



UNAUDITED FINANCIAL RESULTS FOR THE YEAR ENDED JUNE 30, 2018

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, 2018.

MANAGING DIRECTOR'S REPORT FOR THE 3 MONTHS PERIOD ENDING JUNE 2018

The period April 01, 2018 to June 30, 2018 was very challenging and resulted in us recording sales revenue that was 16% below the similar period of last year. We also suffered a net loss of \$7.1m compared to \$0.669m profit for the similar period last year.

Despite the negative results we were able to continue to meet the demands of our major markets. This we believe will provide for us a solid foundation on which to improve our future performance. During the period were also able to deepen our relationship in the tourism sector. This partnership has helped in inventory management resulting in inventories being held at acceptable levels.

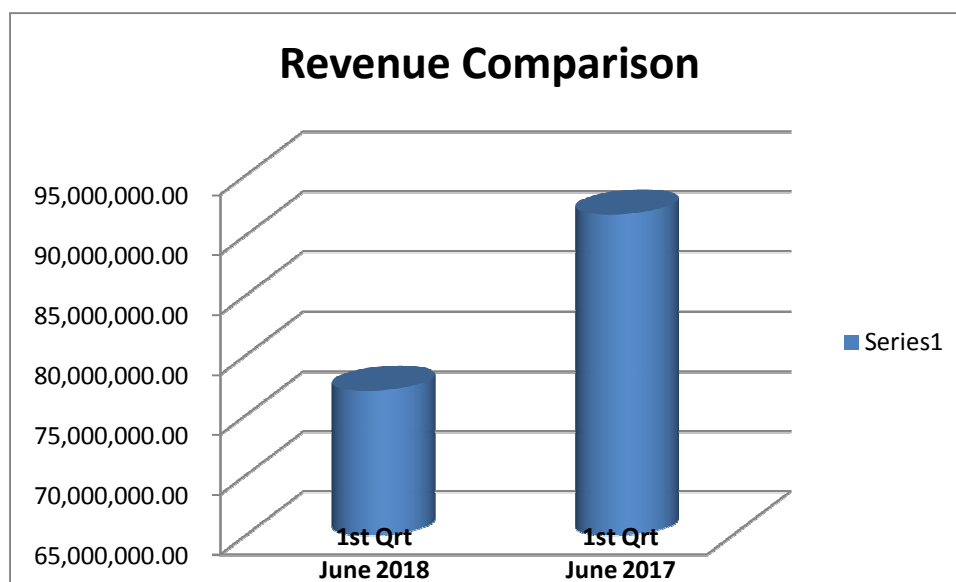
On another positive note, our slaughtering service continues to grow satisfied. We have expanded the service to include fabrication; packaging and short-term cold storage. Other players in the industry have expressed great interest in the added service and as the peak seasonal demand approaches we stand ready to serve that market.

We remain confident in the quality of our products and anticipate that with the restructuring that we must of necessity make, the future looks promising.

FIRST QUARTER FINANCIAL HIGHLIGHTS

Highlights of the three months ended June 30 2018

	<u>June 2018</u>	<u>June 2017</u>	<u>Inc/(Dec)%</u>
✚ Sales revenue	\$77.m	\$92.m	(16 %)
✚ Net profit/ (Loss)	(\$7.095)	\$0.669m	(1161%)
✚ Earnings per stock unit	(0.07)	0.01 cents	
✚ Total assets	\$405m	\$453m	(11%)
✚ Total stockholders 'equity	\$ 42m	\$163m	



