

Unaudited Financial Statements of

**COMMONWEALTH BREWERY LIMITED**

Three months ended March 31, 2021

# **COMMONWEALTH BREWERY LIMITED**

Management comments on Interim Financial Statements (Unaudited)

Three months ended March 31, 2021

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## **Financial Update**

Commonwealth Brewery Ltd.'s (CBL's) revenue decreased by 15% during the first quarter of the year compared to the same period last year. This decrease was expected as it was a direct result of the COVID 19 pandemic that began to have a negative impact on our business during the end of the first quarter in 2020. Although, there was an overall decrease in revenue during the quarter compared to the same period last year, there has been a steady rise in revenue during the quarter with a 37% increase between January and the end of March.

Operating expenses decreased by nearly \$4 million or 15% in 2021 over the same period in 2020. This was mainly due to a decrease in personnel expenses and raw materials, consumables, and services. The decrease in personnel expenses were a result of downsizing of staff in the company that began during the end of Q4 2020. On the other hand, various factors contributed to the decline in raw materials, consumables, and services related principally to the fall in business activity.

Subsequently, CBL experienced a net loss for the period of \$284.2 thousand - a similar result as Q1 2020 - mainly driven by the factors described above. Management is confident that measures implemented and being implemented, to mitigate the negative impact to operations of the current economic slowdown are being successful.

# COMMONWEALTH BREWERY LIMITED

## Statement of Financial Position (Unaudited)

March 31, 2021, with corresponding figures for December 31, 2020

(Expressed in Bahamian dollars)

	March 2021	December 2020
<b>Assets</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 6,388,763	5,599,574
Trade receivables, net	2,722,707	3,030,847
Prepaid expenses and other assets	3,438,323	5,485,331
Inventories	24,057,938	23,963,687
Total current assets	36,607,731	38,079,439
<b>Non-current assets:</b>		
Property, plant, and equipment	43,081,467	43,790,031
Right of use asset	6,251,526	6,612,032
Goodwill	4,487,242	4,487,242
Other intangible assets	1,933,700	1,957,788
Total non-current assets	55,753,935	56,847,093
Total assets	\$ 92,361,666	94,926,532
<b>Liabilities and equity</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued expenses	\$ 17,040,548	17,872,736
Short-term lease liability	2,240,387	2,408,602
Loans and borrowings	7,928,422	9,026,583
Total current liabilities	27,209,357	29,307,921
<b>Non-current liabilities:</b>		
Long-term lease liability	4,275,681	4,457,825
Total liabilities	31,485,038	33,765,746
<b>Equity:</b>		
Share capital	150,000	150,000
Share premium	12,377,952	12,377,952
Contributed surplus	16,351,369	16,351,369
Revaluation surplus	8,084,462	8,084,462
Retained earnings	23,912,845	24,197,003
Total equity	60,876,628	61,160,786
Total liabilities and equity	\$ 92,361,666	94,926,532

## COMMONWEALTH BREWERY LIMITED

### Interim Statement of Profit or Loss (Unaudited)

For the three months ended March 31, 2021, with corresponding figures for the three months ended March 31, 2020

(Expressed in Bahamian dollars)

	March 2021	March 2020
<b>Income:</b>		
Revenue	\$ 24,244,250	28,609,592
Excise	(2,449,437)	(2,916,031)
Net revenue	21,794,813	25,693,561
<b>Operating expenses:</b>		
Raw materials, consumables, and services	15,622,056	18,604,289
Personnel costs	4,111,897	5,264,724
Depreciation	1,682,488	1,501,012
Amortisation	104,938	96,140
Total operating expenses	21,521,379	25,466,165
Other expense, net	434,082	192,953
Results from operating activities	(160,648)	34,443
Finance expenses	123,510	172,868
Total comprehensive (loss)	\$ (284,158)	(138,425)
Basic and diluted earnings per share	\$ (0.01)	(0.005)

## COMMONWEALTH BREWERY LIMITED

### Interim Statement of Changes in Equity (Unaudited)

For the three months ended March 31, 2021

(Expressed in Bahamian dollars)

	Share capital	Share premium	Contributed surplus	Revaluation surplus	Retained earnings	Total equity
Balance at December 31, 2020	150,000	12,377,952	16,351,369	8,084,462	24,197,003	61,160,786
Comprehensive (loss)	—	—	-	-	(284,158)	(284,158)
Balance at March 31, 2021	\$ 150,000	12,377,952	16,351,369	8,084,462	23,912,845	60,876,628

# COMMONWEALTH BREWERY LIMITED

## Statement of Cash Flows (Unaudited)

For the three months ended March 31, 2021, with corresponding figures for the three months ended March 31, 2020

(Expressed in Bahamian dollars)

	2021	2020
<b>Cash flows from operating activities</b>		
Net (loss)	\$ (284,158)	(138,425)
Adjustments for:		
Depreciation	1,682,488	1,501,012
Amortisation	104,938	96,140
Impairment loss recognized on trade receivables	98,224	482,118
(Gain) on disposal of property, plant and equipment	(8,394)	(20,500)
Finance expense	123,510	172,868
Net cash from operation activities	1,716,608	2,093,213
Changes in non-cash working capital	1,340,632	726,429
Net cash from operations before changes in working capital	3,057,240	2,819,642
<b>Cash flows from financing activities</b>		
Repayment of loans and borrowings	(1,098,161)	(1,021,795)
Interest paid	(123,510)	(172,868)
Net cash used in financing activities	(1,221,671)	(1,194,663)
<b>Cash flows from investing activities</b>		
Additions to property, plant and equipment	(373,459)	(793,352)
Additions to intangible assets	(80,850)	(19,743)
Repayment of lease liabilities	(600,465)	(544,496)
Proceeds from sale of property, plant and equipment	8,394	20,500
Net cash used in investing activities	(1,046,380)	(1,337,091)
Net increase in cash and cash equivalents	789,189	287,888
Cash and cash equivalents, beginning of quarter	5,599,574	1,503,071
Cash and cash equivalents, end of quarter	\$ 6,388,763	1,790,959

## **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.