

COVER SHEET

SEC Registration Number

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Company Name

L	I	B	E	R	T	Y	F	L	O	U	R	M	I	L	L	S	,	I	N	C	.	A	N	D
S	U	B	S	I	D	I	A	R	I	E	S													

Principal Office (No./Street/Barangay/City/Town/Province)

L	i	b	e	r	t	y	B	u	i	l	d	i	n	g	,	8	3	5	A	.	A	r	n	a	i	
z	A	v	e	n	u	e	,	M	a	k	a	t	i	C	i	t	y									

Form Type

1	7	-	Q
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Department requiring the report

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Secondary License Type, If Applicable

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COMPANY INFORMATION

Company's Email Address

info@libertygroup.com.ph
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Company's Telephone Number/s

(02) 8892-5011

Mobile Number

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No. of Stockholders

441

Annual Meeting
Month/Day

Last Wednesday of May

Fiscal Year
Month/Day

December 31

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person

Jose Ma. Lopez

Email Address

jmlopez@pldtdsl.net
--

Telephone Number/s

(02) 8892-5011

Mobile Number

-

Contact Person's Address

Liberty Building, 835 A. Arnaiz Avenue, Makati City
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Note: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE
AND SRC RULE 17(2) (b) THEREUNDER

1. For the quarterly period ended: **March 31, 2021**
2. Commission identification number: **14782**
3. BIR Tax Identification No: **000-128-846-V**
4. Exact name of registrant as specified in its charter: **LIBERTY FLOUR MILLS, INC.**
5. Province, country or other jurisdiction of incorporation or organization: **Metro Manila**
6. Industry Classification Code: (SEC Use Only)
7. **Liberty Building, A. Arnaiz Avenue, Makati City** **1229**
Address of issuer's principal office Postal Code
8. Issuer's telephone number, including area code: **(632) 8892-5011**
9. Former name, former address and former fiscal year, if changed since last report: **-na-**
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
Common	150,000,000

11. Are any or all of the securities listed on a stock exchange?

Yes [] No []

If yes, state name of such stock exchange and the class/es of securities listed therein:

Stock Exchange	Class of Securities
Philippine Stock Exchange, Inc.	Common Shares

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes [] No []

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes [] No []

PART I- FINANCIAL INFORMATION

Item 1. Financial Statements

Please refer to the unaudited interim financial statement of the Liberty Flour Mills, Inc. (the "Company) and its subsidiary for the three (3) months ended March 31, 2021 which is attached hereto as Annex "A" and which is hereby incorporated by reference to form an integral part of the Report. Likewise, attached as Annex "B" is the Company's Statement of Changes in Stockholder's Equity for the three (3) months ended March 31, 2021 and as compared to same period for the year 2020, and the Company's basis for the computation of Basic Earnings per share.

The interim financial statements are prepared in compliance with Philippine Financial Reporting Standards (PFRS) in accordance with the Securities Regulations Code.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The operations for three-month period ended 31 March 2021 resulted in a net income of Php30.51 million. As compared from previous year's same period net income of Php35.84 million, there was a decrease of 15%. Although, there was an increase of 9% in volume of flour bags sold in the first quarter of 2021, it was offsetted by lower prices which resulted to a decrease in revenue from the previous year's same period operation. Cost of sales had increased by 1% compared to same period last year primarily due to increase in sales volume. Dividend income on shares of stocks on quoted securities had decreased by 32%. Also, interest income in debt instruments decreased by 52% from the previous year's same period basically as there were some redemptions made this year and middle of last year.

For the quarter ended 31 March 2021, total gross income amounted to Php45.70 million, which is 12% lower from the previous year's same period operation which made gross profit amounting to Php51.70 million.

Other operating income represents rental income which had an aggregate amount of Php36.71 million for the first three-month period of 2021 which is lower by 13% compared to previous year's same period of Ph42.16 million. Decrease is due to higher cost of services by one of the subsidiaries.

Operating expenses for the three-month period of 2021 amounted Php56.87 million, 1% lower than the previous year's same period operating expense of Php57.47 million. Operating expenses consists of selling and administrative expenses such as salaries and wages, employee's welfare, depreciation, outside services, taxes, insurance, communications, office supplies, transportations, repairs, maintenance, interest and other expenses.

