



## **UNAUDITED FINANCIAL RESULTS FOR THE THREE MONTHS ENDED DECEMBER 31, 2016**

### **RELEASE TO SHAREHOLDERS**

The Board of Directors of SWEET RIVER ABATTOIR & SUPPLIES LTD is please to present the unaudited financial statements for the three months ended December 31, 2016.

### **MANAGING DIRECTOR'S REPORT FOR THE 9 MONTHS PERIOD ENDING DECEMBER 2016**

Over the last seven months since we have been in our new facility, we have slaughtered a record number of animals. In 2016 June – December we did 6,762 when compared to the same period in 2015 we did 3,936. Despite this our sales performance for the quarter was 11% below the comparable quarter in 2015 when the company generated sales revenue of \$89M compared to \$79 m in 2016. In 2015, our sales were 109,700 kg compared to in 2016 when we had sales of 110,200 kg. The drop in sales value resulted from a fall in the price paid by our major customers. A change in the market demand for smaller and more affordable hams also contributed to the lower than expected sales for the quarter

On a positive note, it is important to note that sales for the nine months period increased by 67% when compared to the same period in 2015. For the nine months period in 2015 our sales was 209.212 kg as compared to 349,436 kg in 2016. We expect to record our highest sales of \$315m as compared to \$309m in 2014.

We are in the final stages of securing contracts from our major customers and are in dialogue with our key pig farmers so that all entities can operate with confidence and at optimum capacity. Given the status of our negotiations we are confident that all parties will have a binding contract in hand by March 31, 2017.

### New Business Line

We are happy to report that our new slaughtering service was responsible for 20% of the volume of our output. The customers were happy with the quality of carcasses received and importantly, reported improvements in their yield. We have had numerous enquiries from farmers and institutions about our slaughtering service and are expecting to have further dialogue going forward.

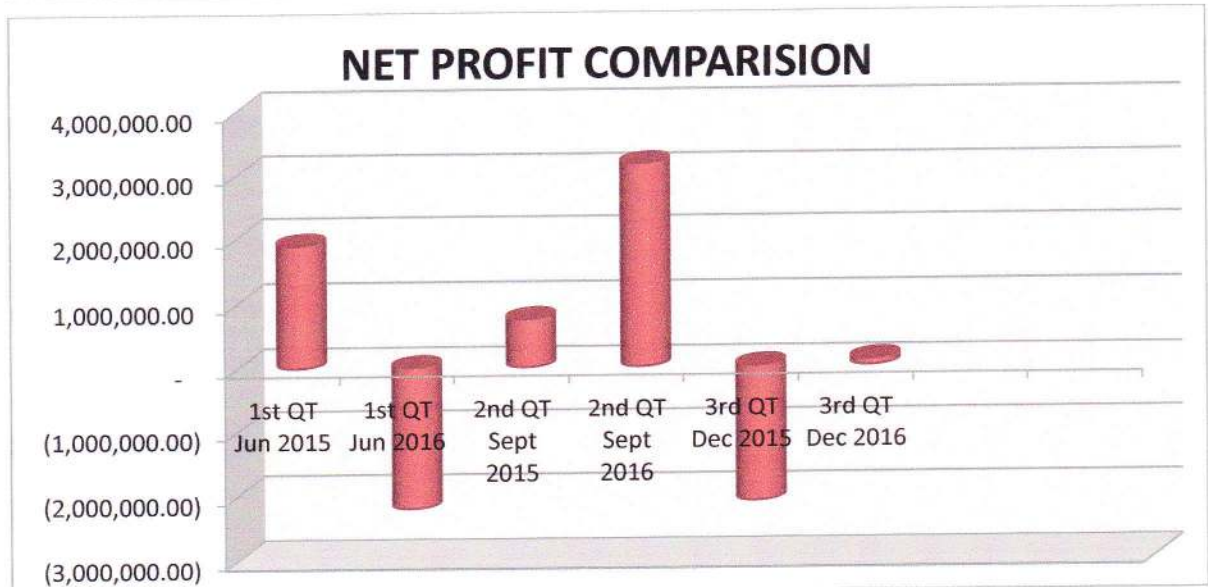
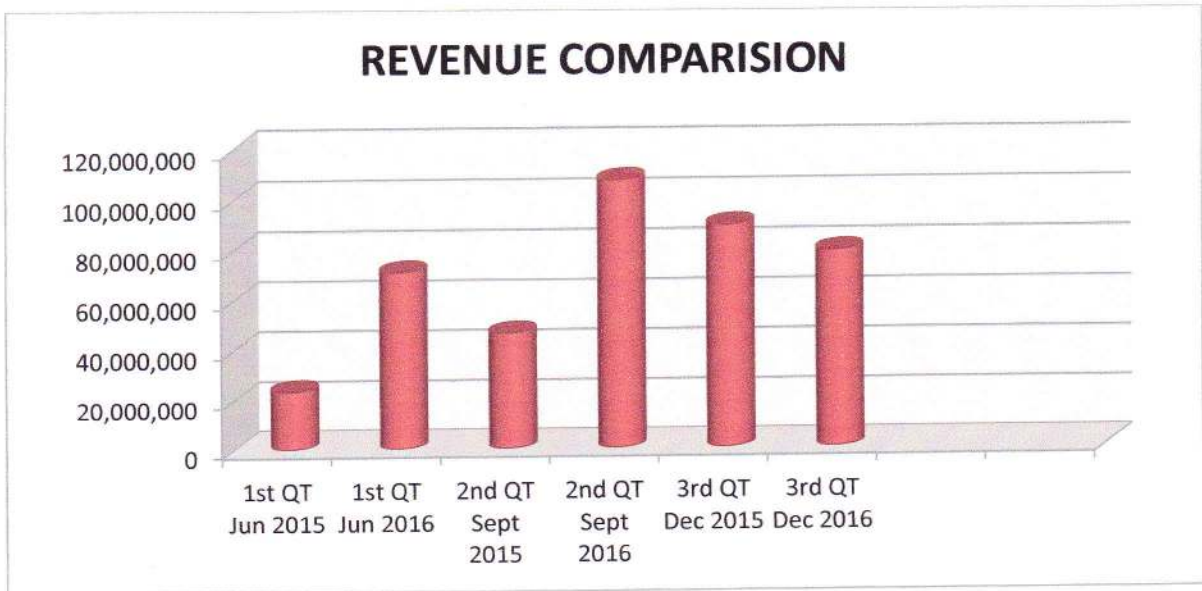
### Outlook

