



**Consolidated Net Profit of \$131.558M**

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

### **Report to Stockholders**

**Nine (9) months ended September 30, 2017**

The Board of Directors is pleased to report the unaudited results of the company for the Nine (9) months ended September 30, 2017 and to report on the performance of the Group.

### **Financial Highlights**

- **Consolidated Net Profit of \$131.558M**
- **Derrimon Trading Company Limited Net Profit of \$90.408M**
- **Consolidated Gross Profit of \$939.222M**
- **Derrimon Trading Company Limited Gross Profit of \$816.038M**
- **Consolidated Revenue of \$4,921.990B**
- **Derrimon Trading Company Limited Revenue of \$4,618.278B**
- **Consolidated Earnings Per Stock unit of \$0.48**

The third quarter revenue generated from core activities was \$1.775 billion representing a \$430.845 million or 32.06% increase above the \$1.344 billion reported for the similar quarter in 2016. The nine (9) months consolidated revenue for the period was \$4.922 billion. This represented a \$261.236 million or 5.61% increase above the restated consolidated nine (9) months revenue of \$4.661 billion reported for the prior year. The Company continues with the implementation of its strategy to cull products that provide low margins below the required threshold or provide a negative contribution. In addition, the focus that has been placed on the growth of the retail segment of the business remains the catalyst for growth.

Gross profit from core operations reported for the quarter was \$320.787 million or 70.76% above the \$187.863 million reported for the same period in 2016. This improvement was mainly due to strategies employed within both the distribution & retail segments of the business to realign the product portfolio and focus more on higher yielding products while reducing the contribution of lower yielding products. The consolidated gross profit for this nine months was \$939.222 million which is 36.94% above the \$685.888 million reported for the comparative period last year

Operating expenses from core activities for the quarter was \$248.775 million, which represents an increase of 56.55% or \$89.865 million over the \$158.910 million reported for the same period in 2016. For the nine (9) months period, operating expenses grew by 36.46%. The major factors for this increase were the increase in operational cost driven by the two (2) new stores, increases in the general cost for utilities, marketing expenses, scheduled repairs & maintenance of our equipment and staff costs.

Finance charges from core activities for the quarter was \$51.277 million up by \$26.378 million or 105.94% from the \$24.899 million reported in June 2016. For the nine (9) months period finance charges increased by 66.39%. This cost reflects the use of short term funding in order to capitalize on trade deals and other opportunities, loans interest and bank service charges owing to the increase usage of debit and credit cards transactions at our various retail stores by customers and other bank commissions.

Net Profit for this three (3) months period from core business was \$27.228 million representing a \$9.765 million or 55.92% increase over the corresponding period in 2016, which reported net profit of \$17.463 million. The consolidated net profit earned for the nine (9) months period was \$131.558 million, up by 22.01% over the corresponding period.

Total Assets less Current Liabilities from core operations was at \$1.782 billion which represents growth of \$751.415 million or 72.94% when compared to the similar period last year. The consolidated total assets less current liabilities was \$2.011 billion which grew by 58.54% when compared to the prior year. Total Equity from core operations grew by 71.70% to \$900.329 million, up from the \$524.348 million reported for the same period last year. The consolidated Total Equity was \$1.119 billion which increased by 49.23% over the similar period last 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



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**Derrimon Trading Company Limited**  
**Statement of Profit and Loss & Comprehensive Income**  
**Nine Months Ended September 30, 2017**

