

## Directors' Statement:

The Group recorded an improved performance in 2014 as against the previous year, making meaningful progress with its restructuring and cost reduction projects in an environment of low revenue growth. Revenues increased 2.6% while Profit from operations (parent and subsidiaries) increased by over 100%, which is an encouraging milestone on the journey to achieving higher returns for shareholders.

During the year we instituted changes to our distribution system in line with recommendations arising from a consultancy with an international organisation; those changes resulted in severance costs of \$1.7 million. Further, we were required to book an impairment on investment property of \$700 thousand. Despite these two unfavourable items, income from operations benefitted from reductions in other areas and collectively with the higher operational profit, improved by almost \$4 million turning the prior year's loss around.

Income from Associates also increased, reflecting reduced losses at Citrus Products of Belize Limited together with somewhat stronger performances in the other businesses.

All taken into account, Profit attributable to Equity Holders of the Parent grew by just over \$7 million or 128%.

## Summary Consolidated Statement of Income Year ended 31 August 2014 (Expressed in Barbados dollars)

	Audited 2014 \$'000	Restated Audited 2013 \$'000
<b>Revenue</b>	<b>183,635</b>	<b>179,001</b>
<b>Profit from operations - parent and subsidiaries</b>	<b>6,882</b>	3,062
Impairment of decommissioned assets	-	(431)
Restructuring costs	(1,682)	(492)
Change in fair value of Investment Property	(700)	-
Loss on Sale of Investment Property	-	(208)
Impairment of Intangible Asset	-	(579)
Net interest expense	(2,378)	(3,197)
Income (loss) from operations - parent and subsidiaries	2,122	(1,845)
Share of income of associated companies	10,694	7,921
<b>Income before taxation</b>	<b>12,816</b>	6,076
Taxation	(398)	(1,194)
<b>Net income for the year</b>	<b>12,418</b>	4,882
<b>Attributable to:</b>		
Equity holders of the parent	12,566	5,497
Non-controlling interests	(148)	(615)
	<b>12,418</b>	4,882
<b>Earnings per share</b>		
Basic and diluted earnings per share attributable to equity holders of the parent		
(2013: previously reported - 9.3¢)	<b>19.4¢</b>	8.5¢

## Summary Consolidated Statement of Cash Flows Year ended 31 August 2014 (Expressed in Barbados dollars)

	Audited 2014 \$'000	Restated Audited 2013 \$'000
<b>Cash flows from operating activities</b>		
Income before taxation	12,816	6,077
Adjustments for non-cash items	18,686	18,574
Share of income of associated companies	(10,694)	(7,922)
<b>Operating profit before working capital changes</b>	<b>20,808</b>	16,729
Net working capital changes	858	(1,192)
Corporation taxes (paid)/refunded	(1)	20
<b>Net cash from operating activities</b>	<b>21,665</b>	15,557
<b>Net cash (used in)/from investing activities</b>	<b>(5,039)</b>	2,852
<b>Net cash used in financing activities</b>	<b>(8,977)</b>	(11,016)
<b>Increase in cash</b>	<b>7,649</b>	7,393
<b>Cash - beginning of year</b>	<b>(2,971)</b>	(10,364)
<b>Cash - end of year</b>	<b>4,678</b>	(2,971)

## SUMMARY CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2014 FOR BANKS HOLDINGS LIMITED & ITS SUBSIDIARIES

With respect to the Group's Financial Position, cash flows improved by \$7.6 million allowing for a reduction of current liabilities without an increase in borrowing while lower inventory carrying values were also achieved. The Wildey property, which remains unsold, was reclassified within Investment Property under the accounting standards but the Company's desire and intention to sell this property has not changed.

After some years of reduced dividends, the Directors are pleased to advise of an increase in the dividend from 7 cents last year to 10 cents this year.

The Group continues to strive to address competition so as to improve revenues, as well as to seek further cost efficiencies in its operations, and stands ready to benefit from any upturn in the economy when it arrives.

  
G. Anthony King  
Chairman

  
C.R.A. Cozier F.C.G.A.  
Chief Executive Officer

## Summary Consolidated Statement of Financial Position Year ended 31 August 2014 (Expressed in Barbados dollars)

	Audited 2014 \$'000	Restated Audited 2013 \$'000	Restated Audited 2012 \$'000
<b>Current assets</b>	<b>52,592</b>	53,379	51,580
<b>Assets classified as held for sale</b>	<b>-</b>	11,611	11,211
	<b>52,592</b>	64,990	62,791
<b>Current liabilities</b>	<b>31,627</b>	42,698	51,582
<b>Working capital</b>	<b>20,965</b>	22,292	11,209
<b>Investments in associated companies</b>	<b>114,305</b>	106,718	101,035
<b>Property, plant and equipment</b>	<b>151,889</b>	164,114	174,776
<b>Other non-current assets</b>	<b>26,492</b>	13,264	20,131
<b>Deferred tax asset</b>	<b>8,662</b>	8,827	10,093
<b>Long-term liabilities</b>	<b>(19,835)</b>	(20,596)	(24,754)
<b>Other non-current liabilities</b>	<b>(1,836)</b>	(1,775)	(1,785)
	<b>300,642</b>	292,844	290,705
<b>Equity</b>			
Share capital	145,865	145,952	145,966
Capital reserves	26,749	33,125	31,184
Retained earnings	122,047	107,419	106,462
Attributable to equity holders of the parent	294,661	286,496	283,612
Non-controlling interests	5,981	6,348	7,093
<b>Total equity</b>	<b>300,642</b>	292,844	290,705

## Summary Consolidated Statement of Changes in Equity Year ended 31 August 2014 (Expressed in Barbados dollars)

	Audited 2014 \$'000	Restated Audited 2013 \$'000
Balance at the beginning of the year	292,844	290,705
Total comprehensive income for the year	12,566	6,835
Other share capital movements	(86)	(14)
Dividends paid	(4,540)	(4,540)
Other movements	(142)	(142)
	<b>300,642</b>	<b>292,844</b>