We are projecting to show a small profit in 2017 compared to losses in the two previous years. This momentum is expected to continue as we seek to expand our markets and strengthen our management team going forward.

## THIRD QUARTER FINANCIAL HIGHLIGHTS

### Highlights of the three months ended Dec 31 2016

	<u>Dec 2016</u>	<u>Dec 2015</u>	<u>Inc/(Dec)%</u>
✚ Sales revenue	\$79.0 m	\$89.0m	(12) %
✚ Net profit/ (Loss)	\$.088m	(\$2.1m)	104 %
✚ Earnings per stock unit	0.0 cents	(0.04) cents	(102)%
✚ Total assets	436m	\$348m	25%
✚ Total stockholders 'equity	\$162.0m	\$167m	(3)%



#### Three Months Ended Dec 31st, 2016 compared to Dec 31st, 2015

- **Sales Revenue**

The company generated sales revenues in the Third quarter of 2016 in the amount of \$79m when compared to \$89m of the previous year; a Decrease of \$10m or (12) %. This decrease was due to an over supplies of pig in the market hence a reduction in sales.

- **Gross profit**

Gross profit of \$13.9 m when compared to the previous period of \$5.3m; an increase of \$8.6m or 164% this was due mainly to a reduction in price been paid for pigs given the glut on the

market.

▪ **Expenses**

Total operational expenses of \$9.8m when compared to previous period of \$6.8 m; an increase of \$3.0m or 44 %. This increase was as a result of increase utilities usage ,trucking cost and interest payment on loan .we are working to reduce our utilities and trucking expenses by reviewing our processes in order to implementing measures to see us becoming more efficient. Our finance cost as also seen an increase moving to \$8.2m when compared to the previous period of\$1.7 .This increase came about because of the high overheads , hence we have to relied heavily on our overdraft. We are in the process of negotiating an injection of working capital in order to reduce our reliance on our over draft and allow us more flexibility to go in the market to secure more pigs in order to prevent any future shortage in the market .

▪ **Net Profit**

A net profit of \$.088m was realized when compared to a net loss of (\$2.1m) of the previous period; an increase of \$2.2m or 104 %.

**Nine Months Ended December 31, 2016 compared to December 31, 2015**

- **Sales revenue** of \$257.1 m when compared to the previous period of \$159.3m, an increase of \$98.0 m or 61%.
- **Gross profit** of \$33.7M when compared to \$20.5m of the previous period, an increase of \$13.3m or 65%.
- **Total operational expenses** of \$24.5m when compared to previous period of \$18.3m an increase of \$6.2m or 34% due mainly from us operating from a bigger facility, which allows us to do larger volume of production.

**Net Profit** of \$1.0m for the period, when compared to the previous period of \$.516m an increase of \$.524 or 101 %. This we hope to maintain.

The company has experienced growth in its revenue and as we continue to improve on our product with a view to gains greater market share for our customer, shareholders.



