



SWEET RIVER ABATTOIR
& Supplies Company Limited

PROSPECTUS



THIS PROSPECTUS IS DATED 18th July 2014 and is issued by Sweet River Abattoir & Supplies Company Limited (the "Company"). A copy of this Prospectus was delivered to the Registrar of Companies for registration pursuant to section 40(2) of the Companies Act, 2004 and was so registered on 18th July 2014. The Registrar of Companies accepts no responsibility whatsoever for the contents of this Prospectus. A copy of this Prospectus was also delivered to the Financial Services Commission ("FSC") for the purposes of the registration of the Company as an issuer pursuant to section 26 of the Securities Act and the Company was so registered on 18th July 2014. The FSC has not approved the shares for which subscription is invited nor has the FSC passed upon the accuracy or adequacy of this Prospectus.



Invitation For Subscription

Up to 46,633,000 ORDINARY SHARES at the invitation price of J\$3.86 PER ORDINARY SHARE.

Up to 20,763,000 Shares in the Invitation (the "Reserved Shares") are initially reserved for priority application from and subscription by, the following persons (the "Reserved Share Applicants"):

Category	Amount of units	Offer Price
Employees & Mentor	528,000	5% discount on Invitation Price
Suppliers (Pig Farmers)	1,245,000	5% discount on Invitation Price
Customers	9,495,000	Invitation Price
Broker clients	9,495,000	Invitation Price

All Shares are priced at the Invitation Price, except for employees, mentor and Pig Farmers shares which are priced at J\$3.67 per share. If any of the Reserved Shares in any category are not subscribed for by the persons entitled to them, they will become available for subscription by priority applicants in the other categories and thereafter, they will become available for subscription by the general public. See Section 6.5 of this prospectus for full terms and conditions.

An Application for use by Reserved Share Applicants and the general public is provided at the end of this Prospectus together with notes on how to complete it. The subscription list for the Shares will open at 9:00 a.m. on the Opening Date 12th August 2014. Applications submitted prior to the Opening Date will be received, but not processed until the Opening Date. The subscription list for the Shares will close at 4:30 p.m. on the Closing Date, 26th August 2014, subject to the right of the Company to: (a) close the subscription list at any time after it opens on 9:00 a.m. on the Opening Date once the issue is fully subscribed and (b) extend the Closing Date for any reason.

In the case of an early closing of the subscription list, or an extension to the Closing Date, notice will be posted on the website of the Jamaica Stock Exchange (www.jamstockex.com). It is the intention of the Company to apply to the JSE for admission of the Shares to the Junior Market. The application to the JSE is dependent on the Company's ability to (i) raise at least \$50 million as a result of the Invitation and (ii) meet the criteria for admission. Please note that this statement of the Company's intention is not a guarantee that the Shares will in fact be admitted to the Junior Market of the JSE. If, however, the Invitation is not fully subscribed and the Company does not raise at least \$50 million as a result of it, the Company will not make application for the Shares to be admitted to the Junior Market of the JSE and all payments for Shares received from Applicants will be returned (or refunded in full) to the Applicants.

SHARE CAPITAL

Authorised	100,000,000 Shares
Maximum to be issued in the Invitation fully paid assuming:	46,633,000 Shares

1) all 25,870,000 Shares are subscribed by the general public at the Invitation Price	J\$99,858,200
2) all 20,763,000 Reserved Shares are subscribed by the Reserved Share Applicants:	
• Employees & Mentor – 528,000 Shares at 5% discount on the Invitation Price	J\$ 1,937,760
• Customers – 9,495,000 Shares at the Invitation Price	J\$ 36,650,700
• Suppliers- 1,245,000 Shares at 5% discount on the Invitation Price	J\$ 4,569,150
• Broker Clients – 9,495,000 Shares at the Invitation Price	<u>J\$ 36,650,700</u>
Total Consideration	J\$179,666,510

Table of Contents

<u>Section</u>	<u>Page</u>
1. Important Disclaimers	03
2. Summary of Key Information on the Invitation	04
3. Letter to Prospective Investors	05
4. Definitions Used in this Prospectus	07
5. Disclaimer— Forward Looking Statements	10
6. The Invitation	11
7. Information about the Company	16
8. Directors and Senior Managers and their Interests	29
9. Management Discussion and Analysis	34
10. Financial Highlights	38
11. Financial Information	42
12. Risk Factors	82
13. Professional Advisors to the Company	85
14. Statutory and General Information	86
15. Documents Available for Inspection	91
16. Directors' Signatures	92
Appendix 1: Application	93

Section 1:

Important Disclaimers

Responsibility for the Contents of this Prospectus

This Prospectus has been reviewed and approved by the Board of Directors of the Company. The Directors of the Company whose names appear in Section 8 of this Prospectus are the persons responsible (both individually and collectively) for the information contained in it (including but not limited to the Financial Information). To the best of the knowledge and belief of the Directors, who have taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is in accordance with the facts and no information has been omitted which is likely to materially affect the import of information contained herein.

Contents of this Prospectus

This Prospectus contains important information for prospective investors in the Company. All prospective investors should read this Prospectus carefully in its entirety before submitting an Application.

This Prospectus also contains summaries of certain documents, which the Board of Directors of the Company believes are accurate. Prospective investors may wish to inspect the actual documents that are summarised, copies of which will be available for inspection as described in Section 15. Any summaries of such documents appearing in this Prospectus are qualified in their entirety by reference to the complete document.

The publication of this Prospectus shall not imply that there has been no change in the business, results of operations, financial condition or prospects of the Company since the date of this Prospectus. No person is authorised to provide information or to make any representation whatsoever in connection with this Prospectus, which is not contained in this Prospectus.

Neither the FSC nor any Government agency or regulatory authority in Jamaica has made any determination as to the accuracy or adequacy of the matters contained in this Prospectus.

The Invitation is made to Jamaican Residents in Jamaica Only

This Prospectus is intended for use in Jamaica only and is not to be construed as making an invitation to persons outside of Jamaica to subscribe for any Shares. The distribution or publication of this Prospectus and the making of the invitation in certain jurisdictions outside of Jamaica is prohibited by law.

Application to Subscribe for Shares

This Prospectus is not a recommendation by the Company that prospective investors should submit Applications to subscribe for Shares in the Company. Prospective investors in the Company are expected to make their own assessment of the Company, and the merits and risks of subscribing for Shares. Prospective investors are also expected to seek appropriate advice on the financial and legal implications of subscribing for Shares, including but not limited to any tax implications. Each Applicant who submits an Application acknowledges and agrees that:

- (1) he/she has been afforded a meaningful opportunity to review this Prospectus (including the terms and conditions in section 6.5), and to gather and review all additional information considered by him/her to be necessary to verify the accuracy of the information contained in this Prospectus;
- (2) he/she has not relied on the Company or any other persons in connection with his/her investigation of the accuracy of such information or his/her investment decision; and
- (3) no person connected with the Company has made any representation concerning the Company or this Prospectus not contained in this Prospectus, on which the Applicant has relied in submitting his/her Application.

Section 2: Summary of Key Information on the Invitation

ISSUER:	SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED
TOTAL SECURITIES:	Up to 46,633,000 Ordinary Shares.
RESERVED SHARES:	20,763,000 in total for Reserved Share Applicants*
PRICE:	\$3.86 per Ordinary Share payable in full on Application.
JCSD PROCESSING FEE:	\$115.00 per Application.
APPLICATION:	See Appendix I of this Prospectus.
TERMS AND CONDITIONS:	See Section 6.5 of this Prospectus.
PAYMENT METHODS:	See paragraph 7 of Section 6.5 for full details.
TIMETABLE OF KEY DATES:	Prospectus Publication: July 24, 2014 Opening Date: August 12, 2014 Closing Date: August 26, 2014
APPLICATION PROCEDURES:	FORMS MAY BE SUBMITTED IN ADVANCE OF THE OPENING DATE. Early Applications will be received, but not processed until the Opening Date. All early Applications will be treated as having been received at the same time, being 9:00 a.m. on the Opening Date**.
SHARE ALLOTMENTS:	All Applicants may refer to the notice of the general basis of allotment that will be posted on the website of the JSE (www.jamstockex.com) within 3 days of the Closing Date. The final Allotment of Shares and Admission to Junior Market of JSE: Within 3 to 4 weeks of the Closing Date***.
REFUND CHEQUES:	Available for collection from MoneyMasters Limited, 13 Caledonia Avenue, Kingston 5 or VM Wealth Management Limited, 53 Knutsford Boulevard, Kingston 5 within 10 working days of the Closing Date.

*The Reserved Shares are available to the following Applicants: the Employees and Mentor, the Customers, the Suppliers (Pig Farmers) and the Brokers' Clients. See section 6.5 for further information.

**The Invitation will open at 9:00 a.m. on the Opening Date. Applications submitted prior to 9:00 a.m. on the Opening Date will be received, but not processed until 9:00 a.m. on the Opening Date. The Invitation will close at 4:30 p.m. on the Closing Date subject to the right of the Company to: (a) close the Invitation at any time after it opens on 9:00 a.m. on the Opening Date once Applications for all Shares in the Invitation are received; and (b) extend the Closing Date for any reason, provided that it does not extend beyond the expiration of 40 days after the publication of this Prospectus for the purposes of section 48 of the Companies Act. In the case of an early closing of the Invitation, or an extension to the Closing Date, notice will be posted on the website of the JSE (www.jamstockex.com).

***It is the intention of the Company to apply to the JSE to list the Shares on the Junior Market, however please note that this statement of the Company's intention is not a guarantee that the Shares will be so listed. The making of the application by the Company, and its success, is dependent on the ability of the Company to (i) raise at least \$50 million in the Invitation from the subscriptions of Shares by Applicants; and (ii) meet other criteria for admission set out in the JSE Rules.

Section 3:

Letter to Prospective Investors



Sweet River, Ferris
Bluefield PO, Westmoreland
Email: sweetriverabattoir@gmail.com
 (876) 382-3823
(876) 469-4088

18th July 2014

Dear Prospective Investors,

We are pleased to invite you to subscribe for shares in the capital of Sweet River Abattoir & Supplies Company Limited (Sweet River).

The Company

Sweet River is in the business of slaughtering and performing first level processing of pigs & small ruminants. The company, having been previously owned and operated as a part of a Grace Kennedy & Company Limited (Grace) subsidiary for some forty years has a long and rich history in Jamaica. The Company in its current form was incorporated on April 02, 2009 and maintains all strategic relationships that existed prior to the acquisition.

The Directors and Management of the company have extensive experience in the livestock industry. The Managing Director, Valdense Gifford, has twenty-seven (27) years experience specifically in Animal Science and Agribusiness and holds a Bachelor of Science degree from the Florida Agricultural and Mechanical University.

The Company is now in the midst of expansion and is poised for growth. The new and modern Sweet River Abattoir is located on a five (5) acre property in Westmoreland. The construction of the 12,000 sq. ft. *state of the art* abattoir commenced February 2012 and it is expected to be completed by August 2014. On completion, the new abattoir will meet all international quality standards which will facilitate the Company's long anticipated entry into the pork exportation market. The new facility will allow Sweet River to expand its capacity from the current 120 pigs per day to between 250 and 300 pigs per day. Additionally, the new abattoir will allow Sweet River to begin production of chevon and mutton. With these developments already in progress it truly is a great time to participate in Sweet River's growth.

The Company is committed to partnerships with its suppliers and customers, and aims to provide them with not only first class service but meaningful and mutually beneficial relationships.

Use of Proceeds

Sweet River will use the proceeds of the offer as follows:

- Reduction of bank loans;
- Construction Completion;
- Installation of a solar energy generation system;
- Working Capital; and

- Payment of the expenses of the Invitation which, the Company estimates, will not exceed J\$10M (inclusive of brokerage and financial advisory fees, legal fees, auditors' fees, Companies Registrar's fees, marketing and initial listing fees, applicable stamp duties) exclusive of GCT

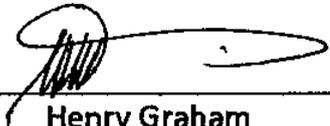
Dividend Policy

Once the Company gains admission to the Junior Market of the JSE, the Directors intend to pay an annual dividend of not less than twenty-five percent (25%) of net profits available for distribution, subject to the need for re-investment in the Company from time to time.

How to make an Application for Shares

Those investors who are interested in subscribing for Shares should read this Prospectus in its entirety and the full terms and conditions of the Invitation set out in Section 6.5, and then complete the Application set out in Appendix 1.

On behalf of the Board of the Company,



Henry Graham

Chairman



Valence Gifford

Managing Director

Directors: Henry Graham (Chairman) Valence Gifford (Managing), Hector Lyons, Neville Grant, Audley Deidrick, Nigel Morgan, Audrey Deer-Williams, Lisa-Kaye Bryan, Maxine Wilson.

Section 4:**Definitions Used in this Prospectus**

Act	means the Companies Act, 2004
Allotment	means the allotment of the Shares to successful Applicants by the Company
Applicant	means a person (being an individual or a body corporate) resident in Jamaica, (whether an applicant for Reserved Shares, or a member of the general public) who submits an Application
Application	means the form of application to be used by all Applicants who wish to make an offer to subscribe for Shares in the Invitation, which is set out in Appendix I
Articles of Incorporation	means the Articles of Incorporation of the Company adopted by the shareholders of the Company on February 8, 2014 in a form suitable for a public company under the Act, together with any amendments thereto
Auditor	means HBG Associates, Chartered Accountants of Units # 32 & 33 Montego Bay Trade Centre, Howard Cooke Boulevard, Catherine Hall, Montego Bay
Audited Financial Information	means the financial information in Section 11 that is extracted from the audited accounts of the Company as audited by the Auditors, for each of the 4 annual reporting periods ended March 31 in the years 2010 to 2013 inclusive
Board of Directors	means the Board of Directors of the Company, details of which are set out in Section 8 of this Prospectus
Brokers	means MoneyMasters Limited of 13 Caledonia Avenue Kingston 5, St. Andrew, Jamaica and VM Wealth Management Limited of 53 Knutsford Boulevard, Kingston 5, St. Andrew, Jamaica
Brokers' Clients Reserved Shares	means the 9,495,000 Shares in the Invitation that are initially reserved for priority application from, and allotment to, the Brokers' Clients on the terms and conditions set out in section 6.5 of this Prospectus
Company	means Sweet River Abattoir & Supplies Company Limited, a company incorporated in Jamaica on 02 April 2009 (number 77926) with its registered office at Sweet River, Ferris, Bluefields Post Office in the parish of Westmoreland

Closing Date	means the date on which the subscription list in respect of the Invitation closes, being 4:30 p.m. on 26th August 2014, subject to the right of the Company to shorten or extend the period in the circumstances set out in this Prospectus
Director	means a member of the Board of Directors
Employees	means the staff and senior management of the Company
Employee & Mentor Reserved Shares	means the 528,000 Shares in the Invitation that are initially reserved for priority application from, and allotment to, the Employees and the Mentor on the terms and conditions set out in section 6.5 of this Prospectus
Financial Information	means the Audited Financial Information and the Unaudited Financial Information
forward looking statements	means the forward looking statements referred to in Section 5 of this Prospectus
FSC	means the Financial Services Commission of Jamaica
Invitation	means the invitation to subscribe for 46,633,000 Shares in the capital of the Company on the terms and conditions set out in this Prospectus
Invitation Price	means J\$3.86 per Share
JSE	means the Jamaica Stock Exchange
Junior Market	means the Junior Market of the JSE
MoneyMasters	means MoneyMasters Limited of 13 Caledonia Avenue Kingston 5, Saint Andrew, co-lead broker and financial adviser to the Company in the Invitation
Mentor	means Mrs. Lisa-Kaye Bryan, the Mentor of the Company required to be appointed under the rules of the Junior Market
Opening Date	means the date on which the subscription list in respect of the Invitation opens, being 12th August 2014
Prospectus	means this document dated 18th July 2014, which constitutes a prospectus for the purposes of the Companies Act, 2004 and the Securities Act
Registrar	means Jamaica Central Securities Depository Limited, Harbour Street, Kingston, Jamaica

Reserved Shares	means the 20,763,000 Shares in the Invitation that are reserved for priority application from, and subscription by, Employees & Mentor, Customers, Suppliers (Pig Farmers) and Brokers' Clients on the terms and conditions set out in section 6.5 of this Prospectus
Shares	means the ordinary shares in the capital of the Company inclusive of the Shares that are offered for subscription in the Invitation on the terms and conditions set out in this Prospectus and the expression "Shares" shall include Reserved Shares where the context so requires
Shareholders	means holders of the Shares
Suppliers Reserved Shares	means the 1,245,000 Shares in the Invitation that are initially reserved for priority application from, and allotment to, Suppliers (Pig Farmers) on the terms and conditions set out in section 6.5 of this Prospectus
Terms and conditions	means the terms and conditions of the Invitation set out in Section 6.5 of this Prospectus
Unaudited Financial Information	means the financial information taken from the management accounts of the Company for the year ended March 31, 2014
Victoria Mutual Wealth Management (VM Wealth)	means Victoria Mutual Wealth Management Limited of 53 Knutsford Boulevard, Kingston 5, Saint Andrew, Jamaica, co-lead broker to the Company in the Invitation
\$	means the Jamaican dollar unless otherwise indicated

Section 5: Disclaimer: Forward Looking Statements

Except for the Historical Financial Information contained in this Prospectus, certain matters discussed in this Prospectus inclusive of the Projected Financial Information contain forward-looking statements including but not limited to statements of expectations, future plans or future prospects, and financial projections. Forward-looking statements are statements that are not about historical facts and speak only as of the date they are made. Although the Directors believe that in making any such statements its expectations are based on reasonable assumptions, such statements may be influenced by factors that could cause actual outcomes and results to be materially different from those projected. Prospective investors in the Company are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the dates on which they have been made. Future events or circumstances could cause actual results to differ materially from historical or anticipated results.

When used in this Prospectus, the words "anticipates", "believes", "expects", "intends" and similar expressions, as they relate to the Company, are intended to identify those forward-looking statements. These forward-looking statements are subject to numerous risks and uncertainties. Once this Prospectus has been signed by or on behalf of the Company, and prior to the admission of the Company to the Junior Market of the JSE, the Company undertakes no obligation to update publicly or revise any of the forward-looking statements in light of new information or future events, including changes in the Company's financial or regulatory position, or to reflect the occurrence of unanticipated events (subject to any legal or regulatory requirements for such disclosure to be made). There are important factors that could cause actual results to differ materially from those in forward-looking statements, certain of which are beyond the Company's control. These factors include, without limitation, the following:

- economic, social and other conditions prevailing both within and outside of Jamaica, including actual rates of growth of the Jamaican and regional economies, instability, high domestic interest rates or exchange rate volatility
- adverse climatic events and natural disasters
- factors affecting the adequate supply of animals
- unfavourable market receptiveness to new products
- changes in any legislation or policy adversely affecting the revenues or expenses of the Company
- any other factor negatively impacting on the realisation of the assumptions on which the Company's financial projections and the Directors' beliefs are based
- other factors identified in this Prospectus
- factors as yet unknown to the Company

Neither the FSC nor any Government agency or regulatory authority in Jamaica has made any determination on the accuracy or adequacy of the matters contained in this Prospectus.

6.1 General Information

The Company is seeking to raise \$180 million from subscriptions for up to 46,633,000 Shares in the Invitation. A total of up to 25,870,000 Shares have been initially reserved for subscription by the general public, while up to 20,763,000 Shares have been initially reserved for subscription by the following Reserved Share Applicants: Employee & Mentor Applicants, Customers, Suppliers and the Brokers' Clients as described in section 6.5, below. If any of the Reserved Shares in any category are not subscribed by the Reserved Share Applicants that are entitled to them, they will then be offered to Reserved Share Applicants in the other categories following which any remaining Reserved Shares will be made available for subscription by the general public.

All Shares inclusive of Reserved Shares are priced at the Invitation Price of J\$3.86 per Share, except for the Employees & Mentor Reserved Shares and the Suppliers Reserved Shares. Assuming that the Company raises at least \$50 million in the Invitation, the Company will make application to the JSE for the Shares to be admitted to the Junior Market. If the application is successful, it is anticipated that the Shares will be admitted to trading within 3 to 4 weeks of the Closing Date (or the shortened or extended Closing Date, as the case may be). In the event that the Company does not raise at least \$50 million and/or the Shares are not admitted to trade on the Junior Market of the JSE, all payments for Shares made by Applicants will be returned or refunded in full.

