



EVERYTHING FRESH LIMITED
REPORT TO THE SHAREHOLDERS
FOR THE QUARTER ENDED 30 SEPTEMBER, 2019

The Directors hereby present the unaudited financial statements for the third quarter ended 30 September 2019 which have been prepared in accordance with International Financial Reporting Standards (IFRS).

The amounts shown in Comprehensive Income for 2019 include results from the Meat Processing division which began operations on 1 January 2019 and therefore the comparative amounts from 2018 relate only to the traditional Distribution division.

Revenues for the third quarter of \$525.2 million represented an increase of 24.5% over the \$422.0 million earned in the comparative quarter of the previous year. Of the \$525.2 million, \$444.7 million was earned by the traditional Distribution division. Gross Profit also increased to \$73.1 million or 158% over the \$29.6 million earned in the comparative quarter of the previous year. Of the \$73.1 million, \$62.9 million was achieved by the traditional Distribution division. Gross Margin of 14.0% exceeded the 6.8% margin for the comparative quarter of the previous year. The gross margin of 14.0% was consistent across both divisions of the Company.

Administrative, selling and distribution expenses for the quarter totals \$78.1 million or 80.0% over the \$43.5 million expended in the comparative quarter of the previous year. Of the current amount of \$78.1 million, approximately \$30.0 million relates to the new Meat Processing division. Therefore the traditional distribution business expenses were \$48.1 million or an increase of 10.6% over the \$43.5 million from the comparative period of the previous year.

Finance costs for the quarter of \$6.5 million represented an increase of \$3.8 million or 140.0% over the \$2.7 million charged for the comparative quarter of the previous year.

The traditional distribution segment of the Company continues to thrive with a pre-tax profit of \$36.7 million for the nine months representing an increase of 9.0% over the \$33.8 million earned for the comparative nine months of the previous year. However the Meat Processing Division made a loss of \$76.8 million for the first nine months of 2019. Therefore the Company made an overall loss of \$40.1 million for the nine months ended 30 September 2019. This is mainly a result of the underutilisation of the Meat Processing Plant as the gross margins are not yet at the breakeven point.

We thank our Customers for their continuing support. We also thank the Everything Fresh team in Kingston and Bog Walk for their hard work and enthusiasm during our third quarter.

A handwritten signature in blue ink, appearing to read 'Courtney Pullen', is written over a horizontal dashed line.

Courtney Pullen
Managing Director

EVERYTHING FRESH LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

NINE MONTHS ENDED 30 SEPTEMBER 2019

	Unaudited 3 months ended September 2019 \$'000	Unaudited 3 months ended September 2018 \$'000	Unaudited 9 months ended September 2019 \$'000	Unaudited 9 months ended September 2018 \$'000	Audited 2018 December \$'000
REVENUE	525,173	421,956	1,638,900	1,390,595	1,879,661
COST OF SALES	(451,991)	(393,341)	(1,434,805)	(1,222,129)	(1,660,956)
GROSS PROFIT	73,182	28,615	204,095	168,466	218,705
Other operating income	34	1,007	1,559	1,422	2,216
	<u>73,216</u>	<u>29,622</u>	<u>205,654</u>	<u>169,888</u>	<u>220,921</u>
EXPENSES:					
Administrative and other expenses	(78,153)	(43,505)	(233,738)	(116,299)	(177,991)
Selling and promotion expenses	(93)	(925)	(247)	(9,402)	(10,647)
	<u>(78,246)</u>	<u>(44,430)</u>	<u>(233,985)</u>	<u>(125,701)</u>	<u>(188,638)</u>
OPERATING PROFIT	(5,030)	(14,808)	(28,331)	44,187	32,283
Finance costs	(6,526)	(2,723)	(11,734)	(10,418)	(13,525)
	<u>(11,556)</u>	<u>(17,531)</u>	<u>(40,065)</u>	<u>33,769</u>	<u>18,758</u>
Taxation			-	(8,268)	(2,415)
NET PROFIT FOR THE YEAR, BEING TOTAL COMPREHENSIVE INCOME	<u>(11,556)</u>	<u>(17,531)</u>	<u>(40,065)</u>	<u>25,501</u>	<u>16,343</u>
EARNINGS PER STOCK UNIT(cents)	(2.11)	(3.20)	(7.32)	4.66	2.98

