

YOU'RE
IN GOOD
COMPANY!





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To provide the highest levels of service and quality products available, in striving to ensure the success of our customers.

MISSION STATEMENT

VISION

To expand in new markets while maintaining a leadership position in established markets, and to provide an energised and harmonious workplace for our employees.



INTEGRITY

STRATEGY

To drive profitability through strong supplier relationships by delivering great products with exceptional service.

CUSTOMER SERVICE MOTTO

We measure our effectiveness as a company by our ability to meet the expectations of our customers. We strive to ensure our professional team of representatives reflect this commitment.

By building strong customer relationships we promote our continued growth.

COMMITMENT



GOING THE EXTRA MILE



Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of Caribbean Producers (Jamaica) Limited Group will be held at 3 p.m. on Monday, 8 February 2016 at Secrets Resort & Spa, Montego Freeport, St. James for shareholders to consider and, if thought fit, to pass the following resolutions:

ORDINARY RESOLUTIONS

1. To receive the report of the directors and the audited accounts of the Company for the financial year ended 30th June 2015.
2. To declare the interim dividend paid on 1 October 2014 for the year under review.
3. To declare the interim dividend paid on 15 July 2015 as final for the year under review.
4. To authorize the directors to re-appoint KPMG as the auditors of the Company, and to fix their remuneration.
5. The following Directors of the Board, having resigned by rotation in accordance with the Articles of Incorporation of the Company and, being eligible, hereby offer themselves for re-election by the shareholders:
 - a) To re-appoint Antony Hart as a Director of the Company.
 - b) To re-appoint Robert Hooker as a Director of the Company.
 - c) To re-appoint Ronald Schrager as a Director of the Company.
6. To allow the Board to fix the remuneration of the Directors, other than the Executive Directors, for the financial year ended June 30, 2015.

Dated this 28 day of October 2015

By Order of the Board



Theresa Chin
Company Secretary

The following document accompanies the Notice of Annual General Meeting:

A form of proxy. A shareholder who is entitled to attend and vote at the Annual General Meeting of the company may appoint one or more proxies to attend in his/her place. A proxy need not be a shareholder of the company. All completed original proxy forms must be deposited together with the power of attorney or other document accompanying the proxy at the registered office of the company at least 48 hours before the Annual General Meeting.

CHAIRMAN'S MESSAGE

Marking our 20th year of operations at CPJ is a major milestone. Sometimes we overlook the arduous journey behind us, the many leaps of faith and the unrelenting effort it took to become the largest foodservice distributor in Jamaica.

We naturally tend to focus on immediate performance goals, issues of the day and future business, rather than the road already taken. A wise man said, "there is nothing under the sun that's new", although in a technology driven world this old saying could be challenged. While we are at the cutting edge of computerization, the culture of a company remains its lifeblood. Ours is a culture of service. Despite our growth and expansion into new businesses, CPJ has steadfastly worked to maintain our pledge to our customers. The core of our existence is a mandate of service, a promise that our dedicated managers and employees deliver, that our customers experience, and our competitors envy.

For over 20 years, our service and ultimately the success of our customers have motivated us to start every day at CPJ. With this in mind, I would like to thank our stakeholders for their continued support and at the same time invite you to share with us as we celebrate CPJ's success at reaching our 20th year. Twenty years is a marker of accomplishment but not of complacency. We will never be "good enough". We will relentlessly strive to become better service providers, community citizens and nation builders in the years ahead. We are still on our journey.

All the best,



Mark Hart, JP
Chairman





“Ours is a culture of service.”



“

To help improve our supply chain management, we made improvements in how we manage the logistics...

”



THE BEST CHOICE

*Drink Responsibly

www.cpj.com |   



Available

***The Customers wish
is our command.
They are our partners,
not our competitors.***



CEO'S MESSAGE

At the close of our Fiscal Year 2014/2015, CPJ delivered solid results to mark a major milestone in our journey, our 20th anniversary.

CPJ continues to demonstrate that it is a dynamic company that can adjust and adapt to macroeconomic and industry changes without losing its vision and capacity to deliver superior customer value and service.

The inflationary challenges over the last year due to international commodity price swings, and currency devaluation, have resulted in changes in purchasing and consumption behavior. However, the Company has maintained its focus on delivering the best solutions to our clients and consumers without sacrificing quality and consistency. This was primarily achieved by leveraging our deep market knowledge and hedging against price volatility.

CPJ continues to be a leading supplier to the Hospitality Industry based on our reputation, and the range of quality offerings within our portfolio. We have also continued to implement transformational change initiatives within our manufacturing operations for both food service and retail markets and we have experienced a positive reception by both markets.

2014/15 – A YEAR OF EXPANSION AND PROGRESS

At the start of the Fiscal Year we announced a number of planned strategic initiatives that would be implemented.

Our expansion into St Lucia with our joint venture partners Du Boulay's Bottling Company to form CPJ St Lucia, has proven to be a strong collaboration based on our compatible and complimentary capabilities. Within the first year of operation, CPJ St. Lucia has delivered positive and encouraging results. We believe that based on our ongoing roll out of phases of demand fulfillment, combined with service delivery and the strong relationships we have with many of the existing market players, revenue growth and opportunities will follow.

We continue to invest in our manufacturing infrastructure and employing world class systems and processes to produce high quality, locally produced products. Our goal is to consistently meet the stringent standards set and expected by both the local and international markets.

We continue to strengthen our relationships with local farmers and assist them in attaining higher quality and internationally accepted food safety standards. Once these standards are achieved, we incorporate their production into our supply chain for fresh products.

Our Company's exports have grown over the year in review, and we anticipate that with ongoing research and development of protein related products, we will create additional opportunities to enter new markets.

Regarding operations and logistics, our team has successfully implemented a number of initiatives that have introduced cost savings and incentives to create proactive and efficient behavior as we seek to execute accurate demand fulfillment.



“

The success of our company is based on the fact that we value our team members and offer them growth and development opportunities.

”



The performance culture of our sales and marketing teams was enhanced as we focused on further enabling and facilitating entrepreneurial behavior as the Company continues to evolve into an effective, customer-focused, and agile corporate entity.

FINANCIAL PERFORMANCE BASED ON A GROWING OPERATIONAL MODEL

CPJ posted a 10% growth in revenue for FY 2014/2015, amidst notable macroeconomic challenges, new entrants with aggressive pricing strategies and demand softening. Notwithstanding these dynamics, we were able to deliver growth (in real dollar terms) primarily through our Hospitality and Retail Divisions. New products were added to our portfolio, including our expanded line of local processed pork products that were launched with impressive market acceptance and reviews. Our non-core investments in our Kingston operations delivered improved results due to a repositioning and change of operating strategy.

LOOKING AHEAD – OUR PATH TO GROWTH IN 2016 AND BEYOND

We remain focused on our vision and mission. The challenges that are evident are also seen as opportunities for CPJ and we will be proactive in identifying impactful trends and using our market knowledge and experience to position our Company as the supplier of choice.

In the upcoming year we will drive sales as we take advantage of the opportunities for growth with the announcement of planned expansion of hotel rooms for both existing and new properties in Jamaica and regionally. The Company will also capitalize on opportunities for growth both organically and through the development of alliances to focus on categories that are currently underserved by choice or quality.

Ongoing rationalizing of products within our category portfolio and increasing supply



chain efficiency will also remain a priority in the upcoming year as we look to continually improving the Company's gross margins.

Ultimately, CPJ will seek opportunities to defend its core market and explore new opportunities that are complimentary to our capabilities, competitive advantages, and core values.

I thank our dedicated employees for their hard work and burning passion to succeed despite the environmental challenges. I also express our appreciation to our shareholders, our valued business partners, our engaging customers in the hospitality and retail segments and our other stakeholders; as without your continued support we could not achieve another major milestone in our growth.

Thomas N. Tyler
Chief Executive Officer

10%

**Growth in revenue
for FY 2014/2015**

Celebrating



1994

Caribbean Producers Jamaica Limited (CPJ) was first conceptualized by Mark Hart & Thomas (Tom) Tyler. Both envisioned a vertically integrated company that would focus on providing the hospitality industry with consistent service and quality products. CPJ started operations selling a container of Eversoft toilet paper from a 10,000 sq ft warehouse in the Sagicor Complex (formerly known as LOJ complex) located in Montego Freeport. CPJ then expanded its products to include a full range of paper products, dry goods, canned goods and condiments over the next two years.

1996

CPJ began distribution of wines to the hotel industry. Today CPJ represents many of the top producers of wine and internationally recognized spirit brands and is considered the leading importer of wines and spirits in Jamaica.

1997

CPJ began supplying the hospitality industry with a complete line of Beverage System juices featuring an institutional brand called Cloudburst.



1999

CPJ constructed a Juice plant to produce locally the juice concentrates for the Beverage System programs used by hotel food and beverage outlets. Today CPJ supplies the majority of the hotel sector locally as well as 4 other countries in the Caribbean.

2000

The Company constructed a 1,000 sq. ft. freezer at the LOJ complex. It began selling seafood and dairy products. Today CPJ's cold storage and manufacturing plant is approximately 50,000 sq ft and the Company sells a wide range of products including meats, seafood, dairy and frozen groceries.



CPJ's growth required its Head Office to move from the Sagicor complex to its current location at 1 Guinep Way, which was originally used as an 807 garment factory. The additional space increased its warehouse size by 25,000 sq. ft.

2003

CPJ introduced Red Bull to Jamaica which at the time was the only canned beverage on the market. This product brought CPJ recognition in the local retail market, Red Bull sales skyrocketed and Jamaica became the 5th largest consumer per capita of Red Bull in the Americas.

2006

The Company built a 28,000 sq. ft. refrigerated warehouse which was quickly followed by a second multipurpose 26,000 sq. ft. warehouse in 2011.

July 20, 2011

As part of its expansion strategy CPJ listed on the Jamaica Junior Stock Exchange. The listing was very successful and oversubscribed. Since listing on the JSE, CPJ has won three JSE Junior Market Best Practices awards: **Overall Best Junior company 2011** and **Best Website 2011 & 2013**.

2012

The food processing plant was constructed and CPJ now sells a wide range of beef and pork products to both the hospitality industry and the retail public. CPJ Market opened in Kingston giving the retail public access to CPJ's full range of products including CPJ branded bacon, hamburgers, sausages and ham. CRU Bar + Kitchen also opened and quickly became Kingston's finest rooftop bar and restaurant.

2013

CPJ won the **Eddie Hall Award** from the Jamaica Manufacturers Association (JMA) for **Best New Manufacturer of the Year**.

2014

In Montego Bay, CPJ expanded further and built an additional 10,000 sq ft warehouse to facilitate production materials and dry goods; in addition a staff wellness centre was constructed which includes a gym and a modern staff canteen.

CPJ St Lucia began its foodservice operations for institutional customers in July 2014 and currently it has a staff complement of 32.

2015

CPJ celebrates its 20th Anniversary!

DIRECTORS



A. Mark Hart J.P.

Executive Chairman (appointed April 1994)

A. Mark Hart was appointed to the Board on April 2004 and currently serves as the Executive Chairman. Mr Hart is the founding and controlling shareholder of the Company and prior to his appointment as Executive Chairman in 2011 he served as the company's Chief Executive Officer from 2004. Mr. Hart began his career as the Managing Director of the Hart family's group of companies in 1982, eventually becoming Chairman and Chief Executive Officer in 1997. Mr. Hart serves as Chairman of Cargo Handlers limited, a JSE Junior Market listed company and Montego Bay Ice Company Limited, a JSE Main Market listed company. He was a former Chairman of the Airports Authority of Jamaica and continues to be a member of the boards of the We Care for Cornwall Regional Hospital, ItelBPO Solutions and Alpha Angels investor group.

Mr. Hart is a graduate of the University of Miami.



Thomas Tyler

***Chief Executive Officer
(appointed April 2007)***

Thomas (Tom) Tyler was appointed to the Board in 2007 and currently serves as the Chief Executive Officer with oversight responsibility for driving the Company's day to day sales and operations while ensuring the Company stays true to its vision. Mr Tyler began his career at Caribbean Producers; a US based company that supplied furniture and equipment to the hospitality and hotel sectors across the Caribbean. While working there Mr. Tyler had the vision to create an integrated distribution company that led to the establishment of Caribbean Producers Jamaica Limited which he cofounded with Mark Hart in 1994.

Mr Tyler was educated at the University of South Florida.



Antony Hart, C.D., J.P

Non - Executive Director
(appointed April 2007)

Antony ("Tony") Hart was appointed to the Board in 2007 and as a Non – Executive member of the Board,

Mr Hart is a prominent local businessman and currently serves as the Chairman of the Branson Centre of Entrepreneurship; and as a Director of Port Handlers, Good Hope Holdings and Cargo Handlers. Mr. Hart is the past Chairman of Air Jamaica Limited (1980 – 1988) and the past Chairman and Managing Director of the Montego Freeport (1967 – 1980). Mr. Hart is also a past director of the Jamaica Industrial Development Corporation, the Bank of Nova Scotia Jamaica Limited, Caymanas Track Limited and Blue Power Group, amongst others.

A graduate of Munro College, Mr. Hart is also the recipient of an honorary doctorate from both the University of Technology & Northern Caribbean University, and has been honoured as a Commander of Distinction (C.D.) by the Government of Jamaica.



Ronald Schrager

Non-Executive Director
(appointed June 2011)

Mr. Schrager was appointed to the Board in June 2011. As a Non- Executive member of the Board, Mr. Schrager is the Chairman of the Audit Committee and a member of the Compensation Committee. Mr Schrager is the principal and co-founder of Eightfold Real Estate Capital, LP a real estate investment and advisory firm. Prior to the establishment of Eightfold, Mr. Schrager was the Chief Operating Officer of LNR Property LLC of the USA, from May 2003 until December 2010. In 1997 Mr. Schrager went to Lennar from Chemical Bank (now JP Morgan Chase) in New York, where he served as Vice President.

Mr. Schrager received a Masters Degree in Business Administration from Harvard Business School in 1988.



Richard 'Mark' Hall

Non-Executive Independent Director
(appointed September 2011)

Richard Hall was appointed to the Board on September 2011 and as an independent Non – Executive member of the Board, he was appointed Chairman of the Compensation Committee and is a member of the Audit Committee and the Corporate Governance and Nomination Committee of the Board. For the past 25 years Mr. Hall has served as the CEO of Hall's Investment Limited, operating the IGL filling plant franchise and Boomerang Tyre Sales in Western Jamaica.



Jan Polack

Chief Financial Officer

(appointed September 2011)

Jan Polack was appointed to the Board in 2011 and is currently the Chief Financial Officer charged with the responsibility and oversight of the financial and administrative operations of the Company while playing an integral role in its continued expansion. Ms. Polack is a director and the company secretary for Caribbean Egg Processors Limited and a director of CPJ Investments Ltd. and CPJ St. Lucia Limited. Ms. Polack joined the Company as its Chief Financial Officer in 2006 and prior to that she served as Financial Controller at various hotel chains in Jamaica spanning over 16 years in the hospitality services industry. She is a former Director of the Montego Bay Chamber of Commerce and Industry.

Ms. Polack graduated with a B.A. in Accounting from St. Leo's College, Florida and she is a Certified Public Accountant (CPA).



Robert J. Hooker Jr.

Non Executive Director

(appointed June 2011)

Robert (Bob) Hooker is President of Honey Industries Inc., a consultancy company and a Non-Executive member of the Board. He has over 35 years food industry experience, having previously served as President/CEO of Purity Products Inc., and as founder and President/CEO of Emerald Diversified Inc., and Executive Vice President of Florida Shortening Company. He has also been a consultant to the Company since 2005.

Mr. Hooker was educated at Norwich University and Brookdale College. He started his career as a junior chemist, before moving into sales and then into management. He is an active member of charitable organizations including but not limited to Rotary International, and the Knights of Columbus.



Theresa Chin

Non-Executive Director and Company Secretary
(appointed September 2004)

Theresa Chin was appointed to the Board in September 2004 and is the Company Secretary. As an independent Non – Executive member of the Board, Mrs. Chin also serves on the Audit and Compensation Committees of the Board. Mrs. Chin has worked with the Hart family shareholders since 1993. She is currently the Managing Director of Montego Bay Ice Company Limited and is currently acting as the Financial Manager for most of the companies in the Hart Group with the exception of Caribbean Producers Jamaica. Prior to joining the Hart Group of Companies, Mrs. Chin worked as a financial analyst for the Four Seasons Hotel, Toronto, Canada, as a tax consultant for the Borough of East York, Toronto, Canada and as an auditor at Deloitte & Touche.

Theresa Chin is a graduate of York University, Toronto Canada where she gained a Bachelor of Science degree in Mathematics.



L. Camille Shields

***Non-Executive Independent Director
(appointed February 2014)***

L. Camille Shields was appointed to the Board in February 2014 and as an independent non – executive member of the Board, Ms. Shields also serves as Chairperson of the Corporate Governance and Nomination Committee and a member of the Audit and Compensation Committees of the Board. Ms Shields is a Barrister and Attorney-at-Law with more than 12 combined years of experience in both the Jurisdictions of England & Wales and Jamaica. She has extensive international experience and a client-base spanning multiple industries representing companies and individuals in Jamaica and overseas. She has spent the last seven years establishing a Private Law Practice specializing in Land and Conveyance matters, Company and Commercial matters, and Probate and Succession.

Ms Shields obtained a Legal Education Certificate from the Norman Manley Law School (“Norman Manley”) and was enrolled as an Attorney-at-Law in Jamaica in mid-2003 and prior was called to the Bar of England and Wales and was entered as a member of the Honourable Society of Lincoln’s Inn in 2002. Additionally she holds a Bachelor of Arts from University of Western Ontario (“Western”) at London, Ontario, Canada and a Bachelor of Laws from the University of London (“UL”) at London, England.



Anil Chatani

***Non-Executive
Independent Director
(appointed February 2014)***

Anil Chatani was appointed to the Board in 2004. As an independent Non – Executive member of the Board, Mr. Chatani also serves on the Corporate Governance and Nomination Committee of the Board.