Prospective investors should read this entire Prospectus carefully. Those prospective investors who wish to subscribe for Shares should review the full terms and conditions of the Invitation set out in Section 6.5 before completing the Application set out in Appendix I.

6.2 Minimum Fundraising

For the purposes of the requirement for disclosure set out in section 48 of the Companies Act, the minimum amount which, in the opinion of the Directors, must be received by the Company as a result of the subscription of its Shares in the Invitation is \$50 million.

6.3 Use of Proceeds

The Company intends to use the proceeds of the Invitation for expansion and working capital purposes specifically, the following:

- Reduction of bank loans;
- Construction Completion
- Installation of a solar energy generation system;
- Working Capital; and
- Payment of the expenses of the Invitation which, the Company estimates, will not exceed J\$10M (inclusive of brokerage and financial advisory fees, legal fees, auditors' fees, Companies Registrar's fees, marketing and initial listing fees, applicable stamp duties) exclusive of GCT



Architect's drawing of completed facility

6.4 Key Dates

An Application for use by all Applicants, including Reserved Share Applicants and the general public, is provided at the end of this Prospectus together with notes on how to complete it. The subscription list will open on the Opening Date, Tuesday 12th August 2014 and will close at 4:30 p.m. on the Closing Date, Tuesday 26th August 2014 subject to the right of the Company to:

- (a) close the subscription list at any time after 9:00 a.m. on the Opening Date once the issue is fully subscribed; and
- (b) to shorten or extend the Closing Date for any reason.

In either case the Company will arrange for a notice to be posted on the website of the JSE (www.jamstockex.com). It is the intention of the Company to apply to the JSE for admission of the Shares to the Junior Market. The application is dependent on the Company's ability to:

- (i) raise at least \$50 million from the Invitation; and
- (ii) meet the criteria for admission set out in the Junior Market Rules made by the JSE.

If such application is made and it is successful the Company expects the Shares to be admitted to trading on the Junior Market of the JSE within 3 to 4 weeks of the Closing Date (or the shortened or extended Closing Date, as the case may be) and for dealings to commence on that date. In the event that the Shares are not admitted to trading on the

Junior Market of the JSE all payments for Shares received by the Company will be returned or refunded to the Applicants making them.

6.5 Terms and Conditions for Applicants

1. All Applicants (whether Reserved Share Applicants, or members of the general public) must submit the Application provided at Appendix 1 to this Prospectus. Additionally, Reserved Share Applicants must specify their status on the Application and provide reasonably verifiable proof of their identity.
2. Up to 20,763,000 Reserved Shares in the Invitation are for priority application from, and allotment to, the following persons:
 - 528,000 Reserved Shares for Employees & Mentor Applicants;
 - 9,495,000 Reserved Shares for Customers;
 - 1,245,000 Reserved Shares for Suppliers (Pig Farmers) and
 - 9,495,000 Reserved Shares for the Brokers' Clients.

All Reserved Shares are priced at the Invitation Price, except those reserved for Employees & Mentor and Suppliers who will receive a five percent (5%) discount and therefore will pay a price of \$3.67. Any Reserved Shares not applied for in any category will become available for subscription by Reserved Share Applicants in the other categories and thereafter, any remaining Reserved Shares will become available for subscription by the general public at the Invitation Price.

3. All Applicants will be deemed to have accepted the terms and conditions of the Invitation and any other terms and conditions set out in this Prospectus, including any terms and conditions set out in this Section 6 and the Application in Appendix 1.
4. Each Applicant acknowledges and agrees that:
 - (a) he/she has been afforded a meaningful opportunity to review this Prospectus (including the terms and conditions in this Section 6.5), and to gather and review all additional information considered by him/her to be necessary to verify the accuracy of the information contained in this Prospectus;
 - (b) he/she has not relied on any person other than the Company and the Directors, each of whom have individual and collective responsibility for the contents of this Prospectus, in connection with his/her investigation of the accuracy of such information or his/her investment decision;
 - (c) no person connected with the Company has made any representation concerning the Company or this Prospectus not contained herein, on which the Applicant has relied in submitting his/her Application; and
 - (d) he/she has made his/her own assessment of the Company, and the merits and risks of subscribing for Shares, inclusive of taking advice (or waiving the need for such advice) in relation to the financial and legal implications of subscribing for Shares and the tax implications, thereof.

5. Applications from the general public must request a minimum of 1000 Shares and be made in multiples of 100. Applications in other denominations will not be processed or accepted.
6. All Shares inclusive of Reserved Shares are priced at the Invitation Price, except for those reserved for Employees & Mentor, and Suppliers who will receive a five percent (5%) discount and therefore will pay a price of \$3.67. A processing fee of J\$115.00 per Application payable to the Registrar of the Company JCSD is applicable and is payable by each Applicant with submission of the Application.
7. All Applications must be accompanied by the appropriate payment in the form of either:
 - (a) a manager's cheque made payable to MoneyMasters Limited or VM Wealth Management Limited; or
 - (b) wire confirmation of funds wired directly to JCSD Limited

Absolutely no cash will be accepted.

All completed Applications must be delivered to either:

- MoneyMasters Limited, 13 Caledonia Avenue , Kingston 5, Jamaica; or
 - VM Wealth Management Limited, 53 Knutsford Boulevard, Kingston 5, Jamaica.
8. Applications submitted in advance of the Opening Date will be received and checked for completeness, but not processed. All such advance Applications will be treated as having been received at 9:00 a.m. on the Opening Date, 12th August 2014. All Applications received from 9:00 a.m. onwards on the Opening Date will be time stamped for processing in the order in which they were received and dealt with in that same order (e.g. on a first come first served basis).
 9. The Company may:
 - (a) accept or reject any Application in whole or part without giving reasons, and neither the Company nor its Directors or agents shall be required to provide reasons for decisions or be liable to any Applicant or any other person for doing so;
 - (b) allot Shares to Applicants on a basis to be determined by it in its sole discretion; and
 - (c) treat multiple Applications by any person (whether in individual or joint names) as a single Application.
 10. Neither the submission of an Application by an Applicant nor its receipt by the Company will result in a binding contract between the Applicant and the Company. Only the allotment of Shares by the Company to an Applicant (whether such Shares represent all or part of those specified by the Applicant in his/her Application) will result in a binding contract under which the Applicant will be deemed to have agreed to subscribe for the number of allotted Shares, subject to the Articles of Incorporation

of the Company and the terms and conditions set out in this Section 6.5 and the Prospectus generally.

11. If the Invitation is successful in raising at least \$50 million and the Shares are admitted to trade on the Junior Market of the JSE, Applicants will be allotted Shares for credit to their account in the Jamaica Central Securities Depository specified in their Applications. Applicants may refer to the notice that will be posted on the website of the JSE (www.jamstockex.com) after the Closing Date (or the shortened or extended Closing Date, as the case may be). Applicants who wish to receive share certificates must make a specific request to the Registrar. In the event that the Company does not raise at least \$50 million and/or the Shares are not admitted to trade on the Junior Market of the JSE, all payments for Shares received from Applicants will be returned or refunded to the persons making them. **Please note that the \$115.00 processing fee will not be refunded.** Please note that the Company does not guarantee admission of the Shares to the Junior Market of the JSE.
12. The Company will endeavour to return cheques or make refunds to Applicants whose Applications are not accepted, or whose Applications are only accepted in part, to MoneyMasters and VM Wealth Management within 7 working days after the Closing Date (or the shortened or extended Closing Date, as the case may be) or as soon as practicable thereafter. Each Applicant's returned cheque or refund cheque will be sent to MoneyMasters and VM Wealth Management for collection by the Applicant (or the first-named joint Applicant) stated in the Application. Any other persons purporting to collect a cheque on behalf of an Applicant must be authorised in writing to do so.
13. Applicants must be at least 18 years old.

7.1 The Company, its History and Strategic Goals

Sweet River has a long and rich history having been formerly owned and operated as a part of a Grace Kennedy & Company Limited subsidiary for around forty years. The Company in its early days contracted pig farmers in the parishes of Westmoreland, Hanover, St. James and St. Elizabeth. Under this contractual arrangement, the Company provided both financial and technical support to the farmers. The Company in those early days “sold” its “cuts” and other portions of the pig to only one customer, Grace Food Processors Limited. Sweet River has entered into a similar contractual arrangement with the pig farmers that previously supplied Grace Food Processors Limited with finishers and has expanded on the original number of producers to four hundred and five (405). Majority of the shareholders of the Company are pig farmers, some with capacity to substantially increase through-put.

Sweet River in 2012, took a strategic decision to modernize the plant upon re-locating from the premises where it was housed for many years. The Company acquired lands in the Sweet River area of Westmoreland with the drive and passion to establish a *state of the art* abattoir with expanded capacity along with administrative offices and warehousing facilities. The new facility will consist of a modern semi-automated slaughter line, chill room and freezer facilities, breakdown and storage facilities amongst other infrastructure necessary for an efficient abattoir. The old facilities have the capacity to put-through 120 pigs per day on a single shift. The new state of the art facility will have a through-put capacity of 250 to 300 livestock per day. The new abattoir will represent the most modern and efficient facility in Jamaica and the Caribbean.

Simultaneously with implementation of capacity and efficiency expansion, Sweet River sought to concretize all pre-acquisition relationships. Once this was done, Sweet River moved towards demand expansion for its products.

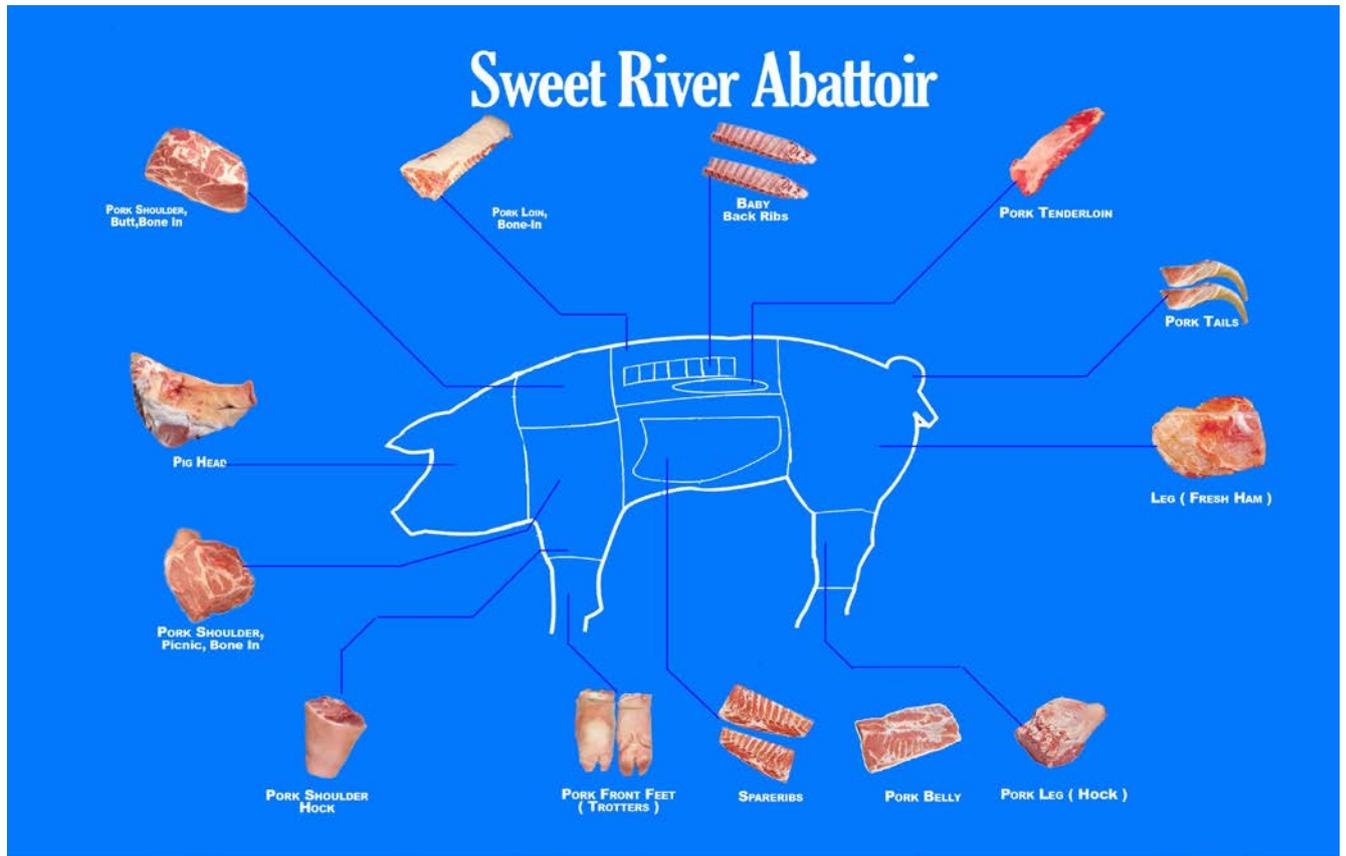
The Company produces high quality pork for the Jamaican market and the new state of the art facilities will provide increased production capacity and facilitate exports and the production of chevon and mutton. Sweet River is in discussion with the relevant government authorities to implement the “Agro Park Concept” which would involve farmers operating in a cluster and producing animals to supply the Company, thereby increasing supplies.

Sweet River is the third largest supplier of pork within the market with approximately twenty-four percent (24%) market share. The Company’s main customers include Grace Food Processors Limited, Caribbean Producers Jamaica Limited, and Hamilton’s Smoke House (a subsidiary of Jamaica Broilers Group).

7.2 Products and Markets**Produce**

A pig has the capacity to provide between twelve (12) and eighteen (18) cuts. Currently Sweet River produces twelve (12) cuts from each pig. The Company sources approximately 60% of its pigs from ten contract farmers with the remaining 40% coming from some 395 small farmers across ten parishes in Jamaica. To protect itself from external shocks the

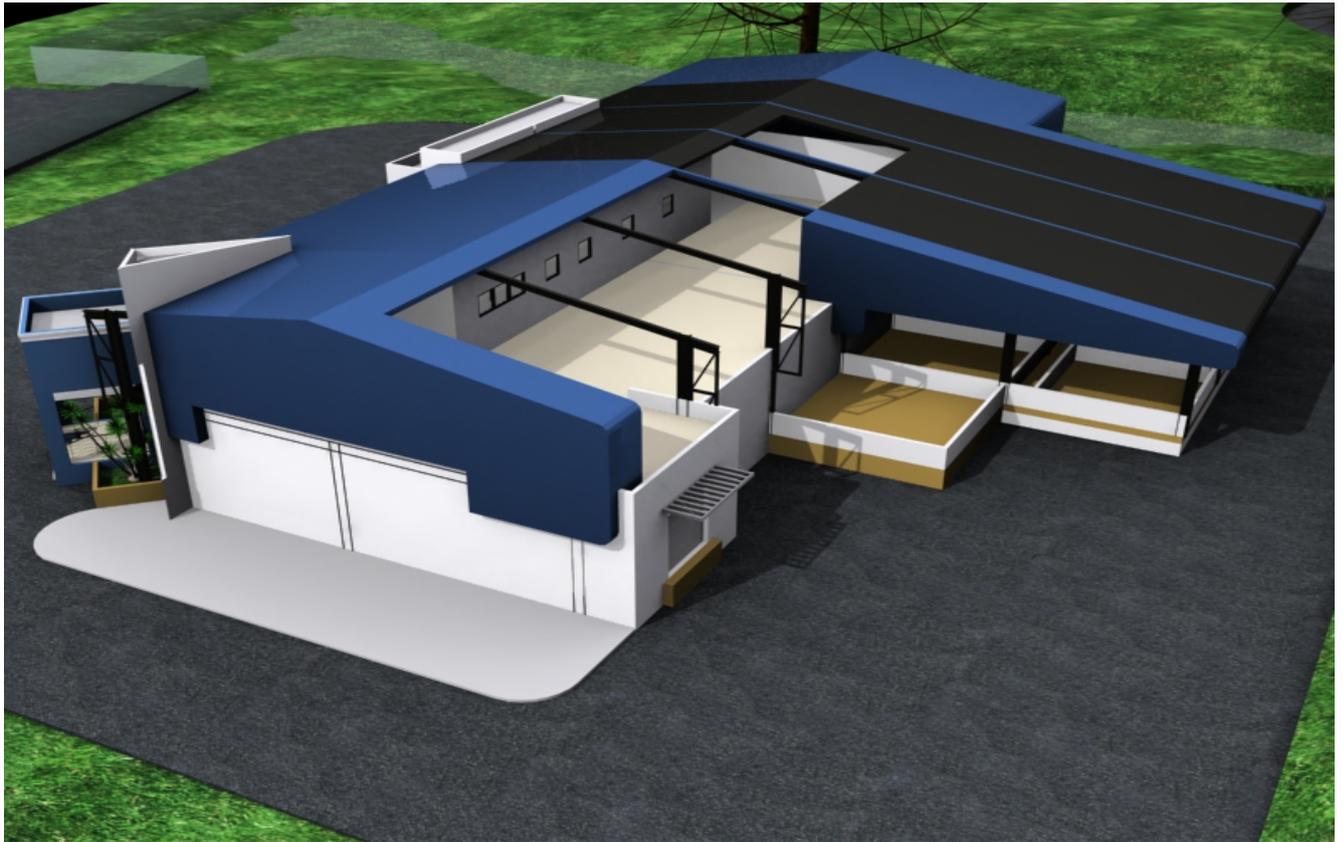
Company has in recent times significantly diversified its supply by increasing the original number of suppliers to four hundred and five (405).



Product quality and safety

The Company currently produces high quality pork for the Jamaican market and production from the new facility will meet international quality standards as the Company will acquire the Hazard Analysis and Critical Control Point (HACCP) certification.

It is generally accepted that HACCP certification is an effective means of ensuring the safety of food, thereby protecting consumer health.



Architect's drawing of a part of the production area of the facility

The new state of the art abattoir facility will have:

- A modern semi-automated slaughter line, reducing human contact in the process
- Chill room and freezer facilities to ensure proper maintenance of quality
- Breakdown and storage facilities to ensure proper maintenance of quality

The new facility is being constructed on land zoned specifically for agricultural purposes. Proper waste management practices will be implemented.

Seasonality

Most countries experience seasonal demand for pork and Jamaica is no exception. Our peak season runs from December to May, usually described as the ham and tourist season.

The period between June and November is historically a low period for pork sales as fewer tourists are in the hotels and schools are on summer break.

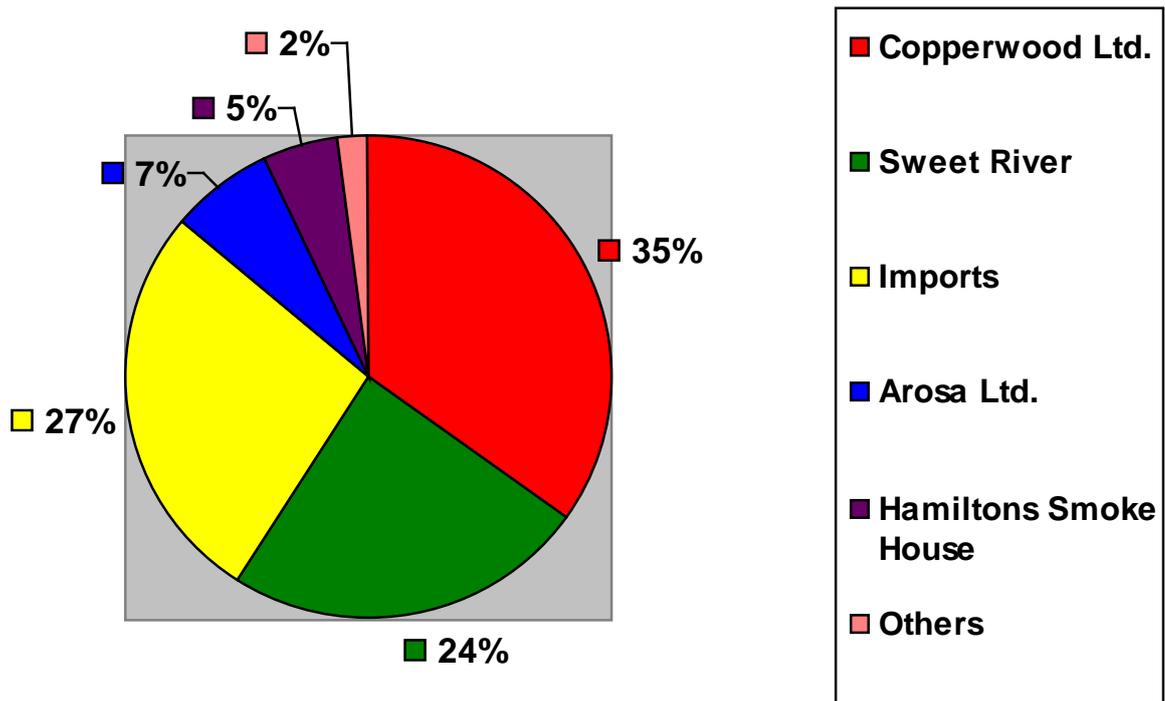
In 2011, pork consumption in Jamaica was 9.8 million kilograms with domestic production accounting for 7.1 million kilograms and imports providing 2.7 million kilograms.

