



EVERYTHING FRESH LIMITED
REPORT TO THE SHAREHOLDERS
FOR THE QUARTER ENDED 31 MARCH, 2020

The Directors hereby present the unaudited financial statements for the first quarter ended 31 March 2020 which have been prepared in accordance with International Financial Reporting Standards (IFRS).

Our company is a significant supplier to the tourism sector. Our customers include most of the larger hotels in the industry. Traditionally March is the peak of the winter season. The Covid-19 pandemic started to impact our sales in the middle of March 2020, as our hotel customers started to close their properties and scale back purchases to match their reduced occupancy.

The sales for the first quarter of the current year were \$489.2 million, down from the \$593.2 million for the comparative period of the prior year. The reduction in sales being primarily due to the effects of the Covid-19 Pandemic in March, as well as, the company's decision to discontinue supplying special pork cuts. We are continuing the production of pork sausages and beef burgers.

Gross margins remained fairly consistent for both the current and prior periods at approximately 13%.

We reduced our overheads from \$75.0 million in the first quarter of 2019 to \$67.0 million in the first quarter of 2020. This was mainly due to the scaling back of operations at the Meat Plant.

The Meat Plant had losses of \$7.9 million for the current quarter down from the \$26.8 million loss in the comparative quarter of the previous year.

The Distribution division made a loss of \$3.5 million down from a profit of \$27.0 million in the comparative quarter of the previous year. This was due mainly to the reduction in sales by \$63.0 million below that of the first quarter of 2019.

The Company is currently ramping up sales in the retail sector and implementing stringent cost cutting measures to attain profitability despite closures in the tourism sector.

We urge all our Shareholders and Customers to keep safe and continue to observe the Government of Jamaica's guidelines for preventing the spread of the COVID-19 virus.

Courtney Pullen
Managing Director

EVERYTHING FRESH LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

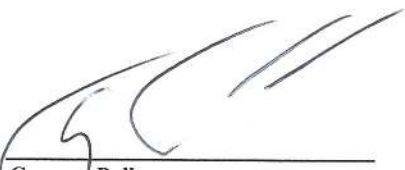
THREE MONTHS ENDED 31 MARCH 2020


	Unaudited 2020 March \$'000	Unaudited 2019 March *	Audited 2019 December \$'000
REVENUE	489,230	593,183	2,201,942
COST OF SALES	<u>(426,604)</u>	<u>(514,521)</u>	<u>(1,945,595)</u>
GROSS PROFIT	62,626	78,662	256,347
Other operating income	<u>993</u>	<u>183</u>	<u>1,643</u>
	<u>63,619</u>	<u>78,845</u>	<u>257,990</u>
EXPENSES:			
Administrative and other expenses	(66,497)	(74,790)	(336,916)
Selling and promotion expenses	<u>(151)</u>	<u>(224)</u>	<u>(1,683)</u>
	<u>(66,648)</u>	<u>(75,014)</u>	<u>(338,599)</u>
OPERATING PROFIT/(LOSS)	(3,029)	3,831	(80,609)
Finance costs	<u>(8,397)</u>	<u>(3,602)</u>	<u>(23,056)</u>
	(11,426)	229	(103,665)
Taxation	<u>-</u>	<u>-</u>	<u>20,146</u>
NET LOSS/(PROFIT) FOR THE YEAR, BEING TOTAL COMPREHENSIVE INCOME	<u>(11,426)</u>	<u>229</u>	<u>(83,519)</u>
EARNINGS PER STOCK UNIT(cents)	(1.46)	0.03	(10.71)

