



## **UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2019**

### **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, 2019.

### **MANAGING DIRECTOR'S REPORT FOR THE 3 MONTHS PERIOD ENDING JUNE 2019**

Our performance for the period ending June 30, 2019 was better when compared to the similar period in 2018. In 2018 we reported a net loss of \$7.1m. This year, though still a loss, is still an improvement over last year, as the net loss is \$1.6m in 2019. Despite a reduction of 70% in sales, our expenses went down by 38% and therefore our gross profit went down by 2%.

Our revenue for the quarter came from slaughtering fees and inventory sales. This is so as we have taken a temporary break from procuring pigs whilst we organize and recapitalize the business. We anticipate that, in short order we will to return to our core business of procurement of pigs and the sale of fresh cuts to processors, hotels, restaurants and wholesalers. It the latter that will ensure the company return to profitability and maximizes it true potential.

The reorganization we are currently undergoing will ensure that the company is viable and sustainable. We are hoping to complete this process to capitalize on the upcoming ham and winter tourist season.

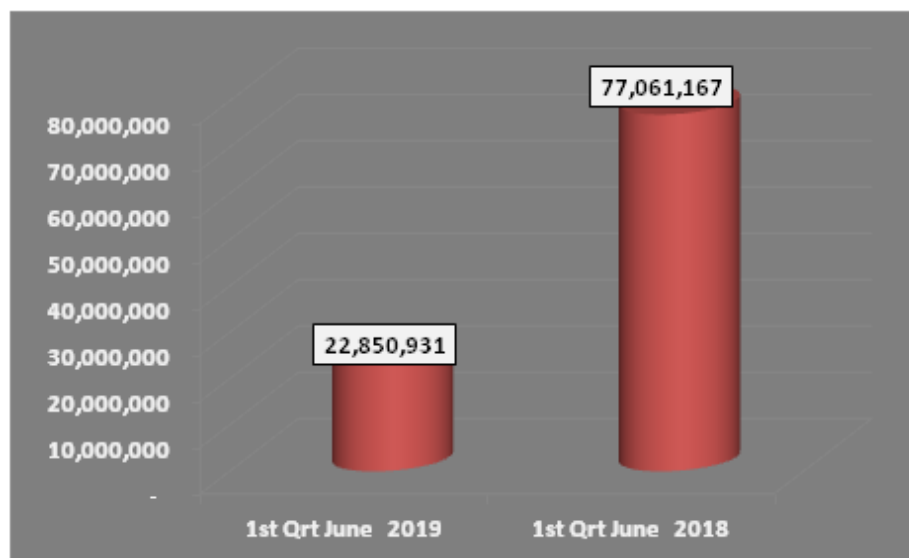
The importance of having a local facility such as ours cannot be over emphasized when one considers the reach of the plant over the past three (3) years. Over the period, over 20,000 pigs were purchased from over 400 farmers from 7 rural parishes. The economic benefit and the foreign exchange savings are significant not just for the farmers and their family but for the country.

## FIRST QUARTER FINANCIAL HIGHLIGHTS

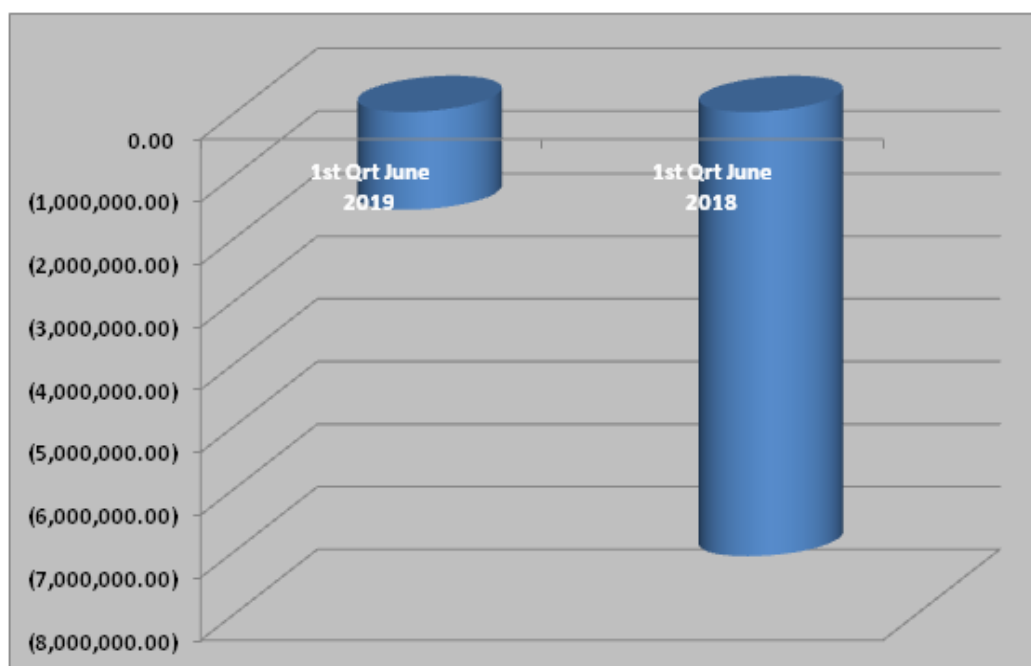
### Highlights of the three months ended June 30 2019

