

# 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
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Company's Telephone Number/s

(02) 8892-5011

Mobile Number

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No. of Stockholders

444

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. S. Lopez

Email Address

jmslopez29@gmail.com

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: **September 30, 2024**
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. **7F Liberty Building, 835 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 statements of the Liberty Flour Mills, Inc. (the "Company") and its subsidiaries for the nine (9) months ended September 30, 2024 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 nine (9) months ended September 30, 2024 and as compared to same period for the year 2023, 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 sales volume from total flour and mill feed business posted a decline of 11% for nine-month period ended 30 September 2024 as compared from previous year's same period. In terms of Sales Value, the Company delivered P911.81 million vs. P1,128.04 million same quarter of previous year for a huge decline of sales revenue of 19% due to decline in volume coupled with decrease in selling prices. Fortunately, Cost of Sales had decreased by 33% primarily due to lower US\$ cost of wheat coupled with lower direct operating costs. This was a complete turnaround versus same period last year for a GP % 26%. The combined lease rental income of the Company and from one of the subsidiaries amounting to P216.01 million for nine-month period this year compared to P178.70 million last year resulting to an increase of 21% as there were new contracts from new tenants of one of the subsidiaries.

For the quarter ended 30 September 2024, total gross income amounted to P298.09 million, which is 129% much higher from the previous year's same period operation which made gross profit amounting to P130.22 million. Significant increase on gross income was due to lower cost of sales and the increase in lease rental income. Gross income was accounted as coming from the gross profit from the sale of the company's products, rental and real estate income, interest income, and dividend income.

Operating expenses and finance costs for the nine-month period of 2024 amounted P103.97 million, 3% lower than the previous year's same period operating expense of PhP107.66 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.

Other income(charges), net, for the nine-month period of 2024 amounted to (P43.17 million), which is 8% higher than last year's same period amounting to net charges (P40.00 million). The account consists of net miscellaneous income from scrap sales, unrealized foreign currency gain (loss), provision for impairment loss, gain (loss) on sale of financial assets.

As for the quarter ended, the Company has lower trust receipt balance amounting to P265.79 million as compared to last year's same period of P294.68 million.



The total combined assets amounted to PhP4.36 billion as of 30 September 2024 which is higher by 2.82% while total liabilities amounted to P1.79 billion which is higher by 4.91%, from balances as of 31 December 2023.

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:

*Inventories* – The decrease in account is due to lower costs of importation of raw materials for the period.

*Financial Assets at FVPL* – The decrease is because of the mark to market adjustment and its sale made by one of the subsidiaries.

*Prepaid expenses and other current assets* – The increase is due to creditable taxes and importation cost to be carried over and reclassified by the Parent Company.

*Accounts payable* – The decrease is primarily due to lower trust receipt balance by the Parent Company during the third quarter of 2024.

*Notes payable (current)* - Increased by 30% because of the subsidiaries loan availments.

*Notes payable (noncurrent)* – The increase is due to loan availment of one of the subsidiaries.

*Accrued retirement benefit costs* - The increase is because of the additional recognition of retirement costs during the third quarter of 2024.

*Long-term leases* - The increase is because of the adjustment made on the recognition of rental income using straight line method based on the terms of the lease agreement PAS 17 on Lease.



#### Performance Indicators

The Company and its subsidiaries 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 nine-month period ended 30 September 2024, there was 19% decrease in revenue as compared to previous year's same period performance. There is a significant decrease both in sales volume and selling price of Company's products. However, there was an increase in the Company and its subsidiaries rental income by 21%.

- 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. Costs are analyzed regularly pursuant to cost reduction and efficiency measures.

During the nine-month ended 30 September 2024, there was a huge decrease of 33% in cost of sales over the previous year's same period performance primarily due to lower US\$ cost of wheat coupled with lower direct operating costs.

- 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 nine-month ended 30 September 2024, the Company generated gross profit of 26%. There was a huge increase in gross profit as compared in the prior year's same period performance. The increase is directly attributable to the lower costs and higher rental income.

- 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 nine-month ended 30 September 2024, there was a minimal decrease in operating expenses by 3% 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.

Plant capacity is at average of 75% utilization.

