



**HONEY BUN (1982) LIMITED**  
Unaudited Financial Statements  
for the Nine Months Ended June 30, 2023





**CONTENTS**

SUMMARY DATA YEAR TO DATE .....	4
MANAGEMENT DISCUSSION AND ANALYSIS.....	4
STATEMENT OF COMPREHENSIVE INCOME .....	6
STATEMENT OF FINANCIAL POSITION .....	7
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY .....	8
STATEMENT OF CASHFLOWS .....	9
NOTES TO THE INTERIM FINANCIAL STATEMENTS.....	10
INFORMATION REGARDING SHAREHOLDERS.....	12
THE HONEYBUN FOUNDATION .....	13
WHOLESALE OUTLETS .....	14



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 Unaudited Financial Statements  
 For the Nine Months June 30, 2023

**SUMMARY DATA YEAR TO DATE**

	YEAR TO DATE		% Change
	Jun-23	Jun-22	
Gross Revenue	\$ 2,561,745,198	\$ 2,162,812,481	18.4%
Net Profit	\$ 201,946,685	\$ 138,080,396	46.3%
Earnings per share	\$ 0.43	\$ 0.29	46.3%
Total Assets	\$ 1,703,058,917	\$ 1,471,417,577	15.7%
Return on Equity	15.7%	18.4%	-14.9%
Cash & Cash equivalent	\$ 446,439,958	\$ 335,762,360	33.0%

**MANAGEMENT DISCUSSION AND ANALYSIS**

Gross Operating revenues for the first nine months of the year under review 2023 was \$2,561.7m which is 18.4% better than the prior year. The first nine months of the year saw the company generating net profits of \$201.9m, this resulted in a 46.3% increase over the prior comparative period. The company's margins increased for the nine-month period 43.7 % when compared to prior period of 39.6% due to targeted efforts to reduce cost, increase yield and increase sales island wide.

Continued focus on maximizing efficiencies in both production and distribution, coupled with extending our reach island wide with a variety of distribution methodologies contributed to the increase in gross revenues in the third quarter period ending June 30, 2023, over the comparative quarter period ending June 30, 2022. Gross Operating revenues for the quarter was \$866.1m or 9.7% more than the prior comparative period.

Gross profit for the quarter was \$479.1m or 3.5% below the prior comparative period, whilst the gross profit ratio closed at 44.7% compared to 37.1% for the prior year's third quarter. The three months ending June 30, 2023, saw the company earning net profits of \$70.8m or 44.5% above the prior comparative period of \$49.0m.

Investments in distribution and production accounted for the additional \$91.5m in property plant and equipment and \$30.3m in rights of use assets. As a result, non-current liabilities increased by \$32.7m due to the lease liability being recognized under IFRS16 guidelines.

Inventory decreased by \$10.5m or 5.9% due to a delay in the supply chain, whilst receivables decreased by 3.7% from \$197.3m to \$190m. The company's liquidity position continues to be strong with cash and cash equivalents closing at \$446.4m, a 33.0% increase in cash when compared with the previous comparative period of \$335.7m. Overall net current assets increased by 16.9% with a closing balance at period end of \$504.5m.

The Honey Bun Foundation has reached the half-way mark through the second cohort of the Advisory Committee model to support small and medium sized businesses (SME's). We have initiated the creative industry committee to commence programmes to support business models for that industry.



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Unaudited Financial Statements  
For the Nine Months June 30, 2023

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On June 8, 2023, the company declared interim dividends of \$0.04 per share payable on July 5<sup>th</sup>, 2023, for all shareholders on record as June 21, 2023

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**  
**Unaudited Financial Statements**  
**For the Nine Months June 30, 2023**