	<u>June 2019</u>	<u>June 2018</u>	<u>Inc/(Dec)%</u>
✚ Sales revenue	\$22.85.m	\$77.m	(70 %)
✚ Net profit/ (Loss)	(\$1.562m)	(\$7.056m)	78%
✚ Earnings per stock unit	(0.02)	(0.07) cents	(78%)
✚ Total assets	\$387m	\$405m	(5%)
✚ Total stockholders 'equity	\$ 19.6m	\$42.1m	

### Revenue Comparison



## Gross Loss Comparison



### Three Months Ended June 30th, 2019 compared to June 30th, 2018

- **Sales Revenue**

The company generated sales revenues in the First quarter of 2019 in the amount of \$22.9m compared to \$77.1m for the previous year; a decrease of \$54.2m or (70 %). 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 \$7.3m compared to the previous period of \$7.5; a decrease of \$0.16m or (2%) this decline.

- **Expenses**

Total operational expenses were \$7m compared to previous period of \$11.3m; a decrease of \$4.3m or (38) %.

**Net Profit**

Gross loss was \$1.6m compared to the previous period of \$7.1m; a favourable \$5.5m or 78% improvement.



Valence Gifford

Director

September 16, 2019

**SWEETRIVER ABATTOIR & SUPPLIES COMPANY LIMITED****Unaudited Statement of Comprehensive Income****For the Three Months Period Ending June 30th, 2019**

	<b>Three months to June 2019</b>	<b>Three months to June 2018</b>	<b>Unaudited 31- Mar 2019</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Revenue	22,850,931	77,061,167	245,117,993
Cost of sales	(15,537,067)	(69,590,918)	(201,611,981)
Gross Profit	<b>7,313,864</b>	<b>7,470,249</b>	<b>43,506,011</b>
Administrative and General Expenses	(7,011,128)	(11,334,397)	(56,836,160)
Operating (loss)/profit	<b>302,736</b>	<b>(3,864,149)</b>	<b>(13,330,149)</b>
Finance Income	515	1,203	27,237
Finance Cost	(1,864,955)	(3,232,112)	(14,654,376)
(Loss)/profit before Taxation	<b>(1,561,704)</b>	<b>(7,095,057)</b>	<b>(27,957,288)</b>
Taxation	-	-	-
(Loss)/profit after taxation, being total comprehensive (loss)/profit for the period	<b>(1,561,704)</b>	<b>(7,095,057)</b>	<b>(27,957,288)</b>
Earnings per share	(0.02)	(0.07)	(0.11)

**SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED**

**Unaudited statement of financial position**

**June 30, 2019**

	3 Months To June 30, 2019	3 Months To June 30, 2018	(Unaudited) Mar 31, 2019
	\$	\$	\$
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	316,629,054	330,428,679	318,690,515
Deferred Tax Asset	27,904,521	27,904,521	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>357,524,842</u>	<u>371,324,467</u>	<u>359,586,303</u>
<b>Current Assets</b>			
Cash and Cash Equivalents	5,417,360	11,991,370	4,766,933
Trade and other receivables	17,061,098	20,759,931	23,708,349
Inventories	6,616,733	898,709	7,327,597
Total current assets	<u>29,095,191</u>	<u>33,650,010</u>	<u>35,802,879</u>
<b>TOTAL ASSETS</b>	<u><u>386,620,033</u></u>	<u><u>404,974,477</u></u>	<u><u>395,389,182</u></u>
<b>LIABILITIES &amp; EQUITY</b>			
<b>Current Liabilities</b>			
Bank overdraft	218,981	5,017	283,089
Trade and Other Payables	187,265,677	184,179,227	191,566,337
Income Tax Payable	1,458,081	1,464,306	1,518,483
Directors' current account	1,552,240	630,976	1,231,092
Current portion of long term Payables	20,072,111	20,072,111	501,282
Current portion of long term loan	32,048,174	32,048,174	20,401,413
Total current liabilities	<u>242,615,264</u>	<u>238,399,811</u>	<u>215,501,696</u>
<b>Long Term Liabilities</b>			
Long-term liabilities	97,324,189	89,231,890	111,573,091
Long-term Payables	12,861,583	21,099,844	32,933,694
Shareholders Loan	14,177,343	14,177,343	14,177,343
Total Liabilities	<u>124,363,115</u>	<u>124,509,077</u>	<u>374,185,825</u>
<b>Equity</b>			
Share capital	143,695,713	143,695,713	143,695,713
Accumulated surplus	(124,054,059)	(101,630,124)	(122,492,355)
Total Equity	<u>19,641,654</u>	<u>42,065,589</u>	<u>21,203,357</u>
<b>Total Liabilities &amp; Equity</b>	<u><u>386,620,033</u></u>	<u><u>404,974,477</u></u>	<u><u>395,389,182</u></u>