In 2012 pork consumption was 11.2 million kilograms. Domestic production had increased to 9.5 million kilograms and imports had fallen to 1.7 million kilograms.

With a population of 2.7 million people and with approximately 2 million stop over visitors in each year, the average individual pork consumption (including tourists) was approximately 2.1 and 2.4 kilograms per person in 2011 and 2012 respectively.

Approximate Market Share and Competition

The Company currently has approximately twenty-four percent (24%) market share as shown below:

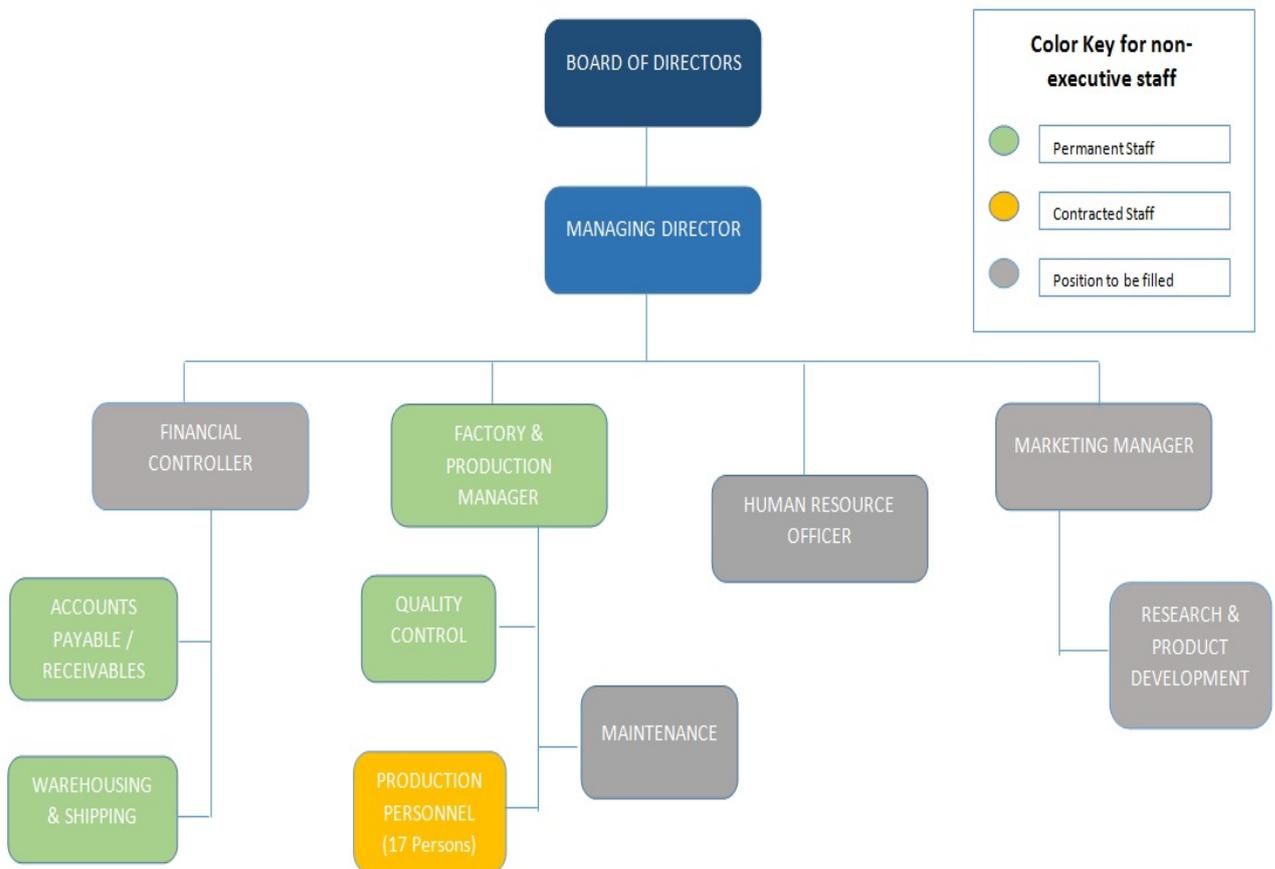


Source: Sweet River’s Management Survey

The two percent (2%) reflected by “others” include local butchers and persons who slaughter “home-grown” pigs for individual family consumption.

7.3 Organizational Structure

Sweet River directly employs six persons and has contractual arrangements with one entity which employs an additional 17 persons to carry out the Company’s slaughtering operations. The ongoing and planned expansion is expected to generate additional employment proportionate to output.



All positions are expected to be filled by September 30, 2014.

7.4 Permits, licences, and certificates

The Company's key permits, licenses and certificates are as follows:

Factory

The Company is registered under the Factories Act and the Factories Regulations, 1961 (Regulation 81). The current certificate is valid for three (3) years from October 2012 to October 2015.

Public Health

The Company is licensed under the Public Health Act and the Public Health (Food Handling) Regulations 1998 for the purposes of its business (licence number 35737 current until March 25, 2015).

Tax Compliance Certificate

The Company has a Tax Compliance Certificate from the Ministry of Finance and Planning that is current to August 09 2014. The certificate confirms that the Company has satisfied all statutory requirements in respect of income tax (including Pay As You Earn income tax),

General Consumption Tax, Special Consumption Tax (as applicable), Education Tax, National Insurance Scheme, National Housing Trust and H.E.A.R.T. contributions.

7.5 Taxation regime for Junior Market Companies, for Transfers of Shares and for Dividends

Companies that had shares admitted to trading on the Junior Market of the JSE prior to January 1, 2014 benefited from a 10 year concessionary tax regime starting from the date of listing. On 29 October 2013, the Minister of Finance announced a new regime whereby companies that are successful in gaining admission to listing on the Junior Market of the JSE between January 1, 2014 and December 31, 2016, will be entitled to enjoy full relief from income for a period of 5 years from the date of listing. If the Company is successful in listing, it will be entitled to the benefit of this new regime. In order to take advantage of the concession, the Company must remain listed on the JSE for at least 10 years. The Minister also announced that a mechanism is to be developed to allow for the capping of tax expenditures that will arise from this special scheme of tax relief. No details have yet been made available to the public in relation to the capping.

Transfers of the shares on the JSE are exempt from transfer tax and stamp duty. However, transfers of shares not made on the JSE attract transfer tax (currently 5%) and stamp duty (currently approximately 1%).

Dividends received by Jamaican resident Ordinary shareholders have been subject to a 15% rate of income tax as of 1 April 2013. The tax on dividends is to be withheld at source by the Company as a final tax. Foreign resident Shareholders may be subject to lower or higher rates of income tax on any dividends they may receive. Foreign resident Shareholders will also have income tax on dividends withheld at source. The rate of such withholding will vary and may be lower or higher than that applicable to residents of Jamaica. Each prospective Shareholder should consult with an independent adviser as to the rate of withholding and other taxes that is applicable to them. See Section 14.2 of this Prospectus for further information.

7.6 Incorporation Details and Recent Capital Restructuring

The Company was incorporated on 02 April 2009 as a private company with limited liability (no. 77926).

The Company re-registered as a public company and adopted new Articles for that purpose with the approval of its shareholders, given by way of written resolution dated 08 February 2014. The shareholders also approved an increase in the share capital of the Company, from 1000 ordinary shares to 1,000,000 ordinary shares, the subdivision of each share into 100 shares, and the conversion of each fully paid share to stock.

7.7 Details of the Authorised and Issued Share Capital and the Shares in the Invitation

Capital Structure of the Company

As at the date of this Prospectus and prior to the launch of this Invitation, the authorised and issued share capital of the Company was as follows:

Authorised: 100,000,000 Shares

Issued: 50,860,306 Shares

Recent Capital Re-organisations

On 08 February 2014 all of the Shareholders of the Company for the time being approved the following written resolutions in respect of the capital structure of the Company:

- a) The increase of the authorised share capital of the Company by 999,000 ordinary shares, from 1,000 ordinary shares to 1,000,000 ordinary shares
- a) The sub-division of each of the Shares into 100 Shares (each with no par value in accordance with the Articles of Incorporation and the Act)
- b) The allotment of a total of 26,439,366 Shares on 08 February 2014 to the shareholders in consideration of capital contributions previously made by the shareholders for which no Shares had been allotted
- c) The allotment of 13,220,101 bonus Shares on 08 February 2014, pro rata to the holdings of each of the shareholders of the Company, by capitalisation of the amount of \$24,420,103 standing to the credit of the Company in the retained earnings account and the application of \$13,220,101 from same to paying up such bonus shares in full at the time of their issue
- d) The allotment of a total of 11,200,002 Shares on 08 February 2014 to ten shareholders and original directors in consideration of services they have given to and on behalf of the Company, by capitalisation of the amount of \$24,420,103 standing to the credit of the Company in the retained earnings account and the application of \$11,200,002 from same to paying up such Shares in full at the time of their issue
- e) The adoption of new Articles of Incorporation in a form suitable for a public company
- f) The re-registration of the Company as a public company under the Act
- g) The admission of the Ordinary Shares to the Junior Market of the JSE
- h) Dis-application of any applicable pre-emption rights for the purposes of the allotment of the Shares in the Invitation to be made by the Company subject to a prospectus registered in accordance with the Act
- i) The conversion of all fully paid Shares into stock units

Shareholdings in the Company Before and After the Invitation

As at the 7th July 2014, the latest practicable date prior to publication of this Prospectus, the holdings of Shares in the capital of the Company (including legal and, where known to the Company, beneficial holdings) were as follows:

Name of Shareholder	Number of Shares before Opening Date of Invitation	% of Issued Shares before Opening Date of Invitation
Henry Graham (Chairman)	14,935,009	29.4%

Hector Lyons (Director)	7,358,848	14.5%
Audley Deidrick (Director)	5,205,603	10.2%
Valdence Gifford (Managing Director)	4,989,358	9.8%
Kirk Fong	4,689,907	9.2%
Neville Grant (Director)	4,654,073	9.2%
Nathan Meylor	2,400,000	4.7%
Derrick McKenzie	1,651,611	3.2%
Melvin Grant	1,200,000	2.4%
Nigel Morgan (Director)	935,763	1.8%
Michael Pinnock	881,397	1.7%
Andrew Lawrence	758,737	1.5%
Jack Drummond	600,000	1.2%
Robert Meghoo	600,000	1.2%
Total Issued Share Capital Before Invitation	50,860,306	100%

After the subscription lists for the Invitation are closed, and assuming that the Invitation is fully subscribed by the public and also, by the Reserved Share Applicants, the percentage shareholdings in the Company will be as follows:

Name of Shareholder	Number of Shares after Opening Date of Invitation	% of Issued Shares after Opening Date of Invitation (rounded to 2 decimal places)
Henry Graham	14,935,009	15.32%

Hector Lyons	7,358,848	7.55%
Audley Deidrick	5,205,603	5.34%
Valdence Gifford	4,989,358	5.12%
Kirk Fong	4,689,907	4.81%
Neville Grant	4,654,073	4.77%
Nathan Meylor	2,400,000	2.46%
Derrick McKenzie	1,651,611	1.69%
Melvin Grant	1,200,000	1.23%
Nigel Morgan (Director)	935,763	0.96%
Michael Pinnock	881,397	0.90%
Andrew Lawrence	758,737	0.78%
Jack Drummond	600,000	0.62%
Robert Meghoo	600,000	0.62%
General Public	25,870,000	26.54%
Brokers' Clients Reserved Shares	9,495,000	9.74%
Customers	9,495,000	9.74%
Suppliers	1,245,000	1.28%
Employee & Mentor Applicants*	528,000	0.54%

Total Issued Share Capital Following Invitation	97,493,306	100%
--	-------------------	-------------

*Please note that the Managing Director is eligible to subscribe for Employee & Mentor Reserved Shares in the Invitation.

7.8 Real and Intellectual Property

As at the 7th July 2014, the latest practicable date prior to the publication of this Prospectus, the Company has the following interests in real property:

Property	Description
Leasehold – Real Property	Property located at Smithfield Main Road, Savanna-la-mar, Westmoreland, Jamaica owned by Grace Food Processors. Rental of \$60,000 plus a processing fee of \$583 per pig killed per calendar month is payable by the Company to the aforesaid owner in respect of the property exclusive of G.C.T. under a lease which commenced on the 27th April, 2009. The lease expires on September 1, 2014.
Leasehold – Real Property	Property located in Smithfield District, Savanna-la-mar, Westmoreland, Jamaica owned by Noel Golding. Rental of \$60,000 per calendar month is payable by the Company to the aforesaid owner in respect of the property exclusive of G.C.T. under a lease which commenced on the 1 st March, 2009 and will expire on February 28, 2015 and can be terminated by either party with three months notice.
Real Property	Registered proprietor of lands being Lot 2, part of Sweet River in the parish of Westmoreland registered at Volume 1454 Folio 816.

As at the 4th June 2014, the latest practicable date prior to the publication of this Prospectus, the Company had no interest in any intellectual property rights but it intends to apply to the Jamaica Intellectual Property Office for the registration of its logo under the Trademarks Act.

7.9 Material Contracts

The following material contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company with the following persons (counterparties") in the 2 years preceding the 7th July 2014, being the latest practicable date prior to the publication of this Prospectus:

Date	Counterparty	Amount	Brief Details
28 th March 2014	First Global Bank	Credit facilities of \$190,600,000 with interest	Agreement whereby First Global Bank granted credit facilities to the Company. The facilities are secured by (i) a debenture over fixed and floating assets of the Company, (ii) a first legal mortgage over commercial property located at Sweet River, Ferris Westmoreland, (iii) bill of sale over abattoir equipment, (iv) assignment of insurance policies and (v) personal guarantees by the following shareholders: Valdence Gifford, Neville Grant, Henry Graham, Audley Deidrick, Michael Pinnock, Derrick McKenzie, Hector Lyons, Nigel Morgan and Kirk Fong. \$150,600,000 of the total amount was previously disbursed to and on behalf of the Company and a further \$40,000,000 is yet to be disbursed.
May 2011	Neville L. Daley & Company Limited	\$134,331,105	Contract for the construction of the Company's new abattoir facility
December 10 2013;	MoneyMasters Limited	\$2,750,000	Financial advisory and co-lead brokerage services in the Invitation.
January 21 2014	VM Wealth Management Limited	\$2,750,000	Financial advisory and co-lead brokerage services in the Invitation.
January 07,2013	Vaccianna & Whittingham	\$2,750,000	Legal advisory services in the Invitation.
January 21, 2014	Jamaica Central Securities Depository Limited	\$150,000 *Monthly Fee not included	Agreement for JCSD to provide registrar services.

The material contracts in the Company's ordinary course of dealing include the agreements described in section 7.8 (Real Property) and also an agreement with Grace Food Processors Limited, the Company's largest customer, whereby the Company will supply a predetermined amount of fresh pork. The agreement is scheduled to expire in October 2014 but Grace has supplied Sweet River with a letter of intent to extend the agreement for a further five (5) years.

The material contracts referred to in this section that are documented arrangements (together with certain other documents) will be available for inspection as described in Section 15.

7.10 Litigation

As at the 7th July 2014, the latest practicable date prior to the publication of this Prospectus, there were no litigation, arbitration, or similar proceedings pending or threatened against the Company as defendant, nor do the Directors believe that there are circumstances that may give rise to such proceedings.

7.11 Related Party Transactions

Sweet River currently purchases pigs under supply contracts with the following parties who are shareholders and in some cases, directors of the Company:

- Henry Graham - Chairman
- Audley Diedrick – Non-Executive Director
- Neville Grant – Director
- Nathan Meylor - Shareholder
- Jack Drummond - Shareholder
- Robert Meghoo – Shareholder
- Andrew Lawrence - Shareholder

The Contract and Open Market farmers are paid at a price of \$133 per pound and \$130 per pound respectively.

Hector Lyons, a shareholder and director of the Company is the owner of H/M Butchers Limited, which has a contract with Sweet River to manage the slaughter line operations. He employs 17 persons and payment is based on a per pig basis.

7.12 Dividend Policy

The Directors anticipate a payment of an annual dividend of not less than twenty five percent (25%) of the annual net profits after payment of any applicable taxes where such profits are available for distribution, subject to the Company's need for reinvestment of some or all of its profits from time to time in order to finance the growth of the business of the Company.

7.13 Insurance Arrangements

The Company insures against certain risks facing its business under its current general liability coverage where it would not be uneconomic to do so. Additionally, the Company is protected in its expansion endeavours under the Contractors liability Insurance.

7.14 Charges Registered Against the Company or its Property

As at the 7th July 2014, the latest practicable date prior to the publication of this Prospectus, the following charges (within the meaning of section 93 of the Companies Act) were registered against the public file of the Company maintained by the Companies Office of Jamaica and there is registered at the Office of Titles a mortgage on the Certificate of Title for lands owned by the Company as follows:

Charge	Mortgagee	Amount secured
Mortgage No. 1759810 registered on May 10, 2012 at the Office of Titles a mortgage on the Certificate of Title for lands owned by the Company registered at Volume 1454 Folio 816	First Global Bank Limited	\$111,000,000 with interest upstamped on March 15, 2013 to cover further indebtedness of \$40,000,000.
Charge by way of mortgage in favour of First Global Bank Limited created May 10, 2012 and registered March 10, 2014 in the Companies Office of Jamaica	First Global Bank Limited	Mortgage stamped to secure \$111,000,000 with interest, upstamped on March 15, 2013 to cover further indebtedness of \$40,000,000 over property owned by the Company registered at Volume 1454 Folio 816 of the Register Book of Titles.

Section 8: Directors and Senior Managers and their Interests

8.1 Biographical details of the Board of Directors

Brief biographical details of the members of the Board of Directors appear below. The Directors' addresses are set out in section 14.

BOARD OF DIRECTORS

Henry Graham Chairman (appointed April 2, 2009)



Mr. Henry Graham is a Businessman and Member of the Jamaica Pig Farmers Association.

He is a qualified licensed Electrician and practised that profession prior to his involvement with the Company.

Mr. Graham added pig farming to his Resume in 1992. He is also a Member of the Kiwanis Club of Savanna La Mar, Board Member of the National Peoples Cooperative Bank, Grange Hill Branch and Board Member of the Little London High School.

Valdence Gifford Managing Director (appointed April 2, 2009)



Mr. Valdence Gifford is the Managing Director of Sweet River.

Mr. Gifford holds a Bachelor of Science in Agribusiness (Honours) from The Florida Agricultural & Mechanical University in Tallahassee, Florida. He has been employed to the industry for over twenty-five (25) years.

He is a Life Member of the Jamaica Agricultural Society and the Jamaica Pig Farmers Association.

Hector Lyons Director (appointed April 2, 2009)



Mr. Hector Lyons is a Businessman. He was employed to Grace Food Processors from 1967 to 2001.

He later became the Managing director and Owner of H/M Butchers Limited.

Since being appointed to the Board of Directors for the Company, he has also become a Slaughter Contractor for the Company.

Neville Grant
Director (appointed April 2, 2009)



Mr. Neville Grant has served on the Board of Directors of the Company for over four years.

A Dental Technologist by profession, he has had more than thirty years' experience in the Pork Industry.

He is a graduate of The New York City College of Technology, where he received an Associate Degree in Dental Technology and a Bachelor of Science in Applied Science. He is an experienced and long-standing Pig Farmer.

