



**SALADA FOODS JAMAICA LIMITED**  
**UNAUDITED FINANCIAL STATEMENT**  
**JUNE 30, 2021**  
**3RD QUARTER**



## INTERIM REPORT TO SHAREHOLDERS

The Board of Directors is pleased to release the third quarter financial results for Salada Foods Jamaica Limited, for the period ending June 30, 2021.

	3 months		% Change	9 months		% Change
	June 30	June 30		June 30	June 30	
	2021	2020		2021	2020	
	\$'000	\$'000		\$'000	\$'000	
Gross Revenue	310,738	256,769	17%	890,033	819,551	9%
Gross Margin	33.0%	30.8%	7%	30.4%	28.2%	8%
Operating Profit	58,550	35,490	39%	138,748	87,756	58%
Interest and Other Investment income and Exchange Gains	8,631	(3,625)	142%	15,128	(39,737)	138%
Profit after Tax	50,930	23,818	53%	115,405	35,519	225%
EPS (cents)	4.9	2.3	53%	11.1	3.4	222%

Salada's net profit for the nine months ending June 30, 2021, was \$115.41M, a 225% increase over the corresponding period's \$35.52M. Revenues increased 9% year over year to \$890.03M from \$819.55M. Export accounting for 22% of the total revenue with sales to both the Tri-States area and Florida, as well as Canada continue to record double digit year on year growth. Domestic sales were up 9% when compared to the corresponding period last year.

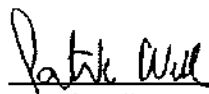
Earnings per share was 11.1 cents against the prior period's 3.4 cents, while gross margins improved by 8% and operating profit for the period was up 58% (\$138.75M) when compared to the \$87.75M last year.


These positive developments resulted from being able to source and use competitively priced coffee green beans used in the manufacture of our flag ship products, the mix of products sold during the period, and expense reduction.

For the quarter ending June 30, 2021, Salada recorded a 17% increase in revenue against June 30, 2020 with both gross margins and operating profit improving by 7% and 39% respectively. Net profit for the quarter of \$50.93M was 53% better than the prior year's quarter at \$28.82M.

The Group's Balance Sheet, which is debt free, remains healthy with total assets of \$1.22B in comparison to the \$1.097B of prior year.

Outlook to year end is cautiously optimistic, in spite of improving economic conditions in Jamaica and our export markets, the Covid-19 pandemic is still negatively impacting consumer confidence.

  
Patrick Williams - Chairman

  
Kathryn Lewis-Green - Director



**Unaudited Consolidated Statement of Comprehensive Income**  
**For Nine Months ending June 30, 2021**

	Three Months ended		Nine Months ended	
	June 30 2021	June 30 2020	June 30 2021	June 30 2020
	\$'000	\$'000	\$'000	\$'000
Sales	310,738	256,769	890,033	819,551
Cost of Sales	(208,256)	(177,597)	(619,356)	(588,229)
<b>Gross Profit</b>	<b>102,482</b>	<b>79,172</b>	<b>270,677</b>	<b>231,322</b>
<b>Other operating (loss)/income</b>	<b>846</b>	<b>73</b>	<b>949</b>	<b>679</b>
Administrative expenses	(31,221)	(30,336)	(96,701)	(97,507)
Selling and promotional expenses	(13,558)	(13,420)	(36,178)	(46,739)
<b>Operating profit</b>	<b>58,550</b>	<b>35,490</b>	<b>138,748</b>	<b>87,756</b>
Net Finance income	8,631	(3,625)	15,128	(39,737)
<b>Profit before taxation</b>	<b>67,181</b>	<b>31,866</b>	<b>153,876</b>	<b>48,019</b>
Taxation	(16,250)	(8,048)	(38,469)	(12,500)
<b>Total comprehensive income/(Loss)</b>	<b>50,930</b>	<b>23,818</b>	<b>115,405</b>	<b>35,519</b>
<b>Attributable to:</b>				
Stockholders of the company	50,930	23,915	115,405	35,786
Non-controlling interest	0	(99)	0	(267)
	<b>50,930</b>	<b>23,818</b>	<b>115,405</b>	<b>35,519</b>
<b>Earnings per stock unit</b>	<b>\$0.05</b>	<b>\$0.02</b>	<b>\$0.11</b>	<b>\$0.03</b>



