



## UNAUDITED FINANCIAL RESULTS FOR THE YEAR ENDED JUNE 30, 2017

### 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 June 30, 2017.

### MANAGING DIRECTOR'S REPORT FOR THE 3 MONTHS PERIOD ENDING JUNE 2017

Our production for the quarter ending June 30, 2017 was 11% above the similar period last year while sales was 32% above that of last year. However, while there was 40% increase in the number of animals slaughtered over the previous period our production in weight was lower because of market demand for cuts from smaller size pigs. This is so because with a low disposable income the consumers are demanding small cuts which come from slaughtering small animals. This scenario will also impact the pig farmers as they are forced to sell a smaller animal that have not maximize its growth potential. On the other hand the animals will reach market weight quicker and more pounds of meat will be produce per square foot of building space.

We also experienced significant growth with our slaughtering service over the period. Our customers who utilized the service are extremely happy and have reported improvement in their yields and quality of fresh cuts. In this regards we are looking at increasing and expand this service to include fabrication and packaging.

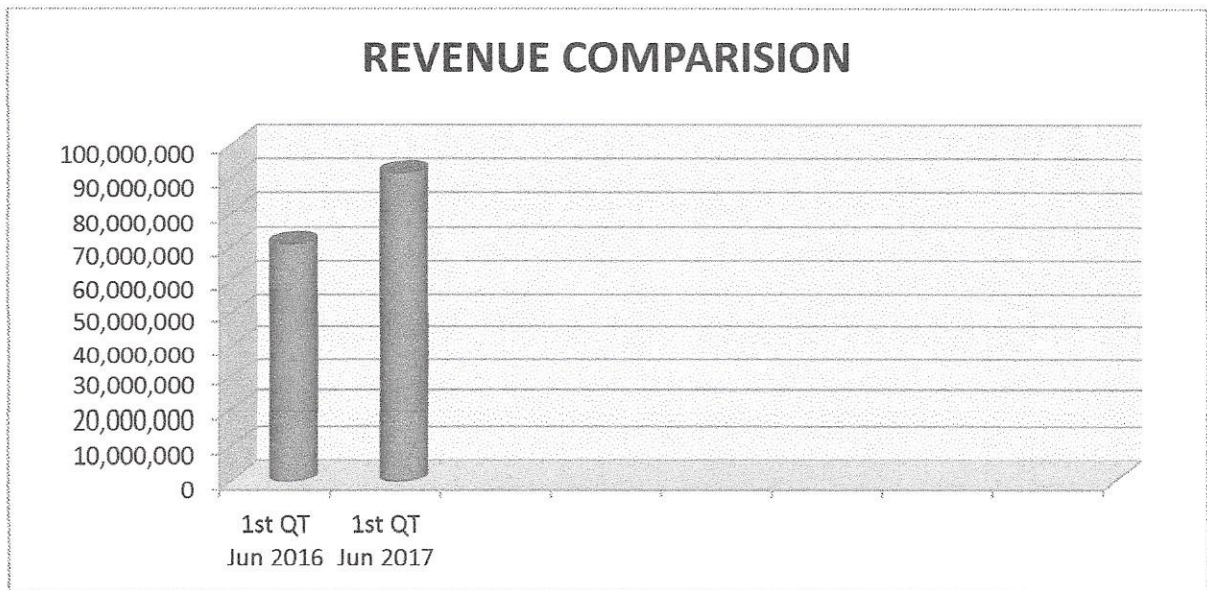
We anticipate that the year 2017/2018 will be our best yet and all efforts will be made for this to be a reality. To this effect we will be expanding our markets with a focus towards the hotels and other food establishments. Our greatest obstacle to achieving this objective is the possibility of imported pork and other substitute on the market during the peak season. To this end reliance is being placed on the Government to enforce its pork import limits, in addition more balance approach of brining players in the industry together for quarterly