Audley Deidrick
Director (appointed April 2, 2009)



Mr. Audley Deidrick is the Company Secretary. He is a senior finance executive who brings to the Board over twenty-eight (28) years of experience in the field of accounting and finance.

This experience covers a range of major industries and businesses in the private and public sector comprising manufacturing, distribution and sales, insurance, transportation, and the aeronautical industry.

Key financial accomplishments include working on acquisitions, mergers and restructuring of entities, as well as the structuring and procurement of financing for major capital development projects.

He is currently serving on a mix of public and private sector boards, including two pension fund boards of trustees, and a credit union board. Mr. Deidrick holds an MBA (Finance) degree from The University of the West Indies, Mona School of Business, and a BBA (Accounting) Degree from the University of Technology, as well as certification as an International Airport Professional (IAP).

Nigel Morgan
Director (appointed April 2, 2009)



Mr. Nigel Morgan is an Attorney-at-Law. A former Senior Legal Officer with the Government of Jamaica, he has over twenty four (24) years' experience as a prosecutor during which he has handled a wide array of criminal cases.

He has a high appreciation of the principles of Law and of the Constitution of Jamaica, particularly as they relate to the rights of the citizen.

Nigel Morgan is a graduate of the University of Wolverhampton, London, England. He also holds a Diploma in Marketing, Certificate in Public Administration, Mediator's Certification and a LLB Degree. He was appointed: Adjudicator on the Transport Authority's Disciplinary

Panel of Adjudicators on March 20, 2012, Chairman of the disciplinary committee of the Transport Authority of Jamaica from October 2005 - 2007, Chairman of the Social & Entertainment Committee of the Legal Officers Staff Association from 1998 - 2000, Member of the Public Cleansing and Commercial Waste Sub-Committee of Central Parks & Markets in 1999 and a Director of the Justice Training Institute's Advisory Board to the Minister of National Security & Justice from 1999 - 2000.

Audrey Deer-Williams

Director (effective as of the date of this Prospectus)



Mrs. Audrey Deer-Williams is the Senior Director for Investments at the National Insurance Fund (NIF), which is the investment arm of the National Insurance Scheme in the Ministry of Labour & Social Security. She is responsible for developing and executing strategies to grow the \$65Billion investment portfolio, which is the single largest pension fund in Jamaica and among the largest, in the Caribbean. Mrs. Deer-Williams has over 20 years experience in the Financial Industry.

She currently serves on a number of other boards, including the National Insurance Board, Cleveland Resorts Limited, The Joan Duncan Foundation and Resorts Beach Hotel limited. Mrs. Deer-Williams who strongly believes in giving back to her community, serves as a member of the Church Committee at Church of the Transfiguration and is also a Lay Representative to Synod and Chairman of the Outreach Committee.

Mrs. Deer-Williams holds a Master's Degree in Business Administration, specialising in Finance from the University of Manchester and a B.Sc. Degree in Economics and Accounting, from the University of the West Indies.

She is the mother of two sons.

INDEPENDENT DIRECTORS

Maxine Wilson

Director (effective as of the date of this Prospectus)



Ms. Maxine Wilson has been appointed to the Board of Directors as a non-executive independent director effective as of the date of this Prospectus and will serve as a member of the newly formed Audit and Compensation Committees.

Ms. Wilson holds a MBA degree and is experienced in banking and finance. She has held various positions within the Credit Union movement over the past 32 years and currently is the General Manager of the Palisadoes Co-operative Credit Union Limited.

MENTOR

Lisa-Kaye Bryan

Mentor & Director (effective date of admission to Junior Market)



Mrs. Lisa-Kaye Bryan is to be the Mentor to the Board and pursuant to a Mentor Agreement dated the 28th February 2014 her appointment will be effective as from the date of admission of the Company to the Junior Market. She is a practicing Attorney-at-Law and holds the roles of General Counsel and Corporate Secretary of the Airports Authority of Jamaica and its subsidiary NMIA Airports Limited. She holds the ACI-ICAO International Airport Professional (IAP) designation and chairs the Legal Committee of Airports Council International – Latin America and

the Caribbean.

As the Mentor of the Company, she is responsible for providing the Board with support in establishing proper procedures, systems and controls for its compliance with the Junior Market Rules requirements for financial reporting, good corporate governance, and the making of timely announcements. Mrs. Bryan has also been appointed to the Board of Directors as a non-executive independent director effective as of the date of this Prospectus and will serve as a member of the newly formed Audit and Compensation Committees.

8.2 Directors' interests in Ordinary Shares

The Directors' interests in the Ordinary Shares of the Company (including legal and beneficial holdings) as at the 7th July 2014, the latest practicable date prior to the publication of this Prospectus, are set out below.

Name of Director	Number of Shares before Opening Date of Invitation	% of Issued Shares before Opening Date of Invitation	% of Issued Shares after Closing of Invitation
Henry Graham	14,935,009	29.4	15.32
Hector Lyons	7,358,848	14.5	7.55
Audley Deidrick	5,205,603	10.2	5.34
Valdence Gifford	4,989,358	9.8	5.12
Neville Grant	4,654,073	9.2	4.77
Nigel Morgan	935,763	1.8	0.96

Save as set out in section 7.7, no Director receives Ordinary Shares, or options in respect of Ordinary Shares, in consideration of the services rendered by him or her to the Company.

8.3 Corporate Governance and Accountability

The Board has established an Audit Committee and a Compensation Committee, each of which is required to be established by the Junior Market Rules. The members of each Committee include at least 2 independent non-executive Directors, and are as follows:

Audit Committee	Compensation Committee
Audley Deidrick	Nigel Morgan
Lisa-Kaye Bryan, Independent Director	Lisa-Kaye Bryan, Independent Director
Maxine Wilson, Independent Director	Maxine Wilson, Independent Director

Each non-executive Director of the Company will also be paid a fee of \$12,000 per meeting for his/her attendance at Board meetings, except for the Chairman and Company Secretary whose payment is \$15,000 per meeting. Directors who are also members of the Audit and Compensation Committees receive an additional fee of \$9,000 for the Chairperson and \$4,500 for regular members per meeting, for their attendance at Committee meetings. The Mentor receives a similar fee for attending meetings of the Board and its committees.

All fees quoted are exclusive of reasonable expenses incurred in attending meetings of the Board and/or the Committees, and the Annual General Meeting.

The Compensation Committee will periodically review and set Directors' and Committee members' fees and any executive and administrator salaries within the Company from time to time. The Compensation Committee will seek to ensure that such fees and salaries are consistent with market rates.

Section 9: Management Discussion and Analysis

9.1 History of the Company and its Operations

The Company is a wholly owned Jamaican company incorporated on April 02, 2009 to carry on the business of slaughtering animals and the processing of carcasses. The Company is headquartered at Sweet River, Ferris District, in Westmoreland. Grace Kennedy had operated the abattoir as part of its subsidiary company Grace Food Processors (GFP). Grace Kennedy through GFP had contracted over 50 pig farmers located mainly in the parishes of Westmoreland, Hanover, St. James and St. Elizabeth. Under this contractual arrangement, Grace Kennedy provided both financial and technical support to the farmers and guaranteed a market for all market pig produced. Sweet River has entered into a similar contractual arrangement with pig farmers that previously supplied GFP with market pigs and has expanded the original number of producers. Seven (7) shareholders of the Company are pig farmers. Their capacities range from 1,600 to 4,000 pigs per annum.

The Company has acquired lands in the Sweet River area of Westmoreland for the establishment of a new expanded *state of the art* abattoir with increased production capacity along with administrative offices and warehousing facilities. The facilities is approximately eight-five (85%) complete with all of the requisite equipment already purchased. It is expected that the facilities will be completed and ready for operations by August 2014.



In the interim, the company has continued to lease the Grace Kennedy abattoir facility for its on-going operations.

The Company produces high quality pork for the Jamaican market and the expansion now being undertaken will re-locate Sweet River to its own premises and provide increased production capacity, facilitating exports and the production of chevon and mutton. Assuming imports are treated as a single supplier, currently Sweet River is the third largest supplier of pork within the market with approximately 24% market share. The Company's main customers are Grace Food Processors Limited, Caribbean Producers Jamaica Limited, Hamilton's Smoke House/Jamaica Broilers and others.

The new facility will consist of a modern semi-automated slaughter line, chill room and freezer facilities, breakdown and storage facilities amongst other infrastructure necessary for an efficient abattoir. The Company currently slaughters 11,186 pigs per annum and after the completion of the expansion, the new state of the art facility will have a through-put capacity of 250-300 pigs and small ruminants per day on a single shift. The new abattoir will represent the most modern and efficient facility in Jamaica and the Caribbean.

The Company has adopted and developed a business model designed to ensure that it has a consistent supply of animals and customers ready to take all produce. The operating procedure involves the procurement of pigs, sheep and goats from farmers in Western Jamaica and beyond (10 parishes in Jamaica). Farmers are engaged by contract agreement as well as on a non-contractual (open market) basis. Supplies from contract farmers account for approximately sixty to seventy percent (60-70%) of the Company's output and they are retained on a three (3) year contractual renewable cycle. The Directors are planning for the Company to pursue a programme to increase the number of contract farmers as the demand increase. All farmers supplying animals to the Company are provided technical advice to include training in husbandry practices, artificial insemination and assistance in sourcing inputs both locally and overseas to achieve economies of scale in the purchase of inputs and supplies. The Company seeks to have contractual off-take arrangements with major users of carcasses and anticipate that current and new customers will be taking the projected increased production. The Company is also exploring the possibility of exporting to Caricom to include Cuba, Dominican Republic and Venezuela which are large per capita consumers of pork.

Operating from the leased premises at Grace Food Processors Limited, in the first year of operations as at March 2010, Sweet River generated revenues of \$239M. For the financial year ending March 2011, revenues fell to \$181M as a result of a shortage of pigs which affected the company's ability to supply the market with the contracted volumes. By March 2012, the company expanded the volume of through-put thus increasing revenues to \$207M. Revenues have risen by seventy one point three percent (71.3%) from the low of \$181M as at March 31, 2011 to a high of J\$311M as at 31 March, 2014.

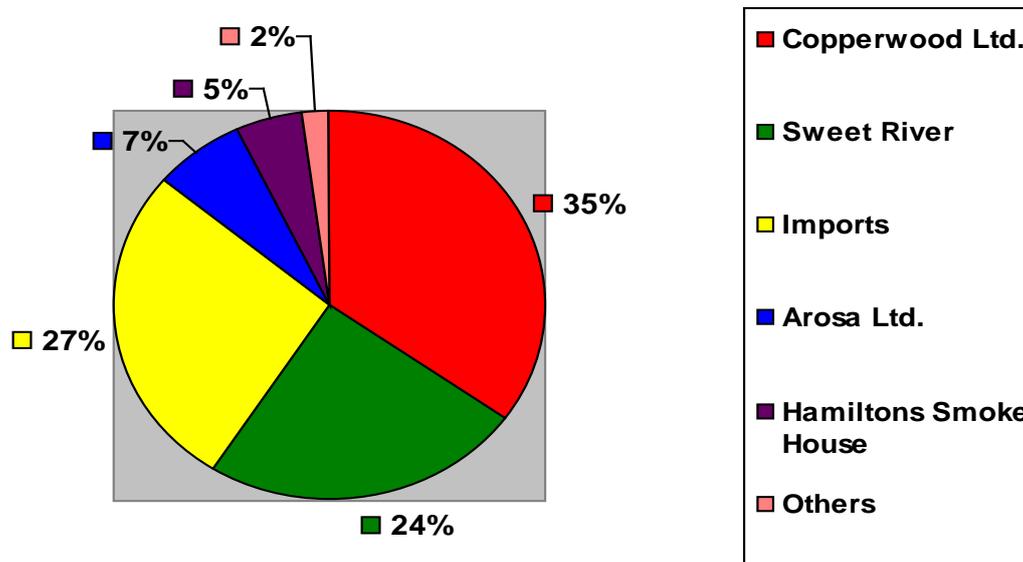
The performance of Sweet River's profit before taxes has shown a similar trend as revenues. Profit before taxes increased by 3650 percent from \$564K at March 2010 to \$21.2M at March 2014. Sweet River achieved an operating profit margin of 7.86% at March 2014 compared to 1.25% as at March 2011. The company has made improvements in its efforts to contain costs over the three year period from FY2012 to FY2014. Administrative expenses

were flat at approximately 9.2% of sales for the years ended March 31, 2014 and 2013 compared to a high of 11.58% of sales for the year ended March 31, 2012.

In terms of its inventory management, Sweet River's inventory increased from \$3,553,712 as at March 31, 2012 to \$18,465,747 as at the financial year ended March 31, 2013. This was driven by a glut in the market which continued to around December 2013. During the financial year 2013/2014 Sweet River slaughtered 750 more pigs over the previous period, which saw an increased flow-through value of approximately \$21M. This increased volume of through-put of pork cuts, in addition to the ending of a glut, resulted in the continued increase of inventory levels as at March 31, 2014 to \$22,135,726.

9.2 Future outlook

The Directors and management have established sound management and administrative systems, and they are committed to maintaining the efforts to improve operational efficiency to drive profitability and increase shareholder's value. The Directors and Management are primarily focused on the completion of the new expanded facility by August 2014, which will significantly increase production capacity and provide a sound platform for the Company to aggressively go after greater market share and product diversification. The Company Management approximates that currently it has a 24% market share of the pork distribution market as shown below:



Source: Management data for pork distribution

The 2% reflected by "others" include local butchers and persons who slaughter "home-grown" pigs for individual family consumption.

Once the new facility becoming operational, the Company intends to immediately cut into the market share now controlled by imports.

The Directors consider that the Invitation and the proposal to list the Shares of the Company on the Junior Market of the JSE comprise important steps towards the future growth and

development of the Company and its strategic initiatives. The Company is seeking to raise \$180 million from the Invitation and it proposes to utilize the net proceeds after payment of related expenses to reduce its Bank loans which are being utilised to complete the new facility. The net proceeds will also be used to fund the installation of a solar energy generation system, as well working capital support. The effect of these actions will significantly reduce finance and operating costs and that together with the increased production capacity will provide a sound foundation for the growth in profitability.

In the short and medium term, Sweet River's strategic direction will involve:

- Expansion of domestic demand and exports for Sweet River's pork
- Growth and development of local production of mutton & chevon
- Diversify product line into chevon and mutton
- Establish and develop Sweet River Brand synonymous with Best Quality
- Continued genetic improvement of related livestock through the importation of semen and or animals
- Continuous training of our supplier farmers and the sourcing of inputs where possible
- Contractual arrangements with pig, goat and sheep farmers
- Membership in the Pig, Goat and Sheep Farmers Association
- Participating in joint meetings with government and livestock industry stakeholders
- Lobby government to develop policies geared at expanding local production
- Sourcing low interest, long term loans for farmers

Section 10:

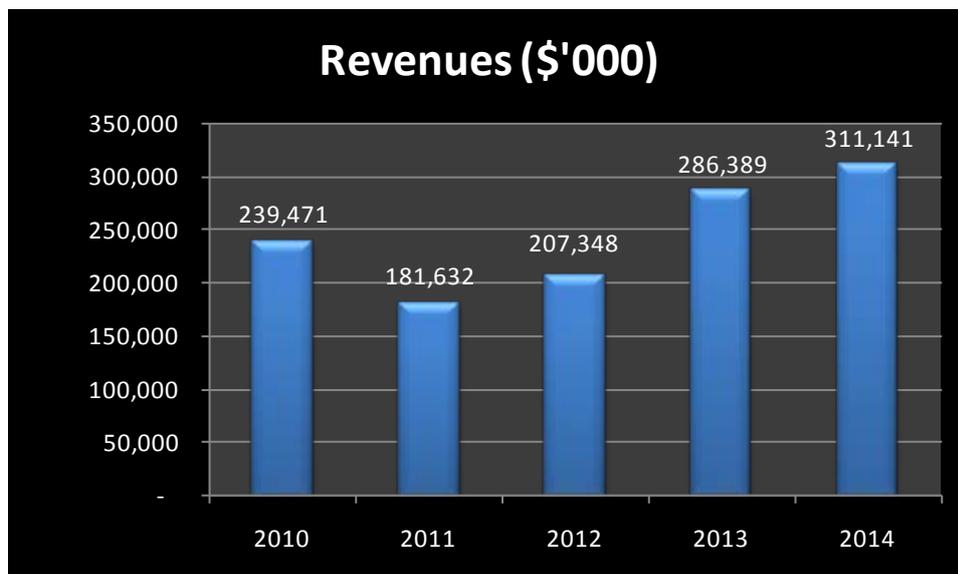
Financial Highlights

This section provides an analysis of the Company's financial condition over the period represented by the Historical Financial Information. The financials for the year ending March 31, 2014 are unaudited.

10.1 Past 5 Financial Years Ratio Analysis

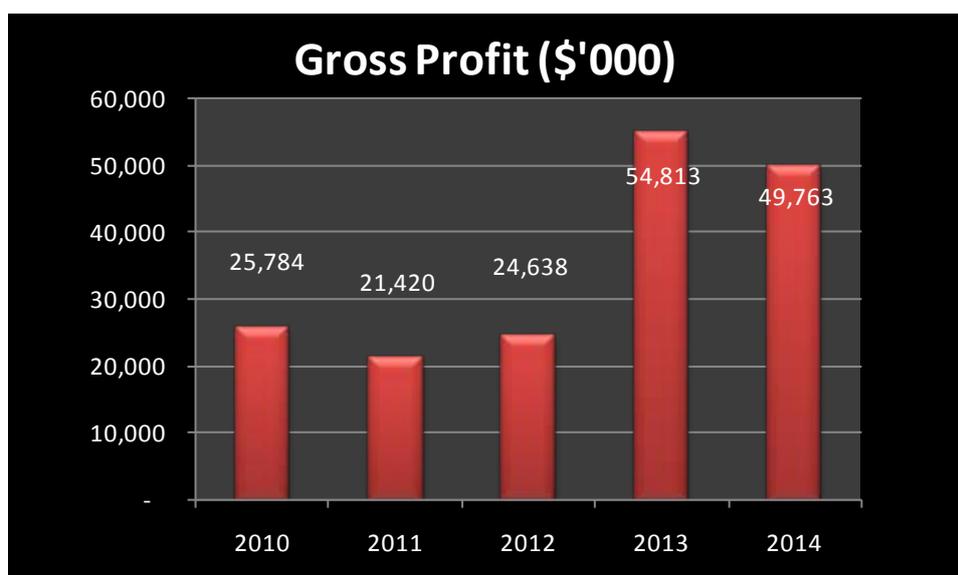
<u>Year Ending March 31</u>	2014	2013	2012	2011	2010
Liquidity:					
Current Ratio: $\frac{\text{Current Assets}}{\text{Current Liabilities}}$	0.37	0.67	0.89	0.97	1.20
Quick Ratio: $\frac{\text{Quick Assets}}{\text{Current Liabilities}}$	0.16	0.41	0.77	0.93	1.08
Profitability:					
Return on Assets: $\frac{\text{Net Profit}}{\text{Total Assets}}$ (EOY Figures)	5.31%	6.49%	(0.26%)	(0.71%)	0.37%
Return on Equity: $\frac{\text{Net Profit}}{\text{Shareholders Equity}}$ (EOY Figures)	24.24%	35.18%	(0.89%)	(1.79%)	0.84%
Gross Profit Margin: $\frac{\text{Gross Profit}}{\text{Turnover}}$	15.99%	19.14%	11.88%	11.79%	10.77%
Net Profit Margin: $\frac{\text{Net Profit}}{\text{Turnover}}$	5.10%	5.91%	(0.13%)	(0.14%)	0.05%
Earnings per Share	\$ 17,639.71	\$ 18,804.43	\$ (307.06)	\$ (292.61)	\$ 128.72
Activity Analysis:					
Asset Turnover: $\frac{\text{Sales}}{\text{Avg Total Assets}}$	2.12	1.56	2.91	5.30	7.59
Accounts Receivable Turnover: $\frac{\text{Sales}}{\text{Accounts Receivable}}$	16.47	15.59	18.22	16.41	19.71
Inventory Turnover: $\frac{\text{Cost of Goods Sold}}{\text{Avg Inventory}}$	10.30	23.74	80.44	101.68	98.82
Capital Structure:					
Debt to Equity: $\frac{\text{Total Liabilities}}{\text{Total Equity}}$	3.56	4.42	2.40	1.51	1.28
Administrative Expenses as a percentage of Sales: $\frac{\text{Admin Expenses}}{\text{Sales}}$	9.24%	9.20%	11.58%	10.54%	10.55%

10.2 Revenue Growth Analysis



The Company's revenue increased by approximately 30% over the period represented by the Historical Financial Information (being the financial years ending March 2010 up to and including that ending March 2014). Sales moved from \$239.4 million in 2010 to \$311.1 million in 2014, indicating increased through put and sales to customers over the five (5) year period.

