



SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED
2016 ANNUAL REPORT



TABLE OF CONTENTS

<i>Company's Purpose</i>	3
<i>Notice of 2nd Annual General Meeting</i>	4
<i>Pictorial Highlights</i>	5
<i>Minutes of the 1st Annual General Meeting</i>	7
<i>Profile of Directors</i>	12
<i>Chairman's Report</i>	15
<i>Managing Director's Report</i>	16
<i>Management Discussion and Analysis</i>	18
<i>Shareholder's Listing</i>	23
<i>Corporate Governance</i>	24
<i>Human Resource</i>	25
<i>Corporate and Social Responsibility</i>	26
<i>Auditors' Report</i>	27
<i>Financial Statements</i>	29
<i>Notes to the Financial Statements</i>	33
<i>Financial Ratios</i>	63
<i>Corporate Data</i>	64
<i>Form of Proxy</i>	65



COMPANY PURPOSE

VISION

“To be a world recognized brand in meats and meat products.”

MISSION

“To provide prime value to our customers through consistently high quality and innovative products, supported by excellent customer service, thus enabling reasonable return to shareholders, benefits to stakeholders while recognizing our corporate social responsibility.”

VALUES

T- Together we achieve more.

E- Elevating ourselves above the highest ethical standards continuously.

A- Accountability for our actions.

M- Maintaining respect for our customers, employees and the communities in which we operate.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 2nd Annual General Meeting of Sweet River Abattoir & Supplies Company Limited (the "Company") will be held at the Golf View Hotel, 5 ½ Caledonia Road, Mandeville, Manchester on Friday, 7th October 2016 commencing 10:00 am.

AGENDA

1. Call to Order
2. Welcome and Remarks
3. Apologies for Absence
4. Approval of Minutes of the 1st Annual General Meeting and discussion of matters arising
5. REPORTS for financial year ended March 31, 2016
 - Chairman's Report
 - Managing Director's Report
 - Auditors' Report

6. RESOLUTIONS

The Company is asked to consider, and if thought fit, pass the following resolutions:

To receive the report of the Board of Directors and the audited accounts of the Company for the financial year ended March 31, 2016.

Resolution No. 1: "That the audited accounts for the year ended March 31, 2016, together with the reports of the Chairman, Directors and Auditors thereon, be and are hereby adopted."

To appoint auditors for the Company and authorize directors to fix their remuneration.

Resolution No. 2: "That the remuneration of the auditors be such as may be agreed between the Directors of the Company and the Auditors."

To formally introduce the new directors and their position on the Board of Directors.

Resolution No. 3: "The confirmation and approval of the newest members to the Board of Directors."

To approve remuneration of directors for the financial year.

Resolution No. 4: "That the amount shown in the audited accounts of the company for the year ended March 31, 2016 as fees of the Directors for their service as Directors, be and is hereby approved."

7. Any Other Business
8. Vote of Thanks
9. Adjournment

Dated this 3rd day of August 2016

BY ORDER OF THE BOARD



fo
Audley Deidrick
Company Secretary

PICTORIAL HIGHLIGHTS

Agro Park abattoir located at Sweet River, Ferris in Westmoreland.



PICTORIAL HIGHLIGHTS





MINUTES
OF THE 1st ANNUAL GENERAL MEETING of
Sweet River Abattoir & Supplies Company Limited
(A Listed Company) Held October 9, 2015

The 1st Annual General Meeting (AGM) of Sweet River Abattoir and Supplies Company Limited, a listed company, was held on Friday, October 9, 2015 at the Golf View Hotel in Mandeville, Manchester.

Members of the Board present were:

- | | |
|-----------------------------|-------------------|
| ❖ Mr. Henry Graham | Chairman |
| ❖ Mr. Valdense Gifford | Managing Director |
| ❖ Mr. Audley Deidrick | Company Secretary |
| ❖ Mrs. Audrey Deer-Williams | Director |
| ❖ Mr. Neville Grant | Director |
| ❖ Mr. Hector Lyons | Director |
| ❖ Mrs. Lisa-Kaye Bryan | Director/Mentor |

Registered Shareholders/Investors in attendance:

- ❖ Ms. Claudette Crooks
- ❖ Mr. Michael Pinnock
- ❖ Mr. Robert Meghoo
- ❖ Mr. Sean Forbes
- ❖ Mr. Jack Drummond
- ❖ Mr. Osbourne J. Lawrence

Visitors in attendance were:

- | | |
|--------------------------|---|
| ❖ Mr. Norman Jaggon | Employee of Sweet River Abattoir |
| ❖ Ms. Prunella Vassell | Partner at UHY Dawgen Chartered Accountants |
| ❖ Mrs. Lisa Cousins | Partner at UHY Dawgen Chartered Accountants |
| ❖ Mr. Courtney Cole | Agro Investment Corporation (Ministry of Agriculture and Fisheries) |
| ❖ Ms. Claudette Christie | Consultant |
| ❖ Ms. Colleen Morris | Jamaica Stock Exchange |
| ❖ Ms. Tampa Afflick | Jamaica Stock Exchange |

Also in attendance:

- | | |
|-----------------------|---------------------|
| ❖ Ms. Beverley McLeod | Recording Secretary |
|-----------------------|---------------------|

MINUTES OF 1ST ANNUAL GENERAL MEETING

CALL TO ORDER AND WELCOME

The Chairman, Mr. Henry Graham, called the meeting to order at 12:09 pm and welcomed everyone in attendance. Ms. Claudette Crooks then offered prayer.

APOLOGIES FOR ABSENCE

Apologies for absence were received on behalf of Directors, Nigel Morgan and Maxine Wilson.

MINUTES

No minutes were available as this was the 1st annual general meeting of the company as a listed company on the Junior Stock Exchange.

CHAIRMAN'S REPORT

Mr. Henry Graham expressed his gratitude to all board members and shareholders. He thanked them for making the first Annual General Meeting possible; however, he said he was hoping to have a larger attendance.

The chairman took the attendees on a journey with Sweet River Abattoir through a video showing the production process of pork from the farm to the table as well as the expected look of the new abattoir.

Mr. Graham also spoke about the challenges experienced for (2014-2015) due to the scarcity of pigs in the market; plans for the future which include targeting larger markets with more stable economy, diversifying into other meat products to increase revenue, and reducing the company's liabilities. He told the meeting that Sweet River Abattoir wants to dominate the meat markets, and that was why animals are carefully selected and properly reared. He also assured the shareholders that the company will speedily recover from the loss experienced in the year under review.

In terms of the company's growth: for the period (2014-2015) Total Assets increased by \$51.64m, Capital and Reserve increased by \$106.45m, Non-Current Liabilities decreased by \$8.25m and Current Liabilities decreased by \$46.17m.

He continued his report and discussed how Sweet River Abattoir was going to improve the marketing of their products. He spoke of the company taking advantage of the peak periods between November and March, such as the winter tourist season, also negotiating with other countries to sign trade agreements thus allowing access to other markets. He assured the shareholders that Sweet River Abattoir will continue to monitor its performance and look to navigate its way through challenging times.

The chairman thanked the followings for their work with Sweet River Abattoir during the year under review.

-  Shareholders
-  Managing Director
-  Fellow Directors
-  Mentor Partners
-  Other stakeholders

MINUTES OF 1ST ANNUAL GENERAL MEETING

MANAGING DIRECTOR'S REPORT

As a prelude to his presentation, Managing Director, Mr. Valdense Gifford, drew the attendees' attention to the fact that the AGM being held was the first for Sweet River Abattoir as a listed company on the Junior Stock Exchange. He also indicated that the date of its listing was September 19, 2014, and it was also the first company to be listed on the Junior Market from the parish of Westmoreland.

Through a pictorial, the Managing Director updated the meeting on the progress of the new abattoir. He included in the pictorial the presentation of a grant of \$27M from the Minister of Agriculture, Minister Derrick Kellier to Sweet River Abattoir and noted that it was the Government's contribution to the development of an agro-park in which Sweet River Abattoir is a major player. He highlighted areas throughout the pictorial that showed that Sweet River Abattoir is equipped with state of the art facilities, for example; holding pens for pigs to be slaughtered, scalding and de-hairing unit, chill room and a modern refrigeration system.

Mr. Gifford also spoke about the challenges, strategy and outlook, and pointed to the comparative growth data (2014-2015) and the company's future prospects.

He indicated that the year 2015 was the most challenging for the company and highlighted the main challenges as:

- Decline in sales, which impacted revenue. This was due to the shortage of pigs following a glut in 2012-2013 and the resultant mass exodus of farmers from the pig production business in 2014.
- The devaluation of the Jamaican dollar which left consumers with less disposable income and pushed them towards purchasing chicken meats, such as the cheaper variety – chicken back.

Mr. Gifford, however, highlighted the strategies that are being pursued by the company to reverse the decline as:

- The forging of a partnership with Jamaica Broilers through the signing of a memorandum of understanding (MOU) in August 2014 utilizing its brand HI Pro Feeds. He said under this MOU Jamaica Broilers will give its expertise to Sweet River Abattoir to assist with sustainability and development of the pig, sheep and goat sector. He said Sweet River Abattoir expects development of this partnership for years to come.
- The Establishment of a core group of farmers with the capacity, capital and commitment to become contract farmers under the MOU. He said 20-25 farmers were needed and the company had already identified 12.

The Managing Director also drew the shareholders' attention to the company's financial performance in 2015 compared to 2014. In this, he noted sales in 2014 of \$309M which he considered significant, compared to sales in 2015 which he said was a decline was 61%. He attributed this to the shortage of pigs that the company experienced. Mr. Gifford pointed to the table of historical data (2012-2015) relating to the slaughter of pigs in his presentation, to support his point. In the end, he noted projection for the slaughter of over 7,000 pigs by the end of the financial year.

MINUTES OF 1ST ANNUAL GENERAL MEETING

In the outlook for the next year the Managing Director said Sweet River Abattoir was looking to significantly reduce the cost of the production of a pig and pointed to the MOU with Jamaica Broilers as a key strategy.

He also spoke of increasing revenue, with the company taking advantage of the peak demand periods such as the Christmas and Tourist Seasons. Contracting farmers for 5 year terms was part of the Company's outlook.

Mr. Gifford then thanked all the stakeholders who were/were not in attendance.

- Board of Directors
- Shareholders/Investors
- Brokers
- Pig Farmers
- Jamaica Pig Farmers Association
- Ministry of Agriculture
- Strategic partners
- Auditors
- Stock Exchange
- Jamaica Central Securities Depository Limited
- Bankers –FCIB, Sagicor, NCB

RESOLUTIONS

All the resolutions taken to the meeting were passed unanimously as indicated.

- Resolution #1 (2015)
To receive the report of the Board of Directors and the audited accounts of the company for the financial year ended March 31, 2015.
Mr. Michael Pinnock moved the resolution, while Mr. Osbourne Lawrence seconded it. All in attendance were in favour.
- Resolution #2 (2015)
To appoint auditors for the Company and authorize directors to fix their remuneration.
Mr. Michael Pinnock moved the resolution, while Mr. Osbourne Lawrence seconded it. All in attendance were in favour.
- Resolution #3 (2015)
To formally introduce the new Directors and their positions on the Board of Directors.
The following retired in accordance with the Companies Act, and were re-elected:
Hector Lyons Director
Nigel Morgan Director
Neville Grant Director

MINUTES OF 1ST ANNUAL GENERAL MEETING

Mr. Courtney Cole from the Ministry of Agriculture and Mr. Robert Meghoo from Treadways, Linstead were the newly appointed board members. All in attendance were in favour.

Ms. Maxine Wilson and Lisa Bryan retired from the Board.

The resolution was moved by Mr. Michael Pinnock and seconded by Ms. Claudette Crooks.

➤ **Resolution #4 (2015)**

To approve remuneration of directors for the financial year.

The resolution was moved by Mr. Michael Pinnock and seconded by Ms. Claudette Crooks. All in attendance were in favour.

ANY OTHER BUSINESS

There was no other business to be discussed at the meeting.

ADJOURNMENT

The call for the adjournment of the meeting was moved Mr. Osbourne Lawrence and seconded by Mr. Robert Meghoo at 1:05 pm.

PROFILE 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 practiced that profession prior to his involvement pig rearing which commenced in 1992. He is also a Member of the Kiwanis Club of Savanna La Mar, Board Member of the National People's Cooperative Bank, Grange Hill Branch and Board Member of the Little London High School.