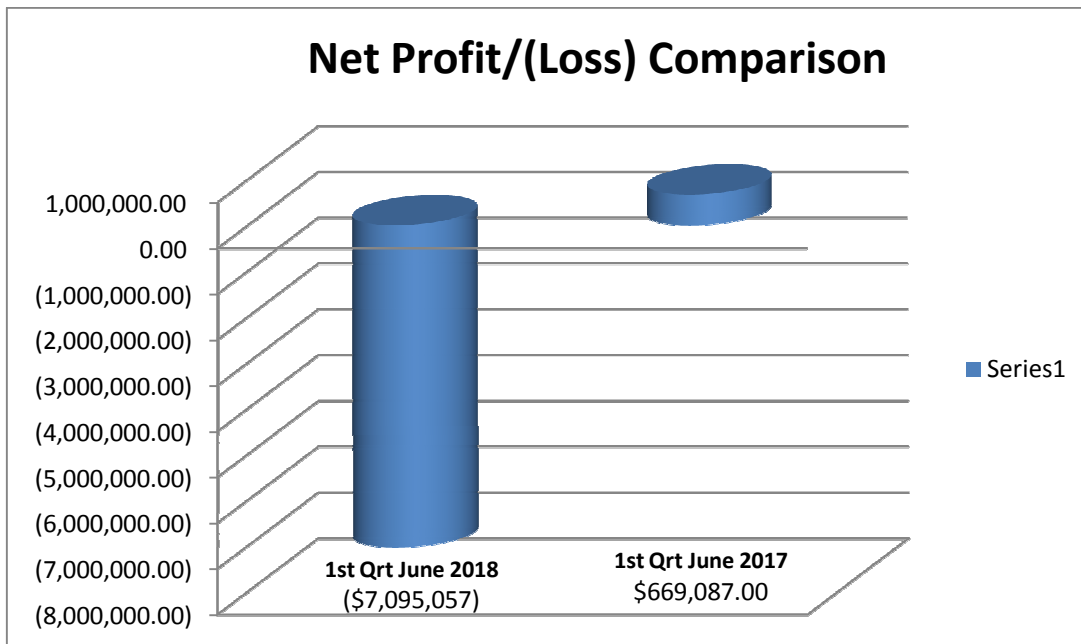


Figure 1 NET PROFIT COMPARISON

Three Months Ended June 30th, 2018 compared to June 30th, 2017

- **Sales Revenue**

The company generated sales revenues in the First quarter of 2018 in the amount of \$77m compared to \$92m for the previous year; a decrease of \$15m or (16 %). This decrease was due to mainly the unavailability of pigs on the market; this shortfall in supply was however partially supplemented by revenue from slaughter service to third parties.

- **Gross profit**

Gross profit was \$7.5m compared to the previous period of \$16.3m; a decrease of \$8.8m or 54% this decline resulted in sourcing pigs at increased prices and selling price remaining constant based on pre-contracted arrangements.

- **Expenses**

Total operational expenses were \$11.3m compared to previous period of \$11.2m; an increase of \$0.1m or 0.89 %. We have been able to stabilize or expenses for the period.

Net Profit

A net loss of (\$7.1m) was incurred when compared to a small net profit of \$.669m for the previous year. We will endeavor to control our expenses and expand our products offering and increase the slaughter service to the wider public.



Valence Gifford

Managing Director

September 27, 2018

SWEETRIVER ABATTOIR & SUPPLIES COMPANY LIMITED**Unaudited Statement of****Comprehensive Income****For the Three Months Period Ending June 30th, 2018**

	Three Months April- June 2018 \$	Three Months April- June 2017 \$	Audited March 31, 2018 \$
Revenue	77,061,167	91,748,876	304,407,780
Cost Of Sales	(69,590,918)	(75,459,290)	(256,447,031)
Gross Profit	7,470,249	16,289,586	47,960,749
Administrative & General Expenses	(11,334,397)	(11,185,883)	(165,626,902)
Operating (Loss)/Profit	(3,864,149)	5,103,703	(117,666,153)
Finance Income	1,203	0	38,139
Finance Cost	(3,232,112)	(4,434,616)	(20,128,088)
(Loss)/Profit before Taxation	(7,095,057)	669,087	(137,756,102)
Taxation	0	0	24,607,441
(Loss)/Profit after taxation, being total comprehensive (loss)/profit for the period	(7,095,057)	669,087	(113,148,661)
Earnings per share	(0.07)	0.01	(1.39)

SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED**Unaudited statement of financial position****June 30, 2018**

	3 Months To June 30, 2018	3 Months To June 30, 2017	(Audited) Mar 31, 2018
	\$	\$	\$
ASSETS			
Non-Current Assets			
Property, plant and equipment	330,428,679	386,810,119	330,491,557
Deferred Tax Asset	27,904,521	3,237,080	27,904,521
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>371,324,467</u>	<u>403,038,466</u>	<u>371,387,345</u>
Current Assets			
Cash and Cash Equivalents	11,991,370	4,665,768	15,783,421
Trade and other receivables	20,759,931	23,150,472	20,619,974
Inventories	898,709	22,501,420	4,853,676
Total current assets	<u>33,650,010</u>	<u>50,317,660</u>	<u>41,257,071</u>
TOTAL ASSETS	<u><u>404,974,477</u></u>	<u><u>453,356,126</u></u>	<u><u>412,644,416</u></u>
LIABILITIES & EQUITY			
Current Liabilities			
Bank overdraft	5,017	-	591,895
Trade and Other Payables	184,179,227	92,375,906	178,195,330
Income Tax Payable	1,464,306	1,471,980	1,464,607
Directors' current account	630,976	1,933,516	630,976
Current portion of long term Payables	20,072,111	20,072,111	501,282
Current portion of long term loan	32,048,174	31,590,690	20,401,413
Total current liabilities	<u>238,399,811</u>	<u>147,444,203</u>	<u>201,785,503</u>
Long Term Liabilities			
Long-term liabilities	89,231,890	107,155,061	106,850,251
Long-term Payables	21,099,844	21,601,125	40,670,673
Shareholders Loan	14,177,343	14,177,343	14,177,343
Deferred tax liability	-	-	-
Total Liabilities	<u>124,509,077</u>	<u>290,377,732</u>	<u>363,483,770</u>
Equity			
Share capital	143,695,713	143,695,713	143,695,713
Accumulated surplus	(101,630,124)	19,282,681	(94,535,067)
Total Equity	<u>42,065,589</u>	<u>162,978,394</u>	<u>49,160,646</u>
Total Liabilities & Equity	<u><u>404,974,477</u></u>	<u><u>453,356,126</u></u>	<u><u>412,644,416</u></u>