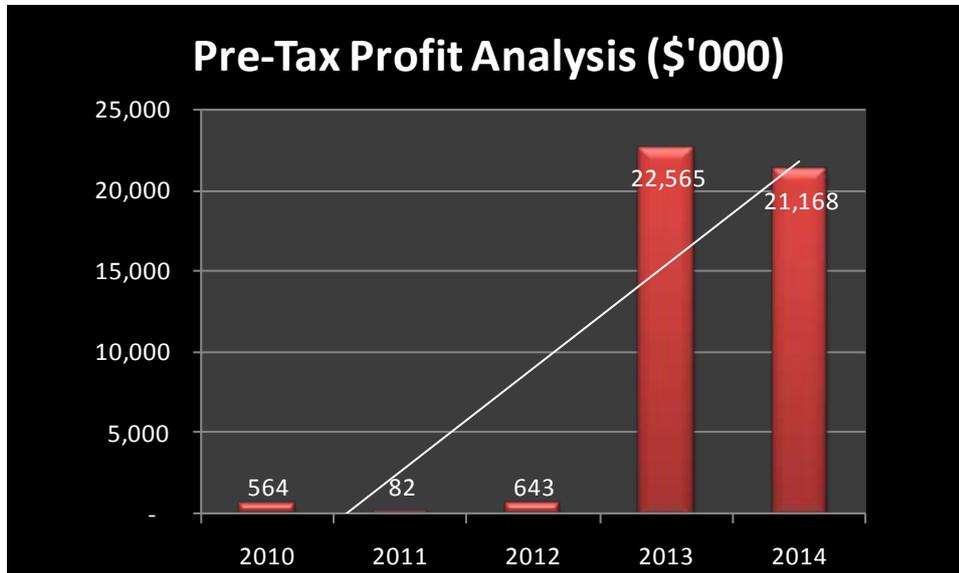
10.3 Gross Profit Analysis



The dollar movement in gross profits over the five years of operations represented by the Historical Financial Information showed growth of 93% over the period, moving from \$25.7 million as at financial year ending March 2010 to \$49.8 million as at financial year ending

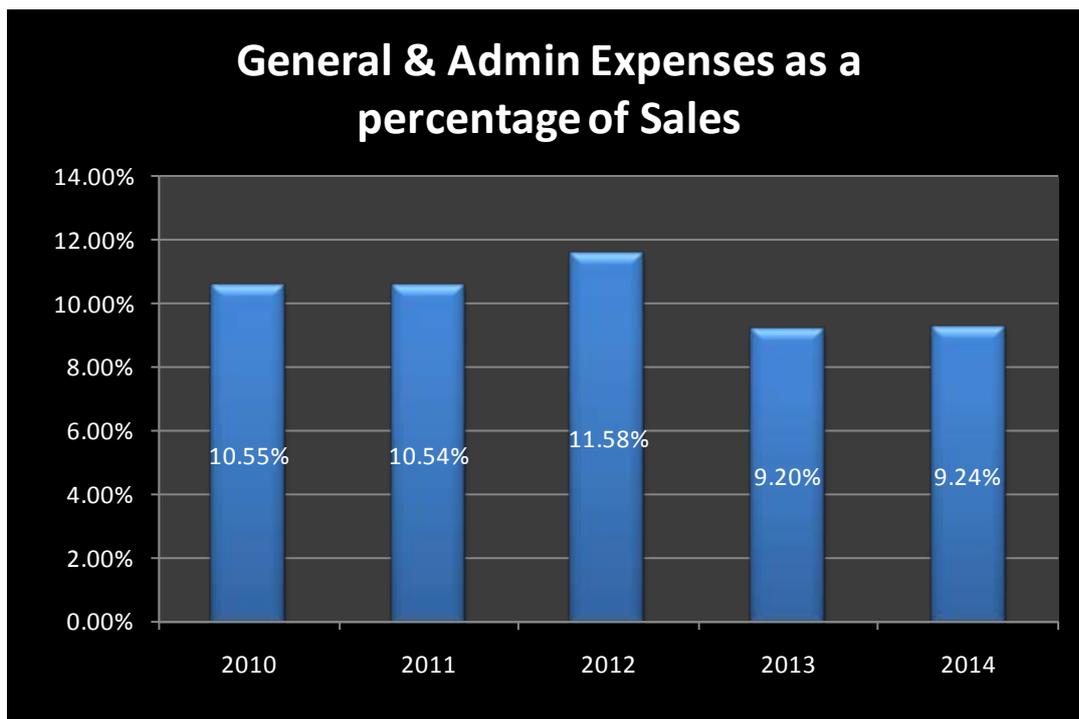
March 2014. Over the five financial years from that ending March 2010 to that ending March 2014 gross profit margin averaged 13.9%.

10.4 Profit before taxation



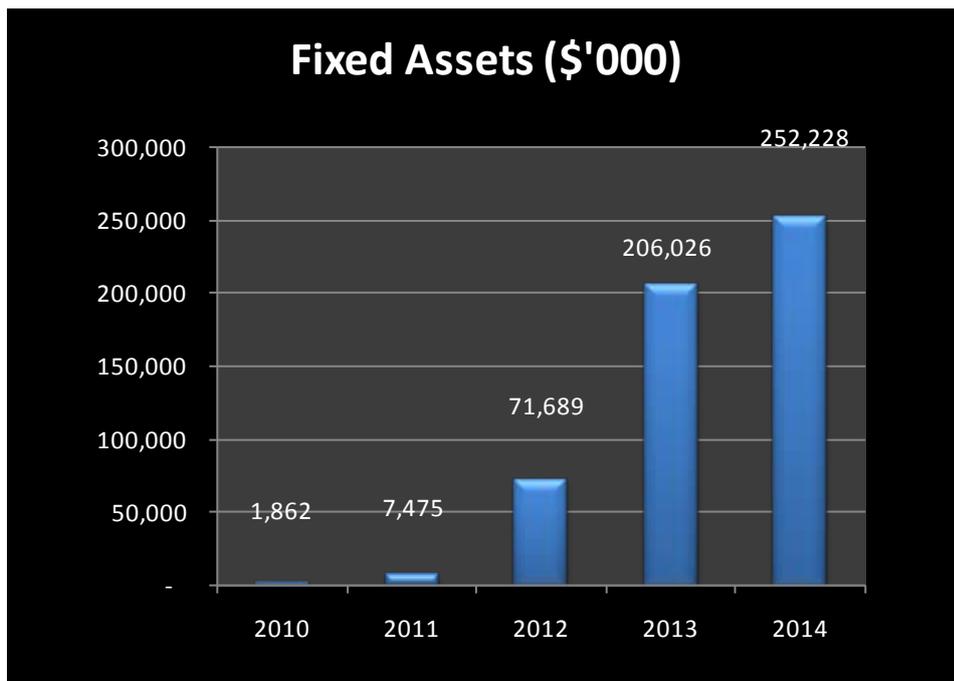
The Company's pre-tax profits rose significantly between 2010 (\$564,000) and 2014 (\$21.2 million). This growth in pre-tax profits is attributable to increased revenues. In financial years 2011 and 2012 lower than expected capacity utilization resulted in flat pre-tax profits for this period.

10.5 General & Administrative Expenses



The Company's expenses increased, moving from \$19.1 million for financial year ending March 2011 to \$28.7 million for period ending March 2014. Sweet River's expenses averaged 10.2% of sales over the period excluding an extraordinary write off of \$6.15 million of inventory in March 2013 which was due to spoilage from inadequate refrigeration facilities.

10.6 Fixed Asset Analysis



Fixed Assets of the Company increased significantly over the period (March 2010, \$1.8 million to \$252M as at March 2014) as the company began the construction of its new facility in February 2012 whilst operating under the lease from Grace Kennedy. The construction is being funded primarily by debt.

Section 11:**Historical Financial Information****Audited Financial Statements and Summary of Four Year Audited Financial Information (2010 – 2013) & unaudited Financial Information for 2014**

The historical financial information is extracted from the audited financial statements of the Company for the twelve month reporting periods ended March 31st in the years 2010 to 2013 inclusive; and the **unaudited** accounts for the year ended March 31st, 2014.

Sweet River Abattoir & Supplies Ltd.					
Income Statement					
Year Ending March 31st	2014	2013	2012	2011	2010
Revenue	311,140,902	286,388,662	207,347,642	181,631,667	239,471,494
Cost of Sales	(261,378,086)	(231,575,545)	(182,709,543)	(160,211,271)	(213,687,233)
Gross Profit	49,762,816	54,813,117	24,638,099	21,420,396	25,784,261
Administrative & General Expenses	28,737,989	32,336,335	24,006,173	19,145,864	25,258,017
Operating Profit before Tax	21,024,827	22,476,782	631,926	2,274,532	526,244
Other Income					
Interest Rec'd	142,831	88,533	10,649	12,591	39,228
Other Income	-	-	-	-	-
Gain/(Loss) on For Ex	-	-	-	(2,204,635)	(1,018)
Profit Before Taxation	21,167,658	22,565,315	642,575	82,488	564,454
Taxation	(5,291,915)	(5,641,329)	(918,925)	(345,839)	(448,603)
Net Surplus after Tax	15,875,744	16,923,986	(276,350)	(263,351)	115,851
Number of Shares	900	900	900	900	900
Balance Sheet					
Non Current Assets	258,808,277	212,605,804	78,269,037	15,359,559	10,321,586
Current Assets	39,888,849	48,019,632	27,128,035	21,637,268	21,227,686
Total Assets	298,697,126	260,625,436	105,397,072	36,996,827	31,549,272
Total Current Liabilities	109,103,796	71,522,331	30,584,545	22,275,067	17,728,581
Non Current Liabilities	124,090,901	140,993,846	43,817,117	-	-
Issue Capital	4,500	4,500	4,500	4,500	4,500
Share Advance	32,757,628	31,240,203	31,050,340	14,500,340	13,700,340
Retained Earnings	32,740,300	16,864,556	(59,430)	216,920	115,851
Total liabilities & equity	298,697,126	260,625,436	105,397,072	36,996,827	31,549,272

HBG ASSOCIATES

CHARTERED ACCOUNTANTS

PARTNERS:
HORACE B GYLES, FCA, FCCA

June 26, 2014

UNITS # 32 & 33 MONTEGO BAY TRADE CENTRE
HOWARD COOKE BOULEVARD,
CATHERINE HALL, MONTEGO BAY , BOX 851
TEL: (876) 979-0031/979-3327/971-8374 FAX: 952-0407
email: hbgyles@gmail.com

The Board of Directors

Sweet River Abattoir & Supplies Company Limited

Sweet River, Ferris

Bluefield P.O., Westmoreland

Dear Sirs,

With respect to the prospectus issued by Sweet River Abattoir & Supplies Company Limited ("the Company") of up to 44,200,000 Ordinary Shares by sale and subscription in an initial public offering for listing on the Junior Market of the Jamaica Stock Exchange, we hereby consent to the inclusion in the Prospectus of our audit report, dated December 10, 2013 on the statement of financial position of the Company as at March 31, 2013 and the related statements of comprehensive income, changes in equity and cash flows for the period then ended, and to the references to our name in the form and context in which they are included in the Prospectus.

We have audited, in accordance with International Standards of Auditing, the separate financial statements of Sweet River Abattoir & Supplies Company Limited as at and for each of the years ended March 31, 2010 through March 31, 2013, and in our reports dated October 13, 2010, November 24, 2011, October 10, 2012 and December 10, 2013 respectively, we expressed unqualified opinions on those financial statements to the effect that the financial statements present a true and fair view.

In our opinion, the extracted statements of financial position and statements of comprehensive income of the company set out in Section 11 of the prospectus are consistent, in all material respects, with the financial statements (where applicable) referred to above, from which they were derived.

For a better understanding of the company's financial position at the reporting dates referred to above, the results of operations for each of the years ended on those dates, and the scope of our audit, the extracted statements of financial position and statements of comprehensive income should be read in conjunction with the financial statements from which they were derived and our audit reports thereon, where applicable.

We confirm that we have not withdrawn such consent before delivery of a copy of the Prospectus to the Financial Services Commission for registration.

This letter should not be regarded as in any way updating the aforementioned reports or representing that we performed any procedures subsequent to the date of such reports.

Yours truly,


CHARTERED ACCOUNTANTS

HBG ASSOCIATES

CHARTERED ACCOUNTANTS

PARTNERS:

HORACE B GYLES, FCA, FCCA

UNITS # 32 & 33 MONTEGO BAY TRADE CENTRE
HOWARD COOKE BOULEVARD,
CATHERINE HALL, MONTEGO BAY , BOX 851
TEL:(876) 979-0031/979-3327/971-8374 FAX:952-0407
email: hbgyles@gmail.com

AUDITORS' REPORT

To the Shareholders

SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED

We have audited the accompanying financial statements of **SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED** (the "Company"), which comprise the balance sheet as at March 31st, 2013 and the related profit and loss, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and the fair presentation of these financial statements in accordance with International Financial Reporting Standards and the requirements of the Jamaican Companies Act. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies; and making estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the accounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentations of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Shareholders of
SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at March 31st, 2013 and of its financial performance, changes in equity and cash flows for the year then ended in accordance with International Financial Reporting Standard and the requirements of the Jamaican Companies Act.

Report on Additional Requirements of the Jamaican Companies Act

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit. In our opinion, proper accounting records have been maintained and the financial statements are in agreement with the accounting records, and give the information required by the Jamaican Companies Act in the manner so required.


CHARTERED ACCOUNTANTS

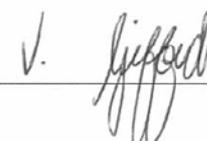
Montego Bay
Jamaica
December 10, 2013

Statement of financial position
March 31, 2013

	Notes	2013	2012 (Restated)	2011 (Restated)
ASSETS				
<u>Non-Current Assets</u>				
Property, plant and equipment	3	206,025,804	71,689,037	7,475,139
Goodwill	4	6,580,000	6,580,000	7,520,000
Deferred tax assets	5	-	-	364,420
Total non-current assets		<u>212,605,804</u>	<u>78,269,037</u>	<u>15,359,559</u>
<u>Current Assets</u>				
Cash resources		5,533,856	6,099,509	3,971,543
Accounts receivable and prepaid expenses	6	23,958,468	12,774,080	9,989,121
Inventories	7	18,465,747	3,553,712	988,917
Directors' current account	8	61,561	1,024,379	4,337,332
Deposit on land	9	-	<u>3,676,355</u>	<u>2,350,355</u>
Total current assets		<u>48,019,632</u>	<u>27,128,035</u>	<u>21,637,268</u>
TOTAL ASSETS		<u>\$260,625,436</u>	<u>105,397,072</u>	<u>36,996,827</u>
<u>LIABILITIES & EQUITY</u>				
<u>Current Liabilities</u>				
Accounts payable and provisions	10	63,203,120	30,092,673	21,929,228
Taxation		5,652,541	491,872	345,839
Current portion of long-term loans	11	<u>2,666,670</u>	-	-
Total current liabilities		<u>71,522,331</u>	<u>30,584,545</u>	<u>22,275,067</u>
<u>Long Term Liabilities</u>				
Long-term loans	11	140,942,394	43,754,453	-
Deferred tax liabilities	5	<u>51,452</u>	<u>62,664</u>	-
Total long-term liabilities		<u>140,993,846</u>	<u>43,817,117</u>	-
Total Liabilities		<u>212,516,177</u>	<u>74,401,662</u>	<u>22,275,067</u>
<u>Equity</u>				
Share capital		4,500	4,500	4,500
Share advance		31,240,203	31,050,340	14,500,340
Accumulated surplus/ (deficit)	Page 5	<u>16,864,556</u>	<u>(59,430)</u>	<u>216,920</u>
TOTAL LIABILITIES & EQUITY		<u>\$260,625,436</u>	<u>105,397,072</u>	<u>36,996,827</u>

The financial statements on pages 3 - 23 were approved for issue by the Board of Directors on September 12, 2013 and signed on its behalf by:


Henry Graham
Chairman
Valdence Gifford


Director

The accompanying notes form an integral part of the financial statements.
 SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED

4

Statement of comprehensive income
 March 31, 2013

	<u>Notes</u>	<u>2013</u>	<u>2012</u>
Operating revenue	2 (i)	286,388,662	207,347,642
Cost of operating revenue		<u>(231,575,545)</u>	<u>(182,709,543)</u>
Gross profit		54,813,117	24,638,099
Administrative & general expense		<u>(32,336,335)</u>	<u>(24,006,173)</u>
Operating profit		22,476,782	631,926
Finance income	12	<u>88,533</u>	<u>10,649</u>
Profit before taxation	13	22,565,315	642,575
Taxation	14	<u>(5,641,329)</u>	<u>(918,925)</u>
Net profit/ (loss) attributable to shareholders		<u>\$ 16,923,986</u>	<u>(276,350)</u>

Statement of changes in shareholders' equity
 March 31, 2013

	Share capital (Note 15)	Share advance (Note 16)	Accumulated surplus/(deficit)	Total
Balances as at March 31, 2011, as previously reported	4,500	14,500,340	(147,500)	14,357,340
Prior year adjustment (See note 17)	-	-	<u>364,420</u>	<u>364,420</u>
Balances as at March 31, 2011, as restated	4,500	14,500,340	216,920	14,721,760
Monies received for shares purchased	-	16,550,000	-	16,550,000
Net profit/(loss) attributable to shareholders:				
- As previously reported	-		85,721	85,721
- Prior year adjustment (See note 17)	-	-	<u>(362,071)</u>	<u>(362,071)</u>
- As restated	-	-	<u>(276,350)</u>	<u>(276,350)</u>
Balances as at March 31, 2012, as restated	4,500	31,050,340	(59,430)	30,995,410
Monies received for shares purchased	-	189,863	-	189,863
Net profit attributable to shareholders	-	-	<u>16,923,986</u>	<u>16,923,986</u>
Balances as at March 31, 2013	<u>\$4,500</u>	<u>31,240,203</u>	<u>16,864,556</u>	<u>48,109,259</u>

Statement of cash flows
 March 31, 2013

	<u>2013</u>	<u>2012</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit/ (loss) attributable to shareholders	16,923,986	(276,350)
Adjustments to reconcile profit to cash provided by operating activities:		
Depreciation	301,120	178,458
Impairment- Goodwill	-	940,000
Deferred taxation	(11,212)	427,084
Taxation expense	5,652,541	491,841
Interest income	<u>(17,201)</u>	<u>(9,349)</u>
Operating surplus before changes in working capital	22,849,234	1,751,684
Accounts receivable prepaid expenses	(11,184,388)	(2,784,959)
Inventories	(14,912,035)	(2,564,795)
Directors' current account	962,818	3,312,953
Accounts payable & provisions	<u>33,110,447</u>	<u>8,163,445</u>
Net cash generated by operations	30,826,076	7,878,328
Taxation paid	(491,872)	(345,808)
Interest received	<u>17,201</u>	<u>9,349</u>
Net cash inflows from operating activities	<u>30,351,405</u>	<u>7,541,869</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment, being Net cash outflows from investing activities	<u>(130,961,532)</u>	<u>(65,718,356)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term loans, net	99,854,611	43,754,453
Monies received for shares purchased	<u>189,863</u>	<u>16,550,000</u>
Net cash inflows from financing activities	<u>100,044,474</u>	<u>60,304,453</u>
(Decrease)/ increase in cash resources	(565,653)	2,127,966
Cash resources at the start of the year	<u>6,099,509</u>	<u>3,971,543</u>
	<u>\$ 5,533,856</u>	<u>6,099,509</u>
Cash resources comprise:		
Cash and bank balances	<u>\$ 5,533,856</u>	<u>6,099,509</u>

Notes to the financial statements
March 31, 2013

1. The company

Sweet River Abattoir & Supplies Company Limited (“the company”) is a limited liability company incorporated under the laws of Jamaica on April 2, 2009. The principal activity of the company is the slaughtering of pigs, the sale of pork and other agricultural products.

