



# Unaudited Quarterly Report



## SALADA FOODS JAMAICA LIMITED

### INTERIM REPORT TO SHAREHOLDERS

The Directors of Salada Foods Jamaica are pleased to present the unaudited financial results for the Company for the first three months ended December 31, 2022.

	<b>3 months December 2022</b>	<b>3 months December 2021</b>	<b>% Change</b>
Gross Revenue	\$ 294,042,000	\$ 289,347,000	2%
Gross Margin (\$)	\$ 93,485,000	\$ 92,119,000	1%
Gross Margin (%)	31.8%	31.8%	
Operating Profit	\$ 35,904,000	\$ 43,160,000	-17%
Interest and Exchange Gains	\$ 592,000	\$ 12,732,000	-95%
Profit after Tax	\$ 27,372,000	\$ 41,920,000	-35%
EPS	\$ 0.03	\$ 0.04	


Revenue for the period increased by 2% to \$294.04 million up from \$289.35 million recorded in the same period in 2021.

Operating profit for the quarter decreased by 17% to \$35.9 million from \$43.2 million during the prior corresponding reporting period primarily due to sales and promotional expenses increasing by 24% from \$16.1 million to \$21.2 million, as core consumer engagement activities resumed stemming from the widespread relaxation of Covid-19 protocols. The Company also pursued targeted digital marketing strategies designed to retain and grow consumers in main export markets.

Net profit for the three months ended December 31, 2022, totalled \$27.4 million representing a 35% decrease as compared to the first quarter of 2021. There was a reduction of Interest and Foreign Exchange Gains of \$12.1 million as compared to the same period in the prior year. Earnings per stock unit for the period were \$0.03 (2021: \$0.04).

The Company declared a dividend of \$0.060 per stock unit, which was paid on December 16, 2022, to shareholders on record as of December 2, 2022. This payment totalled \$62.33 million.

During the reporting period, in recognition of Corporate Sustainability Goals, the Company expanded its partnership with Recycling Partners of Jamaica (RPJ), supported Food for the Poor's home-feeding programme island wide and sponsored the annual Pink Run in aid of Jamaica Reach to Recovery.

  
Patrick Williams, Chairman

  
Kathryn Lewis-Green, Director

# Salada Foods Jamaica Limited (Group)

## Unaudited Consolidated Statement of Comprehensive Income For Three Months ended December 31,2022.

	Three Months ended	
	Dec 31 2022	Dec 31 2021
	\$'000	\$'000
Sales	294,042	289,347
Cost of Sales	(200,556)	(197,228)
<b>Gross Profit</b>	<b>93,485</b>	<b>92,119</b>
<b>Other operating (loss)/income</b>	<b>326</b>	<b>466</b>
Administrative expenses	(36,744)	(33,353)
Selling and promotional expenses	(21,164)	(16,071)
<b>Operating profit</b>	<b>35,904</b>	<b>43,160</b>
Net Finance income	592	12,732
<b>Profit before taxation</b>	<b>36,496</b>	<b>55,893</b>
Taxation	(9,124)	(13,973)
<b>Total comprehensive income/(Loss)</b>	<b>27,372</b>	<b>41,920</b>
<b>Attributable to:</b>		
Stockholders of the company	27,372	41,920
Non-controlling interest	0	0
	<b>27,372</b>	<b>41,920</b>
<b>Earnings per stock unit</b>	<b>\$0.03</b>	<b>\$0.04</b>

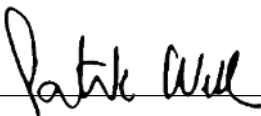
# Salada Foods Jamaica Limited (Group)

## Unaudited Consolidated Statement of Financial Position

December 31, 2022.

	Unaudited December 31, 2022 \$'000	Unaudited December 31 2021 \$'000	Audited September 31 2022 \$'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	118,928	116,425	112,054
Intangible assets	1,300	1,300	1,300
Investment	78,436	96,189	82,804
Deferred tax asset	17,576	16,080	17,576
	<u>216,240</u>	<u>229,993</u>	<u>213,734</u>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	120,257	175,755	166,876
Investments	175,824	130,732	242,585
Accounts receivable	220,994	127,991	254,740
Inventories	434,375	578,405	475,021
	<u>951,450</u>	<u>1,012,882</u>	<u>1,139,222</u>
<b>TOTAL ASSETS</b>	<u>1,167,690</u>	<u>1,242,879</u>	<u>1,352,956</u>
<b>STOCKHOLDERS' EQUITY</b>			
Share capital	73,216	73,216	73,216
Capital reserves	16,275	16,275	16,275
Retained earnings	925,905	899,825	960,862
	<u>1,015,396</u>	<u>989,317</u>	<u>1,050,353</u>
<b>CURRENT LIABILITIES</b>			
Accounts payable	118,053	226,139	272,043
Tax payable	34,241	27,423	30,560
	<u>152,294</u>	<u>253,562</u>	<u>302,603</u>
<b>TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES</b>	<u>1,167,690</u>	<u>1,242,879</u>	<u>1,352,956</u>

Approved by:

  
Patrick Williams, Chairman



Kathryn Lewis-Green, 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, 2022.