For the three-month period of 2021, the Company had an operating income of Php34.15 million versus previous year's same period operating income of Php50.73 million. The lower operating income is primarily due to the above stated reasons.

Other income(charges), net, for the three-month period of 2021 amounted to Php2.05 million, which is 158% higher than last year's same period amounting to net charges (Php3.56 million). The

account consists of net interest income and expense, dividend income and net miscellaneous income from scrap sales.

As for the quarter ended, the Company has trust receipt balance amounting to PhP337.74million as compared to last year's same period of PhP70.62million.

The total combined assets amounted to PhP4.08 billion as of 31 March 2021 which is lower by 1% while total liabilities amounted to PhP1.31 billion which is lower by 1%, from balances as of 31 December 2020.

The Company has no knowledge of any trends, events or uncertainties which are reasonably expected to have a material impact on the net sales or revenues of the Company. There are no seasonal aspects which had a material effect on the Company's financial condition or results of operation.

Further discussion of material changes in amount of accounts with 5.0% or more change:

Accounts Receivable – The increase in account is due to lower collection during the first quarter of 2021.

Inventories – The decrease in account is due to higher materials put into production for the period.

Financial Assets at FVPL – The increase is due to the valuation and additional acquisition by one of the subsidiaries.

Prepaid expenses and other current assets – The increase is due to reclassification of advances to supplier made for the purchase of machinery.

Accounts payable – The increase is due to availment of Trust Receipts payable during the first quarter of 2021.

Income tax payable – The decrease is due to lower recognition of income tax payable during the third quarter of 2021.

Retained earnings – Balance as of March 31, 2021 is basically on the same level as of previous period last year.

Performance Indicators

The Company and its subsidiary determine their performance on the following five (5) key performances indicators:

- Selling Price, Volume and Revenue Growth

These indicate external performance of the Company in relation to the movements of consumer demand and the competitors' action to market behavior. These also express market acceptability and room for development and innovation. These are being monitored and compared as basis for further study and development.

During the three-month period ended 31 March 2021, there was a 12% decrease in revenue as compared to previous year's same period performance. Despite the increase in sales volume of Company's products, there is a decrease in selling price coupled with slight increase in cost. Likewise, there was a decrease in the Company's rental income by 13%.

- Cost Contribution

This measures the amount of supply and cost-efficiency of the applicable products of the Company. It shows the trend of supplies' cost particularly in imported raw materials where there are foreign exchange exposures. Cost are analyzed regularly pursuant to cost reduction and efficiency measures.

During the three-month ended 31 March 2021, there was a slight 1% increase in cost of sales over the previous year's same period performance primarily due to increase in sales volume of products sold.

- Gross Profit Contribution

Review of sales less cost is done on a regular basis to check if targets are being met. This measures the profitability within the bounds of cost and demand. Like other indicators, this is reviewed on a regular basis for proper action and consideration.

During the three-month ended 31 March 2021, the Company generated gross profit of 19%. There was a decrease of 2% in gross profit as compared in the prior year's same period performance. The decrease is directly attributable to the decrease in total sales price.

- Operating margin

This shows the result after operation expenses have been deducted. Operating expenses are examined, checked and traced for major expenses. These are being analyzed and compared to budget and expenses incurred in previous years to ensure prudence and discipline in spending behind marketing and selling activities.

During the three-month ended 31 March 2021, there was a decrease in operating expenses by 1% over the previous year's same period performance. Operating income was earned this quarter as a result of increase in sales coupled with decrease in operating expenses.

- **Plant Capacity Utilization**

This determines total usage of the plant capacity, Full utilization produces better yield thus better margin. Standard rates for the plants were set and monthly utilization is determined to property equate and carefully assess the differences.

Like in the past years, the Company continued to enjoy a strong cash position all throughout in 2020 and as of quarter ended 31 March 2021 with a current ratio at 2.80:1. The working capital requirement of the Company to carry its business is entirely generated internally.

There are no events that will trigger direct or contingent financial obligations that are material to the Company, including any default or acceleration of an obligation. There were also no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.

MARKETPRICE

The market price of the Company's common shares closed at PhP32.80 on 31 March 2021. For the Company's high and low prices for the first quarter of 2021, please see table below:

Stock	Quarter	High	Low
FM	1	33.00	32.00

PART II – FINANCIAL DISCLOSURES

Financial Instruments and Financial Risk Disclosure

The Group's financial instruments consist of cash and cash equivalents, trade receivables, financial assets at FVPL, financial assets at FVOCI and notes payable. The main purpose of these financial instrument is to fund the group's operations. The other financial assets and financial arising directly from its operations are refundable deposits recorded under "Other noncurrent assets" account, liabilities under trust receipts, accounts payable and accrued expenses.