## Unaudited Consolidated Statement of Financial Position June 30, 2021

	Unaudited June 30 2021 \$'000	Unaudited June 30 2020 \$'000	Audited September 30 2020 \$'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	126,719	128,734	125,780
Intangible assets	1,300	1,300	1,300
Investment	104,796	100,869	99,507
Deferred tax asset	24,174	15,441	17,521
	<u>256,989</u>	<u>246,344</u>	<u>244,108</u>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	166,959	99,800	170,859
Investments	151,361	100,543	152,951
Accounts receivable	158,889	181,988	148,351
Inventories	486,762	469,046	405,274
	<u>963,971</u>	<u>851,377</u>	<u>877,435</u>
<b>TOTAL ASSETS</b>	<u><b>1,220,963</b></u>	<u><b>1,097,721</b></u>	<u><b>1,121,543</b></u>
<b>STOCKHOLDERS' EQUITY</b>			
Share capital	73,216	73,216	73,216
Capital reserves	16,275	16,275	16,275
Retained earnings	875,000	836,517	867,633
	<u>964,491</u>	<u>926,008</u>	<u>957,124</u>
<b>NON-CONTROLLING INTEREST</b>	-	788	-
	<u>964,491</u>	<u>926,796</u>	<u>957,124</u>
<b>CURRENT LIABILITIES</b>			
Accounts payable	230,582	170,673	158,278
Current portion of Finance lease obligation	-	-	-
Tax payable	25,890	252	6,141
	<u>256,472</u>	<u>170,925</u>	<u>164,419</u>
<b>TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES</b>	<u><b>1,220,963</b></u>	<u><b>1,097,721</b></u>	<u><b>1,121,543</b></u>

Approved by:

Patrick Williams - Chairman

Kathryn Lewis-Green - Director



**Unaudited Consolidated Statement of Changes in Equity  
Attributable to Stockholders of the Company  
For Nine Months Ending June 30, 2021**

	Share Capital \$'000	Capital Reserve \$'000	Retained Earnings \$'000	Non- controlling Interest \$'000	Total \$'000
Balances at September 30, 2020	73,216	16,275	867,633	0	957,124
Total comprehensive income for the period			115,405	0	115,405
	73,216	16,275	983,038	0	1,072,530
Dividends paid			(108,039)		(108,039)
<b>Balances at June 30, 2021</b>	<b>73,216</b>	<b>16,275</b>	<b>875,000</b>	<b>0</b>	<b>964,491</b>

	Share Capital \$'000	Capital Reserve \$'000	Retained Earnings \$'000	Non- controlling Interest \$'000	Total \$'000
Balances at September 30, 2019	73,216	16,275	925,390	1,055	1,015,936
Total comprehensive income for the period			35,786	(267)	35,519
	73,216	16,275	961,176	788	1,051,456
Dividends paid			(124,660)		(124,660)
<b>Balances at June 30, 2020</b>	<b>73,216</b>	<b>16,275</b>	<b>836,516</b>	<b>788</b>	<b>926,796</b>