**Valence Gifford**  
**Managing Director**  
**Feb 7<sup>th</sup>, 2016**

**SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED**

**Unaudited Statement of**

**Comprehensive Income**

**For the Nine Months Period Ending December 31st, 2016**

	<b>Three months to December 2016</b>	<b>Three months to December 2015</b>	<b>Nine months to December 2016</b>	<b>Nine months to December 2015</b>	<b>Audited 31- Mar 2016</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Revenue	78,869,236	89,157,599	257,099,191	159,276,319	215,152,210
Cost of sales	(64,901,640)	(83,863,020)	(223,356,223)	(138,817,701)	(194,693,506)
<b>Gross Profit</b>	<b>13,967,596</b>	<b>5,294,579</b>	<b>33,742,968</b>	<b>20,458,618</b>	<b>20,458,704</b>
Administrative and General Expenses	(9,758,546)	(6,782,579)	(24,509,755)	(18,342,317)	(24,177,518)
<b>Operating profit/(loss)</b>	<b>4,209,050</b>	<b>(1,488,000)</b>	<b>9,233,213</b>	<b>2,116,301</b>	<b>(3,718,814)</b>
Finance Income	-	70,605	-	81,708	94,680
Finance Cost	(4,120,209)	(688,801)	(8,192,270)	(1,681,235)	(3,603,662)
<b>profit/(loss)before Taxation</b>	<b>88,841</b>	<b>(2,106,196)</b>	<b>1,040,943</b>	<b>516,774</b>	<b>(7,227,796)</b>
Taxation	-	-	-	-	1,696,950
<b>profit/(loss)after taxation, being total comprehensive (loss)/profit for the period</b>	<b>88,841</b>	<b>(2,106,196)</b>	<b>1,040,943</b>	<b>516,774</b>	<b>(5,530,846)</b>
Earnings per					

**SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED**

**Unaudited Statement of**

**Comprehensive Income**

**For the Nine Months Period Ending December 31st, 2016**

share (Note 6)	0.00	(0.04)	0.01	0.01	(0.07)
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**SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED**

**Unaudited statement of financial position**

**Dec 31, 2016**

	9 Months To Dec 31, 2016 \$	9 Months To Dec 31, 2015 \$	(Audited) Mar 31, 2016 \$
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	386,351,823	319,795,680	364,695,514
Deferred Tax Asset	3,189,472	1,432,522	3,189,472
Deferred Interest	6,411,267	-	6,411,267
Goodwill	6,580,000	6,580,000	6,580,000
Total non-current assets	<u>402,532,562</u>	<u>327,808,202</u>	<u>380,876,253</u>
<b>Current Assets</b>			
Directors' Current Account	-	-	-
Cash and Cash Equivalents	1,073,765	1,683,471	1,533,983
Trade and other receivables	7,989,422	16,543,817	15,437,871
Inventories	24,337,683	1,709,645	3,220,434
Total current assets	<u>33,400,870</u>	<u>19,936,933</u>	<u>20,192,288</u>
<b>TOTAL ASSETS</b>	<u><u>435,933,432</u></u>	<u><u>347,745,135</u></u>	<u><u>401,068,541</u></u>

**LIABILITIES & EQUITY**

**Current Liabilities**

Bank overdraft	1,842,906	16,086,669	15,060,958
Trade and Other Payables	49,254,034	10,063,329	15,048,044
Income Tax Payable	-	4,940,443	3,721,980
Directors' current account	2,078,040	282,752	421,344
Current portion of long term Payables	13,882,816	-	13,882,816
Current portion of long term loan	36,813,331	21,481,826	20,813,331
Total current liabilities	<u>103,871,127</u>	<u>52,855,020</u>	<u>68,948,473</u>

**Long Term Liabilities**

Long-term liabilities	124,330,998	120,346,050	129,228,671
Long-term Payables	27,790,420	-	27,790,420
Shareholders Loan	17,976,310	7,572,811	14,177,343
Deferred tax liability	-	-	-
Total Liabilities	<u>273,968,855</u>	<u>180,773,881</u>	<u>240,144,907</u>

**Equity**

Share capital	143,695,713	143,695,713	143,695,713
Accumulated surplus	18,268,864	23,275,541	17,227,921
Total Equity	<u>161,964,577</u>	<u>166,971,254</u>	<u>160,923,634</u>
Total Liabilities & Equity	<u><u>435,933,432</u></u>	<u><u>347,745,135</u></u>	<u><u>401,068,541</u></u>

Approved for issue by the Board of Directors on Feb 7th, 2017 and signed on its behalf by:

Chairman



Henry Graham

Director



Valence Gifford

**SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED**

**Unaudited statement of changes in shareholders' equity  
for the Nine months ended 31st December 2016**

	Share Capital	Share Advance	Retained Earnings	Total
	\$	\$	\$	\$
Balances as at March 31, 2015	4,500	32,957,629	22,758,767	55,720,896
Converted share advance	32,957,629	(32,957,629)	-	-
Monies received for shares purchased	110,733,584			110,733,584
Net Profit attributable to Shareholders	-	-	-	-
	143,695,713	-	22,758,767	166,454,480
Net Profit attributable to Shareholders	-	-	516,774	516,774
Balance as at Dec 31, 2015	143,695,713	-	23,275,541	166,971,254
Balances as at March 31, 2016	143,695,713	-	17,227,921	160,923,634
Net profit attributable to shareholders			1,040,943	1,040,943
Balances as at Dec 31, 2016	143695713		18,268,864	161,964,577



**SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED**

 Unaudited Statement of Cash Flow Position for  
 Period Ended December 31st, 2016

	Dec 31, 2016	Dec 31, 2015	(Audited) Mar 31, 2016
	\$	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation	1,040,943	516,774	(5,530,846)
Adjustments to reconcile profit for year to net cash provided by operating activities:			
Bad debt	-	-	-
Depreciation	188,634	202,600	444,526
Deferred tax Income	-		(1,756,950)
Deferred tax Interest			(6,411,267)
Interest income	-	(81,708)	(11,541)
Taxation Provision	-	-	60,000
<b>Operating surplus before changes in working capital</b>	<b>1,229,577</b>	<b>637,666</b>	<b>(13,206,078)</b>
Trade and other receivables	7,448,449	1,318,929	2,424,875
Inventories	(21,117,249)	18,037,334	16,526,545
Directors' current account	-	2,000	-
Shareholders loan	-	7,572,811	
Accounts payable & provisions	34,205,990	(25,782,160)	(20,797,445)
Directors' current account	1,656,696	282,752	423,344
<b>Net cash generated by operations</b>	<b>23,423,463</b>	<b>2,069,332</b>	<b>(14,628,759)</b>
Taxation	(3,721,980)	(423,605)	(1,702,068)
Interest received	-	81,708	11,541
<b>Net cash inflows from operating activities</b>	<b>19,701,483</b>	<b>1,727,435</b>	<b>(16,319,286)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of property, plant and equipment	(21,844,943)	(31,493,727)	(76,635,487)
<b>Net cash outflows from investing activities</b>	<b>(21,844,943)</b>	<b>(31,493,727)</b>	<b>(76,635,487)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of long term Loan	(4,897,672.53)	(121,373)	-
Proceeds of long term Payables	-	-	41,673,236
proceeds of long term loan Net	16,000,000		8,092,752
Shareholders loans	3,798,967	-	14,177,343
Bank Overdraft	(13,218,052)	-	8,199,314
<b>Net cash inflows from financing activities</b>	<b>1,683,242</b>	<b>(121,373)</b>	<b>72,142,645</b>
<b>(Decrease)/Increase in cash resources</b>	<b>(460,218)</b>	<b>(29,887,665)</b>	<b>(20,812,128)</b>
<b>Cash resources at the start of the year</b>	<b>1,533,983</b>	<b>15,484,467</b>	<b>22,346,111</b>
	<b>1,073,765</b>	<b>(14,403,198)</b>	<b>1,533,983</b>
<b>Cash resources comprise:</b>			
Cash and bank balances	1,073,765	(14,403,198)	1,533,983
	<b>1,073,765</b>	<b>(14,403,198)</b>	<b>1,533,983</b>

## **SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED**

### **Notes to the Unaudited Financial Statements Nine Months Period Ended December 31<sup>st</sup>, 2016**

#### **1. Identification**

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

#### **2. Basis Of Preparation**

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

#### **3. Segment Reporting**

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

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

#### **4. Taxation**

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

## SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED

### Notes to the Unaudited Financial Statements Nine Months Period Ended December 31<sup>st</sup>, 2016

#### 5. Shareholders' Information

	<b>No. Of Units</b>
<b>Directors' Holdings</b>	
<b>As at December 31, 2016:</b>	
HENRY GRAHAM	15,035,009
HECTOR LYONS	7,358,848
AUDLEY DEIDRICK	5,205,603
VALDENCE GIFFORD	4,995,058
NEVILLE GRANT	4,654,073
NIGEL MORGAN	919,763
<b>Top Ten Shareholders</b>	
<b>As at December 31, 2016:</b>	
HENRY GRAHAM	15,035,009
HECTOR LYONS	7,358,848
AUDLEY DEIDRICK	5,205,603
VALDENCE GIFFORD	4,995,058
KIRK FONG	4,689,907
V.M.B.S (PENSION SCHEME)	4,664,000
NATIONAL INSURANCE FUNDS	4,663,300
V.M.B.SOCIETY	4,663,213
NEVIL GRANT	4,654,073
J.C.S.C.D TRUSTEE SERVICE	3,886,005
<b>Holding of Senior Managers as December 31, 2016</b>	
Valdence Gifford	4,995,058
Sean Forbes	4,000