Valence Gifford (Managing Director) - Appointed April 2, 2009

Mr. Valence Gifford is the Managing Director of Sweet River. Mr. Gifford holds a Bachelor of Science in Agribusiness (Honors) 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

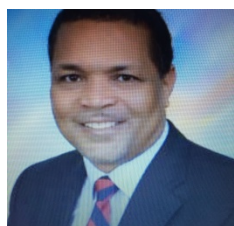
Mr. Hector Lyons is a Businessman. He was employed to Grace Food Processors from 1967 to 2001. He later became the Managing director and Owner of H/M Butchers Limited. Since being appointed to the Board of Directors for the company, he has also become a Slaughter Contractor for the Company.

PROFILE OF DIRECTORS



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.

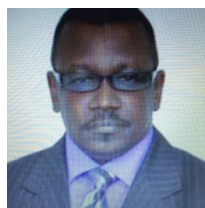


Audley Deidrick (Director) - Appointed April 2, 2009

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).

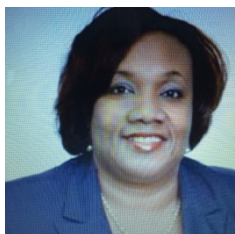
PROFILE OF DIRECTORS



Nigel Morgan (Director) - Appointed April 2, 2009

A former Senior Legal Officer with the Government of Jamaica, Mr. Morgan has over twenty four (24) years' experience as a prosecutor during which he 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; and holds a Diploma in Marketing, Certificate in Public Administration, Mediator's Certification in addition to a Bachelor of Laws (LLB) Degree.



Audrey Deer-Williams (Director) - Appointed July 18, 2014

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 a Lay Representative to Synod and Chairman of the Outreach Committee. Mrs. Deer-Williams holds a Master's Degree in Business Administration, specializing 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 loving mother of two sons.

Courtney Cole (Director) - Appointed October 9, 2015

Robert Meghoo (Director) - Appointed October 9, 2015



CHAIRMAN'S REPORT

It is my pleasure once again to report on the activities of our company, over the period 2015-2016. With a gradual improvement in the supply of pigs and a strong demand for pork especially over the period October 2015 to March 2016, there was an improvement in our sales of 77%. Our major markets have expressed an interest in providing us with contracts in order to maintain a consistent supply. In light of this, we have engaged a number of farmers with supply contracts to our Abattoir.

As you are aware, over the last four years we have embarked on constructing our new Abattoir but because of inadequate funding we were unable to fully complete this project on time. Grace Food Processors who had allowed us to operate from their facilities and after several mis-deadlines to move out of their building had given us a final notice in May 2016.

As a result of this new deadline we have started removing our tools and equipment's to our new plant which will result in us shutting down our operations for approximately five weeks. The last few weeks prior to moving in our new facility we have encountered numerous challenges however, with the help of our shareholders and members of staff we were able to move into our new facility on June 3, 2016 when we had our first test run on slaughtering of pigs.

This facility whilst not fully completed is now operational with the help of our various stakeholders inclusive of Public Health, Fire Department, Veterinary Department and other interest group that made it possible. This Abattoir is Jamaica's ninth Agro-Park and provisions are already in place for slaughtering service for Pigs, Goats and Sheep. These services will initially affect farmers in the Western Parishes of Trelawney, St. James, Hanover, Westmoreland and St. Elizabeth. These services will include other parishes thereafter.

We anticipate that the year April 2016 - March 2017 will be a better year and expectations are based on strong market demand and consistent pig supply along with slaughtering services to other industry players. Already we have had commitments from processors and other small industry players.

Our company is striving to achieve certification in HACCP, GMP and ISO so that we will be able to satisfy our local demand and also to export our products to other CARICOM Countries.

I would like to take the opportunity to thank my hardworking members of staff some of whom are pioneer in the industry, our dedicated Board Members, our patient and supported Shareholders, The Government and other interest groups for their support and assistance they have given to us over the past year. Also to our project developers who have given of their time and effort to allow us to move into our new facility.

It is my hope and trust that with God's help and guidance, we will overcome whatever challenges that are ahead of us and based on our short, medium and long term strategic plans we will be able to start seeing the horizon in the coming years.

.....
Henry Graham
Chairman



MANAGING DIRECTOR'S REPORT

While the year April 2015 – March 2016 was difficult we remain confident that the opening of our abattoir in 2016 will be our catalyst for change. With secured markets and an increase in the supply of pigs the future looks great for us moving forward.

Having identified our core group of farmers, they are benefitting from ongoing training in Artificial Insemination, Good Husbandry Practices to include: Genetics Selection, Nutritional Requirements, Management of Breeding Herd, Management of Piglets and Commercial Herd, Proper Feeding Program, Vaccination Program and De-worming Program, Diseases Identification and Treatment, Proper use of Medication and their withdrawal, Proper Record Keeping to include animal identification, Importance of Proper Housing and Equipment (Feeders & Scale) Waste Management & Disposal and Water Harvesting.

We are proposing to tie the above services into a three years renewable contract with our pig farmers and reciprocate a similar contract with our major markets. This platform will provide a more sustainable basis of doing business for all three parties concerned. This tripartite approach will allow us to plan for a more strategic growth and development of our businesses and the industry in unison.

We want to in a special way say thanks to our major markets who have endured low supply over the past two years. We want to assure you, that the new abattoir will not just have the capacity to produce more but it will have the certifications that will make your products conform to the best quality standards. On the supply side, once we get adequate notice of increase demand we will be able to make the adjustments to deliver.

With Sweet River Abattoir gaining the designation as Jamaica's ninth Agro Park in March 2015 the provision of slaughtering service to pig, sheep, goat farmers, butchers and purveyors in the county of Cornwall should become a reality soon. The facility will meet all local quality standards and certifications and will soon become the first and only certified Abattoir in western Jamaica.

The pig and small ruminant industries are posed for sustainable growth as with an import bill of over J\$2.0B per annum, it will take years for us to become self-sufficient. The potential to generate much needed employment especially in rural Jamaica should be seen as an opportunity for Government to provide more incentive to the sectors especially geared at attracting young persons.

MANAGING DIRECTOR'S REPORT

Highlights of Sweet River Abattoir and Supplies Company Limited Financials

	<u>2016</u>	<u>2015</u>	<u>% Inc/Dec</u>
Revenue	215,152,210	121,485,373	77%
Cost of Operating Revenue	(194,693,506)	(99,898,727)	95%
Gross Profit	20,458,704	21,586,646	-5%
Administrative Expenses	(24,177,518)	(26,124,788)	-7%
Loss from Operations	(3,718,814)	(4,538,142)	-18%
Finance Income	94,680	628,923	-85%
Finance Costs	(3,603,662)	(2,162,278)	67%
Loss Before Taxation	(7,227,796)	(6,071,497)	19%
Taxation	1,696,950	1,396,284	22%
Loss after Taxation	(5,530,846)	(4,675,213)	18%
Loss Per Stock Unit	\$ (0.07)	\$ (0.06)	17%

📌 Sales Revenue

The company generated sales revenue of \$215,152,210 compared to \$121,485,373 in the prior period, a significant increase of 77%. This is due to the increase in supply of pigs. As a result, we were able to grow our revenue stream.

📌 Gross Profit


A gross profit of \$20,458,704 was realized during the period compared to \$21,586,646 in the prior period, a slight decline of 5%. This resulted from an increase in cost of sales.

📌 Net Loss

The company experienced a net loss of \$5,530,846 when compared to a net loss of \$4,675,213 in the prior period, an increase in loss of 18%. This stemmed from an increase in our interest charges incurred on bank overdraft facility and the increase in cost of operations resulting from the practice of price gorging during the peak demand season of November to April.

As always, we are looking forward to the coming year where we have put strategies in place to reduce our cost of operations, while increasing revenue. We are looking forward to dominating the local and international markets.

I want to thank our team for their contributions and look forward your continuous support as we grow this company.



 Valence Gifford
 Managing Director

Management Discussion and Analysis

Sweet River Abattoir and Supplies Company Limited (SRA) remains the third largest supplier of pork in the Jamaican market.

FIRST QUARTER RESULTS

Despite what may be described as the worst shortage of pigs in the industry, SRA's financial performance for this quarter can be considered fair. Prudent financial management, reduction in electricity and haulage costs, as well as an increase in the selling price of our products (driven by the high farm gate price for pigs) was the hallmark for the quarter.

Though sales revenue decreased by 44% for the quarter when compared to sales revenue for the same quarter in 2014, SRA's net profit for the quarter increased by 236% for the same quarter when compared to the same quarter in 2014.

SECOND QUARTER RESULTS

There has been incremental increase in the supply of pigs. We are now reaping the benefits of our feed program and the networking of farmers. Against fierce market price competition within the industry, SRA is pleased to report that we have aggressively approached the market and hence improved our performance for this quarter.

The incremental increase in the supply of pigs is expected to continue and we are projecting a full return to normal production during the second half of 2016, as we work closely with our partners to diversify their product range to include the utilization of more cuts.

Sales revenue for this quarter increased by 213% when compared to the same quarter in 2015, while net profit increased by 128%.

THIRD QUARTER RESULTS

The usual high demand for pork and pork products in the Christmas season as well as the unexpected higher than normal demand for chicken meat which was not met have resulted in significant increase in our pork sales. The relative low supply of pigs continues to see farmers demanding higher prices for their pigs. This higher price paid to farmers was not passed on to our customers as prices were agreed before.

With such challenges experienced for the quarter SRA suffered a net loss of \$2.1m before tax compared to a profit of \$0.9m for the same period in 2014. However, the year-to-date performance showed a net profit of \$0.5m as compared to a loss of \$2.4m for the same period in 2014.

Management Discussion and Analysis

FOURTH QUARTER RESULTS

With the longest shortage of pigs in Jamaica's history now coming to an end, significant growth in the industry is expected over the next two years and beyond. The possibility of exporting fresh pork to CARICOM is encouraging as earlier this year Trinidad expressed an interest in importing pork from Jamaica.

Our performance over the quarter ended March 2016 was affected by the shortage of pigs, which resulted in SRA suffering a loss of \$6.9m compared to a loss of \$1.4m for the same period in 2015.

Our year-to-date performance showed a net loss of \$5.5m as compared to a net loss of \$4.6m in 2015. This happened as a result of the practice of price gorging during the peak demand season of November to April.

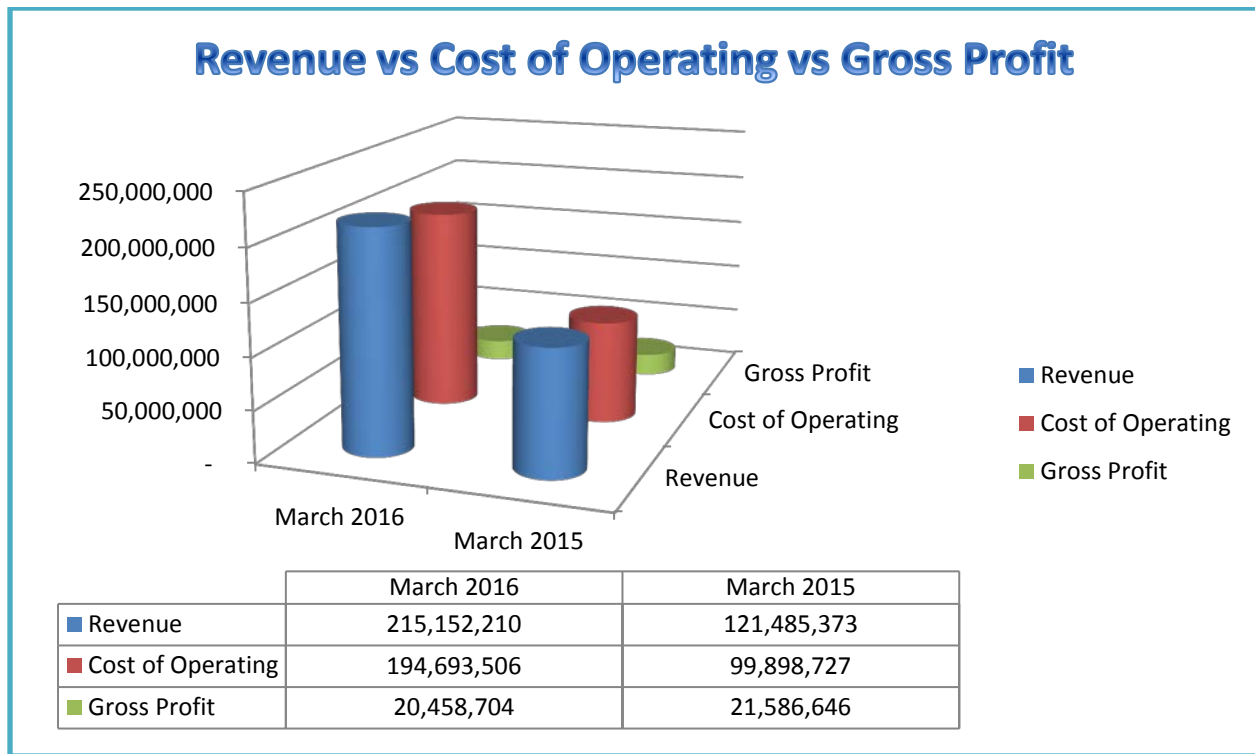
PERFORMANCE SUMMARY

<u>Indicator</u>	<u>March 2016</u>	<u>March 2015</u>	<u>% Change</u>
Revenue	215,152,210	121,485,373	77%
Cost of Operating	194,693,506	99,898,727	95%
Gross Profit	20,458,704	21,586,646	-5%
Administrative Expenses	24,177,518	26,124,788	-7%
Net Loss	(5,530,846)	(4,675,213)	18%
Total Assets	401,068,541	356,474,911	13%
Total Liabilities	240,144,907	190,020,431	26%
Total Equity	160,923,634	166,454,480	-3%