The main risks arising from the Group's financial instruments are credit risk, equity price risk and liquidity risk. The Group's exposure to foreign currency risk is minimal as this only relates to the Group's foreign currency-denominated cash in banks. The BOD reviews and approves policies for managing each of these risks.

a. Credit Risk

This represent the loss that the Group would incur if counterparty failed to perform under its contractual obligations. The Group has established controls and procedures in its credit policy to determine and monitor the credit worthiness of customers and counterparties. The Group is operating under a sound credit-granting process over its distributors. Credit monitoring process involves a weekly check over collections based on a benchmark.

The Group trade receivables is concentrated with its three distributors which account for 96% of the total trade receivables as of March 31, 2021. The Group has been transacting business with these distributors for a long time and has not encountered any credit issue with them. With respect to credit risk arising from other financial assets of the Group which comprise of cash equivalents, financial assets at FVPL, debt instruments classified as financial asset at FVOCI and debt instruments classified as AFS investments, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. There are no collaterals or other credit enhancement held over these assets.

b. Equity Price Risk

Equity price risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market prices. The Group is exposed to equity price risk because of investments in quoted equity securities. The Group's policy is to maintain the risk at an acceptable level. Movement of share price is monitored regularly to determine impact on its financial position.

c. Foreign Currency Risk

This risk describes the impact of changes in foreign exchange rates on the consolidated balance sheet and consolidated statement of income items denominated in foreign currencies.

The Group's foreign currency-denominated financial assets and liabilities which are all in US dollar (\$) as of March 31, follows:

	2021	2020
Cash in bank	\$54,100	\$90,369
Total US dollar-denominated assets	\$54,100	\$90,369

The exchange rate per \$1.00 to Philippine peso is P48.53 and P50.78 respectively.

d. Liquidity Risk

Liquidity risk is the risk that the Group will be unable to pay its obligations when they fall due under normal and stress circumstances. The Group manages risk by maintaining a balance between continuity of funding and flexibility. Treasury controls and procedures are in place to ensure that sufficient cash is maintained to cover daily operational and working capital requirements. Management closely monitors the Group's future and contingent obligations and sets up required cash reserves as necessary in accordance with internal policies.

There are no Company's investments in foreign securities.

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate such value:

a. Financial assets at FVPL

The fair value of the quoted shares of stock is based on quoted market price.

b. Financial assets at FVOCI

The fair value of the quoted debt instruments and equities is based on quoted market price. Unquoted shares of stock have been estimated using the adjusted net asset method. The adjusted net asset method involves deriving the fair value of the investee's equity instruments by reference to the fair value of its assets and liabilities.

c. Deposits on long-term leases

The carrying values deposits on long-term leases were not materially different from their calculated fair values estimated by discounting future cash flows using rates currently available for debt on similar terms and remaining maturities.

d. Other financial assets and financial liabilities

Due to the short-term nature of other financial assets and financial liabilities, the fair value of cash and cash equivalents, receivables, liabilities under trust receipts, accounts payable and accrued expenses and other current liabilities approximate the carrying amount as of balance sheet.

PART III - OTHER INFORMATION

All other information which requires disclosure under the full Disclosure Rules of the Securities and Exchange Commission has been previously filed by the Company under SEC Form 17-C

SIGNATURE

Pursuant to the requirements of the Securities Regulation Code, the Company has duly caused this report to be signed on its behalf by the undersigned there unto duly authorized.

LIBERTY FLOUR MILLS, INC.

By:



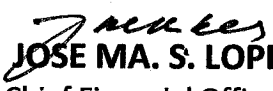
WILLIAM CARLOS UY

Chairman of the Board



WILLIAM CARLOS UY

Chief Executive Officer



JOSE MA. S. LOPEZ

Chief Financial Officer

ANNEX “A”

LIBERTY FLOUR MILLS, INC.