EVERYTHING FRESH LIMITED


STATEMENT OF FINANCIAL POSITION

NINE MONTHS ENDED 30 SEPTEMBER 2019

	Unaudited 2019 September \$'000	Unaudited 2018 September \$'000	Audited 2018 December \$'000
<u>ASSETS</u>			
NON-CURRENT ASSETS:			
Property, plant and equipment	135,419	51,352	57,990
Intangible asset	7,196	2,494	3,894
	<u>142,615</u>	<u>53,846</u>	<u>61,884</u>
CURRENT ASSETS:			
Inventories	325,473	220,034	200,460
Receivables	222,724	184,227	289,578
Related Parties	13,290	13,806	13,896
Taxation recoverable	4,437	263	2,882
Deposit on investments	59,093	68,726	120,362
Cash and short term deposits	76,017	296,822	184,898
	<u>701,034</u>	<u>783,878</u>	<u>812,076</u>
	<u>843,649</u>	<u>837,724</u>	<u>873,960</u>
<u>EQUITY AND LIABILITIES</u>			
EQUITY			
Share Capital	364,850	364,850	364,850
Retained Earnings	218,371	268,421	258,434
	<u>583,221</u>	<u>633,271</u>	<u>623,284</u>
NON-CURRENT LIABILITIES			
Borrowings	81,939	-	-
CURRENT LIABILITIES			
Borrowings	107,115	100,970	135,896
Payables	71,374	98,550	114,780
Taxation Payable		4,933	0
	<u>178,489</u>	<u>204,453</u>	<u>250,676</u>
	<u>843,649</u>	<u>837,724</u>	<u>873,960</u>



Gregory Pullen
Chairman



Courtney Pullen
Managing Director

EVERYTHING FRESH LIMITED

STATEMENT OF CHANGES IN EQUITY

NINE MONTHS ENDED 30 SEPTEMBER 2019

	Unaudited No. of Shares <u>'000</u>	Unaudited Share Capital <u>\$'000</u>	Unaudited Retained Earnings <u>\$'000</u>	Total <u>\$'000</u>
BALANCE AT 1 JANUARY 2018	100	100	242,920	243,020
TOTAL COMPREHENSIVE INCOME				
Issue of shares, net of transaction costs	779,900	364,750		364,750
Net loss for the period	-	-	25,501	25,501
BALANCE AT 30 SEPTEMBER 2018	<u>780,000</u>	<u>364,850</u>	<u>268,421</u>	<u>633,271</u>
BALANCE AT 1 JANUARY 2019	780,000	364,850	258,434	623,284
TOTAL COMPREHENSIVE INCOME				
Net profit for the period	-	-	(40,063)	(40,063)
BALANCE AT 30 SEPTEMBER 2019	<u>780,000</u>	<u>364,850</u>	<u>218,371</u>	<u>583,221</u>

EVERYTHING FRESH LIMITED**STATEMENT OF CASH FLOWS****NINE MONTHS ENDED 30 SEPTEMBER 2019**

	Unaudited 2019 September \$'000	Unaudited 2018 September \$'000	Audited 2018 December \$'000
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net (loss)/profit for the period	(40,065)	25,501	16,343
Adjustments for:			
Unrealised foreign exchange gains	-	-	(3,752)
Impairment allowance	-	-	1,161
Depreciation	12,412	5,404	7,535
Gain on sale of fixed assets	(1,336)	-	-
Interest income	(223)	(1,041)	(1,835)
Interest expense	11,734	10,418	11,106
Taxation	-	8,268	2,415
	<u>(17,478)</u>	<u>48,550</u>	<u>32,973</u>
Changes in operating assets and liabilities:			
Inventories	(125,013)	(88,828)	(69,254)
Receivables	66,854	64,128	(43,211)
Payables	(43,406)	(30,463)	(15,959)
Related parties	606	600	510
	<u>(118,437)</u>	<u>(6,013)</u>	<u>(94,941)</u>
Taxation paid	(1,555)	(2,906)	(6,356)
Cash used in operating activities	<u>(119,992)</u>	<u>(8,919)</u>	<u>(101,297)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Deposit on investments	61,269	(68,726)	(120,362)
Interest received	430	1,041	1,628
Purchase of intangible asset	(3,302)	(2,494)	(3,894)
Sales proceeds from disposal of fixed assets	1,479	-	-
Purchase of property, plant and equipment	(89,984)	(25,781)	(34,550)
Cash used in investing activities	<u>(30,108)</u>	<u>(95,960)</u>	<u>(157,178)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Issue of shares, net of expenses	-	364,750	364,750
Interest paid	(11,734)	(10,418)	(10,672)
Loan received	371,381	292,459	367,313
Loan repayments	(293,406)	(335,108)	(409,091)
Cash (used in)/ provided by financing activities	<u>66,241</u>	<u>311,683</u>	<u>312,300</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	<u>(83,859)</u>	<u>206,804</u>	<u>53,825</u>
Exchange gain on foreign cash balances	-	-	1,818
Cash and cash equivalents at beginning of year	<u>120,823</u>	<u>65,180</u>	<u>65,180</u>
	<u>36,964</u>	<u>271,984</u>	<u>120,823</u>
Cash and cash equivalents per balance sheet	76,017	296,822	184,898
less accrued interest	-	-	(207)
less credit card balances	(39,053)	(24,838)	(63,868)
	<u>36,964</u>	<u>271,984</u>	<u>120,823</u>

EVERYTHING FRESH LIMITED

SEGMENT REPORTING

NINE MONTHS ENDED 30 SEPTEMBER 2019

	Combined \$'000	Trading Division \$'000	Meat Plant Division \$'000
REVENUE	1,638,900	1,399,392	239,508
Cost of Sales	<u>(1,434,805)</u>	<u>(1,205,928)</u>	<u>(228,877)</u>
	204,095	193,464	10,631
Other Income	1,559	1,559	-
Administrative and selling expenses	(233,985)	(146,545)	(87,440)
Finance Costs	<u>(11,734)</u>	<u>(11,734)</u>	<u>-</u>
Profit/(loss) for the period	<u><u>(40,065)</u></u>	<u><u>36,744</u></u>	<u><u>(76,809)</u></u>
Segment assets			
Non-current assets	142,615	65,331	77,284
Current assets	<u>701,034</u>	<u>675,646</u>	<u>25,388</u>
	<u><u>843,649</u></u>	<u><u>740,977</u></u>	<u><u>102,672</u></u>
Segment liabilities			
Current liabilities	178,489	173,921	4,568
Other segment items:			
Capital expenditure	89,985	7,810	82,175
Depreciation	<u>12,412</u>	<u>7,417</u>	<u>4,995</u>

EVERYTHING FRESH LIMITED

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

NINE MONTHS ENDED 30 SEPTEMBER 2019

1. IDENTIFICATION AND PRINCIPAL ACTIVITIES:

- (a) Everything Fresh Limited is a limited liability company incorporated and domiciled in Jamaica. The registered office of the company is 78 Marcus Garvey Drive, Kingston 11. The company became listed on the Junior Market of the Jamaica Stock Exchange on 22 June 2018.
- (b) The principal activities of the company are the importation and distribution of dairy products, meats, seafood, fruits, vegetables and dry goods. In January 2019 the company acquired a meat processing plant which manufactures burgers and sausages. The plant also produces fine cuts of beef, pork and mutton.

2. BASIS OF PREPARATION

The financial statements have been prepared in accordance with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board, and comply with the relevant provisions of the Jamaican Companies Act. These financial statements are presented in Jamaican dollars.

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, whose operating results are regularly reviewed by the entity's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segment and assess its performance; and for which discrete financial information is available.

The company has two reportable segments, as described below, which are the company's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

The primary reportable segments are:

- (i) Everything Fresh Distribution Division - importation and distribution of dairy products, meats, seafood, fruits, vegetables and dry goods.
- (ii) Meat Experts Processing Division - manufacture of burgers and sausages, and production of fine cuts of beef, pork and mutton

The distribution operations are conducted at 78 Marcus Garvey Drive, Kingston
The meat processing operations are carried out at Barry Main Road, Bog Walk, St. Catherine

Transactions between business segments have been eliminated.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies followed in these interim financial statements are consistent with those used in the audited financial statements for the year ended December 31, 2018.

EVERYTHING FRESH LIMITED
DIRECTORS AND CONNECTED PARTIES SHAREHOLDINGS
AS AT SEPTEMBER 30, 2019

PRIMARY HOLDER	DIRECT	CONNECTED PARTY	TOTAL	PERCENTAGE
Courtney Pullen	-	624,000,000	624,000,000	80.00%
Melene Pullen	-	624,000,000	624,000,000	80.00%
Garret Gardner	-	624,000,000	624,000,000	80.00%
Nesha Carby	-	624,000,000	624,000,000	80.00%
Jennifer Lewis	40,000	-	40,000	0.01%
Gregory Pullen	5,281,855	-	5,281,855	0.68%
Donovan Perkins	453,814	-	453,814	0.06%
Vivette Miller	80,000	-	80,000	0.01%
Mark Croskery	-	198,897	198,897	0.03%
Leo Williams (mentor)	1,160,000	-	1,160,000	0.15%
Total	7,015,669	624,198,897	631,214,566	

SENIOR MANAGERS AND CONNECTED PARTIES SHAREHOLDINGS
AS AT SEPTEMBER 30, 2019

PRIMARY HOLDER	DIRECT	CONNECTED PARTY	TOTAL	PERCENTAGE
Jacqueline Archie	43,000	-	43,000	0.01%
Arthur Haye	120,000	-	120,000	0.02%
Natoya Shakespeare	625,000	-	625,000	0.08%
Amanda Gardner	263,000	-	263,000	0.03%
Total	1,051,000	-	1,051,000	

TOP TEN SHAREHOLDINGS
AS AT SEPTEMBER 30, 2019

PRIMARY HOLDER	JOINT HOLDER	TOTAL	PERCENTAGE
Quality Investments Ltd	-	624,000,000	80.0%
Stocks & Securities Ltd (Alpha)	-	68,566,700	8.8%
Gregory Pullen	Shemala Mitchell	5,281,855	0.7%
Star Holdings Limited	-	5,000,000	0.6%
Anthony Chance	Claudine Chance	3,000,000	0.4%
Andrew Pairman	Paula Pairman	2,586,000	0.3%
Everton J. Smith	Everton A. Smith, Racquel B. Smith-Anderson	1,681,269	0.2%
	Paula A. Smith, Rohan O. Smith, Richard Smith		
SSL Money Managers Growth	-	1,546,117	0.2%
Caribbean Foods Limited	-	1,477,403	0.2%
Everton A. Smith		1,451,369	0.2%
	-		
Total	-	714,590,713	