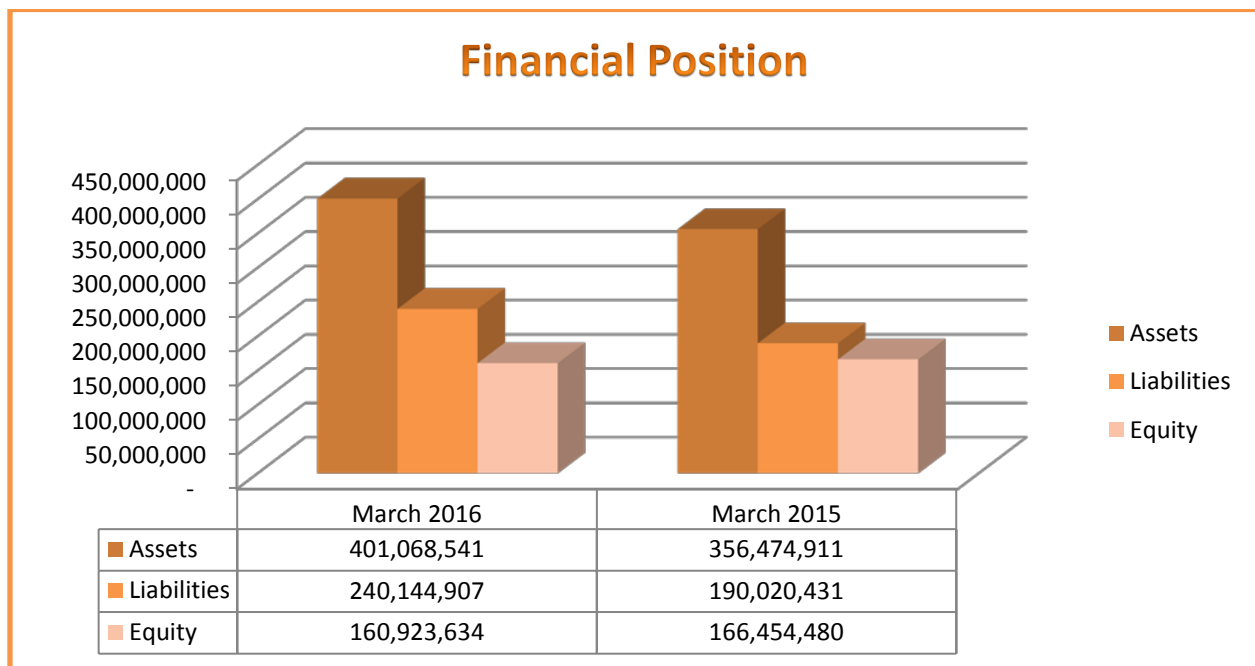
Total Revenue increased by 77% and administrative expenses decreased by 7%.

Gross profit decreased by 5% as well as net loss increased by 18%. This is as a result of the high increase of 95% in operating expenses.

Management Discussion and Analysis

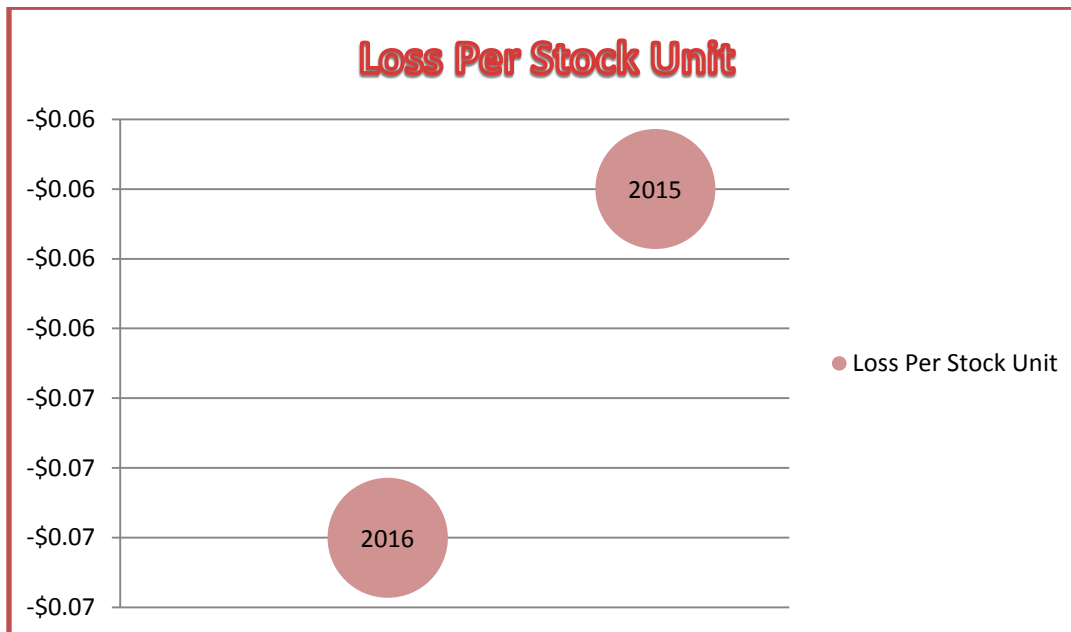


The sharp increase of 95% in cost of operations resulted from a direct increase in purchase price for pigs.



Sweet River Abattoir's total assets increased by 13% because of increased liabilities by 26%, while total equity decreased by 3%.

Management Discussion and Analysis



Sweet River Abattoir over the past two years, since it has become a company listed on the stock market, has seen negative returns earnings per share. This is a result of a shortage of in the supply of pigs coupled with the high purchase prices for the pigs.

FUTURE PLANS

We are very excited about the future. The opening of the Abattoir on June 3, 2016, coupled with the increase in supply of pigs will allow us to satisfy the demand of our customers who have been very patient with us over the past two years. We will seek to enter into a 3-5 years contractual arrangement with our key customers, thus ensuring stability of the industry as such arrangement will be passed on to the farmers to guarantee the supply of pigs.

We will be working closer with our suppliers of raw materials and technical support to farmers, as we are projecting further growth and expansion of our markets over the next few years.

SHAREHOLDERS AS AT MARCH 31, 2016

Shareholders' Information

No. of Units

Directors' Holdings as at March 31, 2016:

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	919,763

Top Ten Shareholders as at March 31, 2016:

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 at March 31, 2016:

Valdence Gifford	4,995,058
Sean Forbes	4,000

Corporate Governance

Sweet River Abattoir & Supplies Company Limited reflects an organizational structure that is open and transparent, with strong corporate governance systems in place. These precepts clearly define the respective roles and responsibilities of the board and the management team; it also ensures that Sweet River Abattoir & Supplies Company Limited acts in an ethical manner, and within the confines of the law at all times.

The Board has established an Audit Committee and a Compensation Committee, each of which is a prerequisite as dictated by the rules of the Junior Stock Market. The members of both Committees include at least two independent non-executive Directors.

The Compensation Committee is charged with the responsibility of periodically reviewing and establishing fees for Directors' and Committee members; in addition for executive and administrative staff. The Compensation Committee will seek to ensure that such fees and salaries are competitive.

Environment policies have been implemented by Sweet River Abattoir & Supplies Company Limited to ensure regulatory compliance, and that we do our part in “saving” the environment. We also have put in place proper food safety and traceability systems.

Human Resources

The Directors and Management have established sound management and administrative systems, and continue our efforts to improve operational efficiency to drive profitability and shareholders value.

As such, our values are found within one word that resonates our commitment to all stakeholders: **TEAM**.

T - Together we achieve more

E - Elevating ourselves above the highest ethical standards continuously

A - Accountability for our actions

M - Maintaining respect to our customers, employees and the communities in which we operate.

Currently, Sweet River Abattoir & Supplies Company Limited directly employs four (4) persons and has contractual arrangements with two (2) entities that employ an additional 19 persons to carry out slaughtering and haulage operations. The on-going expansion is expected to generate additional employment proportionate to output.

Corporate Social Responsibility

Sweet River Abattoir is the only Abattoir of its kind in Jamaica and the Caribbean; it boasts the highest modern technology and boasts a comprehensive state-of-the-art facility. With an estimated throughput capacity target of 250-300, livestock per day, Sweet River will significantly contribute to the economic development of Ferris and neighbouring communities; and by extension to the continued development of Jamaica's Agro Industry.

Currently, the Abattoir offers a secured market for farmers to supply their animals along with technical guidance from our management team in maintaining quality livestock for the Jamaican market.

Additionally, Sweet River Abattoir and Supplies Company Limited became the ninth Agro-Park in Jamaica; an achievement we are all proud to be a part of.

Support Service to Farmers

The Memorandum of Understanding (MOU) between Sweet River and Hi Pro Feeds will result in farmers being exposed to the training in technical areas (including, but not limited to):

1. Artificial Insemination
2. Good Husbandry Practices
 - a. Genetics Selection
 - b. Nutritional requirements
 - c. Management of Breeding Herd
 - d. Management of Piglets and Commercial Herd
 - e. Proper Feeding Program
 - f. Vaccination Program
 - g. De-worming Program
3. Diseases Identification and Treatment
4. Proper use of Medication and their withdrawal
5. Proper Record Keeping to include animal identification
6. Importance of Proper Housing and Equipment (Feeders & Scale)
7. Waste Management and Disposal
8. Water Harvesting

Farmers will be able to do various tests at Jamaica Broilers Laboratory to further support the effectiveness of training and trials. They will also have access to three (3) Veterinarians, one (1) Nutritionist and four (4) Technical Sales/Field Representatives who will provide routine visits to farms.

Corporate Social Responsibility

In fulfilment of our mission, we continue to seek ways to contribute prime value to our markets, by offering innovative products and services, accomplished through operative and proficient product delivery while generating opportunities that will empower team members, Shareholders and enrich the customers that we serve.

As we expand, our aim is to continue providing meaningful impacts to the lives of those we serve through community outreach initiatives, sponsorships and meaningful partnerships.

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**REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF
SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of Sweet River Abattoir & Supplies Company Limited which comprise the statement of financial position at 31st March 2016, the statement of comprehensive income, statement of changes in equity and cash flows for the year then ended together with a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 Financial Reporting Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence relating to the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including our assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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.

LOCATIONS:

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6 Oxford Road
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Shop 2B (Upstairs)
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**REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF
SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED**

Auditors' Responsibility - cont'd

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.

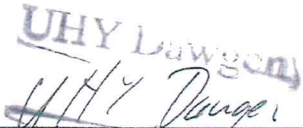
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Sweet River Abattoir & Supplies Company Limited as at 31st March 2016 and of its financial performance, changes in equity and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the provisions of the Jamaican Companies Act.

Report on additional requirements of the Jamaican Companies Act

We have obtained all the information and explanation 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, so far as appears from our examination of those records, and the financial statements which are in agreement therewith and give the information required by the Jamaican Companies Act, in the manner so required.



