



HONEY BUN (1982) LIMITED
Unaudited Financial Statements
for the Three Months Ended December 31,
2023

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SUMMARY DATA

	YEAR TO DATE		% Change
	Dec-23	Dec-22	
Gross Revenue	\$ 941,634,470	\$ 817,403,436	15%
Net Profit	\$ 86,505,812	\$ 69,286,183	25%
Earnings per share	\$ 0.18	\$ 0.15	25%
Total Assets	\$ 1,867,580,668	\$ 1,646,852,314	13%
Cash & Cash equivalent	\$ 508,252,086	\$ 357,996,633	42%

MANAGEMENT DISCUSSION AND ANALYSIS

Continuing our focus on maximizing efficiencies in both production & distribution has resulted in an increase in Gross Revenues over prior year for the first quarter period ending December 31, 2023. This was achieved through sustained efforts to make our products available island wide. Savanna-La-Mar outlet was opened in October 2023 and we have embarked on additional delivery routes island wide. This was coupled with a variety of selling, marketing & distribution strategies.

Gross operating revenue for the quarter was \$941.6M, which is up 15% on the prior year comparative period, whilst the gross profit ratio closed at 46.2% compared to 43.8% for the prior year comparative period. The three months ending December 31, 2023, saw the company earning net profits of \$86.5M which was 25% above the prior year comparative period.

Investments in additional equipment of \$25.3M was employed to increase the company's production capacity during the period under review.

Inventory levels increased by \$34.5M or 15.8%, as we mitigate against the instability in the supply chain of critical raw material. The company continues to maintain a healthy bank balance with cash and cash equivalents closing at \$508.2M, which is a 42.0% increase, when compared with the previous comparative period of \$357.9M. Overall net current assets increased by 25.5% with a closing balance at period end of \$609.0M.

We take this opportunity to thank our loyal customers, directors, employees, and other stakeholders for their continued support.



Michelle Chong
Chief Executive Officer

HONEY BUN (1982) LIMITED
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 For the Three Months December 31, 2023

STATEMENT OF COMPREHENSIVE INCOME

**Statement of Profit or Loss and Other Comprehensive Income
 For the Three months ended December 31, 2023**

(Expressed in Jamaican Dollars except otherwise stated)

	Unaudited Three(3) months ended December 2023	Unaudited Three(3) months ended December 2022
Gross operating revenue	941,634,470	817,403,436
Cost of operating revenue	<u>(506,345,006)</u>	<u>(459,766,442)</u>
Gross profit	435,289,464	357,636,994
Other Gains/(losses) **	<u>(2,605,777)</u>	<u>703,150</u>
	432,683,687	358,340,144
	46.2%	43.8%
Administrative, selling and distribution expenses		
Administrative	174,348,301	156,532,196
Selling & distribution costs	<u>143,982,672</u>	<u>110,160,918</u>
	318,330,973	266,693,114
Movement on impairment lossess on financials		
Operating profit before finance costs and taxation	114,352,714	91,647,030
Finance income- interest	4,025,168	3,409,428
Finance costs	<u>(1,673,070)</u>	<u>(1,522,275)</u>
	116,704,812	93,534,183
Increase/(Decrease) in value of investments classified as fair value through profit or loss	-	-
Profit before taxation	116,704,812	93,534,183
Taxation	<u>(30,199,000)</u>	<u>(24,248,000)</u>
Net profit for the period	86,505,812	69,286,183
Total comprehensive income for the period	<u>86,505,812</u>	<u>69,286,183</u>
Earnings Per Share	0.18	0.15

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STATEMENT OF FINANCIAL POSITION

HONEY BUN (1982) LIMITED
Statement of Financial Position
as at December 31, 2023

(Expressed in Jamaican Dollars except otherwise stated)

