



**Wisynco Group Limited**  
**Interim Report (Unaudited)**  
**1<sup>st</sup> Quarter ended**  
**30 September 2020**

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

The Directors present the unaudited financial results for the first quarter ended September 30, 2020, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

The Covid Pandemic has continued to affect various channels of activity within our nation and consequently in our business, specifically in areas such as Tourism, Bars and Entertainment, Restaurants and Schools which have not been able to return to normalcy. As a result, our Revenues to these areas have continued to be impacted. Revenues for the quarter from continuing operations of \$8.1 billion represented a decrease of 6.1% below the \$8.6 billion achieved in the corresponding quarter of the previous year. We did see some pockets of improvement and were pleased that our exports rose 43% or approximately \$56 million over the comparative quarter last year. We attribute this increase to higher demand in the US, Canada and other CARICOM countries for our brands and we continue to press the development of our exports as a means of getting exposure to new Revenue channels.

Gross Profit for the quarter of \$2.9 billion was 5.9% less than the \$3.1 billion achieved in the same quarter of the previous year. Our Gross Margin at 35.9% was the same as the prior year..

Selling, Distribution & Administrative expenses for the quarter totaled \$1.92 billion or 6% less than the \$2.04 billion for the corresponding quarter of the prior year. Management continues to implement measures to reduce expenses and were pleased that our expense to sales ratio held at 23.8% of sales even though our Revenue base was lower than the prior year's quarter. We are hopeful that the expense control measures will be more evident in future quarters.

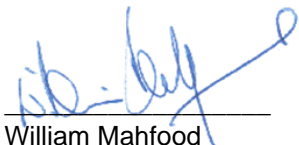
Management was also pleased that operating profit, considering the impact of Covid on our Revenues, were only lower than the prior year's quarter by \$39 million or 3.7%. Profit before Taxation for the quarter was \$1.03 billion which was 10.4% less than the \$1.15 billion realized in Q1 2019, which included an exchange gain of approximately \$67 million greater than the current quarter. After provision for taxes, Wisynco recorded Net Profits Attributable to Stockholders from continuing operations of \$851 million or 23 cents per stock unit compared to \$932 million or 25 cents per stock unit for the corresponding period of the prior year.

Our Balance Sheet remains strong and management is actively reviewing new investments to drive down our costs of operations and to seek new Revenues. The company received a new long-term loan of \$500 million during July 2020, at a very attractive interest rate and tenure, to refinance the capital outlay on the Cogeneration plant.

Our Cogeneration plant was successfully commissioned and placed into production in July 2020 (this quarter) and the company has seen positive contribution from the implementation through reduced energy costs. Our engineering team did very well to get the plant commissioned.

We would like to acknowledge Director Joe Mahfood and his contribution to the company for over 55 years. He has retired from the Board and we will miss his astute guidance on engineering, production and technical matters. He has been a great mentor to many executives within the organization over the years and we express our deep gratitude and wish him the best. Walk good Mr. Joe.

We have all had to adjust to a new way of life due to this pandemic and have to learn to live with the present conditions. It is clear the virus will not be going away any time soon. We express our sincere gratitude to all our team members who continue to do their very best in all areas of the company. To all our customers and consumers, we wish everyone good health, and remain thankful for your continued support.



