



*The West India Biscuit Co. Ltd.*

ANNUAL REPORT  
**2024**



*The West India Biscuit Co. Ltd.*

# FINANCIAL STATEMENTS

For the year ended

**AUGUST 31, 2024**

(Expressed in Barbados Dollars)

# CONTENTS

4	ONE HUNDRED AND fourteenth ORDINARY GENERAL MEETING
5	CORPORATE INFORMATION
6	FINANCIAL HIGHLIGHTS
7	CHAIRMAN'S REPORT
8	DIRECTORS' REPORT
9	CORPORATE GOVERNANCE OVERVIEW
11	MANAGING DIRECTOR'S REPORT
12	MANAGEMENT TEAM
14	STOCKHOLDINGS
16	AUDITED FINANCIAL STATEMENTS
22	STATEMENT OF FINANCIAL POSITION
23	STATEMENT OF CHANGES IN EQUITY
24	STATEMENT OF COMPREHENSIVE INCOME
25	STATEMENT OF CASH FLOWS
26	NOTES TO FINANCIAL STATEMENTS
67	NOTES
73	PROXY FORM

# ONE HUNDRED AND FOURTEENTH ORDINARY GENERAL MEETING

Notice is hereby given that the One Hundredth and Fourteenth Ordinary General Meeting of the Shareholders of The West India Biscuit Company Limited (the "Company") will be held at the Registered Office of the Company, Gill's Road, Bridgetown, on Friday, 14th Day of February 2025 at 11:00 a.m. for the following purposes:

1. To receive and consider the Accounts and Reports of the Directors and Auditors for the year ended August 31st 2024
2. To elect Directors.
3. To appoint Auditors and fix their remuneration.
4. To transact any other business of an Ordinary General Meeting.

By order of the Board of Directors.

Bridgetown  
November 22, 2024

  
Ms. Elaine Gill  
Secretary

*The West India Biscuit Co. Ltd.*



# CORPORATE INFORMATION

Incorporated October 12, 1910

## REGISTERED OFFICE

Gill's Road  
Whitepark Road  
St. Michael, Barbados BB11083  
Telephone: 1-246-227-6200  
Email: [admin@wibisco.com](mailto:admin@wibisco.com)  
[www.wibisco.com](http://www.wibisco.com)

## BOARD OF DIRECTORS

Ms. Chloe Bermudez - Chairman  
Professor Justin C. Robinson  
Ms. Margot Greene  
Mrs. Ingrid Lloyd  
Mr. G. Anthony King  
Mr. Lorenzo Roach

## CORPORATE SECRETARY

Ms. Elaine Gill

## AUDITOR

PricewaterhouseCoopers SRL  
The Financial Services Centre  
Bishop's Court Hill  
St. Michael  
BB14004  
Barbados

## BANKERS

CIBC Caribbean Bank Limited  
(formerly CIBC International Bank (Barbados) Limited)  
Warrens, St. Michael, Barbados

## REGISTRAR AND TRANSFER AGENT

Corporate Services Limited

## ATTORNEYS-AT-LAW

Hanschell & Company  
Croton Court,  
Corner Pine & Belmont Roads  
Belleville, St. Michael, Barbados



# FINANCIAL HIGHLIGHTS

(expressed in Barbados dollars)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Turnover - millions of dollars	78.4	74.7	67.1	60.8	64.3	61.0	60.9	57.4	55.0	55.0
Pre-tax profits - millions of dollars	12.2	11.2	10.3	8.7	10.8	8.7	10.4	9.7	9.7	8.5
Net income - millions of dollars	10.2	10.8	10.0	8.6	10.3	9.9	9.0	9.0	8.4	7.5
Earnings per share - dollars	3.4	3.6	3.3	2.9	3.4	3.3	3.0	3.0	2.8	2.5
Dividends per share - dollars	1.0	1.0	1.0	1.0	1.0	0.8	0.8	0.8	0.8	0.6
Dividend cover - times	3.4	3.6	3.3	2.9	3.4	4.1	3.7	3.7	3.5	4.5
Net asset value per share - dollars	35.7	32.6	30.9	29.3	27.0	25.6	22.4	20.5	18.0	15.5
Share price - dollars: August 31, 2024	32.0	32.0	31.3	31.3	31.0	24.6	20.0	17.4	14.4	10.5

*The West India Biscuit Co. Ltd.*

# CHAIRMAN'S REPORT

For the financial year ending August 31, 2024, the Company reported a revenue increase of \$3.7M, or 5%, reaching \$78M. This growth was seen in both local and export markets, with imported brands driving local performance. Export sales remain a vital part of the Company's success, with export revenues increasing by \$1.5M, or 6%, over the prior year.

We have successfully improved our gross margins and significantly strengthened our cash position, thanks to ongoing cost controls across the business. Net income before tax for the year rose by 9% compared to the previous period.

During the year, the Company installed new packaging equipment on its cookie line, which is expected to enhance plant efficiencies as we continue to see year-on-year growth in exports.

The Company maintains a strong financial position as we remain committed to delivering value to all our stakeholders. Our balance sheet remains strong, evident by increased working capital and cash flow generation.

Looking ahead to 2025, the Company will continue to focus on executing its strategic objectives to drive efficiencies across all sectors of the organization. We have already improved our cybersecurity resilience, strengthened our health and safety culture, and launched our sustainability initiatives, all of which are aimed to further enhance the business.

The West India Biscuit Company extends its gratitude to its staff, management, and customers for their dedication and commitment, which have greatly contributed to the Company's success. We remain dedicated to providing quality products to our customers and consumers locally, regionally, and internationally.

Thank you for your continued confidence in our Company.



Ms. Chloe Bermudez  
Chairman

# DIRECTORS' REPORT

REPORT OF THE DIRECTORS to be presented to the Shareholders at the One Hundred and Thirteenth Ordinary General Meeting to be held at the Company's Registered Office, Gill's Road, Bridgetown, on Friday, 14th Day of February 2025.

The Directors submit herewith the Audited Statement of Accounts for the year ended August 31, 2024.

Balance at 31 August 2023	\$98,361,038
Net income for the year	\$10,202,462
Dividends paid	(\$3,019,169)
Share retirement	(\$98,022)
Other Comprehensive income	\$2,385,299
<b>Balance at August 31, 2024</b>	<b>\$107,831,608</b>

The retiring auditor PricewaterhouseCoopers SRL offer themselves for reappointment.

Bridgetown  
22 November 2024

  
Ms. Elaine Gill  
Secretary

*The West India Biscuit Co. Ltd.*

# CORPORATE GOVERNANCE OVERVIEW

## Board Composition and Structure

The maximum number of Directors permitted by the Articles of incorporation of the Company is ten and the minimum is three. The Board of Directors presently consists of six members, three of whom are independent Non-Executive Directors. The remaining three are the Chief Executive Officer, the Chief Operating Officer and the Managing Director.

The Board of Directors considers that the quality, skills and experience of Directors enhances the Board's effectiveness and the collective Board is required to have the core set of skills essential to the efficient and prudent operation of the Company's business.

The Board's mandate extends to the approval and implementation of the Company's strategic plan and budget and its corporate objectives, approval and monitoring of investment opportunities and major capital expenditure, the review and approval of financial statements and their disclosure, the approval of dividends and the review and monitoring of internal controls, risk management and legal and regulatory compliance. The Board is also responsible to ensure that the Company has the appropriate structures and programs in place to operate within the highest ethics, compliance and corporate governance practices.

## Board Committee Structure

To assist in carrying out its mandate the Board has established two Committees namely the Audit and Corporate Governance Committee. An Audit Committee Charter as well as the Board Mandate can be viewed on the Company's website: [www.wibisco.com](http://www.wibisco.com). The composition of Boards can be seen in the Report on Page 6.

### The Audit Committee

The Audit Committee members are:-

Chloe Bermudez – Chairman

Lorenzo Roach

Professor Justin Robinson

Margot Greene

Gerald A. King

Ingrid Lloyd

The mandate of the Audit Committee is to appoint external auditors for subsequent approval by shareholders, oversee the work of external auditors and recommend their compensation to the Board. In addition, the Committee is also required to review the annual audit plan, review and approve the audited financial statements, associated management letter, attestation on the effectiveness of the internal control structure and procedures for financial reporting.

The Committee also oversees the internal Audit function providing the policy and framework for an effective system of internal controls, ensures compliance with legal, statutory and regulatory requirements and to assure and maintain the independence of the internal audit process.

The Committee is also responsible for providing an appropriate confidential mechanism for whistleblowers to provide information on potentially fraudulent financial reporting or breaches of internal control to the Audit Committee.

## The Corporate Governance Committee

The Corporate Governance Committee members are: -

Chloe Bermudez – Chairman

Lorenzo Roach

Professor Justin Robinson

Margot Greene

Gerald A. King

Ingrid Lloyd

The Corporate Governance Committee's primary role is to develop and recommend to the Board of Directors procedures and policies to establish and to maintain the best standards of corporate governance.

## Rotation, Election and Re-election of Directors

In accordance with both the by-laws of the Company and the provisions of the Companies Act Chapter 308 of the laws of Barbados, two Directors, Professor Justin Robinson and Ms. Margot Greene retire by rotation, and being eligible, have agreed to offer themselves for re-election for a term not exceeding three years.

Prof. C. Justin Robinson, a Professor of Corporate Finance, is a national of St. Vincent and the Grenadines and currently serves as Pro. Vice Chancellor, Academic Industry Partnerships and Planning. He obtained his PhD in Finance from the University of Manchester, UK. He also holds an MSc in Finance and Econometrics from Florida International University and a BSc in Management Studies (First Class Honours) from the University of the West Indies, Cave Hill Campus, Barbados. Prof. Robinson's research interests are Capital Markets in Developing Countries, Public Finance, Financial Risk Management and Corporate Finance in Developing Countries. Prof. Robinson currently serves as a Director of the Central Bank of Barbados, and President of the Barbados Museum and Historical Society.

