



**Consolidated Net Profit of \$41.277M**

## **Consolidated Statements of Derrimon Trading Company Limited**

### **Report to Stockholders**

**Three (3) months ended March 31, 2017**

The Board of Directors is pleased to report the unaudited results of the Company for the three (3) months ended March 31, 2017 and to report on the performance of the Group.

### **Strategic Highlights**

- **The acquisition of a further 23,379,208 shares or 26% of Caribbean Flavours and Fragrances on February 12, 2017 increasing the shareholdings to 75.02% in that Company.**
- **Purchased the assets of Chris Ryan Limited and subsequently rebranded the former Empire Supermarket, at 1-3 Retirement Road, to Sampars Cross Roads Supermarket.**
- **Finalized Joint Venture Agreement and concluded the purchase of the assets of Caribbean Home Entertainment Systems Limited former operators of Carihome Supermarket Limited. The newly refurbished Supermarket will be operated under the brand - Select Grocers.**

### **Financial Highlights**

- **Consolidated Net Profit of \$41.277M**
- **Consolidated Earnings Per Stock unit of \$0.15, increased from \$0.13**
- **Consolidated Revenue of \$1.527B**
- **Consolidated Gross Profit of \$278.629M**

The three months results reflect revenue from core activities of \$1.438 billion or 2.30% over the \$1.406 billion reported for the corresponding three months period in 2016. With the addition of the subsidiary, the revenue for the quarter was \$1.527 billion or 3.21% above the prior period.

Gross profit from core operations reported for the period was \$243.756 million or 30.40% above the \$186.927 million reported for the same period in 2016. This improvement is a combination of improvement in margins arising from strategies employed within both the distribution & retail segments of the business. The consolidated gross profit for this quarter was \$278.629 million which is 28.34% above the comparative period last year.

Operating expenses from core activities for the period was \$194.206 million, which represents an increase of 24.49% or \$38.21 million over the \$155.999 million reported for the same period in 2016. The major factors for this increase were the increase in cost for utilities, marketing expenses, staff cost and professional services associated with the acquisition of the further 26% of the shares of Caribbean Flavours and Fragrances Limited as well as the two (2) new acquisitions stated above.

Finance charges was \$25.653 million up by \$9.270 million or 56.58% from the \$16.383 million reported in March 2016 and is driven by new loans as well as other bridge financing which was required to facilitate the growth of the Group.

Net Profit recorded for the three (3) months period from core business was \$29.277 million representing a \$12.276 million or 72.21% increase over the corresponding period in 2016 net of \$9.205 million earned as share of profits from Associated Company. The consolidated net profit earned for this reporting period was \$41.277 million.

Total Assets less Current Liabilities was at \$1,569.731 million which represents growth of \$608.540 million or 63.31% when compared to the similar period last year. The consolidated total assets less current liabilities was \$1,822.285 million which grew by 84.30% when compared to the prior year.

As we report on the performance of our Company, we continue to thank our shareholders, employees, customers and other stakeholders for their support as we continue to expand our business and bring greater value to all parties.



Derrick Cotterell  
Chairman/Chief Executive Officer



**Consolidated Net Profit of \$41.277M**

## TABLE OF CONTENTS

<b>Unaudited Financial Statements</b>	<b>Page</b>
Consolidated Statement of Comprehensive Income	4
Consolidated Statement of Financial Position	5
Consolidated Statement of Changes in Shareholders' Equity	6
Consolidated Statement of Cash Flows	7
Notes to the Unaudited Financial Statements	8-16
Shareholdings of top ten (10) stockholders, directors and senior officers	17-18