William Mahfood  
Chairman



Andrew Mahfood  
Chief Executive Officer

**Wisynco Group Limited**  
Group Statement of Comprehensive Income  
**Three months ended 30 September 2020**

	Quarter ended 30 September 2020 \$'000	Quarter ended 30 September 2019 \$'000
<b>Revenue</b>	8,066,104	8,584,898
Cost of sales	(5,168,808)	(5,507,411)
<b>Gross Profit</b>	<b>2,897,296</b>	<b>3,077,487</b>
Other operating income	42,876	24,565
Selling and distribution expenses	(1,564,965)	(1,708,020)
Administration expenses	(354,049)	(333,600)
<b>Operating Profit</b>	<b>1,021,158</b>	<b>1,060,432</b>
Finance income	48,898	116,589
Finance costs	(43,631)	(39,845)
Share of results of associate	1,615	11,667
<b>Profit before Taxation</b>	<b>1,028,040</b>	<b>1,148,843</b>
Taxation	(176,799)	(216,528)
<b>Profit for the period from continuing operations</b>	<b>851,241</b>	<b>932,315</b>
Profit from discontinued operations	-	242,791
<b>Net Profit</b>	<b>851,241</b>	<b>1,175,106</b>
<b>Other Comprehensive Income</b>		
Items that may be subsequently reclassified to P&L:		
Exchange differences on translation of foreign subsidiary	112	(172)
Share of other comprehensive income of associate	15,030	-
Items that may not be subsequently reclassified to P&L:		
Unrealised gains on investment securities	4,674	22,818
<b>Total Comprehensive Income</b>	<b>871,057</b>	<b>1,197,752</b>
<b>Net Profit attributable to:</b>		
Stockholders of Wisynco Group Limited	851,241	1,175,106
<b>Total Comprehensive Income attributable to:</b>		
Stockholders of Wisynco Group Limited	871,057	1,197,752
<b>Earnings per stock unit from continuing and discontinued operations attributable to stockholders of the group</b>		
From continuing operations	<b>\$0.23</b>	<b>\$0.25</b>
From discontinued operations	<b>\$0.00</b>	<b>\$0.06</b>
	<b>\$0.23</b>	<b>\$0.31</b>


Note

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**Wisynco Group Limited**  
Group Statement of Financial Position  
**30 September 2020**

		Unaudited September 30 2020 \$'000	Unaudited September 30 2019 \$'000	Audited June 30 2020 \$'000
	Note			
<b>Non-Current Assets</b>				
Property, plant and equipment		7,134,831	6,548,809	7,088,491
Intangible asset		26,618	65,402	32,162
Investment in associate	5	620,912	605,628	604,267
Loans receivable		177,401	165,891	175,932
Investment securities		316,915	545,725	131,253
		<b>8,276,677</b>	<b>7,931,455</b>	<b>8,032,105</b>
<b>Current Assets</b>				
Inventories		2,992,274	2,957,705	3,316,760
Receivables and prepayments		2,787,550	3,539,931	2,528,374
Investment securities		459,134	-	447,267
Cash and short-term deposits	6	6,570,513	4,998,221	4,950,743
		<b>12,809,471</b>	<b>11,495,857</b>	<b>11,243,144</b>
<b>Current Liabilities</b>				
Trade and other payables		3,817,762	4,121,900	3,339,033
Short-term borrowings		782,500	570,040	702,393
Lease Liability		74,595	-	73,966
Taxation payable		504,712	588,861	437,338
		<b>5,179,569</b>	<b>5,280,801</b>	<b>4,552,730</b>
<b>Net Current Assets</b>		<b>7,629,902</b>	<b>6,215,056</b>	<b>6,690,414</b>
		<b>15,906,579</b>	<b>14,146,511</b>	<b>14,722,519</b>
<b>Shareholders' Equity</b>				
Share capital		1,192,647	1,192,647	1,192,647
Other reserve		275,038	153,650	248,534
Translation reserve		63,277	28,876	48,135
Retained earnings		12,336,698	10,533,160	11,485,457
		<b>13,867,660</b>	<b>11,908,333</b>	<b>12,974,773</b>
<b>Non-current Liabilities</b>				
Deferred tax liabilities		155,647	213,511	155,647
Borrowings		1,807,482	2,024,667	1,546,947
Lease Liabilities		75,790	-	45,152
		<b>2,038,919</b>	<b>2,238,178</b>	<b>1,747,746</b>
		<b>15,906,579</b>	<b>14,146,511</b>	<b>14,722,519</b>

