



HONEY BUN (1982) LIMITED
Unaudited Financial Statements
for the Six Months Ended March 31, 2024



CONTENTS

SUMMARY DATA	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 HONEY BUN FOUNDATION	13
WHOLESALE OUTLETS	15



HONEY BUN EXPANSION



Seated from left Chairman of MJS Industrial Park Michael Subratie and Executive Chairman of Honey Bun Limited Hebert Chong. Standing from left, Roger Drinkall, project manager MJS, and Deputy CEO of Honey Bun Daniel Chong. At the signing of a long-term lease agreement for Honey Bun's new bakery in Angel's, St Catherine.

Honey Bun (1982) Limited is set to make a billion-dollar investment in a new production facility in Angels, St Catherine, which will more than double the manufacturing capacity of the iconic baking company. Honey Bun signed the long-term lease agreement for the 60,000 square foot mega-facility on Wednesday March 27, 2024.

“These are exciting times,” said Honey Bun’s Chief Executive Officer (CEO) Michelle Chong. “The signing of this lease signifies that the future of the company is bright. Our products are in high demand, and we have outgrown our current facility, so we must meet the demand.”

Deputy CEO Daniel Chong said that the long-term-lease of the new four-and-a-half-acre property, which will be operational in the next 7-10 months.

HONEY BUN (1982) LIMITED
 Unaudited Financial Statements
 For the Six Months March 31, 2024

SUMMARY DATA

	YEAR TO DATE		% Change
	Mar-24	Mar-23	
Gross Revenue	\$ 1,936,279,031	\$ 1,695,638,490	14%
Net Profit	\$ 167,742,732	\$ 131,058,327	28%
Earnings per share	\$ 0.36	\$ 0.28	28%
Total Assets	\$ 1,944,019,829	\$ 1,658,226,338	17%
Cash & Cash equivalent	\$ 544,848,824	\$ 390,980,175	39%

MANAGEMENT DISCUSSION AND ANALYSIS

Gross operating revenue for the quarter ending March 31, 2024 was \$994.6M, which is up 13.3% on the prior year comparative period, whilst the gross profit ratio closed at 47.2% compared to 42.7% for the prior year comparative period. The company earned net profits of \$81.2M, which was 31.5% above the prior year's comparative period.

Year to date gross operating revenue for the six-month period ending March 31, 2024, increased by 14.19% over prior year, increasing from \$1,695.6M to \$1,936.2M. In response to the increasing demand for our products and as the company continue to navigate the supply chain challenges, inventory increased by 29.0%(\$54.9M), payables increased by 32.7% and trade receivables and prepayments increased by 17.2% year over year.

The company invested in Property, Plant and Equipment resulting in an increase of \$28.8M year over year or 4.1% change.

The company continues to maintain a healthy bank balance with cash and cash equivalents closing at \$544.8M, which is a 39.0% increase when compared with the previous comparative period of \$390.9M. Overall net current assets increased by 13.5% with a closing balance at period end of \$611.1M.

We are pleased to announce that Honey Bun (1982) Limited on March 27, 2024, announced a billion-dollar expansion plan to meet the growing demand for our products locally and overseas. The expansion will result in the doubling of our capacity. The project is expected to take seven to ten months.

The Honey Bun foundation closed its 2023 cohort and welcomed its 2024 cohort of small and medium-sized enterprises (SME's) in its Advisory Committee Model (ACM). The Foundation welcomed five (5) new SME's.

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 Six Months March 31, 2024



HONEY BUN (1982) LIMITED
Unaudited Financial Statements
For the Six Months March 31, 2024

STATEMENT OF COMPREHENSIVE INCOME

Statement of Profit or Loss and Other Comprehensive Income
For the Six months ended March 31, 2024

(Expressed in Jamaican Dollars except otherwise stated)