**LIBERTY BLDG., 835 A. ARNAIZ AVE.
MAKATI CITY**

**UNAUDITED FINANCIAL STATEMENTS
MARCH 31, 2021**

LIBERTY FLOUR MILLS, INC. AND SUBSIDIARIES
BALANCE SHEET
AS OF MARCH 31, 2021
(With comparative figures for year ended Dec. 31, 2020 and three months ended March 31, 2020)

<u>Assets</u>	March 31, 2021	December 31, 2020 <u>Audited</u>	March 31, 2020
Current Assets			
Cash and cash equivalents	P 161,463,644	P 179,719,444	P 162,460,919
Receivables	894,699,025	841,239,779	762,091,306
Financial assets at fair value through profit or loss	127,982,946	94,377,416	35,539,752
Inventories:			
Finished goods	P 21,772,768	P 29,360,686	P 32,364,582
Raw materials	233,014,829	214,565,899	85,364,407
Inventories-in Transit	-	112,689,301	-
Total Inventories	254,787,597	356,615,886	117,728,989
Prepaid expenses & other current assets	70,035,051	55,993,932	135,459,193
Total current assets	P 1,508,968,263	P 1,527,946,457	P 1,213,280,159 280%
Financial assets at fair value through OCI	1,027,210,058	1,044,038,905	1,048,529,595
Investment properties	1,212,884,166	1,223,957,338	1,163,318,452
Plant, Property & Equipment, net	103,641,957	104,058,478	59,782,203
Deferred Charges & Other Assets	225,898,070	228,360,555	106,126,143
Total Assets	P 4,078,602,514	P 4,128,361,733	P 3,591,036,552
 <u>Liabilities & Stockholders' Equity</u>			
Current Liabilities			
Accounts Payable	P 538,305,855	P 499,671,046	P 118,125,678
Income Tax Payable	1,111,844	1,212,931	4,972,970
Other Liabilities	-	15,195,250	-
Total Current Liabilities	P 539,417,699	P 516,079,227	P 123,098,648
Bank Loans	580,000,000	580,000,000	610,900,000
Deposit on long-term lease	29,784,730	19,974,491	-
Accrued retirement benefits costs	60,085,061	59,372,880	93,764,945
Deferred Income Tax Liability	6,391,057	18,377,308	-
Other Non-current Liabilities	96,085,155	99,507,271	42,779,608
Total Liabilities	P 1,311,763,702	P 1,293,311,177	P 870,543,201
Stockholders' Equity			
Capital Stock, authorized - 200,000,000 shares a. P10 par value per share P2,000,000,000.			
Issued and outstanding, 150,000,000 shares	P 1,500,000,000	P 1,500,000,000	P 1,500,000,000
Fair value changes on financial assets through OCI	(1,532,772)	(55,344,426)	(79,450,797)
Remeasurement gain (loss) on defined benefit	(17,740,901)	(9,328,350)	(5,634,974)
Retained earnings			
Appropriated	P -	P -	-
Unappropriated	1,286,112,485	1,399,723,332	1,305,579,122
Total Retained Earnings	1,286,112,485	1,399,723,332	1,305,579,122
Treasury Stock, at cost	-	-	-
Total Stockholders' Equity	P 2,766,838,812	P 2,835,050,556	P 2,720,493,351
Total Liabilities & Stockholders' Equity	P 4,078,602,514	P 4,128,361,733	P 3,591,036,552

LIBERTY FLOUR MILLS, INC. AND SUBSIDIARIES
STATEMENT OF INCOME AND EXPENSES
For quarter ended March 31, 2021
(With comparative figures for the quarter ended March 31, 2020)

		<u>March 31, 2021</u>		<u>March 31, 2020</u>
Net Sales	P	239,325,580	P	242,735,840
Cost of Sales		<u>(193,623,898)</u>		<u>(191,033,856)</u>
Gross Profit	P	45,701,682	P	51,701,984
Other operating income		45,316,667		56,497,228
Operating Expenses		<u>(56,869,863)</u>		<u>(57,466,259)</u>
Income from operations	P	34,148,486	P	50,732,953
Other Income/Charges, net		<u>2,046,118</u>		<u>(3,557,833)</u>
Income before Income Tax	P	36,194,604	P	47,175,120
Provision for Income Tax, current		<u>(5,681,511)</u>		<u>(11,330,172)</u>
Provision for Income Tax, Deferred				
Net Income for the period	P	<u>30,513,093</u>	P	<u>35,844,948</u>
Earnings (loss) per share	P	<u>0.20</u>	P	<u>0.24</u>

