



UNAUDITED FINANCIAL RESULTS FOR THE THREE MONTHS ENDED MARCH 31, 2018

RELEASE TO SHAREHOLDERS

The Board of Directors of SWEET RIVER ABATTOIR & SUPPLIES LTD presents the unaudited financial statements for the three months ended March 31, 2018.

MANAGING DIRECTOR'S REPORT FOR THE THREE MONTHS PERIOD ENDING MARCH 2018

With in-excess of four million stop over visitors in 2017 and an expected increase in 2018 the tourism industry is doing well. It is however, ironic, that scores of small and medium size farmers as well as most purveyors are not seeing the benefits of the buoyancy in the tourism industry.

This is so as Sweet River Abattoir over the period purchased pigs from approximately three hundred (300) small and medium size farmers yet we experienced a 26% decline in sales when compared to 2017. The quarter was further compounded by a 4% increase in operational expenses while our selling price remained relatively unchanged.

With the absent of current data the industry lacks the capacity to chart a sustainable development plan in keeping with changes in supply and demand. This is so as the last pig survey conducted in Jamaica was in June 2012 and that information is of little or no value in 2018. It is the shared view of most pig farmers that there are fewer pigs in Jamaica when compared to 2012 which showed the highest population on record.

It would therefore be mutually beneficial for the sharing of consumption data between the ministry of tourism and the pig industry (Jamaica Pig Farmers Association) so production can be kept in equilibrium and negate the many speculations. These speculations are shared by pig farmers in every social gathering and farm visits.

The way forward requires a number of changes. Firstly, we will be trying to increase market shares by securing more contracts. We will be implementing other measures to control cost while increasing plant efficiency and productivity. Also, we will work closely with our farmers and have them certified in good agricultural practices thus increase productivity and ultimately reduction the cost of production while protecting the environment. Discussions are far advanced in finalizing contracts of between three to five (3-5) years to our farmers. Our slaughtering services continue to be in high demand as the quality of carcasses and or

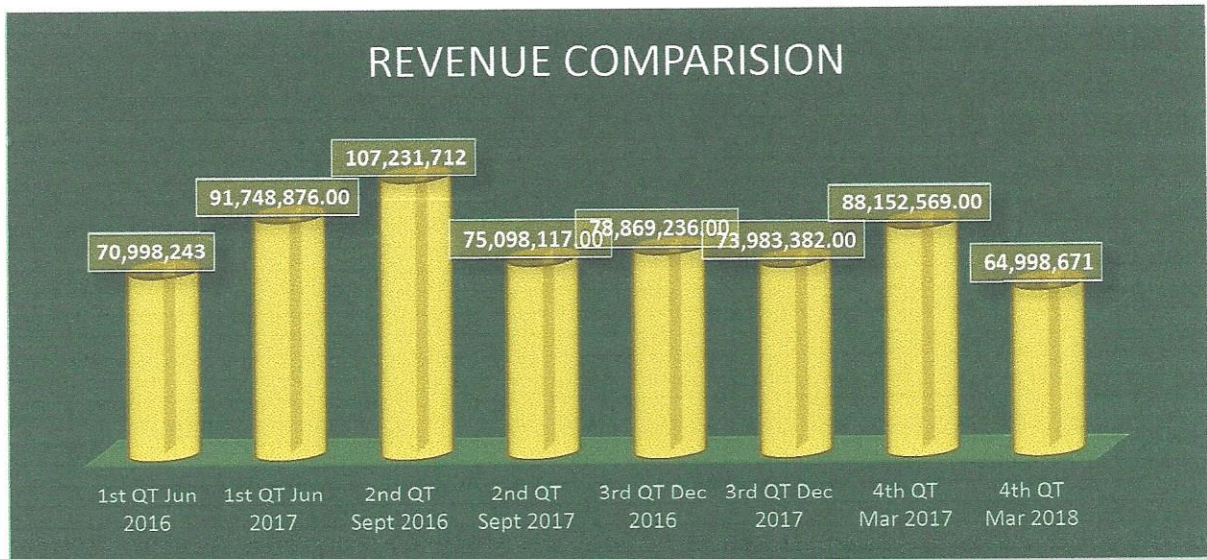
cuts are rated as the best locally. We attribute this to our strict guidelines that must be adhered to by the farmers, truckers, staff, delivery trucks and our partners in the Ministries of agriculture and Health.