Ms. Margot Greene is an attorney at law with a private practice in Barbados. She has a Bachelor of Laws Degree from the University of the West Indies Cave Hill Campus and a Legal Education Certificate from the Hugh Wooding Law School in Trinidad. She is a Member of the Family Law Council since 1990. She is also Barbados' Principal Delegate to the Inter-American Commission on Women (CIM) and the Deputy Chair on the Protective Services Commission.

*The West India Biscuit Co. Ltd.*

# MANAGING DIRECTOR'S REPORT

During the year under review, The West Indian Biscuit Company maintained a consistent performance. Revenue ended the year 5% higher than the previous year, with both local and export sales surpassing last year's performance. Export growth remains a significant contributor to the business, accounting for just over 36% of sales compared to 34% the previous year. As we have consistently communicated, we believe exports hold the greatest potential for business growth, and we continue to invest with this in mind.

Income before tax for the year was \$12.2 million, a 9% increase over the prior year. However, changes in the corporate tax rate to 9% resulted in net income ending the year 5.5% below the previous year. Our efforts to further reduce operational costs were hindered by the rejection of our application to connect our proposed solar photovoltaic system to the electrical grid. The Barbados Light & Power Company indicated that the safe operating limit for the grid without battery storage has been reached, leading to the rejection of our application. Despite this, gross profit exceeded the prior year by \$1.7 million, or 6%.

In the last quarter of the financial year, we prepared the plant for the upgrade of key equipment. These upgrades aim to eliminate the risk of obsolescence posed by the current equipment and to enhance efficiencies within the business. Concurrently, we accelerated preparations for the upcoming FSSC 22000 recertification audit in October 2024, following a successful unannounced audit in 2023. We have observed a general stabilization in raw and packaging material pricing and remain optimistic that this trend will continue into the new financial year.

Despite ongoing logistics challenges and rising shipping rates, we are consistently working to optimize our logistics function to minimize any potential impact.

We look to the future with confidence, anticipating continued business growth despite the challenges ahead. As we adapt to the changing business landscape, we have launched several sustainability initiatives focused on energy conservation, recycling and waste reduction, and carbon emission reduction. In the coming financial year, we will establish benchmarks and pursue initiatives to minimize our environmental impact as part of our growing commitment to the community in which we operate.

I take this opportunity to acknowledge and express my appreciation to our staff for their dedication, the support of our Board of Directors, and all other stakeholders. Our partnerships with local, regional, and international customers remain strong, and we value these ongoing relationships. Our cordial relationship with the BWU has continued to facilitate effective communication, strengthening this partnership over the years.



Lorenzo Roach  
Managing Director

# MANAGEMENT TEAM



**LORENZO ROACH**  
Managing Director



**ELAINE GILL**  
Finance Manager / Company Secretary



**DIANE PAYNE**  
Commercial Manager

# MANAGEMENT TEAM



**LAINA JACOB**  
Human Resource Manager



**JASMINE CORBIN**  
Supply Chain Manager



**DELROY WALSH**  
Operations Manager



*The West India Biscuit Co. Ltd.*

## STOCKHOLDINGS

Additional information for the year ended August 31, 2024, required in accordance with the Barbados Stock Exchange Listing Agreement.

At August 31, 2024, the following companies held more than 5% of the share capital of the company:

Bermudez Group Limited  
Russell Investments Ltd.  
Bermudez Biscuit Company Limited

*The West India Biscuit Co. Ltd.*

TORONTO



*The West India Biscuit Co. Ltd.*

**EXPORT THE BAJAN**  
TRADITION NEAR AND FAR

**WIBISCO** exports many products throughout the Caribbean as well as to Miami, New York, and the UK. Among the Caribbean markets being served are Trinidad and Tobago, Grenada, St. Vincent, Dominica, Montserrat, Antigua and Barbuda, St. Kitts and Nevis, Saint Maarten, Anguilla, The British Virgin Islands, The US Virgin Islands, Jamaica and the Cayman Islands. Arrangements are in place to export even further afield in the near future and our packaging has been upgraded to compete in the international arena.

**WIBISCO** export locations

*North Atlantic  
Ocean*

*Caribbean Sea*





# AUDITED FINANCIAL STATEMENTS

For the year ended  
August 31, 2024

(Expressed in Barbados Dollars)



*The West India Biscuit Co. Ltd.*



## Independent auditor's report

To the Shareholders of The West India Biscuit Company Limited

### Report on the audit of the financial statements

#### Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of The West India Biscuit Company Limited (the Company) as at August 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

#### What we have audited

The Company's financial statements comprise:

- the statement of financial position as at August 31, 2024;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

## Our audit approach

### Overview



- Overall materiality: \$592,000, which represents approximately 5% of income before taxation.
- In addition to determining materiality, we also assessed, amongst other factors, the following in designing our audit:
  - the risk of material misstatement in the financial statements
  - significant accounting estimates
  - the risk of management override of internal controls
- There are no Key Audit Matters to communicate in our report.

### Audit scope

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

### Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement.

Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

<b>Overall materiality</b>	\$592,000
<b>How we determined it</b>	Approximately 5% of income before taxation
<b>Rationale for the materiality benchmark applied</b>	We chose income before taxation as the benchmark because, in our view, it is the benchmark against which the performance of the Company is most commonly measured by users, and is a generally accepted benchmark. We chose 5% which is within a range of acceptable benchmark thresholds.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above \$59,200, as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

#### **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no Key Audit Matters to communicate in our report.

#### **Other information**

Management is responsible for the other information. The other information comprises the Annual Report (but does not include the financial statements and our auditor's report thereon).

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of management and those charged with governance for the financial statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other matter**

This report is made solely to the Company's shareholders, as a body, in accordance with Section 147 of the Companies Act of Barbados. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law and subject to any enactment or rule of law to the contrary, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinion we have formed.

The engagement partner on the audit resulting in this independent auditor's report is Bruce McClean.

*PricewaterhouseCoopers SRL*

*The West India Biscuit Co. Ltd.*

Bridgetown, Barbados  
November 26, 2024

# STATEMENT OF FINANCIAL POSITION

As at August 31, 2024 (expressed in Barbados dollars)

	Notes	2024 \$	2023 \$
<b>Current assets</b>			
Cash in hand and at bank	5	50,575,897	43,763,814
Trade, other receivables and prepayments	6	9,985,491	9,000,321
Due from related companies	7	1,225,287	1,760,062
Financial assets measured at amortised cost	10	-	3,500,000
Inventories	8	8,954,564	8,215,086
Corporation tax recoverable		186,211	186,211
		<b>70,927,450</b>	<b>66,425,494</b>
<b>Current liabilities</b>			
Trade and other payables	9	5,263,477	6,506,254
Due to related companies	7	3,335,523	1,532,808
Current income tax liability		763,403	180,045
		<b>9,362,403</b>	<b>8,219,107</b>
<b>Working capital</b>		<b>61,565,047</b>	<b>58,206,387</b>
Financial assets measured at fair value through other comprehensive income	10	8,056,090	5,676,118
Financial assets measured at amortised cost	10	3,000,000	2,000,000
Property, plant and equipment	11	28,941,407	25,470,213
Right of use assets	21	700,677	749,514
Lease liabilities	21	(701,933)	(743,668)
Pension surplus	12	7,942,211	7,523,327
Deferred tax liability	18	(1,671,891)	(520,853)
Net assets		<b>107,831,608</b>	<b>98,361,038</b>
<b>Represented by:</b>			
<b>Equity</b>			
Share capital	13	2,995,865	2,998,748
Other reserves	14	1,504,200	(881,099)
Retained earnings		<b>103,331,543</b>	<b>96,243,389</b>
		<b>107,831,608</b>	<b>98,361,038</b>

The accompanying notes form an integral part of these financial statements.

Approved by the Board of Directors on 22 November 2024 and signed on its behalf by:

.....  
Signature.....Director

Justin Robinson  
Signature.....Director

# STATEMENT OF CHANGES IN EQUITY

For the year ended August 31, 2024 (expressed in Barbados dollars)

	Share Capital	Equity Investments at FVOCI Reserve	Retained Earnings	Pension Surplus Reserve	Total Equity
Balance at 31 August 2022	\$ 2,998,748	\$ 1,566,864	\$ 88,472,750	\$ 343,765	\$ 93,382,127
Net income for the year	-	-	10,789,808	-	10,789,808
Other comprehensive (loss) /income	-	(3,158,025)	-	366,297	(2,791,728)
Dividends declared (\$1.00 per share)	-	-	(3,019,169)	-	(3,019,169)
Balance at 31 August 2023	2,998,748	(1,591,161)	96,243,389	710,062	98,361,038
Net income for the year	-	-	10,202,462	-	10,202,462
Other comprehensive income	-	2,379,972	-	5,327	2,385,299
Share retirement	(2,883)	-	(95,139)	-	(98,022)
Dividends declared (\$1.00 per share)	-	-	(3,019,169)	-	(3,019,169)
Balance at August 31, 2024	2,995,865	788,811	103,331,543	715,389	107,831,608

The accompanying notes form an integral part of these financial statements.

