



UNAUDITED FINANCIAL RESULTS FOR THE Nine MONTHS ENDED DECEMBER 31, 2014

RELEASE TO SHAREHOLDERS

The Board of Directors of SWEET RIVER ABATTOIR & SUPPLIES LTD is please to present the unaudited financial statements for the Nine months ended December 31, 2014.

MANAGING DIRECTOR'S REPORT FOR THE 9 MONTHS PERIOD ENDING DECEMBER 2014

As difficult as it was the quarter saw us making a marginal profit before tax of \$0.9m this compared to a profit of \$5.4m for the same period in 2013. High prices paid to farmers to secure the few pigs available were not passed on to our customers as these prices were agreed on before the supply nose dive.

The severe shortage of pigs in 2014 has resulted in all Slaughter Houses reporting lower pig kill for the last quarter which is the traditional peak season for pork. This shortfall was offset by most Slaughter Houses selling their inventory thus averting a shortage of pork to meet the high seasonal demand.

During the quarter we selected five (5) major farmers to start on a phased basis the implementation of the Feed Supply MOU signed with Hi Pro Feed in August 2014. We will continue to increase the number of farmers while achieving equilibrium levels of production for the domestic market. We will also seek to increase the number of farmers in preparation to meet export demand in the near future. This process is been carefully managed working in collaboration with the Veterinary Division of the Ministry of Agriculture.

The recovery for the industry usually take approximately 12 months giving farmers enough time to purchase breeding animals, and growing the offspring for 5-6 months to achieve market weight. With most of our main farmers increasing their breeding herd over the quarter our supply of pigs will be back to normal level during the second half of 2015.

Our demand for pork is great and we are working closely with our primary markets as we navigate what is possible the worst shortage of pigs ever seen in the country. The measures being pursued will mitigate any recurrence of such shortage as our production will be in equilibrium with demand.

THIRD QUARTER FINANCIAL HIGHLIGHTS

Highlights of the three months ended December 31, 2014

	<u>Dec 2014</u>	<u>Dec 2013</u>	<u>Inc/(Dec)%</u>
✦ Sales revenue	\$34.6m	\$93.5m	(63) %
✦ Net profit/ (Loss)	\$0.9m	\$5.4m	(83) %
✦ Earnings per stock unit	0.01 cents	0.11 cents	(91)%
✦ Total assets	\$333.1m	\$295.9m	13 %
✦ Total stockholders 'equity	\$168.5m	\$66.2m	155%

Three Months Ended December 31, 2014 compared to December 31, 2013

Sales Revenue

The company generated sales revenues of \$34.6m compared to \$93.5m; a Decrease of \$58.9m or 63 %. Despite shortage of pigs in the market we are gaining momentum in turning around sales where as in the corresponding period last year we had a glut. We continue to work hard to secure pigs to boost our income stream for the next quarter, and our suppliers of pigs are increasing their sows in order to produce more pigs for the market.

Gross Profit

- Gross profit for the quarter was \$8.9m compared to \$15.4m for the corresponding period last year; a decrease of \$6.5m or 42.0% due to fall in revenue, and the high price paid for pigs in a time of shortage. We will continue to monitor the market condition and make adjustment where necessary to increase our gross margin.

Expenses

- Total operational expenses were \$8.0m compared to \$8.2m in the corresponding quarter of last year; a decrease of \$.2m or 2%. This decrease was driven mainly by our efforts to cut cost in areas such as utilities and Haulage expenses. Non-operational expenses increase by, \$.6m or 100% compare to a nil value of the previous period this was due to over draft interest incurred.

Net Profit

- Net profit for the period was \$.898m compared to \$5.4m of the previous period; a decreased of \$4.5m or 83%. This comes as a direct result of pig shortage hence reduced revenue versus fixed operational expenses.


Nine Months Ended December 31, 2014 compared to December 31, 2013

The challenges faced by the company in the first quarter continued into the second quarter and hence negatively impacted the results for the nine months period as outlined below.

- Sales revenue was \$91.8m compared to previous period last year of \$248.6m, a decrease of \$156.8m or 63.0%.
- Gross profit was \$17.4m compared to same period last year of \$39.5m, a decrease of \$22.1m or 56%.
- Total operational expenses were \$19.5m compared to the previous period last year of \$21.2m, a decrease of \$1.7m or 8%.
- Total non-operational expenses increase by \$.9m or 100%, compared to a nil value of the previous period again cause by over draft interest.
- **Net loss** for the period was there for \$(2.4m), compared to a profit of \$ 13.9m a decrease of \$16.3m or 117.3%.