Mr Chatani is an experienced businessman in Western Jamaica. He is the Director of C Four Limited, which has been operational since 1998 and has retail outlets throughout Montego Bay and Spanish Town. He is also a director of Unique Four Limited which owns real estate in Montego Bay.



Sandra Glasgow

***Mentor to the Board
(appointed June 2011)***

Sandra Glasgow is the Managing Director of BizTactics Limited. She is a Member of the Board of Directors of National Commercial Bank Jamaica Limited, Resorts Beach Limited, eMedia Interactive Limited, Medical Disposables and Supplies Limited, Dress For Success Jamaica, YUTE Limited and the National Crime Prevention Fund (Crime Stop). She is a Trustee of the NCB Pension Funds and the SMART Retirement Fund; Mentor to Caribbean Producers Jamaica Limited, Medical Disposables and Supplies Limited and a Founding Member of FirstAngelsJA.

She has a Bachelor of Science Degree in Applied Zoology and Applied Botany and a Master of Business Administration from the University of the West Indies, Mona. She is certified as a Director by the Commonwealth Association for Corporate Governance; a Trainer of Trainers in Corporate Governance Board Leadership by the International Finance Corporation and a Trainer of Trainers in Business Ethics by the Inter-American Investment Corporation and the US Department of Commerce. She was Jamaica’s Eisenhower Fellow in 2000.



Mr. Thomas Tyler
Chief Executive Officer

Mr. Roger Williams
Chief Operating Officer

Dr. David Lowe
Chief Revenue Officer

Ms. Jan Polack
Chief Financial Officer



Mr. A. Mark Hart
Executive Chairman

Executive Management

Roger Williams

Chief Operating Officer

Roger Williams joined the Company in May 2014, bringing over 17 years' experience in executive leadership and management. Over this period, he successfully led various organizations including Vistaprint Jamaica, Grace Kennedy Money Services and Supreme Ventures Ltd. – through significant growth and improved business performance. Mr Williams was also employed as a maintenance manager to Red Stripe Ltd. and as a project engineer with Tropicair Ltd. before growing to his first executive role at Grace Kennedy Money Services, where he was charged with establishing and growing the company's FX Trader cambio.

Mr. Williams has a Bachelor's degree in Mechanical Engineering from The University of the West Indies, and received a Masters degree in Business Administration from Howard University.

Dr. David Lowe

Chief Revenue Officer

Dr. David Lowe joined the Company as the Vice President of Marketing and Retail Sales and was promoted in February 2014 to his current position of Chief Revenue Officer. In this role, Dr. Lowe's primary focus is to spearhead the Company's revenue strategy and be instrumental in the company's continued expansion.

Dr. Lowe started his career as an investment banker and later worked as a senior executive for the Accenture group. On returning to Jamaica he was appointed as Chairman of the Agricultural Development Corporation (ADC) with the Ministry of Agriculture and Fisheries. He was active in a number of governmental boards including Bureau of Standards, IFC and the Jamaica Dairy Development Board. Prior to joining CPJ he was the special advisor to the Minister of Industry, Investments and Commerce.

Dr. Lowe has a Doctorate in Business Administration (Corporate Finance) from the Manchester Business School, University of Manchester, UK.



Kesha-Ann Harper
Director of Finance

Petra-Ann Williamson
Director of Human
Resources

Executive Management

Petra-Ann Williamson

Director of Human Resources

Petra-Ann Williamson joined the Company in February 2009 and brings to it 20 years of experience in the business sector. As the Director of Human Resources, Mrs. Williamson has ultimate responsibility for all people based activity within the Company including resource planning and recruitment; training; and managing a variety of employee related issues.

Mrs. Williamson graduated with a Masters Degree in Business Administration from the University of New Orleans and a Bachelors degree in Psychology from the University of the West Indies. She also holds various certifications in marketing, project management and human resources. Mrs. Williamson is a member of the Human Resource Management Association of Jamaica and the Jamaica Employer's Federation and she is also an executive board member of the Good Shepherd Foundation.

Kesha-Ann Harper

Director of Finance

Kesha-Ann Harper joined the Company in September 2014 as Director of Finance. She brings to the post over 16 years of experience in finance and auditing having served in several key roles in both public and private entities. Prior to joining the Company Ms. Harper assisted small businesses and entrepreneurs with business plans and loan packages while functioning as the Vice President of Corporate Strategies Limited. She also worked as Assistant Vice President of Finance at the Port Authority of Jamaica with responsibility for six of its subsidiaries.

Ms. Harper attended the University of the West Indies, where she graduated with a B.Sc. degree in Chemistry and Management Studies. She attained an MBA in Banking and Finance from Mona School of Business and is a Certified Public Accountant (CPA). She is also an accredited Certified Information Systems Auditor (CISA).



Hugh Logan

Director of Hospitality Sales

Hugh Logan joined the Company in February 1997 as the Beverage Systems Manager before being promoted to National Sales Manager then to his current role as Director of Hospitality Sales & Export. In his current role Mr. Logan is responsible for driving sales in the institutional market while maintaining oversight

and direction of the regional sales expansion. Prior to joining the Company Mr. Logan worked in various management roles in the hotel sector. He graduated from Seneca College and Queen's University, both of Ontario Canada, where he received a Bachelor of Science degree in Psychology.



Radcliffe Murray

Director of Operations

Radcliffe Murray joined the Company in 2001 as a member of the Sales and Marketing team. In 2002, he was promoted to Manager for the Systems Sales Division and he has subsequently moved up the ranks, resulting in his current position as Director of Operations. Mr. Murray brings to the Company his experience

in finance, sales and marketing and in his current role as Director of Operations he is primarily focused on logistics and facilities management. In addition to this role Mr Murray is acting General Manager for the new subsidiary, CPJ St Lucia.

Mr. Murray holds qualifications from the Business Resource Institute (BRI) International (Certified Food System Management Consultant) and Guelph University of Ontario Canada (Food Technology Centre). He is also a Certified HACCP consultant and serves as a Director of the Board of The Jamaica Manufacturers' Association since 2009.

CORPORATE DATA

HEADQUARTERS

Montego Bay

Caribbean Producers (Jamaica) Limited
1 Guinep Way, Montego Freeport, St. James, Jamaica

Mailing Address:

P.O. Box 302, Montego Bay, St. James, Jamaica W.I.
Tel: (876) 979-8134 / 8136
Fax: (876) 953-6898

Email: info@cpj.com

Web: www.caribbeanproducers.com
www.cpjmarketonline.com

Kingston

CPJ Market & CRU bar
71 Lady Musgrave Road
Kingston 10
Tel: (876) 633-5973 / 633-5976
Tel: (876) 618-0852 (Cru)

REGISTERED OFFICE

Shop#14, Montego Freeport Shopping Center
Montego Freeport, St. James, Jamaica

AUDITORS

KPMG, 6 Duke Street, Kingston

INTERNAL AUDITORS

PriceWaterhouseCoopers LLP

Scotiabank Centre
Corner of Duke & Port Royal Street
P.O. Box 372, Kingston

BANKERS

Sagicor Bank Jamaica Limited

17 Dominica Drive, New Kingston

The Bank of Nova Scotia Jamaica Limited

Scotiabank Centre
Corner of Duke & Port Royal Street
Kingston

National Commercial Bank

Baywest Center,
Harbour Street
Montego Bay



Top Ten (10) Shareholders *(As at 30 June 2015)*

NAME	SHARES
Wave Trading Limited	440,000,000
Sportswear Producers Limited	440,000,000
Mayberry West Indies Limited	26,830,229
JCSD Trustee Services Ltd. A/C#76579-02	13,679,900
ATL Group Pension Fund Trustees Nom. Ltd.	12,982,044
SJIML A/C 3119	11,906,177
Yuan, Liao	9,971,710
Victory Island Limited	7,600,000
JCSD Trustee Services Ltd. - Sigma Venture	6,270,084
SJLIC for Scotiabridge Retirement Scheme	6,070,917

Directors' & Senior Officers' Interests

The interests of the Directors and Senior Officers, holding office at the end of the quarter, along with their connected persons*, in the ordinary stock units of the Company were as follows:

DIRECTORS

Mark Hart ^{1, 2}

Antony Hart ^{1, 2}

Ronald Schrager ³

Antony Hart	2,616,324
Jan Polack	2,790,185
Theresa Chin	760,900
Richard Mark Hall	942,859
Sandra Glasgow (Mentor)	100,000

SENIOR OFFICERS

Hugh Logan	345,043
Radcliffe Murray	567,098
Petra-Ann Williamson	285,467

¹ Interests in Sportswear Producers Limited 440,000,000

² Interests in Wave Trading Limited 440,000,000

³ Interests in Alpine Endeavors Limited 1,881,100

*Persons deemed to be connected with a director/senior manager are:

- The director's/senior manager's husband or wife.
- The director's/senior manager's minor children (these include step-children) and dependants and their spouses.
- The director's/senior manager's partners.
- Bodies corporate of which the director/senior manager and or persons connected with him together

“

CPJ branded products are synonymous with quality and value and are available in most supermarket and hyper market chains.

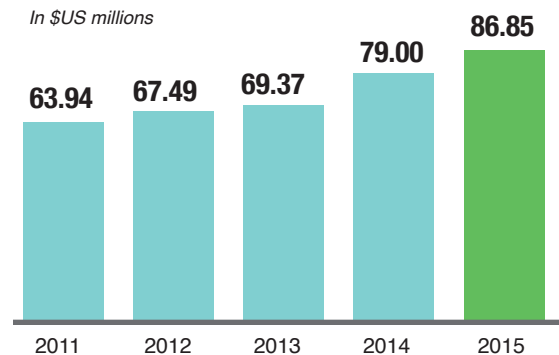
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FIVE YEAR FINANCIAL REVIEW

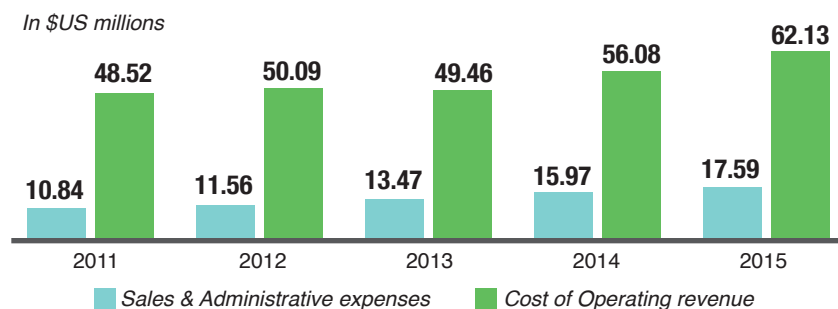
GROSS OPERATING REVENUE

Gross operating revenue grew by 36% from US\$63.94M in 2011 to US\$86.85M in fiscal year 2014/2015. The Group enjoyed steady growth in revenue over the five year period by expanding into the Caribbean region with its new subsidiary CPJ St. Lucia hence increasing its customer base; setting up a food processing plant and growing its sales in the retail trade by adding new categories of products and hence diversifying its product offerings. The gross operating revenue reflected a 10% increase for the year which was less favourable than the previous year's growth of 14%. The compound annual growth rate (CAGR) over the last five years is 6.32%.



OPERATING EXPENSES

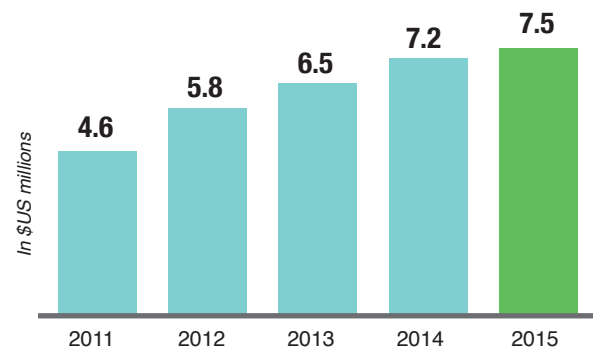
Selling and Administration Expenses increased from US\$10.84 million to US\$17.59 million or 62% for the 5 year period. The new subsidiary, food processing and expansion in the retail division were the main reasons for the increases noted. The Cost of Operating Revenues increased by a CAGR of 5.07%.



EARNINGS BEFORE INTEREST, TAXES AND DEPRECIATION (EBIDTA)

Earnings before Interest, Taxes and Depreciation have moved upwards in the five year period. EBIDTA grew from US\$4.6 million in financial year 2011 to US\$7.5 million in financial year 2015 at a CAGR of 10.3%. In 2015, the Company earned a net profit of US\$3.43 million, reflecting a marginal reduction of 0.7% from the net profit of US\$3.46 million earned in 2014. The Company was listed on the Junior Market of the Jamaica Stock Exchange on July 20, 2011 and as such enjoys a 10 year tax benefit as follows:

YEARS 1 - 5	100%
YEARS 6 - 10	50%



IMPORTANT RATIOS

	2015	2014	2013	2012	2011
Debt to Equity Ratio	1.82	1.91	2.34	2.55	9.27
Return on Equity	18%	21%	24%	29%	36%
Profit before Taxation/Sales	3.8%	4.4%	4.4%	4.6%	3.1%
Return on Asset	6.5%	7.3%	7.3%	8.3%	3.5%
Current Ratio	2.34	2.19	2.15	1.83	1.62
Earnings per Stock Unit (US cents)	0.32	0.31	0.29	0.28	0.12
Weighted Avg. Exchange Rate J\$:\$US	114.33	106.54	94.11	86.88	85.86

CORPORATE GOVERNANCE STATEMENT

INTRODUCTION

This statement outlines the corporate governance framework of Caribbean Producers Jamaica Limited. The Company is committed to ensuring that its obligations and responsibilities to its various stakeholders are fulfilled through its corporate governance practices. The Directors and executive management strive to perform their duties with honesty, integrity, care and diligence and to act in good faith in the best interests of the Company, reflecting the standards of corporate governance which are contained in the Board's own Corporate Governance Charter.

The Company's Charter, which has been adopted by the Board, sets out the functions and responsibilities of the Board, each Director and the Chairman. The provisions in the Charter are complementary to the requirements regarding the Board and Board members contained in the Companies Act 2004, regulations of the Jamaica Stock Exchange, the Articles of Incorporation of the Company and those governing the relationship between the Board and its committees as contained in the Charters of the Committees (which have been adopted by the Board).

Under the Charter, the Board is accountable to shareholders for the overall performance of the Company and management of its affairs.

The Board oversees the general business of the Company. The entire Board is responsible for such supervision and oversight. Key responsibilities of the Board include:

- developing, providing input into and final approval of, corporate strategy, including a review and affirmation of the Company's vision, mission and guiding principles;

- evaluating, approving and monitoring the strategic and financial plans and performance objectives of the Company;
- determining the dividend policy and the amount and timing of all dividends;
- evaluating, approving and monitoring major capital expenditure, capital management and all major acquisitions, divestments and other corporate transactions, including the issue of securities;
- reviewing, ratifying and monitoring systems of risk management and internal compliance and control, codes of conduct and legal compliance;
- evaluating and monitoring annual budgets and business plans;
- ensuring appropriate capital and operational resources are available to senior management;
- approving all accounting policies, financial reports and external communications by the Company;
- appointing, re-appointing or removing the Company's external auditors (on recommendation from the Audit Committee); and
- appointing, monitoring and managing the performance and remuneration of Executive Directors.

The Board acts in the best interests of the Company and its business, taking into consideration the interests of the Company's shareholders and other stakeholders. Directors perform their duties independent of any particular interest in the Company and are encouraged not to support one interest without regard to the other interests involved. The Board's Charter sets out the five moral duties of Directors:

- i. To act with intellectual honesty in the best interest of the Company and all its stakeholders. Conflicts of interest should be avoided. Independence of mind should prevail to ensure the best interest of the Company and its stakeholders are served.
- ii. To devote serious attention to the affairs of the Company, obtaining relevant information required for exercising effective control and providing innovative direction to the Company.
- iii. To use and acquire the knowledge and skills required for being effective and continuously developing competence; to be willing to be regularly evaluated to assess competence.
- iv. To be diligent in performing Directors' duties, devoting sufficient time to attend to Company's affairs, and
- v. To have the courage to take the risks associated with directing and controlling a successful sustainable enterprise, but also the courage to act with integrity in all Board decisions and activities.

A copy of the Charter is available in the corporate governance section of the Company's website:
www.caribbeanproducers.com

BOARD COMPOSITION

The Board is led by Executive Chairman, A. Mark Hart who is primarily responsible for the activities of the Board and its committees, acting as the spokesman for the Board and presiding over the Annual General Meeting. Mr. Hart is the principal contact for the Chief Executive Officer (CEO), Thomas (Tom) Tyler and Mr. Hart and Mr. Tyler meet regularly to discuss the Company's operations and plans.

The Board currently consists of ten Directors and includes three Executive Directors, including the Chairman, and seven Non-Executive Directors, including three Independent Directors. One third of Directors (excluding the CEO and a Director

appointed to fill a casual vacancy and rounded down to the nearest whole number) must retire at every annual general meeting. Other than the CEO, no Director may remain in office for more than three years without resigning and standing for re-election. Any Director appointed by the Board must stand for election at the next annual general meeting.

NAME	POSITION
A. Mark Hart	Executive Chairman
Thomas Tyler	Director and Chief Executive Officer
Jan Polack	Director and Chief Financial Officer
Ronald Schrager	Non-Executive Director
Robert Hooker	Non-Executive Director
Antony Hart	Non-Executive Director
Mark Hall	Non-Executive, Independent Director
Camille Shields	Non-Executive, Independent Director
Anil Chatani	Non-Executive, Independent Director
Theresa Chin	Non-Executive Director and Company Secretary

The Board periodically conducts a review of its structure and composition. The Board considers that a diverse range of skills, backgrounds, knowledge and experience is required in order to effectively govern the Company. The Corporate Governance and Nomination Committee reviews the size and composition of the Board at regular intervals. When the need for a new Director is identified, the required experience and competencies of the new Director are defined in the context of this matrix and any gaps that may exist. Generally a list of potential candidates is identified based on these skills required and other issues such as geographic location and gender. Candidates are assessed against the required skills and on their qualifications, backgrounds and personal qualities. Appropriate background and other checks are undertaken before the Corporate Governance and Nomination Committee recommends the most appropriate candidate(s) for consideration by the Board as a whole.



