

AML FOODS LIMITED
UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED OCTOBER 31, 2018

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Expressed In thousands of Bahamian dollars)

	October 31, 2018	April 30, 2018
Assets		
Current assets		
Cash and bank balances	\$ 1,604	\$ 5,065
Term deposits with original maturities greater than 90 days	275	275
Receivables, net of provision	952	177
Merchandise inventories, net of provisions	20,261	18,981
Other current assets	2,202	2,569
Current assets held for sale	646	729
Total current assets	25,940	27,796
Non-current assets		
Other assets	3,138	3,138
Property, plant and equipment, net		
Property, land improvements, and buildings	30,899	31,067
Equipment	6,944	7,249
Leasehold improvements	4,493	5,106
Work in progress	2,853	1,736
	45,189	45,158
Goodwill	2,845	2,845
Total assets	\$ 77,112	\$ 78,937
Liabilities		
Current liabilities		
Bank overdrafts	\$ 376	\$ -
Accounts payable and accrued expenses	13,917	13,029
Current portion of preference shares	1,775	1,775
Current portion of bank loan	1,219	1,310
Current liabilities held for sale	30	24
Total current liabilities	17,317	16,138
Longterm liabilities		
Preference shares	10,211	11,986
Bank loan	9,338	9,892
	19,549	21,878
Shareholders' equity		
Ordinary share capital	7,524	7,524
Contributed surplus	2,231	2,231
Revaluation surplus	5,040	5,040
Dividends paid YTD	(1,053)	(1,204)
Net profit from operations	378	4,034
Retained Earnings	26,126	23,296
	40,246	40,921
Total liabilities and shareholders' equity	\$ 77,112	\$ 78,937

AML FOODS LIMITED
UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED OCTOBER 31, 2018
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Expressed In thousands of Bahamian dollars except per share amounts)

	Quarter ended October 31, 2018	Quarter ended October 31, 2017
Sales	\$ 38,517	\$ 37,831
Cost of sales	(27,163)	(25,512)
Gross profit	11,354	12,319
Selling, general and administrative expenses	(11,253)	(11,013)
Other operating income	192	188
Net operating profit	293	1,494
Interest expense	(130)	(144)
Dividends on preference shares	(206)	(233)
Net profit before pre-opening expenses	(43)	1,117
Pre-opening expenses	2	(231)
Net profit (loss) from continuing operations	(41)	886
Loss from discontinued operations	(67)	-
Net profit (loss)	\$ (108)	\$ 886
Earnings per share from continuing operations	\$ (0.003)	\$ 0.059
Earnings per share from discontinued operations	\$ (0.004)	\$ -
Earnings per share	\$ (0.007)	\$ 0.059

AML FOODS LIMITED
UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED OCTOBER 31, 2018
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Expressed In thousands of Bahamian dollars except per share amounts)

	Six months ended October 31, 2018	Six months ended October 31, 2017
Sales	\$ 79,954	\$ 77,572
Cost of sales	(56,028)	(52,237)
Gross profit	23,926	25,335
Selling, general and administrative expenses	(23,225)	(22,472)
Other operating income	464	349
Net operating profit (loss)	1,165	3,212
Interest expense	(262)	(247)
Dividends on preference shares	(413)	(466)
Net profit before pre-opening expenses	490	2,499
Pre-opening expenses	2	(308)
Net profit from continuing operations	492	2,191
Loss from discontinued operations	(114)	-
Net profit	\$ 378	\$ 2,191
Earnings per share from continuing operations	\$ 0.033	\$ 0.146
Earnings per share from discontinued operations	\$ (0.008)	\$ -
Earnings per share	\$ 0.025	\$ 0.146

AML FOODS LIMITED
UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED OCTOBER 31, 2018
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Expressed In thousands of Bahamian dollars)

