

# 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)

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Form Type

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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](mailto:info@libertygroup.com.ph)

Company's Telephone Number/s

**(02) 8892-5011**

Mobile Number

No. of Stockholders

**439**

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@pltdtssl.net](mailto:jmlopez@pltdtssl.net)

Telephone Number/s

**(02) 8892-  
5011**

Mobile Number

—

Contact Person's Address

**Liberty Building, 835 A. Arnaiz Avenue, Makati City**

**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, 2022**
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
<b>Common</b>	<b>150,000,000</b>

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
<b>Philippine Stock Exchange, Inc.</b>	<b>Common Shares</b>

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, 2022 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, 2022 and as compared to same period for the year 2021, 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 2022 posted a net loss of (PhP37.11 million) as compared from previous year's same period net income of PhP30.51 million. There was a decrease of 13% in volume of flour bags sold in the first quarter of 2022. However, despite the negative growth in sales volume, the net sales revenue posted high growth vs. the same period last year due to successive price increases implemented to negate huge increases in cost of raw materials. Cost of sales had increased by 39% compared to same period last year primarily due to very high costs of wheat coupled with high manufacturing costs. Dividend income on shares of stocks on quoted securities had decreased significantly due to early redemptions. Interest income in debt instruments increased by 46% from the previous year's same period basically as there were some acquisitions made this year by one of the subsidiaries and at mid last year.

For the quarter ended 31 March 2022, total gross income amounted to PhP12.45 million, which is 73% lower from the previous year's same period operation which made gross profit amounting to PhP45.70 million.

Other operating income represents rental income which had an aggregate amount of PhP38.11 million for the first three-month period of 2022 which is higher by 4% compared to previous year's same period of PhP36.71 million. Increase is due to higher rental income by one of the subsidiaries of the Company.

Operating expenses for the three-month period of 2022 amounted PhP49.78 million, 12% lower than the previous year's same period operating expense of PhP56.87 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 2022, the Company had an operating income of PhP7.06 million versus previous year's same period operating income of PhP34.15 million. The lower operating income is primarily due to the lower Gross Profit as mentioned above due to higher Costs of Sales.

Other income(charges), net, for the three-month period of 2022 amounted to (Php38.99 million), which is 158% higher than last year's same period amounting to net charges Php2.05 million. The higher charges are mainly due to unrealized loss on FV Changes on FVPL by one of the subsidiaries. The account also 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 Php445.57million as compared to last year's same period of Php337.74million.

The total combined assets amounted to PhP4.21 billion as of 31 March 2022 which is basically same level vs. 31 December 2021 while total liabilities amounted to PhP1.39 billion which is higher by 4%, from balances as of 31 December 2021.

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 2022.

Inventories – The increase in account is due to higher costs of importation of raw materials 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 2022.

Income tax payable – The decrease is due to higher recognition of income tax payable by one of the subsidiaries during the first quarter of 2022.

Retained earnings – Balance as of March 31, 2022 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 2022, there was 18% increase in revenue as compared to previous year's same period performance brought about by selling price increases. Likewise, there was an increase in the Company's rental income by 4%.

- 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 2022, there was a significant increase of 39% in cost of sales over the previous year's same period performance primarily due to high costs of imported wheat coupled with foreign currency deterioration.

- 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 2022, the Company generated gross profit of 4%. There was a huge decrease of 73% in gross profit as compared in the prior year's same period performance. The decrease is directly attributable to the high costs of major raw materials.

- 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 2022, there was a decrease in operating expenses by 12% over the previous year's same period performance. Operating income was earned this quarter as a result of increase in sales revenue 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 2021 and as of quarter ended 31 March 2022 with a current ratio at 2.75:1. 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 PhP25.00 on 31 March 2022. For the Company's high and low prices for the first quarter of 2022, please see table below:

<b>Stock</b>	<b>Quarter</b>	<b>High</b>	<b>Low</b>
LFM	1	25.00	24.95

## 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, 2022. 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:

	2022	2021
Cash in bank	\$377,423	\$54,100
Total US dollar-denominated assets	\$377,423	\$54,100

The exchange rate per \$1.00 to Philippine peso is P51.74 and P48.53 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.