# STATEMENT OF COMPREHENSIVE INCOME

For the year ended August 31, 2024 (expressed in Barbados dollars)

	Notes	2024	2023
		\$	\$
<b>Sales</b>	20	<b>78,358,399</b>	<b>74,684,319</b>
<b>Cost of sales</b>		<b>(47,485,648)</b>	<b>(45,661,869)</b>
<b>Gross profit</b>		<b>30,872,751</b>	<b>29,022,450</b>
<b>Other operating income</b>	16	<b>636,568</b>	<b>681,887</b>
<b>Selling and distribution expenses</b>		<b>(11,579,863)</b>	<b>(10,537,121)</b>
<b>Supply chain expenses</b>		<b>(2,526,624)</b>	<b>(2,013,440)</b>
<b>Administrative expenses</b>		<b>(4,232,865)</b>	<b>(3,885,108)</b>
<b>Finance cost</b>		<b>(210,270)</b>	<b>(158,095)</b>
<b>Other operating expenses</b>		<b>(759,970)</b>	<b>(839,446)</b>
<b>(Loss) on revaluation of property, plant and equipment</b>	16	<b>-</b>	<b>(1,055,031)</b>
<b>Income before taxation</b>		<b>12,199,727</b>	<b>11,216,096</b>
<b>Taxation</b>	18	<b>(1,997,265)</b>	<b>(426,288)</b>
<b>Net income for the year</b>		<b>10,202,462</b>	<b>10,789,808</b>
<b>Other comprehensive income</b>			
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods			
Fair value gain/(loss) on investments in equity instruments designated as at FVOCI	10	<b>2,379,972</b>	<b>(3,158,025)</b>
(Loss)/gain from defined benefit pension plan asset	12	<b>(37,924)</b>	<b>378,234</b>
Deferred tax movement on defined benefit pension plan asset		<b>43,251</b>	<b>(11,937)</b>
<b>Total other comprehensive income/(loss)</b>		<b>2,385,299</b>	<b>(2,791,728)</b>
<b>Total comprehensive income for the year</b>		<b>12,587,761</b>	<b>7,998,080</b>
<b>Basic and diluted earnings per share – dollars</b>	19	<b>3.4</b>	<b>3.6</b>

The accompanying notes form an integral part of these financial statements.

# STATEMENT OF CASH FLOWS

For the year ended August 31, 2024 (expressed in Barbados dollars)

	Note	2024 \$	2023 \$
<b>Cash flows from operating activities</b>			
Income before taxation		12,199,727	11,216,096
Adjustments for:			
Depreciation	11, 21	1,746,090	1,637,385
Employer contributions paid	12	(360,348)	(611,171)
Gain on disposal of property, plant and equipment		(21,279)	-
Revaluation loss on property, plant and equipment		-	1,055,026
Dividend income	16	(431,715)	(409,709)
Interest income		(120,430)	(174,016)
Interest expense		52,586	35,951
Pension plan (credit)/charge	12	(96,460)	137,830
Operating profit before working capital changes		12,968,171	12,887,392
Increase in receivables and prepayments		(985,170)	(704,077)
Decrease/(increase) in due from related companies		534,775	(617,642)
Increase in inventories		(739,478)	(1,394,994)
(Decrease)/increase in trade and other payables		(1,242,777)	956,105
Increase/(decrease) in due to related companies		1,802,715	(141,513)
Cash generated from operations		12,338,236	10,985,271
Interest paid		(52,586)	(35,951)
Corporation tax paid		(219,617)	(411,950)
<b>Net cash generated from operating activities</b>		<b>12,066,033</b>	<b>10,537,370</b>
<b>Cash flows from investing activities</b>			
Proceeds from matured amortised notes		2,500,000	-
Purchase of property, plant and equipment	11	(5,002,965)	(2,448,769)
Refunds and proceeds on disposal of property, plant and equipment		21,279	650,000
Interest received		120,430	174,016
Dividend income		431,715	409,709
<b>Net cash used in investing activities</b>		<b>(1,929,541)</b>	<b>(1,215,044)</b>
<b>Cash flows from financing activities</b>			
Share repurchase and retirement		(98,022)	-
Lease liability principal payments		(207,218)	(173,608)
Dividends paid		(3,019,169)	(2,523,122)
<b>Net cash used in financing activities</b>		<b>(3,324,409)</b>	<b>(2,696,730)</b>
<b>Net increase in cash and cash equivalents</b>		<b>6,812,083</b>	<b>6,625,596</b>
Cash and cash equivalents - beginning of year		43,763,814	37,138,218
<b>Cash and cash equivalents - end of year</b>	5	<b>50,575,897</b>	<b>43,763,814</b>

The accompanying notes form an integral part of these financial statements.

# NOTES TO FINANCIAL STATEMENTS

For the year ended August 31, 2024 (expressed in Barbados dollars)

## 1. General information

The Company is incorporated under the Laws of Barbados. Its principal activity is the manufacture and sale of biscuits. The Company also sells biscuits and snacks manufactured by related parties. The Company is registered and domiciled in Barbados at Gill's Road, St. Michael and is listed on the Barbados Stock Exchange and is a 66% subsidiary of Bermudez Group Limited, a company registered in the Republic of Trinidad and Tobago.

## 2. Material accounting policies

### Basis of preparation

The financial statements of the Company have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board. They have been prepared under the historical cost convention, as modified by the revaluation of land and buildings and financial assets at fair value through other comprehensive income.

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended August 31, 2024 and were selected on the basis that the Company will continue to operate as a going concern.

The following are new standards and amendments that are applicable to the Company which have been adopted but which do not have a significant impact on the Company's results or position.

### Standards and amendments to existing standards effective for the year ended August 31, 2024

- IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Clarification was issued for the distinction between a change in accounting policy and a change in accounting estimate. Definitions have now been introduced for accounting estimates which is now defined as monetary amounts in financial statements that are subject to measurement uncertainty.
- IAS 1 Presentation of Financial Statements. Amendments now require entities to disclose their material accounting policy information rather than their significant accounting policies and to explain and demonstrate the four-step materiality process to accounting policy disclosures by including guidance and examples on the application of materiality to accounting policy disclosures.



# NOTES TO FINANCIAL STATEMENTS

For the year ended August 31, 2024 (expressed in Barbados dollars)

## 2. *Material accounting policies (Continued)*

### Standards and amendments to standards issued but not yet effective

The following standards and amendments were issued but are not yet effective up to the date of issuance of the Company's financial statements. The Company intends to adopt the standards and amendments, if applicable, when they becomes effective.

- IAS 1 Presentation of Financial Statements. Amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or not current.

The Company is assessing the impact that the amendment will have on its 2025 financial statements.

- IFRS 16 Leases. Amendments made to specify how a seller-lessee should apply the subsequent measurement requirements in IFRS 16 to the lease liability that arises in the sale and leaseback transaction in that, no recognition of or any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease.

The Company is assessing the impact that the amendment will have on its 2025 financial statements.

- IAS 7 Cash Flows. The amendments add disclosure requirements within the existing disclosure requirements, which ask entities to provide qualitative and quantitative information about supplier finance arrangements.

The Company is assessing the impact that the amendment will have on its 2025 financial statements.

# NOTES TO FINANCIAL STATEMENTS

For the year ended August 31, 2024 (expressed in Barbados dollars)

## 2. *Material accounting policies (Continued)*

### Foreign currency translation and presentation

These financial statements are presented in Barbados dollars which is also the Company's functional currency. Transactions arising during the year involving foreign currencies are translated into the functional currency at the rates of exchange prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in income.

### Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Company's activities. Revenue arises from the sale of manufactured and imported cookies, crackers and other confectioneries. Revenue is shown net of value-added tax, returns, rebates, discounts, refunds, incentives, penalty provisions and price concessions, with the amount to be received even though fixed, not contingent on a future event occurring or not occurring and therefore does not lead to variable consideration.

To determine whether to recognise revenue, the Company follows a 5-step approach:-

- Identifying the contract with the customer
- Identifying the performance obligation
- Determining the transaction price
- Allocating the transaction price to the performance obligations
- Recognising revenue when performance obligations are satisfied

# NOTES TO FINANCIAL STATEMENTS

For the year ended August 31, 2024 (expressed in Barbados dollars)

## 2. *Material accounting policies (Continued)*

### *Revenue recognition (Continued)*

The Company recognises revenue at a point in time when the Company satisfies performance obligations by transferring the promised goods or services to its customers. Sale of goods is recognised when the Company has delivered products to the wholesaler, the wholesaler has full discretion over the channel and price to sell the products (though there is a suggested retail price), and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery does not occur until, for key account customers, the products have been delivered to the specified location, for export customers, the products have left the seaport and wholesaler notified, and either the wholesaler has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied.

### **Dividend income**

Dividend income is recognised when the right to receive payment is established.

### **Interest and other income**

Interest and other income are recognized using the effective interest rate method.

### **Financial instruments**

A financial instrument is any contract that gives rise to both a financial asset in one entity and a financial liability or equity of another entity.

### **Financial assets**

The Company classifies its financial assets in the following categories: amortised cost and equity investments at FVOCI. The classification depends on the Company's business model for managing the asset. Equity instruments are not held for trading purposes and the irrevocable election was made on initial recognition to measure them at fair value through other comprehensive income (FVOCI) with no subsequent reclassification to profit or loss.

### **Financial liabilities**

The Company's financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method. At the reporting date, the following items were classified as financial liabilities: trade and other payables and due to related companies.

### **Impairment of financial assets**

The Company made the irrevocable decision to re-measure the equity investments at fair value through other comprehensive income. The losses or gains on these investments is recorded in other comprehensive income.

# NOTES TO FINANCIAL STATEMENTS

For the year ended August 31, 2024 (expressed in Barbados dollars)

## 2. *Material accounting policies (Continued)*

### *Impairment of financial assets (Continued)*

For trade receivables the Company uses the simplified approach in accordance with IFRS 9 which recognises lifetime expected credit losses (ECL). The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

All other assets at amortised cost are reviewed for impairment using the ECL "general approach".

For assets classified as at amortized cost, the Company writes off a loan or receivable when no reasonable expectation of recovering the asset or a portion thereof (e.g., a specified percentage) exists. Indicators of no recovery include: where interest and principal repayments are 120 days past due at which point the financial asset is deemed impaired and default has occurred.