LIBERTY FLOUR MILLS, INC. AND SUBSIDIARIES
STATEMENT OF CASH FLOWS
For quarter ended March 31,2021
(With comparative figures for the quarter ended March 31,2020)

	January 1 to March 31, 2021	January 1 to March 31, 2020
CASHFLOWS FROM OPERATING ACTIVITIES:		
Income before tax	P 36,194,604	P 47,175,120
Adjustment for:		
Depreciation	14,381,740	14,190,317
Fair Value changes of financial assets at FVPL	(17,592,016)	3,602,705
Retirement Benefit Cost	(779,501)	(7,027,651)
Interest income	(2,667,559)	(5,581,721)
Dividend Income	(5,939,460)	(8,750,716)
Interest expense	8,154,546	10,508,321
Loss (Gain) on the sale of AFS investments	-	-
Loss on sale of FVPL investments	-	-
Operating Income before working capital changes	31,752,354	54,116,375
Decrease (Increase) in:		
Receivables	(53,990,614)	(37,007,093)
Inventories	101,828,289	55,116,825
Prepayments and other assets	(16,505,018)	(74,089,035)
Increase (Decrease) in:		
Trade Payables	(50,184,587)	(103,250,597)
Accrued Payables and other liabilities	(7,000,000)	-
Deposit on long term lease	(2,990,215)	(310,209)
Unearned Rental Income	(897,342)	(1,007,007)
Liabilities for Retirement Fund	-	-
Cash generated (used) from operations	2,012,867	(106,430,741)
Income tax paid	(4,569,667)	(2,211,300)
Interest Received	2,667,559	5,581,721
Net cash provided by (used in) operating activities	110,759	(103,060,320)
CASHFLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of FVPL		
Dividends received	5,939,460	8,750,716
Proceeds from redemption of FVOCI	40,000,000	125,000,000
Acquisition of plant, property and equipment	(2,795,753)	(3,941,095)
Acquisition of Investments-FVPL	(16,013,514)	
Acquisition of Investments-FVOCI	(9,900,000)	
Decrease(increase) in other non-current assets	(27,209,478)	27,045
Net cash used in investing activities	(9,979,285)	129,836,666
CASHFLOW FROM FINANCING ACTIVITIES		
Availment of Loans	-	(22,000,000)
Loan Payments	-	-
Interest paid	(8,154,546)	(10,508,321)
Payments of cash dividends	-	-
Net cash generated from financing activities	(8,154,546)	(32,508,321)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		
	(18,023,072)	(5,731,975)
Add: Cash and cash equivalents:		
January 1	179,486,716	168,192,895
April 1		
CASH AND CASH EQUIVALENTS, END	P 161,463,644	P 162,460,919

LIBERTY FLOUR MILLS, INC. AND SUBSIDIARIES
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
AS OF MARCH 31, 2021

1. Basis of Financial Statement Preparation

The consolidated financial statements are prepared on a historical cost basis, except for financial assets at fair value through profit or loss (FVTPL), financial assets at fair value through other comprehensive income (FVOCI) that are measured at fair value. The consolidated financial statements are presented in Philippine peso (Peso), which is the Group's functional and presentation currency, and rounded to the nearest peso except as otherwise indicated.

Statement of Compliance

The consolidated financial statements of the Group are prepared in compliance with Philippine Financial Reporting Standards (PFRS).

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as of March 31, 2021.

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company. All intra-group balances, transactions, unrealized gains and losses, resulting from intra group transactions and dividends are eliminated in full.

2. Significant Accounting Policies

Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of these new standards effective January 1, 2020. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Unless otherwise indicated, adoption of these new standards did not have an impact on the consolidated company financial statements.

- PFRS 16, *Leases*

Lessor accounting under PFRS 16 is substantially unchanged from today's accounting under PAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in PAS 17. Therefore, PFRS 16 does not have an impact for leases where the Group is the lessor.

