

**Salada**



# Unaudited Quarterly Report



**SALADA FOODS JAMAICA LIMITED (GROUP)**  
**INTERIM REPORT TO SHAREHOLDERS**

The Directors of Salada Foods Jamaica are pleased to present the unaudited financial results for the Group for the first nine months ended June 30, 2023.

	9 months June 2023	9 months June 2022	% Change
Gross Revenue	\$ 965,185,000	\$ 963,622,000	0%
Gross Margin (\$)	\$ 288,698,000	\$ 293,832,000	-2%
Gross Margin (%)	29.9%	30.5%	
Operating Profit	\$ 118,377,000	\$ 141,080,000	-16%
Interest and Exchange Gains	\$ 14,444,000	\$ 7,202,000	101%
Profit after Tax	\$ 99,616,000	\$ 111,211,000	-10%
EPS	\$ 0.10	\$ 0.11	

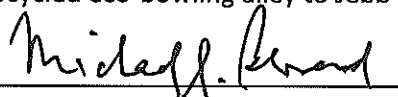
Revenue recorded in the nine months of the fiscal year was \$965.2 million whereas \$963.6 million was recorded for the corresponding period in the previous year. Gross margin decreased by 2% while operating profit for the period decreased by 16% from \$141.1 million to \$118.4 million.

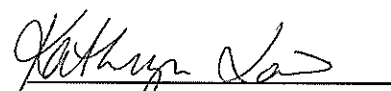
Administrative expenses increased from \$107.4 million in the previous nine-month period to \$111.3 million in the current period. Selling and promotional expenses for the period were recorded at \$61.0 million, representing an increase from \$46.4 million for the previous period as the Company aggressively pursued market expansion opportunities in new territories.

Interest and exchange gains increased by 101% from \$7.2 million in the previous period to \$14.4 million in the current period buoyed by higher interest rates on investments. Net profit attributable to shareholders declined from \$111.2 million to \$99.6 million, showing a decrease of 10% for the nine months ended June 30, 2023. The earnings per share (EPS) decreased from \$0.11 to \$0.10 relative to the prior year.

Inventories continued to decline to stand at \$425.4 million for the period down from \$560.6 million in the corresponding period in 2022. The low availability of Jamaican coffee in the domestic market hinders production output and operational effectiveness at the Company. The Company has partnered with key stakeholders within the coffee industry to help remedy the low and inconsistent supply of this crucial raw material. Portfolio diversification, including non-coffee products, remains a key strategic pillar of the Company.

The Jamaica Observer Food Awards recognized Jamaica Mountain Peak 3-in-1 Complete Flavoured Coffee line, which includes Cinnamag, a unique blend of cinnamon and nutmeg; Coconut Cappuccino, and Caramel, as a nominee in the Best New Product category. In recognition of Read Across Jamaica and as part of ongoing commitments to sustainability, the Salada team read books penned by Jamaican authors and donated an upcycled eco-bowling alley to Jebb Memorial Basic School students.

  
 Michael Bernard, Director

  
 Kathryn Lewis-Green, Director

# Salada Foods Jamaica Limited (Group)

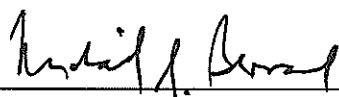
## Unaudited Consolidated Statement of Comprehensive Income For Nine Months ended June 30, 2023.

	Three Months ended		Nine Months ended	
	June 30	June 30	June 30	June 30
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Sales	276,924	328,354	965,185	963,622
Cost of Sales	(203,796)	(233,651)	(676,487)	(669,790)
<b>Gross Profit</b>	<b>73,127</b>	<b>94,702</b>	<b>288,698</b>	<b>293,832</b>
<b>Other operating (loss)/income</b>	<b>877</b>	<b>603</b>	<b>1,977</b>	<b>1,075</b>
Administrative expenses	(35,350)	(36,718)	(111,257)	(107,383)
Selling and promotional expenses	(16,661)	(15,651)	(61,041)	(46,445)
<b>Operating profit</b>	<b>21,992</b>	<b>42,937</b>	<b>118,377</b>	<b>141,080</b>
Net Finance income	10,985	(4,312)	14,444	7,202
<b>Profit before taxation</b>	<b>32,977</b>	<b>38,625</b>	<b>132,821</b>	<b>148,281</b>
Taxation	(8,244)	(9,656)	(33,205)	(37,070)
<b>Total comprehensive income/(Loss)</b>	<b>24,733</b>	<b>28,969</b>	<b>99,616</b>	<b>111,211</b>
<b>Attributable to:</b>				
Stockholders of the company	24,733	28,969	99,616	111,211
Non-controlling interest	0	0	0	0
	<b>24,733</b>	<b>28,969</b>	<b>99,616</b>	<b>111,211</b>
<b>Earnings per stock unit</b>	<b>\$0.02</b>	<b>\$0.03</b>	<b>\$0.10</b>	<b>\$0.11</b>