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 PHP13.32 on 30 September 2024. For the Company's high and low prices for the third quarter of 2024, please see table below:

<b>Stock</b>	<b>Quarter</b>	<b>High</b>	<b>Low</b>
LFM	3	13.32	13.32

## 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. The main purpose of these financial instruments is to fund the group's operations. The other financial assets and financial liabilities 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 represents 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 99% of the total trade receivables as of September 30, 2024. 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, financial assets at FVOCI, 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 September 30, follows:

	2024	2023
Cash in bank	\$212,834	\$ 47,949
Foreign Securities – Gazprom	\$298,500	\$298,500
Total US dollar-denominated assets	\$511,334	\$346,449



The exchange rate per \$1.00 to Philippine peso is P56.03 and P56.575 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:



**JOHN CARLOS UY**  
Chairman of the Board



**JOHN 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  
SEPTEMBER 30, 2024**



LIBERTY FLOUR MILLS, INC. AND SUBSIDIARIES  
BALANCE SHEET  
AS OF SEPTEMBER 30, 2024  
(With comparative figures for year ended Dec. 31, 2023 and nine months ended September 30, 2023)

<u>Assets</u>		September 30, 2024		December 31, 2023 <u>Audited</u>		September 30, 2023
Current Assets						
Cash and cash equivalents	P	96,940,644		P 98,400,616	P	112,625,554
Receivables		1,136,811,687		1,152,545,394		1,161,684,860
Financial assets at fair value through profit or loss		22,379,259		41,472,499		46,432,358
Inventories:						
Finished goods	P	45,417,921	P	30,817,544	P	42,492,336
Raw materials		101,827,269		228,965,530		184,547,623
Inventories-in Transit		-		-		-
		<u>147,245,190</u>		<u>259,783,074</u>		<u>227,039,959</u>
Prepaid expenses & other current assets		<u>224,852,241</u>		<u>144,267,640</u>		<u>115,679,618</u>
Total current assets	P	1,628,229,021	P	1,696,469,223	P	1,663,462,349
Financial assets at fair value through OCI		612,360,599		681,192,064		637,604,139
Investment properties		1,481,271,697		1,506,719,852		1,515,482,868
Plant, Property & Equipment, net		316,527,911		324,047,319		326,972,406
Deferred Charges & Other Assets		<u>321,943,436</u>		<u>32,418,414</u>		<u>41,038,300</u>
<b>Total Assets</b>	P	<b><u>4,360,332,664</u></b>	P	<b><u>4,240,846,872</u></b>	P	<b><u>4,184,560,062</u></b>
 <u>Liabilities &amp; Stockholders' Equity</u>						
Current Liabilities						
Accounts Payable	P	514,508,568	P	756,266,096	P	505,763,705
Notes Payable - current portion		992,974,357		762,695,077		727,809,473
Income Tax Payable		21,686,734		7,493,599		8,685,399
Other Liabilities		<u>5,962,064</u>		<u>32,474,778</u>		<u>-</u>
Total Current Liabilities	P	1,535,131,723	P	1,558,929,550	P	1,242,258,577
Notes Payable - noncurrent portion		68,367,779		-		204,838,367
Deposit on long-term lease		54,907,110		17,354,188		36,414,841
Unearned rental income		2,837,688				8,928,316
Accrued retirement benefits costs		18,397,824		11,197,824		7,200,000
Deferred Income Tax Liability		1,769,678		1,769,678		3,891,063
Other Non-current Liabilities		109,178,110		<u>117,454,309</u>		<u>155,054,804</u>
Total Liabilities	P	<u>1,790,589,912</u>	P	<u>1,706,705,549</u>	P	<u>1,658,585,968</u>
Stockholders' Equity						
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		(158,517,392)		(164,223,449)		(167,342,787)
Remeasurement gain (loss) on defined benefit		(7,640,742)		(7,113,421)		2,058,144
Retained earnings						
Appropriated	P	-	P	-	P	-
Unappropriated		<u>1,033,970,506</u>		<u>1,021,170,623</u>		<u>1,085,957,596</u>
Total Retained Earnings		<u>1,033,970,506</u>		<u>1,021,170,623</u>		<u>1,085,957,596</u>
Total Equity Attributable to Equity Holders of Parent Company		<u>2,367,812,372</u>		<u>2,349,833,753</u>		<u>2,420,672,953</u>
Non-controlling interests		201,930,380		<u>184,307,570</u>		105,301,141
Total Stockholders' Equity	P	2,569,742,752	P	2,534,141,323	P	2,525,974,094
 <b>Total Liabilities &amp; Stockholders' Equity</b>						
	P	<b><u>4,360,332,664</u></b>	P	<b><u>4,240,846,872</u></b>	P	<b><u>4,184,560,062</u></b>

**LIBERTY FLOUR MILLS, INC. AND SUBSIDIARIES**  
**STATEMENT OF INCOME AND EXPENSES**  
For quarter ended September 30, 2024  
(With comparative figures for the quarter ended September 30, 2023)