	Notes	Unaudited Derrimon three months ended March 31 <u>2017</u> <u>\$'000</u>	Unaudited Derrimon three months ended March 31 <u>2016</u> <u>\$'000</u>	Unaudited Consolidated three months ended March 31 <u>2017</u> <u>\$'000</u>	Unaudited Consolidated three months ended March 31 (Restated) <u>2016</u> <u>\$'000</u>	Audited year ended December 31 <u>2016</u> <u>\$'000</u>
<b>Revenue</b>						
Trading Income	3h	1,438,179	1,405,799	1,527,001	1,479,471	6,176,927
Less cost of sales		1,194,423	1,218,872	1,248,372	1,262,373	5,242,449
<b>Gross Profit</b>		243,756	186,927	278,629	217,098	934,478
<b>Other Income</b>		5,380	2,456	5,380	2,457	19,474
		249,136	189,383	284,009	219,555	953,952
<b>Less operating expenses:</b>						
Administrative		164,304	124,539	186,811	136,234	561,460
Selling & distribution		29,902	31,460	31,298	32,104	177,952
		194,206	155,999	218,109	168,338	739,412
<b>Operating profits/ (loss) before finance charges</b>		54,930	33,384	65,900	51,217	214,540
Less : finance cost		(25,653)	(16,383)	(24,623)	(15,083)	(136,620)
Share of profit of consolidated company			9,205	-		38,186
Profit/(Loss) before taxation		29,277	26,206	41,277	36,134	116,106
Taxation ( Estimated)	4	-	-	-	-	-
Net Profit		29,277	26,206	41,277	36,134	116,106
<b>Other comprehensive income</b>						
Non-controlling interest		-	-	(5,653)	(19,133)	-
Reversal of deferred taxation		-	-	-	-	-
Increase/(decrease) in revaluation investment		-	-	206,349	15,465	-
<b>Total comprehensive income</b>		29,277	26,206	241,973	32,466	116,106
Earnings per stock unit	5	0.11	0.10	0.15	0.13	0.42

**Derrimon Trading Company Limited**  
**Statement of Financial Position**  
**Three Months ended March 31, 2017**

	Notes	Unaudited	Unaudited	Unaudited	Unaudited	Audited December 31
		Derrimon three	Derrimon three	Consolidated three	Consolidated three	
		Months March 31	Months March 31	months ended March 31	months ended March 31 (Restated)	
		<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2016</u>
		<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
<b>ASSETS</b>						
<b>Non-current assets:</b>						
Fixed Assets	3f	249,297	172,270	264,592	173,995	176,130
Goodwill	7 (d)	15,220	15,220	15,220	15,220	15,220
Intangible	7(a)	-	-	270,790	55,713	-
Investment in Subsidiary	7(a)	299,810	170,030	-	-	194,604
<b>Current assets:</b>						
Receivables and prepayments		717,843	754,792	766,809	722,377	801,285
Inventories		943,473	616,349	1,056,462	708,349	905,825
Related parties		-	-	-	-	834
Investment		9,165	9,601	129,780	58,154	12,177
Cash & bank		110,258	72,667	143,904	121,814	157,933
Tax recoverable		-	-	4,464	3,153	-
		<u>1,780,739</u>	<u>1,453,409</u>	<u>2,101,419</u>	<u>1,613,847</u>	<u>1,878,054</u>
<b>Current Liabilities:</b>						
Payables		745,446	751,819	799,847	772,089	772,032
Short term loans		29,889	90,685	29,889	90,686	224,271
Current portion of long term loan		-	7,234	-	7,235	30,900
Bank overdraft		-	-	-	-	56,739
		<u>775,335</u>	<u>849,738</u>	<u>829,736</u>	<u>870,010</u>	<u>1,083,942</u>
<b>Net current assets</b>		<u>1,005,404</u>	<u>603,671</u>	<u>1,271,683</u>	<u>743,837</u>	<u>794,112</u>
<b>Total assets less current liabilities</b>		<u>1,569,731</u>	<u>961,191</u>	<u>1,822,285</u>	<u>988,765</u>	<u>1,180,066</u>
<b>Equity</b>						
Issued capital		140,044	140,044	140,044	140,044	140,044
Non-controlling interest		-	-	80,487	64,623	-
Retained earnings		395,582	276,405	401,931	276,406	366,306
Investment revaluation reserve		614	614	206,963	16,079	614
Capital Reserve		57,503	57,503	57,503	57,503	57,503
		<u>593,743</u>	<u>474,566</u>	<u>886,928</u>	<u>554,655</u>	<u>564,467</u>
<b>Non Current Liability:</b>						
Borrowings		975,988	486,625	935,357	434,110	615,599
		<u>975,988</u>	<u>486,625</u>	<u>935,357</u>	<u>434,110</u>	<u>615,599</u>
<b>Total equity and none-current liabilities</b>		<u>1,569,731</u>	<u>961,191</u>	<u>1,822,285</u>	<u>988,765</u>	<u>1,180,066</u>