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.

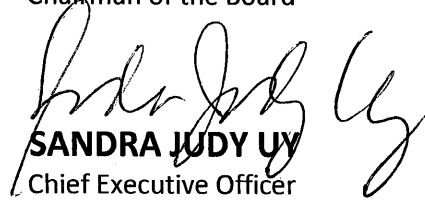
### LIBERTY FLOUR MILLS, INC.

By:



**WILLIAM CARLOS UY**

Chairman of the Board



**SANDRA JUDY 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 31,2022

**LIBERTY FLOUR MILLS, INC. AND SUBSIDIARIES**  
**BALANCE SHEET**  
**AS OF MARCH 31, 2022**  
(With comparative figures for year ended Dec. 31, 2021 and three months ended March 31, 2021)

<u>Assets</u>	March 31, 2022		December 31, 2021 <u>Audited</u>		March 31, 2021
<b>Current Assets</b>					
Cash and cash equivalents	P	53,188,078	P	194,041,740	P 161,463,644
Receivables		1,160,413,471		1,112,181,595	894,699,025
Financial assets at fair value through profit or loss		155,254,535		194,328,610	127,982,946
Inventories:					
Finished goods	P	36,967,279	P	41,107,747	P 21,772,768
Raw materials		248,342,642		149,230,268	233,014,829
Inventories-in Transit		-		-	-
		<hr/>		<hr/>	
Total Inventories		285,309,921		190,338,015	254,787,597
Prepaid expenses & other current assets		128,281,730		83,667,042	70,035,051
		<hr/>		<hr/>	
Total current assets	P	1,782,447,735	P	1,774,557,002	P 1,508,968,263
Financial assets at fair value through OCI		632,840,275		631,405,777	1,027,210,058
Investment properties		1,364,913,557		1,371,443,195	1,212,884,166
Plant, Property & Equipment, net		300,116,807		300,526,062	103,641,957
Deferred Charges & Other Assets		128,859,158		117,383,614	225,898,070
		<hr/>		<hr/>	
<b>Total Assets</b>	<b>P</b>	<b><u>4,209,177,533</u></b>	<b>P</b>	<b><u>4,195,315,650</u></b>	<b>P <u>4,078,602,514</u></b>
 <b><u>Liabilities &amp; Stockholders' Equity</u></b>					
<b>Current Liabilities</b>					
Accounts Payable	P	536,283,115	P	488,970,449	P 538,305,855
Income Tax Payable		4,518,637		1,163,501	1,111,844
Other Liabilities		107,436,687		154,036,184	
		<hr/>		<hr/>	
Total Current Liabilities	P	648,238,439	P	644,170,134	P 539,417,699
Bank Loans		443,800,782		443,800,782	580,000,000
Deposit on long-term lease		31,884,198		18,603,788	29,784,730
Accrued retirement benefits costs		9,297,076		5,849,806	60,085,061
Deferred Income Tax Liability		21,913,988		21,913,988	6,391,057
Other Non-current Liabilities		237,004,918		208,261,340	96,085,155
		<hr/>		<hr/>	
Total Liabilities	P	<u>1,392,139,401</u>	P	<u>1,342,599,838</u>	P <u>1,311,763,702</u>
<b>Stockholders' Equity</b>					
Capital Stock, authorized - 200,000,000 shares at 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		(109,197,139)		(110,631,636)	(1,532,772)
Remeasurement gain (loss) on defined benefit		449,165		449,165	(17,740,901)
Retained earnings					
Appropriated	P	-	P	-	P -
Unappropriated		1,425,786,106		1,462,898,283	1,286,112,485
Total Retained Earnings		<hr/>		<hr/>	
Total Stockholders' Equity	P	1,425,786,106	P	1,462,898,283	P 1,286,112,485
Treasury Stock, at cost		-		-	-
		<hr/>		<hr/>	
<b>Total Stockholders' Equity</b>	<b>P</b>	<b><u>2,817,038,132</u></b>	<b>P</b>	<b><u>2,852,715,812</u></b>	<b>P <u>2,766,838,812</u></b>
<b>Total Liabilities &amp; Stockholders' Equity</b>	<b>P</b>	<b><u>4,209,177,533</u></b>	<b>P</b>	<b><u>4,195,315,650</u></b>	<b>P <u>4,078,602,514</u></b>