### **Provisions**

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, if it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

## 3. **Risk management**

### **Financial risk factors**

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Risk management is carried out under policies approved by the Board of Directors. The Board provides guidance for overall risk management.

# NOTES TO FINANCIAL STATEMENTS

For the year ended August 31, 2024 (expressed in Barbados dollars)

## 3. *Risk Management (Continued)*

### Market risk

#### *Foreign exchange risk*

The Company's transactions in foreign currencies are mainly for purchases of raw materials and sale of products.

These transactions are denominated mainly in United States dollars. There is a fixed exchange rate between the Barbados dollar and the United States dollar and there is no significant exposure to foreign exchange risk.

#### *Cash flow and fair value interest rate risk*

The Company's interest rate risk arises from bank overdraft. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. When utilised, the bank overdraft bears interest at the rate of 6% (2023 – 6%) per annum. Since the Company has no long-term borrowings, the Company is not exposed to fair value interest rate risk. Exposure to fair value interest rate risk results from fluctuations in the fair value of borrowings in response to changes in market interest rates.

#### *Price risk*

The Company's financial assets measured at fair value through other comprehensive income are exposed to price risk arising from changes in the market value. The effects of a 1% increase or decline in price on the Company's investments would result in a change in the statement of comprehensive income of \$80,561 (2023 – \$56,761).

#### *Credit risk*

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. The Company's credit risk arises from cash and cash equivalents, deposits with financial institutions as well as credit exposures to wholesale and retail customers, other receivables and amounts due from related companies and contractual cash flows of debt investments carried at amortised cost.

The Company's policy is to ensure that sales of product on credit are made to customers with appropriate credit history, financial position, credit quality and other factors. The utilisation of credit limits is regularly maintained. Sales to retail customers are generally in cash. Credit risk on trade receivables is limited, as trade receivables are managed through the Company's accounts receivable policy which provides the guidance for credit terms, collection etc.

The amount of the Company's maximum exposure to credit risk is indicated by the carrying value of its financial assets.

# NOTES TO FINANCIAL STATEMENTS

For the year ended August 31, 2024 (expressed in Barbados dollars)

## 3. Risk Management (Continued)

### Credit Risk (Continued)

The maximum credit risk exposure is as follows:

	Notes	2024	2023
		\$	\$
<b>Cash in hand and at bank</b>	5	<b>50,575,897</b>	<b>43,763,814</b>
<b>Trade, other receivables and prepayments</b>	6	<b>9,148,915</b>	<b>7,534,642</b>
<b>Due from related companies</b>	7	<b>1,225,287</b>	<b>1,760,062</b>
<b>Financial assets measured at amortised cost</b>	10	<b>3,000,000</b>	<b>5,500,000</b>
		<b>63,950,099</b>	<b>58,558,518</b>

### Liquidity risk

In order to manage liquidity risk, management seeks to maintain sufficient levels of cash and cash equivalents and the availability of funding through an adequate amount of committed credit facilities to meet reasonable expectations of its short-term obligations.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the schedule are contractual undiscounted cash flows.

	Notes	Less than	
		1 year	1 year
		2024	2023
		\$	\$
<b>Trade and other payables</b>	9	<b>5,263,477</b>	<b>6,506,254</b>
<b>Due to related companies</b>	7	<b>3,335,523</b>	<b>1,532,808</b>
		<b>8,599,000</b>	<b>8,039,062</b>

The table below analyses the Company's financial assets into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date.

# NOTES TO FINANCIAL STATEMENTS

For the year ended August 31, 2024 (expressed in Barbados dollars)

## 3. *Risk Management (Continued)*

### *Liquidity Risk (Continued)*

	Notes	Less than one year	One to three years	Less than one year	One to three years
		2024	2024	2023	2023
		\$	\$	\$	\$
Cash in hand and bank	5	50,575,897	-	43,763,814	-
Trade, other receivables and prepayments	6	9,985,491	-	9,000,321	-
Due from related parties	7	1,225,287	-	1,760,062	-
Financial assets at amortised cost	10	-	3,000,000	3,500,000	2,000,000
		<b>61,786,675</b>	<b>3,000,000</b>	<b>58,024,197</b>	<b>2,000,000</b>

### *Capital risk management*

The Company's objectives when managing capital are to maximize shareholders' returns and benefits for other stakeholders' and to maintain an optimal capital structure to reduce the cost of capital.

No changes were made in the objectives, policies or processes for managing capital during the years ended August 31, 2024 and 2023.

### *Fair value of financial assets and liabilities*

Fair value amounts represent estimates of the consideration that would currently be agreed upon between knowledgeable, willing parties who are under no compulsion to act and is best evidenced by a quoted market value, if one exists.

Financial instruments carried at fair value in the financial statements are measured in accordance with a fair value hierarchy. This hierarchy is as follows:

# NOTES TO FINANCIAL STATEMENTS

For the year ended August 31, 2024 (expressed in Barbados dollars)

### **3. Risk Management (Continued)**

#### *Fair value of financial assets and liabilities (Continued)*

- Level 1 - quoted instruments in active markets for identical instruments;
- Level 2 - inputs other than quoted prices in Level 1 that are observable for the instrument either directly or indirectly;
- Level 3 - inputs for the instrument that are not based on observable market data.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The quoted market price used for financial assets held by the Company is the current close price. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. Specific valuation techniques used to value such financial instruments include quoted market prices for similar instruments and discounted cash flow analysis.

Fair value through other comprehensive income financial assets are classified as level 1.

The carrying value of the Company's other financial assets and its financial liabilities are considered by management to approximate their fair value, due to the short-term nature of these instruments. For financial assets and liabilities that are liquid and short term in nature, it is assumed that the carrying value approximates to their fair value. These financial assets and liabilities comprise of cash, trade and other receivables, due from related companies, trade and other payables, and due to related companies and are listed as level 2.

For financial assets measured at amortised cost which comprise fixed income securities, the fair values were calculated based on cash flows discounted using the yield to maturity. These assets are classified as level 3 in the fair value hierarchy due to the inclusion of unobservable inputs.

# NOTES TO FINANCIAL STATEMENTS

For the year ended August 31, 2024 (expressed in Barbados dollars)

### 3. Risk Management (Continued)

#### Fair value of financial assets and liabilities (Continued)

Set out below, is a comparison by class of the carrying amounts and fair values of the Company's financial instruments.

		2024	
		Carrying Value	Fair Value
	Notes	\$	\$
<b>Assets</b>			
Cash and cash equivalents	5	50,575,897	50,575,897
Trade and other receivables	6	9,148,915	9,148,915
Due from related companies	7	1,225,287	1,225,287
Equity investments at FVOCI	10	8,056,090	8,056,090
Fixed income securities at amortised cost	10	3,000,000	3,000,000
<b>Liabilities</b>			
Trade and other payables	9	5,263,477	5,263,477
Due to related companies	7	3,335,523	3,335,523
		2023	
	Note	Carrying Value	Fair Value
		\$	\$
<b>Assets</b>			
Cash and cash equivalents	5	43,763,814	43,763,814
Trade and other receivables	6	7,534,642	7,534,642
Due from related companies	7	1,760,062	1,760,062
Equity investment at FVOCI	10	5,678,118	5,678,118
Fixed income securities at amortised cost	10	5,500,000	5,500,000
<b>Liabilities</b>			
Trade and other payables	9	6,506,254	6,506,254
Due to related companies	7	1,532,808	1,532,808

# NOTES TO FINANCIAL STATEMENTS

For the year ended August 31, 2024 (expressed in Barbados dollars)

## 4. Critical accounting estimates, judgements and assumptions

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Estimates are monetary amounts in the financial statements that are subject to measurement uncertainty. The Company makes estimates and assumptions concerning the future. The development of estimates and the exercise of judgement in applying accounting policies may have a material impact on reported assets, liabilities, revenues and expenses within the next financial year. The items, which may have the most effect on the Company's financial statements, are set out below:

### *Revaluation of property, plant and equipment*

The Company periodically utilises professional valuers to determine the fair value of its properties. Valuations are determined through the application of a variety of different valuation methods, which are all sensitive to the underlying assumptions chosen. The assumption is that the transaction would be an orderly transaction to take place between market participants. Three valuation techniques which are widely used in accordance with IFRS 13 are the market approach, the cost approach and the income approach.

### *Impairment of financial assets*

The Company assesses on a forward-looking basis in accordance with IFRS 9 the expected credit losses associated with its financial assets carried at amortised cost. The impairment approach applied depends on whether there has been a significant increase in credit risk or default. The Company applies the simplified approach as permitted by IFRS 9 for trade receivables which requires expected lifetime losses to be recognised when the receivables have been recognised. The expected credit losses for financial assets measured at amortised cost are measured using the probability of default approach.

### *Pension benefits*

The present value of pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. These assumptions are disclosed in Note 12. Any changes in these assumptions will impact the carrying amount of pension obligations or assets.

### *Useful-life estimates*

The Company undertakes an annual review of all assets' useful life to ensure that the depreciation charges are accurately allocated and reflect the economic value that the asset contributes to entity.

# NOTES TO FINANCIAL STATEMENTS

For the year ended August 31, 2024 (expressed in Barbados dollars)

## 4. *Critical accounting estimates, judgements and assumptions (Continued)*

### *Provision for impairment of inventory*

The Company estimates an allowance for impairment of trade inventory which management bases on known concerns with the age, stock levels held, turnover and saleability of the inventory. The Company also estimates an allowance for impairment of non-trade inventory which management bases on obsolescence.

## 5. **Cash and cash equivalents**

For cash flow purposes, cash and cash equivalents is comprised of cash and bank balances less overdraft.