Approved for issue by the Board of Directors on May 12, 2017 by:



Derrick Cotterell  
Chairman



Ian Kelly  
Director

**Derrimon Trading Limited**  
**Statement of change in Shareholders' Equity**  
**Three Months Ended March 31, 2017**

	<u>Share Capital</u>	<u>Retained Earnings</u>	<u>Investment</u> <u>Revaluation Reserve</u>	<u>Capital Reserves</u>	<u>Non-controlling</u> <u>interest</u>	<u>Total</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
<b>Balance at 31 December 2015</b>	140,044	250,200	614	57,503		448,361
Total comprehensive income		26,205	-	-		26,205
Revaluation on associated company			15,465			15,465
Non-controlling interest					64,623	64,623
<b>Balance at March 31, 2016</b>	<u>140,044</u>	<u>276,405</u>	<u>16,079</u>	<u>57,503</u>	<u>64,623</u>	<u>554,655</u>

	<u>Share Capital</u>	<u>Retained Earnings</u>	<u>Investment</u> <u>Revaluation Reserve</u>	<u>Capital Reserves</u>	<u>Non-controlling</u> <u>interest</u>	<u>Total</u>
<b>Balance at 31 December 2016</b>	140,044	366,306	614	57,503		564,467
Total comprehensive income	-	241,973	-	-		241,973
Non-controlling interest					80,487	80,487
<b>Balance at March 31, 2017</b>	<u>140,044</u>	<u>608,279</u>	<u>614</u>	<u>57,503</u>	<u>80,487</u>	<u>886,928</u>

**Derrimon Trading Limited**  
**Statement of Cash flows**  
**Three Months Ended March 31,2017**

	Note	3 Months ended March 31,2017 \$'000	3 Months ended March 31,2016 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Net profit		29,277	26,206
Adjustments for:			
Depreciation		3,074	3,131
Share of profit of associated company		-	(9,206)
		32,351	20,131
Changes in non-cash working capital components:-			
Decrease/(Increase):			
Receivables		83,442	(249,064)
Inventory		(37,648)	(28,062)
Related Company		834	14,535
Increase/(Decrease):			
Payables		(26,586)	191,277
		20,042	(71,314)
Net funds provided by/(used in) operating activities		52,393	(51,183)
<b>CASH FLOWS FROM INVESTING ACTIVITY:</b>			
Investments		3,012	(7,250)
Investments in Subsidiary		(105,206)	-
Acquisition of property, plant and equipment		(76,241)	(15,077)
<b>Net cash used in investment activities</b>		(178,435)	(22,327)
<b>Financing activities:</b>			
Loans received during the period		329,489	91,838
Loans repayments		(194,382)	(5,864)
<b>Net cash provided by financing activities</b>		135,107	85,974
<b>Net (decrease)/ increase in cash balances</b>		9,064	12,463
<b>Net cash balance at beginning of period</b>		101,194	60,203
<b>Net cash balance at end of period</b>		110,258	72,667
<b>Represented by:</b>			
Cash & cash equivalents		110,258	72,667
Net cash and cash equivalents at end of period		110,258	72,667

## **Notes to the Unaudited Financial Statements**

### **Three (3) Months Ended March 31, 2017**

#### **1. IDENTIFICATION AND PRINCIPAL ACTIVITIES**

Derrimon Trading Company Limited (“the Company”) is a company limited by shares, incorporated and domiciled in Jamaica. Its registered office is located at 233 and 235 Marcus Garvey Drive, Kingston 11. The principal activity of the Company is distribution of bulk household food items inclusive of meat products. The Company also distributes branded products on behalf of a major global corporation. In 2009, the Company purchased the assets of a wholesale distribution company and continued to operate from its original location at 233 Marcus Garvey Drive, Kingston 11.