**LIBERTY FLOUR MILLS, INC. AND SUBSIDIARIES**  
**STATEMENT OF INCOME AND EXPENSES**  
For quarter ended March 31, 2022  
(With comparative figures for the quarter ended March 31, 2021)

		<u>March 31, 2022</u>		<u>March 31, 2021</u>
Net Sales	P	282,535,092	P	239,325,580
Cost of Sales		<u>(270,084,852)</u>		<u>(193,623,898)</u>
Gross Profit	P	12,450,239	P	45,701,682
Other operating income		44,391,975		45,316,667
Operating Expenses		<u>(49,783,300)</u>		<u>(56,869,863)</u>
Income from operations	P	7,058,914	P	34,148,486
Other Income/Charges, net		<u>(38,987,435)</u>		<u>2,046,118</u>
Income before Income Tax	P	<b>(31,928,521)</b>	P	<b>36,194,604</b>
Provision for Income Tax, current		<u>(5,183,654)</u>		<u>(5,681,511)</u>
Provision for Income Tax, Deferred				
Net Income for the period	P	<b><u>(37,112,175)</u></b>	P	<b><u>30,513,093</u></b>
Earnings (loss) per share	P	<b><u>(0.25)</u></b>	P	<b><u>0.20</u></b>

**LIBERTY FLOUR MILLS, INC. AND SUBSIDIARIES**  
**STATEMENT OF CASH FLOWS**  
For quarter ended March 31, 2022  
(With comparative figures for the quarter ended March 31, 2021)

	<u>January 1 to March 31, 2022</u>	<u>January 1 to March 31, 2021</u>
<b>CASHFLOWS FROM OPERATING ACTIVITIES:</b>		
Income before tax	P (31,928,521)	P 36,194,604
Adjustment for:		
Depreciation	14,546,350	14,381,740
Fair Value changes of financial assets at FVPL	37,706,860	(17,592,016)
Retirement Benefit Cost	3,447,270	(779,501)
Interest income	(3,893,550)	(2,667,559)
Dividend Income	(2,391,250)	(5,939,460)
Interest expense	10,183,083	8,154,546
Loss (Gain) on the sale of AFS investments	1,480,610	-
Loss on sale of FVPL investments	-	-
<b>Operating Income before working capital changes</b>	<u><b>29,150,851</b></u>	<u><b>31,752,354</b></u>
Decrease (Increase) in:		
Receivables	(48,178,581)	(53,990,614)
Inventories	(94,971,906)	101,828,289
Prepayments and other assets	(48,141,954)	(16,505,018)
Increase (Decrease) in:		
Trade Payables and other current liabilities	58,566,685	(57,184,587)
Deposit on long term lease	22,798,473	(2,990,215)
Unearned Rental Income	244,129	(897,342)
Liabilities for Retirement Fund	-	-
<b>Cash generated (used) from operations</b>	<u><b>(80,532,303)</b></u>	<u><b>2,012,867</b></u>
Income tax paid	(1,828,518)	(4,569,667)
Interest Received	3,893,550	2,667,559
<b>Net cash provided by (used in) operating activities</b>	<u><b>(78,467,270)</b></u>	<u><b>110,759</b></u>
<b>CASHFLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of FVPL	3,572,261	
Dividends received	2,391,250	5,939,460
Proceeds from redemption of FVOCI	-	40,000,000
Acquisition of plant, property and equipment	(12,415,241)	(2,795,753)
Acquisition of Investments-FVPL	(3,685,658)	(16,013,514)
Acquisition of Investments-FVOCI	-	(9,900,000)
Decrease(increase) in other non-current assets	(7,948,275)	(27,209,478)
<b>Net cash used in investing activities</b>	<u><b>(18,085,663)</b></u>	<u><b>(9,979,285)</b></u>
<b>CASHFLOW FROM FINANCING ACTIVITIES</b>		
Availment of Loans	3,000,000	-
Loan Payments	(37,117,647)	-
Interest paid	(10,183,083)	(8,154,546)
Payments of cash dividends	-	-
<b>Net cash generated from financing activities</b>	<u><b>(44,300,730)</b></u>	<u><b>(8,154,546)</b></u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u><b>(140,853,663)</b></u>	<u><b>(18,023,072)</b></u>
Add: Cash and cash equivalents:		
January 1	194,041,740	179,486,716
April 1		
<b>CASH AND CASH EQUIVALENTS, END</b>	<u><u><b>P 53,188,077</b></u></u>	<u><u><b>P 161,463,644</b></u></u>