**STATEMENT OF COMPREHENSIVE INCOME**

**Statement of Profit or Loss and Other Comprehensive Income**  
**For the Nine months ended June 30, 2023**

*(Expressed in Jamaican Dollars except otherwise stated)*

	Unaudited Three(3) months ended June 23	Unaudited Three(3) months ended June 22	Unaudited YTD Nine(9) months ended June 2023	Unaudited YTD Nine(9) months ended June 2022
<b>Gross operating revenue</b>	866,106,708	789,400,409	2,561,745,198	2,162,812,481
Cost of operating revenue	(479,186,010)	(496,700,413)	(1,441,836,585)	(1,307,385,426)
<b>Gross profit</b>	386,920,698	292,699,996	1,119,908,613	855,427,055
Other Gains/(losses) **	4,547,352	(415,412)	1,910,648	694,111
	391,468,050	292,284,584	1,121,819,261	856,121,166
	44.7%	37.1%	43.7%	39.6%
<b>Administrative, selling and distribution expenses</b>				
Administrative **	158,519,782	126,161,578	481,617,786	382,123,327
Selling & distribution costs **	140,469,833	102,894,593	376,399,583	298,238,913
	298,989,615	229,056,171	858,017,369	680,362,241
Movement on impairment lossess on financials	0	-	0	-
Operating profit before finance costs and taxation	92,478,435	63,228,414	263,801,892	175,758,925
Finance income- interest **	4,801,424	7,547,297	12,142,909	9,359,211
Finance costs **	(1,800,500)	(374,845)	(5,310,115)	(1,016,641)
	95,479,359	70,400,866	270,634,685	184,101,495
Increase/(Decrease) in value of investments classified as fair value through profit or loss	-	(162,824)	-	187,901
<b>Profit before taxation</b>	95,479,359	70,238,042	270,634,685	184,289,396
Taxation	(24,591,000)	(21,196,000)	(68,688,000)	(46,209,000)
<b>Net profit for the period</b>	70,888,359	49,042,042	201,946,685	138,080,396
<b>Total comprehensive income for the period</b>	70,888,359	49,042,042	201,946,685	138,080,396
Earnings Per Share	\$0.15	\$0.10	\$0.43	\$0.29

\*\* Prior year information reclassified to align with audit classification.

**HONEY BUN (1982) LIMITED**  
 Unaudited Financial Statements  
 For the Nine Months June 30, 2023

**STATEMENT OF FINANCIAL POSITION**

**HONEY BUN (1982) LIMITED**  
**Statement of Financial Position**  
**as at June 30, 2023**

*(Expressed in Jamaican Dollars except otherwise stated)*

	Unaudited June 2023	Unaudited June 2022	Audited September 2022
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	708,139,005	616,559,435	665,708,575
Right-of-Use Asset	59,990,695	29,617,125	56,093,973
Investments	113,521,061	99,476,416	98,347,867
Intangible assets	7,477,317	7,771,077	7,485,525
Total non-current assets	<u>889,128,078</u>	<u>753,424,053</u>	<u>827,635,940</u>
<b>CURRENT ASSETS</b>			
Inventories	168,335,721	178,896,575	179,346,068
Receivables	190,024,316	197,383,735	166,351,636
Taxation recoverable	9,130,843	5,950,855	6,765,770
Cash & cash equivalents	446,439,958	335,762,360	346,916,144
Total current assets	<u>813,930,838</u>	<u>717,993,524</u>	<u>699,379,618</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	236,688,021	253,451,234	225,373,964
Taxation Payable	48,923,447	27,198,710	13,874,773
Current Portion of Long Term Loans	2,811,929	3,017,202	3,017,202
Current Portion of Lease Liability	20,991,938	2,810,633	2,812,513
	<u>309,415,336</u>	<u>286,477,779</u>	<u>245,078,451</u>
Net current assets	<u>504,515,503</u>	<u>431,515,746</u>	<u>454,301,167</u>
Total assets less current liabilities	<u>1,393,643,581</u>	<u>1,184,939,799</u>	<u>1,281,937,107</u>
<b>NON-CURRENT LIABILITIES</b>			
Long term loans	10,188,307	13,100,099	12,326,941
Lease liability	41,038,489	26,365,588	53,735,473
Deferred tax Liabilities	56,561,843	50,674,475	56,561,843
Total non-current liabilities	<u>107,788,638</u>	<u>90,140,162</u>	<u>122,624,257</u>
<b>EQUITY</b>			
Share capital	46,514,770	46,514,770	46,514,770
Capital reserves	53,818,788	53,818,788	53,818,788
Retained earnings	<u>1,185,521,384</u>	<u>994,466,078</u>	<u>1,058,979,291</u>
Total equity	<u>1,285,854,943</u>	<u>1,094,799,637</u>	<u>1,159,312,850</u>
Total non-current liabilities and equity	<u>1,393,643,581</u>	<u>1,184,939,799</u>	<u>1,281,937,107</u>

Approved for issue by the Board of Directors on August 11, 2023 and signed on its behalf by:



Herbert Chong (Chairman)



Wayne Wray (Director)

**HONEY BUN (1982) LIMITED**  
 Unaudited Financial Statements  
 For the Nine Months June 30, 2023

**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

**HONEY BUN (1982) LIMITED**

**Statement of Changes in Equity**

**For the Nine months ended June 30, 2023**

*(Expressed in Jamaican Dollars except otherwise stated)*

	Share Capital \$	Capital Reserve \$	Retained Earnings \$	Totals \$
Balances as at September 30, 2021	46,514,770	53,818,788	928,539,491	1,028,873,049
Total comprehensive income for the period	-	-	138,080,396	138,080,396
Dividends	-	-	(72,153,809)	(72,153,809)
Balances as at June 30, 2022	<u>46,514,770</u>	<u>53,818,788</u>	<u>994,466,078</u>	<u>1,094,799,637</u>
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	-	-	201,946,685	201,946,685
Dividends	-	-	(75,404,593)	(75,404,593)
Balances as at June 30, 2023	<u>46,514,770</u>	<u>53,818,788</u>	<u>1,185,521,384</u>	<u>1,285,854,943</u>