	Unaudited December 2023	Unaudited December 2022	Audited September 2023
NON-CURRENT ASSETS			
Property, plant and equipment	723,584,287	698,221,396	735,778,703
Right-of-Use Asset	46,749,335	60,200,019	51,671,506
Investments	116,942,481	98,987,111	118,896,545
Intangible assets	6,792,639	7,671,032	7,147,254
Total non-current assets	<u>894,068,742</u>	<u>865,079,558</u>	<u>913,494,009</u>
CURRENT ASSETS			
Inventories	252,139,459	217,673,840	202,314,925
Receivables	203,018,468	198,511,768	147,598,240
Taxation recoverable	10,101,912	7,590,515	10,087,665
Cash & cash equivalents	508,252,086	357,996,633	464,782,400
Total current assets	<u>973,511,926</u>	<u>781,772,757</u>	<u>824,783,230</u>
CURRENT LIABILITIES			
Trade and other payables	310,918,600	250,958,522	278,980,361
Taxation Payable	33,150,975	35,109,416	16,972,625
Current Portion of Long Term Loans	2,811,929	3,192,158	3,147,491
Current Portion of Lease Liability	17,598,226	7,446,264	13,804,039
	<u>364,479,731</u>	<u>296,706,360</u>	<u>312,904,516</u>
Net current assets	<u>609,032,195</u>	<u>485,066,397</u>	<u>511,878,714</u>
Total assets less current liabilities	<u>1,503,100,937</u>	<u>1,350,145,954</u>	<u>1,425,372,723</u>
NON-CURRENT LIABILITIES			
Long term loans	8,842,676	11,381,667	28,863,775
Lease liability	33,583,535	53,605,293	22,340,033
Deferred tax Liabilities	58,167,545	56,561,843	58,167,545
Total non-current liabilities	<u>100,593,755</u>	<u>121,548,802</u>	<u>109,371,353</u>
EQUITY			
Share capital	46,514,770	46,514,770	46,514,770
Capital reserves	53,818,788	53,818,788	53,818,788
Retained earnings	1,302,173,624	1,128,263,594	1,215,667,812
Total equity	<u>1,402,507,182</u>	<u>1,228,597,152</u>	<u>1,316,001,370</u>
Total non-current liabilities and equity	<u>1,503,100,937</u>	<u>1,350,145,954</u>	<u>1,425,372,723</u>

Approved for issue by the Board of Directors on February 13, 2024, and signed on its behalf by:



Herbert Chong (Chairman)



Wayne Wray (Director)

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STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

HONEY BUN (1982) LIMITED

Statement of Changes in Equity

For the Three months ended December 31, 2023

(Expressed in Jamaican Dollars except otherwise stated)

	Share Capital \$	Capital Reserve \$	Retained Earnings \$	Totals \$
Balances as at September 30, 2022	46,514,770	53,818,788	1,058,979,291	1,159,312,850
Total comprehensive income for the period	-	-	69,286,183	69,286,183
Adjustment			(1,881)	(1,881)
Dividends	-	-	0	0
Balances as at December 31, 2022	<u>46,514,770</u>	<u>53,818,788</u>	<u>1,128,263,594</u>	<u>1,228,597,152</u>
Balances as at September 30, 2023	46,514,770	53,818,788	1,215,667,812	1,316,001,370
Total comprehensive income for the period	-	-	86,505,812	86,505,812
Dividends	-	-	0	0
Balances as at December 31, 2023	<u>46,514,770</u>	<u>53,818,788</u>	<u>1,302,173,624</u>	<u>1,402,507,182</u>

HONEY BUN (1982) LIMITED
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STATEMENT OF CASHFLOWS

HONEY BUN (1982) LIMITED

Statement of Cashflows

For the period ended December 31, 2023

(Expressed in Jamaican Dollars except otherwise stated)