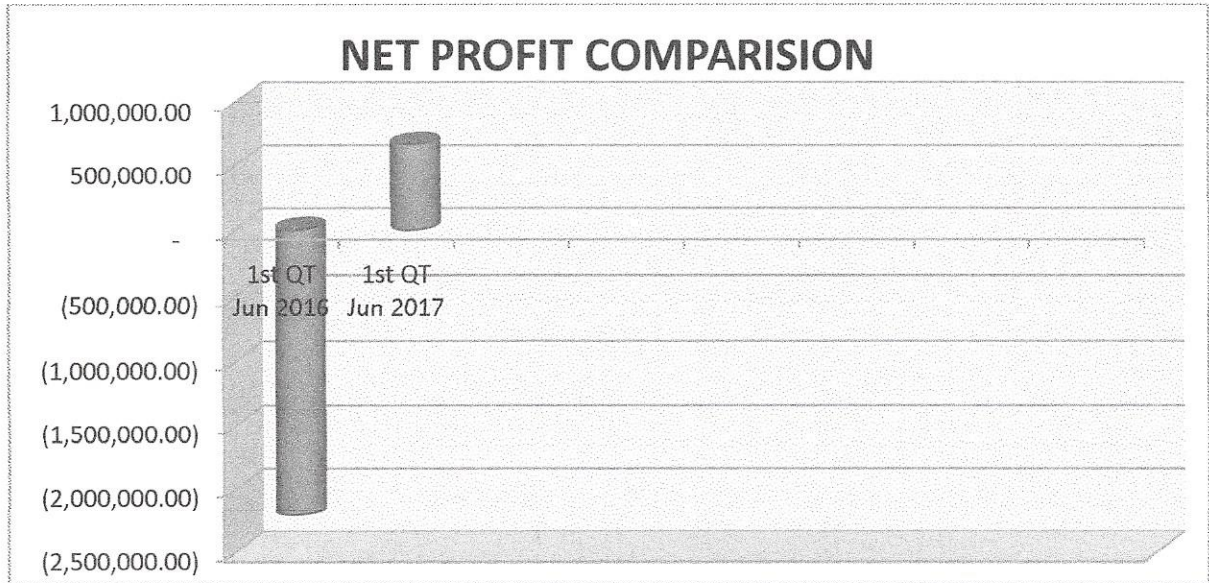
meeting to include government if necessary. While pork remains the most consumed meat worldwide much more need to be done in Jamaica to increase consumption as three or four times more chicken is consumed locally.

## FIRST QUARTER FINANCIAL HIGHLIGHTS

### Highlights of the three months ended June 30 2017

	<u>June 2017</u>	<u>June 2016</u>	<u>Inc/(Dec)%</u>
✦ Sales revenue	\$92.m	\$71.0m	29 %
✦ Net profit/ (Loss)	\$0.669m	(\$2.2m)	130 %
✦ Earnings per stock unit	0.01 cents	(0.02 )cents	130 %
✦ Total assets	\$453m	\$422m	7%
✦ Total stockholders 'equity	\$163m	\$159m	3%





#### Three Months Ended June 30th, 2017 compared to June 30th, 2016

- **Sales Revenue**

The company generated sales revenues in the First quarter of 2017 in the amount of \$92m compared to \$71m for the previous year; an increase of \$21m or 29%. This increase was due to the availability of pigs and increased market penetration offering additional services which expanded our revenue stream.

- **Gross profit**

Gross profit was \$16.3m compared to the previous period of \$5m; an increase of \$11.3m or 228% it was as a result of sourcing pigs at a lower price while passing on some of the saving to the customer to stimulate demand.

- **Expenses**

Total operational expenses were \$11.2m compared to previous period of \$6.3 m; an increase of \$4.9m or 78%. This was due mainly to increases in our electricity cost, loan interest, and insurance and haulage expenses.

- **Net Profit**

A small net profit of \$.669m was realized compared to a net loss of (\$2.2m) for the previous

year. We will seek to continue increase profitability through new products offering and increase the slaughter service to the wider public.