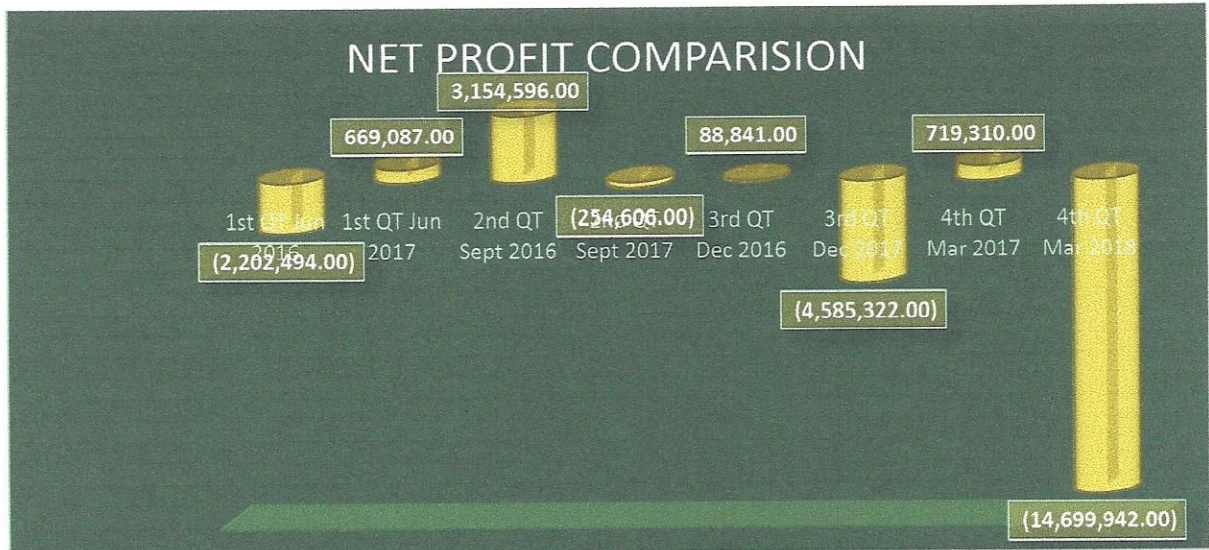
Despite the challenges, our team is focused on making the changes which will bring positive outcomes to the company in the very near future.

FOURTH QUARTER FINANCIAL HIGHLIGHTS

Highlights of the three months ended March 31, 2018

	<u>Mar 18</u>	<u>Mar 17</u>	<u>Inc/(Dec)%</u>
⬇ Sales revenue	\$64.9m	\$88.2m	(26) %
⬇ Net profit/ (Loss)	(14.7)m	\$.719m	(21.44) %
⬇ Earnings per stock unit	(0.15) cents	0.01cents	(21.0) %
⬇ Total assets	\$450m	\$467m	(4)%
⬇ Total stockholders 'equity	\$158m	\$161m	(2)%





Three Months Ended March 31st, 2018 compared to March 31st, 2017

- **Sales Revenue**

The company generated sales revenues in the Third quarter of 2018 in the amount of \$64.9m when compared to \$88.29m of the previous year; a decrease of \$23.2m or (26) %. This decrease was due to market saturation hence pork sales volume was impede as a result compound with the challenge face by consumer spending in a tight fiscal quarter .

- **Gross profit**

Gross profit of \$.926m when compared to the previous period of \$15.4m; an decrease of \$14.4 or (94)% this was due mainly to competitive pricing in the market which yield a lower than expected gross profit .

- **Expenses**

Total operational expenses of \$11.2m when compared to the previous period of \$10.8m; an increase of \$.477m or 4%. This increase was due to utilities, Repair & maintenance and administrative expenses.

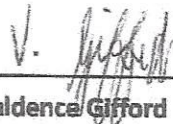
- **Net Loss**

A net loss of \$14.7m was realized when compared to a net profit of \$.719m of the previous period; a decrease of \$(15.4) m or (21.44) %. The period as proven to be a very difficult one and

that the new year will bring about positive turn around. With the current marketing strategy should yield some positive result while we explore other product line to improve our revenue stream going forward.

Twelve Months Ended March 31, 2018 compared to March 31, 2017

- **Sales revenue** of \$304.5m when compared to the previous period of \$345.3m, a decrease of \$40.8 m or (12) %.
- **Gross profit** of \$45.0M when compared to \$49.0m of the previous period, an decrease of (\$4.1) m or (8) %.
- **Total operational expenses** of \$45.7m when compared to previous period of \$35.3m an increase of \$10.3m or 29%.
- **Net Loss** of (\$18.9) m for the period, when compared to the previous of \$1.8m profit decrease of (\$20.6) m or (11.72) %.



Valence Gifford
Managing Director

May 1st, 2018

SWEETRIVERABATTOIR&SUPPLIES COMPANYLIMITED

Unaudited Statement of Comprehensive Income

For the Twelve Months Period Ending March 31st, 2018

	Three months to March 2018	Three months to March 2017	Twelve months to March 2018	Twelve months to March 2017	Audited 31- Mar 2017
	\$	\$	\$	\$	\$
Revenue	64,998,671	88,152,569	304,429,046	345,251,760	345,117,159
Cost of sales	(64,072,352)	(72,793,244)	(259,420,233)	(296,149,467)	(294,028,513)
Gross Profit	926,319	15,359,325	45,008,813	49,102,293	51,088,646
Administrative and General Expenses	(11,275,602)	(10,798,077)	(45,655,411)	(35,307,832)	(36,961,230)
Operating (loss)/profit	(10,349,283)	4,561,248	(646,598)	13,794,461	14,127,416
Finance Income	-	-	637	-	18,203
Finance Cost	(4,350,659)	(3,841,938)	(18,224,822)	(12,034,208)	(12,747,554)
(Loss)/profit before Taxation	(14,699,942)	719,310	(18,870,783)	1,760,253	1,398,065
Taxation	-	-	-	-	(12,392)
(Loss)/profit after taxation, being total comprehensive (loss)/profit for the period	(14,699,942)	719,310	(18,870,783)	1,760,253	1,385,673
Earnings per share (Note 6)	(0.15)	0.01	(0.19)	0.02	0.02

SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED


Unaudited statement of financial position
March 31, 2018

	12 Months To March 31, 2018	12 Months To March 31, 2017	(Audited) Mar 31, 2017
	\$	\$	\$
ASSETS			
Non-Current Assets			
Property, plant and equipment	404,232,500	402,165,314	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	<u>420,413,239</u>	<u>418,346,053</u>	<u>403,101,344</u>
Current Assets			
Directors' Current Account	-	-	-
Cash and Cash Equivalents	6,085,218	4,051,594	16,814,821
Trade and other receivables	19,613,115	21,715,814	53,167,980
Inventories	4,851,717	23,397,167	23,089,788
Total current assets	<u>30,550,050</u>	<u>49,164,575</u>	<u>93,072,589</u>
TOTAL ASSETS	<u>450,963,289</u>	<u>467,510,628</u>	<u>496,173,933</u>
LIABILITIES & EQUITY			
Current Liabilities			
Bank overdraft	2,475,015	-	7,961,398
Trade and Other Payables	93,300,619	96,245,291	123,951,505
Income Tax Payable	-	0	1,471,980
Directors' current account	2,116,436	1,830,356	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	<u>148,418,642</u>	<u>148,771,794</u>	<u>185,845,380</u>
Long Term Liabilities			
Long-term liabilities	103,339,393	99,288,217	112,240,776
Long-term Payables	26,790,420	27,790,420	21,601,125
Shareholders Loan	11,000,000	11,000,000	-
Deferred tax liability	17,976,310	17,976,310	14,177,343
Total Liabilities	<u>307,524,765</u>	<u>304,826,741</u>	<u>333,864,626</u>
Equity			
Share capital	143,695,713	143,695,713	143,695,713
Accumulated surplus	-257,189	18,988,174	18,613,594
Total Equity	<u>143,438,524</u>	<u>162,683,887</u>	<u>162,309,307</u>
Total Liabilities & Equity	<u>450,963,289</u>	<u>467,510,628</u>	<u>496,173,933</u>

Approved for issue by the Board of Directors on May 1st, 2018 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 31st March 2018**

	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	-	-	1,760,253	1,760,253
Balance as at March 31, 2017	143,695,713	-	18,988,174	162,683,887
Balances as at March 31, 2017	143,695,713	-	18,613,594	162,309,307
Net profit attributable to shareholders			(18,870,783)	(18,870,783)
Balances as at March 31, 2018	143695713		(257,189)	143,438,524

SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED

Unaudited statement of cash flows
for the period ended March 31st 2018

	March 31, 2018	March 31, 2017	(Audited) Mar 31, 2017
	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation	(18,870,783)	1,760,253	1,385,673
Adjustments to reconcile profit for year to net cash provided by operating activities:			
Bad debt	-	-	-
Depreciation	251,509	251,512	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	(18,571,666)	2,011,765	1,828,414
Trade and other receivables	33,554,865	(6,277,943)	(37,730,109)
Inventories	18,238,071	(20,176,733)	(19,869,354)
Directors' current account	-	-	376,352
Shareholders loan	-	-	-
Accounts payable & provisions	(30,650,886)	81,197,247	108,903,461
Directors' current account	1,318,740	1,409,012	-
Net cash generated by operations	3,889,124	58,163,348	53,508,764
Taxation	(1,471,980)	(3,721,980)	(2,310,000)
Interest received	-	-	9,319
Net cash inflows from operating activities	2,417,144	54,441,368	51,208,083
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	(17,611,012)	(37,721,312)	(22,617,151)
Net cash outflows from investing activities	(17,611,012)	(37,721,312)	(22,617,151)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term Loan		(29,940,454.00)	
Proceeds of long term Payables	(1,000,000)	-	-
proceeds of long term loan Net	(3,848,319)	16,000,000	(6,210,534)
VMWM LTD Loan	11,000,000	11,000,000	
Shareholders loans	3,798,967	3,798,967	-
Bank Overdraft	(5,486,383)	(15,060,958)	(7,099,560)
Net cash inflows from financing activities	4,464,265	(14,202,445)	(13,310,094)
(Decrease)/Increase in cash resources	(10,729,603)	2,517,611	15,280,838
Cash resources at the start of the year	16,814,821	1,533,983	1,533,983
	6,085,218	4,051,594	16,814,821
Cash resources comprise:			
Cash and bank balances	6,085,218	4,051,594	16,814,821
Bank overdraft			-
	6,085,218	4,051,594	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 March 31, 2018:

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 March 31st, 2018:

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 March 31st, 2018

Valdence Gifford	4,995,058
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