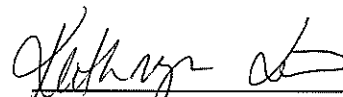
**Salada Foods Jamaica Limited (Group)**  
**Unaudited Consolidated Statement of Financial Position**  
**June 30, 2023.**

	Unaudited June 30 2023 \$'000	Unaudited June 30 2022 \$'000	Audited September 31 2022 \$'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	118,441	115,167	112,054
Intangible assets	1,300	1,300	1,300
Investment	71,378	90,114	82,804
Deferred tax asset	17,576	15,843	17,576
	<u>208,695</u>	<u>222,423</u>	<u>213,734</u>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	146,637	152,387	166,876
Investments	291,125	158,062	242,585
Accounts receivable	232,030	171,462	254,740
Inventories	425,440	560,558	475,021
	<u>1,095,232</u>	<u>1,042,470</u>	<u>1,139,222</u>
<b>TOTAL ASSETS</b>	<u>1,303,927</u>	<u>1,264,897</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	998,148	911,981	960,862
	<u>1,087,639</u>	<u>1,001,472</u>	<u>1,050,353</u>
<b>CURRENT LIABILITIES</b>			
Accounts payable	207,120	246,101	272,043
Tax payable	9,168	17,324	30,560
	<u>216,288</u>	<u>263,425</u>	<u>302,603</u>
<b>TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES</b>	<u>1,303,927</u>	<u>1,264,897</u>	<u>1,352,956</u>

Approved by:



Michael Bernard, Director



Kathryn Lewis-Green, Director

## Salada Foods Jamaica Limited (Group)

### Unaudited Consolidated Statement of Changes in Equity Attributable to Stockholders of the Company For Nine Months Ended June 30,2023.

	Share Capital \$'000	Capital Reserve \$'000	Retained Earnings \$'000	Non- controlling Interest \$'000	Total \$'000
Balances at September 30, 2022	73,216	16,275	960,862	0	1,050,353
Total comprehensive income for the period			99,616	0	99,616
	73,216	16,275	1,060,478	0	1,149,969
Dividends paid			(62,330)		(62,330)
Balances at June 30, 2023	73,216	16,275	998,148	0	1,087,639

	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			111,211	0	111,211
	73,216	16,275	1,026,252	0	1,115,743
Dividends paid			(114,272)		(114,272)
Balances at June 30,2022	73,216	16,275	911,981	0	1,001,471

**Salada Foods Jamaica Limited (Group)**  
**Unaudited Consolidated Statement of Cash Flows**  
**Period ended June 30,2023.**

	Unaudited June 30 2023 <u>\$'000</u>	Unaudited June 30 2022 <u>\$'000</u>
<b>Cash flows from operating activities:</b>		
Profit for the period	99,616	111,211
Adjustments for Items not involving cash:		
Depreciation	18,866	17,477
Income Tax Expense	33,205	37,070
Interest Income	(9,333)	(3,525)
Other Comprehensive income	(11,426)	(8,020)
	<u>130,928</u>	<u>154,213</u>
Changes in operating assets and liabilities:		
Inventories	57,183	(31,691)
Accounts receivable	26,017	37,993
Accounts payable	(64,923)	31,824
Cash provided by operations	149,204	192,338
Taxation paid or deducted at source	(54,597)	(34,054)
Net cash provided by operating activities	94,608	158,285
<b>Cash flows from investing activities</b>		
Investments, Net	(37,114)	2,613
Interest Received	9,826	1,379
Purchase of property, plant and equipment	(25,228)	(10,947)
Net subsidiary equity income	-	(1,120)
Cash provided/(used) by investing activities	(52,516)	(8,074)
<b>Cash flows from Financing activities</b>		
Interest Expense	-	-
Cash used by Financing Activities	-	-
Cash provided before dividends	42,091	150,211
Dividends paid	(62,330)	(114,272)
Increase/(decrease) in cash and cash equivalents	(20,239)	35,939
Cash and cash equivalents at beginning of period	<u>166,876</u>	<u>116,448</u>
Cash and cash equivalents at end of period	<u><u>146,637</u></u>	<u><u>152,387</u></u>

# Salada Foods Jamaica Limited (Group)

## Notes to the Interim Financial Statements

Period ended June 30,2023.