		<u>July 1 to September 30, 2024</u>	<u>January 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>	<u>January 1 to September 30, 2023</u>
Net Sales	F	316,279,089	P 911,814,338	P 337,282,003	P 1,128,041,581
Rental Income		75,676,416	216,012,121	68,240,619	178,700,275
Total Revenue		<u>391,955,505</u>	<u>1,127,826,459</u>	<u>405,522,622</u>	<u>1,306,741,856</u>
Cost of sales		248,155,867	742,567,331	292,649,410	1,101,788,946
Cost of services		27,928,085	87,167,288	25,820,414	74,730,450
Total Cost of sales and services		<u>276,083,952</u>	<u>829,734,619</u> ①	<u>318,469,824</u>	<u>1,176,519,396</u>
Gross Profit	F	115,871,553	P 298,091,840	P 87,052,798	P 130,222,460
Operating expenses					
General and administrative expenses		24,370,551	88,149,193	27,224,877	87,788,478
Selling and marketing expenses		5,325,289	15,819,107	7,035,215	19,874,202
		<u>29,695,840</u>	<u>103,968,300</u> ①	<u>34,260,092</u>	<u>107,662,680</u>
Other Income (Charges)					
Interest Income		2,857,036	7,623,456 ②	3,144,863	8,407,606
Dividend Income		6,621,162	18,235,477 ②	2,907,915	8,158,842
Interest expense		(23,673,484)	(72,489,521) ③	(22,468,350)	(65,823,646)
Other Income (charges), net		5,124,792	3,464,345 ②③	39,994,644	9,253,329
		<u>(9,070,494)</u>	<u>(43,166,243)</u>	<u>23,579,072</u>	<u>(40,003,869)</u>
Income (loss) before Income Tax	F	77,105,219	P 150,957,297	P 76,371,778	P (17,444,089)
Provision for Income Tax, current		<u>(17,924,847)</u>	<u>(38,179,060)</u>	<u>(16,044,987)</u>	<u>(19,014,683)</u>
Provision for Income Tax, Deferred					
Net Income (loss) for the period	P	<u>59,180,372</u>	<u>112,778,237</u>	<u>60,326,791</u>	<u>(36,458,772)</u>
Net Income Attributable To:					
Equity holders of the Parent Company		49,932,804	95,155,427	57,719,819	(29,108,295)
Non-controlling interests		9,247,568	17,622,810	2,606,972	(7,350,477)
Earnings (loss) per share	P	<u>0.39</u>	<u>0.75</u>	<u>0.40</u>	<u>(0.24)</u>

**LIBERTY FLOUR MILLS, INC. AND SUBSIDIARIES**  
**STATEMENT OF CASH FLOWS**  
For quarter ended September 30, 2024  
(With comparative figures for the quarter ended September 30, 2023)