Approved for issue by the Board of Directors on September 16th, 2019 and signed on its behalf by:

Chairman

Henry Graham

Director

Valdence Gifford

**SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED**

**Unaudited statement of changes in shareholders' equity  
For Three (3) months ending June 30, 2019**

	Share Capital \$	Share Advance \$	Retained Earnings \$	Total \$
Balances as at June 30, 2017	143,695,713	-	19,282,681	162,978,394
Net loss attributable to Shareholders	-	-	(113,817,748)	(113,817,748)
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
Balances as at March 31, 2019	143,695,713	-	(122,492,355)	21,203,358
Net Loss attributable to shareholders	-	-	(1,561,704)	(1,561,704)
Balances as at June 30, 2019	143,695,713	-	(124,054,059)	19,641,654

**SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED**

**Unaudited statement of cash flows**  
**For Three (3) months ending June 30, 2019**

	<b>30-Jun-19</b>	<b>30-Jun-18</b>	<b>(Unaudited)</b> <b>Mar 31, 2019</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation	(1,561,704)	(7,095,057)	(27,957,288)
Adjustments to reconcile profit for year to net cash provided by operating activities:			
Bad debt	-	-	-
Depreciation	2,061,460	62,878	12,211,512
Deferred tax Income	-	-	-
Impairment of Property Plant & Equipment	-	-	-
Interest income	(515)	(1,203)	(27,237)
Taxation Provision	-	-	-
<b>Operating surplus before changes in working capital</b>	<b>499,241</b>	<b>(7,033,382)</b>	<b>(15,773,013)</b>
Trade and other receivables	6,647,251	(139,957)	(3,088,375)
Inventories	710,864	3,954,967	(2,473,921)
Directors' current account	-	-	-
Shareholders loan	-	-	-
Accounts payable & provisions	(4,300,660)	5,983,897	13,371,007
Directors' current account	321,148	-	600,116
<b>Net cash generated by operations</b>	<b>3,877,844</b>	<b>2,765,525</b>	<b>(7,364,187)</b>
Taxation	(60,402)	(301)	53,876
Interest received	515	1,203	27,237
<b>Net cash inflows from operating activities</b>	<b>3,817,957</b>	<b>2,766,428</b>	<b>(7,283,074)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of property, plant and equipment	-	-	(410,470)
<b>Net cash outflows from investing activities</b>	<b>-</b>	<b>-</b>	<b>(410,470)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds of long term Payables	(501,282)	-	(25,277,160)
proceeds of long term loan Net	(2,602,139)	(5,971,599)	(7,736,979)
Shareholders loans	-	-	30,000,000
Bank Overdraft	(64,108)	(586,878)	(308,806)
<b>Nat cash inflows from financing activities</b>	<b>(3,167,530)</b>	<b>(6,558,478)</b>	<b>(3,322,944)</b>
<b>(Decrease)/Increase in cash resources</b>	<b>650,427</b>	<b>(3,792,051)</b>	<b>(11,016,488)</b>
<b>Cash resources at the start of the year</b>	<b>4,766,933</b>	<b>15,783,421</b>	<b>15,783,421</b>
	<b>5,417,360</b>	<b>11,991,370</b>	<b>4,766,933</b>
<b>Cash resources comprise:</b>			
Cash and bank balances	5,417,360	11,991,370	4,766,933



# **SWEETRIVERABATTOIR&SUPPLIES COMPANYLIMITED**

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

**Three Months Period Ended June 30th, 2019**

### **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-lamar, 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.

**SWEETRIVERABATTOIR&SUPPLIES COMPANYLIMITED**

**Notes to the Unaudited Financial Statements**

**Three Months Period Ended June 30th, 2019**

**5. Shareholders' Information**

	<b>No. Of Units</b>
<b>Directors' Holdings</b>	
<b>As at June 30, 2019:</b>	
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
<b>Top Ten Shareholders</b>	
<b>As at June 30th, 2019:</b>	
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
<b>Holding of Senior Managers as June 30th, 2019</b>	
Valdence Gifford	4,995,058