	Three months ended December 2023	Three months ended December 2022
CASH FROM OPERATING ACTIVITIES		
Net Profit	86,505,812	69,286,182
Adjustments for items not affecting cash:		
Depreciation	29,561,900	24,545,523
Right of Use Depreciation	5,251,878	1,491,779
Amortization	354,615	330,063
Loss/(gain) on disposal of property, plant and equipment	-	-
Revaluation of Quoted Securities	-	-
Retained earnings adjustment	-	-
Interest income	(4,025,168)	(3,409,428)
Interest expense	53,661	237,659
Taxation expense	30,199,000	24,248,000
	147,901,697	116,729,778
Changes in non-cash working capital components:		
Inventories	(49,824,534)	(38,327,771)
Trade and other receivables	(55,420,229)	(32,160,133)
Trade and other payables	31,938,239	25,584,559
Tax paid	(14,034,897)	(3,838,102)
Net cash (used in)/provided by operating activities:	60,560,276	67,988,331
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment		
Additions to property, plant and equipment	(17,367,484)	(57,058,343)
Additions to Right of Use assets	(329,706)	(5,597,826)
Additions to intangible assets	-	(515,570)
Investments, net	1,954,064	(1,057,472)
Interest received	4,025,168	3,409,428
Net cash used in investing activities	(11,717,958)	(60,819,782)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long-term loans	(20,356,661)	(770,319)
Lease Liabilites	15,037,689	4,503,571
Dividends paid	0	(1,880)
Interest Paid	(53,661)	(237,659)
Net cash (used)/provided by financing activities	(5,372,633)	3,493,713
Net increase in cash and cash equivalents	43,469,685	10,662,262
Cash and cash equivalents at beginning of year	464,782,400	347,334,372
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	508,252,086	357,996,633

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Honey Bun (1982) Limited (the “Company”) is a limited liability company incorporated under the laws of Jamaica. Its principal activities comprise the manufacture and distribution of baked products to the local and export markets. The Company operates within Jamaica from its registered office located at 26 Retirement Crescent, Kingston 5.

The Company’s shares were listed on the Junior Market of the Jamaica Stock Exchange (JSE) on 3 June 2011.

2. BASIS OF PREPARATION

This condensed consolidated interim financial information has been prepared in accordance with IAS 34, Interim financial reporting.

The condensed interim financial information should be read in conjunction with the annual audited financial statements for the year ended 30 September 2021, which have been prepared in accordance with IFRSs and comply with the provisions of the Jamaican Companies Act.

3. ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these un-audited financial statements are consistent with those used in the audited financial statements for the year ended 30 September 2021.

4. USE OF ESTIMATES AND JUDGMENTS

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgments made by management in applying the Company’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 30 September 2020.

(i) Property, plant and equipment:

Items of property, plant and equipment are stated at cost less accumulated depreciation.

USE OF ESTIMATES AND JUDGMENTS (CONTINUED)

(ii) Depreciation:

Depreciation is recognized on profit or loss on the straight-line basis, over the estimated useful lives of property, plant and equipment.

(iii) Borrowings:

Borrowings are recognized initially as the proceeds received net of transaction costs incurred. Borrowings are subsequently stated at amortized cost using the effective interest method with any difference between proceeds net of transactions costs and the redemption value recognized in income along with regular interest charges over the period of the borrowings.

(iv) Impairment:

Impairment provisions for trade receivables are recognized based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses (ECL).

5. SEASONALITY OF OPERATIONS

Due to the seasonal nature of the Company's revenue streams, operating profits are usually expected to be higher in the first half of the year. The Christmas and Easter holidays fall within the first nine months of the financial year when sale of the Company's products reflect uneven revenue.

6. EXCEPTIONAL ITEMS

Items that are material either because of their size or their nature that are non-recurring are highlighted separately in the income statement. The separate reporting of exceptional items helps provide a better picture of the Company's underlying performance.

7. EARNINGS PER STOCK UNIT

The Earnings per Stock Unit (EPS) is computed by dividing the profit for the period by the number of shares in issue for the period of 471,266,950.