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Valence Gifford  
Managing Director  
August 7, 2017

**SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED**

**Unaudited Statement of**

**Comprehensive Income**

**For the Three Months Period Ending June 30th, 2017**

	Three months to June 2017 \$	Three months to June 2016 \$	Audited 31- Mar 2017 \$
Revenue	91,748,876	70,998,243	345,117,159
Cost of sales	(75,459,290)	(66,039,128)	(294,028,513)
Gross Profit	<b>16,289,586</b>	<b>4,959,115</b>	<b>51,088,646</b>
Administrative and General Expenses	(11,185,883)	(6,290,842)	(36,961,230)
Operating (loss)/profit	<b>5,103,703</b>	<b>(1,331,727)</b>	<b>14,127,416</b>
Finance Income	-		18,203
Finance Cost	(4,434,616)	(870,767)	(12,747,554)
(Loss)/profit before Taxation	<b>669,087</b>	<b>(2,202,494)</b>	<b>1,398,065</b>
Taxation	-	-	(12,392)
(Loss)/profit after taxation, being total comprehensive (loss)/profit for the period	<b>669,087</b>	<b>(2,202,494)</b>	<b>1,385,673</b>
Earnings per share (Note 6)	0.01	(0.02)	0.02

**SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED**

**Unaudited statement of financial position**

**June 30, 2017**

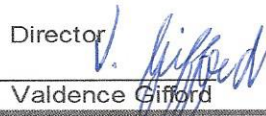
	3 Months To June 30, 2017	3 Months To June 30, 2016	(Audited) Mar 31, 2017
	\$	\$	\$
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	386,810,119	385,113,397	386,872,997
Deferred Tax Asset	3,237,080	3,189,472	3,237,080
Deferred Interest	6,411,267	6,411,267	6,411,267
Goodwill	6,580,000	6,580,000	6,580,000
Total non-current assets	<u>403,038,466</u>	<u>401,294,136</u>	<u>403,101,344</u>
<b>Current Assets</b>			
Directors' Current Account	-	-	-
Cash and Cash Equivalents	4,665,768	299,105	16,814,821
Trade and other receivables	23,150,472	9,992,464	53,167,980
Inventories	22,501,420	10,625,174	23,089,788
Total current assets	<u>50,317,660</u>	<u>20,916,743</u>	<u>93,072,589</u>
<b>TOTAL ASSETS</b>	<u><u>453,356,126</u></u>	<u><u>422,210,879</u></u>	<u><u>496,173,933</u></u>
<b>LIABILITIES &amp; EQUITY</b>			
<b>Current Liabilities</b>			
Bank overdraft		6,222,928	7,961,398
Trade and Other Payables	92,375,906	28,236,259	123,951,505
Income Tax Payable	1,471,980	2,821,980	1,471,980
Directors' current account	1,933,516	517,024	797,696
Current portion of long term Payables	20,072,111	13,882,816	20,072,111
Current portion of long term loan	31,590,690	36,813,331	31,590,690
Total current liabilities	<u>147,444,203</u>	<u>88,494,338</u>	<u>185,845,380</u>
<b>Long Term Liabilities</b>			
Long-term liabilities	107,155,061	129,228,671	112,240,778
Long-term Payables	21,601,125	27,790,420	21,601,125
Shareholders Loan	14,177,343	17,976,310	14,177,343
Deferred tax liability	-	-	-
Total Liabilities	<u>290,377,732</u>	<u>263,489,739</u>	<u>333,864,626</u>
<b>Equity</b>			
Share capital	143,695,713	143,695,713	143,695,713
Accumulated surplus	19,282,681	15,025,427	18,613,594
Total Equity	<u>162,978,394</u>	<u>158,721,140</u>	<u>162,309,307</u>
Total Liabilities & Equity	<u><u>453,356,126</u></u>	<u><u>422,210,879</u></u>	<u><u>496,173,933</u></u>