	Notes	Unaudited Derrimon three months ended September 30 2017 \$'000	Unaudited Derrimon three months ended September 30 2016 \$'000	Unaudited Derrimon nine months ended September 30 2017 \$'000	Unaudited Derrimon nine months ended September 30 2016 \$'000	Unaudited Consolidated nine months ended September 30 2017 \$'000	Unaudited Consolidated nine months ended September 30 (Restated) 2016 \$'000	Audited year ended December 31 2016 \$'000
<b>Revenue</b>								
Trading Income	3h	1,774,790	1,343,945	4,618,278	4,387,325	4,921,990	4,660,754	6,176,927
Less cost of sales		1,454,003	1,156,082	3,802,240	3,807,934	3,982,768	3,974,866	5,242,449
<b>Gross Profit</b>		320,787	187,863	816,038	579,391	939,222	685,888	934,478
<b>Other Income</b>		6,493	3,503	32,185	11,126	17,850	11,126	19,474
		327,280	191,366	848,223	590,517	957,072	697,014	953,952
<b>Less operating expenses:</b>								
Administrative		223,717	126,047	574,737	376,094	639,206	425,871	561,460
Selling & distribution		25,058	32,863	79,077	103,032	82,000	107,942	177,952
		248,775	158,910	653,814	479,126	721,206	533,813	739,412
<b>Operating profits/ (loss) before</b>		78,505	32,456	194,409	111,391	235,866	163,201	214,540
Less : finance cost		(51,277)	(24,899)	(104,001)	(62,503)	(104,308)	(55,373)	(136,620)
Share of profit of consolidated		-	9,906	-	27,099	-	-	38,186
Profit/(Loss) before taxation		27,228	17,463	90,408	75,987	131,558	107,828	116,106
Taxation ( Estimated)	4	-	-	-	-	-	-	-
Net Profit		27,228	17,463	90,408	75,987	131,558	107,828	116,106
<b>Other comprehensive income</b>		-	-	-	-	-	-	-
Non-controlling interest		-	-	-	-	(21,593)	(23,657)	-
Reversal of deferred taxation		-	-	-	-	-	-	-
Increase/(decrease) in revaluation investment		-	-	-	-	170,592	111,021	-
<b>Total comprehensive income</b>		27,228	17,463	90,408	75,987	280,557	195,192	116,106
Earnings per stock unit	5	0.10	0.06	0.33	0.28	0.48	0.39	0.42

**Derrimon Trading Company Limited**  
**Statement of Financial Position**  
**Nine Months ended September 30, 2017**

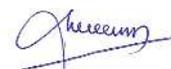
	Notes	Unaudited Derrimon nine Months September 30 <u>2017</u> <u>\$'000</u>	Unaudited Derrimon nine Months September 30 <u>2016</u> <u>\$'000</u>	Unaudited Consolidated nine months September 30 <u>2017</u> <u>\$'000</u>	Unaudited Consolidated nine months September 30 (Restated) <u>2016</u> <u>\$'000</u>	Audited December 31 <u>2016</u> <u>\$'000</u>
<b>ASSETS</b>						
<b>Non-current assets:</b>						
Fixed Assets	3f	202,173	192,965	218,287	208,964	176,130
Goodwill	7 (d)	33,220	15,220	33,220	15,220	15,220
Intangible	7(a)			312,485	181,939	
Investment in Subsidiary	7(a)	438,720	187,924	-	-	194,604
<b>Current assets:</b>						
Receivables and prepayments		887,107	845,466	937,126	848,140	801,285
Inventories		903,612	684,639	996,329	765,246	905,825
Related parties		-				834
Investment		9,076	21,810	140,868	112,112	12,177
Cash & bank		99,550	94,204	193,076	165,080	157,933
Tax recoverable		-	-	1,670	3,153	
		1,899,345	1,646,119	2,269,069	1,893,731	1,878,054
<b>Current Liabilities:</b>						
Payables		546,626	788,893	576,917	808,324	772,032
Short term loans		211,674	223,193	211,674	223,193	224,271
Current portion of long term loan				-	-	30,900
Bank overdraft		33,601	-	33,601	-	56,739
		791,901	1,012,086	822,192	1,031,517	1,083,942
<b>Net current assets</b>		1,107,444	634,033	1,446,877	862,214	794,112
<b>Total assets less current liabilities</b>		1,781,557	1,030,142	2,010,869	1,268,337	1,180,066
<b>Equity</b>						
Issued capital		140,044	140,044	140,044	140,044	140,044
Non-controlling interest		-	-	142,260	114,644	-
Retained earnings		456,715	326,187	488,113	326,187	366,306
Investment revaluation reserve		171,206	614	171,206	111,635	614
Treasury stock - realize gain		74,861	-	120,136	-	-
Capital Reserve		57,503	57,503	57,503	57,503	57,503
		900,329	524,348	1,119,262	750,013	564,467
<b>Non Current Liability:</b>						
Borrowings		881,228	505,794	891,607	518,324	615,599
		881,228	505,794	891,607	518,324	615,599
<b>Total equity and non-current liabilities</b>		1,781,557	1,030,142	2,010,869	1,268,337	1,180,066

Approved for issue by the Board of Directors on November 14, 2017 by:



Derrick Cotterell

Chairman



Ian Kelly

Director

**Derrimon Trading Limited**  
**Statement of change in Shareholders' Equity**  
**Nine Months Ended September 30, 2017**

	<u>Share Capital</u>	<u>Retained Earnings</u>	<u>Investment Revaluation Reserve</u>	<u>Treasury stock - realized gain</u>	<u>Capital Reserves</u>	<u>Non-controlling 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		75,987					75,987
Revaluation in associated company			111,021				111,021
Non-controlling interest						114,644	114,644
<b>Balance at September 30, 2016</b>	<u>140,044</u>	<u>326,187</u>	<u>111,635</u>		<u>57,503</u>	<u>114,644</u>	<u>750,013</u>