- Philippine Interpretation IFRIC-23, *Uncertainty over Income Tax Treatments*
- Amendments to PFRS 9, *Prepayment Features with Negative Compensation*
- Amendments to PAS 19, *Employee Benefits, Plan Amendment, Curtailment or Settlement*
- Amendments to PAS 28, *Long-term Interests in Associates and Joint Ventures*
- *Annual Improvements to PFRSs 2015-2017 Cycle*
 - Amendments to PFRS 3, *Business Combinations*, and PFRS 11, *Joint Arrangements, Previously Held Interest in a Joint Operation*
 - Amendments to PAS 12, *Income Tax Consequences of Payments on Financial Instruments Classified as Equity*
 - Amendments to PAS 23, *Borrowing Costs, Borrowing Costs Eligible for Capitalization*

Standards Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. The Group intends to adopt the following pronouncements when they become effective. Adoption of these pronouncements is not expected to have a significant impact on the Group's consolidated financial statements, unless otherwise indicated.

Effective beginning on or after January 1, 2021

- Amendments to PFRS 9, PFRS 7, PFRS 4 and PFRS 16, *Interest Rate Benchmark Reform – Phase 2*

Effective beginning on or after January 1, 2022

- Amendments to PFRS 3, *Reference to the Conceptual Framework*
- Amendments to PAS 16, *Plant and Equipment: Proceeds before Intended Use*
- Amendments to PAS 37, *Onerous Contracts – Cost of Fulfilling a Contract*
- *Annual Improvements to PFRSs 2018-2020 Cycle*
 - Amendments to PFRS 1, *First-time Adoption of Philippines Financial Reporting Standards, Subsidiary as a first-time adopter*
 - Amendments to PFRS 9, *Financial Instruments, Fees in the '10 per cent' test for derecognition of financial liabilities*
 - Amendments to PAS 41, *Agriculture, Taxation in fair value instruments*

Effective beginning on or after January 1, 2023

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*
- PFRS 17, *Insurance Contracts*

Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

3. Others

1. The same accounting policies and methods of computation are followed in the interim financial statements as of March 31, 2021 as compared with the audited financial statements as of December 31, 2020.
2. The business operation of the company for the interim period is continuous, there is no cycle and it is not seasonal.
3. There are no unusual items that affected assets, liabilities, equity and cash flows.
4. There are no changes in estimates of amounts reported in prior financial years.
5. There are no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.
6. There are no changes in the composition of this issuer during the interim period. There are no business combinations, no acquisition or disposal of subsidiaries and long term investments, no restructuring and no discontinuing operations.
7. There are no contingent liabilities and contingent assets.

ANNEX “B”

LIBERTY FLOUR MILLS, INC.

**LIBERTY BLDG., 835 A. ARNAIZ AVE.
MAKATI CITY**

**STATEMENT OF CHANGES
IN STOCKHOLDER’S EQUITY
MARCH 31, 2021**

LIBERTY FLOUR MILLS, INC.

STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

For three months ended March 31, 2021 and 2020

	2021	2020
CAPITAL STOCK		
Authorized - 200 million shares at P10 par value per share <u>P2 billion</u>		
Issued and outstanding -150 million shares P	1,500,000,000	P 1,500,000,000
Fair value changes on financial assets through OCI	(1,532,772)	(79,450,797)
Accumulated Remeasurement on Retirement Benefits	(17,740,901)	(5,634,974)
 RETAINED EARNINGS		
January `1	1,255,599,392	1,269,734,174
Net income for the period	30,513,093	35,844,948
Cash dividends declared and paid	-	-
	1,286,112,485	1,305,579,122
	2,766,838,812	2,720,493,351

BASIS FOR THE COMPUTATION OF BASIC EARNINGS PER SHARE

		2021		2020
NUMERATOR:				
Net income for the first quarter	P	30,513,093	P	35,844,948
DENOMINATOR:				
Outstanding shares		150,000,000		150,000,000
Treasury Stock		0		0
TOTAL WEIGHTED AVERAGE SHARES		150,000,000		150,000,000

LIBERTY FLOUR MILLS, INC. and Subsidiaries

Aging of Accounts Receivable

As of March 31, 2021

Type of Accounts Receivable	Total	Current	1 Month	2-3 Months	Over 3 Mos.
a) Trade Receivables					
Flour and Millfeed customers	P 852,765,701	P 375,204,152	P 86,536,818	P 190,518,471	P 200,506,260
Building Tenants	13,382,744	11,158,561	614,183	554,134	1,055,865
b) Non-Trade Receivables:					
Others	28,550,580	51,613.00	59,000.00	4,407,234	24,032,733.00
Total	P 894,699,025	P 386,414,326	P 87,210,001	P 195,479,839	P 225,594,859