2. Statement of compliance, basis of preparation and significant accounting policies

- (a) Standards and disclosures affecting amounts reported in the current and/or prior periods:

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations issued by the International Accounting Standards Board (IASB).

There were no Standards or Interpretations effective in the current year that affected the presentations or disclosures in the financial statements or the reported financial performance or position.

Standards and Interpretations affecting the reported financial performance and/ or financial position

There were no Standards and Interpretations that were applied in the year that affected reported financial performance and/ or financial position.

Standards and Interpretations adopted with no effect on the financial statements

The following new and revised standards and interpretations have also been adopted in these financial statements. Their adoption has not had any impact on the amounts reported in these financial statements but may impact the accounting for future transactions.

		Effective for annual periods beginning on or after <u>Amendments to Standards</u>
IFRS 1	First-time adoption of IFRS - Replacement of fixed dates for certain exceptions with the date of transition to IFRS	July 1, 2011
<u>Amendments to Standards</u>		
IFRS 7	Financial Instruments: Disclosures - Amendments enhancing disclosures about transfers of financial assets	July 1, 2011
IFRS 1	Presentation of Financial Statements - Amendments to revise the way other comprehensive income is presented	July 1, 2012

Notes to the financial statements
March 31, 2013

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

Standards and Interpretations in issue not yet effective

At the date of authorisation of these financial statements, the following Standards and Interpretations were in issue but not effective for the financial period being reported on:

		<u>Effective for annual periods beginning on or after</u>
<u>New and Revised Interpretations</u>		
IAS 1, 16, 32, 34 and IFRS 1	Amendments arising from 2009-2011 Annual Improvements to IFRS	January 1, 2013
IAS 19	Employee Benefits – Amended standard Resulting from Post Employment Benefits And Termination Benefits projects	January 1, 2013
IAS 32	Financial Instruments: - Amendments to application guidance on the offsetting of financial assets and liabilities	January 1, 2014
IFRS 1	First-time Adoption of International Financial Reporting Standards - Amendment for Government loan with below market rate of interest when transitioning to IFRS	July 1, 2013
IFRS 7	Financial Instruments: Disclosures - Amendment enhancing disclosures about offsetting financial assets and financial liabilities - Amendments requiring disclosures about the initial application of IFRS 9	January 1, 2013 January 1, 2015 (or otherwise when IFRS 9 is first applied)
IFRS 9	Financial Instruments: Classification and Measurement of financial assets	January 1, 2015
IFRS 13	Fair Value Measurement	January 1, 2013

Management have assessed the impact that all the new and revised Standards and Interpretations in issue not yet effective and have concluded that the following are relevant to the operations of the company:

Notes to the financial statements

March 31, 2013

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

- (a) Standards and disclosures affecting amounts reported in the current and/or prior periods (cont'd):

Standards and Interpretations in issue not yet effective (cont'd):

New and Revised Interpretations

Amendments to IAS 16

The amendments to IAS 16 clarify that spare parts, stand-by equipment and servicing equipment should be classified as property, plant and equipment when they meet the definition of property, plant and equipment in IAS 16 and as inventory otherwise. Management anticipates that the amendments to IAS 16 will have no effect on the company's financial statements.

Amendments to IFRS 7 and IAS 32 Offsetting Financial Assets and Financial Liabilities and the related disclosures

The amendments to IAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically the amendments clarify the meaning of "currently has a legally enforceable right of set off" and "simultaneous realization and settlement".

The amendments to IFRS 7 require entities to disclose information about rights of offset of financial assets and related arrangements (such as collateral posting requirements) for financial instrument under enforceable master netting agreement or similar arrangement. The board of director does not anticipate that the amendments will have a significant effect on the company's financial statements.

IFRS 9 Financial Instruments

The Standard introduces new requirements for the classification and measurement of financial assets and liabilities and for derecognition. IFRS 9 requires all recognised financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortised cost or fair value. A debt instrument that (1) is held within a business model whose objective is to collect the contractual cash flows and (2) has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding generally must be measured at amortised cost. All other debt instruments must be measured at fair value through profit or loss (FVTPL). The most significant effect of IFRS 9 regarding the classification and measurement of financial liabilities relates to the accounting changes in fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in credit risk of that liability. Specifically, under IFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to financial liability's credit risk are not subsequently reclassified to profit or loss.

Notes to the financial statements
March 31, 2013

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

b) Basis of preparation

The financial statements are presented in Jamaica dollars (\$), which is the company's functional currency. The financial statements are prepared under the historical cost convention. The preparation of the financial statements to conform to IFRS requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities, contingent assets and contingent liabilities at the statement of financial position date, and the income and expense for the period then ended. Actual amounts could differ from these estimates.

Where necessary prior year comparatives have been reclassified and restated to conform to current year presentation.

c) Use of estimates and judgment:

(i) Allowance for impairment losses on trade receivables:

In determining amounts recorded for impairment losses on trade receivables 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 receivables. Management also makes estimates of the likely future cash flows from impaired receivables as well as the timing of such cash flows. Historical loss experience is applied where indicators of impairment are not observable on individual significant receivables with similar characteristics such as credit risk.

(ii) Net realisable value of inventories:

Estimates of net realisable value are based on the most reliable evidence available at the time the estimates are made of the amounts the inventories are expected to realise. These estimates take into consideration fluctuations of price or cost directly relating to events after the period end to the extent that such events confirm conditions existing at the end of the period.

(iii) Residual value and expected useful life of property, plant and equipment:

The residual value and expected useful life of an asset are revised at least annually. If expectations differ from previous estimates, the change is accounted for. The useful life of an asset is determined in terms of the assets expected utility to the company.

d) Foreign currency transactions:

Foreign currency transactions are converted at the rate prevailing at the dates of those transactions. Monetary assets and liabilities denominated in foreign currency at the reporting date are translated to Jamaican dollars at rates of exchange ruling on that date.

Notes to the financial statements

March 31, 2013

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

d) Foreign currency transactions (cont'd):

Gains and losses arising from fluctuations in exchange rates are recognised in the statement of comprehensive income. For the purpose of the statement of cash flows, all foreign currency gains and losses recognised in the income statement are treated as cash items and are included in cash flows from operating and financing activities.

e) Property, plant and equipment:

(i) Owned assets

Items of equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of replacing part of the asset is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The cost of the day-to-day servicing of equipment are recognised in profit or loss.

(ii) Depreciation

Depreciation is computed on the straight line basis to write off the cost of equipment over their expected useful lives. Annual rate is as follows:

Leasehold Improvement	-	2.5 %
Furniture	-	20 %
Equipment		-10%
Computers		-25%

f) Impairment:

The carrying amounts of the company's assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If any such indication exists, an asset's recoverable amount is estimated at each statement of financial position date.

An impairment loss is recognised whenever the carrying amount of an asset, or group of operating assets, exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income.

Notes to the financial statements

March 31, 2013

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

f) Impairment (cont'd):

(i) Calculation of recoverable amounts

The recoverable amount of assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit or pool of assets to which the asset belongs.

Impairment losses in respect of cash generating units are allocated firstly to reduce the carrying amount of any goodwill allocated to cash generating units and then to reduce the carrying amount of other assets in the unit on a pro-rated basis

(ii) Reversals of impairment

An impairment loss in respect of receivables carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

An impairment loss in respect of investments classified as held-for-sale is not reversed in the statement of comprehensive income. In respect of all other assets, an impairment loss is reversed if there is an indication that the impairment loss no longer exists and there has been a change in the estimates used to determine the recoverable amount.

g) Inventories:

Inventories are valued at the lower of cost and net realisable value, and impairment loss, if any. The cost of inventories is based on the first-in-first-out method and includes expenditure incurred in acquiring the inventories, and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

h) Accounts receivable:

Accounts receivable are stated at cost less impairment losses, (see note 2(f)).

i) Revenue recognition:

Operating revenue represents the price of goods provided to third parties during the year net of General Consumption Tax (GCT).

Notes to the financial statements

March 31, 2013

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

j) Cash resources:

Cash resources comprise cash and bank balances, and include short term deposits with maturities ranging between one and twelve months from the statement of financial position date.

Bank overdrafts, that are repayable on demand and form an integral part of the company's cash management activities, are included as a component of cash resources for the purpose of the statement of cash flows.

k) Accounts payable:

Accounts payable are stated at amortised cost.

l) Provisions:

A provision is recognised in the statement of financial position when the company has a legal or constructive obligation as a result of past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

m) Taxation:

Taxation on the profit or loss for the year comprises current and deferred tax, and is recognised in the statement of comprehensive income.

Current tax is the expected tax payable on the income for the year, using tax rates enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is computed using the statement of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the statement of financial position date.

A deferred tax liability is recognised for all taxable temporary differences except to the extent that the company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Notes to the financial statements

March 31, 2013

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

n) Financial instruments:

A financial instrument is any contract that gives rise to financial assets of one enterprise and a financial liability or equity instrument of another enterprise. For these financial statements, financial assets have been determined to include cash resources, accounts receivable and directors' balances. Similarly, financial liabilities include accounts payable and provisions and long term loans.

o) Foreign currency translations:

Foreign currency translations are accounted for at the exchange rates prevailing at the date of the transactions. Assets and liabilities denominated in foreign currencies are translated into Jamaican dollars at the exchange rates prevailing at the statement of financial position date. Gains and losses arising from fluctuations in exchange rates are reflected in the statement of comprehensive income.

p) Determination of fair values:

Fair value amounts represent estimates of the arm's length consideration that would be currently agreed between knowledgeable, willing parties who are under no compulsion to act and is best evidenced by a quoted price, if one exists. Some financial instruments lack an available trading market. These instruments have been valued using present value or other generally accepted valuation techniques and the fair value shown may not necessarily be indicative of the amounts realisable in an immediate settlement of the instruments.

q) Related parties:

A party is related to the company, if:

- (i) directly, or indirectly through one or more intermediaries, the party:
 - (a) controls, is controlled by, or is under common control with the company (this affiliated entity is controlled by the directors);
 - (b) has an interest in the company that gives it significant influence over company; or
 - (c) has joint control over the company;
- (ii) the party is an associate of the company
- (iii) the party is a joint venture in which the company is a venture
- (iv) the party is a member of the key management personnel of the entity or its parent;
- (v) the party is a close member of the family of any individual referred to in (i) or (iv);or

Notes to the financial statements

March 31, 2013

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

q) Related parties:

- (vi) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v)
- (vii) the party is a post-employment benefit plan for the benefit of employees of the company.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

The company has a related party relationship with its directors, affiliated entities controlled by its directors and key management personnel. "Key management personnel" represents certain senior officers of the company.

r) Goodwill:

Goodwill is the excess of consideration transferred in exchange for the acquirees identifiable assets. Goodwill is tested annually for impairment. (see note 2(f)).

s) Borrowing costs:

Borrowing costs that are directly attributable to the acquisition of or construction of a 'qualifying asset' are included in the cost of the asset. A qualifying asset is an asset that takes substantial period of time to get ready for its intended use or sale. For the purpose of these financial statements, borrowing cost attributable to the construction of an abattoir is capitalised (see note 3).

3. Property, plant & equipment

	<u>Freehold land</u>	<u>Construction work-in-progress</u>	<u>Leasehold improvements</u>	<u>Computer, furniture & equipment</u>	<u>Total</u>
Cost:					
April 1, 2011	-	5,713,357	1,176,641	823,926	7,713,924
Additions	<u>-</u>	<u>62,791,056</u>	<u>-</u>	<u>1,601,300</u>	<u>64,392,356</u>
March 31, 2012	-	68,504,413	1,176,641	2,425,226	72,106,280
Additions (see note 9)	<u>4,907,975</u>	<u>129,729,912</u>	<u>-</u>	<u>-</u>	<u>134,637,887</u>
March 31, 2013	<u>4,907,975</u>	<u>198,234,325</u>	<u>1,176,641</u>	<u>2,425,226</u>	<u>206,744,167</u>

Notes to the financial statements

March 31, 2013

3. Property, plant & equipment (cont'd)

	<u>Freehold land</u>	<u>Construction work-in-progress</u>	<u>Leasehold improvements</u>	<u>Computer, furniture & equipment</u>	<u>Total</u>
Depreciation:					
April 1, 2011	-	-	58,832	179,953	238,785
Charge for the year	-	-	<u>29,416</u>	<u>149,042</u>	<u>178,458</u>
March 31, 2012	-	-	88,248	328,995	417,243
Charge for the year	-	-	<u>29,416</u>	<u>271,704</u>	<u>301,120</u>
March 31, 2013	-	-	<u>117,664</u>	<u>600,699</u>	<u>718,363</u>
Net book value:					
2013	<u>\$4,907,975</u>	<u>198,234,325</u>	<u>1,058,977</u>	<u>1,824,527</u>	<u>206,025,804</u>
2012	\$-	<u>68,504,413</u>	<u>1,088,393</u>	<u>2,096,231</u>	<u>71,689,737</u>
2011	\$-	<u>5,713,357</u>	<u>1,117,809</u>	<u>643,973</u>	<u>7,475,139</u>

Construction work-in-progress represents the costs incurred to date to construct the company's abattoir including borrowing costs. Borrowing costs capitalized during the year was \$8,443,364.

4. Goodwill

This represents the excess money paid, to Grace Food Processors, over the value of the physical assets taken over for the business. No impairment was charged during the year (2012:\$940,000).

5. Deferred tax liabilities

The net deferred tax liability is attributable to temporary differences arising between financial statement and tax accounting in respect of the following:

	<u>2013</u>	<u>2012</u>
Property, plant and equipment	<u>\$51,452</u>	<u>62,664</u>

All temporary differences are recognised in the statement of comprehensive income.

Notes to the financial statements

March 31, 2013

6. Accounts receivable and prepaid expenses

Accounts receivable and prepaid expenses represent:

	<u>2013</u>	<u>2012</u>
Trade receivables	23,464,224	12,510,448
Staff loans	330,659	137,998
Prepayments	<u>163,585</u>	<u>125,634</u>
	<u>\$23,958,468</u>	<u>12,774,080</u>

No impairment loss was recognised during the year.

7. Inventories

Inventories represent:

	<u>2013</u>	<u>2012</u>
Finished goods	18,042,916	3,379,370
Packaging material	<u>422,831</u>	<u>174,342</u>
	<u>\$18,465,747</u>	<u>3,553,712</u>

No impairment loss was recognised during the year.

8. Directors' current account

Directors' current account represents net advances to directors which are expected to be repaid within twelve (12) months.

9. Deposit on land

This represented a down payment of \$3,676,355 (2012: \$2,350,355) on a parcel of land in the prior year for the establishment of the company's new abattoir. The purchase was completed during the year and is included in additions to property, plant and equipment (See note 3).

10. Accounts payable and provisions

Accounts payable and provisions represent:

		<u>2013</u>	<u>2012</u>
Trade payable	(i)	28,357,070	17,821,441
Accrued expenses		2,039,300	524,300
Statutory payables		155,812	-
Contractual liabilities		25,832,601	5,166,614
Other payable		<u>6,818,337</u>	<u>6,580,318</u>
		<u>\$63,203,120</u>	<u>30,092,673</u>

(i) Included in this amount is \$15,485,627 (2012: \$17,821,441) payable to related parties.

Notes to the financial statements
 March 31, 2013

11. Long-term loans

Long-term loans represent:

		<u>2013</u>	<u>2012</u>
First Global Bank Limited	(i)	110,600,000	43,754,453
First Global Bank Limited	(ii)	<u>33,009,064</u>	<u>-</u>
		143,609,064	43,754,453
Less current portion		(2,666,670)	<u>-</u>
		<u>\$140,942,394</u>	<u>43,754,453</u>

(i) This is a Development Bank of Jamaica non-revolving demand loan that was taken to aid in the construction of the company's abattoir. The loan bears interest at the rate of 9.5% per annum and has an eighteen months moratorium on principal payments. Thereafter, it is repayable in sixty six (66) monthly principal repayments of \$1,675,757.58 plus interest.

(ii) This is a Development Bank of Jamaica non-revolving demand loan that was taken to aid in the construction of the company's abattoir. The loan bears interest at the rate of 9.5% per annum and has a nine (9) months moratorium on principal payments. Thereafter, it is repayable in seventy four (74) monthly principal repayments of \$533,334 plus interest.

Both loans are secured by first legal mortgage over commercial property located at Sweet River, Ferris, Westmoreland, bill of sale over abattoir equipment and personal guarantees by the directors.

12. Finance income

Finance income primarily represents foreign exchange gain on transactions that are denominated in United States Dollar.

13. Profit before taxation

The profit before taxation is stated after charging the following:

	<u>2013</u>	<u>2012</u>	
		\$	\$
Auditor's remuneration	420,000	420,000	
Directors' emoluments	987,660	1,075,620	
Depreciation	301,120	178,458	
Related party purchases	<u>85,994,138</u>	<u>54,722,414</u>	

Notes to the financial statements
 March 31, 2013

14. Taxation

- (a) The taxation is based on the profit for the year adjusted for tax purposes and is made up as follows:

	<u>2013</u>	<u>2012</u>
Current tax expense		
Income tax expense	5,652,541	491,841
Deferred tax		
Origination and reversal of temporary differences	(11,212)	427,084
	<u>\$5,641,329</u>	<u>918,925</u>

- (b) Reconciliation of effective tax rate:

	<u>2013</u>	<u>2012</u>
Profit before taxation	22,565,315	642,575
Computed "expected" tax expense @ 25% (2012: 33 1/3%)	5,641,329	214,192
Tax effect of differences between losses for financial statements and tax reporting purposes		
Depreciation and capital allowance	-	704,733
Actual expense in the statement of comprehensive income	<u>\$5,641,329</u>	<u>918,925</u>

15. Share capital

	<u>2013</u>	<u>2012</u>
Authorised:		
1,000 Ordinary shares at \$5 each	<u>\$5,000</u>	<u>5,000</u>
Issued:		
900 Ordinary shares at \$5 each	<u>\$4,500</u>	<u>4,500</u>

16. Share advance

Share advance represents the purchase of shares for which share certificates are not yet issued.

17. Prior year adjustment

Prior year adjustment primarily represent deferred tax liabilities recognised on temporary differences on the value of property, plant and equipment for financial statements and tax reporting purposes.

Notes to the financial statements
 March 31, 2013

18. Financial instruments

(a) Fair value of financial instruments

- (i) Fair value amounts represent estimates of the arms-length consideration that would be currently agreed between knowledgeable, willing parties who are under no compulsion to act and is best evidenced by a quoted market. Where such instruments exist, they are valued using present value or other valuation techniques and the fair value shown may not necessarily be indicative of the amounts realisable in an immediate settlement of the instruments.
- (ii) The carrying value reflected in the financial statements for cash resources, accounts receivable and accounts payable are assumed to approximate to their fair value due to their short term nature.

(b) Financial instruments risks:

The company has exposure to the following risks from its use of financial instruments: credit risk, market risk, liquidity risk and cash flow risk. Information about the company's exposure to each of the above risks, the company's objectives, policies for measuring and managing risk is detailed below.

The directors have overall responsibility for the establishment and oversight of the company's risk management framework.

The risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risk and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities.

(c) Credit risk:

Credit risk is the risk that one party to a financial instrument will fail to discharge and cause the other party financial loss.

	<u>2013</u>	<u>2012</u>
Cash resources	5,533,856	6,099,509
Accounts receivable and prepaid expenses	23,958,468	12,774,080
Deposit on land	-	3,676,355
Directors' current account	<u>61,561</u>	<u>1,024,379</u>
	<u>\$29,553,885</u>	<u>23,574,323</u>

Cash resources are placed with reputable financial institutions with minimal chance of default.

Credit is only extended to customers with good credit history.

Notes to the financial statements
March 31, 2013

18. Financial instrument (cont'd)

(c) Credit risk (cont'd):

	<u>2013</u>		<u>2012</u>	
	Gross	Impairment	Gross	Impairment
0-30 days	21,708,816	-	9,415,002	-
Past due 31-60 days	6,396	-	113,676	-
Past due 61-90 days	34,427	-	36,404	-
More than 90 days	<u>1,714,585</u>	-	<u>2,945,366</u>	-
	<u>\$23,464,224</u>	-	<u>12,510,448</u>	-

(d) Market risk:

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in the market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market.

