



**Wisynco Group Limited**

**Interim Report**

**Fourth Quarter ended**

**30 June 2019**

## **Wisynco Group Limited (Wisynco) – Interim Report to Shareholders**

The Directors are pleased to present the unaudited financial results for the fourth quarter ended June 30, 2019, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

Revenues for the quarter of \$7.9 billion represented an increase of 21.1% over the \$6.5 billion achieved in the corresponding quarter of the previous year. Gross Profit also increased to \$2.5 billion or 5.7% over the \$2.4 billion achieved in the same quarter of the previous year.

Profit before Taxation for the quarter increased to \$835.5 million or 35% over the \$618.5 million realized in Q4 2018. For the quarter ended June 30, 2019, Wisynco recorded Profits Attributable to Shareholders of \$691.3 million or 18 cents per share compared to \$565.6 million or 15 cents per share, an improvement of 20% over the corresponding period of the prior year.

The final quarter of the year saw a greater percentage increase in sales of existing third party products within our portfolio. Whilst these products increased sales and impacted positively on the company's revenue some challenges were experienced resulting in lower gross profit margins for the quarter (32.1% vs 36.8% for the corresponding quarter of the previous year). Certain initiatives have been implemented which, management feels, will lead to improvement in the gross profit margin in the near term. Depreciation charges also increased by \$256 million over FY18, driven by the investment in new state-of-the-art beverage equipment installed in FY18.

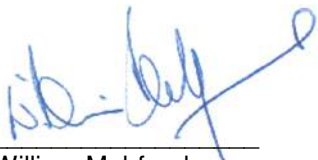
Selling, Distribution and Administrative Expenses for the quarter totaled \$2.0 billion or 9.3% more than the \$1.9 billion for the corresponding quarter of the prior year, and are in line with the increased revenue. Finance income included a gain of \$142.3 million due to the revaluation of our USD deposits during the quarter.

For full Fiscal 19 revenues were \$28.7 billion, an increase of 16.9% above the previous years \$24.5 billion, profit before tax was \$3.5 billion compared to \$2.8 billion for Fiscal 18, an increase of 26.5%, and our earnings per share improved to 78 cents per share a 26% improvement over the 62 cents per share achieved in Fiscal 18.

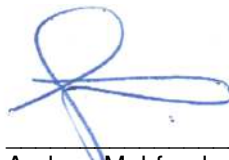
The manufacturers of beverages and plastic bottles in Jamaica have formed a coalition called Recycle Partners of Jamaica with the Government of Jamaica. This initiative was re-launched in July 2019 and will see the development of a national recycling program. The company is chaired by Dr. Damien King and will have a number of independent directors who will oversee the development of the operation.

Our balance sheet at June 30, 2019 showed continued strengthening. Our current ratio improved to 2.3 from 1.9, Equity increased by \$2.4 billion to \$11.1 billion and our Return on Equity maintained at 26.4%. Our inventories were \$1 billion higher than FY18 due to sugar in inventory as the crop is produced between January and June annually, and therefore stocks on hand at June 30, 2019 should be liquidated over the next 6 months.

We head into FY20 optimistic and intent on continuing to increase stakeholders' value. We thank the Wisynco team for their continued passion and solid efforts during the fourth quarter, as well as the consumers of all Wisynco brands for their continued loyalty and support.