The Company maintained the entity’s trading name, Sampars Cash & Carry as well as its operating Outlets: Sampars Outlet Washington Boulevard at 8-10 Brome Close, Kingston 20; Sampars Outlet West Street at 60 ½ West Street, Kingston; Sampars Outlet Mandeville at 26 Hargreaves Avenue Mandeville; Sampars Old Harbour at 3 Ascott Drive, Old Harbour, St. Catherine, Sampars St. Ann's Bay at 3 Harbour Street, St. Ann's Bay, St. Ann, and Sampars Cross Roads, 1-3 Retirement Road, Kingston 5.

Effective December 17, 2013, the Company’s shares were listed on the Junior Market of the Jamaican Stock Exchange.

#### **2. BASIS OF PREPARATION**

##### Statement of Compliance

The financial statements of Derrimon Trading Company Limited have been prepared in accordance with and compliance with International Financial Reporting Standards (IFRS) under the historical cost convention, as modified by the revaluation of certain financial assets. The same accounting policies and methods of computation are followed in the unaudited financial statements as were applied in the audited financial statements for the year ended December 31, 2016.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. Although these estimates are based on management’s best knowledge of current events and action, actual results could differ from those estimates.

## **2. BASIS OF PREPARATION (continued)**

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are noted below:

Critical Accounting Estimates and Judgements in Applying Accounting Policies.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

## **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies that have been used in the preparation of these consolidated financial statements are summarized below and have been consistently applied for all the years presented.

### **a) Depreciable assets**

Estimates of the useful life and the residual value of property, plant and equipment are required in order to apply an adequate rate of transferring the economic benefits embodied in these assets in the relevant periods. The Company applies a variety of methods in an effort to arrive at these estimates from which actual results may vary. Actual variations in estimated useful lives and residual values are reflected in profit or loss through impairment or adjusted depreciation provisions.

### **b) Allowance for losses**

In determining amounts recorded for allowance for losses in the financial statements, management makes judgments regarding indicators of impairment, that is, whether there are indicators that suggest there may be a measurable decrease in the estimated future cash flows from accounts receivable and other financial assets from conditions such as repayment default and adverse economic conditions. Management also makes estimates of the likely estimated future cash flows from impaired assets, including the net realizable value of underlying collateral, as well as the timing of such cash flows. The adequacy of the allowance depends on the accuracy of these judgments and estimates.

### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **c) Basis of consolidation of divisional accounts**

Transactions are eliminated on consolidation of divisional accounts. Inter-divisional transactions among the different business units and segments are undertaken at cost and there is no gain or loss on these transactions. Sales and receivables balances are eliminated at the end of the reporting period.

#### **d) Comparative information**

Comparative figures have been reclassified, where necessary, to conform to changes in presentation in the current year.

#### **e) Segment reporting**

A segment is a distinguishable component of the Company that is engaged either in providing products (business segment), or in providing products within a particular economic environment (geographical segment), which is subject to risks and returns that are different from those of other segments.

The business segments are distribution and the operation of a retail chain of outlets trading as Sampars Cash and Carry, Sampars Outlets and Sampars Supermarket.

#### **f) Valuation of property, plant and equipment**

Items of property, plant and equipment are measured at cost, except for certain plant and equipment and freehold land and buildings which are measured at valuation, less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of material and direct labour and any other costs directly attributable to bringing the asset to a working condition for its intended use.

The market value of freehold land and building is the estimated amount for which a property could be exchanged between a willing buyer and a willing seller in an arm's length transaction considering its existing condition and location. The market value of plant and equipment is estimated using depreciated replacement cost approach. Gains or losses arising from changes in market value are taken to capital reserve.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### g) Depreciation and amortization

Property, plant and equipment are stated at historical cost, less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of items. Depreciation is calculated on the straight-line basis at such rates that will write off the carrying value of the assets over the period of their estimated useful lives. Each financial year, the depreciation methods, useful lives and residual values, although consistently applied are reassessed to ensure that the assets are fairly stated. Annual depreciation rates are as follows:

Furniture, fittings & fixtures	20%
Machinery & equipment	10%
Motor vehicle	20%
Computers	33 1/3%
Buildings Leasehold improvements	2.5%
Leasehold improvements	2.5%
Goodwill and Intangibles	

Leasehold Improvement is amortized over period of lease. Goodwill and Intangibles are tested annually for impairment or when circumstances and events give rise to a reassessment.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are recognized in other income in the income statement.