	2024	2023
	\$	\$
Cash in hand and at bank	<u>50,575,897</u>	<u>43,763,814</u>
	<u>50,575,897</u>	<u>43,763,814</u>

The Company has an undrawn credit operating line with CIBC Caribbean Bank Limited totalling \$3M (2023 - \$3M). The facility covers loans, bank overdraft and letters of credit. The credit operating line is secured by (i) the equitable mortgage over the property at Gill's Road, White Park, St. Michael (ii) assignment of property insurance and stock at Gills Road, White Park, St. Michael and (iii) two customs bonds of \$30,000 each. Interest on the facility is charged at a rate of 6% (2023 - 6%) per annum.

## 6. **Trade, other receivables and prepayments**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment. A provision for impairment of trade receivables is established where the Company uses the simplified approach in accordance with IFRS 9 which recognises lifetime expected credit losses (ECL). The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

# NOTES TO FINANCIAL STATEMENTS

For the year ended August 31, 2024 (expressed in Barbados dollars)

## 6. *Trade, other receivables and prepayments (Continued)*

When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against 'other operating income'.

	2024	2023
	\$	\$
<b>Trade receivables</b>	<b>6,519,571</b>	<b>5,733,357</b>
Less: provision for impairment	(38,697)	(49,767)
<b>Trade receivables - net</b>	<b>6,480,874</b>	<b>5,683,590</b>
<b>Other receivables and prepayments</b>	<b>3,776,160</b>	<b>3,588,274</b>
Less: provision for impairment	(271,543)	(271,543)
	<b>9,985,491</b>	<b>9,000,321</b>

As at August 31, 2024, receivables of \$5,909,233 (2023 - \$5,328,738) were less than or equal to 30 days and receivables of \$610,388 (2023 - \$404,619) were past due. The ageing of trade receivables not including related parties is as follows:

	2024		2023	
	Gross		Loss allowance	
	\$	\$	\$	\$
Up to 30 days	5,909,233	20,715	5,328,738	23,909
31 to 60 days	248,898	1,471	205,694	1,745
61 to 90 days	191,426	1,594	13,519	173
Over 90 days	170,014	10,109	185,406	15,804
	<b>6,519,571</b>	<b>33,889</b>	<b>5,733,357</b>	<b>41,631</b>

Movement on the provision for impairment of receivables is as follows:

# NOTES TO FINANCIAL STATEMENTS

For the year ended August 31, 2024 (expressed in Barbados dollars)

## 6. *Trade, other receivables and prepayments (Continued)*

	2024	2023
	\$	\$
Balance – beginning of year	321,310	334,643
Net decrease in provision for impairment of receivables	(11,070)	(13,333)
Balance – end of year	<u>310,240</u>	<u>321,310</u>

## 7. **Related party transactions and balances**

Related parties are determined when companies are subject to the same control or significant influence as the company. Persons who exercise control or significant influence over the Company; its key management and members of the immediate families of the key management of the Company or its parent company are also related parties.

a.) During the year, the Company had the following transactions with related companies which were conducted in accordance with the normal course of business without any preferential rates, terms or conditions.

	2024	2023
	\$	\$
Sales of finished goods by the Company	11,271,807	10,360,539
Purchases of finished goods made by the Company	15,508,963	14,350,209
Management services provided by parent company	1,823,351	1,696,054

b.) Key management comprises directors and senior management of the Company. Compensation to these individuals was as follows;

	2024	2023
	\$	\$
Salaries and other short-term employee benefits	1,476,632	1,345,561
Post-employment benefits	123,853	109,630
Directors' fees	74,928	77,250

# NOTES TO FINANCIAL STATEMENTS

For the year ended August 31, 2024 (expressed in Barbados dollars)

## 7. Related party transactions and balances (Continued)

c.) Amounts owed to related companies was \$3,335,523 (2023-\$1,532,808) and amounts due from related companies was \$1,225,287 (2023-\$1,760,062). The aging of due from related companies is as follows;

	2024		2023	
	Gross	Loss allowance	Gross	Loss allowance
Up to 30 days	\$ 1,199,905	\$ 4,210	\$ 1,732,270	\$ 7,772
31 to 60 days	14,807	88	22,969	195
61 to 90 days	2,030	17	3,343	43
Over 90 days	8,545	493	1,480	126
	<hr/> 1,225,287	<hr/> 4,808	<hr/> 1,760,062	<hr/> 8,136

*The West India Biscuit Co. Ltd.*

# NOTES TO FINANCIAL STATEMENTS

For the year ended August 31, 2024 (expressed in Barbados dollars)

## 8. Inventories

Inventories of raw materials and finished products are stated at the lower of cost and net realisable value. Cost is determined on an average basis and includes duty, transport and handling costs in the case of raw materials and all direct expenditure and production overheads in the case of finished products. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling costs. Inventories of machinery parts are valued at landing cost. Allowance is made for obsolete, slow-moving and damaged goods.

	2024	2023
	\$	\$
Raw materials, packaging and cartons	2,246,783	2,608,589
Finished goods	2,933,934	2,102,433
Machinery spares	2,282,051	2,061,134
	<hr/>	<hr/>
Provision	7,462,768	6,772,156
Goods in transit	(63,325)	(150,466)
	<hr/>	<hr/>
Total inventories at the lower of cost and net realisable value	8,954,564	8,215,086

Inventory written down and expensed during the year totalled \$432,726 (2023 - \$382,001).

Below is the movement of the provision for inventory.

	2024	2023
	\$	\$
Balance - beginning of year	(150,466)	(131,000)
Decrease (increase) in provision during the year	87,141	(19,466)
	<hr/>	<hr/>
Balance - end of year	(63,325)	(150,466)

# NOTES TO FINANCIAL STATEMENTS

For the year ended August 31, 2024 (expressed in Barbados dollars)

## 9. Trade and other payables

Trade payables are recognised initially at fair value and subsequently measured at cost. Included in other payables is due to related companies; goods in transit \$1,555,122 (2023: \$1,593,397), dividend payable Nil (2023: \$496,047)

	2024	2023
	\$	\$
Trade payables	884,531	1,430,876
Other payables	4,378,946	5,075,378
	<hr/>	<hr/>
	5,263,477	6,506,254

## 10. Financial assets

The Company classifies its equity investments at FVOCI on initial recognition since these investments are not held for trading and are solely held in order to collect contractual cash flows. This is an irrevocable decision with no allowance for recycling gains or losses from other comprehensive income into profit and loss.

Purchases and/or sales of financial assets are recognised on the trade-date; the date on which the Company commits to purchase or sell the asset. In accordance with IFRS 9 equity investments are measured initially at fair value and any gains or losses are recognised in other comprehensive income. Dividend income derived from these investments is recognised in profit and loss.

Impairment of financial assets is done using the expected credit loss model under IFRS 9. Covered under this approach are financial assets that are not measured at FVTPL including: loans, lease and trade receivables, debt securities, loan commitments etc. It does not apply to equity investment measured at fair value and therefore potential impairment is a part of the investment's valuation technique. With this approach the gains and losses derived from the movement in fair value of the assets will be recorded through other comprehensive income in accordance with IFRS 9. These gains or losses cannot be recycled or be reclassified to profit or loss upon derecognition. Assets are classified as at amortised cost since both the following criteria are met in accordance with IFRS 9;

- The assets are held within the business model whose objective is to collect the contractual cash flows
- The contractual terms give rise to cash flows that are solely payments of the payment and interest

# NOTES TO FINANCIAL STATEMENTS

For the year ended August 31, 2024 (expressed in Barbados dollars)

## 10. Financial assets (Continued)

The financial assets at amortised cost attract the following interest rates and maturity dates;

	2024				2023			
	Interest Rate	Year of Maturity	Face Value	Carrying Value	Year of Maturity	Face Value	Carrying Value	
			\$	\$		\$	\$	
Cave Shepherd & Co Ltd - Tranche C Unsecured Notes	3.25%	-	-	-	2023	2,500,000	2,500,000	
Williams Renewable Energy Ltd - Series F secured bonds	4.00%	-	-	-	2023	1,000,000	1,000,000	
Williams Renewable Energy Ltd - Series A secured bonds	3.50%	2025	2,000,000	2,000,000	2025	2,000,000	2,000,000	
Williams Renewable Energy Ltd - Series A secured bonds	3.75%	2027	1,000,000	1,000,000	-	-	-	
			<u>3,000,000</u>	<u>3,000,000</u>			<u>5,500,000</u>	<u>5,500,000</u>

# NOTES TO FINANCIAL STATEMENTS

For the year ended August 31, 2024 (expressed in Barbados dollars)

## 10. Financial assets (Continued)

### Financial assets at amortised cost

#### Cave Shepherd & Co Ltd

	2024	2023
	\$	\$
Balance - beginning of year	2,500,000	2,500,000
Maturity of unsecured notes	(2,500,000)	-
Balance - end of year	-	2,500,000

#### Williams Renewable Energy Ltd

	2024	2023
	\$	\$
Balance - beginning of year	3,000,000	3,000,000
Notes matured during year	(1,000,000)	(2,000,000)
Reinvestment of matured notes	1,000,000	2,000,000
Balance - end of year	3,000,000	3,000,000
	3,000,000	5,500,000

### Financial assets at FVOCI

#### Sagicor Financial Corporation

	2024	2024	2023	2023
	No. of shares	\$	No. of shares	\$
Balance - beginning of year	908,703	5,667,998	908,703	8,826,023
Fair value gain (loss)		2,379,972		(3,158,025)
Balance - end of year	908,703	8,047,970	908,703	5,667,998

# NOTES TO FINANCIAL STATEMENTS

For the year ended August 31, 2024 (expressed in Barbados dollars)

## 10. Financial assets (Continued)

### Goddard Enterprises Limited

	2024 No. of shares	2024 \$	2023 No. of shares	2023 \$
Balance - beginning of year	2,800	8,120	2,800	8,120
Fair value gain	-	-	-	-
Balance - end of year	2,800	8,120	2,800	8,120
	<u>911,503</u>	<u>8,056,090</u>	<u>911,503</u>	<u>5,676,118</u>

## 11. Property, plant and equipment

Land and buildings comprise mainly factory, retail outlet and offices. Land and buildings are shown at valuation, based on periodic valuations by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment are stated at historical cost less depreciation except work-in-progress which is not depreciated. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of income in the period in which they are incurred. Changes in the carrying amount arising from revaluation of land and buildings are credited to other comprehensive income in the statement of comprehensive income.