### 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 June 30, 2023.

### 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 June 30,2023.

#### 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 June 30, 2023.

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.

Weighted Average Number of Shares-Stock Split			
	2023	2022	Comments
Profit after Tax	99,616,000.00	111,211,000.00	
EPS	<u>99,616,000.00</u>	<u>111,211,000.00</u>	
	1,038,830,000.00	1,038,830,000.00	
	0.10	0.11	



**SALADA FOODS JAMAICA LIMITED**  
**TOP TEN SHAREHOLDERS AS AT JUNE 30, 2023**

Shareholder	Shareholdings	% Shareholding
1 Resource in Motion Limited	602,367,000	57.98
2 AIC (Jamaica) Limited	89,881,200	8.65
3 Donwis Limited	75,042,800	7.22
4 Ideal Portfolio Services Company Limited	39,513,634	3.80
5 Ideal Betting Co. Limited	27,553,100	2.65
6 Ideal Group Corporation Limited	27,260,000	2.62
7 Ideal Finance Corp. Limited	26,200,000	2.52
8 Donovan Lewis	14,959,300	1.44
9 Pam- Pooled Equity Fund	10,880,450	1.05
10 Caribbean Trust & Merchant Bank Ltd.	10,307,600	0.99
<b>TOTAL TOP TEN SHAREHOLDINGS</b>	<b>923,965,084</b>	<b>88.94</b>
Other Minority Shareholdings	66,264,016	6.38
<b>TOTAL ISSUED ORDINARY SHARE CAPITAL</b>	<b>1,038,832,900</b>	<b>100.00</b>



**SALADA FOODS JAMAICA LIMITED**  
**DIRECTORS OWNERSHIP AS AT JUNE 30, 2023**

Name of Director	Personal / Sole Ownership	Connected Parties	Shareholdings	Combined Shareholdings
<b>**Patrick Williams</b>	<b>3,666,608</b>	-	-	<b>3,666,608</b>
<b>Michael Bernard</b>	<b>Nil</b>	-	-	-
<b>Kathryn Lewis</b>	<b>Nil</b>	* Donovan Lewis, Andrea Lewis & Luke Lewis	1,257,200	<b>824,546,864</b>
		* D & A Lewis in Trust: L & K. Lewis	7,126,000	
		* Luke Lewis	10,000	
		Donovan Lewis & Andrea Lewis	1,814,700	
		Resource in Motion Limited	602,367,000	
		Donovan Lewis	13,702,100	
		Donwis Limited	75,042,800	
		Ideal Group Corporation Limited	27,260,000	
		Ideal Global Investments Limited	2,700,330	
		Ideal Finance Corp. Limited	26,200,000	
Ideal Betting Company Limited	27,553,100			
Ideal Portfolio Services Company Limited	39,513,634			
<b>**Eric Stutz</b>	<b>2,720,000</b>	-	-	<b>2,720,000</b>
<b>Michelle Smith</b>	<b>Nil</b>	-	-	-

\* Joint Holdings with Director

\*\* USD Account maintained with Ideal Portfolio Services Company Limited



**SALADA FOODS JAMAICA LIMITED**  
**SENIOR OFFICERS OWNERSHIP AS AT JUNE 30, 2023**

Name of Senior Officer	Personal / Sole Ownership	Connected Parties	Shareholdings	Combined Shareholdings
Tamir Brown	Nil	-	-	-
Stephen Lloyd	Nil	-	-	-
Nadine Francis	Nil	-	-	-
Zayous Hamilton	Nil	-	-	-
Christopher Lee	Nil	-	-	-
Laurence Chin Shue	Nil	-	-	-
Kerriann Johnson	Nil	-	-	-