



NATIONAL FLOUR MILLS LIMITED

UNAUDITED RESULTS AS AT MARCH 31, 2023 (Expressed Thousands in Trinidad and Tobago Dollars)

Chairman's Review

Dear Shareholders

We are pleased to announce that NFM's continued recovery strategy in response to the unprecedented challenges due to the pandemic and the war in Ukraine, continued to bear fruit in 2023's first quarter. In the quarter ended March 31st 2023, NFM earned Net Profit after Tax of \$7.5M compared to a loss of \$0.8M in the prior year's first quarter primarily due to a 28% increase in revenue and a 76% increase in Gross Profit. Higher sales and our focus on increasing productivity through strategic purchasing and rigorous management of expenses contributed to this achievement.

NFM will continue to focus on the modernisation of its facilities and the development of its people. To maintain our food safety certification, build capacity and improve margins, we will continue to upgrade our infrastructure. We are also working to increase exports as another of the cornerstones for sustained profitability. Concurrently, we are working towards improving our product offerings to our valued customers, as evidenced by the launch of our new Cassava and Wheat blend of flour, in keeping with our objective of providing our customers with healthier options at an affordable price.

We remain mindful of NFM's role in providing basic food and feed services to the region and our continued investment in plant and machinery is designed to ensure that our products are produced efficiently and reasonably priced. We will continue to work with all our stakeholders to ensure that we can stay true to our purpose of feeding our Caribbean families.


Nigel Romano
Chairman

Summary Consolidated Statement of Financial Position

	UNAUDITED THREE MONTHS ENDED		AUDITED YEAR ENDED
	31-Mar-23	31-Mar-22	31-Dec-22
	\$'000	\$'000	\$'000
Assets			
<i>Non-current Assets</i>			
Property, plant and equipment	154,409	158,941	156,559
Intangible assets	1,475	2,764	1,652
Right-of-use assets	5,009	6,022	5,258
VAT bonds	-	5,460	-
Investments at fair value through OCI	724	697	724
Retirement benefit asset	15,161	44,535	13,398
Deferred taxation assets	11,914	9,703	11,914
	<u>188,692</u>	<u>228,122</u>	<u>189,505</u>
<i>Current Assets</i>			
Accounts receivable and prepayments	82,231	94,575	83,052
Amount due from the Government of the Republic of Trinidad and Tobago (GORTT)	18,493	20,128	20,081
Inventories	125,350	114,418	173,553
VAT bonds	5,460	-	5,460
Taxation recoverable	4,264	8,879	4,266
Restricted deposit	1,584	1,584	1,584
Cash and cash equivalents	91,957	31,322	48,523
	<u>329,339</u>	<u>270,906</u>	<u>336,519</u>
Total Assets	<u>518,031</u>	<u>499,028</u>	<u>526,024</u>
Liabilities and equity			
<i>Non-current Liabilities</i>			
Deferred tax liabilities	38,470	48,377	38,471
Retirement benefit obligation	-	-	-
Medical and life assurance plan	36,539	31,308	35,754
Borrowings	-	-	-
Lease liabilities	6,104	7,311	4,802
	<u>81,113</u>	<u>86,996</u>	<u>79,027</u>
<i>Current Liabilities</i>			
Amount due to the Government of the Republic of Trinidad and Tobago (GORTT)	19,240	19,038	19,211
Borrowings	75,961	26,693	75,757
Lease liabilities	1,200	1,038	2,414
Accounts payable and accruals	71,250	83,120	88,692
Related parties	134	-	134
	<u>167,785</u>	<u>129,889</u>	<u>186,208</u>
Total liabilities	<u>248,898</u>	<u>216,885</u>	<u>265,235</u>
<i>Shareholders' equity</i>			
Stated capital	120,200	120,200	120,200
Treasury shares	(3,319)	-	(3,319)
Retained earnings	154,120	163,670	145,776
Other reserves	(1,868)	(1,727)	(1,868)
	<u>269,133</u>	<u>282,143</u>	<u>260,789</u>
Total equity	<u>269,133</u>	<u>282,143</u>	<u>260,789</u>
Total liabilities and equity	<u>518,031</u>	<u>499,028</u>	<u>526,024</u>

Summary Consolidated Statement of Changes in Equity

	Stated Capital	Treasury Shares	Other Reserves	Retained Earnings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Year ended December 31, 2022					
Balance at January 1, 2023	120,200	(3,319)	(1,868)	145,776	260,789
Profit for the period	-	-	-	7,599	7,599
Other movements	-	-	-	746	746
Balance at March 31, 2023	<u>120,200</u>	<u>(3,319)</u>	<u>(1,868)</u>	<u>154,120</u>	<u>269,133</u>
Year ended December 31, 2021					
Balance at January 1, 2022	120,200	(3,003)	(1,868)	163,142	278,471
Loss for the period	-	-	-	(783)	(783)
Other movements	-	3,003	141	1,311	4,455
Balance at March 31, 2022	<u>120,200</u>	<u>-</u>	<u>(1,727)</u>	<u>163,670</u>	<u>282,143</u>
Year ended December 31, 2022					
Opening balance at January 1, 2022	120,200	(3,003)	(1,868)	163,142	278,471
Profit for the year	-	-	-	6,909	6,909
Loss on investment at fair value through OCI	-	(448)	-	-	(448)
Re-measurement of retirement benefit asset and medical and life assurance plan, net of tax	-	-	-	(25,791)	(25,791)
Other movements	-	80	-	1,516	1,596
Transactions with owners of the Group:					
Transfer of treasury shares	-	52	-	-	52
Balance at December 31, 2022	<u>120,200</u>	<u>(3,319)</u>	<u>(1,868)</u>	<u>145,776</u>	<u>260,789</u>

Notes to the summary consolidated financial statements for the three months ended March 31, 2023

1. Basis of Preparation

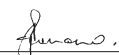
The summary interim consolidated financial statements are prepared in accordance with criteria developed by management. Under management's established criteria, management discloses the interim summary consolidated statement of financial position, interim consolidated statement of comprehensive income, interim summary consolidated statement of changes in equity and interim summary consolidated statement of cash flows. These interim summary consolidated financial statements are derived from the unaudited consolidated financial statements of National Flour Mills Limited and its subsidiary for the period 31 March 2023 prepared in accordance with International Financial Reporting Standards.