If an asset's carrying amount is increased as a result of a revaluation, the increase is recognised in other comprehensive income and accumulated in revaluation surplus in equity. However, the increase shall be recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss.

# NOTES TO FINANCIAL STATEMENTS

For the year ended August 31, 2024 (expressed in Barbados dollars)

## 11. *Property, plant equipment (Continued)*

If an asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in the income for the year. However, the decrease is recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognised in other comprehensive income reduces the amount accumulated in revaluation surplus in equity.

Land and work-in-progress are not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

• Buildings	- 50 years
• Plant and machinery	- 5 – 20 years
• Furniture and equipment	- 3 – 10 years
• Motor vehicles	- 5 – 10 years
• Parking lot	- 50 years

The assets' residual values, useful lives and methods are reviewed, and adjusted if appropriate, at each financial year end.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'gain/loss on disposal' in income. When revalued assets are sold, the amounts included in other reserves are transferred to retained earnings.

# NOTES TO FINANCIAL STATEMENTS

For the year ended August 31, 2024 (expressed in Barbados dollars)

## 11. Property, plant equipment (Continued)

Note	Land	Buildings	Plant and machinery	Furniture and equipment	Work-in-progress	Motor vehicles	Total
	\$	\$	\$	\$	\$	\$	\$
<b>At August 31, 2024</b>							
Opening net book value	6,266,427	8,135,383	7,862,275	825,235	1,081,332	1,299,561	25,470,213
Additions	-	24,550	1,833,360	252,396	2,892,659	-	5,002,965
Transfers	-	487,449	-	-	(487,449)	-	-
Cost of disposals	-	-	-	-	-	(177,834)	(177,834)
Accumulated depreciation on disposal	-	-	-	-	-	177,834	177,834
Depreciation charge	15	-	(310,692)	(752,195)	(276,015)	-	(192,869)
<b>Closing net book value</b>	<b>6,266,427</b>	<b>8,336,690</b>	<b>8,943,440</b>	<b>801,616</b>	<b>3,486,542</b>	<b>1,106,692</b>	<b>28,941,407</b>
Cost or valuation	6,266,427	13,515,844	23,040,421	4,642,487	3,486,542	3,088,222	54,039,943
Accumulated depreciation	-	(5,179,154)	(14,096,981)	(3,840,871)	-	(1,981,530)	(25,098,536)
<b>Net book value</b>	<b>6,266,427</b>	<b>8,336,690</b>	<b>8,943,440</b>	<b>801,616</b>	<b>3,486,542</b>	<b>1,106,692</b>	<b>28,941,407</b>

# NOTES TO FINANCIAL STATEMENTS

For the year ended August 31, 2024 (expressed in Barbados dollars)

## **11. Property, plant equipment (Continued)**

Note	Land	Buildings	Plant and machinery	Furniture and equipment	Work-in-progress	Motor vehicles	Total	\$
<b>At 31 August 31</b>								
Opening net book value	7,944,632	7,465,799	8,010,575	828,530	961,281	986,484	26,197,301	
Additions /transfers	140,448	207,937	575,442	275,213	770,051	479,678	2,448,769	
Revolutions	-	-	-	-	(650,000)	-	(650,000)	
Cost of disposals	-	-	(38,122)	-	-	-	(38,122)	
Accumulated depreciation on disposal	-	-	38,122	-	-	-	38,122	
Revaluation	(1,818,653)	763,627	-	-	-	-	(1,055,026)	
Depreciation charge	15	- (301,980)	(723,742)	(278,508)	-	(166,601)	(1,470,831)	
Closing net book value	6,266,427	8,135,383	7,862,275	825,235	1,081,332	1,299,561	25,470,213	
Cost or valuation	6,266,427	13,003,845	21,207,061	4,390,091	1,081,332	3,266,056	49,214,812	
Accumulated depreciation	-	(4,868,462)	(13,344,786)	(3,564,856)	-	(1,966,495)	(23,744,599)	
Net book value	6,266,427	8,135,383	7,862,275	825,235	1,081,332	1,299,561	25,470,213	

# NOTES TO FINANCIAL STATEMENTS

For the year ended August 31, 2024 (expressed in Barbados dollars)

## 11. *Property, plant equipment (Continued)*

In 2023, the Company engaged an accredited independent valuer to determine the fair value of its land and buildings. Revalued property uses a Level 3 valuation technique in the hierarchy as per IFRS 13 to determine and disclose fair value. Fair value is determined by reference to market-based evidence. This means that the valuation performed by the valuer was based on active market prices adjusted for any difference in the nature, location or condition of the specific property. The date of the valuation was 17 June 2023 when the land and buildings were revalued to \$13,600,000. The Company owns a residential property to which the valuation was conducted separately on 10 October 2023 subsequent to year end but before the issuance of the financial statements. The property was revalued by an independent valuer at a market value of \$825,000. The deficit of the revaluation below the carrying value of the land and buildings was debited to profit and loss given there was no revaluation surplus.

If the land and buildings were stated on the historical cost basis, the amounts would be as follows:

	2024	2023
	\$	\$
Cost	20,820,235	20,308,236
Accumulated depreciation	(4,507,898)	(4,226,167)
<b>Net book value</b>	<b>16,312,337</b>	<b>16,082,069</b>

## 12. Post-employment benefits

### *Pension obligations*

The Company operates defined benefit and defined contribution pension plans for its monthly and weekly paid employees. The defined benefit plan assets are held under segregated fund policies with Sagicor Life Inc while the defined contribution plan assets are held under segregated accounts with Sagicor Funds Inc. The plan's assets are fully invested in mutual funds managed by both entities who are authorised to exercise complete discretion over the investment and reinvestment of the plan's assets and the reinvestment of the proceeds of sale and the variation of investments made.

The Company's contributions made to the plans are based on rates determined by the plans' actuary. Both plans are managed by independent Trustees who are appointed by representatives from the management and staff of the Company and are operated under the rules of the respective trust deeds. There were no changes to the trust deeds. The plan is registered with the Financial Services Commission under the Occupational Pension Benefits Act, Cap350B (the Act). The main areas in which the Act impacts the operations of the plan are:- the plan must be registered with the Financial Services Commission; the requirement for annual audited accounts for plans with assets in excess of \$3 million; an annual review and filing of the statement of investment policies and goals; minimum pension increases if the plan has a surplus and there are annual investment returns in excess of 6%; the Company will be required to fund going concern deficits over 15 years from the first valuation after registration and the Company will be required to fund solvency deficits over 5 years.

# NOTES TO FINANCIAL STATEMENTS

For the year ended August 31, 2024 (expressed in Barbados dollars)

## **12. Post-employment benefits (Continued)**

### **Pension obligations (Continued)**

The solvency of the plans is assessed by independent actuaries every three years to determine the funding requirements for the plans. Contributions are determined by periodic actuarial calculations.

The asset recognised in the statement of financial position in respect of the defined benefit pension plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The last triennial actuarial valuation was conducted as of 1 September 2023 and revealed at that date a fund surplus of \$6,606,194.

### **Defined benefit plan**

The Company operates a defined benefit plan comprising both weekly and monthly paid members of the Company as at 31 December 2012 at which date the plan was effectively closed to new entrants. The benefit plan is divided into two sections; in accordance with the rules of the defined benefit plan (Section One – weekly paid staff), members contribute at the rate of 3% of Pensionable Earnings and the employer pays the balance of the cost of Section One of the Plan for a maximum of 35 years.

Members of Section Two (monthly paid staff) of the Plan are not required to make contributions to the Plan, however they are allowed to make additional voluntary contributions while the employer pays the balance of the cost of Section Two of the Plan.

### **Defined contribution plan**

The Company operates a defined contribution plan for all future employees of the Company who enrol as members of the plan on or after 1 January 2013. Members of the defined contribution plan contribute at a rate of 2% of pensionable earnings up to the amount of the National Insurance (NIS) Ceiling and 5% on Pensionable Earnings in excess of the National Insurance Ceiling whereas, the Company's contributions are based on the following scale:

# NOTES TO FINANCIAL STATEMENTS

For the year ended August 31, 2024 (expressed in Barbados dollars)

## 12. Post-employment benefits (Continued)

### Pension obligations (Continued)

Length of Membership	Pensionable Earnings < NIS Ceiling	Pensionable Earnings > NIS Ceiling
<10 years	2%	5%
10 - 20 years	4%	10%
> 20 years	6%	15%

### Key assumptions and quantitative sensitivity analyses

The cost of the defined benefit pension plan and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future promotional salary increases, future inflationary salary increases, future increases to pensions and mortality and future increases in the NIS ceiling for earnings. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

*The West India Biscuit Co. Ltd.*

# NOTES TO FINANCIAL STATEMENTS

For the year ended August 31, 2024 (expressed in Barbados dollars)

## 12. Post-employment benefits (Continued)

### *Key assumptions and quantitative sensitivity analyses (Continued)*

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

The mortality rate is based on the 1994 Uninsured Pensioner Mortality Generational Table at 2020 with projection scale AA. Mortality tables tend to change only at intervals in response to demographic changes.

Future salary and pension increases are based on historical data and union negotiated terms.