(i) Interest rate risk:

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

As at the reporting date interest bearing liabilities were:

	<u>2013</u>	<u>2012</u>
Long-term loans	<u>\$143,609,064</u>	<u>43,754,453</u>

(ii) Foreign currency risk:

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The company incurs foreign currency risk primarily on accounts receivable balances that are denominated in United States Dollar. As at March 31, 2013, the company had net foreign currency asset of US\$59,759 (2012: US\$62,043).

Exchange rates for the US dollar in terms of the Jamaica dollar were as follows:

March 31, 2013	\$98.89
March 31, 2012	\$87.30

Foreign currency sensitivity analysis:

The following table details the company's sensitivity to a 10% strengthening or 5% weakening of the United States dollar against the Jamaica dollar and the resultant net exchange gains/ (losses) based on the foreign currency assets at year end. These percentages represent management's assessment of the reasonably possible change in foreign currency rates. This analysis assumes that all other variables, in particular interest rates, remain constant.

Notes to the financial statements
March 31, 2013

18. Financial instrument (cont'd)

(d) Market risk (cont'd):

(ii) Foreign currency risk (cont'd):

	<u>2013</u>	<u>2012</u>
10% Devaluation of J\$ Loss on United States dollar (US\$)	<u>\$590,419</u>	<u>541,635</u>
5% Revaluation of J\$ Gain on United States dollar (US\$)	<u>\$(295,209)</u>	<u>(270,818)</u>

(e) Liquidity risk:

Liquidity risk, also referred to as funding risk, is the risk that the company will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell financial assets quickly at or close to its fair value. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and ensuring the availability of funding through an adequate amount of committed credit facilities.

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>0-1 year</u>	<u>1-5 years</u>	<u>6-10 years</u>
<u>March 31, 2013</u>					
Accounts payable	63,203,120	63,203,120	63,203,120	-	-
Long-term loans	<u>143,609,064</u>	<u>218,644,799</u>	<u>2,920,004</u>	<u>195,504,604</u>	<u>20,220,191</u>
	<u>\$206,812,184</u>	<u>281,847,919</u>	<u>66,123,124</u>	<u>195,504,604</u>	<u>20,220,191</u>

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>0-1 year</u>	<u>1-5 years</u>
<u>March 31, 2012</u>				
Accounts payable	30,092,673	30,092,673	30,092,673	-
Long-term loans	<u>43,754,453</u>	<u>68,694,491</u>	<u>13,738,898</u>	<u>54,955,593</u>
	<u>\$73,847,126</u>	<u>98,787,164</u>	<u>43,831,571</u>	<u>54,955,593</u>

Management aims at maintaining flexibility in funding by keeping lines of funding available as well as by acquiring and maintaining prudent cash resources in appropriate currencies required to settle commitments.

Notes to the financial statements

March 31, 2013

18. Financial instrument (cont'd)

(f) Cash flow risk:

Cash flow risk is the risk that future cash flows associated with a monetary financial instrument will fluctuate in amount. The company manages this risk by generally ensuring that cash flows relating to monetary financial assets and liabilities are matched.

(g) Operational risk:

Operational risk is the risk of direct or indirect losses arising from a wide variety of causes associated with the entity's processes, personnel, technology, infrastructure and external factors, other than financial risks, such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior.

The company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to its reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management.

(h) Business risk:

Business risk is defined as the risk to the company arising from changes in its business, including the risk that the company may not be able to carry out its business plan and its desired strategy. The main business risks identified are the risk of failure of management and the risk of policy change from government rendering the company's business model infeasible. To counter this, the company has a good governance structure.

SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED

Appendix

Supplementary information
March 31, 2013

	<u>2013</u>	<u>2012</u>
Administrative and general expenses:		
Advertising & promotion	383,299	264,989
Asset tax	100,000	35,000
Auditing & accounting fees	494,300	489,300
Bank charges	494,766	2,707,504
Cleaning & sanitation	27,811	25,731
Courier expenses	3,322	-
Depreciation	301,120	178,458
Directors' emoluments	987,660	1,075,620
Donation	5000	-
Electricity	4,468,004	2,838,515
Haulage	5,233,740	3,901,000
Impairment - Goodwill	-	940,000
Insurance	155,491	25,127
Meetings & conventions	596,282	323,829
Motor vehicle upkeep & mileage	1,970,000	1,920,000
Pilferage	-	83,570
Printing & stationery	197,534	108,260
Professional fees	133,170	158,600
Rate & taxes, license & permit	158,580	98,152
Rent	720,000	720,000
Repairs & maintenance	769,327	324,614
Salaries & related expenses	6,302,425	6,237,116
Security	495,422	375,000
Spoilage	6,150,107	380,471
Staff welfare	49,779	45,056
Storage	1,450,000	-
Telephone	410,431	381,929
Travelling & transportation	<u>278,765</u>	<u>368,332</u>
	<u>\$32,336,335</u>	<u>24,006,173</u>

Unaudited Accounts for April 1, 2013 to March 31, 2014

SWEET RIVER ABATTOIR & SUPPLIES
COMPANY LIMITED

Unaudited Financial Statements
31 March 2014

CONTENTS

	<u>Page</u>
Financial Statements	
Statement of financial position	1
Statement of comprehensive income	2
Statement of changes in shareholders' equity	3
Statement of cash flows	4
Notes to the financial statements	5-11
Supplementary information	Appendix I

SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED

Statement of financial position
31 March 2014

	Note	2014	2013
ASSETS			
<u>Non-Current Assets</u>			
Property, plant and equipment	3	252,228,277	206,025,804
Goodwill		6,580,000	6,580,000
Deferred tax assets		-	-
Total non-current assets		258,808,277	212,605,804
<u>Current Assets</u>			
Cash resources		3,934,208	5,533,856
Accounts receivable and prepaid expenses	4	13,818,914	23,958,468
Inventories	5	22,135,726	18,465,747
Directors' current account		-	61,561
Total current assets		39,888,849	48,019,632
TOTAL ASSETS		298,697,126	260,625,436
<u>LIABILITIES & EQUITY</u>			
<u>Current Liabilities</u>			
Accounts payable and provisions	6	44,322,425	63,203,120
Taxation		7,162,037	5,652,541
Directors' current account		628,261	-
Bank overdraft		30,481,975	-
Current portion of long-term loans	7	26,509,099	2,666,670
Total current liabilities		109,103,796	71,522,331
<u>Long Term Liabilities</u>			
Long-term loans	7	124,090,901	140,942,394
Deferred tax liabilities		-	51,452
Total long-term liabilities		124,090,901	140,993,846
Total Liabilities		233,194,697	212,516,177
<u>Equity</u>			
Share capital	11	4,500	4,500
Share advance	12	32,757,628	31,240,203
Accumulated surplus	Page 3	32,740,300	16,864,556
TOTAL LIABILITIES & EQUITY		298,697,126	260,625,436

SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED

Statement of profit or loss and other comprehensive income
31 March 2014

	<u>Notes</u>	<u>2014</u> \$	<u>2013</u> \$
Operating revenue	8	311,140,902	286,388,662
Cost of operating revenue		<u>(261,378,086)</u>	<u>(231,575,545)</u>
Gross profit		49,762,816	54,813,117
Administrative & general expense		<u>(28,737,989)</u>	<u>(32,336,335)</u>
Operating profit		21,024,827	22,476,782
Finance income	9	<u>142,831</u>	<u>88,533</u>
Profit before taxation	10	21,167,659	22,565,315
Taxation	11	<u>(5,291,915)</u>	<u>(5,641,329)</u>
Net profit attributable to shareholders		<u><u>15,875,744</u></u>	<u><u>16,923,986</u></u>

SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED

Statement of changes in shareholders' equity

31 March 2014

	<u>Share capital</u>	<u>Share advance</u>	<u>Accumulated surplus/(deficit)</u>	<u>Total</u>
Balances as at 01 April 2012	4,500	31,050,340	(59,430)	30,995,410
Monies received for shares purchased	-	189,863	-	189,863
Net profit attributable to shareholders	-	-	16,923,986	16,923,986
Balances as at 31 March 2013	<u>4,500</u>	<u>31,240,203</u>	<u>16,864,556</u>	<u>48,109,259</u>
Monies received for shares purchased	-	1,517,425	-	1,517,425
Net profit attributable to shareholders	-	-	15,875,744	15,875,744
Balances as at 31 March 2014	<u><u>4,500</u></u>	<u><u>32,757,628</u></u>	<u><u>32,740,300</u></u>	<u><u>65,502,428</u></u>

SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED

Statement of cash flows
31 March 2014

	<u>2014</u>	<u>2013</u>
	£	£
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit/ (loss) attributable to shareholders	15,875,744	16,923,986
Adjustments to reconcile profit to cash provided by operating activities:		
Depreciation	291,533	301,120
Impairment - Goodwill	-	-
Deferred taxation	-	(11,212)
Taxation expense	5,291,915	5,652,541
Interest income	(10,368)	(17,201)
Operating surplus before changes in working capital	<u>21,448,824</u>	<u>22,849,234</u>
Accounts receivable prepaid expenses	10,139,554	(11,184,388)
Inventories	(3,669,979)	(14,912,035)
Directors' current account	638,370	962,818
Accounts payable & provisions	(18,880,695)	33,110,447
Net cash generated by operations	<u>9,676,073</u>	<u>30,826,076</u>
Taxation paid	(3,782,419)	(491,872)
Interest received	10,368	17,201
Net cash inflows from operating activities	<u>5,904,021</u>	<u>30,351,405</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment, being		
Net cash outflows from investing activities	(46,494,006)	(130,961,532)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term loans, net	6,990,936	99,854,611
Monies received for shares purchased	1,517,425	189,863
Net cash inflows from financing activities	<u>8,508,362</u>	<u>100,044,474</u>
(Decrease)/ increase in cash resources	(32,081,623)	(565,653)
Cash resources at the start of the year	5,533,856	6,099,509
	<u>(26,547,767)</u>	<u>5,533,856</u>
Cash resources comprise:		
Cash and bank balances	3,934,208	5,533,856
Bank overdraft	(30,481,975)	-
	<u>(26,547,767)</u>	<u>5,533,856</u>

SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED

Statement of cash flows

31 March 2014

3. Property, plant & equipment

	Freehold land	Construction WIP	Leasehold improvements	Computer, Furniture & equipment	Total
Cost:					
1-Apr-12	-	68,504,413	1,176,641	2,425,226	72,106,280
Additions	4,907,975	129,729,912	-	-	134,637,887
31-Mar-13	4,907,975	198,234,325	1,176,641	2,425,226	206,744,167
Additions	-	46,459,523	-	34,483	46,494,006
31-Mar-14	4,907,975	244,693,848	1,176,641	2,459,709	253,238,173
Depreciation:					
1-Apr-12	-	-	88,248	328,995	417,243
Charge for the year	-	-	29,416	271,704	301,120
31-Mar-13	-	-	117,664	600,699	718,363
Charge for the year	-	-	29,416	262,117	291,533
31-Mar-14	-	-	147,080	862,816	1,009,896
Net book value:					
2014	4,907,975	244,693,848	1,029,561	1,596,893	252,228,277
2013	4,907,975	198,234,325	1,058,977	1,824,527	206,025,804

Construction work-in-progress represents the costs incurred to date to construct the company's abattoir including borrowing costs. Borrowing costs capitalized during the year was \$17,009,303 (\$8,443,364 in 2013).

4. Accounts receivable and prepaid expenses

Accounts receivable and prepaid expenses represent:

	2014	2013
Trade receivables	13,076,062	23,464,224
Staff loans	580,659	330,659
Prepayments	162,193	163,585
	13,818,914	23,958,468

No impairment loss was recognised during the year.

5. Inventories

Inventories represent:

	2014	2013
Finished goods	21,879,728	18,042,916
Packaging material	255,998	422,831
	22,135,726	18,465,747

No impairment loss was recognised during the year.

SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED

Statement of cash flows

31 March 2014

6. Accounts payable and provisions

Accounts payable and provisions represent:

		<u>2014</u>	<u>2013</u>
Trade payable	(i)	36,403,996	28,357,070
Accrued expenses		700,000	2,039,300
Statutory payables		124,533	155,812
Contractual liabilities		1,161,579	25,832,601
Other payable		5,932,317	6,818,337
		<u>44,322,425</u>	<u>63,203,120</u>

(i) Included in this amount is \$12,134,950 (2013: \$15,485,627) payable to related parties.

7. Long-term loans

Long-term loans represent:

		<u>2014</u>	<u>2013</u>
First Global Bank Limited	(i)	110,600,000	110,600,000
First Global Bank Limited	(ii)	40,000,000	33,009,064
		<u>150,600,000</u>	<u>143,609,064</u>
Less current portion		<u>(26,509,099)</u>	<u>(2,666,670)</u>
		<u>124,090,901</u>	<u>140,942,394</u>

(i) This is a Development Bank of Jamaica non-revolving demand loan that was taken to aid in the construction of the company's abattoir. The loan bears interest at the rate of 9.5% per annum and has an eighteen months moratorium on principal payments. Thereafter, it is repayable in sixty six (66) monthly principal repayments of \$1,675,757.58 plus interest.

(ii) This is a Development Bank of Jamaica non-revolving demand loan that was taken to aid in the construction of the company's abattoir. The loan bears interest at the rate of 9.5% per annum and has a nine (9) months moratorium on principal payments. Thereafter, it is repayable in seventy four (74) monthly principal repayments of \$533,334 plus interest.

Both loans are secured by first legal mortgage over commercial property located at Sweet River, Ferris, Westmoreland, bill of sale over abattoir equipment and personal guarantees by the directors.

8. Operating revenue

	<u>2014</u>	<u>2013</u>
Gross revenue from products sold	323,017,070	271,294,885
Sales discounts	(11,876,168)	-
	<u>311,140,902</u>	<u>271,294,885</u>

SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED

Notes to the financial statements
31 March 2014

9. Finance income

Finance income primarily represents foreign exchange gain on transactions that are denominated in United States Dollar.

10. Profit before taxation

The profit before taxation is stated after charging the following:

	<u>2014</u>	<u>2013</u>
Auditor's remuneration	600,000	420,000
Directors' emoluments	904,320	987,660
Depreciation	291,533	301,120
Related party purchases	104,788,158	85,994,138

11. Taxation

(a) The taxation is based on the profit for the year adjusted for tax purposes and is made up as follows:

	<u>2014</u>	<u>2013</u>
Current tax expense		
Income tax expense	5,291,915	5,652,541
Deferred tax		
Origination and reversal of temporary differences	-	(11,212)
	<u>5,291,915</u>	<u>5,641,329</u>

(b) Reconciliation of effective tax rate:

	<u>2014</u>	<u>2013</u>
Profit before taxation	21,167,659	22,565,315
Computed "expected" tax expense @ 25%	5,291,915	5,641,329
comprehensive income	<u>5,291,915</u>	<u>5,641,329</u>

12. Share capital

	<u>2014</u>	<u>2013</u>
Authorised:		
1,000 Ordinary shares at \$5 each	\$5,000	5,000
Issued:		
900 Ordinary shares at \$5 each	\$4,500	4,500

13. Share advance

Share advance represents the purchase of shares for which share certificates are not yet issued.

SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED

Notes to the financial statements

31 March 2014

14. Financial instruments

(a) Fair value of financial instruments

(i) Fair value amounts represent estimates of the arms-length consideration that would be currently agreed between knowledgeable, willing parties who are under no compulsion to act and is best evidenced by a quoted market. Where such instruments exist, they are valued using present value or other valuation techniques and the fair value shown may not necessarily be indicative of the amounts realisable in an immediate settlement of the instruments.

(ii) The carrying value reflected in the financial statements for cash resources, accounts receivable and accounts payable are assumed to approximate to their fair value due to their short term nature.

(b) Financial instruments risks:

The company has exposure to the following risks from its use of financial instruments: credit risk, market risk, liquidity risk and cash flow risk. Information about the company's exposure to each of the above risks, the company's objectives, policies for measuring and managing risk is detailed below.

The directors have overall responsibility for the establishment and oversight of the company's risk management framework.

The risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risk and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities.

(c) Credit risk:

Credit risk is the risk that one party to a financial instrument will fail to discharge and cause the other party financial loss.

	<u>2014</u>	<u>2013</u>
Cash resources	3,934,208	5,533,856
Accounts receivable and prepaid expenses	13,818,914	23,958,468
Directors' current account	-	61,561
	<u>17,753,122</u>	<u>29,553,885</u>

Cash resources are placed with reputable financial institutions with minimal chance of default.

Credit is only extended to customers with good credit history.

SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED

Notes to the financial statements
31 March 2014

14. Financial instrument (cont'd)

(c) Credit risk (cont'd):

	2014		2013	
	Gross	Impairment	Gross	Impairment
Trade receivables				
0-30 days	3,072,223	-	21,708,816	-
Past due 31-60 days	2,797,394	-	6,396	-
Past due 61-90 days	2,376,000	-	34,427	-
More than 90 days	4,834,845	-	1,714,585	-
	<u>13,080,462</u>	<u>-</u>	<u>23,464,224</u>	<u>-</u>

(d) Market risk:

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in the market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market.

(i) Interest rate risk:

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

As at the reporting date interest bearing liabilities were:

	<u>2014</u>	<u>2013</u>
Long-term loans	<u>150,600,000</u>	<u>143,609,064</u>

(ii) Foreign currency risk:

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The company incurs foreign currency risk primarily on accounts receivable balances that are denominated in United States Dollar. As at March 31, 2014, the company had net foreign currency asset of US\$ 37,317 (2013: US\$34,239).

Exchange rates for the US dollar in terms of the Jamaica dollar were as follows:

31 March 2014	\$108.99
31 March 2013	\$98.89

Foreign currency sensitivity analysis:

The following table details the company's sensitivity to a 10% strengthening or 5% weakening of the United States dollar against the Jamaica dollar and the resultant net exchange gains/ (losses) based on the foreign currency assets at year end. These percentages represent management's assessment of the reasonably possible change in foreign currency rates. This analysis assumes that all other variables, in particular interest rates, remain constant.

SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED

Notes to the financial statements

31 March 2014

14. Financial instrument (cont' d)

(d) Market risk (cont' d):

(ii) Foreign currency risk (cont' d):

	<u>2014</u>	<u>2013</u>
10% Depreciation of J\$ Loss on United States dollar (US\$)	406,718	590,419
5% Appreciation of J\$ Gain on United States dollar (US\$)	(203,359)	(295,209)

(e) Liquidity risk:

Liquidity risk, also referred to as funding risk, is the risk that the company will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell financial assets quickly at or close to its fair value. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and ensuring the availability of funding through an adequate amount of committed credit facilities.

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>0-1 year</u>	<u>1-5 years</u>	<u>6-10 years</u>
<u>31-Mar-14</u>					
Accounts payable	44,322,425	44,322,425	44,322,425	-	-
Long-term loans	150,600,000	218,644,799	26,509,099	171,915,509	20,220,191
	<u>194,922,425</u>	<u>262,967,224</u>	<u>70,831,524</u>	<u>171,915,509</u>	<u>20,220,191</u>

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>0-1 year</u>	<u>1-5 years</u>	<u>6-10 years</u>
<u>31-Mar-13</u>					
Accounts payable	63,203,120	63,203,120	63,203,120	-	-
Long-term loans	143,609,064	218,644,799	2,920,004	195,504,604	20,220,191
	<u>206,812,184</u>	<u>281,847,919</u>	<u>66,123,124</u>	<u>195,504,604</u>	<u>20,220,191</u>

Management aims at maintaining flexibility in funding by keeping lines of funding available as well as by acquiring and maintaining prudent cash resources in appropriate currencies required to settle commitments.

SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED

Notes to the financial statements
31 March 2014

14. Financial instrument (cont'd)

(f) Cash flow risk:

Cash flow risk is the risk that future cash flows associated with a monetary financial instrument will fluctuate in amount. The company manages this risk by generally ensuring that cash flows relating to monetary financial assets and liabilities are matched.

(g) Operational risk:

Operational risk is the risk of direct or indirect losses arising from a wide variety of causes associated with the entity's processes, personnel, technology, infrastructure and external factors, other than financial risks, such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior.

