

REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS

To the Shareholders of Barbados Dairy Industries Limited

Opinion

The summary financial statements, which comprise the summary statement of financial position as at 31 December 2016, the summary statement of comprehensive income, summary statement of changes in equity and summary statement of cash flows for the period then ended and related notes, are derived from the complete audited financial statements of Barbados Dairy Industries Limited for the period ended 31 December 2016.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements, on the basis described in Note 1.

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards ("IFRSs"). Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon.

Summary Statement of Comprehensive Income

16 Months ended 31 December 2016

(with comparatives for the year ended 31 August 2015)

(Expressed in Barbados dollars)

	Audited 2016 \$'000	Audited 2015 \$'000
Sales	84,790	62,206
Operating profit from operations before underrated items	11,461	3,375
Restructuring costs	(477)	-
Interest expense	(510)	(587)
Income before taxation	10,474	2,788
Taxation	1,453	558
Net income for the period/year	11,927	3,346
Other comprehensive loss, net of tax	(61)	(563)
Total comprehensive income for the period/year	11,866	2,783
Earnings per share - basic and diluted	\$2.54	\$0.71

Summary Statement of Financial Position

As at 31 December 2016 (with comparatives as at 31 August 2015)

(Expressed in Barbados dollars)

	Audited 2016 \$'000	Audited 2015 \$'000
Current assets	27,442	22,182
Asset classified as held for sale	40	-
	27,482	22,182
Current liabilities	(14,045)	(21,293)
Working capital	13,437	889
Property, plant and equipment	18,920	22,678
Pension plan asset	4,030	3,926
Deferred tax asset	6,353	4,889
Long-term liabilities	(2,570)	(4,051)
Post-employment medical liability	(325)	(352)
	39,845	27,979
Shareholders' equity		
Share capital	998	998
Other Reserves	(765)	(704)
Retained earnings	39,612	27,685
	39,845	27,979

Note 1

The summary financial statements are prepared in accordance with criteria developed by management. Under management's established criteria, management discloses the summary statement of financial position, summary statement of comprehensive income, summary statement of changes in equity and summary statement of cash flows. These summary financial statements are derived from the audited financial statements of Barbados Dairy Industries Limited for the period ended 31 December 2016, which are prepared in accordance with International Financial Reporting Standards.

The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 21 April 2017. That report also includes the communication of Key Audit Matters. Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period.

The audited financial statements and the summary financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

Responsibilities of Management for the Summary Financial Statements

Management is responsible for the preparation of the summary financial statements in accordance with Note 1.

Auditor's Responsibilities for the Audit of the Summary Financial Statements

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.

Ernst & Young Ltd

CHARTERED ACCOUNTANTS
Bridgetown, BARBADOS
21 April 2017

Summary Statement of Cash Flows

16 Months ended 31 December 2016

(with comparatives for the year ended 31 August 2015)

(Expressed in Barbados dollars)

	Audited 2016 \$'000	Audited 2015 \$'000
Cash flows from operating activities		
Income before taxation	10,474	2,788
Adjustments for non-cash items	5,394	4,207
Operating profit before working capital changes	15,868	6,995
Net working capital changes	(7,859)	(4,826)
Net cash from operating activities	8,009	2,169
Net cash used in investing activities	(1,368)	(755)
Net cash used in financing activities	(1,199)	(139)
Increase in cash	5,442	1,275
Cash - beginning of period/year	(2,118)	(3,393)
Cash - end of period/year	3,324	(2,118)

Summary Statement of Changes in Equity

16 Months ended 31 December 2016

(with comparatives for the year ended 31 August 2015)

(Expressed in Barbados Dollars)

	Audited 2016 \$'000	Audited 2015 \$'000
Balance at the beginning of the period/year	27,979	25,196
Net comprehensive income for the period/year	11,866	2,783
Balance at the end of the period/year	39,845	27,979

Directors' Statement:

The company changed its year end from 31st August to 31st December to align with its parent company - Banks Holdings Limited.

The change resulted in a reporting period of 16 months as compared to the 12 month period of the previous year; the increase of 4 months was a contributing factor to the record performance however the result was more due to the determination and commitment of the team to improve in all aspects of the operation.

The continued improvement in profits has resulted in an increase in our Deferred Tax Asset as tax losses not previously recognised can now be booked; this was not possible in prior years as there was not full confidence that the future profitability would be sufficient to utilise these losses.

The improved profitability has also strengthened the balance sheet with working capital growing to its highest level in several years.

M Juliano

Marcio Juliano
Chairman

C. Richard Cozier

C. Richard Cozier F.C.G.A.
Director