## Unaudited Consolidated Statement of Cash Flows Period ending June 30, 2021

	Unaudited June 30 2021 \$'000	Unaudited June 30 2020 \$'000
<b>Cash flows from operating activities:</b>		
Profit for the period	115,405	35,519
Adjustments for Items not involving cash:		
Depreciation	20,149	16,133
Income Tax Expense	27,805	4,944
Deferred Taxation	10,665	7,556
Interest Income	(3,731)	(2,698)
	<u>170,292</u>	<u>61,453</u>
Changes in operating assets and liabilities:		
Inventories	(81,489)	(85,957)
Accounts receivable	(14,557)	49,933
Accounts payable	95,468	10,242
Mortgage Receivable	-	-
Cash provided by operations	<u>169,715</u>	<u>35,672</u>
Taxation paid or deducted at source	(20,768)	(26,398)
Net cash provided by operating activities	<u>148,948</u>	<u>9,274</u>
<b>Cash flows from investing activities</b>		
Investments, Net	(27,086)	85,684
Long term Receivables	0	8,414
Interest Received	3,341	2,156
Purchase of property, plant and equipment	(21,064)	(23,687)
Cash provided/(used) by investing activities	<u>(44,809)</u>	<u>72,567</u>
<b>Cash flows from Financing activities</b>		
Shares issued during period, being cash provided		
Mortgage Receivable-current portion	0	7,267
Interest Expense	-	-
Cash used by Financing Activities	<u>0</u>	<u>7,267</u>
Cash provided before dividends	104,139	89,108
Dividends paid	(108,039)	(124,660)
Increase/(decrease) in cash and cash equivalents	<u>(3,900)</u>	<u>(35,552)</u>
Cash and cash equivalents at beginning of period	<u>170,859</u>	<u>135,352</u>
Cash and cash equivalents at end of period	<u><u>166,959</u></u>	<u><u>99,800</u></u>



## Notes to the Interim Financial Statements

Period ending June 30, 2021

### 1) Identification

Salad Foods Jamaica Limited ("the company") is incorporated and domiciled in Jamaica. Its principal activity is the manufacture and sale of instant coffee, roasted and ground coffee beans and other consumer products. The company and its subsidiaries are collectively referred to as the "group". The company's registered office is located at 20 Bell Road, Kingston 11 Jamaica, West Indies. Effective February 1, 2017, the company outsourced the distribution of its core products in local market to its subsidiary, Mountain Peak Food Processors Limited.

### 2) Statement of compliance, basis of preparation and significant accounting policies

#### a) Statement of Compliance:

- i) The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations, issued by the International Accounting Standards Board (IASB), and comply with the provisions of the Jamaican Companies Act.

#### b) Basis of preparation

- i) These financial statements are presented in Jamaican dollar (\$), which is the functional currency of the group. All information presented in Jamaican dollars has been rounded to the nearest thousand except when otherwise indicated.
- ii) The financial statements are prepared on the historical cost basis, where necessary, prior period comparatives have been reclassified to conform to current period presentation. The same accounting policies and methods of computation are followed in the interim financial statements, as were followed in the most recent annual financial statements.

#### c) Significant accounting policies

##### i) Property, plant & equipment:

Property, plant & equipment are measured at historical cost or deemed cost, less accumulated depreciation, and impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the group and its cost can be measured reliably. The cost of day-to-day servicing of property, plant and equipment is recognised in profit or loss.



## Notes to the Interim Financial Statements Period ending June 30, 2021

### 2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

#### c). Significant accounting policies (cont'd)

##### ii) Depreciation:

Depreciation is computed on a straight-line basis at annual rates estimated to write down the property, plant & equipment to their estimated residual values at the end of their expected useful lives. No depreciation is charged on freehold land.

Annual depreciation rates are as follows:

Buildings	2.5 - 10%
Infrastructure	2.5 - 10%
Machinery and equipment	2.5 - 20%
Motor vehicles	20%

The depreciation methods, useful lives and residual values are reassessed at the reporting date.

##### iii) Inventories:

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average cost basis. The cost of finished goods and work-in-progress comprises raw and packaging materials, direct labour, other direct costs, and a proportion of related production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses comprising raw material packaging and goods in transit is based on their costs.

The cost of other inventories comprising raw and packaging materials and goods in transit is based on their cost and expenses incurred in acquiring and bringing them to their existing location and condition.

##### iv) Accounts receivable:

Trade and other receivables are stated at amortised cost, less impairment losses.

##### v) Cash and cash equivalents:

Cash and cash equivalents comprise cash and bank balances, other short-term investments and other monetary instruments with maturities ranging between one and three months from the reporting date.

##### vi) Accounts payable:

Trade and other payables are stated at amortised cost.





## Notes to the Interim Financial Statements Period ending June 30, 2021

### 2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

#### c). Significant accounting policies (cont'd)

##### vii) Revenue:

Revenue from the sale of goods is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or material associated costs on the possible return of goods.