THE NEW ABATTOIR

Work on the new abattoir which recommenced from September 2014 has been progressing steadily and is slated for completion by March 2015. Structural works have been practically completed, and the equipment all of which is already procured is now to be installed.



Valence Gifford
Managing Director
December 31, 2014

SWEET RIVER ABATTOIR & SUPPLIES CO. LIMITED

**Unaudited Statement of Comprehensive Income
For the Nine Months Period Ended December 31, 2014**

	Three months to December 2014 \$	Three months to December 2013 \$	Nine months to December 2014 \$	Nine months to December 2013 \$
Revenue	34,572,866	93,542,700	91,821,769	248,586,904
Cost of sales	(25,603,452)	(78,139,569)	(74,468,327)	(209,045,172)
Gross Profit	8,969,414	15,403,131	17,353,442	39,541,732
Administrative and General Expenses	(8,047,224)	(8,200,051)	(19,598,426)	(21,152,700)
Operating profit/(loss)	922,190	7,203,080	(2,244,984)	18,389,032
Finance Income	597,474	107,727	720,026	185,978
Finance Cost	(621,435)	-	(910,465)	-
profit / (Loss) before Taxation	898,229	7,310,807	(2,435,423)	18,575,010
Taxation	-	(1,827,702)	-	(4,643,753)
profit / (Loss) after taxation, being total comprehensive profit/ (loss) for the period	898,229	5,483,105	(2,435,423)	13,931,258
Earnings per share	0.01	0.11	(0.04)	0.27

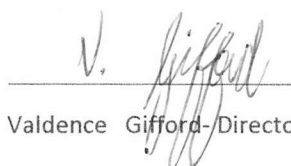
SWEET RIVER Abattoir & SUPPLIES COMPANY LIMITED
Unaudited Statement of Financial Position
For the Nine Months Period Ended December 31, 2014

	9 Months To 31-Dec-14 \$	9 Months To 31-Dec-13 \$	Audited 31-Mar-14 \$
Assets			
Non-Current Assets			
Property, plant and equipment	280,678,804	235,500,019	248,003,431
Deferred Tax Asset	-	11,212	-
Goodwill	6,580,000	6,580,000	6,580,000
	<u>287,258,804</u>	<u>242,091,231</u>	<u>254,583,430</u>
Current Assets			
Cash and Cash Equivalents	19,547,730	5,513,305	3,905,432
Trade and other receivables	13,063,993	31,348,992	26,261,992
Inventories	13,194,456	16,919,715	20,082,384
Total current assets	<u>45,806,179</u>	<u>53,782,012</u>	<u>50,249,808</u>
Total Assets	<u>333,064,983</u>	<u>295,873,243</u>	<u>304,833,238</u>
Current Liabilities			
Bank overdraft	7,886,188	23,175,270	24,309,945
Trade and Other Payables	8,475,179	56,862,612	67,950,270
Income Tax Payable	5,410,446	5,652,541	5,410,446
Directors' current account	928,420	392,599	477,806
Current portion of long-term loans	21,481,826	2,666,670	21,481,826
	<u>44,182,059</u>	<u>88,749,692</u>	<u>119,630,293</u>
Long-term liabilities			
Long-term liabilities	120,346,051	140,942,394	124,764,233
Deferred Tax Liabilities	42,603		42,603
Total Liabilities	<u>164,570,713</u>	<u>229,692,086</u>	<u>244,437,129</u>
Equity			
Share capital	143,495,713	32,762,128	32,962,129
Accumulated Surplus	24,998,557	33,419,029	27,433,980
Total Equity	<u>168,494,270</u>	<u>66,181,157</u>	<u>60,396,109</u>
Total Liability and Equity	<u>333,064,983</u>	<u>295,873,243</u>	<u>304,833,238</u>

Approved for issue by the Board Directors on January 10, 2015 and signed on its behalf by:



Henry Graham- Chairman



Valdense Gifford- Director

SWEET RIVER Abattoir & SUPPLIES COMPANY LIMITED
Unaudited Statement of Change in Equity
For the Nine Months Period Ended December 31, 2014