* amounts restated for comparative purposes

EVERYTHING FRESH LIMITED
STATEMENT OF FINANCIAL POSITION
THREE MONTHS ENDED 31 MARCH 2020

Notes	Unaudited 2020 March \$'000	Unaudited 2019 March * \$'000	Audited 2019 December \$'000
<u>ASSETS</u>			
NON-CURRENT ASSETS:			
Property, plant and equipment	144,545	106,499	143,595
Intangible asset	5,815	3,994	6,506
Right-of-use-assets	81,135	96,989	85,095
Deferred tax asset	20,146	-	20,146
Loan to related Party	59,093	-	59,093
	<u>310,734</u>	<u>207,482</u>	<u>314,435</u>
CURRENT ASSETS:			
Inventories	393,814	236,449	274,685
Receivables	299,903	259,819	283,259
Related Parties	13,189	13,970	13,260
Taxation recoverable	4,459	4,427	4,457
Deposit on investments	-	70,462	-
Cash and short term deposits	42,507	134,943	85,974
	<u>753,872</u>	<u>720,070</u>	<u>661,635</u>
	<u>1,064,606</u>	<u>927,552</u>	<u>976,070</u>
<u>EQUITY AND LIABILITIES</u>			
EQUITY			
Share Capital	364,850	364,850	364,850
Retained Earnings	163,488	258,664	174,914
	<u>528,338</u>	<u>623,514</u>	<u>539,764</u>
NON CURRENT LIABILITIES			
Borrowings	74,178	-	78,860
Lease liabilities	69,297	83,957	73,006
	<u>143,475</u>	<u>83,957</u>	<u>151,866</u>
CURRENT LIABILITIES			
Borrowings	179,668	104,217	125,632
Payables	198,479	102,138	144,408
Lease liabilities - current portion	14,646	13,726	14,400
	<u>392,793</u>	<u>220,081</u>	<u>284,440</u>
	<u>1,064,606</u>	<u>927,552</u>	<u>976,070</u>


Gregory Pullen
Chairman


Courtney Pullen
Managing Director

* amounts restated for comparative purposes

EVERYTHING FRESH LIMITED

STATEMENT OF CHANGES IN EQUITY

THREE MONTHS ENDED 31 MARCH 2020

	No. of Shares '000	Share Capital \$'000	Retained Earnings \$'000	Total \$'000
BALANCE AT 1 JANUARY 2019	780,000	364,850	258,435	623,285
TOTAL COMPREHENSIVE INCOME				
Net profit for the period	-	-	229 *	229
BALANCE AT 31 MARCH 2019	<u>780,000</u>	<u>364,850</u>	<u>258,664 *</u>	<u>623,514</u>
BALANCE AT 1 JANUARY 2020	780,000	364,850	174,914	539,764
TOTAL COMPREHENSIVE INCOME				
Net loss for the period	-	-	(11,426)	(11,426)
BALANCE AT 31 MARCH 2020	<u>780,000</u>	<u>364,850</u>	<u>163,488</u>	<u>528,338</u>

* amounts restated for comparative purposes

EVERYTHING FRESH LIMITED

STATEMENT OF CASH FLOWS

THREE MONTHS ENDED 31 MARCH 2020

Notes	Unaudited 2020 March \$'000	Unaudited 2019 March * \$'000	Audited 2019 December \$'000
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net (loss)/profit for the period	(11,426)	229	(83,519)
Adjustments for:			
Unrealised foreign exchange gains	-	-	(3,606)
Impairment Allowance	-	-	2,557
Depreciation	5,582	3,678	17,870
Depreciation-right-of-use	3,960	3,965	15,859
Amortisation of intangibles	690	-	1,879
Gain on disposal property plant and equipment	-	-	(1,336)
Interest income	(6)	(183)	(306)
Interest expense	5,047	2,026	14,518
Interest-right-of-use assets	1,321	1,416	5,364
Taxation	-	-	(20,146)
	<u>5,168</u>	<u>11,131</u>	<u>(50,866)</u>
Inventories	(119,128)	(35,989)	(74,225)
Receivables	(16,645)	29,759	2,339
Payables	54,071	(12,640)	29,635
Related Parties	<u>72</u>	<u>(74)</u>	<u>636</u>
	<u>(76,462)</u>	<u>(7,813)</u>	<u>(92,481)</u>
Taxation Paid	<u>(2)</u>	<u>(1,546)</u>	<u>(1,576)</u>
Cash (used in)/ provided by operating activities	<u>(76,464)</u>	<u>(9,359)</u>	<u>(94,057)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Related Company	-	-	(59,093)
Deposit on investments	-	49,900	120,362
Interest received	6	390	514
Purchase of intangible asset	-	(100)	(4,491)
Proceeds from disposal of property plant and equipment	-	-	1,588
Purchase of property, plant and equipment	<u>(6,533)</u>	<u>(52,187)</u>	<u>(103,727)</u>
Cash (used in)/ provided by investing activities	<u>(6,527)</u>	<u>(1,997)</u>	<u>(44,847)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Interest paid	(5,047)	(2,026)	(14,677)
Loan received	119,212	75,408	308,808
Loan repayments	(92,408)	(74,646)	(198,830)
Lease payments	<u>(4,785)</u>	<u>(4,686)</u>	<u>(18,913)</u>
Cash (used in)/ provided by financing activities	<u>16,972</u>	<u>(5,950)</u>	<u>76,388</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>(66,019)</u>	<u>(17,306)</u>	<u>(62,516)</u>
Exchange gain on foreign cash balances	-	-	2,141
Cash and cash equivalents at beginning of year	<u>60,447</u>	<u>120,822</u>	<u>120,822</u>
	<u>(5,572)</u>	<u>103,516</u>	<u>60,447</u>
Cash and cash equivalents per balance sheet	42,507	134,943	85,975
less credit card balances	<u>(48,079)</u>	<u>(31,427)</u>	<u>(25,528)</u>
	<u>(5,572)</u>	<u>103,516</u>	<u>60,447</u>

