

EVERYTHING FRESH LIMITED
UNAUDITED FINANCIAL STATEMENTS
SIX MONTHS ENDED JUNE 30, 2018

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EVERYTHING FRESH LIMITED

REPORT TO THE SHAREHOLDERS

FOR THE QUARTER ENDED JUNE 30, 2018

The Board of Directors of Everything Fresh Limited is pleased to present the company's unaudited results for the second quarter ended June 30, 2018.

On Friday, June 22, 2018, the company's shares were listed on the Junior Market of the Jamaica Stock Exchange after a successful Initial Public Offering (IPO).

Income Statement

For the second quarter ended June 30th 2018, the company recorded pre-tax profit of \$32m, reflecting an increase of 179% over the corresponding quarter ended June 30, 2017. This represents an increase of \$20.7m over the quarter ended June 30, 2017.

Year-to-date (six months ended June 30, 2018), pre-tax profit increased by \$21m or 89% to \$44.8m when compared to the profit of \$23.7m for corresponding period ended June 30, 2017.

Sales for the quarter which ended June 30, 2018 of \$494.3m represents a \$43.6m (9.6%) increase over the corresponding quarter ended June 30, 2017. Year-to-date sales (six months ended June 30, 2018) increased by \$54m (6%) over the corresponding period ended June 30, 2017.

Total expenses of \$33.4m increased by \$8.4m (34%) when compared to the quarter ended June 30, 2017. \$4.2m (50%) of the increase was due to marketing costs that was incurred by the company in preparation for its Initial Public Offering. The other \$4.2m (50%) represents an increase in general administrative and finance costs.

Financial Position

Total assets of Everything Fresh Limited as at June 30, 2018 of \$858m reflected an increase of \$362m (73%) when compared to the prior year June 30, 2017. This was due primarily to:

- Increases in current assets of \$357m (77%) the comparative period ended June 30, 2017. This was mainly due to the issue of shares to the public in this quarter. The increase in other receivables of 566% was as a result of funds from the issue of shares that was not received at the end of the quarter but was subsequently received.
- Increases in Property, Plant and Equipment which moved from \$31m at the beginning of the financial year to \$36m at the close of the second quarter, where the company increased its fleet of motor vehicles in order to improve its operational efficiency.

The outlook for the rest of the year remains positive as we continue to put measures in place to improve our revenue and profit growth through new technology, more energy efficient equipment (such as SmartCool Energy Saver) and increase in refrigerated storage capacity. We thank all of our customers, shareholders, stakeholders and team members for your support as we move forward in building value which in turn will contribute to the broader common goal of building our nation.



Courtney Pullen

Managing Director

EVERYTHING FRESH LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	<u>SIX MONTHS ENDED JUNE 30, 2018</u>			
	3 mths	3 mths	6 mths	6 mths
	Notes			
	JUNE 2018 \$	JUNE 2017 \$	JUNE 2018 \$	JUNE 2017 \$
Revenue	494,274,586	450,648,715	969,020,815	914,990,360
Cost of Sales	<u>428,672,215</u>	<u>415,002,402</u>	<u>861,370,695</u>	<u>842,614,623</u>
Gross Profit	65,602,371	35,646,313	107,650,120	72,375,737
Other Operating Income	22,242	854,370	33,238	1,249,284
	<u>65,624,613</u>	<u>36,500,683</u>	<u>107,683,358</u>	<u>73,625,021</u>
<u>Expenses</u>				
Administrative	28,352,732	20,601,704	53,511,842	41,203,409
Finance costs	<u>5,017,677</u>	<u>4,337,296</u>	<u>9,298,352</u>	<u>8,674,592</u>
	33,370,409	24,939,000	62,810,194	49,878,001
Profit before Taxation	32,254,204	11,561,683	44,873,164	23,747,020
Taxation	5,712,592	2,071,955	8,267,534	4,299,823
Total comprehensive income	<u>26,541,612</u>	<u>9,489,728</u>	<u>36,605,630</u>	<u>19,447,197</u>
Earnings per share (cents)	0.17	0.06	0.24	0.13


The calculation of the earnings per share for 2017 has been adjusted to reflect the shares issued and listed on the JSE Junior Market on Friday June 22, 2018. This has been done for comparative purposes. The weighted average number of shares was used to calculate both periods.

