



## UNAUDITED FINANCIAL RESULTS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2015

### RELEASE TO SHAREHOLDERS

The Board of Directors of SWEET RIVER ABATTOIR & SUPPLIES LTD is please to present the unaudited financial statements for the three months ended September 30, 2015.

#### MANAGING DIRECTOR'S REPORT FOR THE 3 MONTHS PERIOD ENDING SEPTEMBER 2015

Against fiercest market price competition within the industry, I am pleased to report that we have aggressively approached the market and hence improved our performance for this quarter been reviewed. We are now reaping the benefits of our feed program and the networking of farmers to meet the demand of the current Christmas peak season.

The incremental increase in the number of pigs available for slaughter is expected to continue throughout the third quarter and beyond. We are projecting a full return to normal production levels during the second half of 2016, as we work closely with our partners to diversify their product range to include the utilization of more cuts.

We continue to engage sheep and goats farmers who are expressing great interest in growing animals on a contractual basis, and to ensure a constant yearly supply. To this effect we have engaged a Consultant to develop a comprehensive business plan for this group of farmers to include financial and technical help. This business plan will be submitted to local and international donors for their support.

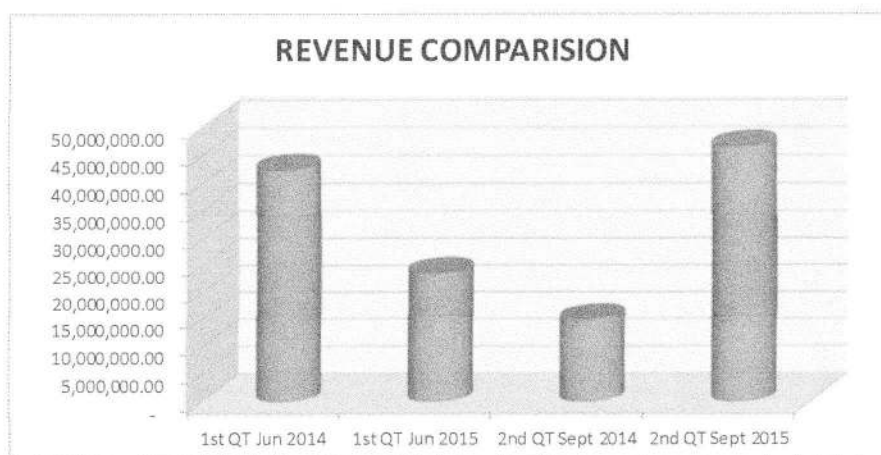
All major construction works at the abattoir has been completed. The items needed for making the abattoir operational are available locally and procurement process has begun. We are now in the process of sourcing additional funding to make the abattoir operational in the fourth quarter.

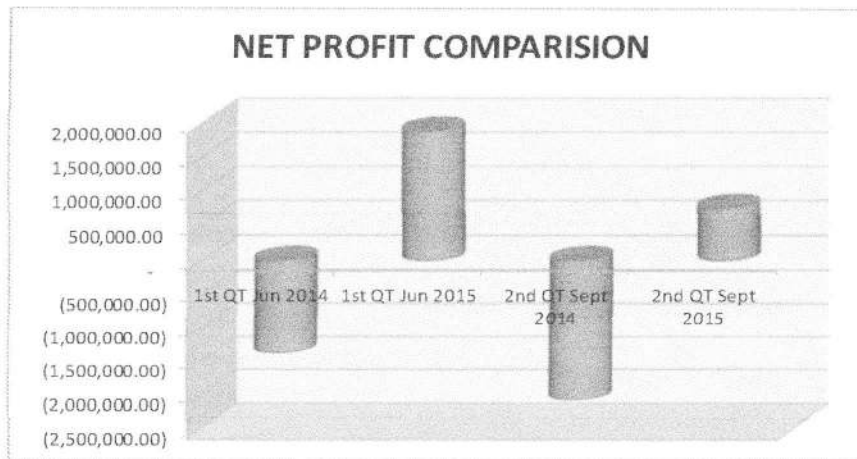
The proliferation of meat shops in the area has caused us to review our planned third quarter diversification of our income stream. We are however, not daunted by this challenge and are working with the approximately 70-80 local customers to expand their product range.