* amounts restated for comparative purposes

EVERYTHING FRESH LIMITED

SEGMENT REPORTING

THREE MONTHS ENDED 31 MARCH 2020

	Trading Division 2020 \$'000	Meat Plant Division 2020 \$'000	Total 2020 \$'000	Trading Division 2019 * \$'000	Meat Plant Division 2019 * \$'000	Total 2019 * \$'000
REVENUE	433,849	55,381	489,230	496,523	96,660	593,183
Cost of sales	(381,317)	(45,287)	(426,604)	(420,147)	(94,374)	(514,521)
	<u>52,532</u>	<u>10,094</u>	<u>62,626</u>	<u>76,376</u>	<u>2,286</u>	<u>78,662</u>
Other income	<u>993</u>	<u>-</u>	<u>993</u>	<u>183</u>	<u>-</u>	<u>183.00</u>
Administrative and selling expenses	(49,079)	(17,569)	(66,648)	(46,273)	(28,741)	(75,014)
Finance costs	(7,994)	(403)	(8,397)	(3,218)	(384)	(3,602)
	<u>(57,073)</u>	<u>(17,972)</u>	<u>(75,045)</u>	<u>(49,491)</u>	<u>(29,125)</u>	<u>(78,616)</u>
Profit/(loss) for the period	<u>(3,548)</u>	<u>(7,878)</u>	<u>(11,426)</u>	<u>27,068</u>	<u>(26,839)</u>	<u>229</u>
Segment assets						
Non-current assets	175,593	114,996	290,589	126,511	80,972	207,483
Current assets	<u>456,897</u>	<u>17,164</u>	<u>474,060</u>	<u>421,104</u>	<u>44,738</u>	<u>465,843</u>
	<u>632,490</u>	<u>132,160</u>	<u>764,650</u>	<u>547,615</u>	<u>125,710</u>	<u>673,325</u>
Unallocated assets			<u>299,956</u>			<u>254,227</u>
Total assets			<u>1,064,606</u>			<u>927,552</u>
Segment liabilities						
Non-current liabilities	122,863	20,612	143,475	56,223	27,734	83,957
Current liabilities	<u>385,420</u>	<u>7,373</u>	<u>392,793</u>	<u>210,712</u>	<u>9,369</u>	<u>220,081</u>
	<u>508,283</u>	<u>27,985</u>	<u>536,268</u>	<u>266,935</u>	<u>37,103</u>	<u>304,038</u>
Segment assets			764,650			673,325
Unallocated assets -						
Deferred tax asset			20,146			-
Receivables			275,029			251,727
Cash and short term deposits			<u>4,781</u>			<u>2,500</u>
			<u>1,064,606</u>			<u>927,552</u>

* amounts restated for comparative purposes

EVERYTHING FRESH LIMITED

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

THREE MONTHS ENDED 31 MARCH 2020

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 processes 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, 2019.

EVERYTHING FRESH LIMITED
DIRECTORS AND CONNECTED PARTIES SHAREHOLDINGS
AS AT MARCH 31, 2020

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	-	-	-	
Leo Williams (mentor)	1,160,000	-	1,160,000	0.15%
Total	6,975,669	624,000,000	631,015,669	

SENIOR MANAGERS AND CONNECTED PARTIES SHAREHOLDINGS
AS AT MARCH 31, 2020

PRIMARY HOLDER	DIRECT	CONNECTED PARTY	TOTAL	PERCENTAGE
Jacqueline Archie	43,000	-	43,000	0.01%
Arthur Hays	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 MARCH 31, 2020

PRIMARY HOLDER	JOINT HOLDER	TOTAL	PERCENTAGE
Quality Investments Ltd	-	624,000,000	80.0%
Stocks & Securities Ltd (Alpha)	-	61,028,475	7.8%
Sagikor Select Funds Ltd (Class C)	-	7,727,500	1.0%

Manufacturing & Distribution

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 A Smith	-	2,585,000	0.3%
Everton J Smith	Everton A Smith, Racquel Smith, Paula Smith, Richard Smith, Rohan Smith	2,126,664	0.3%
Lloyd Badal	Dionne Sutherland-Badal, Bedard Badal	1,732,492	0.2%
	-		
Total	-	715,067,986	