	Share Capital \$	Share Advance \$	Retained Earnings \$	Total \$
Balances as at March 31, 2013	4,500	31,240,203	16,864,556	48,109,259
Monies received for shares purchased	-	-	-	-
	4,500	31,240,203	16,864,556	48,109,259
Monies received for shares purchased	-	<u>1,717,426</u>	-	<u>1,717,426</u>
	<u>4,500</u>	<u>32,957,629</u>	<u>16,864,556</u>	<u>49,826,685</u>
Balance as at September 01, 2013	4,500	32,957,629	19,487,771	52,449,900
Less share advance		(4500)		
	-	<u>(195,001)</u>	-	<u>(200,001)</u>
Changes in Share Advance	4500	32,757,628	19,487,771	52,249,899
Net profit attributable to shareholders			13,931,258	13,931,258
	-	-	13,931,258	13,931,258
Balances as at December 31, 2013	4,500	32,757,628	33,419,029	66,181,157
Balances as at March 31, 2014	4,500	32,957,629	27,433,980	60,396,109
Converted share advance	32,957,629	(32,957,629)	-	-
Monies received for shares purchased	118,173,829	-	-	118,173,829
Share issue cost	(7,640,245)	-	-	(7,640,245)
Net profit/(Loss) attributable to shareholders	-	-	(2,435,423)	(2,435,423)
Balances as at December 31, 2014	<u>143,495,713</u>	-	<u>24,998,557</u>	<u>168,494,270</u>

SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED

**Unaudited Statement of Cash Flows
For the Nine Months Period Ended December 31, 2014**

	31-Dec-14	31-Dec-13	(Audited) 31-Mar-14
	\$	\$	\$
Cash flows from operating activities			
Profit before taxation	(2,435,423)	18,575,110	10,569,424
Adjustments for:			
Depreciation	210,312	221,429	291,534
Bad debt			245,854
Deferred taxation	-	-	(8,849)
Taxation expense	-	-	3,540,324
Interest income	(720,026)	(185,978)	(10,378)
Operating surplus before changes in working capital	(2,945,137)	18,610,461	14,627,909
Trade and other receivables	13,197,999	(7,390,524)	(2,549,377)
Inventories	6,887,928	(3,382,379)	(1,616,637)
Directors' current account	-	61,561	61,561
Accounts payable & provisions	(59,475,091)	(8,340,508)	4,747,150
Directors' current account	450,615	392,599	477,806
Net cash generated by operations	(41,883,687)	(48,790)	15,748,413
Taxation paid	-	-	(3,782,419)
Interest received	720,026	185,978	10,378
Net cash inflows from operating activities	(41,163,661)	137,188	11,976,372
Cash flows from investing activities:			
Acquisition of property, plant and equipment	(32,885,686)	(29,695,644)	(42,269,160)
Net cash outflows from investing activities	(32,885,686)	(29,695,644)	(42,269,160)
Cash flows from financing activities:			
Proceeds of long term loans	-	-	6,990,936
Repayment of long term loans	(4,418,182)	-	(4,353,941)
Converted share advances	(32,957,629)	-	-
Monies received for shares purchased	143,491,213	1,517,425	1,717,426
Net cash inflows from financing activities	106,115,402	1,517,425	4,354,421
Increase/(Decrease) in cash resources	32,066,055	(28,041,030)	(25,938,367)
Cash resources at the start of the year	(20,404,513)	10,379,065	5,533,854
	11,661,542	(17,661,965)	(20,404,513)
Cash resources comprise:			
Cash and bank balances	19,547,730	5,513,305	3,905,432
Bank overdraft	7,886,188	(23,175,270)	(24,309,945)
	11,661,542	(17,661,965)	(20,404,513)

SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED

Notes to Unaudited Statements

For the Nine Months Period Ended December 31, 2014

1. Identification

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

2. Basis Of Preparation

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

3. Segment Reporting

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

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

4. Taxation

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

SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED

Notes to Unaudited Statements

For the Nine Months Period Ended December 31, 2014

5. Shareholders' Information

	No. Of Units
Directors' Holdings	
As at December 31, 2014:	
HENRY GRAHAM	15,035,009
HECTOR LYONS	7,358,848
AUDLEY DEIDRICK	5,205,603
VALDENCE GIFFORD	4,995,058
NEVIL GRANT	4,654,073
NIGEL MORGAN	935,763
LISA KAY-BRYAN	81,000
	*
Top Ten Shareholders	
As at December 31, 2014:	
HENRY GRAHAM	15,035,009
HECTOR LYONS	7,358,848
AUDLEY DEIDRICK	5,205,603
VALDENCE GIFFORD	4,995,058
KIRK FONG	4,689,907
V.M.B.S (PENSION SCHEME)	4,664,000
NATIONAL INSURANCE FUNDS	4,663,300
V.M.B.SOCIETY	4,663,213
NEVIL GRANT	4,654,073
J.C.S.C.D TRUSTEE SERVICE	3,886,005
Holding of Senior Managers as December 31, 2014	
Valdence Gifford	4,995,058
Sean Forbes	4,000
Shareholdings include connected person	*