



**EVERYTHING FRESH LIMITED**  
**REPORT TO THE SHAREHOLDERS**  
**FOR THE QUARTER ENDED 30 JUNE, 2020**

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The Directors hereby present the unaudited financial statements for the second quarter ended 30 June 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. The Covid-19 pandemic started to impact our sales in the middle of March 2020, when our hotel customers began to close their properties. Most of these properties remained closed throughout our second quarter which ended 30 June 2020. Although Jamaica lifted travel restrictions on June 15, we did not have any significant sales to hotels until July, after the second quarter ended.

The sales for the second quarter of the current year were \$83.9 million, down from the \$520.5 million for the comparative period of the prior year. The reduction in sales being primarily due to the effects of the Covid-19 Pandemic, as well as, the company's decision at the end of 2019 to discontinue supplying special pork cuts. We have continued with production of pork sausages and beef burgers.

As a result of the sudden unexpected drop in sales, the company recorded a gross loss for the current quarter of \$5.9 million as compared to a gross profit of \$52.3 million for the comparative quarter in the previous year. There are specific direct expenses relating to the warehousing of the inventory which are included in cost of sales. The gross loss is calculated by subtracting direct expenses of \$7.0 million from the cost of goods sold of \$1.1 million.

We reduced our overheads from \$78.0 million in the second quarter of 2019 to \$45.4 million in the second quarter of 2020. This was mainly due to the scaling back of operations at the Meat Plant. In addition to this, the hours worked by our team for the second quarter of 2020 were substantially reduced as a result of the decreased sales activity. Significantly, the company did not lay off any of our team members during this time.

Our company is currently ramping up sales in the retail sector. Sales to supermarkets and restaurants are currently trending upward compared to historical sales for these sectors. Also we have made significant strides in the direct sales of our products to consumers along with sales at our retail outlet at Marcus Garvey Drive. In the coming months we will be adding several new customers to our delivery routes to further boost our retail sales.

We would like to acknowledge the hard work and sacrifices made by our team members during this difficult period. We also 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.

A handwritten signature in blue ink, appearing to read "Courtney Pullen", is written over a light blue circular stamp.

Courtney Pullen  
Managing Director

**EVERYTHING FRESH LIMITED**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

**SIX MONTHS ENDED 30 JUNE 2020**

	Unaudited 3 months ended June 2020 \$'000	Unaudited 3 months ended June 2019 * \$'000	Unaudited 6 months ended June 2020 \$'000	Unaudited 6 months ended June 2019 * \$'000	Audited 2019 December \$'000
REVENUE	83,975	520,544	573,205	1,113,727	2,201,942
COST OF SALES	<u>(89,828)</u>	<u>(468,280)</u>	<u>(516,433)</u>	<u>(982,801)</u>	<u>(1,945,595)</u>
GROSS PROFIT/(LOSS)	(5,853)	52,264	56,772	130,926	256,347
Other operating income	<u>2,092</u>	<u>1,342</u>	<u>3,085</u>	<u>1,526</u>	<u>1,643</u>
	<u>(3,761)</u>	<u>53,606</u>	<u>59,857</u>	<u>132,452</u>	<u>257,990</u>
EXPENSES					
Administrative and other expenses	(45,021)	(77,958)	(111,518)	(152,748)	(336,916)
Selling and promotion expenses	<u>(350)</u>	<u>(76)</u>	<u>(501)</u>	<u>(300)</u>	<u>(1,682)</u>
	<u>(45,371)</u>	<u>(78,034)</u>	<u>(112,019)</u>	<u>(153,048)</u>	<u>(338,598)</u>
OPERATING PROFIT	(49,132)	(24,428)	(52,162)	(20,596)	(80,608)
Finance costs	<u>(7,197)</u>	<u>(4,384)</u>	<u>(15,594)</u>	<u>(7,986)</u>	<u>(23,056)</u>
	(56,329)	(28,812)	(67,756)	(28,582)	(103,664)
Taxation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,146</u>
NET LOSS FOR THE YEAR, BEING TOTAL COMPREHENSIVE INCOME	<u>(56,329)</u>	<u>(28,812)</u>	<u>(67,756)</u>	<u>(28,582)</u>	<u>(83,518)</u>
EARNINGS PER STOCK UNIT(cents)	(7.22)	(3.69)	(8.69)	(3.66)	(10.71)


\* results include reclassifications for comparative purposes


**EVERYTHING FRESH LIMITED**

**STATEMENT OF FINANCIAL POSITION**

**SIX MONTHS ENDED 30 JUNE 2020**

Notes	Unaudited 2020 June \$,000	Unaudited 2019 June \$,000	Audited 2019 December \$,000
<b><u>ASSETS</u></b>			
<b>NON-CURRENT ASSETS:</b>			
Property, plant and equipment	149,853	123,716	143,595
Intangible asset	5,125	6,083	6,506
Right-of-use-assets	77,171	93,025	85,095
Deferred tax asset	20,146	0	20,146
Loan to related Party	59,093	59,688	59,093
	<u>311,388</u>	<u>282,512</u>	<u>314,435</u>
<b>CURRENT ASSETS:</b>			
Inventories	425,010	258,721	274,685
Receivables	128,833	270,173	283,259
Related Parties	12,830	14,131	13,260
Taxation recoverable	4,461	4,429	4,457
Deposit on investments	-	-	-
Cash and short term deposits	43,781	58,115	85,974
	<u>614,915</u>	<u>605,569</u>	<u>661,635</u>
	<u>926,303</u>	<u>888,081</u>	<u>976,070</u>
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>EQUITY</b>			
Share Capital	364,850	364,850	364,850
Retained Earnings	107,159	229,853	174,914
	<u>472,009</u>	<u>594,703</u>	<u>539,764</u>
<b>NON CURRENT LIABILITIES</b>			
Borrowings	78,860	-	78,860
Lease liabilities	64,844	79,270	73,006
	<u>143,704</u>	<u>79,270</u>	<u>151,866</u>
<b>CURRENT LIABILITIES</b>			
Borrowings	169,364	124,989	125,632
Payables	125,936	74,031	144,408
Lease liabilities - current portion	15,290	15,088	14,400
	<u>310,590</u>	<u>214,108</u>	<u>284,440</u>
	<u>926,303</u>	<u>888,081</u>	<u>976,070</u>

  
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**Gregory Pullen**  
Chairman

  
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**Courtney Pullen**  
Managing Director

**EVERYTHING FRESH LIMITED**

**STATEMENT OF CHANGES IN EQUITY**

**SIX MONTHS ENDED 30 JUNE 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 loss for the period	-	-	(28,582)	(28,582)
BALANCE AT 30 JUNE 2019	<u>780,000</u>	<u>364,850</u>	<u>229,853</u>	<u>594,703</u>
BALANCE AT 1 JANUARY 2020	780,000	364,850	174,915	539,765
TOTAL COMPREHENSIVE INCOME				
Net loss for the period	-	-	(67,756)	(67,756)
BALANCE AT 30 JUNE 2020	<u>780,000</u>	<u>364,850</u>	<u>107,159</u>	<u>472,009</u>

**EVERYTHING FRESH LIMITED**

**STATEMENT OF CASH FLOWS**

**SIX MONTHS ENDED 30 JUNE 2020**

	Notes	Unaudited 2020 June \$,000	Unaudited 2019 June \$,000	Audited 2019 December \$,000
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Net (loss) for the period		(67,756)	(28,582)	(83,518)
Adjustments for:				
Unrealised foreign exchange gains		-	-	(3,606)
Impairment Allowance		-	-	2,557
Depreciation		11,404	8,118	17,870
Depreciation-right-of-use		7,925	7,929	15,859
Amortisation of intangibles		1,381	-	1,879
Gain on disposal property plant and equipment		(380)	(1,336)	(1,336)
Interest income		(20)	(190)	(306)
Interest expense		13,222	5,208	14,519
Interest-right-of-use assets		2,372	2,778	5,365
Taxation		-	-	(20,146)
		<u>(31,852)</u>	<u>(6,075)</u>	<u>(50,863)</u>
Inventories		(150,324)	(58,261)	(74,226)
Receivables		154,426	19,405	2,339
Payables		(18,471)	(40,748)	29,635
Related Parties		430	(235)	636
		<u>(45,791)</u>	<u>(85,914)</u>	<u>(92,479)</u>
Taxation Paid		(4)	(1,547)	(1,576)
		<u>(45,795)</u>	<u>(87,461)</u>	<u>(94,055)</u>
Cash (used in)/ provided by operating activities		(45,795)	(87,461)	(94,055)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Related Company		-	-	(59,093)
Deposit on investments		-	60,674	120,362
Interest received		20	397	513
Purchase of intangible asset		-	(2,189)	(4,491)
Proceeds from disposal of property plant and equipment		380	1,478	1,588
Purchase of property, plant and equipment		(17,662)	(73,986)	(103,727)
		<u>(17,262)</u>	<u>(13,626)</u>	<u>(44,848)</u>
Cash (used in)/ provided by investing activities		(17,262)	(13,626)	(44,848)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>				
Issue of shares, net of expenses		-	-	-
Interest paid		(13,222)	(5,208)	(14,677)
Loan received		260,857	102,933	308,808
Loan repayments		(233,959)	(100,496)	(198,830)
Lease payments		(9,645)	(9,374)	(18,913)
		<u>4,031</u>	<u>(12,145)</u>	<u>76,388</u>
Cash (used in)/ provided by financing activities		4,031	(12,145)	76,388
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<u>(59,026)</u>	<u>(113,232)</u>	<u>(62,515)</u>
Exchange gain on foreign cash balances		-	-	2,141
Cash and cash equivalents at beginning of year		<u>60,448</u>	<u>120,822</u>	<u>120,822</u>
		<u>1,422</u>	<u>7,590</u>	<u>60,448</u>
cash and cash equivalents				
per balance sheet		43,781	58,115	85,974
less accrued interest				
less short term loans		<u>(42,359)</u>	<u>(50,525)</u>	<u>(25,526)</u>
		<u>1,422</u>	<u>7,590</u>	<u>60,448</u>

**EVERYTHING FRESH LIMITED**

**SEGMENT REPORTING**

**SIX MONTHS ENDED 30 JUNE 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	512,230	60,975	573,205	971,274	142,453	1,113,727
Cost of sales	(464,103)	(52,329)	(516,433)	(818,145)	(164,656)	(982,801)
	48,127	8,646	56,772	153,129	(22,203)	130,926
Other income	1,386	1,699	3,085	1,526	-	1,526
Administrative and selling expenses	(82,463)	(29,556)	(112,019)	(96,090)	(56,958)	(153,048)
Finance costs	(15,029)	(565)	(15,594)	(7,244)	(742)	(7,986)
	(97,492)	(30,121)	(127,613)	(103,334)	(57,700)	(161,034)
Profit/(loss) for the period	(47,979)	(19,776)	(67,756)	51,321	(79,903)	(28,582)
<b>Segment assets</b>						
Non-current assets	200,649	110,739	311,388	185,211	97,301	282,512
Current assets	448,332	31,801	480,133	293,920	42,433	336,353
	648,981	142,540	791,521	479,131	139,734	618,865
Unallocated assets			134,782			269,216
Total assets			926,303			888,081
<b>Segment liabilities</b>						
Non-current liabilities	124,939	18,765	143,704	51,207.00	28,063	79,270
Current liabilities	302,328	8,262	310,590	197,721.00	16,388	214,108
Total liabilities	427,267	27,027	454,294	248,928	44,451	293,378
Unallocated assets -						
Deferred tax asset			20,146			-
Receivables			102,206			265,976
Cash and short term deposits			12,430			3,240
			134,782			269,216

**EVERYTHING FRESH LIMITED**

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**

**SIX MONTHS ENDED 30 JUNE 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 JUNE 30, 2020**

<b>PRIMARY HOLDER</b>	<b>DIRECT</b>	<b>CONNECTED PARTY</b>	<b>TOTAL</b>	<b>PERCENTAGE</b>
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%
<b>Total</b>	<b>6,975,669</b>	<b>624,000,000</b>	<b>631,015,669</b>	

**SENIOR MANAGERS AND CONNECTED PARTIES SHAREHOLDINGS**  
**AS AT JUNE 30, 2020**

<b>PRIMARY HOLDER</b>	<b>DIRECT</b>	<b>CONNECTED PARTY</b>	<b>TOTAL</b>	<b>PERCENTAGE</b>
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%
<b>Total</b>	<b>1,051,000</b>	<b>-</b>	<b>1,051,000</b>	

**TOP TEN SHAREHOLDINGS**  
**AS AT JUNE 30, 2020**

<b>PRIMARY HOLDER</b>	<b>JOINT HOLDER</b>	<b>TOTAL</b>	<b>PERCENTAGE</b>
Quality Investments Ltd	-	624,000,000	80.0%
Stocks & Securities Ltd (Alpha)	-	61,028,475	7.8%
Sagicor Select Funds Ltd (Class C)	-	7,727,500	1.0%
<b>Manufacturing &amp; Distribution</b>			
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%
Everton A Smith	-	2,768,800	0.4%
Andrew Pairman	Paula Pairman	2,586,000	0.3%
Everton J Smith	Everton A Smith, Racquel Smith, Paula Smith, Richard Smith, Rohan Smith	2,171,129	0.3%
Lloyd Badal	Dionne Sutherland-Badal, Bedard Badal	1,732,492	0.2%
	-		
<b>Total</b>	<b>-</b>	<b>715,296,251</b>	