Approved for issue by the Board of Directors on September 27th, 2018 and signed on its behalf by:

Director

Hector Lyons

Director

Valdence Gifford

SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED**Unaudited statement of changes in shareholders' equity
For Three (3) months ending June 30, 2018**

	Share Capital	Share Advance	Retained Earnings	Total
	\$	\$	\$	\$
Balances as at June 30, 2016	143,695,713	-	15,025,427	158,721,140
Net loss attributable to Shareholders		-	3,588,167	3,588,167
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
Balances as at March 31, 2018	143,695,713	-	(94,535,067)	49,160,646
Net Loss attributable to shareholders	-	-	(7,095,057)	(7,095,057)
Balances as at June 30, 2018	143,695,713	-	(101,630,124)	42,065,589

SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED

**Unaudited statement of cash flows
For Three (3) months ending June 30, 2018**

	June 30, 2018	June 30, 2017	(Audited) Mar 31, 2018
	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation	(7,095,057)	669,087	(113,148,661)
Adjustments to reconcile profit for year to net cash provided by operating activities:			
Bad debt	-	-	-
Depreciation	62,878	62,878	251,512
Deferred tax Income	-	-	(24,667,441)
Impairment of Property Plant & Equipment	-	-	78,100,859
Interest income	(1,203)	-	(38,139)
Taxation Provision	-	-	60,000
Operating surplus before changes in working capital	(7,033,382)	731,965	(59,441,870)
Trade and other receivables	(139,957)	30,017,508	32,548,006
Inventories	3,954,967	588,368	18,236,112
Directors' current account	-	-	-
Shareholders loan	-	-	-
Accounts payable & provisions	5,983,897	(31,575,599)	54,243,825
Directors' current account	-	1,135,820	(166,720)
Net cash generated by operations	2,765,525	898,062	45,419,353
Taxation	(301)	-	(67,373)
Interest received	1,203	-	38,139
Net cash inflows from operating activities	2,766,428	898,062	45,390,119
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	-	-	(21,970,931)
Net cash outflows from investing activities	-	-	(21,970,931)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds of long term Payables	-	-	(501,281)
proceeds of long term loan Net	(5,971,599)	(5,085,717)	(16,579,804)
Shareholders loans	-	-	-
Bank Overdraft	(586,878)	(7,961,398)	(7,369,503)
Nat cash inflows from financing activities	(6,558,478)	(13,047,115)	(24,450,588)
(Decrease)/Increase in cash resources	(3,792,050)	(12,149,053)	(1,031,400)
Cash resources at the start of the year	15,783,421	16,814,821	16,814,821
	11,991,370	4,665,768	15,783,421
Cash resources comprise:			
Cash and bank balances	11,991,370	4,665,768	15,783,421
Bank overdraft	-	-	-
	11,991,370	4,665,768	15,783,421

SWEETRIVERABATTOIR&SUPPLIES COMPANYLIMITED

Notes to the Unaudited Financial Statements

Three Months Period Ended June 30th, 2018

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

SWEETRIVERABATTOIR&SUPPLIES COMPANYLIMITED

Notes to the Unaudited Financial Statements

Three Months Period Ended June 30th, 2018

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 June 30, 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 June 30th, 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

SWEETRIVERABATTOIR&SUPPLIES COMPANYLIMITED

**Notes to the Unaudited Financial Statements
Three Months Period Ended June 30th, 2018**

Holding of Senior Managers as June 30th, 2018

Valdence Gifford

4,995,058