### *Principal actuarial assumptions used for accounting purposes*

	2024	2023
	%	%
Assumed discount rate	8.00	8.00
Expected rate of future salary increases	7.00	7.00
Expected rate of future pension increases	3.00	3.00
Expected rate of return on plan assets	8.00	8.00

### *Risk factors that may impact the Company*

The defined benefit pension plan exposes the Company to:

- Longevity risk
- Inflation risk since the benefits to the current employees are based on the last five years prior to retirement
- Interest rate risk due to the liabilities being of longer duration than the dated securities
- Investment risk in order to counter the inflation risk and improve the investment return.

# NOTES TO FINANCIAL STATEMENTS

For the year ended August 31, 2024 (expressed in Barbados dollars)

## 12. Post-employment benefits (Continued)

*A quantitative sensitivity analysis for significant assumptions as at August 31, 2024 is as shown below*

Assumptions	Sensitivity Level	Impact on defined benefit obligation
Discount rate	(+1)/-1%	(1,974,780)/2,710,835
Future salary increases	(+.5)/-.5%	516,261 / (430,943)
Life expectancy	Increase by 1 year	815,156

The sensitivity analyses above have been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected contributions to be made in the future years out of the defined benefit obligations:-

	2024	2023
	\$	\$
Less than 1 year	476,168	443,841
Between 1 - 2 years	551,383	485,832
Between 2 - 5 years	2,204,557	1,909,035
Over 5 years	5,733,463	4,855,090

The following is the asset split of the plan assets

	2024	2023
	%	%
Mortgages	11.67	12.10
Bonds	22.33	22.23
Equities	58.06	55.83
Property	5.55	6.22
Other	2.39	3.62
	<hr/>	<hr/>
	100.00	100.00

# NOTES TO FINANCIAL STATEMENTS

For the year ended August 31, 2024 (expressed in Barbados dollars)

## 12. Post-employment benefits (Continued)

### Expected contributions

The best estimate of expected pension plan contributions to be paid for the year ending 31 August 2025 is \$251,363 (August 31, 2024: \$360,348).

### Defined benefit obligations maturity profile

The average duration of the defined benefit plan obligation at the end of the reporting period is 15.60 years (2023: 15.82 years).

Amounts recognised in comprehensive income in respect of the plans are as follows.

	2024	2023
	\$	\$
<b>Benefit costs</b>		
Current service costs	517,576	565,721
Interest costs	1,306,668	1,218,872
Expected return on plan assets	(1,881,008)	(1,725,370)
Administrative costs	<u>(39,696)</u>	<u>78,607</u>
<b>Defined benefit (credit)/costs recognised in profit and loss</b>	<b>(96,460)</b>	<b>137,830</b>

	2024	2023
	\$	\$
<b>Re-measurement of defined benefit asset</b>		
Experience gains	(261,418)	(1,525,333)
Expected return on plan assets	1,881,008	1,725,370
Actual return on plan assets	<u>(1,581,666)</u>	<u>(578,271)</u>
<b>Experience losses/(gains) recognised in OCI</b>	<b>37,924</b>	<b>(378,234)</b>

# NOTES TO FINANCIAL STATEMENTS

For the year ended August 31, 2024 (expressed in Barbados dollars)

## 12. Post-employment benefits (Continued)

The amounts recognised in the statement of financial position for the plans are determined as follows:

	2024	2023
	\$	\$
Employee benefit asset		
Present value of obligation	(17,061,096)	(15,809,800)
Fair value of plan assets	25,003,307	23,333,127
Pension surplus in statement of financial position	<u>7,942,211</u>	<u>7,523,327</u>

### Changes in the fair value of plan asset

	2024	2023
	\$	\$
Balance at the beginning of the year	23,333,127	22,485,188
Plan Assets at Fair Value		
Return on assets	1,581,666	578,271
Contributions by employees	224,296	208,620
Contribution by employers	360,348	611,171
Benefits paid	(535,826)	(471,516)
Administrative expenses	39,696	(78,607)
Balance at the end of the year	<u>25,003,307</u>	<u>23,333,127</u>

### Changes in the defined benefit obligation

	2024	2023
	\$	\$
Balance at the beginning of the year	15,809,800	15,813,436
Defined Benefit Obligation		
Net interest	1,306,668	1,218,872
Current service cost	517,576	565,721
Experience adjustments	(261,418)	(1,525,333)
Contributions by employees	224,296	208,620
Benefits paid	(535,826)	(471,516)
Balance at the end of the year	<u>17,061,096</u>	<u>15,809,800</u>

# NOTES TO FINANCIAL STATEMENTS

For the year ended August 31, 2024 (expressed in Barbados dollars)

## 12. Post-employment benefits (Continued)

Movement in the net asset recognised in the statement financial position is as follows:

	2024 \$	2023 \$
Pension surplus at the beginning of the year	7,523,327	6,671,752
Net credit/(expense) recognised in the statement of comprehensive income	96,460	(137,830)
Net credit/(expense) recognised in Other comprehensive (loss)/income	(37,924)	378,234
Employer contributions	360,348	611,171
Pension surplus at the end of the year	<u>7,942,211</u>	<u>7,523,327</u>

*The West India Biscuit Co. Ltd.*

# NOTES TO FINANCIAL STATEMENTS

For the year ended August 31, 2024 (expressed in Barbados dollars)

## 13. Share capital

Ordinary shares are classified as equity and incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### Authorised:

The Company is authorised to issue an unlimited number of common shares of no-par value.

### Issued:

	2024 #	2024 \$	2023 #	2023 \$
<b>Balance – beginning of year</b>	3,019,169	2,998,748	3,019,169	2,998,748
<b>Retired shares</b>	(2,883)	(2,883)	-	-
<b>Balance – ending of year</b>	<u>3,016,286</u>	<u>2,995,865</u>	<u>3,019,169</u>	<u>2,998,748</u>

During the year the Company made the decision to repurchase and retire 2,883 outstanding shares.

As the Company's common shares have no par value it is difficult to determine the original sale price of the shares that have been retired. Thus to record the retirement of the shares purchased the average cost of the shares was used as the original sale price (\$0.99) rounded to (\$1.00) and deducted from capital.

## 14. Other reserves

	Note	2024 \$	2023 \$
<b>Pension surplus</b>			
<b>Balance - beginning of year</b>		<b>710,062</b>	<b>343,765</b>
<b>(Loss)/gain from defined benefit pension plan asset</b>	12	(37,924)	378,234
<b>Deferred tax credit/(charge) for the current year</b>	18	43,251	(11,937)
<b>Balance – end of year</b>		<u>715,389</u>	<u>710,062</u>
 <b>Equity investments at FVOCI</b>			
<b>Balance - beginning of year</b>		<b>(1,591,161)</b>	<b>1,566,864</b>
<b>Change in fair value for the year</b>	10	<b>2,379,972</b>	<b>(3,158,025)</b>
<b>Balance – end of year</b>		<u>788,811</u>	<u>(1,591,161)</u>
<b>Total other reserves</b>		<u>1,504,200</u>	<u>(881,099)</u>

# NOTES TO FINANCIAL STATEMENTS

For the year ended August 31, 2024 (expressed in Barbados dollars)

## 15. Expenses by nature

	Notes	2024	2023
		\$	\$
Depreciation expense on PPE	11	1,531,771	1,470,831
Depreciation expense on right of use assets	21	214,319	166,554
Employee benefit expense	17	18,382,869	16,611,961
Raw materials and consumables used		33,273,867	32,615,105
Transportation		923,135	816,655
Advertising costs		2,365,972	1,980,638
Audit fees		120,000	159,328
Bad debts		39,421	7,971
Maintenance expenses		933,900	908,111
Other expenses		8,799,715	8,199,831
Finance cost		210,270	158,095
Total cost of goods sold, selling and distribution expenses, supply chain expenses, administrative expenses, finance costs and other operating expenses		66,795,239	63,095,080

## 16. Other operating income

	2024	2023
	\$	\$
Gain on disposal of property, plant and equipment	21,279	-
Loss on revaluation or property, plant and equipment	-	(1,055,031)
Dividend income	431,715	409,709
Miscellaneous income	183,574	272,178
	636,568	(373,144)

# NOTES TO FINANCIAL STATEMENTS

For the year ended August 31, 2024 (expressed in Barbados dollars)

## 17. Employee benefit expense

	Note	2024	2023
		\$	\$
<b>Wages and salaries</b>		<b>13,120,373</b>	<b>11,857,897</b>
<b>National Insurance</b>		<b>1,542,386</b>	<b>1,412,588</b>
<b>Pension (benefit)/ charge</b>	12	<b>(95,760)</b>	<b>137,830</b>
<b>Other staff costs</b>		<b>3,815,870</b>	<b>3,203,646</b>
		<b>18,382,869</b>	<b>16,611,961</b>

## 18. Taxation

### *Current income tax*

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date on taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

### *Deferred tax*

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Company's financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable income will be available against which the temporary differences can be utilised.

### *Deferred tax liability*

	Note	2024	2023
		\$	\$
<b>Accelerated tax depreciation</b>		<b>10,634,359</b>	<b>9,005,121</b>
<b>Net assets of pension surplus</b>	12	<b>7,942,211</b>	<b>7,523,327</b>
		<b>18,576,570</b>	<b>16,528,448</b>
<b>Deferred tax liability at an effective tax rate of 9% (2023 - 3.15%)</b>		<b>1,671,891</b>	<b>520,853</b>

The above temporary differences have no expiry dates.