OPERATION OF THE BOARD

The Board generally meets quarterly, but may meet as often as is necessary. Meetings are scheduled annually in advance according to an annual Board calendar. Meetings are held at the Company's Head Office in Freeport, Montego Bay, sometimes by telephone, as some Directors, particularly those based overseas, may not be able to join in person. Senior executives are invited to attend Board meetings, even if they are not Board members. This provides a direct line of communication between the Directors and management.

The Board delegates the day-to-day responsibility for managing the Company to the Executive Management Team. To enable the Board to discharge its duties, all Directors receive appropriate and timely information. Board papers, including an agenda, are distributed to all Directors at least five working days in advance of Board and Committee meetings. A reporting pack containing management accounts with commentary and reports from each division of the Company is also distributed to Directors on a monthly basis. Board members have committed to participate in corporate governance training at least annually as part of their continuing education on good governance and their general and specific roles and responsibilities as Directors.

The attendance of individual Directors and the Mentor at Board meetings and Committee meetings during the year is set out in the table below and in the reports of individual committees.

MEETING ATTENDANCE

Name	Number of meetings attended	% of total meetings held
A. Mark Hart	4	80%
Thomas Tyler	5	100%
Jan Polack	5	100%
Ronald Schrager	5	100%
Robert Hooker	4	80%
Antony Hart	5	100%
Mark Hall	4	80%
Camille Shields	5	100%
Anil Chatani	3	60%
Theresa Chin	5	100%
Sandra Glasgow, Mentor	5	100%

Number of meetings held = 5

INDEPENDENCE OF NON-EXECUTIVE DIRECTORS

The Board's Corporate Governance Charter defines an independent Director as one whom:

- Is not, and has not been employed by the Company or any of its related parties at any time during the past five years;
- Is not, and has not been affiliated with a Company that acts as an advisor or consultant to the Company or its related parties, and has not acted in such capacity at any time during the past five years;
- Is not, and has not been affiliated with any significant customer or supplier of the Company or its related parties at any time during the past five years;
- Does not currently have, nor has had any personal service contracts with the Company, its related parties or its senior management at any time during the past five years;
- Is not affiliated with any non-profit organisation that receives significant funding from the Company or its related parties;
- Does not receive and has not received any additional remuneration from the Company apart from a Director's remuneration, nor participates in the Company's share option or performance-related payment plans, nor is a participant of the Company's pension plan;
- The Director's remuneration does not constitute a significant portion of the person's annual income;
- Is not employed as an executive officer of another Company where any of the Company's executives serve on that Company's Board;
- Is not a member of the immediate family of any individual who is, or has been at any time during the past five years, employed by the Company or its related parties as an executive officer;

CORPORATE GOVERNANCE STATEMENT...

- Is not, nor has been at any time during the past five years, affiliated with or employed by a present or former auditor of the Company or auditor of any related party; and
- Is not a controlling person of the Company (or member of a group of individuals and/or entities that collectively exercise effective control over the Company) or such person's brother, sister, parent, grandparent, child, cousin, aunt, uncle, nephew or niece, or a spouse, widow, in-law, heir, legatee and successor of any of the foregoing, (or any trust or similar arrangement of which any such persons or a combination thereof are the sole beneficiaries) or the executor, administrator or personal representative of any person described in this paragraph who is deceased or legally incompetent.

On the basis of these provisions, the Directors deemed to be independent as of June 30, 2015 are:

- o Mark Hall
- o Camille Shields, and
- o Anil Chatani

CONFLICTS OF INTEREST

A potential conflict of interest exists if the Company intends to enter into a transaction with a related party which includes the following:

- o The Board members of the Company, affiliated companies and associates.
- o The CEO and key officers, including anyone who directly reports to the Board or the CEO.
- o Any significant shareholder owning or

controlling more than 10% of the voting shares having the ability to control, or exercise a significant influence on, the outcome of resolutions voted on by shareholders or Directors of the Company, affiliated or associated companies.

- o The father, mother, sons, daughters, husband, or wife of any of the natural persons listed in the Clauses above.
- o Any business, and the Directors, CEO and key officers of any business, in which the natural persons listed, own jointly or severally at least 20% of the voting rights.

Directors are required to declare any potential conflict of interest and not to take part in any discussion or decision-making regarding any subject or transaction in which there is a conflict of interest with the Company. All transactions in which there are conflicts of interest with Directors are agreed on terms that are customary for arm's-length transactions in the Company's business. Decisions to enter into transactions in which there are conflicts of interest with Directors require the approval of the Board.

MATTERS RESERVED FOR THE BOARD

The Board is responsible to shareholders for the proper management of the Company. The Board Charter contains a schedule of matters that are specifically reserved for the Board's decision that covers key areas of the Company's affairs, including:

1. REGULATORY/ LEGAL REQUIREMENTS

- o Approval of the interim and preliminary Company results
- o Approval of any interim dividend and recommendation of any final dividend
- o Approval of the Annual Report and Accounts, Summary Financial Statement of the Company and any interim statement advertised or issued to shareholders
- o Receipt of declarations of interest from Directors.

2. APPOINTMENTS, TRAINING, EVALUATION AND TERMS OF REFERENCE

- o Appointment and removal of Directors
- o Determination of the independence of any Director or proposed Director
- o Apportionment of responsibilities to the Executive Directors of the Company including appointments to (and removal from) the positions of Chief Executive Officer and Finance Director
- o Approval of the terms of reference of all Board Committees
- o Performance evaluation of the Board at least once each year, and reporting in the Annual Report and Accounts as to whether such performance evaluation has taken place and how it has been conducted
- o Approval of policy on Executive Directors' remuneration
- o Approval by the Chairman and Executive Directors of the remuneration and terms of appointment of Non-Executive Directors
- o Ensuring that a satisfactory dialogue with shareholders takes place.



3. MANAGEMENT

- o Approval of the Strategic Plan and annual budget.
- o Approval of any significant changes to Company policies on financial and non-financial risks.
- o Approval of the policy in relation to the provision of non-audit services by the external auditors, as recommended by the Audit Committee.
- o The review and approval of any material changes to the levels and nature of the insurance cover and other risk management matters concerning the Company.
- o Approval of, and significant changes to, the Company's internal controls system.

- o Annual review of the effectiveness of the Company's internal controls system and reporting to shareholders that this has been done.
- o Approval of, on the recommendation of the Audit Committee, the Audit Engagement Letter.

4. TRANSACTIONS

- o Approval of any substantial transaction as defined by the Jamaica Stock Exchange Listing Rules or any substantial capital and revenue expenditure, including an acquisition or disposal of financial assets.
- o Approval of commencement, by the Company, where such business has not previously been transacted and where the activity is expected to represent, in

its first full year of trading, more than 1% of gross income of the Company in the recent financial year.

- o Approval of cessation, by the Company, of any activity previously conducted, representing more than 1% of gross expenses of the Company in the most recent financial year.

5. GUARANTEES/INDEMNITIES/SECURITIES

- o Approval of the provision of any guarantee, indemnity or security by the Company.

6. SHARE CAPITAL AND FINANCING

- o Approval of any increase/reduction in the issued share capital within the



Authorised Share Capital approved by Shareholders.

- o Approval of the issue or repayment of any share capital or debt securities or any other borrowings by the Company other than where such issue, repayment, subscription or borrowing is in the ordinary course of business and has been approved as part of the Company's Business Plan.

INTERNAL CONTROL AND RISK MANAGEMENT

The Board has overall responsibility for the Company's system of internal controls and for monitoring its effectiveness. Such a system is designed to manage rather than eliminate the risk of failure and by its very nature can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has established a continuous process for identifying, evaluating and managing the significant risks the Company faces. The Board, through its Audit Committee, reviews at each meeting, the effectiveness of the Company's internal controls and is satisfied that the current internal control systems, though subject to improvement, are in accordance with good practice.

The key elements of the system of internal controls include:

- Each member of the Company's Executive Management team has responsibility for specific aspects of the Company's operations. The team meets on a regular basis and is responsible for the operational strategy, reviewing operating results, identification and mitigation of risks and communication and application of the Company's

policies and procedures. Where appropriate, matters are reported to the Board and the Board receives regular reports on key developments, financial performance and operational issues concerning the business;

- The Company has clear operational and financial controls and procedures which include authorisation limits for expenditure, sales contracts and capital expenditure, signing authorities, IT application controls, organisation structure, Company policies, segregation of duties and reviews by management;
- An annual operating and capital budgeting process, the outputs of which are annual budgets that are reviewed, approved and monitored by the Board;
- Regular meetings between the Executive Management team, sales and line of business managers to discuss actual performance against forecast, budget and prior years.



The operating results are reported on a monthly basis to the Board and compared to the budget and the latest forecast as appropriate;

- Quarterly internal audit reviews and annual external audits, both of which focus on confirming the operation of controls in key process areas, and
- Maintenance of insurance cover for all major risk areas of the Company based on the scale of the risk and availability of the cover in the market.

The Board's monitoring covers all material controls, including financial, non-financial, operational and compliance controls and risk management. It is based principally on reviewing reports from management to consider whether significant risks are identified, evaluated, managed and controlled and whether any significant weaknesses are promptly remedied and indicate a need for more extensive monitoring.

REVIEW OF BOARD PERFORMANCE

There is a review of Board, Committee and individual Director performance each year. The review of Board and Committee performance involves a comparison of performance against agreed relevant criteria; and an examination of the Board's and the Committees' overall effectiveness.

A Board, Committee and individual Director evaluation took place during the Reporting Period in accordance with the process outlined below. In February 2015, all Directors completed detailed surveys regarding the Board's and each Committee's performance. Each Director provided ratings and comments regarding the Board's and each Committee's key activities, as well as comments regarding the Board's and

CORPORATE GOVERNANCE...

each Committee's overall performance.

The Mentor designed the evaluation instrument, circulated it to Directors, received the completed questionnaires, collated the ratings and comments without attributing them to any Director, and presented a report to the Chairman and the Board. Directors discussed the key themes arising from the report at a meeting of the Board and agreed on actions to enhance Board and Committee performance.

The criteria against which the performance of the Board and its Committees was assessed during the reporting period included, inter alia:

- strategy formulation;
- Board practices;
- skills and experience of Board members;
- chairman and CEO relationship;
- channels of communication;
- risk management;

- ethics and compliance;
- succession planning.

The review of individual Director performance involved a peer comparison of the Director's performance against agreed relevant criteria, including, inter alia:

- understanding of the Director's role as a Board member, including legal and ethical responsibilities,
- understanding of the Company's mission, vision and goals/objectives,
- the level of participation in meetings; asking probing questions and freely sharing information and insights,
- the level of understanding of the market and the competitive landscape,
- objectivity in decision making; providing logical, honest opinions on issues presented and considering the impact of issues on individuals, the Company and the community,
- respecting the confidentiality of Board deliberations and decisions,



- consistency in attending meetings of the Board and committees, and
- preparation for meetings.

INDEMNITIES TO DIRECTORS

In accordance with the Company's Articles of Association, Directors are granted an indemnity from the Company to the extent permitted by law in respect of liabilities incurred as a result of the performance of their duties in their capacity as Directors to the Company. The indemnity does not provide any coverage to the extent the Director is proven to have acted fraudulently or dishonestly. The Company maintained Directors' and officers' liability insurance cover throughout the year.

POLICY ON APPOINTMENT AND REAPPOINTMENT

In accordance with the Articles of Association, all Directors are required to retire and submit themselves for re-election at least every three years by rotation and also following their appointment. As in the prior year all the remaining Board members are offering themselves for re-election at the next Annual General Meeting.

Before appointing a Director, the Board undertakes appropriate checks and provides shareholders with all material information which is relevant to the decision to elect or re-elect a Director. Directors receive formal letters of engagement setting out the key terms, conditions and expectations of their engagement. The formal letter of appointment of a Director includes the following details:

- Duties and responsibilities
- Time commitment envisaged
- Remuneration and expenses
- Annual performance appraisal
- The manner in which conflicts of interest are handled
- Handling confidential information
- Retirement and termination
- Data protection

All Directors undergo an induction programme as soon as practical following their appointment. As part of the induction process, Directors are provided with background information on the Company and attend the Company's headquarters in Montego Bay for meetings and presentations from senior management.

COMMITTEES OF THE BOARD

While the Board recognises its responsibility for the oversight of management on behalf of stakeholders, to do so more effectively it has appointed three standing committees from among its members to perform specific tasks, namely: Audit, Corporate Governance and Nomination and Compensation, each with their own written terms of reference which are available on the Company's website at www.caribbeanproducers.com/about/corporategovernance.

The Board, however, remains collectively responsible for the decisions and actions taken by its committees and a committee may only perform the tasks delegated to it by the Board and may not exceed the authority or powers of the Board as a whole.

Each committee is required to promptly inform the Board of the actions it has taken and major developments of which it becomes aware. Each Director has unrestricted access to all committee meetings and records.

AUDIT COMMITTEE

The Audit Committee comprises Mr. Ronald Schrager (Chairman), Mrs. Theresa Chin, Mr. Mark Hall and Ms. Camille Shields, the latter two Directors being Non-Executive, Independent Directors. During the reporting period the Audit Committee met 5 times. Below is the attendance record.

		No. of meetings attended
Committee Chairman:	Ronald Schrager	4
Committee Members:	Mark Hall	4
	Theresa Chin	5
	Camille Shields	5
	Sandra Glasgow, Mentor	5
Number of meetings held = 5		

In accordance with its Charter, the committee's main responsibility is to advise and assist the Board on the establishment and maintenance of a risk management framework, internal controls and standards for the management of the Company and to monitor the quality and reliability of its financial statements. The Board recognises that internal audit is an important function within a business, however, given the



size of the Company and to discharge its responsibility to ensure that the Company has a high standard of controls in place, the Company has outsourced the internal audit function to PricewaterhouseCoopers (PwC). As an independent expert, PwC undertakes reviews, meets with management, requests declarations from management as required and reports to the Audit Committee on a quarterly basis. The Audit Committee continually monitors the follow-up actions required by management to address any issues raised by the reports and makes recommendations to the Board as necessary.

The Committee continued its relationship with the Company's external auditor, KPMG, including The Board, through the Audit Committee, continued to affirm its confidence in the independence, competence and integrity of KPMG. KPMG does not undertake work for the Company which is not related to the external audit function.

In summary, throughout the year the Committee discharged the following responsibilities:

- Reviewing and recommending to the Board, approval of the quarterly unaudited financial statements and releases to shareholders.
- Reviewing and agreeing on the audit plan and fee proposal from the external auditor, KPMG and assessing the firm's independence and effectiveness.
- Receiving the audit report and management letter from KPMG.
- Reviewing and recommending to the Board, approval of the audited financial statements and release to shareholders.
- Recommending the payment of dividends to shareholders in accordance with the Company's dividend policy.
- Reviewing and discussing the quarterly internal audit reports prepared by PwC, including follow-up reports on the findings of operational, financial, compliance and IT audits.
- Ensuring compliance with the filing of regulatory disclosures and the payments of taxes.

COMPENSATION COMMITTEE

The Compensation Committee comprises Mr. Mark Hall (Chairman), Mrs. Theresa Chin, Mr. Ronald Schrager and Ms. Camille Shields, all of whom are Non-Executive Directors and two of whom (Mr. Hall and Ms. Shields) are Independent Directors. Ms. Shields became a member of the Committee during the reporting period.

In accordance with its Charter the Committee assists the Board in fulfilling its fiduciary responsibilities relating to the fair and competitive compensation of non-executive Directors, executives and other key employees of the Company, and in connection with the administration of the general employee welfare plans of the Company. The Committee is primarily responsible for providing recommendations to the Board in regards to the remuneration strategy, policies and practices applicable to Non-Executive Directors, the CEO, and Senior Executives.

	No. of meetings attended
Committee Chairman: Mark Hall	2
Committee Members: Theresa Chin	2
Ronald Schrager	2
Camille Shields	1
Sandra Glasgow, Mentor	2
Number of meetings held = 2	

During the year, the Committee met twice under the leadership of its Chairman, Director Mark Hall, to consider and recommend to the Board for approval, salary adjustments for executive management and general line staff.

The Committee also considered and made recommendations to the Board for approval of personnel and incentive scheme changes in the Warehouse, based on submissions from management regarding a programme to reduce staff, improve efficiencies and implement an incentivised compensation scheme. The Committee also recommended the approval of a restructuring plan for the Human Resources Department. The Executive Chairman, Chief Executive Officer and the Chief Financial Officer attended meetings of the Committee by invitation, and though they were present for the

discussion on executives' remuneration, they took no part in the voting process.

Remuneration to Non-Executive Directors remained unchanged during the year.

CORPORATE GOVERNANCE AND NOMINATION COMMITTEE

The Committee assists the Board in ensuring that its composition, structure, policies and processes meet all relevant legal and regulatory requirements, as it strives to achieve global corporate governance best practice standards and to facilitate the objective of increasing the long- term value of the Company.

During the reporting period, the Committee met once to consider and recommend the approval, by the Board, of the following:

- o Disclosure Policy,
- o Corporate Social Responsibility Policy, and
- o Credit Policy.