8. SHARE CAPITAL

	Jun-23	Jun-22
Authorized:		
487,500,000 shares (2020 – 97,500,000 shares)		
Issued and fully paid:		
471,266,950 shares (2020 - 94,253,390 shares)	<u>46,514,770</u>	<u>46,514,770</u>

INFORMATION REGARDING SHAREHOLDERS

As at December 31, 2023

TEN LARGEST SHAREHOLDERS

	No. of Stock Units
Next Incorporated	258,447,977
Herbert Chong	54,091,000
Michelle Chong	51,691,000
JMMB Securities Ltd	14,600,000
Mayberry Managed Clients' Account	8,283,335
Cal's Manufacturing	6,644,122
Argyle Industries Inc	4,000,000
Sagikor Select Fund	3,780,227
Jamaica Money Market Brokers	3,624,976
QWI Investments	3,484,492

SHAREHOLDINGS OF DIRECTORS

Herbert Chong	54,091,000
Michelle Chong	51,691,000
Daniel Chong	2,689,335
Paul Moses	2,000,000
Charles Heholt	260,000
Yaneek Page	-
Wayne Wray	110,000

SHAREHOLDINGS OF SENIOR OFFICERS

Herbert Chong	54,091,000
Michelle Chong	51,691,000
Daniel Chong	2,689,335
Dustin Chong	2,479,035
Paula Graham-Haynes	-
Paula Cameron	15,644

THE HONEY BUN FOUNDATION

The Honey Bun Foundation officially closed the chapter on the 2023 cohort of its Advisory Committee. The small medium enterprises (SME's) that participated have been able to better structure their businesses for growth, and the results have been nothing but amazing.

Raggamuffin café saw a 12% increase in its revenue over the year 2023. They said of the program: *"We are now a lot more aware and focused on record keeping and accounting. We understand the benefits of a strategic roadmap. We now take a more strategic and analytical approach to managing the business"*.

Netty's Farm achieved a 93% increase in revenue. Its founder Eileen Dunkley Shim said of the program, *"I am better able to analyze data to make improvements in the business, improved strategic thinking and planning skills. The exposure to business concepts tools for example... risk register, strategic planning, spreadsheets, and financial reports seemed so alien and difficult to grasp on my own"*.

We eagerly look forward to the selection of the new cohort, collaboration with our advisors and the results for the 2024 cohort. The Foundation wishes to thank all our participants and advisors for the time, effort and dedication they displayed.

WHOLESALE OUTLETS

East Street Outlet

85 East Street
Kingston
Tel: 876 371 0199

Princess Street Outlet

92-92a Princess Street
Kingston
Tel: 876 371 0199

Half Way Tree Outlet

Shop #2 Park Plaza
8 Constant Sprint Road
Kingston 10
Tel: 876 351 5753

Cross Roads Outlet

Shop #5 1-3 & 5 Old Hope Road
Kingston
Tel: 876 855 0902

**Retirement Crescent Outlet – Head Office
Outlet**

22-26 Retirement Crescent
Kingston 5
Tel: 960 9851

Santa Cruz Outlet

Shop No 2, 22 Main Street
Santa Cruz
St. Elizabeth

Ocho Rios Outlet

Shop B11, Pineapple Shopping Centre
Main Street, Ocho Rios, St. Ann
Tel: 876 579 7836

Old Harbour Outlet

Shop #3, 16 East Street,
Old Harbour, St. Catherine
Tel: 876 442 6601

Spanish Town Outlet

Spanish Town Taxi Stand and Bus Park
Burke Road, Spanish Town
St. Catherine

Morant Bay Outlet

13 South Street,
Morant Bay, St. Thomas

Papine Outlet

Shop #1a, Papine Market Place
Kingston 7
Tel: 876 564 7836

Savanna-La-Mar Outlet

88 Great George Street
Savanna-la-Mar
Westmoreland