Repairs and maintenance expenditure is charged to the income statement during the financial period in which they are incurred.

#### h) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Company's activities. Revenue is shown net of General Consumption Tax, returns and discounts and after eliminating inter-division sales within the Company.

The Company recognizes revenue in the income statement when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company, where the significant risks and rewards of ownership have been transferred to the buyer and specific criteria have been met in relation to the Company's activities as described below:

### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **Sale of goods**

Sales are recognized upon delivery of products and customer acceptance of the products and collectability of the related receivables is reasonably assured.

Interest income, is recognized in the statement of comprehensive income for all interest-bearing instruments on an accrual basis using the effective yield method based on the actual purchase price. Interest income includes coupons earned on fixed income investments.

#### **i) Foreign currency translation**

The financial statements are presented in the functional currency of the Company which is the Jamaican dollar. The Jamaican dollar is the currency of the primary economic environment in which the Company operates.

#### **Transactions and balances**

Foreign currencies are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from transactions at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of comprehensive income.

#### **j) Trade receivables**

Trade receivables are carried at original invoice amounts less provision made for impairment of these receivables. The Company's policy is not to provide credit beyond thirty (30) days. If customers do not comply with the credit terms and limits, supplies are discontinued. A provision for impairment of these receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the transactions.

### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **k) Business combination**

The company applies the acquisition method in accounting for business combination. The consideration transferred by the company to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair value of the assets transferred, liabilities assumed and the equity interests issued by the company.

The company recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognized in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair value.

Any Goodwill, is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of a) fair value of consideration transferred, b) the recognized amount of any non-controlling interest in the acquiree and c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of the identifiable net assets. If the fair values of the identifiable net assets exceed the sum calculated above, the excess amount i.e., gain on a bargain purchase, is recognized in profit or loss immediately.

### **4. TAXATION**

The Company's shares were listed on the Junior Market of the Jamaica Stock Exchange on December 17, 2013. Consequently, the Company is entitled to a remission of taxes for ten (10) years in the proportions set out below, provided the shares remain listed for at least fifteen (15) years:

Years 1 to 5 (December 18, 2013 - December 16, 2018) – 100%

Years 6 to 10 (December 17, 2018 - December 16, 2023) - 50%

### **5. EARNINGS PER STOCK UNIT**

Earnings per stock unit are calculated by dividing the profit for the period by the weighted average number of shares in issue for the period.

## 6. SHARE CAPITAL

2017

2016

### **Authorised:**

400,400,000 ordinary shares of no par value

### **Issued and fully paid:**

273,336,067 (2013 – 1,000) shares net of

transaction costs

140,044,436

140,044,436

The net profit reported by CFFL for the three (3) months ending March 31, 2017 was \$12.001million.

## 7. ACQUISITION OF CARIBBEAN FLAVOURS AND FRAGRANCES LIMITED (CFFL)

### **Control of Caribbean Flavours and Fragrances Limited (CFFL)**

The company held a 49.02% interest in CFFL, a manufacturer of flavours and fragrances in Jamaica. On February 12, 2017, the company obtained majority control of CFFL by acquiring an additional 26% of CFFL share capital thereby increasing its ownership interest to 75.02%. With this acquisition, the company intends to implement a new Five (5) years Strategic Plan with specific focus and objectives.

## 7. ACQUISITION OF CARIBBEAN FLAVOURS AND FRAGRANCES LIMITED (CFFL) (continued)

	\$'000
Amount settled in cash	105,206
Fair value of equity shares issued	
Fair value of contingent consideration	
<b>Total</b>	<b>105,206</b>
<b>Effect of settlement of pre-existing relationship</b>	
Fair value of consideration transferred	105,206
Fair value of previously held investment in CFFL	400,953
Fair value of non-controlling interest in CFFL	78,373
	<b>584,533</b>
<b>Recognised amounts of identifiable net assets:</b>	
Fixed assets, net	15,513
Investments	160,303
Receivables, net	44,044
Inventories	86,800
Prepayments	1,784
Cash and bank	43,203
Taxation recoverable	3,153
Payables and Accruals	(29,061)
Borrowings	(11,997)
<b>Net identifiable assets and liabilities</b>	<b>313,743</b>
<b>Intangible assets</b>	<b>270,790</b>

### Consideration transferred

The acquisition was settled in cash of \$105,206,436.00. Acquisition related costs amounting to \$13,079,751.79 by Derrimon Trading Company Limited have been recognized as an expense in the consolidated statements of comprehensive income, as part of other expense.