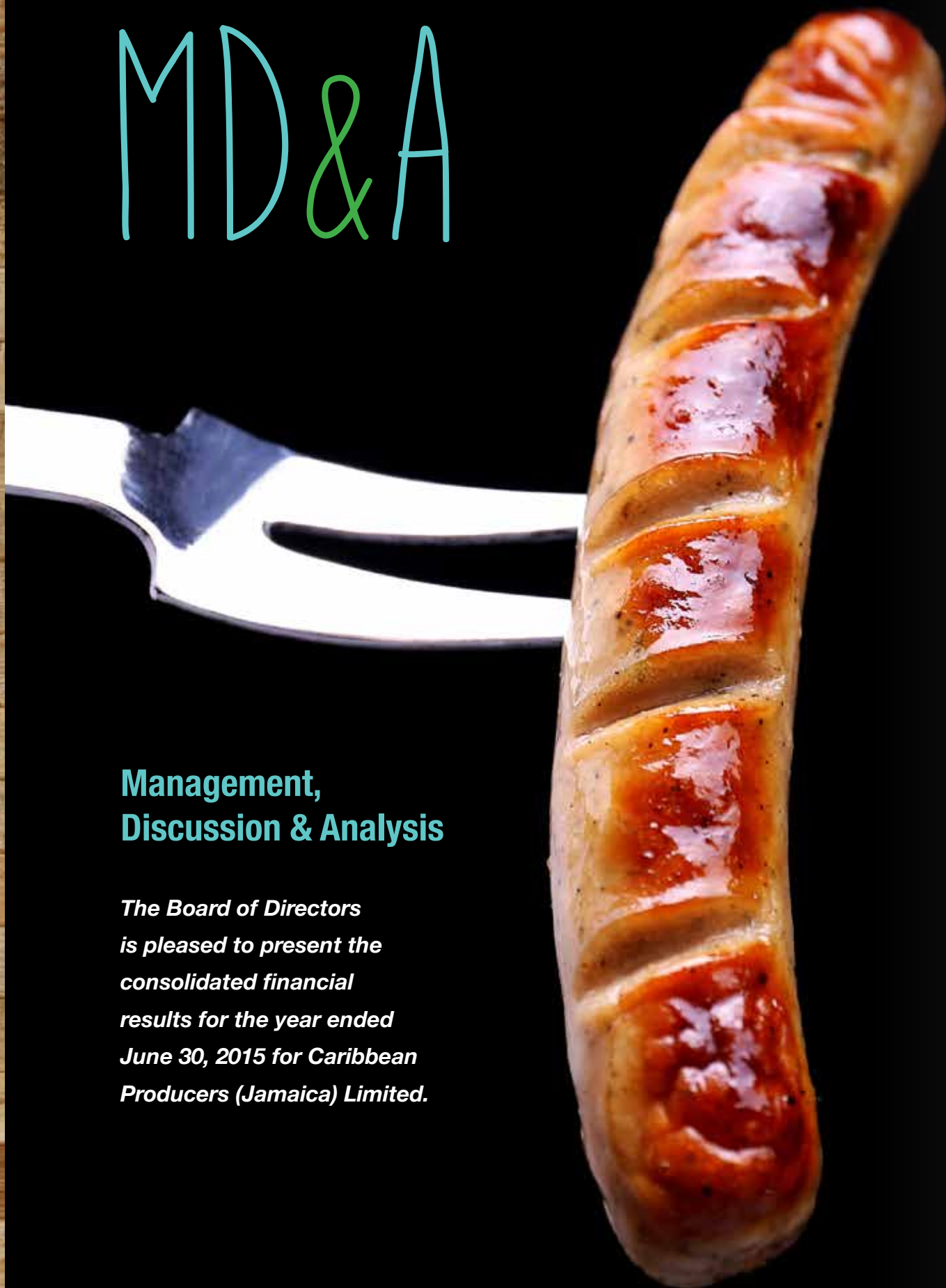
	No. of meetings attended
Committee Chairperson: Camille Shields	1
Committee Members: Mark Hall	1
Anil Chatani	1
Sandra Glasgow, Mentor	1
Number of meetings held = 1	

Board of Directors

MD & A

Management, Discussion & Analysis

*The Board of Directors
is pleased to present the
consolidated financial
results for the year ended
June 30, 2015 for Caribbean
Producers (Jamaica) Limited.*



THE COMPANY OVERALL

The Company celebrates 20 years of service to its customers as the leading food, beverage and non-food distributor in Jamaica and the wider Caribbean. CPJ considers itself a customer focused, service oriented organisation which matches its portfolio of products and services to meet and exceed its customers' needs in both the hospitality and retail trades. Our customers in the hospitality industry are large hotel chains, hotels, restaurants and bars. In the retail trade our customers are large supermarket chains, superstores, independent wholesalers, supermarkets and small retail outlets. The Company prides itself on prompt and accurate delivery of orders, competitive pricing, close contact with customers and the ability to provide a full array of products and services to assist customers in their foodservice operations.

This attention to service has been recognised nationally by the Jamaica Hotel and Tourist Association (JHTA) awarding CPJ eight times "Purveyor of the Year". This year, the Company expanded its reach into St. Lucia when it began operating CPJ St. Lucia in the first quarter. CPJ distributes exclusively, internationally renowned wine and spirit brands, namely Remy Cointreau, Yellow Tail, Concha y Toro and the full range of Bacardi products such as Grey Goose and Dewar's White Label. In 1999 the Company began manufacturing beverage products specifically for the hotel industry and in 2013 began processing and distributing its own branded meat products such as hamburgers, sausages, ready to cook pork products and bacon.

The Company listed on the Junior Market of the



Jamaica Stock Exchange (JSE) on July 20, 2011 in line with its strategic plan for growth.

The Company is located in the Montego Freeport, St. James in over 125,000 sq. ft. of space housing offices, manufacturing plants and refrigerated and dry warehouse space. In December 2012, CPJ opened its retail store CPJ Market, with The Deli and CRU Bar and Kitchen in Kingston located at 71 Lady Musgrave Road. On February 4, 2014 the Company formed a joint venture with the Du Boulay family, owners of the Du Boulay Bottling Company, the Coca Cola manufacturer operating in Castries, St. Lucia. In the first quarter of the year, CPJ St. Lucia began operating a 25,000 sq. ft. warehouse in Castries, St. Lucia as a food service distributor. It began selling products including produce, primarily to the St. Lucian tourism sector.

Making strides despite dollar devaluation

CPJ considers itself a customer focused, service oriented organisation which matches its portfolio of products and services to meet and exceed its customers' needs in both the hospitality and retail trades.

MARKET CONDITIONS

During the fiscal year 2014/2015 the Jamaican dollar experienced a 4.6% devaluation which impacted our retail customers negatively as their purchasing spend became price driven. Internationally, prices for commodity products rose significantly and the Company, in order to remain competitive, had to hold pricing to its customers. In order to keep relevant to our customers, we positioned ourselves in the market to continue to provide consistent service while maintaining excellent value to our customers. Managing our supply chain became integral to this process and with unique marketing strategies and strong category management, the Company was able to improve sales in the latter part of the year.

FINANCIAL PERFORMANCE

CPJ Group's financial performance in fiscal year 2014/2015 was promising as gross revenues of US\$86.9 million were achieved, representing a 10% increase compared to US\$79.0 million earned in fiscal year 2013/2014. This increase resulted from the addition of CPJ St. Lucia which accounted for 4.7% and CPJ Jamaica reflecting a 5.3% increase over the previous year's results.

Gross profit was US\$24.7 million compared to US\$22.9 million in the previous year, a 7.8% increase. There was a slight decrease in our gross profit margin moving from 29.0% in 2014 to 28.4% in 2015.

OPERATING EXPENSES

Selling and administrative expenses increased by US\$1.6 million or 10.2% (2015: US\$17.6 million; 2014 US\$16 million) primarily relating to salary, wages and other payroll expenses which increased by 9.8% over that of the prior year. CPJ Group employs approximately 400 persons and the areas of growth were in the processing departments and the CPJ St. Lucia operation. Motor vehicle expenses and professional fees also increased marginally by 2%.

Depreciation and amortization expenses increased from US\$1.76 million to US\$2.16 million or 23% as a result of capital expenditure for the new business, as well as manufacturing and operational assets set up during the year. The company's operating profit increased by US\$147 thousand however start-up costs in St. Lucia contributed to the group consolidated results showing a marginal decline. Finance costs increased by 2.0% as with increased devaluation, the interest on the Company's Jamaican dollar debt contributed to lowering the cost of funds over the year.

The share of loss in our joint venture (Caribbean Egg Processors) decreased from the previous year by US\$21.1 thousand as the plant was closed in the third quarter and the partner Liquid Eggs Limited is negotiating to purchase the Company's shares in CEP. This sale should be completed in the second quarter of fiscal year 2015/2016.

CPJ's net profit increased from US\$3.47 million to US\$3.66 million or 5%. However



10%

Increase in gross revenues to US\$86.8 million compared to US\$79.0 million in previous year

7.8%

Increase in gross profit to US\$24.7 million compared to US\$22.9 million in the previous year

400

Staff employed by CPJ Group increased by 9.8% due to areas of growth were in the processing departments and the CPJ St. Lucia operation.

consolidated net profit for the Group decreased by US\$24.3 thousand or 0.7% compared with the corresponding period of 2014, moving from a profit of US\$3.46 million to US\$3.43 million, resulting in earnings per share of US\$0.32 as against US\$0.31 in the prior year.

BALANCE SHEET

Current assets rose by US\$3.9 million or 11% over the same period last year. Cash and cash equivalents increased by US\$54 thousand. Accounts receivables decreased by US\$1.5 million while our inventory increased by US\$5.3 million or 29%. Property, plant and equipment increased by US\$1.6 million or 14%. Current liabilities increased by 4% or US\$666 thousand, primarily attributable to accounts payables offset by a reduction in short term debt. Long term debt increased by US\$750 thousand relating to a rebalancing of short term

debt. The increase in Due to related company of US\$1.7 million represents the Company's interest in its new subsidiary.

DIVIDENDS

On August 27, 2014 the Board of Directors declared an interim dividend of J\$.04 per stock unit, payable on October 1, 2014 to shareholders on record as at September 10, 2014 with an ex-dividend date of September 8, 2014. This represented an interim dividend for the financial year ending June 30, 2015.

At its meeting on May 11, 2015 the Board of Directors declared an interim dividend of J\$.05 per stock unit, payable on July 15, 2015 to shareholders on record as at May 28, 2015 with an ex-dividend date of May 26, 2015. This represented the final dividend for the financial year ending June 30, 2015.

AWARDS

On October 9, 2014, CPJ received from the Jamaica Manufacturers' Association at their Annual Awards, the Skills and Productivity Award for the operations of the Juice Plant.

On December 3, 2014 at the Jamaica Stock Exchange Best Practices Annual Awards Banquet, CPJ was awarded the Best Website Award for 2013. It was the second time that the Company had won an award in this category.



CPJ was awarded the Best Website Award.

OPERATIONS

While the Company pushed to execute its expansion plans in St. Lucia, it did not lose sight of the importance of strengthening its business in Jamaica. A key factor for success in this regard was - and will continue to be - to build customer loyalty by delivering the products customers want on time, at or above the quality they expect and at competitive prices. In order, to support this, there

was increased focus on improving operational effectiveness and efficiency.

To reduce our electricity costs, the Board of Directors took the decision to invest in a 450 kW solar PV plant and installation of the system began in March 2015. The new plant will be commissioned in October 2015 and it is expected to lower our electricity spend by approximately US\$200,000 annually. Management also tightened controls for dispensing and monitoring fuel for our delivery trucks and this led to an improvement in overall fuel yield of over 70%, or over US\$100,000 in savings annually.

In May 2015, the team structure of our Warehouse and Distribution department was reorganised to improve service performance and reduce overtime costs; and, as at the end of the fiscal year, we were already on track to realise the projected annual savings of approximately US\$100,000.

Our manufacturing plants continued to produce high quality products. Additionally, our juice plant took home the Skills and Productivity award from the Jamaica Manufacturers Association in October in recognition of the plant's success in maximising raw material yield and employee productivity. The juice plant thus joined the Meat Plant in copping awards as the Meat Plant won the Best New Manufacturer Award in 2013.

While our meat plant continued to deliver consistently high quality products, we were challenged to fulfill demand for many of our pork products due to a shortage in the supply of local pigs which prevailed over the entire year.

To help improve our supply chain management, we made improvements in how we manage the logistics of inbound shipping containers and this change resulted in a reduction in the average time



taken to get containers from the Montego Bay and Kingston ports by 59.4% and 30.1% respectively.

Overall we made commendable progress in our goal to improve value delivered to our customers and improve our operational excellence. In the ensuing fiscal year we will continue this effort by focusing on process improvement and strengthening our quality management systems.

OUTLOOK

Further expansion of our food processing plant will continue to contribute to overall sales by servicing the demand of the hospitality and retail markets with new products. CPJ branded products are becoming synonymous with quality and value and are available in most supermarket and hyper market chains. An advertising campaign was designed to generate customer

To reduce our electricity costs... invested in a 450 kW solar PV plant and installation of the system... expected to lower our electricity spend by approximately US\$200,000 annually.





interest and through print and sampling events, the showcasing of CPJ Smoked Ham, Bacon, Burgers, Breakfast Sausages, Chorizo, Italian and Jerk Sausages have been well received in the local trade.

The successful opening of CPJ St. Lucia provides the Company with new opportunities to leverage our extensive wines and spirits portfolio, gourmet foods, fine cheeses, specialty items as well as provide export capability for our manufactured products.

In St. Lucia the main focus is to increase the customer base and develop new sales opportunities in the Eastern Caribbean.

The Company is proud of its accomplishments and we remain passionate about developing superior products, maintaining our service levels and continuing to provide value to our customers.

20TH ANNIVERSARY

In conjunction with MACO magazine, the Company celebrated its 20th Anniversary with a red carpet affair at the CRU Bar. In his remarks the Chairman noted “Twenty years after our launch, we run a business that is dedicated to the service of customers, based on the belief that the success of our customers would propel our own success.”



From left, Mark Hart, Lennox Lewis and Arun Dadlani at the 20th Anniversary party at Cru Bar in Kingston.

“

Twenty years after our launch, we run a business that is dedicated to the service of customers, based on the belief that the success of our customers would propel our own success.

”



Targeting hospitality

CPJ St. Lucia is targeting key hospitality customers on the island with dry goods, refrigerated/ frozen products, beverage systems, wines and fresh produce. The company plans to widen its scope to engage with local agricultural producers as it develops its food manufacturing business in the eastern Caribbean island. CPJ exports its branded products to St. Lucia as well as 3 other countries in the region.

CPJ has a 51% controlling stake in the joint venture, while the remaining 49% is held by the owners of Du Boulay's Bottling Company Limited. The partnership is consistent with CPJ's strategic objectives for expansion within the Caribbean Community (CARICOM) and meets one of the targets outlined by the company in the prospectus for its Initial Public Offer (IPO) in Jamaica in 2011.

The company employs 32 staff in the warehouse and administrative offices located in Cul De Sac, Castries. The 25,000 sq ft warehouse is multipurpose, housing dry, refrigerated and freezer storage as well as a separate bonded facility.



Glenroy Regis
Finance Manager

Radcliffe Murray
Acting General Manager

Richard Du Boulay
Chairman CPJ St. Lucia

Tony Du Boulay
Director

Dunstan Du Boulay
Director



CORPORATE DATA: CPJ (St. Lucia) Ltd.

BOARD OF DIRECTORS:

Richard Du Boulay,
Chairman

Tony Du Boulay, *Director*

Dunstan Du Boulay, *Director*

Mark Hart, *Director*

Thomas Tyler, *Director*

Jan Polack, *Director*

SENIOR MANAGEMENT:

Radcliffe Murray,
Acting General Manager

Glenroy Regis,
Finance Manager

REGISTERED ADDRESS:

6 Brazil Street,
Castries, St. Lucia

HEADQUARTERS:

Cul De Sac,
Castries, St. Lucia

AUDITORS:

KPMG St. Lucia Ltd.

BANKERS:

Bank of Nova Scotia,
Castries, St. Lucia

RBC St. Lucia Limited,
Castries, St. Lucia



*Richard Morris (left),
Logistics Controller
awarded Employee
of the Year 2014 by
Roger Williams, Chief
Operating Officer.*



HUMAN RESOURCES OVERVIEW

“We are only as good as the people that work for us!”

One of CPJ's critical success factors remains our team of dedicated and passionate staff who are focused on service excellence. Based on the rapid expansion that took place during the period 2012 to 2013 in the retail sales and manufacturing divisions; diversity and talent capability gaps became evident. It was therefore important that during the financial year the Company focused on further developing and strengthening the cohesiveness of our team while improving middle management capabilities through a comprehensive Supervisory and Management Development programme.

RECRUITMENT & STAFFING

The management restructuring resulted in the creation of three distinct divisions: Revenue (Sales & Marketing), Operations and Finance & Administration. Based on this restructuring critical business positions were identified and where gaps were identified the Human Resources team (HR) worked to fill these gaps either through recruitment or training.

CPJ's organizational structure remains relatively flat with only four levels of management from Supervisor to CEO. Department Heads and Chief Officers represent 8% of employees and Supervisors represent 10%. The Company's growth rate this financial year was 7% which was impacted by attrition across the company.

The composition of the Jamaica team split across the four divisions is Revenue 32%; Operations 43%; and Finance & Administration



at 25%, while CPJ St. Lucia has a total of 32 employees.

Going forward we will continue to identify opportunities for improvement and put strategies in place to fill the gaps identified as the company continues to grow and respond to market and environmental changes.

Sandra Brown (left), Store Supervisor of CPJ Market Montego Bay is awarded Supervisor of the Year by Jan Polack, Chief Financial Officer.

COMPENSATION & BENEFITS

CPJ's compensation policy is competitive and the Company strives to pay its employees at compensation levels that are reflective of



Herman Sutherland awarded Safe Driver.

the industry. This financial year the Board of Directors approved a modest salary increase for its employees. The Company also implemented a variable compensation model for staff in the area of Warehousing. This was based on research and in an effort to motivate these teams to achieve at a higher standard.

Benefits represented 3.4% of adjusted gross profit which amounted to a minimal increase of 3.4% when compared with the previous financial year. It is recognized that the larger portion of this cost continues to be uniforms, medical insurance and general staff welfare expenses. The HR team also reviewed its level of support offered to the team and restructured its functions to improve recruitment, benefits and development.

As reported in a recent engagement survey, overall employees are pleased with the level of organizational support it receives. However, going

in to the new financial year the HR team will focus on providing greater support and management training for both the Kingston and St. Lucia teams.