William Mahfood  
Chairman



Andrew Mahfood  
Chief Executive Officer

**Wisynco Group Limited**  
Group Statement of Comprehensive Income  
**Quarter ended 30 June 2019**

	Quarter ended 30 June 2019 \$'000	Quarter ended 30 June 2018 \$'000	Year ended 30 June 2019 \$'000	Year ended 30 June 2018 \$'000
<b>Revenue</b>	7,852,681	6,485,095	28,688,061	24,544,049
Cost of Sales	(5,328,094)	(4,096,961)	(18,145,223)	(15,421,144)
<b>Gross Profit</b>	<b>2,524,587</b>	<b>2,388,134</b>	<b>10,542,838</b>	<b>9,122,905</b>
Other operating income	203,260	39,827	288,647	92,157
Selling and distribution expenses	(1,729,432)	(1,492,882)	(6,133,458)	(5,412,601)
Administration expenses	(298,141)	(362,534)	(1,097,213)	(956,683)
<b>Operating Profit</b>	<b>700,274</b>	<b>572,545</b>	<b>3,600,814</b>	<b>2,845,778</b>
Finance income	170,146	80,285	119,218	130,837
Finance costs	(42,721)	(34,304)	(230,205)	(211,411)
Share of results of Associate	7,792	-	7,792	-
<b>Profit before Taxation</b>	<b>835,491</b>	<b>618,526</b>	<b>3,497,619</b>	<b>2,765,204</b>
Taxation	(144,227)	(52,915)	(567,204)	(513,834)
<b>Profit for the year from continuing operations</b>	<b>691,264</b>	<b>565,611</b>	<b>2,930,415</b>	<b>2,251,370</b>
Profit from discontinued operations	-	-	-	41,555
<b>Net Profit</b>	<b>691,264</b>	<b>565,611</b>	<b>2,930,415</b>	<b>2,292,925</b>
<b>Other Comprehensive Income</b>				
Items that may be subsequently reclassified to P&L				
Exchange differences on translation of foreign subsidiary	(4,337)	27,764	(1,083)	26,853
Unrealised gains on available-for-sale investments	4,115	(5,781)	10,887	3,728
<b>Total Comprehensive Income</b>	<b>691,042</b>	<b>587,594</b>	<b>2,940,219</b>	<b>2,323,506</b>
<b>Net Profit attributable to:</b>				
Shareholders of Wisynco Group Limited	691,264	565,611	2,930,415	2,292,961
Non-controlling interest	-	-	-	(36)
	<b>691,264</b>	<b>565,611</b>	<b>2,930,415</b>	<b>2,292,925</b>
<b>Total Comprehensive Income attributable to:</b>				
Shareholders of Wisynco Group Limited	691,042	587,594	2,940,219	2,323,542
Non-controlling interest	-	-	-	(36)
	<b>691,042</b>	<b>587,594</b>	<b>2,940,219</b>	<b>2,323,506</b>
<b>Earnings per share from continuing and discontinued operations attributable to shareholders of the group</b>	<b>3</b>			
From continuing operations	<b>\$0.18</b>	<b>\$0.15</b>	<b>\$0.78</b>	<b>\$0.61</b>
From discontinued operations	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.01</b>
Basic earnings per share	<b>\$0.18</b>	<b>\$0.15</b>	<b>\$0.78</b>	<b>\$0.62</b>

**Wisynco Group Limited**  
Group Statement of Financial Position  
**30 June 2019**

		<b>Unaudited</b>	<b>Audited</b>
		<b>June 30</b>	<b>June 30</b>
		<b>2019</b>	<b>2018</b>
<b>Notes</b>		<b>\$'000</b>	<b>\$'000</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment		6,724,278	6,775,727
Investment in Associate	5	593,961	-
Long Term Receivable		165,545	-
Available-for-sale investments		379,060	215,760
		<b>7,862,844</b>	<b>6,991,487</b>
<b>Current Assets</b>			
Inventories		3,225,686	2,199,273
Receivables and prepayments		2,588,305	2,302,693
Available-for-sale investments - current portion		130,385	269,530
Cash and short-term deposits	6	3,974,545	3,968,075
		<b>9,918,921</b>	<b>8,739,571</b>
<b>Current Liabilities</b>			
Trade and other payables		3,338,339	3,873,904
Short-term borrowings		486,007	376,686
Taxation payable		444,432	362,940
		<b>4,268,778</b>	<b>4,613,530</b>
<b>Net Current Assets</b>			
		<b>5,650,143</b>	<b>4,126,041</b>
		<b>13,512,987</b>	<b>11,117,528</b>
<b>Shareholders' Equity</b>			
Share capital		1,192,647	1,192,647
Capital reserve		130,833	119,946
Translation Reserve		29,003	30,086
Retained earnings		9,734,147	7,347,482
		<b>11,086,630</b>	<b>8,690,161</b>
<b>Non-current Liabilities</b>			
Deferred tax liabilities		213,511	257,430
Borrowings		2,212,846	2,169,937
		<b>2,426,357</b>	<b>2,427,367</b>
		<b>13,512,987</b>	<b>11,117,528</b>

