



NATIONAL FLOUR MILLS LIMITED AND ITS SUBSIDIARY

AUDITED SUMMARY CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2024 | (expressed in thousands of Trinidad and Tobago dollars)

CHAIRMAN'S REVIEW



Dear Shareholders

Financial Performance

I am pleased to announce that NATIONAL FLOUR MILLS LIMITED (NFM) has delivered commendable financial results in 2024, demonstrating resilience and strategic adaptability. Although revenue experienced a 9% decline from \$577M in 2023 to \$523M in 2024, our Gross Profit increased by 6%, from \$152M to \$161M. This accomplishment was primarily driven by a significant 15% reduction in the cost of sales, resulting from prudent grain procurement and improved operational efficiencies. Despite fluctuations in global grain prices, these measures allowed us to manage costs and enhance profitability effectively.

Mr. Ashmeer Mohamed

Additionally, NFM successfully reduced finance costs by 71%. As a result, Net Profit after Tax grew by 25%, from \$35.4M in 2023 to \$44.1M in 2024. Total Comprehensive Income also improved, increasing from \$32.9M to \$51.6M, resulting in a rise in earnings per share from 30 to 37 cents. Furthermore, our continued investment in plant modernisation, particularly the acquisition of new packaging equipment, has led to an increase in Total Assets from \$447M to \$471M.

Overview of the Grains Market and Global Economy

Throughout 2024, NFM operated in a challenging global economic environment characterised by ongoing geopolitical tensions, evolving international trade policies, and climate change impacts. The newly articulated U.S. foreign policy, including potential widespread tariffs, may further destabilise global food prices. Additionally, the withdrawal of the United States from the Paris Agreement and renewed emphasis on fossil fuels could undermine global climate objectives and intensify environmental challenges affecting agricultural productivity worldwide.

These developments, coupled with escalating global conflicts and stringent immigration policies affecting agricultural labour, pose significant risks to global food security and price stability. NFM remains cognizant of these potential impacts and strategically prepares to mitigate associated risks to sustain profitability.

Operational and Productivity Enhancements

NFM continues to prioritise its digital transformation initiatives, which are highlighted by the ongoing implementation of a new Enterprise Resource Planning (ERP) system. Investments such as the new 2-kg production line, a Dry-Mix packing line, and fleet expansion will significantly enhance our ability to meet customer demands efficiently. Concurrently, our commitment to product innovation remains robust, with ongoing development and improvement of product formulations to cater to evolving consumer preferences.

Strategic Export Initiatives

Building upon our substantial investments in modernisation and capacity expansion, NFM aims to significantly grow its market presence regionally and internationally. Increasing our exports is essential to our strategic vision, as we aim to become a leading foreign exchange earner through our flour, feed, pet food and dry-mix product lines. Our dry-mix products already have a strong foothold in Caribbean markets, the United States, and Canada, and we intend to pursue further opportunities, particularly within diaspora communities abroad actively.

Investment in People

The success of our ambitious expansion strategy is fundamentally linked to the skills and dedication of our employees. Therefore, in 2024, we continued investing substantially in employee training and development. By aligning our human resource strategy with global best practices—emphasising reskilling, digital capabilities, and data-driven decision-making—we are positioning NFM to thrive in a competitive international marketplace.

Closing Remarks

Finally, I would like to sincerely thank my fellow Directors for their steadfast support during my transition to Chairman in September 2024. I am grateful to my predecessor for leaving a strong legacy and to our highly capable Directors committed to driving NFM's future success. I also thank our dedicated employees and valued stakeholders, whose collective efforts are critical to our continued achievements. Together, let us embrace the challenges ahead and ensure NFM remains a robust and prosperous enterprise.


Ashmeer Mohammed
Chairman

INDEPENDENT AUDITOR'S REPORT



Independent auditor's report on the summary consolidated financial statements

To the Shareholders of NATIONAL FLOUR MILLS LIMITED

Our opinion

In our opinion, the accompanying summary consolidated financial statements of NATIONAL FLOUR MILLS LIMITED (the Company), and its subsidiary (together 'the Group') are consistent, in all material respects, with the audited consolidated financial statements, on the basis described in note 2.

The summary consolidated financial statements

The Group's summary consolidated financial statements derived from the audited consolidated financial statements for the year ended 31 December 2024 comprise:

- the summary consolidated statement of financial position as at 31 December 2024;
- the summary consolidated statement of comprehensive income for the year then ended;
- the summary consolidated statement of changes in equity for the year then ended;
- the summary consolidated statement of cash flows for the year then ended; and
- the related notes to the summary consolidated financial statements.

The summary consolidated financial statements do not contain all the disclosures required by IFRS Accounting Standards. Reading the consolidated summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon.