	<u>Share Capital</u>	<u>Retained Earnings</u>	<u>Investment Revaluation Reserve</u>	<u>Treasury stock - realized gain</u>	<u>Capital Reserves</u>	<u>Non-controlling interest</u>	<u>Total</u>
<b>Balance at 31 December 2016</b>	140,044	366,306	614		57,503		564,467
Total comprehensive income		90,408				21,593	112,001
Adjustment for stock re-sale		31,399		45,275		40,180	116,854
Gain on stock sales				74,861			74,861
Non-controlling interest						80,487	80,487
Revaluation in associated company			170,592				170,592
<b>Balance at September 30, 2017</b>	<u>140,044</u>	<u>488,113</u>	<u>171,206</u>	<u>120,136</u>	<u>57,503</u>	<u>142,260</u>	<u>1,119,262</u>

**Statement of Cash flows**  
**Nine Months Ended September 30, 2017**

Note	9 Months ended September 30, 2017 \$'000	9 Months ended September 30, 2016 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net profit	90,408	75,987
Adjustments for:		
Depreciation	9,338	11,792
Share of profit of associated company	-	(27,099)
	99,746	60,680
Changes in non-cash working capital components:-		
Decrease/(Increase):		
Receivables	(85,822)	(339,736)
Inventory	2,213	(96,352)
Related Company	834	14,534
Short term loan	-	-
GCT recoverable	-	-
Tax recoverable	-	-
Current portion fo long -term loan	-	-
Increase/(Decrease):		
Payables	(225,406)	228,350
Taxation	-	-
Current portion of long term borrowings	-	-
	(308,181)	(193,204)
Net funds provided by/(used in) operating activities	(208,435)	(132,524)
<b>CASH FLOWS FROM INVESTING ACTIVITY:</b>		
Investments	3,101	(19,459)
Investments in Subsidiary	1,337	-
Goodwill	(18,000)	-
Acquisition of property, plant and equipment	(16,705)	(44,433)
<b>Net cash used in investment activities</b>	<b>(30,267)</b>	<b>(63,892)</b>
<b>Financing activities:</b>		
Loans received during the period	489,900	239,540
Loans repayments	(286,443)	(9,124)
<b>Net cash provided by financing activities</b>	<b>203,457</b>	<b>230,416</b>
<b>Net (decrease)/ increase in cash balances</b>	<b>(35,245)</b>	<b>34,000</b>
<b>Net cash balance at beginning of period</b>	<b>101,194</b>	<b>60,203</b>
<b>Net cash balance at end of period</b>	<b>65,949</b>	<b>94,204</b>
 <b>Represented by:</b>		
Cash & cash equivalents	99,550	94,204
Bank overdraft	(33,601)	-
<b>Net cash and cash equivalents at end of period</b>	<b>65,949</b>	<b>94,204</b>

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

### **Nine (9) Months Ended September 30, 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 budget 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

## 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%. The Company subsequently sold 13% of its interest.

## 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>
Effect of settlement of pre-existing relationship	
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>
Intangible assets	270,790

### 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)

On June 16, 2017, the company sold 13% of its ownership interest in CFFL for \$115M, reducing its holdings from 75.02% to 62.02%, without losing control of CFFL. As a result of this proportional change in equity held by the non-controlling interest, the Company adjusted the carrying amounts of the controlling and non-controlling interests to reflect the changes in their relative interest in CFFL. These adjustments were recognized directly in equity and the difference between the non-controlling interest and the \$115M received were attributed to the shareholders of the Company (DTL).

### 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>

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

### **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 SEPTEMBER 30, 2017

<b>Top (10) Stockholders</b>	<b>Number of Shares Held</b>
Derrick Cotterell	110,000,000
Manwei International Limited	47,016,943
Monique Cotterell	40,000,000
Ian C. Kelly	15,743,459
Winston Thomas	13,297,118
Estate of E. Cotterell (Deceased)	10,000,000
Sagicor Pooled Equity Fund	5,875,692
Nigel Coke	4,626,801
JCSD Trustee Services - Sigma Venture	3,696,210
Sharon Harvey-Wilson	2,916,358
 <b>Directors</b>	
Derrick Cotterell	110,000,000
Monique Cotterell	40,000,000
Ian C. Kelly	15,743,459
Winston Thomas	13,297,118
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  
SEPTEMBER 30, 2017 (continued)**

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