William Mahfood  
Chairman

Andrew Mahfood  
Chief Executive Officer

**Wisynco Group Limited**  
Group Statement of Changes in Equity  
**Quarter ended 30 June 2019**

	Number of Shares	Share Capital \$'000	Capital Reserves \$'000	Retained Earnings \$'000	Translation Reserve \$'000	Non Controlling Interest \$'000	Total Equity \$'000
<b>Balance as at 1 July 2017</b>	<b>3,600,585,424</b>	<b>57,927</b>	<b>116,218</b>	<b>7,377,182</b>	<b>3,233</b>	<b>5,740</b>	<b>7,560,300</b>
Net profit	-	-	-	2,292,961	-	(36)	<b>2,292,925</b>
Unrealised gain on investments	-	-	3,728	-	-	-	<b>3,728</b>
Exchange differences on translating foreign subsidiary	-	-	-	-	26,853	-	<b>26,853</b>
Total comprehensive income	-	-	3,728	2,292,961	26,853	(36)	<b>2,323,506</b>
<b>Transactions with Owners:</b>							
Dividends Paid	-	-	-	(1,304,933)	-	-	<b>(1,304,933)</b>
Sale of ordinary shares (Net)	149,414,576	1,134,720	-	-	-	-	<b>1,134,720</b>
Transfer to owners consequent on reorganization	-	-	-	(1,017,728)	-	(5,704)	<b>(1,023,432)</b>
	<b>149,414,576</b>	<b>1,134,720</b>	<b>-</b>	<b>(2,322,661)</b>	<b>-</b>	<b>(5,704)</b>	<b>(1,193,645)</b>
<b>Balance at 30 June 2018</b>	<b>3,750,000,000</b>	<b>1,192,647</b>	<b>119,946</b>	<b>7,347,482</b>	<b>30,086</b>	<b>-</b>	<b>8,690,161</b>
Net profit	-	-	-	2,930,415	-	-	<b>2,930,415</b>
Unrealised gains on investments	-	-	10,887	-	-	-	<b>10,887</b>
Exchange differences on translating foreign subsidiary	-	-	-	-	(1,083)	-	<b>(1,083)</b>
Total comprehensive income	-	-	10,887	2,930,415	(1,083)	-	2,940,219
<b>Transactions with Owners:</b>							
Dividends Paid	-	-	-	(543,750)	-	-	<b>(543,750)</b>
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>10,887</b>	<b>2,386,665</b>	<b>(1,083)</b>	<b>-</b>	<b>2,396,469</b>
<b>Balance as at 30 June 2019</b>	<b>3,750,000,000</b>	<b>1,192,647</b>	<b>130,833</b>	<b>9,734,147</b>	<b>29,003</b>	<b>-</b>	<b>11,086,630</b>

**Wisynco Group Limited**  
**Group Statement of Cash Flows**  
**Quarter ended 30 June 2019**

	Year ended 30 June 2019 \$'000	Year ended 30 June 2018 \$'000
<b>Net profit from operations</b>	<b>2,930,415</b>	<b>2,292,925</b>
<b>Items not affecting cash:</b>		
Unremitted equity in Associate	(7,792)	(26,519)
Depreciation	1,050,348	794,251
Gain on sale of property, plant and equipment	(4,927)	(4,397)
Interest income	(89,194)	(68,491)
Gain on sale of investments	-	(10,476)
Dividend income	(2,014)	(1,487)
Interest expense	176,359	211,411
Taxation expense	567,204	517,891
Exchange gain on foreign currency balances	(29,236)	(23,530)
	<b>4,591,163</b>	<b>3,681,578</b>
<b>Changes in operating assets and liabilities:</b>		
Inventories	(1,026,413)	(259,519)
Receivables and prepayments	(285,612)	(472,738)
Due from parent company	-	(1,898)
Trade and other payables	(535,565)	1,001,141
<b>Cash generated from operations</b>	<b>2,743,572</b>	<b>3,948,564</b>
Taxation paid	(529,631)	(292,691)
<b>Cash provided by operating activities</b>	<b>2,213,941</b>	<b>3,655,873</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of property, plant and equipment	(1,001,395)	(2,728,656)
Purchase of investments	(13,268)	(468,805)
Proceeds from the sale of property, plant and equipment	7,423	8,533
Proceeds from sale of investments	-	477,529
Dividend received	2,014	1,487
Cash outflow on disposal of subsidiaries	-	(135,108)
Investment in Associate	(586,169)	-
Long term receivable	(165,545)	-
Interest received	89,194	68,491
<b>Cash used in investing activities</b>	<b>(1,667,746)</b>	<b>(2,776,529)</b>
<b>Cash Flows from Financing Activities</b>		
Interest paid	(186,392)	(249,449)
Long-term loans repaid	(376,454)	(533,683)
Long-term loans received	567,000	725,000
Proceeds from IPO	-	1,134,720
Finance leases repaid	(22,298)	(58,587)
Dividend paid	(543,750)	(1,304,933)
<b>Cash used in financing activities</b>	<b>(561,894)</b>	<b>(286,932)</b>
Effects of changes in foreign exchange rates	36,770	11,293
Increase in cash and cash equivalents	21,071	603,705
<b>Cash and cash equivalents at beginning of year</b>	<b>3,917,663</b>	<b>3,313,958</b>
<b>Cash and Cash Equivalents at end of Year</b>	<b>3,938,734</b>	<b>3,917,663</b>