# NOTES TO FINANCIAL STATEMENTS

For the year ended August 31, 2024 (expressed in Barbados dollars)

## 18. *Taxation (Continued)*

### *Deferred tax (Continued)*

	2024	2023
	\$	\$
Deferred tax liability at the beginning of the year	520,853	522,850
Charge/(credit) to the statement of income	1,194,289	(13,934)
(Credit)/charge to other comprehensive income	(43,251)	11,937
Deferred tax liability at the end of the year	<u>1,671,891</u>	<u>520,853</u>

	2024	2023	Change
	\$	\$	\$
Accelerated tax depreciation and right of use assets / lease liability	10,634,359	9,005,121	1,629,238
Net assets of Pension surplus	7,942,211	7,523,327	418,884
	<u>18,576,570</u>	<u>16,528,448</u>	<u>2,048,122</u>
Deferred tax liability	<u>1,671,891</u>	<u>520,853</u>	<u>1,151,038</u>

### *Current tax*

The taxation expense in the statement of comprehensive income comprises current and deferred tax charges.

	2024	2023
	\$	\$
Current tax	802,976	440,222
Deferred tax charge/(credit) for the year	1,194,289	(13,934)
	<u>1,997,265</u>	<u>426,288</u>

# NOTES TO FINANCIAL STATEMENTS

For the year ended August 31, 2024 (expressed in Barbados dollars)

## 18. *Taxation (Continued)*

### *Current tax (Continued)*

The tax on the Company's income before taxation differs from the theoretical amount that would arise using the tax rate applicable to manufacturing companies in Barbados as follows:

	2024	2023
	\$	\$
Income before taxation	<u>12,199,726</u>	11,216,096
Tax calculated at average 9% (2023 – 5.5% up to \$1,000,000; 3% greater than \$1,000,000)	1,097,975	361,483
<b>Tax effect of the following:</b>		
Tax effect as a result of the rate change	704,046	-
Expenses not deductible for tax purposes	(226,602)	(71,063)
Allowances claimed	375,599	115,184
Other	46,247	20,684
<b>Tax charge</b>	<u>1,997,265</u>	<u>426,288</u>

## 19. **Earnings per share**

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are declared by the Company's Directors.

Basic earnings per share is calculated by dividing the net income for the year attributable to equity holders by the weighted average number of shares in issue during the year.

The Company has no dilutive potential ordinary shares, therefore diluted earnings per share is the same as basic earnings per share.

# NOTES TO FINANCIAL STATEMENTS

For the year ended August 31, 2024 (expressed in Barbados dollars)

## 19. *Earnings per share (Continued)*

	Note	2024	2023
		\$	\$
Net income attributable to equity shareholders		10,202,462	10,789,808
Weighted average number of ordinary shares		3,016,286	3,019,169
Basic and diluted earnings per share - dollars		3.4	3.6

## 20. *Segmental reporting*

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors which makes strategic decisions.

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The Board of Directors considers the business from a geographical and product perspective. Geographically, management considers the performance of product sales in Barbados of cookies and snacks and crackers, Caribbean and Extra-Regional countries including: USA, Canada, England and the Bahamas are primarily sales of cookies. Given that the segments exhibit similar long term economic characteristics such as average gross margins, nature of the products, nature of the production processes, the type and class of customers, the methods used to distribute the products and the regulatory environment the operating segments have been aggregated into a single segment as permitted by IFRS 8.

All costs, associated assets and liabilities are presented in the financial statements for the single operating segment. Revenues are one key area that management and the chief decision maker review by geographic location and product to aid with strategic decision making, an analysis of which is provided as follows;

# NOTES TO FINANCIAL STATEMENTS

For the year ended August 31, 2024 (expressed in Barbados dollars)

## 20. Segment reporting (Continued)

	2024	2023
	\$	\$
<b>Barbados</b>		
Cookies and Snacks	26,453,669	24,750,302
Crackers	23,397,097	22,961,953
	<hr/>	<hr/>
	49,850,766	47,712,255
<b>Caribbean</b>		
Cookies	20,954,221	19,704,467
<b>Extra-Regional countries</b>		
Cookies	7,553,412	7,267,597
	<hr/>	<hr/>
	78,358,399	74,684,319

Revenues of \$11,271,708 (2023: \$10,360,539) are derived from a single related customer. These revenues are attributed to the Caribbean and cookies segment. One main external customer contributed \$9,663,828 (2023:\$9,899,100) in revenues which are also attributed to the Caribbean and cookies segment.

## 21. Leases

Leases are recognised as right-of-use assets and corresponding liabilities at the date at which the leased assets are available for use by the Company. The right of use assets is presented separately in the statement of financial position.

At the commencement date, lease liabilities are measured at an amount equal to the present value of the following lease payments for the underlying right-of-use assets during the lease term:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate;
- amounts expected to be payable by the Company under residual value guarantees;
- the exercise price of a purchase option if it is reasonably certain to exercise that option;
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

# NOTES TO FINANCIAL STATEMENTS

For the year ended August 31, 2024 (expressed in Barbados dollars)

## 21. Leases (Continued)

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, or the incremental borrowing rate. Each lease payment is allocated between the liability and finance cost. Lease liabilities are subsequently measured using the effective interest method. The carrying amount of liability is re-measured to reflect any reassessment, lease modification or revised in-substance fixed payments. The lease term is a non-cancellable period of a lease; periods covered by options to extend and terminate the lease are only included in the lease term if it is reasonably certain that the lease will be extended or not terminated.

Right-of-use assets are measured initially at cost and subsequently measured at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for re-measurement of the lease liability due to reassessment or lease modifications.

The right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. The amortisation periods for the right-of-use assets are as follows:

- Motor vehicles      5 years

Payments associated with all short-term leases and certain leases of all low-value assets are recognised on a straight-line basis as an expense in profit or loss. The Company applies the exemption for low-value assets on a lease-by-lease basis, the lease payments associated with those leases will be recognised as an expense on a straight-line basis over the lease term.

Short-term leases are leases with a lease term of 12 months or less.

### Lease activities

Currently the Company only leases motor vehicles. Leases are negotiated on an individual basis; the main lease features are summarised below:

- Motor vehicles are leased for a fixed period of 5 years with an extension option
- The lease agreements do not impose any covenants.

The future cash outflows to which the Company as a lessee is potentially exposed that are not reflected in the measurement of the lease liability arise from extension and termination options.

Extension and termination options are included in a number of leases. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Company and not by the respective lessor. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (extension option) or not terminated (termination option).

# NOTES TO FINANCIAL STATEMENTS

For the year ended August 31, 2024 (expressed in Barbados dollars)

## 21. Leases (Continued)

The assessment of whether the Company is reasonably certain to exercise an extension option, or not to exercise a termination option is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and is within the control of the Company.

Management has applied judgment that:

- The lease term of motor vehicles was assessed, as the alternative assets are easily available and there are no economic incentives to continue beyond the basic lease term.
- The statement of financial position shows the separate line item for the right-of-use assets and lease liabilities, which comprises the following:

### *Right-of-use assets*

	2024	2023
	\$	\$
<b>Right-of-use assets</b>		
<b>Motor vehicles:</b>		
Opening rights of use assets	749,514	237,522
Additions – new lease contracts	165,483	678,546
Depreciation	<u>(214,319)</u>	<u>(166,554)</u>
<b>Closing rights of use assets</b>	<b>700,677</b>	<b>749,514</b>

	2024	2023
	\$	\$
<b>Lease Liabilities</b>		
<b>Opening lease liabilities</b>	743,668	238,730
Lease liability additions	165,483	678,546
Lease payments	<u>(207,218)</u>	<u>(173,608)</u>
<b>Closing lease liabilities</b>	<b>701,933</b>	<b>743,668</b>

# NOTES TO FINANCIAL STATEMENTS

For the year ended August 31, 2024 (expressed in Barbados dollars)

## 21. Leases (Continued)

The following amounts are recognised in profit or loss

	2024	2023
	\$	\$
<b>Depreciation charge for the right-of-use assets by asset class</b>		
Motor vehicles	214,319	166,654
<b>Interest expense on lease liabilities (included in finance cost)</b>	<b>52,586</b>	<b>35,951</b>
<b>Total expenses related to leases</b>	<b>266,905</b>	<b>202,605</b>

The following amounts are recognised in the cash flow statement

	2024	2023
	\$	\$
<b>Cash outflow for leases</b>		
Principal outflows	207,218	173,608
Interest outflows	52,586	35,951
	<b>259,804</b>	<b>209,559</b>

The following table sets out the maturity analysis of the lease liabilities at the contractual undiscounted cash flows;

	2024	2023
	\$	\$
<b>Less than one year</b>	<b>39,739</b>	-
<b>One to three years</b>	<b>45,097</b>	<b>84,073</b>
<b>More than three years</b>	<b>617,098</b>	<b>659,595</b>
	<b>701,933</b>	<b>743,668</b>

# NOTES



*The West India Biscuit Co. Ltd.*

# NOTES



*The West India Biscuit Co. Ltd.*

# NOTES



*The West India Biscuit Co. Ltd.*

# NOTES



*The West India Biscuit Co. Ltd.*

# NOTES



*The West India Biscuit Co. Ltd.*

# NOTES



*The West India Biscuit Co. Ltd.*

# PROXY FORM

The Secretary  
The West India Biscuit Company Limited  
Gill's Road  
St. Michael

I/We.....

of.....

being a shareholder/shareholders of The West India Biscuit Company Limited hereby appoint

..... or failing him/her

.....or failing him/her

.....or failing him/her

to vote for me/us and on my/our behalf at the Annual General Meeting of The West India Biscuit Company Limited to be held on the Friday, 14th Day of February 2025 at 11:00 a.m. at the adjournment thereof.

Signed this.....Day of.....2024

.....  
Signature of Witness

.....  
Signature of Shareholder

# NEW

Buttery  
Garlic  
Cracker



*The West India Biscuit Co. Ltd.*

GILLS ROAD, ST. MICHAEL, BARBADOS

TEL:(246) 227-6200 FAX: (246) 426-5035

EMAIL: [admin@wibisco.com](mailto:admin@wibisco.com)