EVERYTHING FRESH LIMITED**STATEMENT OF FINANCIAL POSITION**

	Notes	Unaudited 2018 June \$	June 30, 2018 Unaudited 2017 June \$	Audited 2017 December \$
<u>ASSETS</u>				
<u>NON-CURRENT ASSETS</u>				
Property Plant & Equipment		35,630,997	30,133,403	30,975,053
Investment		1,000,000	1,000,000	1,000,000
Deferred Taxation		-	-	274,962
		<u>36,630,997</u>	<u>31,133,403</u>	<u>32,250,015</u>
<u>CURRENT ASSETS</u>				
Inventories		105,229,386	187,393,364	131,206,166
Trade receivables		232,123,675	192,451,537	221,216,882
Other receivables		271,172,043	40,729,064	38,061,871
Related Parties		-	30,344	30,344
Cash and cash equivalents		<u>213,218,324</u>	<u>43,845,538</u>	<u>65,789,325</u>
Total Current Assets		<u>821,743,428</u>	<u>464,449,847</u>	<u>456,304,588</u>
<u>CURRENT LIABILITIES</u>				
Trade and other payables		93,916,776	158,936,489	131,562,023
Bank Overdraft		-	2,973,256	609,377
Taxation		6,421,305	1,348,269	1,334,740
Bank Loans		<u>107,204,777</u>	<u>107,136,000</u>	<u>112,029,200</u>
Total Current Liabilities		207,542,858	270,394,014	245,535,340
Net Current Assets		<u>614,200,570</u>	<u>194,055,833</u>	<u>210,769,248</u>
		<u>650,831,567</u>	<u>225,189,236</u>	<u>243,019,263</u>
<u>Financed By:</u>				
Share Capital	3	371,276,330	100,000	100,000
Retained Earnings		<u>279,524,893</u>	<u>225,066,661</u>	<u>242,919,263</u>
		<u>650,801,223</u>	<u>225,166,661</u>	<u>243,019,263</u>
<u>NON-CURRENT LIABILITIES</u>				
Deferred Taxation		-	22,575	-
Related Parties		30,344	-	-
		<u>30,344</u>	<u>22,575</u>	<u>-</u>
		<u>650,831,567</u>	<u>225,189,236</u>	<u>243,019,263</u>



Gregory Pullen
Chairman



Courtney Pullen
Managing Director

EVERYTHING FRESH LIMITED

STATEMENT OF CHANGES IN EQUITY

SIX MONTHS ENDED JUNE 30, 2018

	<u>No. of Shares units</u>	<u>Share Capital \$</u>	<u>Retained Earnings \$</u>	<u>Total \$</u>
Balance at December 31, 2016	100,000	100,000	205,619,464	205,719,464
Profit for the period		-	19,447,197	19,447,197
Balance at June 30, 2017	<u>100,000</u>	<u>100,000</u>	<u>225,066,661</u>	<u>225,166,661</u>
Balance at December 31, 2017	100,000	100,000	242,919,263	243,019,263
Profit for the period			36,605,630	36,605,630
Shares Issued	<u>779,900,000</u>	<u>371,176,330</u>	-	<u>371,176,330</u>
Balance at June 30, 2018	<u>780,000,000</u>	<u>371,276,330</u>	<u>279,524,893</u>	<u>650,801,223</u>

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STATEMENT OF CASH FLOWS**SIX MONTHS ENDED JUNE 30, 2018**

	Unaudited	
	2018	2017
	June	June
	\$	\$
Cash flow from operating activities		
Net profit after tax	36,605,630	19,447,197
Adjustments for:		
Depreciation	3,325,937	3,097,414
Interest expense	8,123,416	6,678,269
Taxation	<u>8,293,502</u>	<u>4,000,323</u>
	56,348,485	33,223,203
Changes in Non-Cash Working Capital		
Inventories	25,976,780	(49,122,253)
Trade and Other Receivables	(244,016,964)	15,530,878
Trade and Other Payables	<u>(37,645,247)</u>	<u>41,832,042</u>
	(255,685,431)	8,240,667
Tax paid	(2,931,975)	(10,727,892)
Interest paid	<u>(8,123,416)</u>	<u>(6,678,269)</u>
	(266,740,822)	(9,165,494)
Net cash (used in)/provided by operations	(210,392,337)	24,057,709
Cash Flows from Investment Activities		
Acquisition of Property Plant and Equipment	<u>(7,981,882)</u>	<u>(3,939,064)</u>
Cash used in investment activities	(7,981,882)	(3,939,064)
Cash Flows From Financing activities		
Issue of Shares (net)	371,176,330	-
Related Accounts	60,688	(23,481)
Bank Loans	<u>(4,824,423)</u>	<u>(1,372,433)</u>
Net cash (used in)/provided by financing activities	366,412,595	(1,395,914)
Net Change in Cash and Cash Equivalents	148,038,376	18,722,731
Cash and Cash Equivalents at beginning of the period	<u>65,179,948</u>	<u>22,149,551</u>
Cash and Cash Equivalents at end of the period	<u>213,218,324</u>	<u>40,872,282</u>
Represented by:		
Bank Overdraft	-	(2,973,256)
Cash and Bank Balances	<u>213,218,324</u>	<u>43,845,538</u>
	<u>213,218,324</u>	<u>40,872,282</u>