  
William Mahfood  
Chairman

  
Andrew Mahfood  
Chief Executive Officer

**Wisynco Group Limited**  
**Group Statement of Changes in Equity**  
**Three months ended 30 September 2020**

	Number of Shares	Share Capital \$'000	Capital Reserves \$'000	Retained Earnings \$'000	Translation Reserve \$'000	Total Equity \$'000
<b>Balance as at 1 July 2019</b>	<b>3,750,000,000</b>	<b>1,192,647</b>	<b>130,832</b>	<b>9,733,054</b>	<b>29,048</b>	<b>11,085,581</b>
Net profit	-	-	-	1,175,106	-	1,175,106
Unrealised gain on investments	-	-	22,818	-	-	22,818
Exchange differences on translating foreign subsidiary	-	-	-	-	(172)	(172)
Total comprehensive income	-	-	22,818	1,175,106	(172)	1,197,752
<b>Transactions with Owners:</b>						
Dividends paid	-	-	-	(375,000)	-	(375,000)
	-	-	22,818	800,106	(172)	822,752
<b>Balance at 30 September 2019</b>	<b>3,750,000,000</b>	<b>1,192,647</b>	<b>153,650</b>	<b>10,533,160</b>	<b>28,876</b>	<b>11,908,333</b>
<b>Balance as at 1 July 2020</b>	<b>3,750,000,000</b>	<b>1,192,647</b>	<b>248,534</b>	<b>11,485,457</b>	<b>48,135</b>	<b>12,974,773</b>
Net profit	-	-	-	851,241	-	851,241
Changes in fair value of equity instruments measured at fair value through other comprehensive income	-	-	4,674	-	-	4,674
Changes in share-based expenses	-	-	21,830	-	-	-
Share of other comprehensive income of associate	-	-	-	-	15,030	-
Exchange differences on translating foreign subsidiary	-	-	-	-	112	112
Total comprehensive income	-	-	26,504	851,241	15,142	856,027
<b>Transactions with Owners:</b>						
Dividends paid	-	-	-	-	-	-
	-	-	26,504	851,241	15,142	892,887
<b>Balance as at 30 September 2020</b>	<b>3,750,000,000</b>	<b>1,192,647</b>	<b>275,038</b>	<b>12,336,698</b>	<b>63,277</b>	<b>13,867,660</b>

**Wisynco Group Limited**  
**Group Statement of Cash Flows**  
**Three months ended 30 September 2020**

	<b>Three Months ended 30 September 2020 \$'000</b>	<b>Three Months ended 30 September 2019 \$'000</b>
<b>Net profit from operations:</b>		
Continued Operations	851,241	932,315
Discontinued Operations	-	242,791
<b>Items not affecting cash:</b>		
Share of results of associate	(1,615)	(11,667)
Depreciation	255,721	264,954
Gain on sale of property, plant and equipment	(739)	-
Amortisation of intangibles	5,544	12,124
Interest income	(41,328)	(35,732)
Dividend income	(122)	-
Interest expense	39,066	39,226
Taxation expense	176,799	242,000
Exchange difference on foreign currency balances	(14,913)	(65,351)
	<b>1,269,654</b>	<b>1,620,660</b>
<b>Changes in operating assets and liabilities:</b>		
Inventories	324,486	267,981
Receivables and prepayments	(259,176)	(954,412)
Trade and other payables	848,353	808,221
<b>Cash generated from operations</b>	<b>2,183,317</b>	<b>1,742,450</b>
Taxation paid	(90,038)	(98,108)
<b>Cash provided by operating activities</b>	<b>2,093,279</b>	<b>1,644,342</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of property, plant and equipment	(302,061)	(163,388)
Intangibles	-	(3,623)
Purchase of investments	(193,113)	(132,269)
Net proceeds from deposit held over 90 days	617,071	(604,723)
Proceeds from the sale of property, plant and equipment	739	-
Proceeds from sale of investments	-	130,385
Dividend received	122	-
Interest received	41,328	35,732
<b>Cash provided by/(used in) investing activities</b>	<b>164,086</b>	<b>(737,886)</b>
<b>Cash Flows from Financing Activities</b>		
Interest paid	(39,923)	(61,611)
Proceeds from long term loan	500,000	-
Long-term loans repaid	(165,488)	(188,180)
Finance leases repaid	-	(913)
Dividend paid	(337,500)	(375,000)
<b>Cash used in financing activities</b>	<b>(42,911)</b>	<b>(625,704)</b>
Effects of changes in foreign exchange rates	13,532	53,255
Increase in cash and cash equivalents	2,227,986	334,007
<b>Cash and cash equivalents at beginning of period</b>	<b>3,637,130</b>	<b>3,415,897</b>
<b>Cash and Cash Equivalents at end of period</b>	<b>5,865,116</b>	<b>3,749,904</b>

**Wisynco Group Limited**  
Notes to the Interim Financial Statements  
**30 September 2020**

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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.