	Unaudited Three (3) months ended March 2024	Unaudited Three (3) months ended March 2023	Unaudited YTD Six (6) months ended March 2024	Unaudited YTD Six (6) months ended March 2023
Gross operating revenue	994,644,561	878,235,054	1,936,279,031	1,695,638,490
Cost of operating revenue	(525,303,296)	(502,884,133)	(1,031,648,302)	(962,650,575)
Gross profit	469,341,265	375,350,921	904,630,729	732,987,915
Other Gains/(losses) **	(2,094,391)	(3,339,854)	(4,700,168)	(2,636,704)
	467,246,874	372,011,067	899,930,561	730,351,211
Gross margin ratio	47.2%	42.7%	46.7%	43.2%
Administrative, selling and distribution expenses				
Administrative	206,127,833	166,565,808	380,476,134	323,098,005
Selling & distribution costs	154,682,601	133,306,673	298,665,273	243,467,591
	360,810,434	299,872,481	679,141,407	566,565,595
Movement on impairment losses on financials	7	7,537,841	7	7,537,841
Operating profit before finance costs and taxation	106,436,447	79,676,426	220,789,161	171,323,456
Finance income- interest	4,345,617	3,932,058	8,370,785	7,341,486
Finance costs	(3,080,423)	(1,987,340)	(4,753,492)	(3,509,615)
	107,701,642	81,621,143	224,406,453	175,155,327
Increase/(Decrease) in value of investments classified as fair value through profit or loss	523,279	-	523,279	-
Profit before taxation	108,224,921	81,621,143	224,929,732	175,155,327
Taxation	(26,988,000)	(19,849,000)	(57,187,000)	(44,097,000)
Net profit for the period	81,236,921	61,772,143	167,742,732	131,058,327
Total comprehensive income for the period	81,236,921	61,772,143	167,742,732	131,058,327
Earnings Per Share	0.17	0.13	0.36	0.28

HONEY BUN (1982) LIMITED
 Unaudited Financial Statements
 For the Six Months March 31, 2024

STATEMENT OF FINANCIAL POSITION

HONEY BUN (1982) LIMITED
Statement of Financial Position
as at March 31, 2024

(Expressed in Jamaican Dollars except otherwise stated)

	Unaudited March 2024	Unaudited March 2023	Audited September 2023
NON-CURRENT ASSETS			
Property, plant and equipment	735,814,171	707,011,606	735,778,703
Right-of-Use Asset	58,437,103	65,476,640	51,671,506
Investments	117,545,552	97,749,566	118,896,545
Intangible assets	6,438,025	7,340,969	7,147,254
Total non-current assets	<u>918,234,852</u>	<u>877,578,781</u>	<u>913,494,009</u>
CURRENT ASSETS			
Inventories	244,507,574	189,589,836	202,314,925
Receivables	225,024,125	191,952,005	147,598,240
Taxation recoverable	11,404,454	8,125,540	10,087,665
Cash & cash equivalents	544,848,824	390,980,175	464,782,400
Total current assets	<u>1,025,784,977</u>	<u>780,647,557</u>	<u>824,783,230</u>
CURRENT LIABILITIES			
Trade and other payables	333,934,555	248,707,552	278,980,361
Taxation Payable	55,235,605	38,353,097	16,972,625
Current Portion of Long Term Loans	2,811,929	2,811,929	3,147,491
Current Portion of Lease Liability	22,698,354	20,577,979	13,804,039
	<u>414,680,443</u>	<u>310,450,558</u>	<u>312,904,516</u>
Net current assets	611,104,534	470,196,999	511,878,714
Total assets less current liabilities	<u>1,529,339,386</u>	<u>1,347,775,780</u>	<u>1,425,372,723</u>
NON-CURRENT LIABILITIES			
Long term loans	7,743,184	10,980,645	28,863,775
Lease liability	40,949,258	46,416,030	22,340,033
Deferred tax Liabilities	58,167,545	56,561,843	58,167,545
Total non-current liabilities	<u>106,859,987</u>	<u>113,958,518</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	1,322,145,841	1,133,483,704	1,215,667,812
Total equity	<u>1,422,479,399</u>	<u>1,233,817,262</u>	<u>1,316,001,370</u>
Total non-current liabilities and equity	<u>1,529,339,386</u>	<u>1,347,775,780</u>	<u>1,425,372,723</u>

Approved for issue by the Board of Directors on May 15, 2024, and signed on its behalf by:



Herbert Chong (Chairman)



Wayne Wray (Director)

HONEY BUN (1982) LIMITED
 Unaudited Financial Statements
 For the Six Months March 31, 2024

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

HONEY BUN (1982) LIMITED
Statement of Changes in Equity
For the Six months ended March 31, 2024
(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	-	-	131,058,327	131,058,327
Adjustment				
Dividends	-	-	(56,553,915)	(56,553,915)
Balances as at March 31, 2023	46,514,770	53,818,788	1,133,483,704	1,233,817,262
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	-	-	167,742,732	167,742,732
Dividends	-	-	(61,264,703)	(61,264,703)
Balances as at March 31, 2024	46,514,770	53,818,788	1,322,145,841	1,422,479,399