**HONEY BUN (1982) LIMITED**  
 Unaudited Financial Statements  
 For the Nine Months June 30, 2023

**STATEMENT OF CASHFLOWS**

**HONEY BUN (1982) LIMITED**

**Statement of Cashflows**

**For the period ended June 30, 2023**

*(Expressed in Jamaican Dollars except otherwise stated)*

	Nine months ended June 2023	Nine months ended June 2022
<b>CASH FROM OPERATING ACTIVITIES</b>		
<b>Net Profit</b>	201,946,685	138,080,395
<b>Adjustments for items not affecting cash:</b>		
Depreciation	73,198,943	63,036,355
Right of Use Depreciation	12,692,659	2,339,860
Amortization	990,189	856,659
Loss/(gain) on disposal of property, plant and equipment	-	-
Revaluation of Quoted Securities	-	(187,901)
Retained earnings adjustment	-	-
Interest income	(12,142,909)	(9,359,211)
Interest expense	630,949	773,032
Taxation expense	68,688,000	46,209,000
	<b>346,004,517</b>	<b>241,748,189</b>
<b>Changes in non-cash working capital components:</b>		
Inventories	11,010,347	(57,497,496)
Trade and other receivables	(23,672,681)	(89,630,352)
Trade and other payables	11,314,058	57,678,873
<b>Tax paid</b>	<u>(36,004,398)</u>	<u>(49,265,433)</u>
<b>Net cash (used in)/provided by operating activities:</b>	<u>308,651,843</u>	<u>103,033,782</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of property, plant and equipment		
Additions to property, plant and equipment	(115,629,373)	(95,724,629)
Additions to Right of Use assets	(16,589,381)	(28,734,824)
Additions to intangible assets	(981,981)	(3,301,857)
Investments, net	(15,173,194)	(4,068,604)
Interest received	12,142,909	9,359,211
<b>Net cash used in investing activities</b>	<u>(136,231,021)</u>	<u>(122,470,703)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of long-term loans	(2,343,908)	(2,201,825)
Lease Liabilities	5,482,441	25,694,927
Dividends paid	(75,404,593)	(72,153,808)
Interest Paid	(630,949)	(773,032)
<b>Net cash (used)/provided by financing activities</b>	<u>(72,897,008)</u>	<u>(49,433,737)</u>
Net increase in cash and cash equivalents	99,523,814	(68,870,658)
Cash and cash equivalents at beginning of year	<u>346,916,144</u>	<u>404,633,018</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u>446,439,958</u>	<u>335,762,360</u>

## 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 2022, 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 2022.

### 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 2022.

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



**HONEY BUN (1982) LIMITED**  
Unaudited Financial Statements  
For the Nine Months June 30, 2023

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**INFORMATION REGARDING SHAREHOLDERS**

**As at June 30, 2023**

**TEN LARGEST SHAREHOLDERS**

	<b>No. of Stock Units</b>
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
Sagicor 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 HONEYBUN FOUNDATION

The Honeybun Foundation has reached the halfway mark with the second cohort of SMEs in its Advisory Committee Model. Through this Model, qualified SMEs are paired with a group of three advisors each, to work with them for 12 months completing a one-year strategic plan using template designed by the Foundation. This model enables SMEs to grow their business and learn through the guidance of these knowledgeable advisors. Now halfway through the programme, the SMEs are seeing a marked difference in their business and their approach to running their business and share their experience thus far.



It's the one on one for me, the accountability, it's the partnering, it's the advice. You would get the same thing from another programme, but this is a lot more rewarding. It's a closer connection, it's a one and one for a whole year! Did I mention cheerleaders? I find I'm getting that kind of motivation from my advisors, and it feels good to not be the only person talking about my business. It really feels good to not just be talking to myself having a staff meeting but have other people to engage and share ideas with about what is happening with the business.

***-Eileen Dunkley Shim Chief Mixing Officer at Netty's Farm***



Having a board of advisors has been the most rewarding and terrifying experience as a small business owner. Every meeting I'm either overly excited or sweating because of the questions they'll ask & the dread I feel if I'm not hitting targets. The accountability via a board of advisors is top notch and I have deliberately held off on joining other startup incubators etc. because I really wanted to focus on the consistent advice and be more of a doer. Cheers to Infinite possibilities for #InfinityIMC- Thanks to The Honey Bun Foundation for this approach to keep us accountable. ***-Shanoy Coombs, CEO Integrated Communications Limited.***

**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

**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