## SECOND QUARTER FINANCIAL HIGHLIGHTS

### Highlights of the three months ended September 30, 2015

|                              | <u>Sept 2015</u> | <u>Sept 2014</u> | <u>Inc/(Dec)%</u> |
|------------------------------|------------------|------------------|-------------------|
| ✦ Sales revenue              | \$46.5m          | \$14.9m          | 213 %             |
| ✦ Net profit/ (Loss)         | \$587k           | (\$2.0m )        | 128 %             |
| ✦ Earnings per stock unit    | 0.01 cents       | (0.04)cents      | 125 %             |
| ✦ Total assets               | \$348m           | \$333m           | 4%                |
| ✦ Total stockholders 'equity | \$169m           | \$168m           | 1%                |





### Three Months Ended September 30, 2015 compared to September 30, 2014

- **Sales Revenue**

The company generated sales revenues in the second quarter of 2015 in the amount of \$46.5m compared to \$14.9m of the previous year; an increase of \$31.6m or 213 %. This increase is due to our aggressive approach in the market against fiercest competition for the supplies of pigs.

- **Gross Profit**

Gross profit of \$7.2m compared to \$3.0m; an Increase of \$4.2m or 141% this improvement was due to the increase sales and review of our pricing structure.

- **Expenses**

Total operational expenses of \$6.0m compared to \$4.9m; an increase of \$1.1m or 23%. This increase was driven mainly by, insurance, professional fees.

- **Net Profit**

A net profit of \$774k was realized when compared to a net loss of (\$2.0m) of the previous period; an increase of \$2.8m or 136%.

The increase in profit was as a result of improved sales performance in the quarter ended September 30 2015.

### Six Months Ended September 30, 2015 compared to September 30, 2014

- Sales revenue of \$70.1m, an increase of \$12.9m or 22%.
- Gross profit of \$15.2m, an increase of \$6.8m or 81%.

- Total operational expenses of \$11.6m, was maintained when compared to previous period.
- Net Profit of \$2.6m for the period, an increase of \$5.9m or 179%.

Despite a challenging economic environment, the company has experienced growth in its revenue and profit. SRA is committed to maintaining high standards in our efficient product movement and market penetration, while we continues to strengthen our relationships with our customers, suppliers, employees and other stakeholders



Valence Gifford

Managing Director

November 06, 2015

**SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED**

**Unaudited Statement of**

**Comprehensive Income**

**For the Six Months Period Ending September 30, 2015**

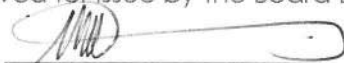
|  | Three months<br>to September<br>2015<br>\$ | Three months<br>to September<br>2014<br>\$ | Six months to<br>September<br>2015<br>\$ | Six months to<br>September<br>2014<br>\$ |
|--|--|--|--|--|
| Revenue  | 46,519,311                                 | 14,878,131                                 | 70,118,720                               | 57,248,903                               |
| Cost of sales  | (39,250,214)                               | (11,864,255)                               | (54,954,681)                             | (48,864,875)                             |
| <b>Gross Profit</b>  | <b>7,269,097</b>                           | <b>3,013,876</b>                           | <b>15,164,039</b>                        | <b>8,384,028</b>                         |
| Administrative and General Expenses  | (6,058,926)                                | (4,926,154)                                | (11,559,738)                             | (11,551,202)                             |
| <b>Operating (loss)/profit</b>   | <b>1,210,171</b>                           | <b>(1,912,278)</b>                         | <b>3,604,301</b>                         | <b>(3,167,174)</b>                       |
| Finance Income   | -  | 121,960                                    | 11,103                                   | 122,552                                  |
| Finance Cost   | (465,868)                                  | (289,030)                                  | (992,434)                                | (289,030)                                |
| <b>Profit / (Loss) before Taxation</b>   | <b>744,303</b>                             | <b>(2,079,348)</b>                         | <b>2,622,970</b>                         | <b>(3,333,652)</b>                       |
| Taxation   | -  | -  | -  | -  |
| <b>Profit after taxation, being total comprehensive profit / (loss) for the period</b> | <b>744,303</b>                             | <b>(2079348)</b>                           | <b>2,622,970</b>                         | <b>(3,333,652)</b>                       |
| <b>Earnings per share</b>  | <b>0.01</b>                                | <b>(0.04)</b>                              | <b>0.03</b>                              | <b>(0.07)</b>                            |

**SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED**

Unaudited Statement of Financial Position as at  
September 30<sup>th</sup>, 2015

|                                       | 6 Months To<br>Sep 30, 2015<br>\$ | 6 Months To<br>Sep 30, 2014<br>\$ | (Audited)<br>Mar 31, 2015<br>\$ |
|---------------------------------------|-----------------------------------|-----------------------------------|---------------------------------|
| <b>ASSETS</b>                         |                                   |                                   |                                 |
| <b>Non-Current Assets</b>             |                                   |                                   |                                 |
| Property, plant and equipment         | 311,512,496                       | 251,101,669                       | 288,504,553                     |
| Deferred Tax Asset                    | 1,432,522                         | -                                 | 1,432,522                       |
| Goodwill                              | 6,580,000                         | 6,580,000                         | 6,580,000                       |
| Total non-current assets              | <u>319,525,018</u>                | <u>257,681,669</u>                | <u>296,517,075</u>              |
| <b>Current Assets</b>                 |                                   |                                   |                                 |
| Directors' Current Account            | -                                 | -                                 | 2,000                           |
| Cash and Cash Equivalents             | 3,011,043                         | 53,880,038                        | 22,346,111                      |
| Trade and other receivables           | 10,828,416                        | 6,097,786                         | 17,862,746                      |
| Inventories                           | 14,932,198                        | 15,705,799                        | 19,746,979                      |
| Total current assets                  | <u>28,771,657</u>                 | <u>75,683,623</u>                 | <u>59,957,836</u>               |
| <b>TOTAL ASSETS</b>                   | <u><u>348,296,676</u></u>         | <u><u>333,365,292</u></u>         | <u><u>356,474,911</u></u>       |
| <b>LIABILITIES &amp; EQUITY</b>       |                                   |                                   |                                 |
| <b>Current Liabilities</b>            |                                   |                                   |                                 |
| Bank overdraft                        | 10,150,944                        | -                                 | 6,861,644                       |
| Trade and Other Payables              | 17,698,855                        | 17,559,906                        | 35,845,489                      |
| Income Tax Payable                    | 5,470,446                         | 5,410,446                         | 5,364,048                       |
| Directors' current account            | 4,071,104                         | 928,420                           | 0                               |
| Current portion of long-term loans    | 21,481,826                        | 21,481,826                        | 25,388,388                      |
| Total current liabilities             | <u>58,873,175</u>                 | <u>45,380,598</u>                 | <u>73,459,569</u>               |
| <b>Long Term Liabilities</b>          |                                   |                                   |                                 |
| Long-term liabilities                 | 120,346,051                       | 120,346,051                       | 116,560,862                     |
| Deferred tax liability                | -                                 | 42,603                            | -                               |
| Total Liabilities                     | <u>179,219,226</u>                | <u>165,769,252</u>                | <u>190,020,431</u>              |
| <b>Equity</b>                         |                                   |                                   |                                 |
| Share capital                         | 143,695,713                       | 143,495,713                       | 143,695,713                     |
| Accumulated surplus                   | 25,381,737                        | 24,100,327                        | 22,758,767                      |
| Total Equity                          | <u>169,077,450</u>                | <u>167,596,040</u>                | <u>166,454,480</u>              |
| <b>Total Liabilities &amp; Equity</b> | <u><u>348,296,676</u></u>         | <u><u>333,365,292</u></u>         | <u><u>356,474,911</u></u>       |

Approved for issue by the Board Directors on November 6, 2015 and signed on its behalf by:



Henry Graham- Chairman



Valence Gifford- Director

**SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED**

Unaudited Statement of Change in Equity  
For the Three Months ended September 30<sup>th</sup>, 2015

|  | Share Capital<br>\$ | Share Advance<br>\$ | Retained<br>Earnings<br>\$ | Total<br>\$ |
|--|---------------------|---------------------|----------------------------|-------------|
| Balances as at March 31, 2014                  | 4,500               | 32,957,629          | 27,433,980                 | 60,396,109  |
| Monies received for shares purchased           | -                   | -                   | -                          | -           |
|  | 4,500               | 32,957,629          | 27,433,980                 | 60,396,109  |
|  | -                   | -                   | -                          | -           |
|  | 4,500               | 32,957,629          | 27,433,980                 | 60,396,109  |
| Balance as at September 01,2014                | 4,500               | 32,957,629          | 27,433,980                 | 60,396,109  |
| Monies received for shares purchased           |                     | -                   | -                          |             |
|  | 4,500               | 32,957,629          | 27,433,980                 | 60,396,109  |
| Changes in share advance                       | 32,957,629          | (32,957,629)        |                            |             |
| Monies received for shares purchased           | 118,173,829         | -                   |                            | 118,173,829 |
| Share issue cost                               | (7,640,245)         |                     |                            | (7,640,245) |
| Net profit attributable to shareholders        |                     |                     | (3,333,653)                | (3,333,653) |
| Balances as at September 30, 2014              | 143,495,713         | -                   | 24,100,327                 | 167,596,040 |
| Balances as at March 31, 2015                  | 4,500               | 32,957,629          | 22,758,767                 | 166,454,480 |
| Converted share advance                        | 32,957,629          | (32,957,629)        | -                          | -           |
| Share issue net of Transaction cost            | 110,733,584         | -                   | -                          | -           |
|  |                     | -                   | -                          | -           |
| Net profit/(Loss) attributable to shareholders | -                   | -                   | 2,622,970                  | 2,622,970   |
| Balances as at September 30, 2015              | 143,695,713         | -                   | 25,381,737                 | 169,077,450 |

**SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED**

Unaudited Statement of Cash Flow Position for  
Period Ended September 30<sup>th</sup>, 2015

|   | Sep 30, 2015        | Sep 30, 2014        | (Audited)<br>Mar 31, 2015 |
|---|---------------------|---------------------|---------------------------|
|   | \$                  | \$                  | \$                        |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                     |                     |                           |
| Profit before taxation  | 2,622,970           | (3,333,652)         | (4,675,213)               |
| Adjustments to reconcile profit for year to net cash provided<br>by operating activities: |                     |                     |                           |
| Bad debt  | -                   | -                   | -                         |
| Depreciation  | 140,208             | 140,208             | 280,416                   |
| Deferred tax Income   | -                   | -                   | (1,475,125)               |
| Interest income   | (11,103)            | (122,552)           | (465,409)                 |
| Taxation Provision  | -                   | -                   | 60,000                    |
| <b>Operating surplus before changes in working capital</b>                                | <b>2,752,075</b>    | <b>(3,315,996)</b>  | <b>(6,275,331)</b>        |
| <i>Trade and other receivables</i>  | 7,034,330           | 17,860,682          | 8,399,246                 |
| <i>Inventories</i>  | 4,814,781           | 2,759,948           | 335,405                   |
| <i>Directors' current account</i>   | 2,000               | 61,561              | (479,806)                 |
| <i>Accounts payable &amp; provisions</i>  | (18,146,634)        | (45,643,214)        | (32,104,781)              |
| <i>Directors' current account</i>   | 4,071,104           | 928,420             | -                         |
| <b>Net cash generated by operations</b>   | <b>527,655</b>      | <b>(27,348,599)</b> | <b>(30,125,267)</b>       |
| Taxation  | 106,398             | -                   | (106,398)                 |
| Interest received   | 11,103              | 122,552             | 465,409                   |
| <b>Net cash inflows from operating activities</b>   | <b>645,156</b>      | <b>(27,226,047)</b> | <b>(29,766,256)</b>       |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                     |                     |                           |
| Acquisition of property, plant and equipment  | (23,148,152)        | (45,216,073)        | (40,781,539)              |
| <b>Net cash outflows from investing activities</b>  | <b>(23,148,152)</b> | <b>(45,216,073)</b> | <b>(40,781,539)</b>       |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>   |                     |                     |                           |
| Proceeds of long term loans   | -                   | -                   | (4,296,809)               |
| Repayment of long term loans  | (121,373)           | -                   | -                         |
| Converted share advances  | -                   | -                   | (32,757,629)              |
| Monies received for shares purchased  | -                   | 1,517,425           | 143,491,213               |
| Bank overdraft  | -                   | -                   | -                         |
| <b>Nat cash inflows from financing activities</b>   | <b>(121,373)</b>    | <b>1,517,425</b>    | <b>106,436,775</b>        |
| <b>(Decrease)/Increase in cash resources</b>  | <b>(22,624,368)</b> | <b>(70,924,695)</b> | <b>35,888,980</b>         |
| <b>Cash resources at the start of the year</b>  | <b>15,484,467</b>   | <b>17,044,656</b>   | <b>(20,404,513)</b>       |
|   | <b>(7,139,901)</b>  | <b>(53,880,039)</b> | <b>15,484,467</b>         |



## SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED

### Notes to the Unaudited Financial Statements

Three Months Period Ended September 30, 2015

#### 1. Identification

Sweet River Limited (“the company”) is incorporated in Jamaica under the Jamaican Companies Act. The company is domiciled in Jamaica with its registered office located at Sweet River, Sav-la-mar, Westmoreland and was listed on the Jamaica Junior Stock Exchange on September 19, 2014. The company’s main activities are the purveying of pork products and provision of abattoir services.

#### 2. Basis Of Preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and comply with the relevant requirements of the Jamaican Companies Act. The financial statements have been prepared under the historical cost basis and are expressed in Jamaican Dollars. The Interim financial statement has been prepared using the same Accounting policies and method of computation as used in the most recent Audited Financial Statement.

#### 3. Segment Reporting

An operating segment is a component of the company that engages in business activities from which it may earn revenues and incur expenses. An operating segment’s operating results are received regularly by the Board of Directors to make decisions about resources to be allocated to the segment and assess its performances.

Based on the nature of the company’s business activities, management has determined that disclosure of segment information is not applicable as the company is operating in one segment.

#### 4. Taxation

The company’s shares were listed on the Junior Market of the Jamaica Stock Exchange on September 19, 2014. Consequently the company is entitled to a remission of the taxes for 5 years. Taxation has been calculated at 25% of taxable profit for the period April – July 2014 as the remission of taxes does not apply to that period. The company is however entitled to 50% remission of income tax for a period of five years from the date of listing.

SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED

Notes to the Unaudited Financial Statements

Three Months Period Ended September 30, 2015

5. Shareholders' Information

|   | No. Of Units |
|---|--------------|
| <b>Directors' Holdings</b>                              |              |
| <b>As at September 30, 2015:</b>                        |              |
| HENRY GRAHAM  | 15,035,009   |
| HECTOR LYONS  | 7,358,848    |
| AUDLEY DEIDRICK   | 5,205,603    |
| VALDENCE GIFFORD  | 4,995,058    |
| NEVILLE GRANT   | 4,654,073    |
| NIGEL MORGAN  | 919,763      |
| LISA KAY-BRYAN  | 81,700       |
|   | *            |
| <b>Top Ten Shareholders</b>                             |              |
| <b>As at September 30, 2015:</b>                        |              |
| HENRY GRAHAM  | 15,035,009   |
| HECTOR LYONS  | 7,358,848    |
| AUDLEY DEIDRICK   | 5,205,603    |
| VALDENCE GIFFORD  | 4,995,058    |
| KIRK FONG   | 4,689,907    |
| V.M.B.S (PENSION SCHEME)                                | 4,664,000    |
| NATIONAL INSURANCE FUNDS                                | 4,663,300    |
| V.M.B.SOCIETY   | 4,663,213    |
| NEVIL GRANT   | 4,654,073    |
| J.C.S.C.D TRUSTEE SERVICE                               | 3,886,005    |
| <b>Holding of Senior Managers as September 30, 2015</b> |              |
| Valdence Gifford  | 4,995,058    |
| Sean Forbes   | 4,000        |
| Shareholdings include connected person                  | *            |