HONEY BUN (1982) LIMITED
 Unaudited Financial Statements
 For the Six Months March 31, 2024

STATEMENT OF CASHFLOWS

HONEY BUN (1982) LIMITED
Statement of Cashflows
For the period ended March 31, 2024

(Expressed in Jamaican Dollars except otherwise stated)

	Six months ended	Six months ended
	March 2024	March 2023
CASH FROM OPERATING ACTIVITIES		
Net Profit	167,742,732	131,058,326
Adjustments for items not affecting cash:		
Depreciation	58,673,460	48,947,415
Right of Use Depreciation	12,525,825	7,206,715
Amortization	709,229	660,126
Loss/(gain) on disposal of property, plant and equipment	-	-
Revaluation of Quoted Securities	(523,279)	-
Retained earnings adjustment	-	-
Interest income	(8,370,785)	(7,341,486)
Interest expense	268,426	439,848
Taxation expense	57,187,000	44,097,000
	288,212,608	225,067,944
Changes in non-cash working capital components:		
Inventories	(42,192,648)	(10,243,768)
Trade and other receivables	(77,425,885)	(25,600,370)
Trade and other payables	54,954,194	23,333,589
Tax paid	<u>(20,240,810)</u>	<u>(20,978,445)</u>
Net cash (used in)/provided by operating activities:	<u>203,307,459</u>	<u>191,578,950</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment		
Additions to property, plant and equipment	(58,708,928)	(90,250,446)
Additions to Right of Use assets	(19,291,422)	(16,589,381)
Additions to intangible assets	-	(515,570)
Investments, net	1,874,272	180,073
Interest received	8,370,785	7,341,486
Net cash used in investing activities	<u>(67,755,293)</u>	<u>(99,833,839)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long-term loans	(21,456,153)	(1,551,570)
Lease Liabilites	27,503,540	10,446,024
Dividends paid	(61,264,703)	(56,553,914)
Interest Paid	(268,426)	(439,848)
Net cash (used)/provided by financing activities	<u>(55,485,742)</u>	<u>(48,099,307)</u>
Net increase in cash and cash equivalents	80,066,424	43,645,804
Cash and cash equivalents at beginning of year	<u>464,782,400</u>	<u>347,334,372</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>544,848,824</u>	<u>390,980,175</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 2023, 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 2023.

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 2023.

(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

	Mar-24	Mar-23
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 March 31, 2024

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	14,700,000
Mayberry Managed Clients' Account	7,188,081
Cal's Manufacturing	6,644,122
Argyle Industries Inc	4,000,000
Jamaica Money Market Brokers	3,799,976
Sagicor Select Fund	3,780,227
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

Closing off the 2023, Cohort of its Advisory Committee Model, The Honey Bun Foundation saw strong growth in the participating Small Medium Enterprises (SMEs). With one SME, Netty's Farm - producers of Kombucha, reporting 93% increase in her revenue over the period. "This program has made me very excited for the future of Jamaica and the business, which will continue to grow. I am better able to analyze data to make improvements in the business with improved strategic thinking and planning skills," says the company principal Eileen Dunkley Shim.



Netty's Farm Kombucha



Eileen Dunkley Shim

HONEY BUN (1982) LIMITED
Unaudited Financial Statements
For the Six Months March 31, 2024

The Honey Bun Foundation has renewed its Memorandum of Understanding (MOU) with Jamaican Manufacturers And Exporters Association for them to offer the Foundation's Advisory Committee Model to their Members.



From left: General Manager of The Honey Bun Foundation Nashauna Lalah, President of JMEA Sydney Thwaites and Executive Director of JMEA Kamesha Blake renew a MOU for the JMEA to offer the Foundation's Advisory Committee model to its members. MOU was signed at JMEA Haughton Avenue Offices on Tuesday January 30th, 2024.

2024 Cohort

The Foundation has onboarded five new SMEs for its 2024 Cohort which includes:

1. Kande's Delight manufacturers of dairy and non-dairy ice cream and sorbets.
2. Live Simple: Manufacturer of all-natural body care products and candles using clean and sustainable ingredients.
3. Nature My Therapy: All-natural organic vegan plant-based juices and teas. For detoxing and promoting healthy lifestyle/diet.
4. Senti Foods: Supplier of agricultural produce to supermarkets and manufacturers
5. Pure Chocolate: Jamaican artisan chocolate brand made from real locally grown Jamaica cocoa.

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