	No. of Shares ('000s)	Retained Earnings	Share Capital	Contributed Surplus	Revaluation Surplus	Total
Balance as of April 30, 2017	15,049	\$ 23,296	\$ 7,524	\$ 2,231	\$ 3,159	\$ 36,210
Net profit from continuing operations		5,506			-	5,506
Net loss from discontinued operations		(1,472)			-	(1,472)
Declared dividends (\$0.08 per share)		(1,204)			-	(1,204)
Revaluation surplus					1,881	1,881
Balance as of April 30, 2018	15,049	26,126	7,524	2,231	5,040	40,921
Net profit from continuing operations		492	-	-	-	492
Net loss from discontinued operations		(114)				(114)
Declared dividends (\$0.07 per share)		(1,054)	-	-	-	(1,054)
Balance as of October 31, 2018	15,049	\$ 25,451	\$ 7,524	\$ 2,231	\$ 5,040	\$ 40,246

AML FOODS LIMITED
UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED OCTOBER 31, 2018
CONSOLIDATED STATEMENT OF CASH FLOWS

(Expressed In thousands of Bahamian dollars)

	Quarter ended October 31, 2018	Quarter ended October 31, 2017
Cash flows from operating activities		
Net profit (loss)	\$ (108)	\$ 886
Adjustments for:		
Impairment on discontinued operations	50	-
Depreciation and amortization of franchise fees	1,125	1,147
Dividends on preference shares	206	233
Increase in inventory provision	180	153
(Decrease) / Increase in provision for doubtful debts	(1)	5
Loss on disposal of property, plant and equipment	-	13
Operating cash flow before changes in working capital	1,452	2,437
Working capital source / (use)		
Merchandising inventories	(1,145)	315
Accounts receivable	11	(47)
Other current assets	272	866
Accounts payable and accrued expenses	(173)	(1,062)
Net cash provided by operating activities	417	2,509
Investing activities source / (use)		
Additions to property, plant and equipment	(982)	(2,471)
Net cash used in investing activities	(982)	(2,471)
Financing activities source / (use)		
Repayment of preference shares	(1,775)	(1,775)
Dividends on ordinary shares	(451)	(301)
Dividends paid on preference shares	(206)	(233)
Repayment of bank loan	(325)	(309)
Net cash used in financing activities	(2,757)	(2,618)
Decrease in cash	(3,322)	(2,580)
Cash, beginning of period	4,849	4,542
Cash, end of period	1,527	1,962
Movement for period	\$ (3,322)	\$ (2,580)

Cash and cash equivalents comprise cash less bank overdrafts and includes cash from Carl's Jr.

AML FOODS LIMITED

EXPLANATORY NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Quarter Ended October 31, 2018

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 2017 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, and Solomon’s Fresh Market Limited.

2. DECLARED DIVIDENDS

On December 12, 2018, the Board of Directors approved payment of ordinary dividends of \$0.03 per share payable on December 28, 2018 to shareholders of record on December 21, 2018. The Company paid an ordinary dividend of \$0.03 per share on September 28, 2018.

3. BANK LOANS

The Company has two bank loans with RBC Royal Bank (Bahamas) Limited which bear a blended interest rate of 4.75% each. At October 31, 2018, the total principal amount outstanding on the Company’s loans was \$10.9m.

4. DISCONTINUED OPERATIONS

On December 11, 2017, the Company ceased operations at all three of its Carl’s Jr. franchise locations and, accordingly, deconsolidated this entity from the Company’s financial statements. The assets and liabilities from Carl’s Jr. are reflected on the statement of financial position as assets and liabilities held for sale. The fixed assets have been adjusted to fair market value in anticipation of sale of furniture, fixtures, and equipment. At October 31, 2018, the Company has opted out of one lease commitment and has entered into an agreement to sell the equipment and to sub-lease the premises of the other.

AML FOODS LIMITED

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LEGAL COUNSEL

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REGISTRAR & TRANSFER AGENTS

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DIRECTORS

Franklyn Butler, II (Chairman)
Robert L. Sands
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Mike Maura Jr.
Alison Treco
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