The company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to its reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management.

(h) Business risk:

Business risk is defined as the risk to the company arising from changes in its business, including the risk that the company may not be able to carry out its business plan and its desired strategy. The main business risks identified are the risk of failure of management and the risk of policy change from government rendering the company's business model infeasible. To counter this, the company has a good governance structure.

SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED

Supplementary information

31 March 2014

	<u>2014</u>	<u>2013</u>
Administrative and general expenses:		
Advertising & promotion	357,691	383,299
Asset tax	100,000	100,000
Auditing & accounting fees	869,697	494,300
Bank charges	1,044,227	494,766
Cleaning & sanitation	43,313	27,811
Courier expenses	5,390	3,322
Depreciation	291,533	301,120
Directors' emoluments	904,320	987,660
Donation	25,000	5,000
Electricity	4,059,593	4,468,004
Haulage	6,327,300	5,233,740
Impairment - Goodwill	-	-
Insurance	179,719	155,491
Meetings & conventions	536,870	596,282
Motor vehicle upkeep & mileage	1,980,000	1,970,000
Pilferage	-	-
Printing & stationery	174,920	197,534
Professional fees	130,000	133,170
Rate & taxes, license & permit	90,568	158,580
Rent	720,000	720,000
Repairs & maintenance	204,940	769,327
Salaries & related expenses	6,190,006	6,302,425
Security	447,300	495,422
Spoilage	408,369	6,150,107
Staff welfare	18,950	49,779
Storage	3,107,850	1,450,000
Telephone	469,798	410,431
Travelling & transportation	5,500	278,765
Water	45,135	-
	<u>28,737,989</u>	<u>32,336,335</u>

Success of Invitation and Admission of the Shares to the Junior Market of the JSE

After the Closing Date, and assuming that the Company is able to raise at least \$50 million as a result of the Invitation by the Closing Date, the Company will make application to the JSE to admit the Shares to the Junior Market. However, the Company is not able to guarantee the full subscription of the Shares in the Invitation or the admission of the Shares to the Junior Market.

Volatility in Price of Shares

Following their proposed admission to trading on the Junior Market the Shares may experience infrequent trading due to insufficient liquidity or volatility in their market price which may extend beyond the short term and which may be dependent on the Company's financial performance, as well as on investors' confidence and other factors over which the Company has no control.

Changes to Import Policy

If the policies governing the importation of pork and other meat products or the inputs used by the Company or its suppliers undergo any significant change, the Company could become exposed to increased competition from imports in one case or reduced supplies in the other.

New Regulatory Rules or Standards

The Company's business is subject to and governed by statutory regulations and in some cases, international standards which may be changed in the future and if such changed regulations or standards become onerous from the point of view of the Company or its customers this could require the Company to change the nature of its business operations, and in any case, changes in such regulations or standards may affect its profitability.

Risks of the Market in which the Company trades

The Company's business is dependent on a reliable and consistent supply of animals which could be affected by a number of factors beyond the control of the Company or its suppliers, such as disease and bad weather, the consequence of which could be the Company not receiving a consistent and reliable supply of animals.

Product liability

There is a risk that defects could occur in the products provided by the Company notwithstanding its health and safety standards and policies. In the event of product liability compensation, product recalls or other similar situations there could be a negative impact on the Company's reputation and financial position. The Company's insurance cover against such situations and the Company's focus on quality assurance and product standards in keeping with the appropriate health and safety standards should reduce the risk of any such action.

Macroeconomic Policies

Changes in fiscal and monetary policies introduced by the Government of Jamaica may affect the behaviour of capital markets including the Junior Market of the JSE. Such changes in policies may create opportunities as well as challenges for the Company. This is a risk that is not faced by the Company alone but also, by any manufacturing or trading business although the risk could have particular impact on its particular business model.

New Accounting Rules or Standards

The Company may become subject to new accounting rules or standards that differ from those that are presently applicable. Such new accounting rules or standards could require significant changes in the way the Company currently reports its financial position, operating results or cash flows. Such changes could be applied retrospectively. This is a risk that is not faced by the Company alone but also, by any manufacturing or trading business.

Key Personnel

It is very important that the Company attract and retain highly skilled personnel, to accommodate growth, establish new services and to replace personnel whose employment may be terminated for any reason. Competition for qualified personnel can be intense, as there are a limited number of people in Jamaica with the requisite knowledge and experience. The Company will need to attract and retain qualified personnel and failure to do so could have a material adverse impact on its operating and financial results and on the market price of the Shares.

Operational risk

The Company is subject to the risk of loss resulting from disruptions to its business, inadequate or failed internal processes, people and systems, or from external events. This definition also includes systemic risk (including the risk of accounting errors, failure to procure appropriate insurance coverage, and compliance failures), legal risk and reputational risk. This catch-all category of risks also includes employee errors, computer and manual systems failures, security failures, fire, floods or other losses to physical assets, and fraud or other criminal activity. The Company currently insures itself against some or all of these risks. However, proceeds of such insurance may not always adequately cover losses arising from some or all of the risks described which may have a negative impact on the Company's financial position, cash flows, and profits.

Risk of Catastrophic Events

Property and casualty insurers are subject to claims for property damage and business interruption arising out of natural disasters and other catastrophes, which may have a significant impact on their results of operations and financial condition. Natural disasters and other catastrophes are localised; however, hurricanes, earthquakes and floods have the potential to produce significant damage in widespread areas.

Risks Associated with International Conditions

The Company's financial results may be adversely affected by international risks, such as international political and economic conditions which may cause disruptions in supplies of inputs or equipment or in markets to which the Company may export.

Revocation of tax concessions risk

If the Invitation is successful in raising at least \$50 million by the Closing Date, and the Company is admitted to the Junior Market, it must remain listed on the JSE trading platforms for a period of 15 years in order to be eligible for the concessionary tax regime described in Section 14.2.

The instrument governing the concessionary tax regime is the Income Tax Act (Jamaica Stock Exchange Junior Market) (Remittance) Notice dated 13 August 2009, which was made by the Minister of Finance under section 86 of the Income Tax Act. The instrument provides that if the Company is de-listed at any time during the 15 year period, it will become retrospectively liable to pay corporate income tax at the rate that would otherwise have been applicable to it during the concessionary period.

There is also a risk that the instrument governing the concessionary tax regime is withdrawn, or the criteria for eligibility of the concessionary tax regime is further amended under the Government of Jamaica's current or future agreements with the International Monetary Fund or otherwise. The Directors of the Company consider it unlikely that any withdrawal or amendment of the concession would have retrospective effect on companies that are already listed on the Junior Market in the absence of any breach by those companies of the Junior Market Rules leading to suspension or de-listing from the Junior Market.

Concentration risk

As is the case with many local companies, the Company's products are supplied by relatively few suppliers, and its revenues are generated from sales to relatively few customers. If any one or more of these suppliers or customers was to change the terms of its course of dealing with the Company or to fail to continue to supply goods to it, or purchase goods from it (as the case may be) the revenues and profits of the Company may decrease.

Section 13: Professional Advisers to the Company

Principal Financial Advisers and Selling Agents

MoneyMasters Limited
13 Caledonia Avenue
Kingston 5

And

Victoria Mutual Wealth Management Limited
53 Knutsford Boulevard
Kingston 5

Auditors and Reporting Accountants

HBG Associates
Units # 32 & 33 Montego Bay Trade Centre
Howard Cooke Boulevard,
Catherine Hall, Montego Bay

Attorneys to the Company

Vaccianna & Whittingham
14 Herb McKenley Drive
Kingston 6

Registrars and Transfer Agents

Jamaica Central Securities Depository Limited
40 Harbour Street
Kingston

Section 14: Statutory and General Information

14.1 Statutory Information required to be set out in this Prospectus by section 41 and the Third Schedule to the Companies Act

- 1 The Company has no founders or management or deferred shares save for the ordinary shares held by the original directors of the Company as disclosed in sections 7 and 8.
- 2 The Articles of Incorporation fix no shareholding qualification for directors and none has been otherwise fixed by the Company in general meeting.
- 3 The Articles of Incorporation contain the following provisions with respect to the remuneration of Directors:
 - (a) The remuneration of the directors shall from time to time be determined by the Company in general meeting. Such remuneration shall be deemed to accrue from day to day. The directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings or any committee of the Directors or general meetings of the Company in connection with the business of the Company. The Directors may award special remuneration out of the funds of the Company to any Director going or residing abroad in the interest of the Company, or undertaking any work additional to that usually required of Directors of a company similar to the Company. (Article 82)
 - (b) A director of the Company may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested as shareholder or otherwise, and no such director shall be accountable to the Company for any remuneration or other benefits received by him as a director or officer of, or from his interest in, such other company unless the Company otherwise directs. (Article 84)
 - (c) A director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of director for such period and on such terms (as to remuneration and otherwise) as the directors may determine and no director or intending director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise, nor shall any such contract, or any contract or management entered into by or on behalf of the Company in which any director is in any way interested, be liable to be avoided, nor shall any director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such director holding that office or of the fiduciary relation thereby established. (Article 90(3))
 - (d) Any director may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a director; provided that nothing herein contained

shall authorise a director or his firm to act as auditor to the company. (Article 90(5))

- (e) The Directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any Director who has held any other salaried office or place of profit with the Company or to his widow or dependents and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance. (Article 93)
- (f) A Managing Director shall receive such remuneration (whether by way of salary, commission or participation in profits, or partly in one way and partly in another) as the Directors may determine. (Article 114)

4 The names and descriptions of the Directors of the Company appear in Section 8 of this Prospectus. The addresses of the Directors are as follows:

Name	Address
Henry Graham	Little London, Little London P.O., Westmoreland
Valdence Gifford	Bluefields District, Bluefields P.O., Westmoreland
Neville Grant	Lot 26 Chantilly Gardens, Savanna-La-Mar P.O., Westmoreland
Hector Lyons	12 Hudson Street, Savanna-La-Mar P.O., Westmoreland
Audley Deidrick	2 Close Haven Walk, Kingston 19, St. Andrew
Nigel Morgan	6 Laura Crescent, Angels Estate, St. Catherine
Audrey Deer-Williams	Townhouse #7, 2A Washington Boulevard, Kingston 20.
Lisa-Kaye Bryan	3A Waterloo Avenue, Kingston 10
Maxine Wilson	21 Liguanea Avenue, Kingston 6

5 The minimum amount required to be raised out of the proceeds of the Invitation to provide for the matters set out in paragraph 2 of Part 1 of the Third Schedule to the Companies Act (the "minimum subscription") is J\$50 million.

- 6 The Invitation will open for subscription at 9:00 a.m. on Tuesday, 12th August 2014 and will close at 4:30 pm on the Closing Date, Tuesday, 26th August 2014 subject to the Company's right to close the application list at any time after 9:00 a.m. on the Opening Date if Applications have been received for an amount equal to or greater than the Shares in the Invitation, or to extend the Closing Date for any reason whatsoever.
- 7 All Applicants will be required to pay in full the applicable price per Share as specified in this Prospectus. No further sum will be payable on allotment.
- 8 No previous offer of shares in the Company has been made to the public.
- 9 Save as set out in paragraph 17 below no person has, or is entitled to be given, any option to subscribe for any shares in, or debentures of, the Company.
10. As at March 31, 2014, the date to which the most recent management accounts included in the Unaudited Financial Information in Section 11 are made up, the Company held investments amounting to \$3,934,208 consisting of cash and bank balances.
11. The amount for goodwill, patent, or trademarks shown in the Financial Information of the Company is \$6,580,000.
12. As at March 31, 2014, the aggregate indebtedness of the Company was \$233,194,697 consisting of long and short term loans totalling \$150,600,000 and overdraft totalling \$30,481,975, trade payable of \$44,322,425, taxation payable of \$7,162,037 and other current liabilities of \$628,261.
- 13 No amount is currently recommended for distribution by way of dividend. The Company has not paid any dividends in the period represented by the Financial Information, having re-invested all profits. The Company's dividend policy following admission to the Junior Market of the Jamaica Stock Exchange is described in Section 7.12 of this Prospectus.
- 14 No real property is currently proposed to be purchased or acquired by the Company and paid for wholly or partly out of the proceeds of this Invitation for the purposes of paragraphs 6 to 9 (inclusive) of Part 1 of the Third Schedule of the Companies Act.
- 15 Save as set out in paragraph 17 below within the 2 preceding years, no commissions have been paid, nor will any be payable to anyone for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares or debentures of the Company.
16. The Company expects to pay the expenses of the Invitation out of the proceeds of its fundraising, and the Company estimates that such expenses will not exceed \$10 million as itemised below:

Sweet River Abattoir and Supplies Co. Ltd. Expense Listing	
(Excluding G.C.T)	
Item	Cost
Brokerage and Financial advisory fees	\$5,528,000.00
Legal fees	\$2,750,000.00
Registrar's Fees	\$150,000.00
Initial listing Fees	\$140,702.00
Other Fees	\$1,459,298.00
Total	\$10,000,000.00

17. Within the last 2 years preceding the date of this Prospectus, no amount or benefit has been paid or given or is intended to be paid or given to any promoter or person in connection with the sale of Shares in the Company save for MoneyMasters and VM Wealth Management, who by virtue of engagement letters dated December 10, 2013 and February 06, 2014 respectively are entitled to 3% of the amount raised from the Invitation by way of remuneration for their services as financial advisers and co-brokers to the Company. The fees are calculated exclusive of General Consumption Tax and disbursements.
18. The issue is not underwritten.
19. The material contracts of the Company are set out in Section 7.9.
20. The name and address of the auditors to the Company is: HBG Associates of Units # 32 & 33 Montego Bay Trade Centre, Howard Cooke Boulevard, Catherine Hall, Montego Bay
21. HBG Associates have given and have not withdrawn their consent to the issue of this Prospectus with the inclusion of the Financial Information, and their name in the form and context in which it is included.
22. The Company was incorporated on 02 April 2009 and it has carried on business since that date. As at the date of this Prospectus the Company has no subsidiaries.

14.2 Taxation of Junior Market Companies Concessionary Regime

Companies that successfully apply for admission to the Junior Market of the JSE will benefit from a concessionary tax regime, details of which are set out below.

- Section 17(1)(d) of the Transfer Tax Act provides that transfers of shares made in the ordinary course of business on the Jamaica Stock Exchange will not attract transfer tax.

- The Schedule to the Stamp Duty Act provides that transfer documents in respect of share transfers made in the ordinary course of business on the Jamaica Stock Exchange will not attract Stamp Duty.
- Off–market transfers of the Ordinary Shares not made on the JSE attract both transfer tax and stamp duty, the combined rate of which is currently approximately 6%.
- Section 30(1)(c) of The Income Tax Act provides that the rate of income tax payable on dividend income received by holders of shares of companies listed on the Jamaica Stock Exchange is nil. Notwithstanding that, the Government announced that dividends paid to residents of Jamaica are subject to income tax at the rate of 15% as from 1st April 2013. Such tax is to be withheld at source.

Prospective investors should seek advice on the taxation of listed companies and their prospective investment in the Company from a professional adviser, and should not rely on the summary set out above.

Section 15: Documents Available for Inspection

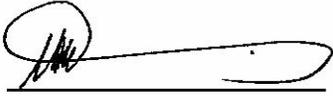
Copies of the following documents may be inspected at the offices of MoneyMasters Limited of 13 Caledonia Avenue, Kingston 5, Saint Andrew and Victoria Mutual Wealth Management of 53 Knutsford Boulevard, Kingston 5 by appointment only, between the hours of 9:00 a.m. to 4:00 p.m. on Mondays to Fridays, up to and including the Closing Date (or the extended Closing Date as the case may be):

1. The Certificate of Incorporation of the Company.
2. The Articles of Incorporation of the Company adopted by the Shareholders of the Company on 08 February 2014.
3. The audited accounts of the Company for the financial years ending March 31, 2010 to March 31, 2013 inclusive and the consent of HBG Associates to the inclusion of their auditor's report and also, their name and references thereto in the form and context in which they appear in this Prospectus.
4. The unaudited accounts of the Company for the period April 1, 2013 to March 31, 2014.
5. Copies of the following documents:
 - The regulatory permits, certificates and licenses referred to in Section 7.4
 - A Certificate of Search from the Office of Titles and a copy of the certificate of title registered at Volume 1454 Folio 816 of the Register Book of Titles for the real property known as Lot 2, Sweet River in the parish of Westmoreland owned by the Company.
 - The material contracts referred to in Section 7.9
 - The insurances referred to in Section 7.13
 - The letter of intent from Grace Food Processors referred to in Section 7.9

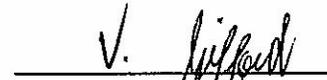
Section 16:

Directors' Signatures

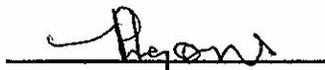
The Directors of the Company, whose names appear below, are individually and collectively responsible for the contents of this prospectus.



Henry Graham



Valence Gifford
VG VALDENCE



Hector Lyons



Neville Grant



Audley Deidrick



Nigel Morgan

JOINT HOLDER INFORMATION

FIRST NAMED JOINT HOLDER																													
OCCUPATION															TAXPAYER REGISTRATION NUMBER										SIGNATURE				
SECOND NAMED JOINT HOLDER																													
OCCUPATION															TAXPAYER REGISTRATION NUMBER										SIGNATURE				
THIRD NAMED JOINT HOLDER																													
OCCUPATION															TAXPAYER REGISTRATION NUMBER										SIGNATURE				

**TO BE COMPLETED WHERE REFUND OR DIVIDEND PAYMENT IS TO BE MADE BY RTGS FOR AMOUNTS EXCEEDING J\$2,000,000.00
PLEASE INSERT YOUR RTGS INFORMATION**

NAME OF BANK:	
BRANCH:	
NAME(S) REFLECTED ON BANK ACCOUNT:	
ACCOUNT NUMBER:	
SWIFT / BIC:	
BANK ACCOUNT TYPE (SAVINGS/CURRENT):	
FOR FURTHER CREDIT TO:	

NOTES ON HOW TO COMPLETE THE APPLICATION FORM

1. All completed applications must be delivered to either:
 - A. MoneyMasters Limited, 13 Caledonia Avenue, Kingston 5, Jamaica; or
 - B. VM Wealth Management Limited, 53 Knutsford Boulevard, Kingston 5, Jamaica
2. Applications must be for a minimum of 1,000 shares with increments in multiples of 100 shares. Applications in other denominations will **not** be processed or accepted.
3. All applicants must attach their payment for the specified number of Shares they have applied for, in the form of either:
 - A. A Manager’s cheque made payable to MoneyMasters Limited or VM Wealth Management Limited, or
 - B. Authorization on the Application Form from the Applicant instructing MoneyMasters Limited or VM Wealth Management Limited to make payment from cleared funds held in an investment account in the Applicant’s name
 - C. Transfer in the Real Time Gross Settlement (“RTGS”) system to VM Wealth management , in the case of payment of \$2 million or more to Bank of Jamaica Account 1015; BIC# JNCBJMKX; Beneficiary: National Commercial Bank, 1–7 Knutsford Boulevard; for further credit to Victoria Mutual Wealth Management Limited A/C # 351101563.
4. If you are applying jointly with any other person, you must complete the Joint Holder Information and each joint holder **must** sign the Application Form at the place indicated.
5. All Applicants must be at least 18 years old and must attach a certified copy of their T.R.N. card or Jamaican Driver’s Licence displaying the T.R.N.
6. Share Certificates will not be issued unless specifically requested through your broker. Instead, the shares allotted to a successful applicant will be credited to his account at the Jamaica Central Securities Depository (“JCSD”). If the applicant does not have a JCSD account, one will be created by your broker and the allotted shares deposited to that account. Applicants may refer to the notice posted on the JSE website (www.jamstockex.com) for instructions on confirming Share Allotments
7. All Applicants are deemed to have accepted the terms and conditions set out in the Prospectus and the Articles of Incorporation of the Company generally.

THIS SECTION FOR USE BY BROKER ONLY

DATE APPLICATION RECEIVED: _____	TIME RECEIVED: _____
PAYMENT METHOD: CHEQUE / AUTHORISATION LETTER	CHEQUE NUMBER OR LETTER DATE: _____
PAYMENT VALUE: _____	POOL: _____

BROKER STAMP AND SIGNATURE: