FINANCIAL RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2015

NET PROFIT OF $51.2M

Derrimon Trading Company Limited
Report to Stockholders
Six months ended June 30, 2015

The Board of Directors is pleased to report the unaudited results of the Company for the six (6) months ended June 30, 2015.

Performance Highlights

Six months ended June 2015 compared with six months ended June 2014

- **Net Profit of $51.195M, representing a $49.456M increase**
- **Earnings per Stock unit of $0.19, increased from $0.01**
- **Revenue of $2.879B, an increase of $171.466M, or 6.3%**
- **Gross Profit of $359.659M, an increase of $95.582M, or 36.2%**

The six months results reflect revenue of $2.879 billion representing an increase of $171.466 million or 6.3% over the $2.707 billion reported for the corresponding six months period in 2014. The growth in revenue was primarily due to improved sales within the retail segment of the business.

Gross profit reported for the period was $359.659 million or 36.2% above the $264.076 million reported for the same period in 2014. This improvement being reported is due to improved margins within both the distribution & retail segments of the business.

Operating expenses for the period was $297.890 million, which represents an increase of 11.9% or $31.679 million over the $266.211 million reported for the same period in 2014. The major factors for this increase were the increase in cost for property rental, , staff cost, contracted services such as trucking, and professional fees.

Finance charges increased from $21.292 million to $40.413 million or 89.8% in the six months period reported. This was driven by preference share dividends as well as interest cost associated with the $200 million secured note at 12.25% which was utilized to retire short term bank loans and credit lines as well as to improve working capital.

Net profit recorded for the six months period was $51.195 million representing a $49.456 million increase over the corresponding period in 2014 when a net profit of $1.739 million was reported.

Total Assets less Current Liabilities was at $776.682 million which represents growth of $216.697 million or 38.7% when compared to the similar period last year. This increase was mainly driven by growth in receivables, investments, cash & bank balances.

We thank our shareholders, employees, customers and other stakeholders for their support as we continue to expand our business and create greater value for all parties.

Derrick Cotterell

Chairman/Chief Executive Officer

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Derrimon Trading Company Limited
Statement of Profit and Loss & Comprehensive Income
Six Months Ended June 30, 2015

	Note	Unaudited three months ended June 30 2015	Unaudited three months ended June 30 2014	Unaudited six months ended June 30 2015	Unaudited six months ended June 30 2014	Audited year ended December 31 2014
Revenue		$	$	$	$	$
Trading Income	3h	1,582,499,339	1,346,635,594	2,878,920,524	2,707,454,787	5,609,597,370
Less cost of sales		1,389,141,859	1,224,704,460	2,519,261,971	2,443,378,398	4,983,191,683
Gross Profit		193,357,480	121,931,133	359,658,553	264,076,389	626,405,687
Other Income		3,830,640	12,556,496	9,328,124	25,165,037	48,324,016
		197,188,120	134,487,629	368,986,677	289,241,426	674,729,703
Less operating expenses:						
Administrative		125,086,084	113,662,827	244,138,543	218,037,972	471,832,595
Selling & distribution		32,038,329	23,896,216	53,751,394	48,172,763	113,751,327
		157,124,413	137,559,043	297,889,937	266,210,735	585,583,922
Operating profits/ (loss) before finance charges		40,063,707	(3,071,414)	71,096,740	23,030,691	89,145,781
Less : finance cost		21,535,989	6,397,281	40,413,489	21,291,710	45,594,810
Share of profit of associated company	7(b)	12,153,229		20,511,994	-	8,115,750
Profit/(Loss) before taxation		30,680,947	(9,468,695)	51,195,245	1,738,981	51,666,721
Taxation (Estimated)	4	-	-	-	-	(60,000)
Net Profit		30,680,947	(9,468,695)	51,195,245	1,738,981	51,606,721
Other comprehensive income		-	-	-	-	
Reversal of deferred taxation		-	-	-	-	-
Unrealised losses on available-for-sale-investment		-	-	-	-	(40,000)
Total comprehensive income		30,680,947	(9,468,695)	51,195,245	1,738,981	51,566,721
Earnings per stock unit	5	0.11	(0.03)	0.19	0.01	0.19

Derrimon Trading Company Limited
Statement of Financial Position
Six Months ended June 30, 2015

	Note	Unaudited June 30 2015 $	Unaudited June 30 2014 $	Audited December 31 2014 $
ASSETS				
Non-current assets:				
Fixed Assets	3(f)	174,439,270	145,161,309	148,860,731
Goodwill		19,542,288	3,750,000	8,220,200
Investment	7(a)	149,794,987	-	129,282,994
Current assets:				
Receivables		881,261,043	558,425,821	494,788,245
Inventories		817,378,129	484,508,477	604,678,070
Related parties		-	-	3,915,387
Investment		27,847,066	6,199,410	11,386,199
Cash & bank		109,464,102	25,872,541	49,634,757
		1,835,950,340	1,075,006,249	1,164,402,658
Current Liabilities:				
Payables		1,064,877,343	598,661,702	598,586,008
Short term loans		138,167,244	60,313,515	111,167,244
Current portion of long term loan		200,000,000	4,957,464	318,022,612
Taxation payable (Estimated)		-		-
		1,403,044,586	663,932,681	1,027,775,864
Net current assets		432,905,754	411,073,568	136,626,794
Total assets less current liabilities		776,682,299	559,984,877	422,990,719
Equity				
Issued capital		140,044,436	140,044,436	140,044,436
Retained earnings		213,265,108	112,202,123	162,069,864
Capital Reserve		57,463,266	57,503,266	57,463,266
		410,772,810	309,749,825	359,577,566
Non Current Liability:				
Borrowings		66,011,200	245,345,854	13,514,864
Shareholders Loan		49,898,289	4,889,198	49,898,289
Preference Shares		250,000,000	-	-
		365,909,489	250,235,052	63,413,153
Total equity and none-current liabilities		776,682,299	559,984,877	422,990,719

Approved for issue by the Board of Directors on August 5, 2015 by:

Derrick Cotterell
Chairman/Chief Executive Officer

Ian Kelly
Executive Director

Derrimon Trading Limited
Statement of change in Shareholders' Equity
Six Months Ended June 30, 2015

	Share Capital	Retained Earnings	Capital Reserves	Total
	$	$		$
Balance at 31 December 2013	140,044,436	110,463,143	57,503,266	308,010,845
Total comprehensive income		1,738,981	-	1,738,981
Balance at June 30, 2014	140,044,436	112,202,123	57,503,266	309,749,825

	Share Capital	Retained Earnings	Capital Reserves	Total
Balance at 31 December 2014	140,044,436	162,069,864	57,463,266	359,577,566
Total comprehensive income	-	51,195,245	-	51,195,245
	-	-	-	-
Balance at June 30, 2015	140,044,436	213,265,108	57,463,266	410,772,810

Derrimon Trading Limited
Statement of Cash flows
Six Months Ended June 30,2015

	Note	6 Months ended June 30,2015 $	6 Months ended June 30,2014 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net profit/(loss)		51,195,245	1,738,981
Adjustments for:			
Depreciation		6,275,375	9,412,021
Share of profit of associated company		(20,511,994)	
		36,958,626	11,151,002
Changes in non-cash working capital components:-			
Decrease/(Increase):			
Receivables		(386,472,798)	(179,253,623)
Inventory		(212,700,059)	(61,282,996)
Related Company		3,915,387	6,860,583
Increase/(Decrease):			
Payables		466,291,335	8,169,233
Taxation		-	(13,685,664)
		(128,966,135)	(239,192,467)
Net funds provided by/(used in) operating activities		(92,007,509)	(228,041,465)
CASH FLOWS FROM INVESTING ACTIVITY:			
Goodwill		(11,322,088)	-
Investments		(16,460,867)	12,876,946
Acquisition of property, plant and equipment		(31,853,914)	(13,368,380)
Net cash used in investment activities		(59,636,869)	(491,434)
Financing activities:			
Loans received during the period		329,496,336	270,718,794
Loans repayments		(118,022,612)	(67,503,398)
Director's loan repayment		-	-
Net cash provided by financing activities		211,473,724	203,215,396
Net (decrease)/ increase in cash balances		59,829,345	(25,317,502)
Net cash balance at beginning of period		49,634,757	51,190,043
Net cash balance at end of period		109,464,102	25,872,541

Represented by:			
Cash & cash equivalents		109,464,102	25,872,541
Net cash and cash equivalents at end of period		109,464,102	25,872,541

Notes to the Unaudited Financial Statements

Six Months Ended June 30, 2015

1. IDENTIFICATION AND PRINCIPAL ACTIVITIES

Derrimon Trading Company Limited ("the Company") is a company limited by shares, incorporated and domiciled in Jamaica. Its registered office is located at 233 and 235 Marcus Garvey Drive, Kingston 11. The principal activity of the Company is distribution of bulk household food items inclusive of meat products. The Company also distributes branded products on behalf of a major global corporation. In 2009, the Company purchased the assets of a wholesale distribution company and continued to operate from its original location at 233 Marcus Garvey Drive, Kingston 11.

The Company maintained the entity's trading name, Sampars Cash & Carry as well as its operating Outlets: Sampars Outlet Washington Boulevard at 8-10 Brome Close, Kingston 20; Sampars Outlet West Street at 60 ½ West Street, Kingston; Sampars Outlet Mandeville at 26 Hargreaves Avenue, Mandeville and Sampars Old Harbour at 3 Arscott Drive, Old Harbour, St. Catherine.

Effective December 17, 2013, the Company's shares were listed on the Junior Market of the Jamaican Stock Exchange.

2. BASIS OF PREPARATION

a) Statement of Compliance

The financial statements of Derrimon Trading Company Limited have been prepared in accordance with and compliance with International Financial Reporting Standards (IFRS) under the historical cost convention, as modified by the revaluation of certain financial assets. The same accounting policies and methods of computation are followed in the unaudited financial statements as were applied in the audited financial statements for the year ended December 31, 2014.

New Standards

IAS 1 (Amended)
Presentation of Financial Statements (effective for annual reporting periods beginning on or after 1 July 2012), amendments to revise the way other comprehensive income is presented .

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Although these estimates are based on management's best knowledge of current events and action, actual results could differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are noted below:

Critical Accounting Estimates and Judgements in Appling Accounting Policies.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies that have been used in the preparation of these financial statements are summarized below and have been consistently applied for all the years presented.

a) Depreciable assets

Estimates of the useful life and the residual value of property, plant and equipment are required in order to apply an adequate rate of transferring the economic benefits embodied in these assets in the relevant periods. The Company applies a variety of methods in an effort to arrive at these estimates from which actual results may vary. Actual variations in estimated useful lives and residual values are reflected in profit or loss through impairment or adjusted depreciation provisions.

b) Allowance for losses

In determining amounts recorded for allowance for losses in the financial statements, management makes judgments regarding indicators of impairment, that is, whether there are indicators that suggest there may be a measurable decrease in the estimated future cash flows from accounts receivable and other financial assets from conditions such as repayment default and adverse economic conditions. Management also makes estimates of the likely estimated future cash flows from impaired assets, including the net realizable value of underlying collateral, as well as the timing of such cash flows. The adequacy of the allowance depends on the accuracy of these judgments and estimates.

c) Basis of consolidation of divisional amounts

Transactions are eliminated on consolidation of divisional accounts. Inter-divisional transactions among the different business units and segments are undertaken at cost and there is no gain or loss on these transactions. Sales and receivables balances are eliminated at the end of the reporting period.

d) Comparative information

Comparative figures have been reclassified, where necessary, to conform to changes in presentation in the current year.

e) Segment reporting

A segment is a distinguishable component of the Company that is engaged either in providing products (business segment), or in providing products within a particular economic environment (geographical segment), which is subject to risks and returns that are different from those of other segments.

The business segments are distribution and the operation of a wholesale chain of outlets trading as Sampars Cash and Carry.

f) Valuation of property, plant and equipment

Items of property, plant and equipment are measured at cost, except for certain plant and equipment and freehold land and buildings which are measured at valuation, less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self- constructed assets includes the cost of material and direct labour and any other costs directly attributable to bringing the asset to a working condition for its intended use.

The market value of freehold land and building is the estimated amount for which a property could be exchanged between a willing buyer and a willing seller in an arm's length transaction considering its existing condition and location. The market value of plant and equipment is estimated using depreciated replacement cost approach. Gains or losses arising from changes in market value are taken to capital reserve.

g) Depreciation

Property, plant and equipment are stated at historical cost, less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of items. Depreciation is calculated on the straight line basis at such rates that will write off the carrying value of the assets over the period of their estimated useful lives. Each financial year, the depreciation methods, useful lives and residual values, although consistently applied are reassessed to ensure that the assets are fairly stated. Annual depreciation rates are as follows:

Furniture, fittings & fixtures	20%
Machinery & equipment	10%
Motor vehicle	20%
Computers	33 1/3%
Buildings Leasehold improvements	2.5%
Leasehold improvements	2.5%

Leasehold Improvement is amortized over period of lease.

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

Gains and losses on disposals of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are recognized in other income in the income statement.

Repairs and maintenance expenditure is charged to the income statement during the financial period in which they are incurred.

h) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Company's activities. Revenue is shown net of General Consumption Tax, returns and discounts and after eliminating inter-division sales within the Company.

The Company recognizes revenue in the income statement when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company, where the significant risks and rewards of ownership have been transferred to the buyer and specific criteria have been met in relation to the Company's activities as described below:

Sale of goods

Sales are recognized upon delivery of products and customer acceptance of the products and collectability of the related receivables is reasonably assured.

Interest income, is recognized in the statement of comprehensive income for all interest bearing instruments on an accrual basis using the effective yield method based on the actual purchase price. Interest income includes coupons earned on fixed income investments.

Foreign currency translation

The financial statements are presented in the functional currency of the Company which is the Jamaican dollar. The Jamaican dollar is the currency of the primary economic environment in which the Company operates.

Transactions and balances

Foreign currencies are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from transactions at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of comprehensive income.

Trade receivables

Trade receivables are carried at original invoice amounts less provision made for impairment of these receivables. The Company's policy is not to provide credit beyond thirty (30) days. If customers do not comply with the credit terms and limits, supplies are discontinued. A provision for impairment of these receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the transactions.

4. TAXATION

The Company's shares were listed on the Junior Market of the Jamaica Stock Exchange on December 17, 2013. Consequently the Company is entitled to a remission of taxes for ten (10) years in the proportions set out below, provided the shares remain listed for at least fifteen (15) years:

Years 1 to 5 (December 18, 2013 - December 16, 2018) – 100%

Years 6 to 10 (December 17, 2018 - December 16, 2023) - 50%

5. EARNINGS PER STOCK UNIT

Earnings per stock unit are calculated by dividing the profit for the period by the weighted average number of shares in issue for the period.

6. SHARE CAPITAL

	2015	2014
<u>Authorised:</u>		
400,400,000 ordinary shares of no par value		
<u>Issued and fully paid:</u>		
273,336,067 (2013 – 1,000) shares net of		
transaction costs	140,044,436	140,044,436

7. Investment in Associate

		2015	2014
a)	Investment at beginning of year	129,282,994	-
	Share of results after tax	20,511,994	-

b) In August 2014, the Company acquired 49% of Caribbean Flavours and Fragrances Limited (CFFL) a company incorporated in Jamaica and listed on the Junior Market of the Jamaica Stock Exchange. The Company participates in the financial and operating policy decisions but does not control CFFL.

SHAREHOLDINGS OF TOP TEN (10) STOCKHOLDERS, DIRECTORS AND SENIOR OFFICERS AS AT JUNE 30, 2015

Top (10) Stockholders	Number of Shares Held
Derrick Cotterell	110,000,000
Monique Cotterell	40,000,000
Monica Bell	40,000,000
Ian C. Kelly	15,743,459
Winston Thomas	13,363,979
Estate of E. Cotterell (Deceased)	10,000,000
Mayberry West Indies Limited	6,290,820
Manwei International Limited	5,500,000
Mayberry Managed Clients Account	5,153,096
Sharon Harvey-Wilson	1,958,179

Directors	
Derrick Cotterell	110,000,000
Monique Cotterell	40,000,000
Ian C. Kelly	15,743,459
Winston Thomas	13,363,979
Earl Anthony Richards	500,000
Alexander I. E. Williams	100,000

Senior Officers

Sheldon Simpson	245,000
Craig Robinson	243,848