LEARNING & DEVELOPMENT

One of the Company's goals for the financial year was to implement a comprehensive management and supervisory development program. We were successful in implementing this and as a result we have seen increased synergy and harmony amongst the teams based on this training experience. In the new financial year, the company is embarking on completing the HACCP certification program started, and is focused on achieving certification before the end of the fiscal year. This initiative is critical as the Company grows its manufacturing capability and is considered a key initiative going forward.

The management team remained committed to

As reported in a recent engagement survey, overall employees are pleased with the level of organizational support it receives.

providing learning and development opportunities for team members and as such: our Drivers and Sidemen participated in the Team Jamaica Program offered by TPDCo; our IT personnel all became ITIL professionals (an international IT service management designation); the CPJ Market & CRU Bar teams went through additional food service training; and all employees completed public health certification.

Finally, the performance evaluation exercise was completed and indicated that 90% of employees appraised are performing above satisfactory levels. In the upcoming year, heightened focus will be placed on management performance and talent retention.



Douglas Malcolm (left), Website Developer was awarded top IT Performer by Kesha-Ann Harper, Director of Finance. Malcolm's hard work resulted in CPJ being awarded Best Website for two consecutive years.



LONG-STANDING STAFF TESTIMONIALS

What makes CPJ different from any other company?

How has the company changed in 20 years?

Where do you see the company growing over the next 20 years?

What is great about CPJ?

Andrew Reid – Sales Executive

20 YEARS WITH CPJ

For me, it is undoubtedly the opportunity to have shared from inception in the Company's unparalleled success. The work environment engenders a positive and cooperative spirit; the feeling one gets from being a part of a cohesive team and having an unbridled sense of community. People are willing to work hard and we do feel a connection between our efforts and the company's success. The CEO and Chairman are accessible and open to communication. Their vision, passion and excitement have not diminished over the years and this has also fueled the energy and drive of the employees. It is particularly, the prevailing sense of appreciation - it is feeling recognized, valued and appreciated for my contribution - CPJ recognizes formally and informally.



Karen Wynter – Customer Service Manager

13 YEARS WITH CPJ

Caribbean Producers Jamaica Limited's mantra is one that echoes repeatedly in my mind, even in my personal life. "Where service is just the beginning". CPJ caters to people from all walks of life. Our high level of customer service is an important factor in determining our customers choice for doing business. I started as a Customer Service Agent and was promoted twice, where I now lead the Customer Service team, and this is a testament of the company's interest in staff development. In the next 20 years, I see CPJ becoming a conglomerate to be reckoned with. Growing leaps and bounds in the diaspora. CPJ encourages staff to be a part of this bright future. As John D Rockefeller said "If you want to succeed you should strike out on new paths, rather than travel the worn paths of accepted success."

Robert Williams - Technical Services Manager

18 YEARS WITH CPJ

The name CPJ could easily be an acronym for almost anything, or any sector of the society/industry and whilst in this context it stands for Caribbean Producers Jamaica Limited, for me it goes beyond that and it is a symbol of the Caring People who jovially carry out their daily tasks in an efficient manner which captures the spirit of service on which the company was founded. Caribbean Producers Jamaica Ltd is more than just a provider of a wide range of goods and services. The exemplary business model which encapsulates diversity and differentiates on service, is a national leader in the hospitality industry, stamping its ground as the premier company for which any hard working Jamaican would be proud to be a part of. In an almost dying/struggling economy, I am amazed at how resilient the company stands in the face of the global economic turmoil. A close inspection of the company will reveal that it is the heart of the leaders and those whom they lead that makes this company remarkable. I am proud to be a part of this company a place where I have called my home away from home for over 18 years.



Jennifer Reid – Administrative Assistant, Maintenance

13 YEARS WITH CPJ

We took the hospitality Industry by storm when we became the “one stop shop” for all their needs. It was a ton of work, but so very rewarding to see it all come together on the day we opened our Meat Processing Plant, our Cru Bar in Kingston and have expanded our operations to St. Lucia. The results are accrued from the enthusiastic support of our Directors who have invested in their employees by providing on the job training as well as Trained Consultants to assist in staff development. It is said that having a healthy mind is just as important as a healthy body and so we are provided with a Staff Wellness Centre. Since its establishment, the Company defined its successes would be built from powerful and sustainable human resources; the friendliness to environment, the harmony with local communities and partners. Let’s continue to grow and look forward to another twenty times twenty years.

CORPORATE SOCIAL RESPONSIBILITY



CPJ is committed to being a responsible corporate citizen and continues to support initiatives that are aimed at providing persons with a better quality of life.

For over 10 years CPJ has focused on youth development through education based on The Company's annual CPJ Scholarship and Book List Programs. These programs are offered exclusively to the children of CPJ's employees and we are pleased to report that our scholarship awardees increased by approximately 30% year over year based on the performance of the students and the heightened interest by our team members. Approximately 50 students received scholarships this year and our Booklist program for students who did not qualify for a scholarship was also well received.

Knowing our penchant for assisting the community, CPJ received over 200 requests for support during the year. Based on the Company's focus on health care, children, the elderly, education and sports CPJ supported various

initiatives including schools, breakfast feeding programs, football leagues, places of safety, church groups and other service oriented organizations. We are always willing and excited to assist.

CPJ is heavily committed to a healthy lifestyle and wellness and therefore each year CPJ staff participate in various walkathons in support of a range of causes affecting our country and our people. This year we supported over 10 walkathons, with the most notable one being The Community for the Upliftment of the Mentally Ill (CUMI) walkathon which is a premier event that is held annually at the Tryall Club and attracts over 700 participants from the Montego Bay community. Other walkathons included the Montego Bay City and the Kiwanis Club of Providence Cancer walk in October. CPJ employees also volunteered and participated in International Coastal Clean Up Day.

In addition to walking for charity, CPJ was the primary sponsor of the Montego Bay Marine Park Care Protect Jamaica initiative which is aimed at educating children on the importance of caring for Jamaica's marine life and in general our environment. The team visited 24 high schools and spoke with the students about caring for the environment. Emphasis was placed on educating the students regarding the harmful and negative effects of littering and throwing garbage in the gullies as these actions destroy marine life which is a vital component of our environment. The teachers and children at the schools were elated to have us and each visit ended with the students of the school's environment club receiving a tour of the Montego Bay Fishing Village and its reef. Ecstatic children greeted us on every occasion and showed their appreciation through most creative entertainment.

For Labour Day this year, CPJ adopted the



Bogue Hill Primary & Junior High School in Montego Bay. Members of our Montego Bay team replaced pipe fountains, beautifying their gardens and painting and cleaning their bathrooms. Not to be left out, our Kingston team also displayed their commitment to the community by participating in the JHTA Kingston City Run.

Over the year we also supported several local sporting events. This year marked our third year as title sponsor for the Jamaica Independent School Association (JISA). This event involves some seventy-five schools from all across Jamaica and promotes character development discipline and, teamwork.

Overall CPJ had a wonderful and inspiring year helping others and we remain committed to working with the people and communities in which we operate.







FINANCIAL STATEMENTS



KPMG
Chartered Accountants
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Alice Eldemire Drive
Montego Bay
Jamaica, W.I.

P.O. Box 220
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INDEPENDENT AUDITORS' REPORT

To the Members of
CARIBBEAN PRODUCERS (JAMAICA) LIMITED

Report on the financial statements

We have audited the financial statements of Caribbean Producers (Jamaica) Limited ("company") comprising the separate financial statements of the company and the consolidated financial statements of the company and its subsidiaries ("group"), set out on pages 63 to 96, which comprise the consolidated and separate statements of financial position as at June 30, 2015, the consolidated and separate statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether or not the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence relating to the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including our assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

KPMG, a Jamaican partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

R. Tarun Handa
Cynthia L. Lawrence
Rajan Trehan
Norman O. Rainford

Nigel R. Chambers
W. Gihan C. de Mel
Nyssa A. Johnson
Wilbert A. Spence



INDEPENDENT AUDITORS' REPORT

To the Members of
CARIBBEAN PRODUCERS (JAMAICA) LIMITED

Report on the Financial Statements, continued

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the group and the company as at June 30, 2015, and of the group's and the company's financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards and the Jamaican Companies Act.

Report on additional matters as required by the Jamaican Companies Act

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit. In our opinion, proper accounting records have been maintained, so far as appears from our examination of those records, and the financial statements, which are in agreement therewith, give the information required by the Jamaican Companies Act, in the manner required.

KPMG

Chartered Accountants
Montego Bay, Jamaica

August 26, 2015

Statement of Financial Position

JUNE 30, 2015

(Presented in United States dollars)

	Notes	Group		Company	
		2015	2014	2015	2014
CURRENT ASSETS					
Cash and cash equivalents	3	3,049,479	2,995,323	2,884,162	2,898,278
Accounts receivable	4	12,121,195	13,576,049	11,246,231	12,632,405
Inventories	5	23,899,084	18,597,746	21,109,656	18,538,109
		<u>39,069,758</u>	<u>35,169,118</u>	<u>35,240,049</u>	<u>34,068,792</u>
CURRENT LIABILITIES					
Bank overdraft	3	188,047	-	188,047	-
Short-term loans	6	4,925,000	6,325,000	4,925,000	6,325,000
Accounts payable	7	6,558,319	4,836,873	5,674,473	4,692,476
Short-term promissory notes	8	4,317,794	4,317,794	4,317,794	4,317,794
Current portion of long-term borrowings	16	523,444	365,695	513,692	356,681
Taxation payable		<u>175,753</u>	<u>177,180</u>	<u>175,753</u>	<u>177,180</u>
		<u>16,688,357</u>	<u>16,022,542</u>	<u>15,794,759</u>	<u>15,869,131</u>
NET CURRENT ASSETS		<u>22,381,401</u>	<u>19,146,576</u>	<u>19,445,290</u>	<u>18,199,661</u>
NON-CURRENT ASSETS					
Investments		71,584	42,620	71,584	42,620
Interest in subsidiary	9	-	-	2,760,222	756,176
Interest in joint venture	10	159,186	219,786	159,186	219,786
Deferred tax asset	11	258,650	95,508	159,057	95,508
Property, plant and equipment	12	13,252,428	11,651,896	11,352,960	11,083,333
Intangible asset	13	<u>19,070</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>13,760,918</u>	<u>12,009,810</u>	<u>14,503,009</u>	<u>12,197,423</u>
		<u>\$36,142,319</u>	<u>31,156,386</u>	<u>33,948,299</u>	<u>30,397,084</u>
EQUITY					
Share capital	14	4,898,430	4,898,430	4,898,430	4,898,430
Accumulated surplus		<u>13,969,969</u>	<u>11,289,402</u>	<u>14,094,241</u>	<u>11,298,901</u>
Equity attributable to shareholders		18,868,399	16,187,832	18,992,671	16,197,331
Non-controlling interest		<u>(109,215)</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>18,759,184</u>	<u>16,187,832</u>	<u>18,992,671</u>	<u>16,197,331</u>
NON-CURRENT LIABILITIES					
Long-term promissory notes	15	9,324,012	9,439,537	9,324,012	9,439,537
Long-term borrowings	16	5,671,741	4,810,093	5,631,616	4,760,216
Due to related company	17	<u>2,387,382</u>	<u>718,924</u>	<u>-</u>	<u>-</u>
		<u>17,383,135</u>	<u>14,968,554</u>	<u>14,955,628</u>	<u>14,199,753</u>
		<u>\$36,142,319</u>	<u>31,156,386</u>	<u>33,948,299</u>	<u>30,397,084</u>

The financial statements on pages 63 to 96 were approved for issue by the Board of Directors on August 26, 2015 and signed on its behalf by:


 _____ Director
 Mark Hart


 _____ Director
 Theresa Chin

The accompanying notes form an integral part of the financial statements.

Statement of Profit or Loss and Other Comprehensive Income

YEAR ENDED JUNE 30, 2015

(Presented in United States dollars)

	Notes	Group		Company	
		2015	2014	2015	2014
Gross operating revenue	18	86,850,246	79,006,082	82,813,467	78,640,379
Cost of operating revenue		(62,125,820)	(56,075,293)	(59,380,988)	(55,818,833)
Gross profit		24,724,426	22,930,789	23,432,479	22,821,546
Selling and administration expenses		(17,590,656)	(15,969,831)	(16,136,788)	(15,854,853)
Depreciation and amortisation	12,13	(2,164,373)	(1,759,632)	(1,985,747)	(1,737,153)
Other operating income, net	19(a)	<u>362,102</u>	<u>294,254</u>	<u>340,719</u>	<u>274,318</u>
Operating profit		5,331,499	5,495,580	5,650,663	5,503,858
Finance income	19(b)	3,609	679	3,609	679
Finance costs	19(c)	(2,026,066)	(1,985,704)	(2,021,649)	(1,984,483)
Share of loss in joint venture	10	(<u>37,652</u>)	(<u>58,797</u>)	(<u>37,652</u>)	(<u>58,797</u>)
Profit before taxation	19(d)	3,271,390	3,451,758	3,594,971	3,461,257
Taxation	20	<u>163,142</u>	<u>7,055</u>	<u>63,549</u>	<u>7,055</u>
Profit for the year, being total comprehensive income		<u>\$ 3,434,532</u>	<u>3,458,813</u>	<u>3,658,520</u>	<u>3,468,312</u>
Attributable to:					
Shareholders		3,543,747	3,458,813	3,658,520	3,468,312
Non-controlling interest		(<u>109,215</u>)	<u>-</u>	<u>-</u>	<u>-</u>
		<u>\$ 3,434,532</u>	<u>3,458,813</u>	<u>3,658,520</u>	<u>3,468,312</u>
Earnings per stock unit	21	<u>0.32¢</u>	<u>0.31¢</u>	<u>0.33¢</u>	<u>0.32¢</u>

The accompanying notes form an integral part of the financial statements.

Statement of Changes in Equity

YEAR ENDED JUNE 30, 2015

(Presented in United States dollars)

	Share capital (note 14)	Accumulated surplus	Non- controlling interest	Total
	Group			
Balances at June 30, 2013	4,898,430	8,141,904	-	13,040,334
Profit for the year, being total comprehensive income	-	3,458,813	-	3,458,813
Transaction recorded directly in equity: Dividends (note 25)	-	(311,315)	-	(311,315)
Balances at June 30, 2014	4,898,430	11,289,402	-	16,187,832
Profit for the year, being total comprehensive income	-	3,543,747	(109,215)	3,434,532
Transaction recorded directly in equity: Dividends (note 25)	-	(863,180)	-	(863,180)
Balances at June 30, 2015	<u>\$4,898,430</u>	<u>13,969,969</u>	<u>(109,215)</u>	<u>18,759,184</u>
	Company			
Balances at June 30, 2013	4,898,430	8,141,904	-	13,040,334
Profit for the year, being total comprehensive income	-	3,468,312	-	3,468,312
Transaction recorded directly in equity: Dividends (note 25)	-	(311,315)	-	(311,315)
Balances at June 30, 2014	4,898,430	11,298,901	-	16,197,331
Profit for the year, being total comprehensive income	-	3,658,520	-	3,658,520
Transaction recorded directly in equity: Dividends (note 25)	-	(863,180)	-	(863,180)
Balances at June 30, 2015	<u>\$4,898,430</u>	<u>14,094,241</u>	<u>-</u>	<u>18,992,671</u>

The accompanying notes form an integral part of the financial statements.

Statement of Cash Flows

YEAR ENDED JUNE 30, 2015

(Presented in United States dollars)

	Group		Company	
	2015	2014	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit for the year	3,543,747	3,458,813	3,658,520	3,468,312
Adjustments for:				
Depreciation and amortisation	2,164,373	1,759,632	1,985,747	1,737,153
Share of loss in joint venture	37,652	58,797	37,652	58,797
(Gain)/loss on disposal of property, plant and equipment	(19,967)	8,985	(19,967)	8,985
Interest income	(3,609)	(679)	(3,609)	(679)
Interest expense	2,026,066	1,985,704	2,021,649	1,984,483
Non controlling interest	(109,215)	-	-	-
Taxation	(163,142)	(7,055)	(63,549)	(7,055)
	7,475,905	7,264,197	7,616,443	7,249,996
Decrease/(increase) in current assets:				
Accounts receivable	1,454,854	(2,483,854)	1,386,174	(1,540,210)
Inventories	(5,301,338)	(640,972)	(2,571,547)	(581,335)
Increase/(decrease) in current liability:				
Accounts payable	1,728,934	(608,229)	989,485	(751,405)
Cash generated from operations	5,358,355	3,531,142	7,420,555	4,377,046
Interest paid	(2,033,554)	(2,022,246)	(2,029,137)	(2,022,246)
Tax paid	(1,427)	(380)	(1,427)	(380)
Net cash provided by operating activities	3,323,374	1,508,516	5,389,991	2,354,420
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment	(28,964)	(42,620)	(28,964)	-
Interest in subsidiary	-	-	(2,004,046)	(756,176)
Interest in joint venture	22,948	(56,652)	22,948	(56,652)
Additions to property, plant and equipment and intangible asset	(3,791,663)	(2,602,866)	(2,263,062)	(2,054,444)
Proceeds from disposal of property, plant and equipment	27,655	190,894	27,655	190,894
Interest received	3,609	679	3,609	679
Net cash used by investing activities	(3,766,415)	(2,510,565)	(4,241,860)	(2,675,699)
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid	(863,180)	(311,315)	(863,180)	(311,315)
Promissory notes received	7,970	799,785	7,970	799,785
Promissory notes repaid	(123,495)	(1,002,387)	(123,495)	(1,002,387)
Long-term/short-term borrowings received	11,467,956	11,599,189	11,467,956	11,540,298
Due to related company	1,668,458	718,924	-	-
Long-term/short-term borrowings repaid	(11,848,559)	(10,934,130)	(11,839,545)	(10,934,130)
Net cash provided/(used) by financing activities	309,150	870,066	(1,350,294)	92,251
Net decrease in cash and cash equivalents	(133,891)	(131,983)	(202,163)	(229,028)
Cash and cash equivalents at beginning of the year	2,995,323	3,127,306	2,898,278	3,127,306
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	<u>\$ 2,861,432</u>	<u>2,995,323</u>	<u>2,696,115</u>	<u>2,898,278</u>
Comprised of:				
Cash and cash equivalents	3,049,479	2,995,323	2,884,162	2,898,278
Bank overdraft	(188,047)	-	(188,047)	-
	<u>\$ 2,861,432</u>	<u>2,995,323</u>	<u>2,696,115</u>	<u>2,898,278</u>

The accompanying notes form an integral part of the financial statements.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2015

(Presented in United States dollars)

1. Identification

Caribbean Producers (Jamaica) Limited (“company” or “parent company”) is incorporated under laws of and domiciled in Jamaica. Its registered office is situated at Shop No. 14, Montego Freeport Shopping Centre, Montego Bay, St. James and its principal place of business is at 1 Guinep Way, Montego Freeport, Montego Bay, St. James.

