



**SALADA FOODS JAMAICA LIMITED**  
**UNAUDITED FINANCIAL STATEMENT**  
**DECEMBER 31, 2021**  
**1ST QUARTER**



## SALADA FOODS JAMAICA LIMITED (GROUP)

### INTERIM REPORT TO SHAREHOLDERS

The Directors of Salada Foods Jamaica Limited are pleased to present the unaudited financial results of the Group for the first three months ended December 31, 2021.

	3 months December 30, 2021	3 months December 30, 2020	% Change
Gross Revenue	\$ 289,347,000	\$ 226,360,000	28%
Gross Margin	31.8%	25.5%	25%
Operating Profit	\$ 43,160,000	\$ 16,467,000	162%
Interest and Exchange Gains	\$ 12,732,000	\$ 1,253,000	916%
Profit after Tax	\$ 41,920,000	\$ 13,104,000	220%
EPS	\$ 0.04	\$ 0.01	220%

Revenue for the period increased by 28% to \$289.3 million from \$226.4 million recorded in the same period in 2020.

The Company maintained strong domestic and export sales across its diverse range of products resulting in increases of 46% and 8% respectively over the prior year. Revenue from export sales, coupled with the devaluation of the Jamaica dollar, resulted in a 768% increase in foreign exchange gains of \$11.731 million versus a foreign exchange loss of \$1.757 million from the previous corresponding period.

Operating profit for the quarter increased by 162% to \$43.16 million from \$16.47 million at the last corresponding reporting period. Sales and Promotional Expenses increased by 32.4% from \$12.139 million to \$16.071 million from the corresponding period of the previous year as the Company employed targeted activities for key consumer groups.

Net profit attributable to shareholders for the three months ended December 31, 2021 totalled \$41.9 million, an increase of 220% as compared to the first quarter of 2020. Earnings for the quarter were \$0.04 per stock unit (2020: \$0.01).

The Company declared a dividend of \$0.055 which was paid on December 20, 2021 to shareholders on record as of December 3, 2021. This payment totalled \$57.14 million.



Encouraged by the positive impact on students attending the Jebb Memorial Basic School, the Company increased its commitment to the institution. As the learning facility embarks earnestly on a clear path to Early Childhood Commission (ECC) Certification, the Company will support teacher salaries in addition to covering the cost of internet and pest control services.

The Company appointed Mrs. Tamii Brown as Acting General Manager effective November 1, 2021. As the Company grapples with the ongoing impact of the COVID-19 pandemic as well as costly supply chain challenges and increasing inflation, the management team remains focused on delivering strong results and increasing shareholder value.

A handwritten signature in blue ink that reads "Patrick Williams". The signature is written over a horizontal dotted line.

Patrick Williams, Chairman

A handwritten signature in blue ink that reads "Kathryn Lewis". The signature is written over a horizontal dotted line.

Kathryn Lewis, Director



## Salada Foods Jamaica Limited (Group)

### Unaudited Consolidated Statement of Comprehensive Income For Three Months ended December 31, 2021.

	Three Months ended	
	December 31 2021	December 30 2020
	\$'000	\$'000
Sales	289,347	226,360
Cost of Sales	(197,228)	(168,650)
<b>Gross Profit</b>	<b>92,119</b>	<b>57,710</b>
Other operating (loss)/income	466	491
Administrative expenses	(33,353)	(29,595)
Selling and promotional expenses	(16,071)	(12,139)
<b>Operating profit</b>	<b>43,160</b>	<b>16,467</b>
Net Finance income	12,732	1,253
<b>Profit before taxation</b>	<b>55,893</b>	<b>17,720</b>
Taxation	(13,973)	(4,615)
<b>Total comprehensive income/(Loss)</b>	<b>41,920</b>	<b>13,104</b>
<b>Attributable to:</b>		
Stockholders of the company	41,920	13,104
Non-controlling interest	0	0
	<b>41,920</b>	<b>13,104</b>
<b>Earnings per stock unit</b>	<b>\$0.04</b>	<b>\$0.01</b>



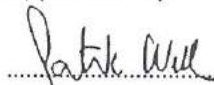
# Salada Foods Jamaica Limited (Group)

## Unaudited Consolidated Statement of Financial Position

December 31, 2021.

	Unaudited December 31 2021 \$'000	Unaudited December 31 2020 \$'000	Audited September 31 2021 \$'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	116,425	134,432	121,670
Intangible assets	1,300	1,300	1,300
Investment	96,189	101,598	98,128
Deferred tax asset	16,080	24,174	16,081
	<u>229,993</u>	<u>261,504</u>	<u>237,179</u>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	175,755	144,255	116,448
Investments	130,732	133,025	158,801
Accounts receivable	127,991	159,780	227,488
Inventories	578,405	345,728	528,867
	<u>1,012,882</u>	<u>782,788</u>	<u>1,031,604</u>
<b>TOTAL ASSETS</b>	<u>1,242,879</u>	<u>1,044,292</u>	<u>1,268,783</u>
<b>STOCKHOLDERS' EQUITY</b>			
Share capital	73,216	73,216	73,216
Capital reserves	16,275	16,275	16,275
Retained earnings	899,825	828,795	915,041
	<u>989,317</u>	<u>918,287</u>	<u>1,004,532</u>
<b>NON-CONTROLLING INTEREST</b>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>989,316</u>	<u>918,287</u>	<u>1,004,532</u>
<b>CURRENT LIABILITIES</b>			
Accounts payable	226,139	116,519	246,806
Tax payable	27,423	9,488	17,445
	<u>253,562</u>	<u>126,006</u>	<u>264,251</u>
<b>TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES</b>	<u>1,242,879</u>	<u>1,044,292</u>	<u>1,268,783</u>

Approved by:



Patrick Williams – Chairman



Kathryn Lewis – Director



## Salada Foods Jamaica Limited (Group)

### Unaudited Consolidated Statement of Changes in Equity Attributable to Stockholders of the Company For Three Months Ended December 31, 2021.