UHY DAWGEN CHARTERED ACCOUNTANTS

30th June 2016

SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31ST MARCH 2016
(Expressed in Jamaican Dollars unless otherwise indicated)

	<u>Notes</u>	2016 \$	2015 \$
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	4	364,695,514	288,504,553
Goodwill	5	6,580,000	6,580,000
Deferred Tax Asset	6	3,189,472	1,432,522
Deferred Interest	7	6,411,267	-
Total Non-Current assets		<u>380,876,253</u>	<u>296,517,075</u>
Current Assets:			
Directors' Current Account		-	2,000
Inventories	8	3,220,434	19,746,979
Trade and Other Receivables	9	15,437,871	17,862,746
Cash and Cash Equivalents	10	1,533,983	22,346,111
Total Current Assets		<u>20,192,288</u>	<u>59,957,836</u>
Total Assets		<u>401,068,541</u>	<u>356,474,911</u>
EQUITY AND LIABILITIES			
Capital and Reserves			
Issued Capital	11	143,695,713	143,695,713
Accumulated Profits		17,227,921	22,758,767
Total Equity		<u>160,923,634</u>	<u>166,454,480</u>
Non-Current Liabilities			
Long-Term Loans	12	129,228,671	116,560,862
Long-Term Payables	13	27,790,420	-
Shareholders' Loan	14	14,177,343	-
Total Non-Current Liabilities		<u>171,196,434</u>	<u>116,560,862</u>
Current Liabilities			
Directors' Current Account		421,344	-
Current portion of long-term loans	12	20,813,331	25,388,388
Current portion of long-term payables	13	13,882,816	-
Trade and Other Payables	15	15,048,044	35,845,489
Taxation Payable		3,721,980	5,364,048
Bank Overdraft	16	15,060,958	6,861,644
Total Current Liabilities		<u>68,948,473</u>	<u>73,459,569</u>
Total Equity and Liabilities		<u>401,068,541</u>	<u>356,474,911</u>

The accompanying notes form an integral part of the financial statements.


APPROVED FOR ISSUE BY THE BOARD ON

June 30, 2016

AND SIGNED ON ITS BEHALF BY:



Henry Graham
Director



Valence Gifford
Director

SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31ST MARCH 2016
(Expressed in Jamaican Dollars unless otherwise indicated)

	<u>Notes</u>	2016 \$	2015 \$
Revenue	17	215,152,210	121,485,373
Cost of operating revenue		<u>(194,693,506)</u>	<u>(99,898,727)</u>
Gross Profit		20,458,704	21,586,646
Administrative Expenses		<u>(24,177,518)</u>	<u>(26,124,788)</u>
Loss from Operations		(3,718,814)	(4,538,142)
Finance Income		94,680	628,923
Finance Costs		<u>(3,603,662)</u>	<u>(2,162,278)</u>
Loss before Taxation	18	(7,227,796)	(6,071,497)
Taxation	19	<u>1,696,950</u>	<u>1,396,284</u>
Loss for the Year		<u><u>(5,530,846)</u></u>	<u><u>(4,675,213)</u></u>
Loss per stock unit	20	<u><u>(\$0.07)</u></u>	<u><u>(\$0.06)</u></u>

The accompanying notes form an integral part of the financial statements.

SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH 2016
(Expressed in Jamaican Dollars unless otherwise indicated)

	Share Capital	Share Advance	Accumulated Surplus/(Deficit)	Total
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Balance at 31st March 2014	4,500	32,957,629	27,433,980	60,396,109
Capitalization of Shareholders Loan/Allotment of shares	32,957,629	(32,957,629)	-	-
Shares Issued net of transaction costs	110,733,584	-	-	110,733,584
Loss for the year	<u>-</u>	<u>-</u>	<u>(4,675,213)</u>	<u>(4,675,213)</u>
Balance at 31st March 2015	143,695,713	-	22,758,767	166,454,480
Loss for the year	<u>-</u>	<u>-</u>	<u>(5,530,846)</u>	<u>(5,530,846)</u>
Balance at 31st March 2016	<u>143,695,713</u>	<u>-</u>	<u>17,227,921</u>	<u>160,923,634</u>

The accompanying notes form an integral part of the financial statements.

SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH 2016
(Expressed in Jamaican Dollars unless otherwise indicated)

	2016	2015
	₹	₹
CASH FLOWS FROM OPERATING ACTIVITIES:		
Loss for the year	(5,530,846)	(4,675,213)
Adjustments to Reconcile Total Loss for Year to Net Cash Provided by Operating Activities		
Depreciation	444,526	280,416
Deferred tax income	(1,756,950)	(1,475,125)
Deferred interest	(6,411,267)	-
Interest Income	(11,541)	(465,409)
Taxation Provision	60,000	60,000
	<u>(13,206,078)</u>	<u>(6,275,331)</u>
(Increase)/Decrease in Current Assets:		
Directors' Current Account	-	(479,806)
Inventories	16,526,545	335,405
Trade and other Receivables	2,424,875	8,399,246
Increase/(Decrease) in Current Liabilities:		
Trade and Other Payables	(20,797,445)	(32,104,781)
Directors' Current Account	423,344	-
Cash Used In Operations	<u>(14,628,759)</u>	<u>(30,125,267)</u>
Interest Received	11,541	465,409
Taxation Paid	(1,702,068)	(106,398)
Net Cash Used In Operating Activities	<u>(16,319,286)</u>	<u>(29,766,256)</u>
Cash Flows from Investing Activities:		
Additions to Property, Plant & Equipment	<u>(76,635,487)</u>	<u>(40,781,539)</u>
Net Cash used in Investing Activities	<u>(76,635,487)</u>	<u>(40,781,539)</u>
Cash Flows from Financing Activities:		
Long-Term loans (Net)	8,092,752	(4,296,809)
Long -Term payables	41,673,236	-
Shareholders' Loan	14,177,343	-
Shareholders' Advance	-	(32,757,629)
Monies received for shares purchased	-	143,491,213
Bank Overdraft	8,199,314	(17,448,301)
Net Cash Provided by Financing Activities	<u>72,142,645</u>	<u>88,988,474</u>
Net (Decrease) /Increase in Cash and Cash Equivalents	(20,812,128)	18,440,679
Cash and Cash Equivalents at Beginning of Year	<u>22,346,111</u>	<u>3,905,432</u>
Cash and Cash Equivalents at End of Year	<u>1,533,983</u>	<u>22,346,111</u>

The accompanying notes form an integral part of the financial statements.

SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2016
(Expressed in Jamaican Dollars unless otherwise indicated)

1. Identification:

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 for the sale of pork and other agricultural products.

The company however began operations on November 1, 2011. The registered office of the company is Sweet River, Ferris, Westmoreland.

The company's shares were listed on the Junior Market of the Jamaica Stock Exchange in September 2014.

2. Adoption of Standards, Interpretations and Amendments:

a) Standards, Interpretations and Amendments to published standards that are in effect:

The International Accounting Standards Board (IASB) issued certain new standards and interpretations as well as amendments to existing standards, which became effective during the year under review. Management has assessed the relevance of these new standards, interpretations and amendments and has adopted and applied in these financial statements, those standards which are considered relevant to its operations.

IAS 19: Defined Benefit Plans: Employee Contributions (Effective July 2014)

Amends IAS 19 Employee Benefits to clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service. In addition, it permits a practical expedient if the amount of the contributions is independent of the number of years of service, in that contributions, can, but are not required, to be recognised as a reduction in the service cost in the period in which the related service is rendered.

Improvements to IFRS 2010–2012 cycle contains amendments to certain standards and interpretations and are effective for accounting periods beginning on or after July 1, 2014. The main amendments are as follows:

• IFRS 13: Fair Value Measurement (Effective July 2014)

Clarifies that issuing IFRS 13 and amending IFRS 9 and IAS 39 did not remove the ability to measure certain short-term receivables and payables on an undiscounted basis (amends basis for conclusion only).

• IAS 16: Property, Plant and Equipment (Effective July 2014)

Proportionate restatement of accumulated depreciation under the revaluation method.

For all depreciable assets:

The depreciable amount (cost less residual value) should be allocated on a systematic basis over the asset's useful life [IAS 16.50].

The residual value and the useful life of an asset should be reviewed at least at each financial year-end and, if expectations differ from previous estimates, any change is accounted for prospectively as a change in estimate under IAS 8. [IAS 16.51]

The depreciation method used should reflect the pattern in which the asset's economic benefits are consumed by the entity [IAS 16.60]; a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate. [IAS 16.62A]

SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONT'D
FOR THE YEAR ENDED 31ST MARCH 2016
(Expressed in Jamaican Dollars unless otherwise indicated)

2. Adoption of Standards, Interpretations and Amendments - cont'd:

a) Standards, Interpretations and Amendments to published standards that are in effect (cont'd):

Annual Improvements to IFRS 2010–2012 cont'd:

• **IAS 16: Property, Plant and Equipment (Effective July 2014)**

The depreciation method should be reviewed at least annually and, if the pattern of consumption of benefits has changed, the depreciation method should be changed prospectively as a change in estimate under IAS 8. [IAS 16.61] Expected future reductions in selling prices could be indicative of a higher rate of consumption of the future economic benefits embodied in an asset. [IAS 16.56]

Depreciation should be charged to profit or loss, unless it is included in the carrying amount of another asset [IAS 16.48].

Depreciation begins when the asset is available for use and continues until the asset is derecognised, even if it is idle. [IAS 16.55]

• **IAS 24: Related Party Disclosures (Effective July 2014)**

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any directors (whether executive or otherwise) of the entity. [IAS 24.9]

If an entity obtains key management personnel services from a management entity, the entity is not required to disclose the compensation paid or payable by the management entity to the management entity's employees or directors. Instead the entity discloses the amounts incurred by the entity for the provision of key management personnel services that are provided by the separate management entity*. [IAS 24.17A, 18A]

Improvements to IFRS 2011–2013 cycle contains amendments to certain standards and interpretations and are effective for accounting periods beginning on or after July 1, 2014. The main amendments are as follows:

• **IFRS 13: Fair Value Measurement (Effective July 2014)**

Scope of paragraph 52 (portfolio exception)

Clarifies that the scope of the portfolio exception defined in paragraph 52 of IFRS 13 includes all contracts accounted for within the scope of IAS 39 Financial Instruments: Recognition and Measurement or IFRS 9 Financial Instruments, regardless of whether they meet the definition of financial assets or financial liabilities as defined in IAS 32 Financial Instruments: Presentation.

• **IAS 24: Related Party Disclosures (Effective July 2014)**

This has been amended to extend the definition of 'related party' to include a management entity that provides key management personnel services to the reporting entity, either directly or through a group entity. The reporting entity is required to separately disclose the amounts that it has recognized as an expense for those services provided by the management entity but it is not required to disclose compensation paid by the management entity to the individuals providing the key management personnel services.

These affected the financial statements for accounting periods beginning on or after the first day of the months stated. The adoption of these Standards and amendments had no material impact on the company's financial statements.

SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONT'D
FOR THE YEAR ENDED 31ST MARCH 2016
(Expressed in Jamaican Dollars unless otherwise indicated)

2. Adoption of Standards, Interpretations and Amendments - cont'd:

b) Standards, Interpretations and Amendments to published standards that are not yet effective:

Certain new, revised and amended standards and interpretations have been issued which are not yet effective for the current year and which the company has not early-adopted. The company has assessed the relevance of all the new standards, amendments and interpretations with respect to the company's operations and has determined that the following are likely to have an effect on the company's financial statements:

IAS 27: Separate Financial Statements (Effective January 2016)

Amends IAS 27: Separate Financial Statements to permit investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in separate financial statements.

Improvements to IFRS 2012–2014 cycle contains amendments to certain standards and interpretations and are effective for accounting periods beginning on or after January 1, 2016. The main amendments are as follows:

• **IFRS 5: Non-current Assets Held for Sale and Discontinued Operations (Effective January 2016)**

Adds specific guidance in IFRS 5 for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued.

• **IFRS 7: Financial Instruments: Disclosures (Effective January 2016)**

Additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset, and clarification on offsetting disclosures in condensed interim financial statements.

• **IAS 19: Employee Benefits (Effective January 2016)**

Clarifies that the high quality corporate bonds used in estimating the discount rate for post-employment benefits should be denominated in the same currency as the benefits to be paid.

IAS 1: Presentation of Financial Statement (Effective January 2016)

The amendment addresses perceived impediments to preparers exercising their judgement in presenting their financial reports by making the following changes.

Clarifies that information should not be obscured by aggregating or by providing immaterial information materiality consideration apply to the all parts of the financial statements, and even when a standard requires a specific disclosure, materiality considerations do apply;

Clarifies that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and clarification that an entity's share of other comprehensive income of equity-accounted associates and joint ventures should be presented in aggregated as single line items based on whether or not it will subsequently be reclassified to profit or loss;

Provides additional examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need to be presented in the order so far listed in paragraph 114 of IAS 1.

SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONT'D
FOR THE YEAR ENDED 31ST MARCH 2016
(Expressed in Jamaican Dollars unless otherwise indicated)

2. Adoption of Standards, Interpretations and Amendments - cont'd:

b) Standards, Interpretations and Amendments to published standards that are not yet effective - cont'd:

IAS 16: Property, Plant and Equipment and IAS 38 Intangible Assets (Effective January 2016)

- Clarify that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate for property, plant and equipment;
- Introduce a rebuttable presumption that an amortisation method that is based on the revenue generated by an activity that includes the use of an intangible asset is inappropriate, which can only be overcome in limited circumstances where the intangible asset is expressed as a measure of revenue, or when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated;
- Add guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset, which, in turn, might reflect a reduction of the future economic benefits embodied in the asset.

Amendments to IFRS 10: Consolidated Financial Statements, IFRS 12: Disclosure of Interests in Other Entities and IAS 28: Investments in Associates and Joint Ventures (2011) Effective January 2016)

Amendments to address issues that have arisen in the context of applying the consolidation exception for investment entities by clarifying the following points:

- The exemption from preparing consolidated financial statements for an intermediate parent entity is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all of its subsidiaries at fair value.
- A subsidiary that provides services related to the parent's investment activities should not be consolidated if the subsidiary itself is an investment entity.
- When applying the equity method to an associate or a joint venture, a non-investment entity investor in an investment entity may retain the fair value measurement applied by the associate or joint venture to its interests in subsidiaries.
- An investment entity measuring all of its subsidiaries at fair value provides the disclosures relating to investment entities required by IFRS 12.

IFRS 9: Financial Instruments (Effective January 1, 2018)

This replaces the existing guidance in *IAS 39, Financial Instruments: Recognition and Measurement*. IFRS 9 introduces new requirements for the classification, measurement and recognition of financial assets and financial liabilities, in order to ensure that relevant and useful information is presented to users of financial statements. It replaces the multiple classification and measurement models in IAS 39 with a single model that has only two classification categories: amortized cost and fair value. The determination of classification will be made at initial recognition and depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument.

Management has determined that the standard is relevant to existing policies for its current operations, but has not yet assessed the impact on adoption.

SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONT'D
FOR THE YEAR ENDED 31ST MARCH 2016
(Expressed in Jamaican Dollars unless otherwise indicated)

2. Adoption of Standards, Interpretations and Amendments (cont'd):

b) Standards, Interpretations and Amendments to published standards that are not yet effective - cont'd:

IFRS 15 - Revenue from Contracts with Customers (IAS 18 will be superseded by IFRS 15 Revenue from Contracts with Customers.) (Effective January 2018)

IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers.

The five steps in the model are as follows:

- Identify the contract with the customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contracts
- Recognise revenue when (or as) the entity satisfies a performance obligation.

Guidance is provided on topics such as the point in which revenue is recognised, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced.

IFRS 16 - Leases (Effective January 2019)

IFRS 16 specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

Amendments to IAS 7 - Statement of Cash Flows (Effective January 2017)

Amends IAS 7, Statement of Cash Flows to clarify that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

IAS 12 - Income Taxes - Recognition of Deferred Tax Assets for Unrealised Losses (Effective January 2017)

Amends IAS 12, Income Taxes to clarify the following aspects:

- Unrealised losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use.
- The carrying amount of an asset does not limit the estimation of probable future taxable profits.
- Estimates for future taxable profits exclude tax deductions resulting from the reversal of deductible temporary differences.
- An entity assesses a deferred tax asset in combination with other deferred tax assets. Where tax law restricts the utilisation of tax losses, an entity would assess a deferred tax asset in combination with other deferred tax assets of the same type.

SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONT'D
FOR THE YEAR ENDED 31ST MARCH 2016
(Expressed in Jamaican Dollars unless otherwise indicated)

2. Adoption of Standards, Interpretations and Amendments (cont'd):

b) Standards, Interpretations and Amendments to published standards that are not yet effective - cont'd:

These amendments will affect financial statements for accounting periods beginning on or after the first day of the months stated. The Company is evaluating the impact that these standards and amendments will have on the financial statements.

Management has determined that these Standards are relevant to existing policies for its current operations, but has not yet assessed the impact on adoption.

3. Statement of Compliance, Basis of Preparation and Significant Accounting Policies:

(i) Statement of Compliance and Basis of Preparation:

The financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS) and their interpretations adopted by the International Accounting Standards Board (IASB), and comply with the requirements of the Jamaican Companies Act. They have been prepared under the historical cost convention.

(ii) Significant Accounting Policies:

(a) Use of Estimates and Judgements:

The preparation of financial statements in accordance with International Financial Reporting Standards requires directors and management to make estimates and assumptions that affects the amounts reported in the financial statements and accompanying notes. These estimates are based on historical experience and management's best knowledge of current events and actions and are reviewed on an ongoing basis. Actual results could differ from those estimates.

(b) Property, Plant and Equipment

Property, Plant and Equipment is composed of freehold improvement, construction in progress, furniture and equipment which are held for use in the production or supply of goods and services and administrative purposes. They are recorded at historical cost less accumulated depreciation and impairment losses.

Construction in progress is carried at cost less any recognized impairment losses. Cost includes professional fees and borrowing costs have been capitalized for qualifying assets. Depreciation will be charged when the assets are ready for their intended use.

Depreciation is calculated on the straight line basis by reference to cost or valuation, at rates estimated to write off the relevant assets over their expected useful lives. The annual rates used are as follows:

Freehold Improvement	2.5 %
Furniture	10 %
Equipment	10 %
Computer Equipment	12.5%

Freehold Improvement and Construction in Progress are not depreciated.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONT'D

FOR THE YEAR ENDED 31ST MARCH 2016

(Expressed in Jamaican Dollars unless otherwise indicated)

3. Statement of Compliance, Basis of Preparation and Significant Accounting Policies - cont'd:

(ii) Significant Accounting Policies - cont'd:

(c) Impairment of Assets

Property, plant and equipment and other long lived assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's net selling price or value in use. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows.

(d) Foreign Currency Transactions

Transactions in foreign currencies are converted at the rates ruling at the date of the transactions. Foreign currency balances are translated at the rate of exchange ruling at each of the dates of the statement of financial position. Exchange adjustments arising from foreign currency translations are reflected in the Statement of Comprehensive Income.

(e) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the first-in-first-out method and includes expenditure incurred in acquiring the inventories and any costs incurred in bringing them to their existing condition and location. Net realisable value is the estimated selling price in the ordinary course of business, less the cost of completion and selling expenses.

(f) Trade Receivables

Trade receivables are carried at original invoice amount less an estimate made for bad debts and doubtful receivables based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

(g) Cash and Cash Equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand, deposits held on call with banks and other short-term highly liquid investments. In the statement of financial position, bank overdrafts where evident, are included in borrowings in current liabilities and as cash flows from financing activities in the statement of cash flows.

(h) Taxation

Taxation on the profit or loss for the year comprises current and deferred tax. Taxation is recognised as income or expense in the statement of comprehensive income except to the extent that it relates to items recorded in shareholders' equity, in which case it is recognised in equity.

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

SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONT'D
FOR THE YEAR ENDED 31ST MARCH 2016
(Expressed in Jamaican Dollars unless otherwise indicated)

3. Statement of Compliance, Basis of Preparation and Significant Accounting Policies - cont'd:

(ii) **Significant Accounting Policies - cont'd:**

(h) Taxation - cont'd

Deferred tax is computed using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amount 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 each of the dates of the statement of financial position.

Deferred tax assets are recognised to the extent it is probable that future taxable profits will be available against which these assets 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.

Current and deferred tax assets and liabilities are set off when they arise from the same taxable entity, relate to the same tax authority and when the legal right of set-off exists.

(i) Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made.

(j) Revenue Recognition

Revenue comprises the fair value of consideration received or receivable for the provision of goods in the ordinary course of the company's activities. Revenue is shown net of discounts.

Interest Income is recognised in the statement of comprehensive income using the effective yield basis.

(k) Related Party Balances and Transactions -

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in IAS 24, *Related Party Disclosures* as the "reporting entity").

(a) A person or a close member of that person's family is related to the reporting entity if that person:

- (i) has control or joint control over the reporting entity;
- (ii) has significant influence over the reporting entity; or
- (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to the reporting entity if any of the following conditions applies:

- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.

SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONT'D
FOR THE YEAR ENDED 31ST MARCH 2016
(Expressed in Jamaican Dollars unless otherwise indicated)

3. Statement of Compliance, Basis of Preparation and Significant Accounting Policies - cont'd:

(ii) Significant Accounting Policies - cont'd:

(k) Related Party Balances and Transactions -cont'd -

(b) An entity is related to the reporting entity if any of the following conditions applies - cont'd:

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.

(vi) The entity is controlled, or jointly controlled by a person identified in (a).

(vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

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

(l) Comparative Information

Where necessary, comparative figures have been reclassified to conform with changes in presentation in the current year.

SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONT'D
FOR THE YEAR ENDED 31ST MARCH 2016
(Expressed in Jamaican Dollars unless otherwise indicated)

4. Property, Plant and Equipment:

	Freehold Improvement	Construction Work-in- Progress	Leasehold Improvement	Computer Furniture & Equipment	Total
	\$	\$	\$	\$	\$
<u>At Cost or Valuation:</u>					
31st March 2014	4,907,975	240,469,002	1,176,641	2,459,709	249,013,327
Additions	-	40,781,539	-	-	40,781,539
31st March 2015	4,907,975	281,250,541	1,176,641	2,459,709	289,794,866
Additions	-	74,836,055	-	1,799,432	76,635,487
31st March 2016	4,907,975	356,086,596	1,176,641	4,259,141	366,430,353
<u>Accumulated Depreciation:</u>					
At 31st March 2014	-	-	147,081	862,816	1,009,897
Charge for Year	-	-	29,416	251,000	280,416
At 31st March 2015	-	-	176,497	1,113,816	1,290,313
Charge for Year	-	-	29,415	415,111	444,526
At 31st March 2016	-	-	205,912	1,528,927	1,734,839
<u>Net Book Value:</u>					
31st March 2016	4,907,975	356,086,596	970,729	2,730,214	364,695,514
31st March 2015	4,907,975	281,250,541	1,000,144	1,345,893	288,504,553
31st March 2014	4,907,975	240,469,002	1,029,560	1,596,893	248,003,430

SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONT'D
FOR THE YEAR ENDED 31ST MARCH 2016
(Expressed in Jamaican Dollars unless otherwise indicated)

5. 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 (2015: Nil).

6. Deferred Tax Asset:

Deferred income taxes are calculated in full on temporary differences under the liability method using a principal tax rate of 25%. Assets and liabilities recognised have been off-set as they accrue to the same tax authority.

Movement in the net deferred income tax balances is as follows:

	2016	2015
	\$	\$
Net (Asset)/liability at beginning of the year	(1,432,522)	42,603
Deferred tax income	<u>(1,756,950)</u>	<u>(1,475,125)</u>
Net Asset at end of the year	<u><u>(3,189,472)</u></u>	<u><u>(1,432,522)</u></u>

Deferred tax (Asset)/liability is due to the following items:

	2016	2015
	\$	\$
<u>Deferred tax assets</u>		
Losses Carried Forward	(3,128,116)	(1,431,438)
Interest Payable	(89,236)	(32,274)
Computer	<u>(434)</u>	<u>(5,403)</u>
	<u><u>(3,217,786)</u></u>	<u><u>(1,469,115)</u></u>
<u>Deferred tax liabilities</u>		
Furniture, fixture & equipment	(8,945)	2,792
Leasehold Improvement	<u>37,259</u>	<u>33,801</u>
	<u>28,314</u>	<u>36,593</u>
Net Deferred Tax Asset	<u><u>(3,189,472)</u></u>	<u><u>(1,432,522)</u></u>

7. Deferred Interest:

	2016	2015
	\$	\$
Neville L. Daley and Company Limited	<u>6,411,267</u>	<u>-</u>

This represent the total interest (add on) charged by the Contractor on funds advanced for the construction of the Abattoir. The interest was charged at the rate at eight percent (8%) per annum for three years and nine months (3 3/4yrs). The loan plus interest are repayable in twelve (12) monthly installments of \$300,000.00 commencing October 30, 2015 to September 30, 2016 and thereafter in twenty four (24) monthly installments of \$1,586,384.82 with a final payment in September 2018. If the loan is not repaid by September 30, 2018, then any outstanding balance will be repaid in one lump sum at a monthly interest rate of four percent (4%) per annum.

SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONT'D
FOR THE YEAR ENDED 31ST MARCH 2016
(Expressed in Jamaican Dollars unless otherwise indicated)

8. Inventories:	2016	2015
	\$	\$
Packaging Materials	255,208	117,935
Finished Goods	2,965,226	389,675
Work In Progress	-	19,239,369
	<u>3,220,434</u>	<u>19,746,979</u>
9. Trade and Other Receivables:	2016	2015
	\$	\$
Trade Receivables	2,957,531	17,036,862
Other Receivables	12,480,340	825,884
	<u>15,437,871</u>	<u>17,862,746</u>
10. Cash and Cash Equivalents:	2016	2015
	\$	\$
Current Account	496,862	1,487,275
Foreign Currency Account	5,971	29,511
Savings Account	109,358	20,608,290
Cash in Hand	921,792	221,035
	<u>1,533,983</u>	<u>22,346,111</u>
11. Issued Capital:	2016	2015
	\$	\$
<u>Authorised-</u>		
100,000,000 (2015 - 100,000,000) ordinary shares of no par value		
<u>Issued and fully paid:</u>		
81,531,043 (2015 - 81,531,043) ordinary shares net of transaction costs	<u>143,695,713</u>	<u>143,695,713</u>

The Share Advance was converted to the shares at the values determined for the Initial Public Offering. At the end of the Offering, 81,531,043 shares were issued at a value of \$118,000,000.

SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONT'D
FOR THE YEAR ENDED 31ST MARCH 2016
(Expressed in Jamaican Dollars unless otherwise indicated)

12. Long-Term Loans:

	2016	2015
	\$	\$
(i) First Global Bank Limited	-	103,549,251
(ii) First Global Bank Limited	-	38,399,999
(iii) First Global Bank Limited	141,792,570	-
(iv) VM Wealth Management Limited	<u>8,249,432</u>	<u>-</u>
	150,042,002	141,949,250
Less Current Portion	<u>(20,813,331)</u>	<u>(25,388,388)</u>
	<u>129,228,671</u>	<u>116,560,862</u>

(i) Loans (i) and (ii) were consolidated and restructured into loan (iii).

(ii)

(iii) This represents a Development Bank of Jamaica (DBJ) Non Revolving Demand Loan of \$147,792,570.00 granted by First Global Bank Limited for the purpose of consolidating and restructuring the existing facilities to assist with the construction of the abattoir facility. Interest is charged at the rate of 9.5% per annum until expiry. There is a nine (9) months moratorium on the principal repayments and thereafter, the principal amount is scheduled to be repaid by seventy-nine (79) monthly payments of \$1,794,842.66. Interest is to be paid monthly commencing one month after disbursement.

Details of securities held are -

First Demand Debenture over the assets of the company, registered to cover \$151,000,000 and stamped collateral with :

- First legal mortgage over commercial property located at Sweet River, Ferris, Westmoreland registered at Vol. 1454 Folio 816 in the name of the company, registered and stamped to cover \$151,000,000.
- Bill of sale over abattoir equipment located at Sweet River, Westmoreland estimated value \$97,544,000 registered and stamped to cover \$44,400,000.
- Assignment of all-peril insurance coverage for full replacement value of the property and other assets with First Global Bank Limited's interest noted as mortgagees. Assignment of In-Course construction insurance during the construction phase of the project with the Bank's interest noted.
- Personal guarantees signed by Valdense Gifford, Neville Grant, Henry Graham, Audley Dietrick, Michael Pinnock, Derrick McKenzie, Hector Lyons, Nigel Morgan and Kirk Fong for \$151,000,000.
- Subordination Agreement re Shareholders' loan to bank debts.

(iv) This represents a \$11,000,000.00 JMD Fixed Rate Unsecured Convertible Investment Note which was used for the purpose of completing the Abattoir, purchase equipment and provide working capital. The tenor is twelve (12) months at a fixed interest rate of 13.75% per annum and it matures on February 28, 2017. The first interest payment will be due and payable on May 31, 2016, thereafter on August 31, 2016, November 30, 2016 and February 28, 2017 net of withholding where applicable; and the principal will be repaid in a single bullet payment at maturity. Each Noteholder has the right to convert their Notes to ordinary shares of the company at a conversion price of three dollars and eighty five cents (\$3.85) at maturity date. Only \$8,249,432 of the loan was disbursed to the company as at 31st March 2016.

SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONT'D
FOR THE YEAR ENDED 31ST MARCH 2016
(Expressed in Jamaican Dollars unless otherwise indicated)

13. Long-Term Payables:

	2016	2015
	₹	₹
Neville L. Daley and Company Limited	41,673,236	-
Current Portion	<u>(13,882,816)</u>	<u>-</u>
	<u>27,790,420</u>	<u>-</u>

This represents amounts owing to the contractor Neville L Daley and Company Limited for construction of the Abattoir. Interest is charged at the rate at eight percent (8%) per annum for three years and nine months (3 3/4yrs). The loan plus interest are repayable in twelve (12) monthly installments of \$300,000.00 commencing October 30, 2015 to September 30, 2016 and thereafter in twenty four (24) monthly installments of \$1,586,384.82 with a final payment in September 2018. If the loan is not repaid by September 30, 2018, then any outstanding balance will be repaid in one lump sum at a monthly interest rate of four percent (4%) per annum.

14. Shareholders' Loans

		2016	2015
		₹	₹
Henry Graham Loan #1	(i)	1,410,360	-
Nathan Meylor Loan # 1	(ii)	3,111,921	-
Henry Graham Loan #2	(iii)	6,829,473	-
Nathan Meylor Loan # 2	(iii)	<u>2,825,589</u>	<u>-</u>
		<u>14,177,343</u>	<u>-</u>

(i) This loan of US\$12,000 from Henry Graham was made on 20th August 2015 subject to interest rate of 6% per annum on or before December 20, 2015. Interest of 7 1/2% per annum accrued daily on all amounts outstanding after December 20, 2015. It is agreed that all payments of principal and interest due to the lender be re-paid in United States Currency.

(ii) This loan of JA\$3,111,921.16 from Nathan Meylor was made on 30th July 2015 subject to interest rate of 6% per annum. It was further agreed that interest of \$186,715 and principal be re-paid twelve (12) months after 30th July 2015.

(iii) These loans have specific dates of repayment and do not attract interest.

15. Trade and Other Payables:

	2016	2015
	₹	₹
Trade Payable	4,434,006	26,672,619
Accrued Expenses	1,844,109	2,160,747
Statutory Payables	469,164	155,629
Contractual Liabilities	6,965,819	6,716,494
Other Payables	1,107,099	140,000
Shareholders' Loan Interest Payable	<u>227,847</u>	<u>-</u>
	<u>15,048,044</u>	<u>35,845,489</u>

SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONT'D
FOR THE YEAR ENDED 31ST MARCH 2016
(Expressed in Jamaican Dollars unless otherwise indicated)

16. Bank Overdraft:

This represents the company's liability to its banker on its current account after taking into account all cheques issued but not presented for encashment at year end. This is secured by an overdraft facility for \$5M with Sagicor Bank Jamaica Limited. Interest is accrued at the rate of 25% (2015 - 25%) per annum and the facility is secured by an unlimited personal guarantee of the directors.

17. Revenue:

Revenue is measured at the invoiced value of goods supplied or sold, net of discounts.

18. Loss Before Taxation:

The loss before taxation is arrived at after charging/(crediting) the under listed items:

	2016	2015
	₹	₹
Directors' Emoluments	1,031,120	1,544,960
Auditors' Remuneration	442,700	815,500
Depreciation	<u>444,526</u>	<u>280,416</u>

19. Taxation:

a. Taxation computed on profits adjusted for tax purposes for the year is as follows:

	2016	2015
	₹	₹
Income tax expense		
Income Tax @ 25 %	-	-
Deferred Tax Income	(1,756,950)	(1,475,125)
Contractors Levy	-	18,841
Minimum Business Tax	<u>60,000</u>	<u>60,000</u>
Taxation income recognised in statement of comprehensive income	<u>(1,696,950)</u>	<u>(1,396,284)</u>

Tax charge reconciliation

Loss before taxation	<u>(7,227,796)</u>	<u>(6,071,497)</u>
Income Tax @ 25 %	(1,806,950)	(1,517,874)
Income tax consequences of the following:		
Expenses not deductible for tax purposes	-	42,750
Asset Fees	50,000	-
Contractors Levy	-	18,840
Minimum Business Tax	<u>60,000</u>	<u>60,000</u>
	<u>(1,696,950)</u>	<u>(1,396,284)</u>

SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONT'D

FOR THE YEAR ENDED 31ST MARCH 2016

(Expressed in Jamaican Dollars unless otherwise indicated)

19. Taxation - Cont'd:

- b. Losses available for set-off against future profits amount to \$12,512,464 (2015 - \$5,725,751) and are subject to agreement with the Commissioner General, Tax Administration Jamaica.
- c. The company was listed on the Junior Market of the Jamaican Stock Exchange (JSE) on September 2014 and under the Seventh Schedule of the Fiscal Incentives (Miscellaneous Provisions) Act, 2013, it is deemed a newly eligible company and is eligible for the specified incentive relief for each year of assessment falling within the incentive period. The incentive period is the period of up to five (5) years immediately following the date on which it became an eligible company. As a newly eligible company, it is exempt from the payment of one hundred percent (100 %) of income tax that the company would, under this Act, have been liable to pay in respect of income, profits and gains, had it not been an eligible company. The company must however, adhere to the following conditions in order to benefit from this income tax exemption.
- The company is required to be listed on the Junior Market of the JSE for a combined continuous period of not less than ten (10) years from the date of initial admission and should not have been temporarily delisted by reason of being suspended from the JSE for any breach of the Junior Market or delisted in other circumstances.
 - The participating voting shares must be ordinary shares or stock units, ordinary preference shares or stock units or any other shares or stock units, which qualify for equity treatment under IFRS.

If any condition is breached, then the company shall immediately become liable to pay all tax under this Act from the time of its initial admission which, but for this Act would have otherwise been payable.

The company while eligible for the specified incentive relief shall not be entitled to any other incentives, credits or relief under the Fiscal Incentives (Miscellaneous Provisions) Act, 2013 and the Income Tax Relief (Large-scale Projects and Pioneer Industries) Act in respect of that year of assessment.

20. Loss Per Stock Unit:

The loss per stock unit is computed by dividing the loss attributable to stockholders by the number of shares in issue at the end of the year.

	2016	2015
	\$	\$
Net Loss attributable to stockholders (000's)	(5,531)	(4,675)
Number of ordinary stock units (000's)	81,531	81,531
Earnings per stock unit (\$ per share)	<u>(0.07)</u>	<u>(0.06)</u>

21. Staff Costs:

Staff Costs amounted to \$7,506,957 (2015 - \$6,717,480). The number of employees as at 31st March 2016 was 4 (2015 -5).

SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONT'D
FOR THE YEAR ENDED 31ST MARCH 2016
(Expressed in Jamaican Dollars unless otherwise indicated)

22. Financial Risk Management:

A financial instrument is a contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. For the purpose of the financial statements, financial assets have been determined to include cash and cash equivalents and trade and other receivables. Financial liabilities have been determined to include trade and other payables.

The company's activities exposes it to a variety of financial risks which require evaluation, acceptance and management of some degree of risks or combination of risks. Operational risks are an inevitable consequence of being in business. The company's aim is to achieve an appropriate balance between risk and return and minimise potential adverse effects on the company's financial performance.

The company's management policies are designed to identify and analyse these risks, to set up appropriate controls and to monitor the risks by means of up-to-date information.

The Board of Directors is ultimately responsible for the establishment and oversight of the company's management framework. It provides policies for overall risk management, as well as principles and procedures covering the specific areas of risk. The Board manages and monitors those risks such as foreign exchange risk, interest rate risk and credit risk, and manages the investment of excess liquidity.

The most important types of risk are credit risk, liquidity risk, market risk and other operational risks. Market risk includes currency risk, interest rate risk and other price risks.

These risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements. The risks that the company primarily faces due to the nature of its assets and liabilities are credit risk, liquidity risk and currency risk.

a) Credit Risk

The company is exposed to credit risk, which is the risk that its customers will cause a financial loss for the company by failing to discharge their contractual obligations. Credit risk is the most important risk for the company's business; management therefore carefully manages its exposure to credit risk. Credit exposure arise principally from the company's receivables from customers.