The company’s principal activities during the year were the wholesaling and distribution of food and beverages, the distribution of non-food supplies and the manufacture and distribution of fresh juices and meats.

The company’s shares are listed on the Junior Market of the Jamaica Stock Exchange.

The company and its subsidiaries are collectively referred to as “the group”.

As at June 30, 2015, the company held 100% of the issued share capital of CPJ Investments Limited, a company incorporated on September 16, 2013. CPJ Investments Limited’s principal activity is holding a 51% investment in CPJ (St. Lucia) Limited, a company whose principal activity is the wholesaling and distribution of food and beverages and the distribution of non-food supplies. Both companies are incorporated and domiciled in St. Lucia.

2. Statement of compliance, basis of preparation and significant accounting policies

(a) Statement of compliance:

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations issued by the International Accounting Standards Board and comply with the provisions of the Jamaican Companies Act.

New, revised and amended standards and interpretations that became effective during the year:

During the year, certain new standards, interpretations and amendments to existing standards became effective. The adoption of these standards and amendments did not have a significant impact on the financial statements.

New, revised and amended standards and interpretations issued but not yet effective:

At the date of authorisation of the financial statements, there were certain standards and interpretations which were in issue but were not yet effective. Those which management consider relevant to the group and their effective dates as follows:

- IAS 1 *Presentation of Financial Statements*, effective for accounting periods beginning on or after January 1, 2016, has been amended to clarify or state the following:
 - specific single disclosures that are not material do not have to be presented even if they are a minimum requirement of a standard;
 - the order of notes to the financial statements is not prescribed. Instead, entities can choose their own order;

Notes to the Financial Statements (Continued)

JUNE 30, 2015

(Presented in United States dollars)

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

(a) Statement of compliance (cont'd):

New, revised and amended standards and interpretations issued but not yet effective (cont'd):

- *IAS 1 Presentation of Financial Statements* (cont'd)
 - line items on the statement of financial position and the statement of profit or loss and other comprehensive income (OCI) should be disaggregated if this provides helpful information to users. Lines items can be aggregated if they are not material;
 - specific criteria is now provided for presenting subtotals on the statement of financial position and in the statement of profit or loss and OCI, with additional reconciliation requirements for the statement of profit or loss and OCI; and
 - the presentation in the statement of OCI of items of OCI arising from joint ventures and associates accounted for using the equity method follows IAS 1 approach of splitting items that may, or that will never, be reclassified to profit or loss.
- *IFRS 9, Financial Instruments*, which is effective for annual reporting periods beginning on or after January 1, 2018, replaces the existing guidance in IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 includes revised guidance on the classification and measurement of financial assets and liabilities, including a new expected credit loss model for calculating impairment of financial assets and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. Although the permissible measurement bases for financial assets – amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL) – are similar to IAS 39, the criteria for classification into the appropriate measurement category are significantly different. IFRS 9 replaces the ‘incurred loss’ model in IAS 39 with an ‘expected credit loss’ model, which means that a loss event will no longer need to occur before an impairment allowance is recognised.
- *IFRS 15, Revenue From Contracts With Customers*, effective for accounting periods beginning on or after January 1, 2017, replaces IAS 11-*Construction Contracts*, IAS 18 -*Revenue*, IFRIC 13 -*Customer Loyalty Programmes*, IFRIC 15 -*Agreements for the Construction of Real Estate*, IFRIC 18- *Transfer of Assets from Customers* and SIC-31 *Revenue – Barter Transactions Involving Advertising Services*. It does not apply to insurance contracts, financial instruments or lease contracts, which fall in the scope of other IFRSs. It also does not apply if two companies in the same line of business exchange non-monetary assets to facilitate sales to other parties.

Notes to the Financial Statements (Continued)

JUNE 30, 2015

(Presented in United States dollars)

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

(a) Statement of compliance (cont'd):

New, revised and amended standards and interpretations issued but not yet effective (cont'd):

- IFRS 15, *Revenue From Contracts With Customers* (cont'd)

The group will apply a five-step model to determine when to recognise revenue, and at what amount. The model specifies that revenue should be recognised when (or as) an entity transfers control of goods or services to a customer at the amount to which the entity expects to be entitled. Depending on whether certain criteria are met, revenue is recognised at a point in time, when control of goods or services is transferred to the customer; or over time, in a manner that best reflects the entity's performance.

There will be new qualitative and quantitative disclosure requirements to describe the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers.

- Amendments to IFRS 11, *Accounting for Acquisitions of Interests in Joint Operations*, effective for accounting periods beginning on or after January 1, 2016, require business combination accounting to be applied to acquisitions of interests in a joint operation that constitutes a business. Business combination accounting also applies to the additional interests in a joint operation while the joint operator retains joint control. The additional interest acquired will be measured at fair value but previously held interests will not be remeasured.
- Amendments to IAS 16 and IAS 38, *Clarification of Acceptable Methods of Depreciation and Amortization*, are effective for accounting periods beginning on or after January 1, 2016.
 - The amendment to IAS 16, *Property, Plant and Equipment* explicitly states that revenue-based methods of depreciation cannot be used. This is because such methods reflect factors other than the consumption of economic benefits embodied in the assets.
 - The amendment to IAS 38, *Intangible Assets* introduces a rebuttable presumption that the use of revenue-based amortisation methods is inappropriate for intangible assets.
- Amendments to IAS 27, *Equity Method in Separate Financial Statements*, effective for accounting periods beginning on or after January 1, 2016 allow the use of the equity method in separate financial statements, and apply to the accounting for subsidiaries, associates, and joint ventures.

Notes to the Financial Statements (Continued)

JUNE 30, 2015

(Presented in United States dollars)

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

(a) Statement of compliance (cont'd):

New, revised and amended standards and interpretations issued but not yet effective (cont'd):

- Amendments to IFRS 10, *Consolidated Financial Statements*, and IAS 28, *Investments in Associates and Joint Ventures*, in respect of Sale or Contribution of Assets between an Investor and its Associate or Joint venture, are effective for annual reporting periods beginning on or after January 1, 2016. The amendments require that when a parent loses control of a subsidiary in a transaction with an associate or joint venture, the full gain be recognized when the assets transferred meet the definition of a 'business' under IFRS 3, *Business Combinations*.
- *Improvements to IFRS 2012-2014 cycle*, contain amendments to certain standards and interpretations and are effective for accounting periods beginning on or after January 1, 2016. The main amendments applicable to the group are as follows:
 - IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations* has been amended to clarify that if an entity changes the method of disposal of an asset or disposal group – i.e., reclassifies an asset or disposal group from held-for-distribution to owners to held-for-sale or vice versa without any time lag, then the change in classification is considered a continuation of the original plan of disposal and the entity continues to apply held-for-distribution or held-for-sale accounting. At the time of the change in method, the entity measures the carrying amount of the asset or disposal group and recognizes any write-down (impairment loss) or subsequent increase in the fair value less costs to sell/distribute of the asset or disposal group. If an entity determines that an asset or disposal group no longer meets the criteria to be classified as held-for-distribution, then it ceases held-for-distribution accounting in the same way as it would cease held-for-sale accounting.
 - IFRS 7, *Financial Instruments: Disclosures*, has been amended to clarify when servicing arrangements are in the scope of its disclosure requirements on continuing involvement in transferred assets in cases when they are derecognized in their entirety. A servicer is deemed to have continuing involvement if it has an interest in the future performance of the transferred asset -e.g. if the servicing fee is dependent on the amount or timing of the cash flows collected from the transferred financial asset; however, the collection and remittance of cash flows from the transferred asset to the transferee is not, in itself, sufficient to be considered 'continuing involvement'.
 - IAS 34 *Interim Financial Reporting*, has been amended to clarify that certain disclosures, if they are not included in the notes to interim financial statements, may be disclosed "elsewhere in the interim financial report". The interim financial report is incomplete if the interim financial statements and any disclosures incorporated by cross-reference are not made available to users of the interim financial statements on the same terms and at the same time.

The group is assessing the impact that these standards and amendments to standards will have on the financial statements when they are adopted.

Notes to the Financial Statements (Continued)

JUNE 30, 2015

*(Presented in United States dollars)*2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

(b) Basis of preparation:

The financial statements are prepared under the historical cost convention, and are presented in United States dollars (US\$), which is the company's functional currency.

In the prior year, consolidated financial statements dealing with the financial statements of Caribbean Producers (Jamaica) Limited and its subsidiaries were not prepared as the operating results, assets, liabilities and cash flows of the subsidiaries were not material. The financial statements provide comparative information in respect of the group's previous period on the same basis as the current period.

(c) Basis of consolidation:

- (i) A "subsidiary" is an enterprise controlled by the company. The group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of a subsidiary are included in the consolidated financial statements from the date control commences until the date that control ceases.

The consolidated financial statements include the financial statements of the company and its subsidiaries (note 1), made up to June 30, 2015.

- (ii) Intra-group balances and transactions, and any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.
- (iii) Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the group.
- (iv) The financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.
- (v) Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date. Changes in the group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests, even if doing so causes the non-controlling interest to have a deficit balance.

(d) Use of estimates and judgements:

The preparation of the financial statements to conform with IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, contingent assets and contingent liabilities at the reporting date, and the income and expenses for the year then ended. Actual amounts could differ from those estimates.

Notes to the Financial Statements (Continued)

JUNE 30, 2015

(Presented in United States dollars)

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

(d) Use of estimates and judgements (cont'd):

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised, if the revision affects only that year, or in the year of the revision and future years, if the revision affects both current and future years.

Judgements made by management in the application of IFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next financial year are discussed below:

(i) Allowance for impairment losses on receivables:

In determining amounts recorded for impairment losses on receivables in the financial statements, management makes judgements regarding indicators of impairment, that is, whether there are indicators that there may be a measurable decrease in the estimated future cash flows from receivables, caused for example, by default or adverse economic conditions. Management also makes estimates of the likely estimated future cash flows from impaired receivables as well as the timing of such cash flows. Historical loss experience is applied where indicators of impairment are observable on significant receivables with similar characteristics, such as credit risks.

(ii) Net realisable value of inventories:

Estimates of net realisable value are based on the most reliable evidence available, at the time the estimates are made, of the amount the inventories are expected to realise. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of the year to the extent that such events confirm conditions existing at the end of the year.

Estimates of net realisable value also take into consideration the purpose for which the inventory is held.

(iii) Judgement in evaluation of contingencies:

For a contingent liability to qualify for recognition there must be a present obligation and the probability of an outflow of economic benefits to settle that obligation. In recognising contingent liabilities of the group, management determines the possibility of an outflow of resources and makes estimates of expenditure required to settle the present obligation at the reporting date.

No provision is made if management considers the possibility of any outflow in settlement to be remote.

Notes to the Financial Statements (Continued)

JUNE 30, 2015

*(Presented in United States dollars)*2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

(d) Use of estimates and judgements (cont'd):

(iv) Residual value and expected useful life of property plant and equipment:

The residual value and the expected useful life of an asset are reviewed at least at each reporting date, and, if expectations differ from previous estimates, the change is accounted for prospectively. The useful life of an asset is defined in terms of the asset's expected utility to the company and its subsidiaries.

(e) Cash and cash equivalents:

This comprises cash and bank balances, and short-term deposits maturing within three months or less from the date of deposit or acquisition that are readily convertible into known amounts of cash and which are not subject to significant risk of changes in value.

Bank overdrafts that form an integral part of the group's cash management for financing operation are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(f) Accounts receivable:

Trade and other receivables are stated at amortised cost, less impairment losses.

(g) Inventories:

Inventories are valued at the lower of cost, determined on the weighted average basis, and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less selling expenses.

The cost of raw materials, labour and appropriate allocations for overhead expenses are included in manufactured finished goods.

(h) Property, plant and equipment:

(i) Recognition and measurement:

Items of property, plant and equipment are stated at cost, less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Notes to the Financial Statements (Continued)

JUNE 30, 2015

(Presented in United States dollars)

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

(h) Property, plant and equipment (cont'd):

(ii) Subsequent expenditure:

Subsequent expenditure is capitalised only if it is probable that future economic benefits associated with the expenditure will flow to the group.

(iii) Depreciation:

Depreciation is recognised in profit or loss on the straight-line basis at annual rates estimated to write down the assets to their residual values over their expected useful lives. No depreciation is charged on construction in progress. The depreciation rates are as follows:

Leasehold improvements	10% and 20%
Furniture, fixtures and equipment	10% and 20%
Computer equipment	33.33%
Motor vehicles	20%

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(i) Intangible asset:

Intangible asset, which represents computer software, is deemed to have a finite useful life of three years and is measured at cost, less accumulated amortization and impairment losses, if any.

(j) Accounts payable:

Trade and other payables are stated at amortised cost.

(k) Provisions:

A provision is recognised when the group has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and where appropriate, the risk specific to the obligation.

Notes to the Financial Statements (Continued)

JUNE 30, 2015

(Presented in United States dollars)

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

(l) Related parties:

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in IAS 24 *Related Party Disclosures* as the “reporting entity”, in this case the company).

(a) A person or a close member of that person’s family is related to the company if that person:

- (i) has control or joint control over the company;
- (ii) has significant influence over the company; or
- (iii) is a member of the key management personnel of the company or of a parent of the company.

(b) An entity is related to the company if any of the following conditions applies:

- (i) The entity and the company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the company or an entity related to the company.
- (vi) The entity is controlled, or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

(m) Revenue recognition:

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or material associated costs on the possible return of goods.

Notes to the Financial Statements (Continued)

JUNE 30, 2015

(Presented in United States dollars)

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

(n) Expenses/income:

(i) Expenses:

Expenses are recognised in profit or loss on the accrual basis.

(ii) Finance costs:

Finance costs comprise interest payable on borrowings calculated using the effective interest method and material bank overdraft interest.

(iii) Finance income:

Finance income comprises interest earned on funds invested and is recognised in profit or loss as it accrues, taking into account the effective yield on the asset.

(o) Operating lease payments:

Payments made under operating leases are recognised in profit or loss on the straight-line basis over the term of the lease.

(p) Taxation:

Income tax on the profit for the year comprises current and deferred tax. Taxation is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income, in which case it is recognised in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date and any adjustment to tax payable in respect of previous years.

Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the reporting date.

A deferred tax liability is recognised for taxable temporary differences, except to the extent that the group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary differences will not reverse in the foreseeable future.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(q) Impairment:

The carrying amounts of the group's and the company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

Notes to the Financial Statements (Continued)

JUNE 30, 2015

(Presented in United States dollars)

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

(q) Impairment (cont'd):

(i) Calculation of recoverable amount:

The recoverable amount of the group's and the company's receivables is calculated as the present value of expected future cash flows, discounted at the original effective interest rate inherent in the asset. Receivables with a short duration are not discounted.

The recoverable amount of other assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

(ii) Reversals of impairment:

An impairment loss in respect of receivables is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

(r) Interest-bearing borrowings:

Interest-bearing borrowings are recognised initially at cost. Subsequent to initial recognition, interest bearing borrowings are stated at amortised cost, with any difference between cost and redemption value recognised in profit or loss over the period of the borrowing on an effective interest basis.

(s) Foreign currencies:

Transactions in foreign currencies are converted at the rates of exchange ruling on the dates of those transactions. Monetary assets and liabilities denominated in other currencies at the reporting date are translated to United States dollars at the rates of exchange ruling on that date. Gains and losses arising from fluctuations in exchange rates are included in profit or loss.

For the purpose of the statement of cash flows, all foreign currency gains and losses recognised in profit or loss are treated as cash items and included in cash flows from operating or financing activities along with movements in the principal balances.

(t) Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. Financial assets have been determined to include cash and cash equivalents, accounts receivable and investments. Financial liabilities include bank overdraft, short-term loans, accounts payable, short-term and long-term promissory notes and long-term borrowings.

Notes to the Financial Statements (Continued)

JUNE 30, 2015

(Presented in United States dollars)

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

(u) Determination of fair value:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Market price is used to determine fair value where an active market exists as it is the best evidence of the fair value of a financial instrument. The company's financial instruments lack an available trading market. Further, the company has no financial instruments that are carried at fair value. The carrying value of the company's financial instruments approximates their fair value.

(v) Interest in subsidiary:

Interest in subsidiary is stated at cost, less provision for impairment, if any.

(w) Interest in joint venture:

This represents entities or operations over which the company, by virtue of a joint venture agreement, exercises joint control with one or more entities. Interest in joint venture is accounted for using the equity method in accordance with IFRS 11 *Joint Arrangements*, whereby the investment is recognised initially at cost and thereafter the carrying amount is increased or reduced by the company's share of profits or losses after the acquisition date.

(x) Operating segments:

An operating segment is a component of the group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the company's other components and for which discrete financial information is available. An operating segment's operating results are reviewed regularly by the Board of Directors to make decisions about resources to be allocated to the segment and assess its performance.

Based on the nature of the group's products, processes, customers and distribution systems, management has determined that disclosure of segment information is not applicable to the group.

(y) Transaction costs:

(i) Transaction costs of share issue:

Transaction costs on the issue of shares are deducted from the proceeds of the issue of share capital to the extent the costs are directly attributable to the issue of the shares.

(ii) Debt issuance costs:

Debt issuance costs represent financing and certain related fees associated with securing long-term borrowings. Amortisation is charged to profit or loss on the effective interest basis over the life of the related borrowings.

