



UNAUDITED FINANCIAL RESULTS FOR THE THREE MONTHS ENDED DECEMBER 31, 2017

RELEASE TO SHAREHOLDERS

The Board of Directors of SWEET RIVER ABATTOIR & SUPPLIES LTD presents the unaudited financial statements for the three months ended December 31, 2017.

MANAGING DIRECTOR'S REPORT FOR THE 9 MONTHS PERIOD ENDING DECEMBER 2017

The 9 months to December 2017 have been challenging. Faced simultaneously with a decline in year over year sales of six percent and uncompetitive pricing in the market place, the result was a net loss of \$4.5M.

The need for the industry to be more organized and strategic moving forward is evident, as it can be argued that the present situation is not sustainable. There is consensus amongst Pig Farmers island wide that they experienced great difficulty in selling pigs in 2016 and 2017. They also complained of low prices. Coming against the background of record arrivals in the tourism sector, from which a lot of demand for our product is derived, reflects the need for more transparency in the market.

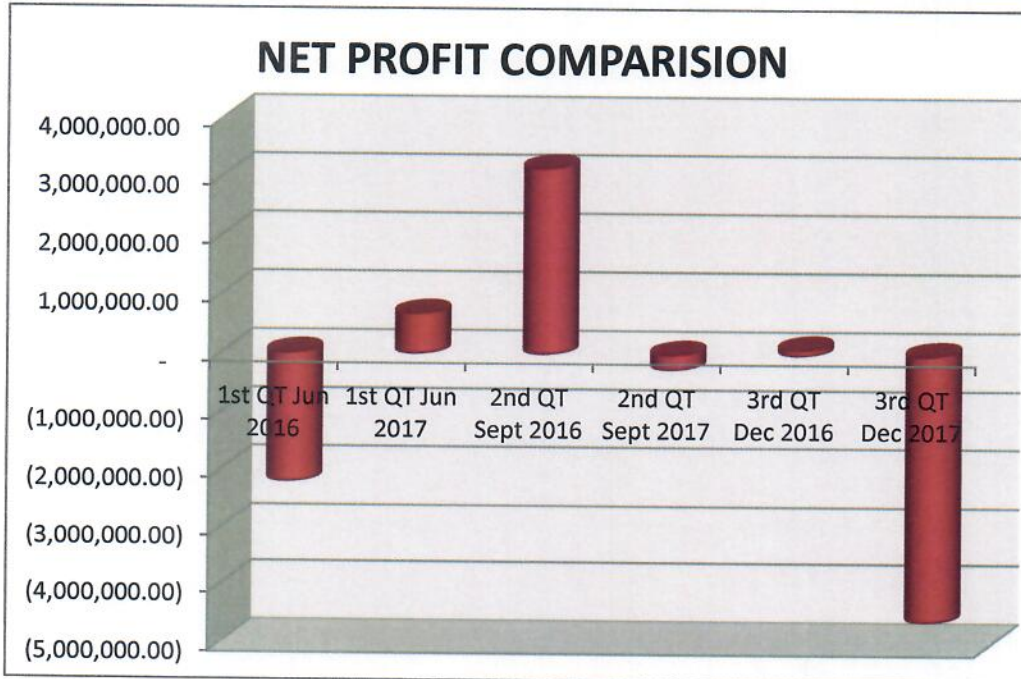
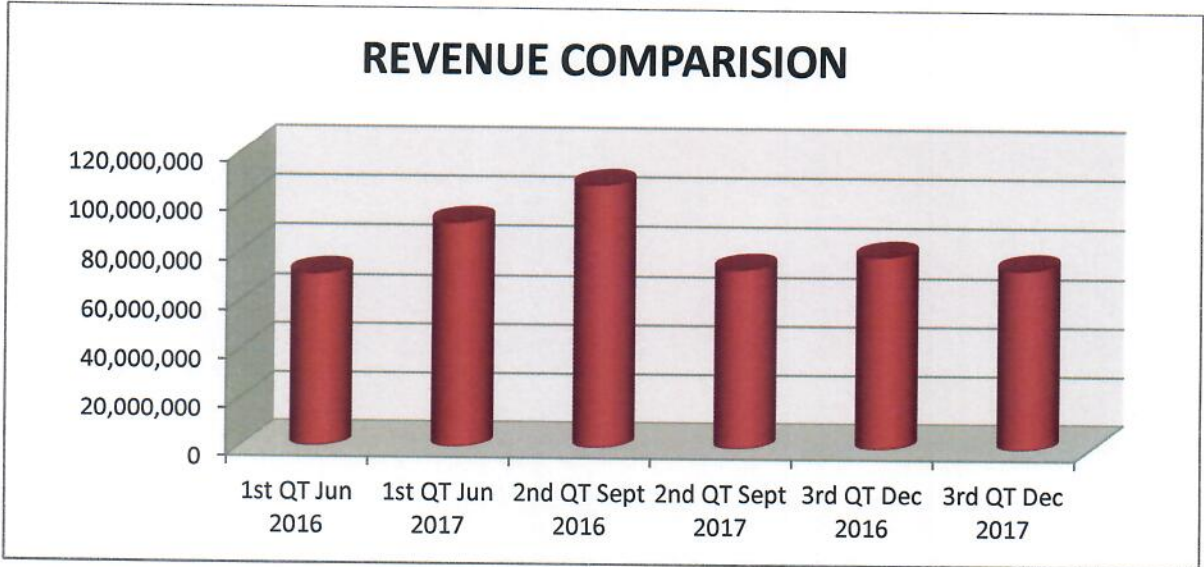
Amidst the challenges, we are happy to report that we have implemented new sales strategies which will enable the company to better match demand for its products and the supply of its inputs. To this effect we have secured new markets with contracts running up to three (3) years. These new arrangements have brought renewed confidence to our farmers, supplies and other stakeholders.