**LIBERTY FLOUR MILLS, INC. AND SUBSIDIARIES**  
**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2022**

**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, 2022.

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 that the Group has adopted the following new accounting pronouncements starting January 1, 2021. Adoption of these pronouncements did not have any significant impact on the Group's financial position or performance.

- Adoption of Accounting for Common Usage Service Area (CUSA) Charges discussed in PIC Q&A 2018-12-H
- Amendments to PFRS 16, *COVID-19 related Rent Concessions beyond 30 June 2021*
- Amendments to PFRS 9, PFRS 7, PFRS 4, and PFRS 16, *Interest Rate Benchmark Reform – Phase 2*

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, 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 PRFS 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 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to PAS 8, *Definition of Accounting Estimates*
- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure Initiative – Accounting Policies*

*Effective beginning on or after January 1, 2024*

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*

*Effective beginning on or after January 1, 2025*

- 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*

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of 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

### **3. Others**

1. The same accounting policies and methods of computation are followed in the interim financial statements as of March 31, 2022 as compared with the audited financial statements as of December 31, 2021.
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, 2022



**LIBERTY FLOUR MILLS, INC.**

## STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

For three months ended March 31, 2022 and 2021

	<b>2022</b>	<b>2021</b>
<b>CAPITAL STOCK</b>		
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	(109,197,139)	(1,532,772)
Accumulated Remeasurement on Retirement Benefits	449,165	(17,740,901)
<b>RETAINED EARNINGS</b>		
January `1	1,462,898,281	1,255,599,392
Net income for the period	(37,112,175)	30,513,093
Cash dividends declared and paid	-	-
	1,425,786,106	1,286,112,485
	<b>2,817,038,132</b>	<b>2,766,838,812</b>

**BASIS FOR THE COMPUTATION OF BASIC EARNINGS PER SHARE**

	<b>2022</b>	<b>2021</b>
NUMERATOR:		
Net income for the first quarter	P (37,112,175) P	30,513,093
DENOMINATOR:		
Outstanding shares	150,000,000	150,000,000
Treasury Stock	0	0
<b>TOTAL WEIGHTED AVERAGE SHARES</b>	<b>150,000,000</b>	<b>150,000,000</b>

**LIBERTY FLOUR MILLS, INC. and Subsidiaries**

Aging of Accounts Receivable

As of March 31, 2022

Type of Accounts Receivable		<b>Total</b>		<b>Current</b>		<b>1 Month</b>		<b>2-3 Months</b>		<b>Over 3 Mos.</b>
a) Trade Receivables										
Flour and Millfeed customers	P	1,119,289,442	P	477,074,232	P	136,539,977	P	174,058,762	P	331,616,471
Building Tenants		19,915,671		1,010,307		572,929		1,944,740		16,387,694
b) Non-Trade Receivables:										
Others		21,208,359		-		-		-		21,208,359
<b>Total</b>	<b>P</b>	<b>1,160,413,472</b>	<b>P</b>	<b>478,084,539</b>	<b>P</b>	<b>137,112,906</b>	<b>P</b>	<b>176,003,502</b>	<b>P</b>	<b>369,212,524</b>