	Share Capital \$'000	Capital Reserve \$'000	Retained Earnings \$'000	Non- controlling Interest \$'000	Total \$'000
Balances at September 30, 2021	73,216	16,275	915,041	0	1,004,532
Total comprehensive income for the period			41,920	0	41,920
	73,216	16,275	956,961	0	1,046,452
Dividends paid			(57,136)		(57,136)
Balances at December 31, 2021	<u>73,216</u>	<u>16,275</u>	<u>899,825</u>	<u>0</u>	<u>989,316</u>

	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			13,104	0	13,104
	73,216	16,275	880,737	0	970,229
Dividends paid			(51,942)		(51,942)
Balances at December 31, 2020	<u>73,216</u>	<u>16,275</u>	<u>828,795</u>	<u>0</u>	<u>918,287</u>



**Salada Foods Jamaica Limited (Group)**  
**Unaudited Consolidated Statement of Cash Flows**  
**Period ended December 31, 2021.**

	Unaudited December 31 2021 \$'000	Unaudited December 30 2020 \$'000
<b>Cash flows from operating activities:</b>		
Profit for the period	41,920	13,104
Adjustments for items not involving cash:		
Depreciation	5,912	4,944
Income Tax Expense	13,973	2,485
Deferred Taxation	-	2,131
Interest Income	(1,406)	(1,159)
	<u>60,399</u>	<u>21,504</u>
<b>Changes in operating assets and liabilities:</b>		
Inventories	(47,443)	59,579
Accounts receivable	100,990	(10,525)
Accounts payable	11,944	(18,501)
Mortgage Receivable	-	-
Cash provided by operations	<u>125,890</u>	<u>52,059</u>
Taxation paid or deducted at source	(6,246)	(7,076)
Net cash provided by operating activities	<u>119,644</u>	<u>44,983</u>
<b>Cash flows from investing activities</b>		
Investments, Net	(2,561)	(6,301)
Interest Received	(0)	228
Purchase of property, plant and equipment	(640)	(13,571)
Cash provided/(used) by investing activities	<u>(3,201)</u>	<u>(19,645)</u>
<b>Cash flows from Financing activities</b>		
Interest Expense	-	-
Cash used by Financing Activities	-	-
Cash provided before dividends	116,443	25,338
Dividends paid	(57,136)	(51,942)
Increase/(decrease) in cash and cash equivalents	59,307	(26,604)
Cash and cash equivalents at beginning of period	<u>116,448</u>	<u>170,859</u>
Cash and cash equivalents at end of period	<u>175,755</u>	<u>144,255</u>



# Salada Foods Jamaica Limited (Group)

## Notes to the Interim Financial Statements

Period ended December 31, 2021.

### 1) Identification

Salada 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.





## Salada Foods Jamaica Limited (Group)

### Notes to the Interim Financial Statements

Period ended December 31, 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.



## Salada Foods Jamaica Limited (Group)

### Notes to the Interim Financial Statements

Period ended December 31, 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.



## Salada Foods Jamaica Limited (Group)

### Notes to the Interim Financial Statements

Period ended December 31, 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.

(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	41,920,000.00	13,104,000.00	
EPS	<u>41,920,000.00</u>	<u>13,104,000.00</u>	
	1,038,830,000.00	1,038,830,000.00	
	0.04	0.01	*2020 restated based on IAS 33 treatment



**SALADA FOODS JAMAICA LIMITED**  
**QUARTERLY REPORT**  
**AS AT 31 DECEMBER 2021**

**10 LARGEST SHAREHOLDERS**

<b>SHAREHOLDERS</b>	<b>SHAREHOLDING</b>
RESOURCE IN MOTION LIMITED	602,367,000
AIC (JAMAICA) LIMITED	89,861,200
DONWIS LIMITED	75,042,800
IDEAL PORTFOLIO SERVICES COMPANY LIMITED	39,486,380
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
	<b>925,732,530</b>

**SHAREHOLDINGS OF DIRECTORS & CONNECTED PARTIES**

<b>DIRECTORS</b>	<b>TOTAL SHAREHOLDING</b>	<b>DIRECT</b>	<b>CONNECTED</b>
BERNARD, MICHAEL	0	0	0
LEWIS, KATHRYN	824,499,610	10,000	824,489,610
STULTZ, ERIC*	2,720,000	0	2,720,000
WILLIAMS, PATRICK*	3,526,608	0	3,526,608

**SENIOR MANAGEMENT HOLDINGS**

<b>SENIOR MANAGERS</b>	<b>TOTAL SHAREHOLDING</b>	<b>DIRECT</b>	<b>CONNECTED</b>
BROWN, TAMII **	0	0	0
HAMILTON, ZAYOUS	0	0	0
LLOYD, STEVEN	0	0	0

<b>COMPANY SECRETARY</b>	<b>TOTAL SHAREHOLDING</b>	<b>DIRECT</b>	<b>CONNECTED</b>
SMITH, MICHELLE	0	0	0

**Notes**

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

*Effective 30 October 2021, Diana Blake-Bennett resigned as General Manager.*

*\*\*Effective 1 November 2021, Tamii Brown was appointed as Acting General Manager.*