These new strategies being employed, as well as further diversification in our product offerings are expected to result in improved performances going forward.

THIRD QUARTER FINANCIAL HIGHLIGHTS

Highlights of the three months ended Dec 31, 2017

	<u>Dec 2017</u>	<u>Dec 2016</u>	<u>Inc/(Dec)%</u>
✚ Sales revenue	\$73.9m	\$78.9m	(6) %
✚ Net profit/ (Loss)	(4.5)m	\$.088m	(52.61) %
✚ Earnings per stock unit	(0.05) cents	0.0cents	(52.61) %
✚ Total assets	\$441m	\$435m	2%
✚ Total stockholders' equity	\$158m	\$161m	(2)%



Three Months Ended Dec 31st, 2017 compared to Dec 31st, 2016

- **Sales Revenue**

The company generated sales revenues in the Third quarter of 2017 in the amount of \$73.9m when compared to \$78.9m of the previous year; a decrease of \$4.9m or (6) %. This decrease was due to the market condition where excess amount of pigs were available hence our sales volume drop due to competition .

- **Gross profit**

Gross profit of \$11.8 m when compared to the previous period of \$13.9m; an decrease of \$2.1m or (15)% this was due mainly to pricing and slow movement in pig supplies on the market .

- **Expenses**

Total operational expenses of \$11.6m when compared to the previous period of \$9.8m; an increase of \$1.8m or 19 %. This increase was due to utilities, Repair & maintenance and administrative expenses .

- **Net Loss**

A net loss of \$4.5m was realized when compared to a net profit of \$.088m of the previous period; a decrease of \$(4.7)m or (52.71) %. This we hope to change going forward now that we are going after the hotel industry.

Nine Months Ended December 31, 2017 compared to December 31, 2016

- **Sales revenue** of \$239.4m when compared to the previous period of \$257.1 m, a decrease of \$17.7 m or (7)%.
- **Gross profit** of \$44.1M when compared to \$33.7m of the previous period, an increase of \$10.3m or 31%.
- **Total operational expenses** of \$34.4m when compared to previous period of \$24.5m an increase of \$9.9m or 40% .
- **Net Loss** of (\$4.2)m for the period, when compared to the previous of \$1.0m profit decrease of (\$5.2) m or (5.1) %.



Valence Gifford
Managing Director

Jan 31st, 2017

SWEETRIVERABATTOIR&SUPPLIES COMPANYLIMITED

Unaudited Statement of

Comprehensive Income

For the Nine Months Period Ending December 31st, 2017

	Three months to December 2017	Three months to December 2016	Nine months to December 2017	Nine months to December 2016	Audited 31- Mar 2017
	\$	\$	\$	\$	\$
Revenue	73,983,382	78,869,236	239,430,375	257,099,191	345,117,159
Cost of sales	(62,154,372)	(64,901,640)	(195,347,881)	(223,356,223)	(294,028,513)
Gross Profit	11,829,010	13,967,596	44,082,494	33,742,968	51,088,646
Administrative and General Expenses	(11,602,442)	(9,758,546)	(34,379,809)	(24,509,755)	(36,961,230)
Operating (loss)/profit	226,568	4,209,050	9,702,685	9,233,213	14,127,416
Finance Income	-	-	637	-	18,203
Finance Cost	(4,811,890)	(4,120,209)	(13,874,163)	(8,192,270)	(12,747,554)
(Loss)/profit before Taxation	(4,585,322)	88,841	(4,170,841)	1,040,943	1,398,065
Taxation	-	-	-	-	(12,392)
(Loss)/profit after taxation, being total comprehensive (loss)/profit for the period	(4,585,322)	88,841	(4,170,841)	1,040,943	1,385,673
Earnings per share (Note 6)	(0.05)	0.00	(0.04)	0.01	0.02


SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED

**Unaudited statement of financial position
Dec 31, 2017**

	9 Months To Dec 31, 2017 \$	9 Months To Dec 31, 2016 \$	(Audited) Mar 31, 2017 \$
ASSETS			
Non-Current Assets			
Property, plant and equipment	386,163,191	386,351,823	386,872,997
Deferred Tax Asset	3,189,472	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	402,343,930	402,532,562	403,101,344
Current Assets			
Directors' Current Account	-	-	-
Cash and Cash Equivalents	11,989,897	1,073,765	16,814,821
Trade and other receivables	18,274,997	7,989,422	53,167,980
Inventories	11,556,263	24,337,683	23,089,788
Total current assets	41,821,157	33,400,870	93,072,589
TOTAL ASSETS	444,165,087	435,933,432	496,173,933
LIABILITIES & EQUITY			
Current Liabilities			
Bank overdraft	2,475,015	1,842,906	7,961,398
Trade and Other Payables	66,708,542	49,254,034	123,951,505
Income Tax Payable	-	0	1,471,980
Directors' current account	2,116,436	2,078,040	797,696
Current portion of long term Payables	13,882,816	13,882,816	20,072,111
Current portion of long term loan	36,643,756	36,813,331	31,590,690
Total current liabilities	121,826,565	103,871,127	185,845,380
Long Term Liabilities			
Long-term liabilities	119,433,326	124,330,998	112,240,778
Long-term Payables	26,790,420	27,790,420	21,601,125
Shareholders Loan	17,976,310	17,976,310	14,177,343
Deferred tax liability	-	-	-
Total Liabilities	286,026,621	273,968,855	333,864,626
Equity			
Share capital	143,695,713	143,695,713	143,695,713
Accumulated surplus	14,442,753	18,268,864	18,613,594
Total Equity	158,138,466	161,964,577	162,309,307
Total Liabilities & Equity	444,165,087	435,933,432	496,173,933

Approved for issue by the Board of Directors on Jan 31st, 2018 and signed on its behalf by:

Chairman 
Henry Graham

Director 
Valence Giron

SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED

**Unaudited statement of changes in shareholders' equity
for the three months ended 31st December 2017**

	Share Capital \$	Share Advance \$	Retained Earnings \$	Total \$
Balances as at March 31, 2016	143,695,713	-	17,227,921	160,923,634
	143,695,713	-	17,227,921	160,923,634
Net Profit attributable to Shareholders	-	-	1,040,943	1,040,943
Balance as at December 31, 2016	143,695,713	-	18,268,864	161,964,577
Balances as at March 31, 2017	143,695,713	-	18,613,594	162,309,307
Net profit attributable to shareholders			(4,170,841)	(4,170,841)
Balances as at December 31, 2017	143695713		14,442,753	158,138,466

SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED

**Unaudited statement of cash flows
for the period ended December 31st 2017**

	Dec 31, 2017	Dec 31, 2016	(Audited) Mar 31, 2017
	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation	(4,170,841)	1,040,943	1,385,673
Adjustments to reconcile profit for year to net cash provided by operating activities:			
Bad debt	-	-	-
Depreciation	188,631	188,634	439,668
Deferred tax Income	47,608		(47,608)
Deferred tax Interest			-
Interest income	-	-	(9,319)
Taxation Provision	-	-	60,000
Operating surplus before changes in working capital	(3,934,602)	1,229,577	1,828,414
Trade and other receivables	34,892,983	7,448,449	(37,730,109)
Inventories	11,533,525	(21,117,249)	(19,869,354)
Directors' current account	-	-	376,352
Shareholders loan	-	-	
Accounts payable & provisions	(57,242,963)	34,205,990	108,903,461
Directors' current account	1,318,740	1,656,696	-
Net cash generated by operations	(13,432,317)	23,423,463	53,508,764
Taxation	(1,471,980)	(3,721,980)	(2,310,000)
Interest received	-	-	9,319
Net cash inflows from operating activities	(14,904,297)	19,701,483	51,208,083
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	521,175	(21,844,943)	(22,617,151)
Net cash outflows from investing activities	521,175	(21,844,943)	(22,617,151)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term Loan		(4,897,672.53)	
Proceeds of long term Payables	(1,000,000)	-	-
proceeds of long term loan Net	12,245,614	16,000,000	(6,210,534)
Shareholders loans	3,798,967	3,798,967	-
Bank Overdraft	(5,486,383)	(13,218,052)	(7,099,560)
Nat cash inflows from financing activities	9,558,198	1,683,242	(13,310,094)
(Decrease)/Increase in cash resources	(4,824,924)	(460,218)	15,280,838
Cash resources at the start of the year	16,814,821	1,533,983	1,533,983
	11,989,897	1,073,765	16,814,821
Cash resources comprise:			
Cash and bank balances	11,989,897	1,073,765	16,814,821
Bank overdraft			-
	11,989,897	1,073,765	16,814,821

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.

5. Shareholders' Information

	No. Of Units
Directors' Holdings	
As at December 31, 2017:	
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
Top Ten Shareholders	
As at December 31st, 2017:	
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 December 31st, 2017	
Valdence Gifford	4,995,058