Credit Review Process

The company has established a credit quality process and has credit policies and procedures which require regular analysis of the ability of debtors to meet payment obligations.

Maximum Exposure to Credit Risk

	2016	2015
	\$	\$
Trade Receivables	2,957,531	17,036,862
Other Receivables	12,480,340	825,884
Cash and Cash Equivalents	<u>612,191</u>	<u>22,125,076</u>
	<u><u>16,050,062</u></u>	<u><u>39,987,822</u></u>

SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONT'D
FOR THE YEAR ENDED 31ST MARCH 2016
(Expressed in Jamaican Dollars unless otherwise indicated)

22. Financial Risk Management - cont'd:

a) **Credit Risk - cont'd:**

(i) Trade Receivables

The company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The credit policy states that each customer must be analyzed individually for credit worthiness prior to the company offering them a credit facility.

Customer credit risk are monitored according to credit characteristics such as whether it is an individual or company, geographic location, industry, aging profile and previous financial difficulties.

The company's average credit period for the sale of goods is thirty (30) days. The company considers providing fully for all receivables over one hundred and eighty (180) days.

(ii) Other Receivables

Other receivables consist mainly of amounts recoverable from employees and prepayments. There is therefore limited credit risk with regard to these items though the recovery period may be extended.

(iv) Cash and Cash Equivalents

Cash and cash equivalents on which the company faces credit risks comprise its current accounts and deposits held with financial institutions. The company limits its exposure to credit risk by placing its cash and cash equivalents with counter-parties that have high credit quality. Accordingly, management does not expect any counter-party to fail to meet its obligation.

There has been no change in the company's exposure to credit risks or the manner in which it measures and manages this risk.

b) **Liquidity Risk:**

Liquidity risk is the risk that the company is unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn.

The company manages its liquidity risk by maintaining an appropriate level of resources in liquid or near liquid form. At the date of the statement of financial position its current liabilities exceeded its current assets by \$48,756,185(2015 - \$13,501,733).

Liquidity risk management process

The company's liquidity management process, as carried out within the company and monitored by the Accounts Department, includes:

- i) Monitoring future cash flows and liquidity on a regular basis. This incorporates an assessment of expected cash flows and the availability of high grade collateral which could be used to secure funding if required;
- ii) Maintaining a portfolio of highly marketable and diverse assets that can easily be liquidated as protection against any unforeseen interruption to cash flows;
- iii) Optimising cash returns on investments;

SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONT'D
FOR THE YEAR ENDED 31ST MARCH 2016
(Expressed in Jamaican Dollars unless otherwise indicated)

22. Financial Risk Management - cont'd:

b) **Liquidity Risk - cont'd:**

Monitoring of assets and liabilities and the ability to repay, at an acceptable cost, interest-bearing liabilities as they mature, are important factors in assessing the liquidity of the company and its exposure to changes in interest rates and exchange rates.

There has been no change in the company's liquidity risk or the manner in which it measures and manages the risk.

The following are the contractual maturities of financial assets and liabilities including interest payments as at:

31st March 2016

	Carrying Amount and Contractual Cash Flow	0 - 6 months	6 - 12 months	No specific maturities
	\$	\$	\$	\$
Trade and other receivables				
Trade	14,680,066	14,680,066	-	-
Other	757,805	91,201	666,604	-
Inventories	3,220,434	3,220,434	-	-
Cash and cash equivalents	<u>1,533,983</u>	<u>1,418,654</u>	<u>-</u>	<u>115,329</u>
	<u>20,192,288</u>	<u>19,410,355</u>	<u>666,604</u>	<u>115,329</u>
Trade and other payables				
Trade	4,434,006	4,434,006	-	-
Accruals/others	10,386,191	3,420,372	6,965,819	-
Taxation payable	3,721,980	3,721,980	-	-
Director's Current Account	421,344	-	421,344	-
Current portion of long-term loan	20,813,331	20,813,331	-	-
Current portion of long-term payables	13,882,816	13,882,816	-	-
Bank overdraft	<u>15,060,958</u>	<u>15,060,958</u>	<u>-</u>	<u>-</u>
	<u>68,720,626</u>	<u>61,333,463</u>	<u>7,387,163</u>	<u>-</u>
Net Current (liabilities)/assets	<u>(48,528,338)</u>	<u>(41,923,108)</u>	<u>(6,720,559)</u>	<u>115,329</u>

SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONT'D
FOR THE YEAR ENDED 31ST MARCH 2016
(Expressed in Jamaican Dollars unless otherwise indicated)

22. Financial Risk Management - cont'd:

b) **Liquidity Risk - cont'd:**

The following are the contractual maturities of financial assets and liabilities including interest payments as at:

31st March 2015

	Carrying Amount and Contractual Cash Flow	0 - 6 months	6 - 12 months	No specific maturities
	\$	\$	\$	\$
Trade and other receivables				
Trade	17,036,862	17,036,862	-	-
Other	825,884	159,280	666,604	-
Directors' Current Account	2,000	-	-	2,000
Cash and cash equivalents	<u>22,346,111</u>	<u>1,708,310</u>	<u>-</u>	<u>20,637,801</u>
	<u>40,210,857</u>	<u>18,904,452</u>	<u>666,604</u>	<u>20,639,801</u>
Trade and other payables				
Trade	26,672,619	26,672,619	-	-
Accruals/others	9,172,870	2,456,376	6,716,494	-
Taxation payable	5,364,048	5,364,048	-	-
Current portion of long-term loan	25,388,388	-	25,388,388	-
Bank overdraft	<u>6,861,644</u>	<u>6,861,644</u>	<u>-</u>	<u>-</u>
	<u>73,459,569</u>	<u>41,354,687</u>	<u>32,104,882</u>	<u>-</u>
Net Current (liabilities)/assets	<u>(33,248,712)</u>	<u>(22,450,235)</u>	<u>(31,438,278)</u>	<u>20,639,801</u>

c) **Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. This arises mainly from changes in interest rates, foreign currency rates and equity prices and will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to monitor and control market risk exposures within acceptable parameters, while optimising the return on investment. Market risk exposures are measured using sensitivity analyses.

As with most businesses, the current economic climate globally as well as nationally dictates that there could be changes to the company's exposure to market risk as well as the manner in which it manages and measures the risk. There has been major foreign currency exchange rate adjustments over the past four months with consequential movements in interest rates as the Bank of Jamaica attempts to stabilise the Jamaican dollar.

SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONT'D
FOR THE YEAR ENDED 31ST MARCH 2016
(Expressed in Jamaican Dollars unless otherwise indicated)

22. Financial Risk Management - cont'd:

c) **Market Risk - cont'd**

(i) Foreign Currency Risk

Foreign currency risk is the risk that the market value of, or the cash flows from financial instruments will vary because of exchange rate fluctuations. The company carries out transactions with international entities and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar, the Canadian dollar and the UK pound. The company ensures that its net foreign currency exposure is kept at suitable levels by buying or selling currencies to address short-term needs.

Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The company further manages this risk by maximising foreign currency earnings and holding foreign currency balances as follows:

	2016 <u>US \$</u>	2015 <u>US \$</u>
<u>Assets</u>		
RBC Royal Bank USD	49	258
Trade Receivables	<u>5,341</u>	<u>5,105</u>
	<u>5,390</u>	<u>5,363</u>
<u>Liabilities</u>		
Shareholders' Loan	<u>12,000</u>	<u>-</u>
	<u>12,000</u>	<u>-</u>
Net (Liabilities)/Assets	<u>(6,610)</u>	<u>5,363</u>

Sensitivity Analysis

Exchange rates in terms of Jamaican Dollars which is the company's operating currency, were as follows:

	<u>US\$</u>
29th May 2016	124.69
31st March 2016	121.96
31st March 2015	114.49

Over the period 1st April 2015 to 31st March 2016, there was a 6.5% increase in the US dollar rate. Between March 2016 and May 2016, there has been a further increase in the US dollar against the Jamaica dollar. The trend is expected to continue in the short term.

SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONT'D

FOR THE YEAR ENDED 31ST MARCH 2016

(Expressed in Jamaican Dollars unless otherwise indicated)

22. Financial Risk Management - cont'd:

c) **Market Risk - cont'd**

(i) **Foreign Currency Risk - cont'd**

A one percent (1%) revaluation and six percent (6%) devaluation movement in the US dollar at 31st March 2016 would have increased/decreased profit by the amount shown below. The analysis assumes all other variables, in particular, interest rates, remain constant. The analysis is performed on the same basis for 2015.

	2016	2015
	\$	\$
Jamaican Dollar:		
Revaluation 1%	<u>(8,062)</u>	<u>6,140</u>
Devaluation 6% (2015: 15%)	<u>48,369</u>	<u>(92,100)</u>

(ii) **Interest Rate Risk**

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The company is exposed to interest rate risk in respect of its fixed deposit account and long term loans and payables. The company manages this risk by maintaining net earnings assets and procuring the most advantageous interest rates.

Financial Assets

The company's interest-bearing financial asset is its US\$ Savings account and fixed deposits accounts. These accounts bear interest at varying rates which are fixed on a short term basis.

Financial Liabilities

The company's interest bearing liabilities are represented by long-term loans, long-term payables and taxation payable. The company materially contracts financial liabilities at fixed interest rates for the duration of the loan terms.

At the date of the statement of financial position, the interest profile of the company's interest-bearing financial instruments were:

	Interest Rate	2016	Interest Rate	2015
	%	\$	%	\$
<i><u>Financial Assets:</u></i>				
Fixed Deposit	6	109,358	6	20,608,290
Foreign Savings Account	0.15	<u>5,971</u>	1.15	<u>29,511</u>
		<u>115,329</u>		<u>20,637,801</u>
<i><u>Financial Liabilities:</u></i>				
Long-Term Loans	9.5	150,042,002	9.5	141,949,250
Long-Term Payables	8	41,673,236	-	-
Shareholders' Loans	6 - 7.5	14,177,343	-	-
Bank Overdraft	25	<u>15,060,958</u>	25	<u>6,861,644</u>
		<u>220,953,539</u>		<u>148,810,894</u>
<i>Net Financial Liabilities</i>		<u>(220,838,210)</u>		<u>(128,173,093)</u>

SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONT'D
FOR THE YEAR ENDED 31ST MARCH 2016
(Expressed in Jamaican Dollars unless otherwise indicated)

22. Financial Risk Management - cont'd:

c) **Market Risk - cont'd**

(ii) **Interest Rate Risk - cont'd**

Interest rate sensitivity

During the period April 2015 to March 2016, interest rates on foreign savings accounts have remained relatively stable. Over the period April to February 2016, the BOJ 3-6 month commercial bank domestic rates continued to trend downwards moving by approximately 47 basis points from 4.84% to 4.36%. This is expected to continue over the foreseeable future as the Government maintains its policy of encouraging low single digit interest rates.

Assuming interest rate movements as set out below, profit and equity would be affected as follows:

	<i>Movement</i>	2016	<i>Movement</i>	2015
	<u>%</u>	<u>\$</u>	<u>%</u>	<u>\$</u>
<i>Financial Assets:</i>				
Fixed Deposit	1	1,094	1	206,083
Foreign Savings Account	2.5	149	2.5	738
		<u>1,243</u>		<u>206,821</u>
<i>Financial Liabilities:</i>				
Long-term loans	1	1,500,420	1	1,419,493
Long-Term Payables	1	416,732	1	-
Shareholder's Loans	1	141,773	-	-
Bank overdraft	1	150,610	1	68,616
		<u>2,209,535</u>		<u>1,488,109</u>
<i>Net Financial Liabilities</i>		<u>(2,208,292)</u>		<u>(1,281,288)</u>

This assumes that all other variables, in particular exchange rates, remain constant.

(d) **Operational Risk:**

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

The company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the company's 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. This responsibility is supported by the development of overall company standards for the management of operational risk in the following areas:

- (i) Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- (ii) Requirement for appropriate segregation of duties, including the independent authorisation of transactions;

SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONT'D
YEAR ENDED 31ST MARCH 2016

(Expressed in Jamaican Dollars unless otherwise indicated)

22. Financial Risk Management - cont'd:

(d) **Operational Risk - cont'd:**

- (iii) Requirements for the reconciliation and monitoring of transactions;
- (iv) Compliance with regulatory and other legal requirements;
- (v) Documentation of controls and procedures;
- (vi) Requirements for the reporting of operational losses and proposed remedial action;
- (vii) Training and professional development;
- (viii) Ethical and business standards; and
- (ix) Risk mitigation, including insurance where this is effective.

