10,800,000)	(10,800,000)
Balance at June 30, 2014	150,000	12,377,952	16,351,369	7,096,254	23,005,524	58,981,099

(Unaudited)

COMMONWEALTH BREWERY LIMITED

Interim Consolidated Statement of Cash Flows (Unaudited)

For the six months ended June 30, 2015, with corresponding figures for the six months ended June 30, 2014

(Expressed in Bahamian dollars)

	Note(s)	2015	2014
Cash flows from operating activities			
Net income and total comprehensive income		7,958,296	8,827,791
Adjustments for:			
Depreciation		1,538,064	1,507,308
Amortisation		25,466	10,000
Interest income		-	(2,205)
Net cash from operations before changes in working capital		9,521,826	10,342,894
Changes in non-cash working capital		(8,984,051)	(720,218)
Net cash from operating activities		537,775	9,622,676
Cash Flows from financing activities			
Repayments of bank loans			
Proceeds from issue of share capital			
Interest paid			
Dividends paid		(10,800,000)	(11,700,000)
Net Cash used in financing activities		(10,800,000)	(11,700,000)
Cash flows from investing activities			
Additions to property, plant and equipment		(877,203)	(1,207,861)
Interest received		-	2,205
Net cash used in investing activities		(877,203)	(1,205,656)
Net increase in cash and cash equivalents		(11,139,428)	(3,282,979)
Cash and cash equivalents, beginning of year		7,125,222	6,753,447
Cash and cash equivalents, end of period		(4,014,206)	3,470,468

(Unaudited)

COMMONWEALTH BREWERY LIMITED

Notes to Interim Consolidated Financial Statements (Unaudited)

Six months ended June 30, 2015
(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 19, 2015 the Board of Directors of the Company declared a final dividend of \$0.36 per share related to 2014 to be paid to the shareholders of record on May 7, 2015. The total declared amounted to \$10,800,000 with a payment date of May 21, 2015.