Notes to the Financial Statements (Continued)

JUNE 30, 2015

(Presented in United States dollars)

3. Cash and cash equivalents

	Group		Company	
	2015	2014	2015	2014
Cash	6,642	6,705	6,054	6,705
Bank balances	2,536,017	2,988,618	2,371,288	2,891,573
Deposits	506,820	-	506,820	-
	3,049,479	2,995,323	2,884,162	2,898,278
Bank overdraft	(188,047)	-	(188,047)	-
	<u>\$2,861,432</u>	<u>2,995,323</u>	<u>2,696,115</u>	<u>2,898,278</u>

Bank overdraft represents unpresented cheques. The company has an overdraft facility which attracts interest if drawn upon and is secured as detailed in note 16.

4. Accounts receivable

	Group		Company	
	2015	2014	2015	2014
Trade receivables	9,731,391	9,904,150	9,089,868	9,818,802
Other receivables	2,421,201	3,727,625	2,187,039	2,869,329
	12,152,592	13,631,775	11,276,907	12,688,131
Less: Allowance for impairment losses	(31,397)	(55,726)	(30,676)	(55,726)
	<u>\$12,121,195</u>	<u>13,576,049</u>	<u>11,246,231</u>	<u>12,632,405</u>

Trade receivables include \$74,042 (2014: \$63,198) for the group and \$73,715 (2014: \$63,198) for the company due from directors; and \$174,615 (2014: \$18,332) for the group and the company due from related companies, which are controlled by key management.

Other receivables include \$43,508 (2014: \$9,346) for the group and the company due from directors; and \$734,843 (2014: \$734,843) for the group and the company due from related companies, which are controlled by key management.

The aging of trade receivables at the reporting date was:

	Group			
	2015		2014	
	Gross	Impairment	Gross	Impairment
Not past due	7,449,500	-	6,886,769	-
Past due 31- 60 days	1,438,331	-	1,152,424	-
More than 60 days	843,560	31,397	1,864,957	55,726
	<u>\$9,731,391</u>	<u>31,397</u>	<u>9,904,150</u>	<u>55,726</u>

Notes to the Financial Statements (Continued)

JUNE 30, 2015

(Presented in United States dollars)

4. Accounts receivable (cont'd)

	Company			
	2015		2014	
	<u>Gross</u>	<u>Impairment</u>	<u>Gross</u>	<u>Impairment</u>
Not past due	6,773,131	-	6,801,421	-
Past due 31- 60 days	1,452,049	-	1,152,424	-
More than 60 days	<u>864,688</u>	<u>30,676</u>	<u>1,864,957</u>	<u>55,726</u>
	<u>\$9,089,868</u>	<u>30,676</u>	<u>9,818,802</u>	<u>55,726</u>

The movement in allowance for impairment in respect of trade receivables during the year was as follows:

	Group		Company	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Balance at beginning of year	55,726	71,000	55,726	71,000
Amounts written off	(52,878)	(52,138)	(52,878)	(52,138)
Amount provided during the year	<u>28,549</u>	<u>36,864</u>	<u>27,828</u>	<u>36,864</u>
Balance at end of year	<u>\$31,397</u>	<u>55,726</u>	<u>30,676</u>	<u>55,726</u>

5. Inventories

	Group		Company	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Goods held for resale – duty paid	18,406,564	14,549,242	16,113,448	14,489,605
Goods held in bonded warehouse	480,067	496,846	330,753	496,846
Goods in transit	3,298,536	1,746,931	2,993,729	1,746,931
Raw materials	1,309,898	1,484,238	1,303,776	1,484,238
Others	<u>404,019</u>	<u>320,489</u>	<u>367,950</u>	<u>320,489</u>
	<u>\$23,899,084</u>	<u>18,597,746</u>	<u>21,109,656</u>	<u>18,538,109</u>

During the year, expenses relating to inventory write-offs amounted to \$925,968 (2014: \$679,008) for the group and \$821,356 (2014: \$679,008) for the company.

6. Short-term loans

These commercial bank loans bear interest at 6.50% (2014: 6.50%) per annum and are repayable on demand. These loans are secured as detailed in note 16.

7. Accounts payable

	Group		Company	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Trade payables	4,415,133	3,714,462	3,629,756	3,642,527
Other payables	<u>2,143,186</u>	<u>1,122,411</u>	<u>2,044,717</u>	<u>1,049,949</u>
	<u>\$6,558,319</u>	<u>4,836,873</u>	<u>5,674,473</u>	<u>4,692,476</u>

Notes to the Financial Statements (Continued)

JUNE 30, 2015

(Presented in United States dollars)

7. Accounts payable (cont'd)

Trade payables include \$2,808 (2014: \$288) for the group and \$1,871 (2014: \$288) for the company due to directors; and \$296,627 (2014: \$38,200) for the group and \$202,117 (2014: \$38,200) for the company due to related companies, which are controlled by key management.

Other payables include \$69,308 (2014: \$62,332) for the group and the company due to related companies, which are controlled by key management.

8. Short-term promissory notes

These promissory notes are repayable with three months notice to the company, are unsecured and bear interest at 6% to 8% per annum (2014: 6% to 8%). This includes \$750,000 (2014: \$750,000) payable to a related company, which is controlled by key management.

9. Interest in subsidiary

(a) The details of the company's subsidiaries as at June 30, 2015 are as follows:

<u>Company</u>	<u>Principal activity</u>	<u>Percentage of ordinary shares held by company</u>	<u>Place of incorporation</u>
		<u>2015</u>	
CPJ Investments Limited	Holds investment in CPJ (St. Lucia) Limited	100	St. Lucia
CPJ (St. Lucia) Limited	See note 1	51	St. Lucia

(b) Interest in subsidiary comprises:

	<u>Company</u>	
	<u>2015</u>	<u>2014</u>
Shares, at cost	10,000	10,000
Advances	<u>2,750,222</u>	<u>746,176</u>
	<u>\$2,760,222</u>	<u>756,176</u>

10. Interest in joint venture

	<u>Group and Company</u>	
	<u>2015</u>	<u>2014</u>
Shares, at cost	77	77
Additional cost of acquisition	406,977	406,977
Advances	<u>102,025</u>	<u>124,973</u>
	509,079	532,027
Less: Share of accumulated losses	<u>(349,893)</u>	<u>(312,241)</u>
	<u>\$ 159,186</u>	<u>219,786</u>

The company holds a 50% interest in Caribbean Egg Processors Limited (CEP), a company incorporated to purchase, process and sell eggs, related products and services.

Notes to the Financial Statements (Continued)

JUNE 30, 2015

(Presented in United States dollars)

10. Interest in joint venture (cont'd)

The company has recognised its interest in this joint venture using the equity method and based on information available from the unaudited financial statements of CEP whose reporting date is June 30.

Summary of financial information for CEP is as follows:

	<u>2015</u> \$	<u>2014</u> \$
Non-current assets	28,060	118,190
Current assets [including cash and cash equivalents \$6,471 (2014: \$5,203)]	87,192	106,361
Non-current liabilities	(113,196)	(637,832)
Current liabilities	(635,572)	(141,157)
Net liabilities (100%)	(633,516)	(554,438)
Company's share of net liabilities (50%)	(316,758)	(277,219)
Revenue	62,239	401,273
Depreciation	26,476	41,293
Loss and total comprehensive loss (100%)	(75,304)	(117,594)
Company's share of loss (50%)	(37,652)	(58,797)

11. Deferred tax asset

The deferred tax asset is attributable to differences in tax and financial statement reporting in respect of the following:

	Group				
	<u>2013</u>	Recognised in income [note 20(a)]	<u>2014</u>	Recognised in income [note 20(a)]	<u>2015</u>
Tax effect of losses carried forward	-	-	-	250,872	250,872
Property, plant and equipment	88,453	7,055	95,508	(87,730)	7,778
	<u>\$88,453</u>	<u>7,055</u>	<u>95,508</u>	<u>163,142</u>	<u>258,650</u>
	Company				
	<u>2013</u>	Recognised in income [note 20(a)]	<u>2014</u>	Recognised in income [note 20(a)]	<u>2015</u>
Property, plant and equipment	\$88,453	7,055	95,508	63,549	159,057

Notes to the Financial Statements (Continued)

JUNE 30, 2015

(Presented in United States dollars)

12. Property, plant and equipment

	Group					
	Leasehold improvements	Furniture, fixtures and equipment	Computer equipment	Motor vehicles	Construction in progress	Total
Cost:						
June 30, 2013	7,037,973	8,061,568	1,283,327	1,355,694	-	17,738,562
Additions	607,695	1,359,676	205,199	430,296	-	2,602,866
Disposals	-	(731,400)	(6,874)	(154,921)	-	(893,195)
June 30, 2014	7,645,668	8,689,844	1,481,652	1,631,069	-	19,448,233
Additions	264,943	1,528,481	371,408	480,880	1,119,866	3,765,578
Disposals	-	(99,974)	(9,800)	(162,061)	-	(271,835)
June 30, 2015	<u>7,910,611</u>	<u>10,118,351</u>	<u>1,843,260</u>	<u>1,949,888</u>	<u>1,119,866</u>	<u>22,941,976</u>
Depreciation:						
June 30, 2013	2,097,341	2,742,434	861,733	1,028,513	-	6,730,021
Charge for the year	674,210	806,196	161,687	117,539	-	1,759,632
Disposals	-	(579,349)	(2,011)	(111,956)	-	(693,316)
June 30, 2014	2,771,551	2,969,281	1,021,409	1,034,096	-	7,796,337
Charge for the year	720,163	968,366	270,565	198,264	-	2,157,358
Disposals	-	(95,126)	(9,800)	(159,221)	-	(264,147)
June 30, 2015	<u>3,491,714</u>	<u>3,842,521</u>	<u>1,282,174</u>	<u>1,073,139</u>	<u>-</u>	<u>9,689,548</u>
Net book values:						
June 30, 2015	<u>\$4,418,897</u>	<u>6,275,830</u>	<u>561,086</u>	<u>876,749</u>	<u>1,119,866</u>	<u>13,252,428</u>
June 30, 2014	<u>\$4,874,117</u>	<u>5,720,563</u>	<u>460,243</u>	<u>596,973</u>	<u>-</u>	<u>11,651,896</u>

Notes to the Financial Statements (Continued)

JUNE 30, 2015

(Presented in United States dollars)

12. Property, plant and equipment (cont'd)

	Company					
	<u>Leasehold improvements</u>	<u>Furniture, fixtures and equipment</u>	<u>Computer equipment</u>	<u>Motor vehicles</u>	<u>Construction in progress</u>	<u>Total</u>
Cost:						
June 30, 2013	7,037,973	8,061,568	1,283,327	1,355,694	-	17,738,562
Additions	556,163	1,059,194	171,408	225,059	-	2,011,824
Disposals	-	(731,400)	(6,874)	(154,921)	-	(893,195)
June 30, 2014	7,594,136	8,389,362	1,447,861	1,425,832	-	18,857,191
Additions	168,024	456,943	339,022	381,822	917,251	2,263,062
Disposals	-	(99,974)	(9,800)	(162,061)	-	(271,835)
June 30, 2015	<u>7,762,160</u>	<u>8,746,331</u>	<u>1,777,083</u>	<u>1,645,593</u>	<u>917,251</u>	<u>20,848,418</u>
Depreciation:						
June 30, 2013	2,097,341	2,742,434	861,733	1,028,513	-	6,730,021
Charge for the year	674,210	792,891	161,442	108,610	-	1,737,153
Disposals	-	(579,349)	(2,011)	(111,956)	-	(693,316)
June 30, 2014	2,771,551	2,955,976	1,021,164	1,025,167	-	7,773,858
Charge for the year	706,372	861,643	260,515	157,217	-	1,985,747
Disposals	-	(95,126)	(9,800)	(159,221)	-	(264,147)
June 30, 2015	<u>3,477,923</u>	<u>3,722,493</u>	<u>1,271,879</u>	<u>1,023,163</u>	<u>-</u>	<u>9,495,458</u>
Net book values:						
June 30, 2015	<u>\$4,284,237</u>	<u>5,023,838</u>	<u>505,204</u>	<u>622,430</u>	<u>917,251</u>	<u>11,352,960</u>
June 30, 2014	<u>\$4,822,585</u>	<u>5,433,386</u>	<u>426,697</u>	<u>400,665</u>	<u>-</u>	<u>11,083,333</u>

13. Intangible asset

	<u>Group Computer software</u>
Cost:	
Balance at June 30, 2014	-
Addition	<u>26,085</u>
Balance as at June 30, 2015	<u>26,085</u>
Amortisation:	
Charge for the year and balance as at June 30, 2015	<u>7,015</u>
Carrying amount:	
June 30, 2015	<u>\$19,070</u>
June 30, 2014	<u>\$ -</u>

Notes to the Financial Statements (Continued)

JUNE 30, 2015

(Presented in United States dollars)

14. Share capital

Authorised:

176,000,000,000
ordinary shares of no par value

Stated capital, issued and fully paid:

1,100,000,000 ordinary shares
of no par value
Less: Transaction costs of share issue

<u>Group and Company</u>	
<u>2015</u>	<u>2014</u>
5,117,611	5,117,611
(219,181)	(219,181)
<u>\$4,898,430</u>	<u>4,898,430</u>

15. Long-term promissory notes

	<u>Group</u>		<u>Company</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Due to related companies (controlled by key management) [note (a)]	8,600,000	8,613,000	8,600,000	8,613,000
Due to related company (controlled by key management) [note (b)]	650,000	650,000	650,000	650,000
Due to other party [note (a)]	<u>74,012</u>	<u>176,537</u>	<u>74,012</u>	<u>176,537</u>
	<u>\$9,324,012</u>	<u>9,439,537</u>	<u>9,324,012</u>	<u>9,439,537</u>

(a) These loans attract interest at 6% to 9% (2014: 6% to 9%) per annum, are unsecured and are not repayable before June 30, 2016 (see note 16).

(b) These loans are unsecured, interest-free, and are not repayable before June 30, 2016.

16. Long-term borrowings

		<u>Group</u>		<u>Company</u>	
		<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
9.5% Bonds	(a)	2,889,232	3,003,506	2,889,232	3,003,506
7% Sagicor Bank Jamaica Limited	(b)	19,459	63,916	19,459	63,916
7% Sagicor Bank Jamaica Limited	(c)	600,000	700,000	600,000	700,000
7% Sagicor Bank Jamaica Limited	(d)	1,200,000	1,400,000	1,200,000	1,400,000
10.5% Sagicor Bank Jamaica Limited [J\$11,608,445 (2014: J\$12,980,023)]	(e)	99,524	116,754	99,524	116,754
11% Sagicor Bank Jamaica Limited [J\$148,572,717 (2014: \$Nil)]	(f)	1,273,772	-	1,273,772	-
10.9% Sagicor Bank Jamaica Limited [J\$16,289,515 (2014: \$Nil)]	(g)	139,656	-	139,656	-
10.9% Sagicor Bank Jamaica Limited [J\$6,256,483 (2014: \$Nil)]	(h)	53,639	-	53,639	-
10.5% Sagicor Bank Jamaica Limited [J\$2,821,986 (2014: \$Nil)]	(i)	24,194	-	24,194	-
8% Royal Bank of Canada	(j)	21,397	25,735	-	-
8% Royal Bank of Canada	(k)	<u>28,480</u>	<u>33,156</u>	<u>-</u>	<u>-</u>
		6,349,353	5,343,067	6,299,476	5,284,176
Less: Current portion		(523,444)	(365,695)	(513,692)	(356,681)
Balance c/fwd		<u>5,825,909</u>	<u>4,977,372</u>	<u>5,785,784</u>	<u>4,927,495</u>

Notes to the Financial Statements (Continued)

JUNE 30, 2015

(Presented in United States dollars)

16. Long-term borrowings (cont'd)

	Group		Company	
	2015	2014	2015	2014
Balance b/fwd	5,825,909	4,977,372	5,785,784	4,927,495
Debt issuance costs:				
At beginning of the year	(1) (167,279)	(184,011)	(167,279)	(184,011)
Debt costs amortised during the year	13,111	16,732	13,111	16,732
At the end of the year	(154,168)	(167,279)	(154,168)	(167,279)
	<u>\$5,671,741</u>	<u>4,810,093</u>	<u>5,631,616</u>	<u>4,760,216</u>

- (a) On April 29, 2013, the company authorised the private placement by way of an exempt distribution under the Guidelines for Exempt Distributions (Guidelines SR-GUID-08/05-0016) of a series of 5-year promissory Bonds ("the Bonds") denominated in Jamaican dollars ("J\$") for an aggregate principal amount of up to J\$500,000,000. At June 30, 2015, bonds totaling J\$337,000,000 (2014: J\$337,000,000) were subscribed.

The bonds are secured by 5 year demand debentures over fixed and floating assets of the company.

- (b) This represents the balance due on an initial loan of \$200,000. The loan is repayable in sixty monthly instalments of principal and interest of \$3,960, the final instalment being due on November 2015.
- (c) This represents the balance due on an initial loan of \$1,000,000. The loan is repayable in one hundred and twenty monthly instalments of principal of \$8,333, the final instalment being due in June 2021.
- (d) This represents the balance of an initial loan at \$2,000,000. The loan is repayable in one hundred and twenty monthly instalments of principal of \$16,667, the final instalment being due on June 2021.
- (e) This represents the balance due on an initial loan of J\$13,195,000. The loan is repayable in eighty-four monthly instalments of principal and interest of J\$222,477, the final instalment being due in April 2021. This loan is secured by bills of sale over certain motor vehicles purchased by the company.
- (f) This represents the balance due on an initial loan of J\$162,006,450. The loan is repayable in eighty-four monthly instalments of principal and interest of J\$2,773,945, the final instalment being due on August 2021.
- (g) This represents the balance due on an initial loan of J\$17,768,000. The loan is repayable in eighty-four monthly instalments of principal and interest of J\$303,298, the final instalment being due on August 2021.

Notes to the Financial Statements (Continued)

JUNE 30, 2015

(Presented in United States dollars)

16. Long-term borrowings (cont'd)

- (h) This represents the balance due on an initial loan of J\$6,976,000. The loan is repayable in seventy-two monthly instalments of principal and interest of J\$132,425 the final instalment being due on August 2020.
- (i) This represents the balance due on an initial loan of J\$2,880,006. The loan is repayable in seventy-two monthly instalments of principal and interest of J\$54,084 the final instalment being due on August 2021.
- (j) This represents the balance due on an initial loan of XCD\$70,000. The loan is repayable in fifty-three monthly instalments of XCD\$1,420 the final instalment being due on June 2019. The loan is serviced by registered demand Bill of Sale on a motor vehicle and assignment of comprehensive insurance for XCD\$93,000.
- (k) This represents the balance due on an initial loan of XCD\$90,000. The loan is repayable in sixty-three monthly instalments of XCD\$1,614, the final instalment being due on April 2020.
- (l) This represents costs incurred in obtaining certain long-term borrowings. The costs are being written off over the period of the borrowings on the effective interest basis.

The borrowings at (b) to (i) short-term loans (note 6) and overdraft facility (note 3) are secured by:

- Personal guarantee of a director limited to \$10,000,000.
- Demand debentures over fixed and floating assets amounting to \$14,112,000 and J\$50,000,000.
- First demand mortgage by way of a guarantee over commercial property owned by Freeport Investments Limited, located at Montego Bay Freeport for \$1,000,000.
- Subordination agreement in the amount of \$6,000,000 in respect of an inter-company loan (see note 15).
- Corporate guarantee of Hull Investment Limited (related party) to cover \$2,000,000.
- Acknowledged assignment of insurance policies in the amount of \$20,368,802 over commercial properties and other assets.

The borrowings at (j) to (k) are secured by:

- Letter of guarantee and postponement of claims signed by Duboulay's Bottling Company Limited totaling XCD\$950,000.
- Customs Bond – subject for cancellation by the relevant authorities.
Collateral – Guarantee and postponement of claims signed by Duboulay's Bottling Company Limited for XCD\$750,000.

Notes to the Financial Statements (Continued)

JUNE 30, 2015

(Presented in United States dollars)

17. Due to related company

The amount is interest-free, unsecured and has no fixed repayment terms.

18. Gross operating revenue

Gross operating revenue represents income from the sale of food, beverages and non-food items for the year.

19. Disclosure of income/(expenses)

	<u>Group</u>		<u>Company</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
(a) Other operating income, net:				
Foreign exchange gains	304,357	266,383	307,049	264,393
Gain/(loss) on disposal of property, plant and equipment	19,967	(8,985)	19,967	(8,985)
Others	<u>37,778</u>	<u>36,856</u>	<u>13,703</u>	<u>18,910</u>
	<u>\$ 362,102</u>	<u>294,254</u>	<u>340,719</u>	<u>274,318</u>
(b) Finance income:				
Interest income - third party	<u>\$ 3,609</u>	<u>679</u>	<u>3,609</u>	<u>679</u>
(c) Finance costs:				
Interest on promissory notes	(1,080,311)	(1,075,385)	(1,080,311)	(1,075,385)
Interest on long-term and short term borrowings	(903,705)	(860,517)	(899,317)	(859,296)
Overdraft interest	(42,050)	(49,802)	(42,021)	(49,802)
	<u>\$(2,026,066)</u>	<u>(1,985,704)</u>	<u>(2,021,649)</u>	<u>(1,984,483)</u>
(d) Statutory disclosures:				
Profit before taxation is stated after charging:				
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Staff costs	7,923,232	7,281,452	7,402,232	7,222,158
Directors' emoluments	467,734	473,280	467,734	473,280
Auditors' remuneration	<u>40,741</u>	<u>28,074</u>	<u>29,699</u>	<u>28,074</u>

Staff costs include salaries, wages, other staff benefits and emoluments, and the company's payroll contributions.

Notes to the Financial Statements (Continued)

JUNE 30, 2015

(Presented in United States dollars)

20. Taxation

(a) Taxation is based on the following:

	<u>Group</u>		<u>Company</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
(i) Tax losses brought forward	(250,872)	-	-	-
(ii) Deferred tax:				
Origination and reversal of temporary differences (note 11)	<u>87,730</u>	<u>(7,055)</u>	<u>(63,549)</u>	<u>(7,055)</u>
Tax credit recognised in profit for the year	<u>\$ (163,142)</u>	<u>(7,055)</u>	<u>(63,549)</u>	<u>(7,055)</u>
(b) Reconciliation of actual taxation credit:				
Profit before taxation	<u>\$3,271,390</u>	<u>3,451,758</u>	<u>3,594,971</u>	<u>3,461,257</u>
Computed "expected" tax charge at 25% (2014: 25%)	799,150	865,314	898,743	865,314
Tax effect of differences between treatment for financial statement and taxation purposes:				
Depreciation and capital allowances	148,045	64,813	148,045	64,813
Other items, net	240,421	93,129	240,421	93,129
Tax remission [note (c)]	<u>(1,350,758)</u>	<u>(1,030,311)</u>	<u>(1,350,758)</u>	<u>(1,030,311)</u>
	<u>\$ (163,142)</u>	<u>(7,055)</u>	<u>(63,549)</u>	<u>(7,055)</u>

(c) The company's shares were listed on the Junior Market of the Jamaica Stock Exchange on July 20, 2011. Consequently, the company is entitled to a remission of taxes for 10 years in the proportions set out below, provided the shares remain listed for at least 15 years:

- Years 2012 to 2016 - 100%
- Years 2017 to 2021 - 50%

Notes to the Financial Statements (Continued)

JUNE 30, 2015

(Presented in United States dollars)

21. Earnings per stock unit

Earnings per stock unit is calculated by dividing the profit for the year by the weighted average number of ordinary shares in issue for the year as follows:

	Group		Company	
	2015	2014	2015	2014
Profit for the year attributable to the shareholders of the company	\$ <u>3,543,747</u>	<u>3,458,813</u>	<u>3,658,520</u>	<u>3,468,312</u>
Weighted average number of ordinary stock units held during the year	<u>1,100,000,000</u>	<u>1,100,000,000</u>	<u>1,100,000,000</u>	<u>1,100,000,000</u>
Earnings per stock unit (expressed in ¢ per share)	<u>0.32¢</u>	<u>0.31¢</u>	<u>0.33¢</u>	<u>0.32¢</u>

22. Related party transactions

The profit for the year includes the following (income)/expense and transactions with related parties in the ordinary course of business:

	Group		Company	
	2015	2014	2015	2014
	\$	\$	\$	\$
Sales to related companies/directors	(910,374)	(48,489)	(910,374)	(48,489)
Interest expense paid to a related companies	836,591	812,006	836,591	812,006
Rent paid to a related company	168,441	54,795	52,500	51,600
Agency fee paid to a related company	900,000	630,000	900,000	630,000
Compensation for key management:				
Short-term benefits	<u>535,047</u>	<u>457,679</u>	<u>535,047</u>	<u>457,679</u>

Note - related companies represent companies controlled by key management.

23. Lease commitments

At June 30, 2015, there were unexpired operating lease commitments in relation to leasehold property, payable as follows:

	Group		Company	
	2015	2014	2015	2014
Within one year	562,190	438,845	429,686	438,845
Between one and five years	643,514	548,275	113,498	548,275
After five years	<u>4,857,585</u>	<u>-</u>	<u>3,642,965</u>	<u>-</u>
	<u>\$6,063,289</u>	<u>987,120</u>	<u>4,186,149</u>	<u>987,120</u>

During the year, the total operating lease expenses recognised in profit or loss amounted to \$819,676 (2014: \$671,438) for the group and \$703,072 (2014: \$668,243) for the company.

Notes to the Financial Statements (Continued)

JUNE 30, 2015

(Presented in United States dollars)

24. Contingent liabilities

- (a) In 2007, the Valuation Audit Unit of the Jamaica Customs Department conducted an audit relating to 2004 and submitted a claim for Special Consumption Tax (SCT) and General Consumption Tax (GCT) amounting to approximately \$226,589 (J\$26,436,145) to which the company has objected. The directors are of the opinion that it is unlikely that the Revenue Protection Division will prove any significant portion of this claim. Therefore, no provision has been made in the financial statements.
- (b) The company has issued counter-indemnities in support of contingent liabilities held with Sagicor Jamaica Limited for amounts totaling \$251,600 and \$94,775 (J\$11,057,345).
- (c) During the year the Jamaica Customs Agency conducted an audit relating to the period January 2012 to March 2013 and submitted a claim for additional duties and taxes amounting to \$850,520 (J\$99,230,194). The company has objected to the claim and management believes no provision is considered necessary at this time.

25. Dividends

On August 27, 2014, the directors declared an interim dividend of J\$0.04 per share payable on October 1, 2014 to shareholders on record as at September 10, 2014 with an ex-dividend date of September 8, 2014.

On May 11, 2015, the directors declared an interim dividend of J\$0.05 per stock unit payable on July 15, 2015 to shareholders on record as at May 28, 2015 with an ex-dividend date of May 26 2015.

In the prior year, on December 23, 2013, the directors declared a dividend of J\$0.03 per share amounting to \$311,315.

26. Financial instruments

- (a) Financial risk management:

The company has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

This note presents information about the group's exposure to each of the above risks, the group's objectives, policies and processes for measuring and managing risk, and the group's management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework.

The risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities. The Board of Directors has monitoring oversight of the risk management policies.

Notes to the Financial Statements (Continued)

JUNE 30, 2015

(Presented in United States dollars)

26. Financial instruments (cont'd)

(a) Financial risk management (cont'd):

(i) Credit risk:

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The maximum exposure to credit risk at the reporting date was represented by the carrying value of financial assets in the statement of financial position.

Cash and cash equivalents

The group limits its exposure to credit risk by placing cash resources with substantial counterparties who are believed to have minimal risk of default.

Accounts receivable

The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer base, including the default risk of the industry in which customers operate, has less of an influence on credit risk. The group does not require collateral in respect of trade and other receivables.

Trade receivables mainly consist of balances due from retail and hospitality customers across Jamaica. Apart from the concentration of customers in Jamaica, the group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

The group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The allowances for impairment losses are based on the ageing of the receivables, with allowance made for balances outstanding for over 180 days that appear to be uncollectable. The company also provides for receivables that are overdue for less than this time period, based on information that the receivable balance is uncollectible.

There were no changes in the group's approach to managing credit risk during the year.

(ii) Liquidity risk:

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. Liquidity risk may result from an inability to sell a financial asset at, or close to, its fair value. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

Management of the group manages liquidity risk by maintaining adequate liquid financial assets with appropriate terms and currencies, together with committed financing to meet all contractual obligations and operational cash flows, including the servicing of its long-term liabilities.

Notes to the Financial Statements (Continued)

JUNE 30, 2015

(Presented in United States dollars)

26. Financial instruments (cont'd)

(a) Financial risk management (cont'd):

(ii) Liquidity risk (cont'd):

The following are the contractual maturities of financial liabilities measured at amortised cost, including interest payments. The tables show the undiscounted cash flows of non-derivative financial liabilities based on the earliest date on which the group can be required to pay.

	Group 2015			
	Carrying amount	Contractual cash flows	1 year or less	2-9 years
Bank overdraft	188,047	188,047	188,047	-
Short-term loans	4,925,000	5,245,125	5,245,125	-
Accounts payable	6,558,319	6,558,319	6,558,319	-
Short-term promissory notes	4,317,794	4,653,429	4,653,429	-
Long-term promissory notes	9,324,012	10,827,854	-	10,827,854
Long-term borrowings	6,195,185	7,843,870	692,130	7,151,740
Due to related company	2,387,382	2,387,382	-	2,387,382
Total financial liabilities	<u>\$33,895,739</u>	<u>37,704,026</u>	<u>17,337,050</u>	<u>20,366,976</u>

	Company 2015			
	Carrying amount	Contractual cash flows	1 year or less	2-9 years
Bank overdraft	188,047	188,047	188,047	-
Short-term loans	4,925,000	5,245,125	5,245,125	-
Accounts payable	5,674,473	5,674,473	5,674,473	-
Short-term promissory notes	4,317,794	4,653,428	4,653,428	-
Long-term promissory notes	9,324,012	10,827,854	-	10,827,854
Long-term borrowings	6,145,308	7,776,351	678,387	7,097,964
Total financial liabilities	<u>\$30,574,634</u>	<u>34,365,278</u>	<u>16,439,460</u>	<u>17,925,818</u>

	Group 2014			
	Carrying amount	Contractual cash flows	1 year or less	2-9 years
Short-term loans	6,325,000	6,736,125	6,736,125	-
Accounts payable	4,836,873	4,836,873	4,836,873	-
Short-term promissory notes	4,317,794	4,653,428	4,653,428	-
Long-term promissory notes	9,439,537	10,957,017	-	10,957,017
Long-term borrowings	5,175,788	7,228,061	498,443	6,729,618
Due to related company	718,924	718,924	-	718,924
Total financial liabilities	<u>\$30,814,016</u>	<u>35,130,428</u>	<u>16,724,869</u>	<u>18,405,559</u>

Notes to the Financial Statements (Continued)

JUNE 30, 2015

(Presented in United States dollars)

26. Financial instruments (cont'd)

(a) Financial risk management (cont'd):

(ii) Liquidity risk (cont'd):

	Company			
	2014			
	Carrying amount	Contractual cash flows	1 year or less	2-9 years
Short-term loans	6,325,000	6,736,125	6,736,125	-
Accounts payable	4,692,476	4,692,476	4,692,476	-
Short-term promissory notes	4,317,794	4,653,428	4,653,428	-
Long-term promissory notes	9,439,537	10,957,017	-	10,957,017
Long-term borrowings	5,116,897	7,143,666	483,980	6,659,686
Total financial liabilities	<u>\$29,891,704</u>	<u>34,182,712</u>	<u>16,566,009</u>	<u>17,616,703</u>

There were no changes to the group's approach to liquidity risk management during the year.

(iii) Market risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of changes in market prices. These arise mainly from changes in interest rates and foreign exchange rates and will affect the group's income or the value of its holdings of financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on assets. The nature of the group's exposures to market risk and its objectives, policies and processes for managing these risks have not changed significantly over the prior year. For each of the major components of market risk, the group has policies and procedures in place which detail how the risk is managed and monitored. The management of each of these major components of market risk and the exposure of the company at the reporting date to each major risk are addressed below.

Derivative financial instruments are not used to reduce exposure to fluctuations in interest and foreign exchange rates.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The group materially contracts financial liabilities at fixed interest rates. These primarily relate to bank overdrafts and loans which are subject to interest rates fixed in advance, but which may be varied with appropriate notice by the lenders. At the reporting date, financial liabilities subject to interest, aggregated \$24,284,203 (2014: \$24,775,498) for the group and \$24,234,326 (2014: \$24,716,507) for the company.

Notes to the Financial Statements (Continued)

JUNE 30, 2015

(Presented in United States dollars)

26. Financial instruments (cont'd)

(a) Financial risk management (cont'd):

(iii) Market risk (cont'd):

Interest-bearing financial assets are primarily represented by cash and cash equivalents, which are contracted at various interest rates. At the reporting date, financial assets subject to third party interest is \$623,338 (2014: \$636,860).

Sensitivity analysis

At the reporting date, the group only has fixed-rate financial assets and liabilities carried at amortised cost. Therefore, changes in market interest rates will neither affect the cash flow nor the carrying amount of the instruments.

Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The company incurs foreign currency risk primarily on receivables, purchases and borrowings that are denominated in a currency other than the United States dollar. The principal foreign currency risks of the company are denominated in Jamaica dollar (J\$).

The company ensures that the risk is kept to an acceptable level by monitoring its risk exposure and by maintaining funds in J\$ as a hedge against adverse fluctuations in exchange rates.

At the reporting date, net foreign currency liabilities of the group and the company are as follows:

	<u>Group and Company</u>	
	<u>2015</u>	<u>2014</u>
	<u>J\$</u>	<u>J\$</u>
Cash and cash equivalents	88,274,949	77,618,309
Accounts receivable	46,306,610	57,130,216
Bank overdraft	(21,878,836)	-
Accounts payable	(234,812,800)	(163,564,681)
Long-term borrowings	(543,053,485)	(349,980,023)
Net foreign currency liabilities	<u>(665,163,562)</u>	<u>(378,796,179)</u>

Exchange rates for the J\$ in comparison to the United States dollar, were:

	<u>J\$</u>
June 30, 2015:	\$116.67
June 30, 2014:	\$112.20

Notes to the Financial Statements (Continued)

JUNE 30, 2015

(Presented in United States dollars)

26. Financial instruments (cont'd)

(a) Financial risk management (cont'd):

(iii) Market risk (cont'd):

Sensitivity analysis

Changes in exchanges rates would have the effect described below:

	Group and Company Increase/(decrease) in profit for the year	
	2015 US\$	2014 US\$
1% (2014: 1%) strengthening against the US\$	(<u>57,015</u>)	(<u>33,761</u>)
8% (2014: 15%) weakening against the US\$	<u>456,117</u>	<u>506,412</u>

The analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is done on the same basis as for 2014.

(b) Capital risk management:

The company's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders. The directors of the company seek to maintain a strong capital base so as to maintain shareholder and creditor confidence. The group defines capital as total shareholders' equity.

Management of the company is responsible for monitoring the company's adherence to loan covenants on a timely basis and also to obtain relevant approvals from the bank before certain decisions are finalised.

There were no changes in the group's approach to capital management during the year.

(c) Fair value disclosures:

The fair values of cash and cash equivalents, accounts receivable, accounts payable and short-term borrowings are assumed to approximate their carrying values due to their relatively short-term nature. Long-term borrowings and promissory notes are carried at their contracted settlement value based on commercial terms. Amounts due to related companies are considered to approximate their carrying value due to their short-term nature, and/or an ability to effect future set-offs in the amounts disclosed.

27. Subsequent event

Subsequent to the year end, the company accepted an offer from its joint venture partner, for the sale of the company's 50% interest in CEP.