### Previously held investment in CFFL

On the acquisition date, the company's 49.02% investment in CFFL, previously accounted for as investment in associated company using the *equity* method, was remeasured to fair value and a gain of \$206,349,389.60 was recognized in profit or loss. This is presented as a separate line item in the consolidated statement of comprehensive income. The previously held investment is considered part of what was given up by the company to obtain control of CFFL. Accordingly, the fair value of the investment is included in the determination of any goodwill, after separate recognition of identifiable intangible assets.

## 7. ACQUISITION OF CARIBBEAN FLAVOURS AND FRAGRANCES LIMITED (CFFL) (continued)

### Non-controlling interest in CFFL

The non-controlling interest in CFFL is measured at the present ownership instruments' proportionate share in the recognised amounts of CFFL's identifiable net assets i.e., 24.98%.

### Identifiable net assets

At the acquisition-date, the company's best estimate of fair value for the identifiable net asset was the carrying value in CFFL.

### Goodwill and Intangible assets

The intangible assets recognized on acquisition relates to CFFL's management and staff expertise in preparing and processing the specialized formulae for the creation of the various flavours and fragrances.

### Changes in goodwill

The reconciliation of the carrying amount of goodwill is as follows:

	<u>2017</u>	<u>2016</u>
	\$'000	\$'000
<b>Gross carrying amount</b>		
Balance, beginning of the year	15,220	15,220
Acquired through business combination		
Net exchange difference		
<b>Balance, end of the year</b>	<u>15,220</u>	<u>15,220</u>
<b>Accumulated impairment</b>		
Balance, beginning of the year	0	
Net exchange difference		
<b>Balance, end of the year</b>	<u>0</u>	<u>0</u>
<b>Carrying amount at the end of the year</b>	<u>15,220</u>	<u>15,220</u>

### CFFL contribution to the company's results

CFFL has contributed \$38,371,741.12, \$15,769,976.77, and \$6,279,519.80 to the company's revenues, gross margin and profit, respectively from the acquisition date to 31 March 2017. Had the acquisition occurred on 1 January 2017, the company's revenues for the period to 31 March 2017 would have been \$66,633,353.80, its gross margin for the period would have been \$27,250,153.98 and the profit for the period would have been \$9,003,029.13. These amounts have been determined by applying the company's accounting policies and recognizing the non-controlling equity interest in CFFL i.e., 24.98%.

## DERRIMON TRADING

### SHAREHOLDINGS OF TOP TEN (10) STOCKHOLDERS, DIRECTORS AND SENIOR OFFICERS AS AT MARCH 31, 2017

<b>Top (10) Stockholders</b>	<b>Number of Shares Held</b>
Derrick Cotterell	110,000,000
Manwei International Limited	50,019,790
Monique Cotterell	40,000,000
Ian C. Kelly	15,743,459
Winston Thomas	13,363,979
Estate of E. Cotterell (Deceased)	10,000,000
Sagicor Pooled Equity Fund	5,875,692
JCSD Trustee Services - Sigma Venture	3,732,015
Sharon Harvey-Wilson	2,916,358
Mayberry Managed Clients Account	2,422,357
<b>Directors</b>	
Derrick Cotterell	110,000,000
Monique Cotterell	40,000,000
Ian C. Kelly	15,743,459
Winston Thomas	13,363,979
Earl Anthony Richards	500,000
Alexander I. E. Williams	100,000

**DERRIMON TRADING**

**SHAREHOLDINGS OF TOP TEN (10) STOCKHOLDERS, DIRECTORS AND SENIOR OFFICERS AS AT  
MARCH 31, 2017 (continued)**

<b>Senior Officers</b>	<b>Number of Shares Held</b>
Sheldon Simpson	245,000
Craig Robinson	0