Approved for issue by the Board of Directors on August 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 Three Months ended 30 June 2017**

Balances as at June 30, 2015	143,695,713	-	24,637,434	168,333,147
Net loss attributable to Shareholders		-	(7,409,513)	(7,409,513)
Balances as at March 31, 2016	143,695,713	-	17,227,921	160,923,634
Net loss attributable to Shareholders	-	-	(2,202,494)	(2,202,494)
Balances as at June 30, 2016	143,695,713	-	15,025,427	158,721,140
Balances as at March 31, 2017	143,695,713	-	18,613,594	162,309,307
Net profit attributable to shareholders	-	-	669,087	669,087
Balances as at June 30, 2017	143,695,713	-	19,282,681	162,978,394

**SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED**

**Unaudited statement of cash flows**  
**For Three (3) months ending June 30, 2017**

	June 30, 2017	June 30, 2016	(Audited) Mar 31, 2017
	\$	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation	669,087	(2,202,494)	1,385,673
Adjustments to reconcile profit for year to net cash provided by operating activities:			
Bad debt	-	-	-
Depreciation	62,878	62,878	439,668
Deferred tax Income	-	-	(47,608)
Deferred tax Interest	-	-	-
Interest income	-	-	(9,319)
Taxation Provision	-	-	60,000
<b>Operating surplus before changes in working capit</b>	<b>731,965</b>	<b>(2,139,616)</b>	<b>1,828,414</b>
Trade and other receivables	30,017,508	5,445,407	(37,730,109)
Inventories	588,368	(7,404,740)	(19,869,354)
Directors' current account	-	-	-
Shareholders loan	-	-	-
Accounts payable & provisions	(31,575,599)	(13,188,210)	108,903,461
Directors' current account	1,135,820	95,680	376,352
<b>Net cash generated by operations</b>	<b>898,062</b>	<b>(17,191,479)</b>	<b>53,508,764</b>
Taxation	-	(900,000)	(2,310,000)
Interest received	-	-	9,319
<b>Net cash inflows from operating activities</b>	<b>898,062</b>	<b>(18,091,479)</b>	<b>51,208,083</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of property, plant and equipment	-	(20,480,761)	(22,617,151)
<b>Net cash outflows from investing activities</b>	<b>-</b>	<b>(20,480,761)</b>	<b>(22,617,151)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds of long term Payables	-	-	-
proceeds of long term loan Net	(5,085,717)	16,000,000	(6,210,534)
Shareholders loans	-	3,798,967	-
Bank Overdraft	(7,961,398)	(8,838,030)	(7,099,560)
<b>Nat cash inflows from financing activities</b>	<b>(13,047,115)</b>	<b>10,960,937</b>	<b>(13,310,094)</b>
<b>(Decrease)/Increase in cash resources</b>	<b>(12,149,053)</b>	<b>(1,234,878)</b>	<b>15,280,838</b>
<b>Cash resources at the start of the year</b>	<b>16,814,821</b>	<b>1,533,983</b>	<b>1,533,983</b>
	<b>4,665,768</b>	<b>299,105</b>	<b>16,814,821</b>
<b>Cash resources comprise:</b>			
Cash and bank balances	4,665,768	299,105	16,814,821
Bank overdraft	-	-	-
	<b>4,665,768</b>	<b>299,105</b>	<b>16,814,821</b>



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

### **Notes to the Unaudited Financial Statements Three Months Period Ended June 30th, 2017**

#### **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, Savanna-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

## SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED

### Notes to the Unaudited Financial Statements

#### Three Months Period Ended June 30th, 2017

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.

#### 5. Shareholders' Information

	No. Of Units
<b>Directors' Holdings</b>	
<b>As at June 30, 2017:</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 June 30th, 2017:</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 June 30th, 2017</b>	
Valdence Gifford	4,995,058

**SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED**

**Notes to the Unaudited Financial Statements**

**Three Months Period Ended June 30th, 2017**

Sean Forbes

4,000