**Wisynco Group Limited**  
Notes to the Interim Financial Statements  
**30 June 2019**

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**1. Basis of preparation**

These financial statements have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* and should be read in conjunction with the annual financial statements which have been prepared in accordance with International Financial Reporting Standards (IFRSs) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB).

The financial statements have been expressed in Jamaican dollars unless otherwise indicated.

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain financial assets.

**IFRS 9**

The Group Executive Management Committee is in the process of evaluating the impact of IFRS 9 on the financial statements of the Group. The preliminary assessment to date will result in the Group continuing to account for available for sale investments at fair value through other comprehensive income and loans and receivables will continue to be accounted for at amortised cost based on the criteria of the standard. There is no anticipated impact on the accounting for financial liabilities as these liabilities within the Group would continue to be accounted for similar to the existing standard IAS 39 *Financial Instruments: Recognition and Measurement*.

The Group will apply the 'general model' as required under IFRS 9 for debt Instruments other than trade receivables by assessing on a forward-looking basis the expected credit losses associated with its available for sale investments carried at fair value through other comprehensive income. A simplified approach, permitted by IFRS 9 will be used for trade receivables, utilising historical default rates by aged receivables as well as forward looking information to determine impairment.

**IFRS 15**

The Group Executive Management Committee has completed the evaluation of the impact of IFRS 15 adoption on the financial statements of the Group. Management's assessment indicates that accounting for contracts with variable consideration such as rights of return, trade discounts or volume rebates was impacted and as a result the necessary adjustment has been made to the quarterly financial statements to reflect the impact of the adoption. There was no material impact to the opening retained earnings arising from the adoption of this standard.

The accounting policies followed in these interim financial statements are consistent with those used in the audited financial statements for the year ended June 30, 2018.

**2. Segment reporting**

An operating segment is a component of the Group that engages in business activities from which it earns revenues and incurs expenses and whose operating results are regularly reviewed by the Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segment. Operating segments are reported in a manner consistent with the internal reporting to the CODM. The CODM is the Chief Executive Officer (CEO).

The CODM regularly reviews local versus export sales, however, the export sales do not meet the threshold of a reportable segment under IFRS 8 and as such no separate segment information is presented. There are no individual customers that constitute more than 10% of total revenue and the CODM does not review assets on a segment basis.

**Wisynco Group Limited**  
Notes to the Interim Financial Statements  
**30 June 2019**

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**3. Earnings per share**

Earnings per share is calculated on net profit and is based on the weighted average number of ordinary shares in issue during both years.

	<b>Quarter ended June 30 2019</b>	<b>Quarter ended June 30 2018</b>	<b>Year ended June 30 2019</b>	<b>Year ended June 30 2018</b>
Net profit attributable to ordinary shareholders (\$'000)	691,264	565,611	2,930,415	2,292,961
Weighted average number of ordinary shares in issue ('000) for the end of the period	3,750,000	3,676,316	3,750,000	3,676,316
<b>Basic earnings per share</b>	<b>\$0.18</b>	<b>\$0.15</b>	<b>\$0.78</b>	<b>\$0.62</b>

**4. Profit from Discontinued Operations**

The financial performance for the quarter for discontinued operations at 31 December 2017 is as below.