The audited consolidated financial statements and our audit report thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 24 March 2025. *That report also includes the communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the audited consolidated financial statements of the current period.*

Responsibilities of management and those charged with governance for the summary consolidated financial statements

Management is responsible for the preparation of the summary consolidated financial statements on the basis described in Note 2.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing 810 (Revised), 'Engagements to Report on Summary Financial Statements'.



Port of Spain
Trinidad, West Indies
24 March 2025

PricewaterhouseCoopers, PO Box 550, 11-13 Victoria Avenue, Port of Spain, 100902, Trinidad, West Indies
T: (868) 299 0700, F: (868) 623 6025, www.pwc.com/tt

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

1 Incorporation and principal activities

NATIONAL FLOUR MILLS LIMITED ("the Company" or "NFM") is incorporated in the Republic of Trinidad and Tobago and was continued under the provisions of the Companies Act, 1995 on April 14, 1998.

The Company's principal activities are the production and distribution of food products and animal and poultry feeds. The Subsidiary is an Employee Stock Ownership Plan (ESOP) to give effect to a contractual obligation to pay profit-sharing bonuses to employees via shares of the Group. The Company and its subsidiary, the Employee Stock Ownership Plan, together referred to as the "Group". National Enterprises Limited (NEL). Is majority owned by the Government of the Republic of Trinidad and Tobago (GORTT), owning 51% of the issued share capital, and hence NFM's ultimate parent is therefore the GORTT. The Group's registered office is 27-29 Wrightson Road, Port of Spain.

2 Significant Accounting Policies

The summary consolidated financial statements have been prepared by presenting the Consolidated Statement of Financial Position, Consolidated Statements of Comprehensive Income, Changes in Equity and Cash Flows exactly as presented in the full set of consolidated financial statements which were prepared in accordance with International Financial Reporting Standards for the year ended 31 December 2024. The consolidated financial statements have been prepared under the historical cost convention, except for investments at fair value through other comprehensive income and defined benefit plans where plan assets are measured at fair value. The summary consolidated financial Statements do not include the accounting policies and the notes that are contained in the full audited consolidated financial statements. The accounting policies have been applied consistently to all the years presented.




NATIONAL FLOUR MILLS LIMITED AND ITS SUBSIDIARY

AUDITED SUMMARY CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2024 | (expressed in thousands of Trinidad and Tobago dollars)

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31 December	
	2024 \$	2023 \$
Assets		
Non-current assets		
Property, plant and equipment	204,907	168,754
Intangible assets	915	1,069
Right-of-use asset	3,371	4,317
Investments at fair value through OCI	4,641	866
Retirement benefit asset	20,162	12,567
Deferred taxation assets	15,081	13,384
	<u>249,077</u>	<u>200,957</u>
Current assets		
Accounts receivable and prepayments	92,152	90,824
Amount due from the Government of the Republic of Trinidad and Tobago (GORTT)	2,094	-
Inventories	84,667	131,071
Taxation recoverable	4,264	4,266
Restricted deposit	1,604	1,598
Cash and cash equivalents	37,245	18,305
	<u>222,026</u>	<u>246,064</u>
Total assets	<u>471,103</u>	<u>447,021</u>
Liabilities and equity		
Non-current liabilities		
Deferred tax liabilities	46,570	37,873
Medical and life assurance plan	39,632	37,452
Lease liabilities	4,908	4,044
	<u>91,110</u>	<u>79,369</u>
Current liabilities		
Amount due to the Government of the Republic of Trinidad and Tobago (GORTT)	62	285
Borrowings	-	25,000
Lease liabilities	1,031	2,378
Accounts payable and accruals	45,110	41,140
Taxation payable	4,287	8,901
	<u>50,490</u>	<u>77,704</u>
Total liabilities	<u>141,600</u>	<u>157,073</u>
Shareholders' equity		
Stated capital	120,200	120,200
Treasury shares	(3,319)	(4,189)
Retained earnings	214,490	175,805
Other reserves	(1,868)	(1,868)
	<u>329,503</u>	<u>289,948</u>
Total equity	<u>329,503</u>	<u>289,948</u>
Total liabilities and equity	<u>471,103</u>	<u>447,021</u>

On March 24, 2025, the Board of Directors of NATIONAL FLOUR MILLS LIMITED authorised these summary consolidated financial statements for issue.