##### viii) Income tax:

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the profit or loss except to the extent that it relates to items recognised directly to equity, in which case it is recognised in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the reporting date.

##### (ix) Finance leases:

###### (i) Determining whether an arrangement contains a lease

At inception of an arrangement, the company determines whether an arrangement is or contains a lease. If the company concludes for a finance lease that it is impracticable to separate payments reliably, then an asset and a liability are recognised as the amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the company's incremental borrowing rate.

###### (ii) Leased assets:

Assets held by the company under leases that transfer to the company substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.



## Notes to the Interim Financial Statements Period ending June 30, 2021

The depreciation rates applied to leased assets are consistent with similar owned assets, except where there is no reasonable certainty that the lessee will obtain ownership by the end of the lease term, in which case the asset is depreciated at the shorter of the lease term and its useful life.

Assets held under other leases are classified as operating leases and are not recognised in the company's statement of financial position.

(iii) Lease payments:

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term to produce a constant periodic rate of interest on the remaining balance of the liability.

## 2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

c). Significant accounting policies (cont'd)

(x) Segment reporting:

An operating segment is a component of the group that engages in business activities from which it may earn revenues and incur expenses; whose operating results are regularly reviewed by the entity's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segment and assess its performance; and for which discrete financial information is available.

Based on the information presented to and reviewed by the CODM, the entire operations of the company are considered as one operating segment.



**Notes to the Interim Financial Statements**

Period ending June 30, 2021

**2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)**

(y) Earnings per ordinary stock unit:

Basic earnings per share are calculated by dividing the net profit attributable to members by the number of stock units in issue during the year. Effective March 31, 2021, each issued share of no par value in the capital of the company was subdivided into 10 ordinary shares of no par value.

Weighted Average Number of Shares-Stock Split			
	2021	2020	Comments
Profit after Tax	115,405,000.00	35,519,000.00	
EPS	<u>115,405,000.00</u>	<u>35,519,000.00</u>	
	1,038,830,000.00	1,038,830,000.00	
	0.11	0.03	*2020 restated based on IAS 33 treatment

# SALADA FOODS JAMAICA LIMITED (GROUP)



SALADA FOODS JAMAICA LIMITED  
QUARTERLY REPORT  
AS AT 30 JUNE 2021

**10 LARGEST SHAREHOLDERS**

SHAREHOLDERS	SHAREHOLDING
RESOURCE IN MOTION LIMITED	602,367,000
AIC (JAMAICA) LIMITED	89,881,200
DONWIS LIMITED	75,042,800
IDEAL PORTFOLIO SERVICES COMPANY LIMITED	39,466,380
IDEAL BETTING COMPANY LIMITED	27,553,100
IDEAL GROUP CORPORATION LIMITED	27,260,000
IDEAL FINANCE CORPORATION LIMITED	26,200,000
DONOVAN A. LEWIS	16,774,000
PAM - POOLED EQUITY FUND	10,880,450
CARIBBEAN TRUST & MERCHANT BANK	10,307,600
	925,732,530

**SHAREHOLDINGS OF DIRECTORS & CONNECTED PARTIES**

DIRECTORS	TOTAL SHAREHOLDING	DIRECT	CONNECTED
BERNARD, MICHAEL	0	0	0
LEWIS, KATHRYN	824,469,610	10,000	824,459,610
STULTZ, ERIC*	2,720,000	0	2,720,000
WILLIAMS, PATRICK*	3,443,850	0	3,443,850

**SENIOR MANAGEMENT HOLDINGS**

SENIOR MANAGERS	TOTAL SHAREHOLDING	DIRECT	CONNECTED
BLAKE-BENNETT, DIANNA	201,500	201,500	0
HAMILTON, ZAYOUS	0	0	0
LLOYD, STEVEN	0	0	0

COMPANY SECRETARY	TOTAL SHAREHOLDING	DIRECT	CONNECTED
SMITH, MICHELLE	0	0	0

**Notes**

\*Eric Stultz and Patrick Williams/Patricia Williams/Bella Williams owns shares held through Ideal Portfolio Services Company Limited