**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.

**3. Earnings per stock unit**

Earnings per stock unit is calculated on net profit and is based on the weighted average number of ordinary stock units in issue.

	<b>Quarter ended September 30 2020</b>	<b>Quarter ended September 30 2019</b>
Net profit attributable to ordinary stockholders (\$'000)	851,241	1,175,106
<b>Basic earnings per stock unit</b>	<b>\$0.23</b>	<b>\$0.31</b>

**Wisynco Group Limited**  
Notes to the Interim Financial Statements  
**30 September 2020**

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**4. Profit from Discontinued Operations**

On 31 December 2019, the Company ceased operations of the manufacturing of foam products due to the January 1, 2020 ban on styrofoam products by the government.

The financial performance and cash flow information presented are for the quarter ended 30 September 2019.

	Quarter ended 30 September 2020 \$'000	Quarter ended 30 September 2019 \$'000
Revenue	-	503,877
Cost of sales	-	(235,614)
<b>Gross profit</b>	-	268,263
Taxation	-	(25,472)
<b>Profit for the period from discontinued operations</b>	-	<b>242,791</b>

	Three months ended 30 September 2020 \$'000	Three months ended 30 September 2019 \$'000
Operating cash flows, being net cash flows	-	249,236

**5. Investment in Associate**

	2020 \$'000
At beginning of quarter	604,267
Amounts recognized in other comprehensive income	15,030
Amounts recognized in profit & loss	1,615
<b>Amounts recognized in the Statement of Financial Position</b>	<b>620,912</b>

The Company owns 30% of the share capital in 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.



**Wisynco Group Limited**  
Notes to the Interim Financial Statements  
**30 September 2020**

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**6. Cash and Short Term Deposits**

	<b>Three months ended September 30 2020 \$'000</b>	<b>Three months ended September 30 2019 \$'000</b>
Cash and bank balances	2,497,552	1,836,678
Short term deposits	4,072,961	3,161,543
	<u>6,570,513</u>	<u>4,998,221</u>
Bank overdraft	(120,782)	(120,757)
Balances with maturity dates over three months	(584,615)	(1,127,560)
	<u><u>5,865,116</u></u>	<u><u>3,749,904</u></u>

**7. Subsequent Events**

The Directors confirm that there have been no material events subsequent to the end of the interim reporting period that have not been reflected in these financial statements.



### 10 Largest Shareholders of Wisynco Group Limited as at September 30, 2020

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. Sagicor Select Fund Ltd. ('Class C' Shares) Manufacturing & Distribution	30,964,303	0.8257%
4. Francois Chalifour	30,828,519	0.8221%
5. GraceKennedy Pension Fund Custodian Ltd.	29,622,285	0.7899%
6. Guardian Life Limited	29,341,646	0.7824%
7. Devon Hugh Reynolds	29,229,613	0.7795%
8. SJIML A/C 3119	29,148,676	0.7773%
9. National Insurance Fund	28,571,979	0.7619%
10. Sagicor Pooled Equity Fund	23,913,562	0.6377%

### Shareholdings of Directors as at September 30, 2020

Directors	Direct	Connected Parties	Total
* William Mahfood	696,431	2,795,859,959	2,796,556,390
* Joseph Mahfood	0	2,791,383,736	2,791,383,736
* Andrew Mahfood	527,763	2,780,659,959	2,781,187,722
Francois Chalifour	30,828,519		30,828,519
Devon H. Reynolds	29,229,613	0	29,229,613
John Lee	0	5,546,491	5,546,491
Lisa Soares Lewis	3,167,600	0	3,167,600
Adam Stewart	0	1,938,936	2,938,936
Odetta Rockhead Kerr	113,715	0	113,715

\* 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 September 30, 2020

Senior Executives	Direct	Connected Parties	Total
Andrew Fowles	2,225,300	0	2,225,300
Christopher Ramdon	2,202,383	0	2,202,383
Halcott Holness	2,085,333	0	2,085,333
Jacinth Bennett	1,420,000	0	1,420,000
Tabitha Athey	787,420	0	787,420
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