Director


Director

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Stated Capital \$	Treasury Shares \$	Other Reserves \$	Retained Earnings \$	Total \$
Year ended 31 December, 2023					
Balance at January 1, 2023	120,200	(3,319)	(1,868)	145,776	260,789
Profit for the year	-	-	-	35,452	35,452
Gain on revaluation of treasury shares	-	(870)	-	-	(870)
Gain on investment at fair value through OCI	-	-	-	142	142
Re-measurement of retirement benefit asset and medical and life assurance plan, net of tax	-	-	-	(1,794)	(1,794)
Other movements	-	-	-	(165)	(165)
Transactions with owners of the Group:					
Dividends declared and paid	-	-	-	(3,606)	(3,606)
Balance as at 31 December, 2023	<u>120,200</u>	<u>(4,189)</u>	<u>(1,868)</u>	<u>175,805</u>	<u>289,948</u>
Year ended 31 December, 2024					
Balance at January 1, 2024	120,200	(4,189)	(1,868)	175,805	289,948
Profit for the year	-	-	-	44,182	44,182
Loss on revaluation of treasury shares	-	870	-	-	870
Gain on investment at fair value through OCI	-	-	-	3,775	3,775
Re-measurement of retirement benefit asset and medical and life assurance plan, net of tax	-	-	-	2,837	2,837
Other movements	-	-	-	(89)	(89)
Transactions with owners of the Group:					
Dividends declared and paid	-	-	-	(12,020)	(12,020)
Balance as at 31 December, 2024	<u>120,200</u>	<u>(3,319)</u>	<u>(1,868)</u>	<u>214,490</u>	<u>329,503</u>

SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 December	
	2024 \$	2023 \$
Revenue	523,405	577,333
Cost of sales	<u>(362,231)</u>	<u>(425,283)</u>
Gross profit	161,174	152,050
Selling and distribution expenses	(49,431)	(47,456)
Administration expenses	(53,819)	(52,117)
Other operating income	6,427	6,843
Operating profit	64,351	59,320
Finance cost	<u>(1,452)</u>	<u>(5,063)</u>
Profit before income tax	62,899	54,257
Income tax expense	<u>(18,717)</u>	<u>(18,805)</u>
Profit for the year	44,182	35,452
Other comprehensive income /(loss):		
Items that would not be reclassified to profit or loss		
Re-measurement of retirement benefit asset	5,231	(2,816)
Re-measurement of medical and life assurance plan	(1,179)	254
Changes to deferred taxes related to remeasurements	(1,215)	769
Gain on investment at fair value through OCI	3,775	142
Loss/(gain) on revaluation of treasury shares	870	(870)
Other comprehensive income for the period, net of tax	<u>7,482</u>	<u>(2,521)</u>
Total comprehensive income for the year	<u>51,664</u>	<u>32,931</u>
Earnings per share		
Basic earnings per share (in cents)	37.42	30.03
Diluted earnings per share (in cents)	36.95	29.63

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

	Year ended 31 December	
	2024 \$	2023 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	62,899	54,257
Adjustments for:		
Depreciation	15,557	15,102
Amortisation	1,450	1,527
Interest and bank charges	181	4,027
Lease interest expense	250	319
Interest income	(50)	(171)
Dividend income	(159)	(192)
Gain or loss on foreign exchange	1,021	717
Loss/(gain) on revaluation of treasury shares	870	(870)
Retirement benefit expense	5,347	5,449
Medical plan expense	3,307	3,184
Retirement benefit asset contributions paid	(7,711)	(7,434)
Medical and life assurance plan contributions paid	(2,306)	(1,232)
Provision for doubtful accounts	(1,401)	(686)
Gain/(loss) on investment at fair value through OCI	-	(142)
	<u>79,255</u>	<u>73,855</u>
Changes in working capital:		
Decrease in inventories	46,404	42,482
Increase in accounts receivable and prepayments	(7,592)	(11,233)
(Increase)/decrease in amounts due to/from GORTT	(2,317)	1,155
Decrease in current amounts due to related parties	-	(58)
Decrease in taxes refunded (VAT)	7,665	4,147
Increase/(decrease) in accounts payable and accruals	3,970	(47,628)
Cash provided by operations	127,385	62,720
Interest paid	(1,291)	(4,921)
Taxes paid	<u>(17,548)</u>	<u>(11,055)</u>
Net cash generated from operating activities	<u>108,546</u>	<u>46,744</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in restricted deposits	(6)	(14)
Disposal of assets	18	-
Sale of investments	4	14
Acquisition of property, plant and equipment	(51,728)	(27,298)
Interest received on investments	50	171
Redemption of VAT Bonds	-	5,460
Dividend income	159	192
Purchase of intangible assets	<u>(350)</u>	<u>(3)</u>
Net cash used in investing activities	<u>(51,853)</u>	<u>(21,478)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings repaid	(25,000)	(50,757)
Dividends paid	(12,020)	(3,606)
Principal repayments in finance lease	(733)	(1,121)
Net cash used in financing activities	<u>(37,753)</u>	<u>(55,484)</u>
Net increase/(decrease) in cash and cash equivalents	18,940	(30,218)
CASH AND CASH EQUIVALENTS AT START OF YEAR	<u>18,305</u>	<u>48,523</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>37,245</u>	<u>18,305</u>
Cash and cash equivalents represented by		
Cash and cash equivalents	<u>37,245</u>	<u>18,305</u>