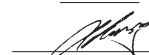
Summary Consolidated Statement of Comprehensive Income

	UNAUDITED THREE MONTHS ENDED		AUDITED YEAR ENDED
	31-Mar-23	31-Mar-22	31-Dec-22
	\$'000	\$'000	\$'000
Revenue	141,536	110,406	532,808
Cost of sales	(109,033)	(91,952)	(439,869)
Gross profit	32,503	18,454	92,939
Selling and distribution expenses	(10,274)	(9,396)	(39,896)
Administration expenses	(12,795)	(12,175)	(47,153)
Other operating income	1,390	2,572	6,569
Operating profit / (loss)	10,824	(545)	12,459
Net finance cost	(2,366)	(238)	(3,379)
Profit / (loss) before income tax	8,458	(783)	9,080
Income tax expense	(859)	-	(2,171)
Profit / (loss) for the year	7,599	(783)	6,909
Other comprehensive (loss) / gain:			
<i>Items that would not be reclassified to profit or loss</i>			
Re-measurement of retirement benefit asset	-	-	(33,026)
Re-measurement of medical and life assurance plan	-	-	(3,819)
Changes to deferred taxes related to remeasurements	-	-	11,054
(Loss) / gain on investment at fair value through OCI	-	-	(448)
Gain on revaluation of treasury shares	-	-	52
Other comprehensive (loss) / income net of tax	-	-	(26,187)
Total comprehensive (loss) / income for the year	<u>7,599</u>	<u>(783)</u>	<u>(19,278)</u>
Earnings per share			
Basic earnings per share (in cents)	6.44	-	5.86
Diluted earnings per share (in cents)	6.37	-	5.79

Summary Consolidated Statement of Cash Flows

	UNAUDITED THREE MONTHS ENDED		AUDITED YEAR ENDED
	31-Mar-23	31-Mar-22	31-Dec-22
	\$'000	\$'000	\$'000
Cash flows from operating activities			
Profit/(loss) before taxation	8,458	(783)	9,080
Adjustments for:			
Depreciation	3,768	3,674	15,755
Write off - Asset Under Construction	-	-	2,172
Amortisation	426	712	2,819
Lease interest expense	87	115	339
Interest and finance costs	1,207	-	3,176
Interest Income	(9)	93	(19)
Dividend income	(1)	(1)	(84)
Gain or loss on foreign exchange	1,082	-	(136)
Gain on treasury shares	-	-	(316)
Gain on revaluation of treasury shares	-	-	52
Retirement benefit expense	-	-	3,014
Medical plan expense	-	-	2,621
Retirement benefit asset contributions paid	(1,763)	(1,417)	(6,320)
Medical and life assurance plan contributions paid	785	471	(1,523)
Provision for doubtful accounts	300	-	(195)
Loss on Retirement pension and medical benefit	-	-	2,208
Gain on investment at fair value through OCI	-	-	(448)
Operating profit before working capital changes	14,340	2,864	32,195
Changes in working capital:			
(Increase) / decrease in accounts receivable and prepayments	521	(15,007)	(3,679)
(Increase) / decrease in inventories	48,203	(13,881)	(73,016)
Increase in accounts payable and accruals	(19,165)	(20,365)	(14,793)
(Increase) / decrease in amounts due to / from GORTT	1,617	(292)	(72)
Increase in current amounts due to related parties	-	-	134
Decrease in investment	-	-	25
Taxes refunded	-	-	4,614
Cash generated from operating activities	45,516	(46,681)	(54,592)
Interest paid	(388)	-	(2,863)
Taxes paid	-	706	(3,236)
Net cash generated from operating activities	<u>45,128</u>	<u>(45,975)</u>	<u>(60,691)</u>
Cash flows from investing activities			
Disposal of assets	1	-	-
Sale of investments	-	-	52
Purchase of property, plant and equipment	(1,617)	95	(15,549)
Dividend Income	1	1	84
Interest received on investments	9	-	19
Purchase of intangible assets	-	-	(151)
Net cash used in investing activities	<u>(1,606)</u>	<u>96</u>	<u>(15,545)</u>
Cash flows from financing activities			
Borrowings drawn	-	26,693	122,874
Borrowings repaid	-	-	(47,299)
Dividends paid	-	-	-
Lease interest paid	-	-	-
Principle repayments on finance lease	(88)	(73)	(1,397)
Net cash (used in)/generated from financing activities	<u>(88)</u>	<u>26,620</u>	<u>74,178</u>
Net change in cash and cash equivalents	43,434	(19,259)	(2,058)
Cash and cash equivalents at the start of the year	48,523	50,581	50,581
Cash and cash equivalents at the end of the year	<u>91,957</u>	<u>31,322</u>	<u>48,523</u>

 Director

 Director