	July 1 to September 30, 2024	January 1 to September 30, 2024	July 1 to September 30, 2023	January 1 to September 30, 2023
<b>CASHFLOWS FROM OPERATING ACTIVITIES:</b>				
Income before tax	P 77,105,219	P 150,957,297	P 76,371,778	P (17,444,089)
Adjustment for:				
Proceeds from sale of Condo units	-	-	(46,263,170)	(46,263,170)
Depreciation	19,303,196	57,543,075	17,965,163	53,773,597
Fair Value changes of financial assets at FVPL	(2,573,702)	8,382,535	35,509,114	69,026,122
Retirement Benefit Cost	2,400,000	7,200,000	2,400,000	7,200,000
Interest income	(2,857,036)	(7,623,456)	(3,144,864)	(8,407,607)
Dividend Income	(6,621,162)	(18,235,477)	(2,907,914)	(8,158,842)
Interest expense	23,673,484	72,489,521	22,468,350	65,823,646
Gain on disposal of PPE	-	-	(375,000)	(2,428,571)
Loss on sale of FVPL investments	386,131	(6,916,515)	(29,262,851)	(29,398,017)
<b>Operating Income before working capital changes</b>	<b>110,816,130</b>	<b>263,796,980</b>	<b>72,760,606</b>	<b>83,723,069</b>
Decrease (Increase) in:				
Receivables	(15,109,891)	20,423,465	3,250,928	94,896,839
Inventories	97,461,680	112,537,883	(88,945,073)	379,214,377
Prepayments and other assets	(47,982,280)	(57,516,485)	19,649,142	(11,398,059)
Increase (Decrease) in:				
Trade Payables and other current liabilities	(24,838,390)	(21,970,454)	23,600,018	62,302,706
Deposit on long term lease	(4,477,309)	(925,920)	(1,301,999)	12,774,886
Unearned Rental Income	(4,178,922)	(512,750)	(2,789,446)	2,703,553
Due to related party	-	(224,000,000)	-	-
<b>Cash generated (used) from operations</b>	<b>111,691,018</b>	<b>91,832,719</b>	<b>26,224,176</b>	<b>624,217,371</b>
Income tax paid	(3,780,646)	(62,622,395)	(7,361,238)	(15,525,563)
Interest Received	2,857,036	7,623,456	3,144,864	8,407,607
<b>Net cash provided by (used in) operating activities</b>	<b>110,767,408</b>	<b>36,833,780</b>	<b>22,007,802</b>	<b>617,099,415</b>
<b>CASHFLOWS FROM INVESTING ACTIVITIES:</b>				
Proceeds from sale of FVPL	828,559	17,627,219	50,750,074	55,288,227
Dividends received	6,621,162	18,235,477	2,907,914	8,158,842
Proceeds from redemption of FVOCI	25,000,000	80,000,000	-	10,000,000
Proceeds from disposal of property	-	-	375,000	2,428,571
Proceeds from sale of Condo units	-	-	46,428,571	46,428,571
Acquisition of plant, property and equipment	(8,242,140)	(12,280,365)	(317,957)	(15,855,812)
Acquisition of investment properties	-	(12,295,143)	(5,464,781)	(13,929,770)
Acquisition of Investments-FVPL	-	-	-	(4,584,036)
Acquisition of Investments-FVOCI	-	-	(120,000,000)	(145,000,000)
Decrease(increase) in other non-current assets	-	(6,116,318)	(858,021)	(538,185)
<b>Net cash used in investing activities</b>	<b>24,207,581</b>	<b>85,170,870</b>	<b>(26,179,200)</b>	<b>(57,603,592)</b>
<b>CASHFLOW FROM FINANCING ACTIVITIES</b>				
Availment of Loans	134,993,918	1,037,229,687	230,261,431	556,355,680
Loan Payments	(230,058,972)	(1,043,204,788)	(200,597,394)	(921,737,011)
Interest paid	(23,673,484)	(72,489,521)	(22,468,350)	(65,823,646)
Payment to PVI	-	-	(37,730,000)	(37,730,000)
Payments of cash dividends	-	(45,000,000)	-	(75,000,000)
<b>Net cash generated from financing activities</b>	<b>(118,738,538)</b>	<b>(123,464,622)</b>	<b>(30,534,313)</b>	<b>(543,934,977)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>16,236,451</b>	<b>(1,459,972)</b>	<b>(34,705,711)</b>	<b>15,560,846</b>
Add: Cash and cash equivalents:				
January 1	-	98,400,616	-	97,064,711
April 1	80,704,193	-	147,331,268	-
<b>CASH AND CASH EQUIVALENTS, END</b>	<b>P 96,940,644</b>	<b>P 96,940,644</b>	<b>112,625,557</b>	<b>P 112,625,557</b>



**LIBERTY FLOUR MILLS, INC. AND SUBSIDIARIES**  
**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF SEPTEMBER 30, 2024**

**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 September 30, 2024.

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 new standards in 2023. 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 Group's financial statements.

- Amendments to PAS 1 and PFRS Practice Statement 2, Disclosure of Accounting Policies
- Amendments to PAS 8, Definition of Accounting Estimates
- Amendments to PAS 12, Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to PAS 12, International Tax Reform – Pillar Two Model Rules

#### 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, 2024*

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*
- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*
- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*

#### *Effective beginning on or after January 1, 2025*

- PFRS 17, *Insurance Contracts*
- Amendments to PAS 21, *Lack of exchangeability*

#### *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 September 30, 2024 as compared with the audited financial statements as of December 31, 2023.
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  
SEPTEMBER 30, 2024**



**LIBERTY FLOUR MILLS, INC.**  
**STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY**  
For nine months ended September 30, 2024 and 2023

	<b>2024</b>	<b>2023</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	(158,517,392)	(172,596,251)
Accumulated Remeasurement on Retirement Benefits	(7,640,742)	1,460,042
 <b>RETAINED EARNINGS</b>		
January `1	1,021,170,623	1,195,917,457
Net income for the period	57,799,883	(29,108,295)
Cash dividends declared and paid	(45,000,000)	(75,000,000)
	1,033,970,506	1,091,809,162
Non-Controlling Interest	201,930,380	105,301,141
	<b>2,569,742,752</b>	<b>2,525,974,094</b>

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

		2024		2023
NUMERATOR:				
Net income (loss) for the third quarter	P	112,778,237	P	(7,939,407)
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 September 30,2024

Type of Accounts Receivable		Total		Current		1 Month		2-3 Months		Over 3 Mos.	
a) Trade Receivables											
Flour and Millfeed customers	P	1,095,763,747	P	450,071,762	P	115,101,410	P	191,662,686	P	338,927,888	
Building Tenants		15,265,674		925,704		174,802		183,112		13,982,055	
b) Non-Trade Receivables:											
Others		25,782,266		-		-		-		25,782,266	
Total	P	1,136,811,687	P	450,997,467	P	115,276,212	P	191,845,798	P	378,692,210	