NOTES TO FINANCIAL STATEMENTS**SIX MONTHS ENDED JUNE 30, 2018****(1) IDENTIFICATION**

Everything Fresh Limited is incorporated and domiciled in Jamaica .Its registered office is located at 78 Marcus Garvey Drive, Kingston 11.

The Company operates as importers/distributors of dry goods, fruits, vegetables, meats, seafood and dairy products.

The company's shares were listed on the Jamaica Junior Stock Exchange on June 22, 2018.

(2) ACCOUNTING POLICIES:

- a. The financial statements are prepared in accordance with International Financial Reporting Standard (IFRSs) and their interpretations issued by the International Accounting Standards Board and comply with the provisions of the Jamaican Companies Act.
- b. Accounts are prepared under the historical cost conventions.
- c. The accounting policies followed in the interim financial Statements are consistent with those used in the audited financial statements for the year ended December 31, 2017.
- d. The financial statements are presented in Jamaican dollars.

(3) Share Capital

	2018	2017
Authorised	\$	\$
1,000,000,000 Ordinary Shares of no par value (2017 - 100,000)		
Issued and fully paid		
780,000,000 Ordinary Shares of no par value (2017 - 100,000)	371,276,330	100,000
(net of transaction costs)		

(4) Depreciation of Property Plant and Equipment

Depreciation is based on the estimated useful lives of the depreciable assets and is calculated by the straight-line method at the following rates:

Computer Equipment	22.50%
Motor Vehicles	12.50%
Warehouse Equipment	10%
Warehouse Improvement	10%
Furniture and Fittings	10%
Cold Storage Rooms	10%

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DIRECTORS AND CONNECTED PARTIES SHAREHOLDINGS**AS AT JUNE 30, 2018**

PRIMARY HOLDER	DIRECT	CONNECTED PARTY	TOTAL	PERCENTAGE
Courtney Pullen	-	624,000,000	624,000,000	80
Melene Pullen	-	624,000,000	624,000,000	80
Garret Gardner	-	624,675,000	624,675,000	80.0865
Nesha Carby	-	624,000,000	624,000,000	80
Jennifer Lewis	-	-	-	-
Gregory Pullen	4,350,502	119,000	4,469,502	0.573
Donovan Perkins	100,000	-	100,000	0.0128
Vivette Miller	80,000	-	80,000	0.0103
Mark Croskery	-	-	-	-
Total	4,530,502	2,496,794,000	2,501,324,502	

SENIOR MANAGERS AND CONNECTED PARTIES SHAREHOLDINGS**AS AT JUNE 30, 2018**

PRIMARY HOLDER	DIRECT	CONNECTED PARTY	TOTAL	PERCENTAGE
Jacqueline Archie	43,000	-	43,000	0.0055
Arthur Haye	320,000	-	320,000	0.041
Steve Gardner	-	-	-	-
Natoya Shakespeare	625,000	-	625,000	0.0801
Amanda Gardner	263,000	-	263,000	0.0337
Total	1,251,000	-	1,251,000	

TOP TEN SHAREHOLDINGS**AS AT JUNE 30, 2018**

PRIMARY HOLDER	JOINT HOLDER	TOTAL	PERCENTAGE
Quality Investments Ltd	-	624,000,000	80
Stocks & Securities Ltd (Alpha)	-	68,566,700	8.7906
Star Holdings Limited	-	5,000,000	0.641
Gregory Pullen	Shemala Mitchell	4,469,502	0.573
Anthony Chance	Claudine Chance	3,000,000	0.3846
Andrew Pairman	Paula Pairman	2,586,000	0.3315
Caribbean Foods Limited	-	2,000,000	0.2564
Chas E. Ramson Limited	-	1,200,000	0.1538
Carlisle Allister Howson	Andrea Marie Senior-Howson	1,200,000	0.1538
Patrick Waul	-	1,000,000	0.1282
Shannon Harris	Michelle-Ann Vernon	998,000	0.1279
Total	-	714,020,202	