	<b>Quarter ended 31 December 2017 \$'000</b>	<b>Six months ended 31 December 2017 \$'000</b>
<b>Revenue</b>	<b>147,392</b>	<b>595,457</b>
Cost of sales	(97,354)	(390,977)
<b>Gross Profit</b>	<b>50,038</b>	<b>204,481</b>
Other income	51	1,255
Administration and other expenses	(46,608)	(180,530)
<b>Operating Profit</b>	<b>3,481</b>	<b>25,205</b>
Finance income	(2,067)	(1,220)
Finance costs	(1,516)	(4,892)
<b>Profit before taxation</b>	<b>(102)</b>	<b>19,094</b>
Taxation	(10)	(4,057)
<b>Net profit after tax of discontinued operations</b>	<b>(112)</b>	<b>15,036</b>
Share of results of associate	8,315	26,519
<b>Profit for the period from discontinued operations</b>	<b>8,203</b>	<b>41,555</b>



**Wisynco Group Limited**  
Notes to the Interim Financial Statements  
**30 June 2019**

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**5. Investment in Associate**

The Company owns 30% of the share capital in JP Snacks Caribbean Limited ("Jp Snacks"), which is the manufacturer of St. Mary's Snacks.

JP Snacks is a private company and there is no quoted market price available for its shares.

There are no contingent liabilities relating to the Company's interest in JP Snacks.

	<b>2019</b>
Investment in JP Snacks Caribbean Limited	586,169
Share of results of Associate	<u>7,792</u>
Amounts recognised in the statement of financial position	<u><u>593,961</u></u>

**6. Cash and Cash Equivalents**

	<b>Year ended June 30 2019 \$'000</b>	<b>Year ended June 30 2018 \$'000</b>
Cash and bank balances	1,199,359	1,371,722
Short term deposits	<u>2,775,186</u>	<u>2,596,353</u>
	3,974,545	3,968,075
Bank overdraft	<u>(35,811)</u>	<u>(50,412)</u>
	<u><u>3,938,734</u></u>	<u><u>3,917,663</u></u>

**7. Subsequent Events**

The Company declared a dividend of 10 cents per share payable to shareholders on record as at August 13, 2019 with a payment date of August 27, 2019.



### 10 Largest Shareholders of Wisynco Group Limited as at June 30, 2019

Name of Shareholder	Units	Percentage Ownership
1. Wisynco Group Caribbean Limited	2,776,183,736	74.0316%
2. ATL Group Pension Fund Trustees Nom Ltd.	54,887,475	1.4637%
3. JCSD Trustee Services Ltd - SIGMA EQUITY	40,090,666	1.0691%
4. Francois Paul Chalifour	34,729,580	0.9261%
5. Devon Hugh Reynolds	31,229,613	0.8328%
6. Guardian Life Limited	29,341,646	0.7824%
7. GraceKennedy Pension Fund Custodian Ltd.	27,257,285	0.7269%
8. Sagicor Pooled Equity Fund	23,913,562	0.6377%
9. SJIML A/C 3119	23,132,836	0.6169%
10. NCB Insurance Co. Ltd. A/C WT160	22,732,309	0.6062%

### Shareholdings of Directors as at June 30, 2019

Directors	Direct	Connected Parties	Total
* Joseph Mahfood	0	2,791,583,736	2,791,583,736
* William Mahfood	1,962,161	2,784,637,536	2,786,599,697
* Andrew Mahfood	1,000,000	2,784,285,236	2,785,285,236
Francois Chalifour	34,729,580	0	34,729,580
Devon H. Reynolds	31,229,613	0	32,229,613
John Lee	0	4,283,333	4,283,333
Lisa Soares Lewis	3,167,600	0	3,167,600
Adam Stewart	0	2,938,936	2,938,936
Odetta Rockhead Kerr	0	0	0

\* These Directors have a beneficial holding in Wisynco Group Caribbean Limited, which owns 74.03% of Wisynco Group Limited in addition to other connected party holdings.

### Shareholdings of Senior Executives as at June 30, 2019

Senior Executives	Direct	Connected Parties	Total
Christopher Ramdon	2,202,383	0	2,202,383
Andrew Fowles	2,200,300	0	2,200,300
Halcott Holness	2,085,333	0	2,085,333
Jacinth Bennett	1,420,000	0	1,420,000
Tabitha Athey	937,420	0	937,420
N. Craig Clare	776,318	0	776,318
Leilani Hunt	535,059	0	535,059
Rachel Zacca	368,596	0	368,596
Annette Morrison	100,000	0	100,000