Compliance with the company's standards is supported by periodic reviews, the results are discussed with the management and the Board of Directors.

There were no changes to the company's approach to operational risk management during the year.

e) **Capital Management**

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stake holders and to maintain an optimal capital structure to reduce the cost of capital. as well as meet externally imposed capital requirements. The Board of Directors monitors the return on equity, which the company defines as net profit attributable to equity holders of the company divided by total shareholder's equity.

There were no changes to the company's approach to capital management during the year

The company's capital comprises:

	2016	2015
	\$	\$
Issued Capital	143,695,713	143,695,713
Accumulated Profits	<u>17,227,921</u>	<u>22,758,767</u>
	<u>160,923,634</u>	<u>166,454,480</u>

SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONT'D

YEAR ENDED 31ST MARCH 2016

(Expressed in Jamaican Dollars unless otherwise indicated)

22. Financial Risk Management - cont'd:

e) **Fair Value**

Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arms length transaction. Financial instruments that, subsequent to initial recognition, are measured at fair value are grouped into level 1 to 3 based on the degree to which the fair value is observable.

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical instruments. The company's assets and liabilities are reported at fair values at the reporting date. The following assumptions were used in determining fair values.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the instrument, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the instrument that are not based on observable market data (unobservable inputs).

- (i) The face value less any estimated credit adjustments for financial assets and liabilities maturing less than one year. These include cash and bank balances, short term investments, trade receivables and trade payables.
- (ii) The carrying values of long term loans approximate their fair values as these loans are carried at amortized cost reflecting their contractual obligations and the interest rates reflective of current market rates for similar transactions.

23. Related Party Transactions and Balances:

The company's statement of financial position and statement of comprehensive income include the following balances and expenses incurred in transactions with related parties, in the ordinary course of business:

Year End Balances

	2016	2015
	\$	\$
(a) <u>Shareholders' Loan</u>		
Henry Graham Loan #1	1,410,360	-
Nathan Meylor Loan # 1	3,111,921	-
Henry Graham Loan #2	6,829,473	-
Nathan Meylor Loan # 2	2,825,589	-
	<u>14,177,343</u>	<u>-</u>
(b) <u>Directors' Balances</u>		
Amounts Owed to Directors	662,288	-
Amounts by Directors	<u>(240,944)</u>	<u>2,000</u>
	<u>421,344</u>	<u>2,000</u>
(c) <u>Shareholders' Loan Interest Payable</u>	<u>227,847</u>	<u>-</u>
<u>Expenses</u>		
(a) <u>Shareholders' Loan Interest</u>	<u>227,847</u>	<u>-</u>

SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED
SUPPLEMENTARY INFORMATION TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2016

INDEX

	<u>SUPPLEMENTARY</u> <u>STATEMENT</u>
Report of the Independent Auditors to the Directors	1
Schedule of Expenses	2
Adjusting Statement for Tax Purposes	3
Schedule of Capital Allowances	4

Statement 1

**REPORT OF THE INDEPENDENT AUDITORS
TO THE DIRECTORS
SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED
ON SUPPLEMENTARY INFORMATION**

The supplementary information presented on the following statements has been taken from the accounting records of the company and has been subjected to the tests and other auditing procedures applied in our examination of the financial statements of the company for the year ended 31st March 2016.

In our opinion, the said information is fairly presented in all material respects in relation to the financial statements taken as a whole, although it is not necessary for a fair presentation of the state of affairs of the company as 31st March 2016 and of the results of its operations, its changes in equity and cash flows for the year then ended.

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UHY DAWGEN CHARTERED ACCOUNTANTS

30th June 2016

SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED
SCHEDULE OF EXPENSES
FOR THE YEAR ENDED 31ST MARCH 2016
(Expressed in Jamaican Dollars unless otherwise indicated)

	2016	2015
	\$	\$
Administrative Expenses:		
Advertising and Promotion	71,000	91,348
Assets Tax	200,000	100,000
Audit and accounting - current year	442,700	815,500
Audit and accounting - previous year	442,700	-
Telephone	439,993	443,792
Electricity	2,447,554	2,802,937
Water	185,205	82,009
Rent	720,000	720,000
Directors' Emoluments	1,031,120	1,544,960
Meeting and Conventions	897,956	441,847
Miscellaneous Expenses	26,821	-
Rate and Taxes, License and Permit	97,167	95,750
Security	455,175	425,250
Repairs & Maintenance	255,625	202,266
Haulage	2,476,660	4,621,475
Printing & Stationery	145,057	175,792
Insurance	1,332,686	182,049
Inventory Spoilage	330,262	-
Donations	-	71,000
Professional Fees	2,011,994	3,220,056
Motor Vehicle upkeep and mileage	2,145,000	2,120,000
Travelling and transportation	71,360	-
Staff Welfare	64,300	116,450
Storage	-	970,861
Salaries and Related Expenses	7,442,657	6,601,030
Depreciation	444,526	280,416
	<u>24,177,518</u>	<u>26,124,788</u>
Finance Costs:		
Bank Charges	204,612	415,623
Interest Cost	2,374,755	861,236
Overdraft Interest	1,024,295	885,419
	<u>3,603,662</u>	<u>2,162,278</u>

SWEET RIVER ABATTOIY & SUPPLIES COMPANY LIMITED
ADJUSTING STATEMENT FOR TAX PURPOSES
YEAR OF ASSESSMENT 2016
BASED ON ACCOUNTS FOR YEAR ENDED 31ST MARCH 2016
(Expressed in Jamaican Dollars unless otherwise indicated)

Loss as per Accounts	<u>\$</u>	<u>\$</u>
		(7,227,796)
Add: Disallowable Items:		
Depreciation	444,526	
Interest Payable as at 31st March 2016	356,942	
Asset Fees	200,000	
	<u>1,001,468</u>	
Less:		
Interest Payable as at 31st March 2015	<u>(129,095)</u>	
	<u>(129,095)</u>	
		<u>872,373</u>
Adjusted Loss		(6,355,423)
Less Capital Allowances:		
Annual Allowance		<u>(431,290)</u>
Adjusted Loss		<u>(6,786,713)</u>
Income Tax at 25%		-
Minimum Business Tax		60,000
Minimum Business Tax Paid		<u>(60,000)</u>
		-
Withholding Tax		<u>105</u>
Net Tax Refundable		<u>(105)</u>
<u>Summary of Losses Carried Forward</u>		
Losses Brought Forward from year of assessment 2015		(5,725,751)
Losses for year of assessment 2016		<u>(6,786,713)</u>
Losses Carried Forward to year of assessment 2016		<u>(12,512,464)</u>

SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED
SCHEDULE OF CAPITAL ALLOWANCES
YEAR OF ASSESSMENT 2016
BASED ON ACCOUNTS FOR YEAR ENDED 31ST MARCH 2016

	Cost	Rate	W.D.V. at 31.03.2015	Additions	Total	Initial Allowance	Annual Allowance	W.D.V. at 31.03.2016
	₹	%	₹	₹	₹	₹	₹	₹
Leasehold Improvement	1,176,641	5	864,940	-	864,940	-	43,247	821,693
Furniture	29,200	10	12,069	-	12,069	-	1,207	10,862
Equipment	670,948	10	278,499	-	278,499	-	27,850	250,649
Equipment	22,252	10	16,356	-	16,356	-	1,636	14,720
Refrigeration	1,550,000	10	1,016,955	-	1,016,955	-	101,696	915,259
Equipment Scale	1,175,668	12.50 SL	-	1,175,668	1,175,668	-	146,959	1,028,709
Equipment Compressor	623,764	12.50SL	-	623,764	623,764	-	77,971	545,793
Computers	175,078	22.50 SL	27,973	-	27,973	-	27,972	1
Computers	12,231	22.50 SL	4,485	-	4,485	-	2,752	1,733
	<u>5,435,782</u>		<u>2,221,277</u>	<u>1,799,432</u>	<u>4,020,709</u>	<u>-</u>	<u>431,290</u>	<u>3,589,419</u>

Financial Ratios

<u>Ratios</u>	Year Ending March 31st					
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<u>LIQUIDITY</u>						
Current Ratio: Current Ratio/Current Liabilities	0.29	0.82	0.37	0.67	0.89	1.2
Quick Ratio: Quick Assets/Current Assets	0.84	0.67	0.16	0.41	0.77	1.08
<u>PROFITABILITY</u>						
Return on Assets: Net Profit/Total Assets	-1.38%	-1.31%	5.31%	6.49%	-0.26%	0.37%
Return on Equity: Net Profit/Shareholders' Equity	-3.44%	-2.81%	24.24%	35.18%	-0.89%	0.84%
Gross Profit Margin: Gross Profit/Turnover	9.51%	17.77%	15.99%	19.14%	11.88%	10.77%
Net Profit Margin: Net Profit/Turnover	-2.57%	-3.85%	5.10%	5.91%	0.13%	0.05%
Earnings Per Share	-\$0.07	-\$0.06	\$17,639.71	\$18,804.43	-\$307.06	\$128.72
<u>ACTIVITY ANALYSIS</u>						
Asset Turnover: Sales/Average Total Assets	0.54	0.34	2.12	1.56	5.3	7.59
Accounts Receivable Turnover: Sales/Accounts Receivable	13.94	6.80	16.47	15.59	16.41	19.71
Inventory Turnover: Cost of Good Sold/Average Inventory	60.45	5.06	10.3	23.74	101	98.82
<u>CAPITAL STRUCTURE</u>						
Debt to Equity: Total Liabilities/Total Equity	1.49	1.14	3.56	4.42	2.4	1.28
<u>EXPENDITURE</u>						
Administrative Expenses as a % of Sales:						
Administrative Expenses/Sales	11.24%	21.50%	9.24%	9.20%	11.58%	10.55%

Corporate Data



Registered Office

Sweet River, Ferris
Bluefield P.O.
Westmoreland

Tel: [876-918-1758](tel:876-918-1758); [876-382-3823](tel:876-382-3823)

Email: sweetriverabattoir@gmail.com

Chairman

Henry Graham

Managing Director

Valdence Gifford J.P.

Directors

Hector Lyons
Neville Grant
Audley Deidrick
Nigel Morgan
Audrey Deer-Williams

Bankers

First Global Bank
Liguanea Plaza
113 Old Hope Road, Kingston 6

National Commercial Bank
68 Great Orange Street
Savanna-La-Mar Westmoreland

Sagicor Bank Jamaica Limited
56 Great Orange Street
Savanna-La-Mar, Westmoreland

Secretary

Audley Deidrick

Attorneys-At-Law

Dionne N S Meyler & Associates
6 Lewis Street
Savanna-La-Mar
Westmoreland

Registrar & Transfer Agent

Jamaica Central Securities
Depository
40 Harbour Street
Kingston

Audit Committee

Audley Deidrick
Audrey Deer-Williams

Auditors

UHY Dawgen
Chartered Accountants
Unit 34
Winchester Business Centre
Kingston 10



SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED



FORM OF PROXY

"I/We _____ [insert name]
of _____ [address]
being a shareholder(s) of the above-named Company, hereby appoint:
_____ [proxy name]
of _____ [address]
or failing him, _____ [alternate proxy]
of _____ [address]

as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the company to be held at Golf View Hotel on 7th October 2016 at 10:00 am and at any adjustment thereof. I desire this form to be used for/against the resolutions as follows (unless directed the proxy will vote as he sees fit):

No. Resolution details

Vote FOR or AGAINST
[Tick as appropriate]

Table with 4 rows of resolutions and columns for 'FOR' and 'AGAINST' votes. Row 1: To receive the report of the Board of Directors... Row 2: To appoint auditors... Row 3: To formally introduce the new directors... Row 4: To approve remuneration of directors...

Signed this _____ day of _____ 2016:

Print Name: _____ Signature: _____

Unless otherwise directed the proxy will vote as he thinks fit.

NOTES:

- 1. When completed, this form must be received by the registrar of the Company address given below, not less than forty-eight 48 hours before the time for the holding the meeting.
2. The proxy form should bear a stamp duty of \$100.00 which maybe adhesive and duty cancelled by the person signing the form.
3. If the appointer is a Corporation, this Form of Proxy must be executed under its common seal or under the hand of an officer or attorney duly authorized in writing.

Send to:

The Registrar and Transfer Agent, Jamaica Central Securities Depository, 40 Harbour Street, Kingston, Jamaica.