	Share Capital \$'000	Capital Reserve \$'000	Retained Earnings \$'000	Total \$'000
<b>Balances at September 30, 2022</b>	73,216	16,275	960,862	1,050,353
Total comprehensive income for the period			27,372	27,372
	73,216	16,275	988,234	1,077,726
Dividends paid			(62,330)	(62,330)
<b>Balances at December 31, 2022</b>	<u>73,216</u>	<u>16,275</u>	<u>925,905</u>	<u>1,015,396</u>

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

**Salada Foods Jamaica Limited (Group)**  
**Unaudited Consolidated Statement of Cash Flows**  
**Period ended December 31, 2022.**

	Unaudited Dec 31 2022 <u>\$'000</u>	Unaudited Dec 31 2021 <u>\$'000</u>
<b>Cash flows from operating activities:</b>		
Profit for the period	27,372	41,920
Adjustments for Items not involving cash:		
Depreciation	5,793	5,912
Income Tax Expense	9,124	13,973
Interest Income	<u>(2,641)</u>	<u>(1,406)</u>
	39,649	60,399
Changes in operating assets and liabilities:		
Inventories	40,646	<u>(47,443)</u>
Accounts receivable	31,610	100,990
Accounts payable	<u>(153,990)</u>	11,944
Cash provided by operations	<u>(42,085)</u>	125,890
Taxation paid or deducted at source	<u>(944)</u>	<u>(6,246)</u>
Net cash provided by operating activities	<u>(43,029)</u>	119,644
<b>Cash flows from investing activities</b>		
Investments, Net	71,129	<u>(2,561)</u>
Interest Received	254	-
Purchase of property, plant and equipment	<u>(12,642)</u>	<u>(640)</u>
Proceeds from sale of Assets	<u>-</u>	<u>-</u>
Cash provided/(used) by investing activities	<u>58,740</u>	<u>(3,201)</u>
<b>Cash flows from Financing activities</b>		
Interest Expense	<u>-</u>	<u>-</u>
Cash used by Financing Activities	-	-
Cash provided before dividends	15,711	116,443
Dividends paid	<u>(62,330)</u>	<u>(57,136)</u>
Increase/(decrease) in cash and cash equivalents	<u>(46,619)</u>	59,307
Cash and cash equivalents at beginning of period	166,876	116,448
Effects of movement in exchange rates on cash held	<u>-</u>	<u>-</u>
Cash and cash equivalents at end of period	<u><u>120,257</u></u>	<u><u>175,755</u></u>

# Salada Foods Jamaica Limited (Group)

## Notes to the Interim Financial Statements

Period ended December 31, 2022.

### 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.

# Salada Foods Jamaica Limited (Group)

## Notes to the Interim Financial Statements Period ended December 31, 2022.

### 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, 2022.

### 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, 2022.

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.

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.

<b>Weighted Average Number of Shares-Stock Split</b>		2022	2021	
				Comments
Profit after Tax		27,372,000.00	41,920,000.00	
EPS		27,372,000.00	41,920,000.00	
		1,038,830,000.00	1,038,830,000.00	
		0.03	0.04	

**SALADA FOODS JAMAICA LIMITED**  
**QUARTERLY REPORT**  
**AS AT 31 DECEMBER 2022**

**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	39,513,634
IDEAL BETTING CO. LTD.	27,553,100
IDEAL GROUP CORPORATION LIMITED	27,260,000
IDEAL FINANCE CORP. LTD.	26,200,000
DONOVAN A LEWIS	16,774,000
PAM - POOLED EQUITY FUND	10,880,450
CARIBBEAN TRUST & MERCHANT BANK	10,307,600
	<b>925,779,784</b>

**SHAREHOLDINGS OF DIRECTORS & CONNECTED PARTIES**

DIRECTORS	TOTAL SHAREHOLDING	DIRECT	CONNECTED
BERNARD, MICHAEL	0	0	0
LEWIS, KATHRYN	824,534,775	10,000	824,524,775
STULTZ, ERIC*	2,720,000	0	2,720,000
WILLIAMS, PATRICK*	3,666,608	0	3,666,608

**SENIOR MANAGEMENT HOLDINGS**

SENIOR MANAGERS	TOTAL SHAREHOLDING	DIRECT	CONNECTED
BROWN, TAMII	0	0	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.*