



# **JAMAICA PRODUCERS GROUP LIMITED**

**UNAUDITED GROUP RESULTS**

26 WEEKS ENDED JUNE 30, 2018



## Jamaica Producers Group Limited

UNAUDITED GROUP RESULTS

26 WEEKS ENDED JUNE 30, 2018

### Chairman's Statement

For the **13-week** period ended June 30, 2018 (the "Second Quarter"), Jamaica Producers Group Limited ("JP" or the "Group") increased consolidated net profit attributable to shareholders by 67% relative to the comparable period in 2017. JP's Second Quarter revenues are also up 20% over 2017. Year-to-date profits attributable to shareholders for the 26-week period ended June 30, 2018 (the "First Half") were up 65%, with revenues up 25%. Accordingly, during the First Half, JP earned net profit attributable to shareholders of \$415 million on revenues of \$9.3 billion.

JP operates in two lines of business – Food & Drink and Logistics & Infrastructure. Both lines of business have strong hard currency revenues and serve geographically diverse markets. During the Second Quarter and for the year-to-date, both lines of business achieved strong growth in revenues and profits.

#### JP Logistics & Infrastructure

The greater share of the Group's profit during the First Half was earned in its Logistics & Infrastructure ("L&I") reporting segment. Kingston Wharves Limited (which operates a multipurpose port and logistics services business) is the Group's largest subsidiary by assets. The L&I Division also includes JP Shipping Services Limited (which operates logistics and shipping services between Caribbean ports and the United Kingdom).

The L&I Division generated year-to-date profit before finance cost and taxation of \$1.3 billion, a 30% increase on the prior year. Divisional revenues were up 14% to \$3.8 billion. The L&I Division continues to benefit from significant capital investment and business development

initiatives to advance Kingston Wharves as a leading regional multipurpose and multi-user terminal and a market-leading logistics service provider.

#### JP Food & Drink

JP's Food & Drink ("F&D") Division is the largest contributor to the revenues of the Group. The F&D Division earned profit before finance cost and taxation for the First Half of 2018 of \$296 million, compared to the prior year result of \$74 million – a four-fold increase. Divisional revenues grew 35% to \$5.5 billion.

The F&D Division comprises our portfolio of subsidiaries that are engaged in farming, food processing, food distribution and retail of specialty food and drink. The F&D business has production facilities in Europe and the Caribbean and operates a distribution centre in the United States. Our range of specialty food and drink products includes fresh juices, tropical snacks, fresh fruit and Caribbean rum-based confectionery and baked goods. A.L. Hoogesteger Fresh Specialist B.V. is the largest contributor to the revenues and profits of the Division. This business is a leading producer of fresh juice in Northern Europe and serves as a co-packer of juice for major supermarket and food service entities in the Netherlands, Belgium, Scandinavia, Germany and Switzerland.

During the First Half, the F&D Division benefitted from particularly strong year-on-year improvements in our European juice business as well as in our tropical snack food business. In both cases, the improved results reflected our ongoing investment in innovation and new product development. In Europe, we expanded our range of healthy

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## Chairman's Statement (cont'd)

fresh juice recipes with highly innovative vegetable juices, and in our tropical snacks business, we launched a new line of frozen "ready-to-cook" tropical foods for the US market. We expect the benefits of our Division-wide product innovation programme to continue with the launch of "rum cake bites" under the Tortuga brand. We expect this product to drive sales growth during the winter tourism season.

Our JP Farms business had improved results and strong sales growth relative to 2017. The business continues to be extremely challenging but retains its position as the leading tropical fruit supplier to most Jamaican supermarkets and hotels and the single largest employer in the parish of St. Mary.

### JP Corporate

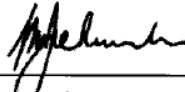
In addition to the Group's two operating divisions, JP accounts for the cost of the Group's corporate management, special projects, financing and treasury functions net of investment income in its Corporate Services Division. The First Half results for the Corporate Services Division reflect increased costs and accruals associated with special investment projects which were more than offset by the trading growth in other divisions.

### Outlook

Jamaica Producers Group and its subsidiaries will continue a programme of investment that is designed to improve its product and service offering while enhancing its operating efficiency. In line with this programme of investment, Kingston Wharves will continue to distinguish itself based on its service levels and its ability to handle a wide range of different types of domestic and transshipment cargo. Accordingly, we are improving the organisation of the shipping terminal and introducing a range of protocols to streamline our systems to allow cargo to be loaded, discharged and processed with less wait time, while providing our customers with an improved overall customer experience.

Our juice, bakery and snack businesses are all undertaking structured continuous improvement initiatives that include new production lines, product and packaging innovation and improved sales and marketing activities.

I thank our board and team of employees for their commitment to our success, and our customers and partners for their continued support.

  
\_\_\_\_\_  
C. H. Johnston Chairman



# Jamaica Producers Group Limited

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### Group Balance Sheet

	Unaudited as at June 30, 2018 \$'000	Unaudited as at July 01, 2017 \$'000	Audited as at December 31, 2017 \$'000
<b>Current Assets</b>			
Cash and cash equivalents	761,296	728,559	885,254
Short-term investments	28,430	283	-
Securities purchased under resale agreements	4,248,937	2,873,936	3,805,031
Accounts receivable	2,876,039	2,166,077	2,450,355
Taxation recoverable	9,970	10,253	23,944
Inventories	873,719	738,316	765,220
<b>Total Current Assets</b>	<b>8,798,391</b>	<b>6,517,424</b>	<b>7,929,804</b>
<b>Current Liabilities</b>			
Accounts payable	3,687,447	2,561,393	3,432,056
Taxation	150,146	64,776	173,250
Current portion of long-term loans	704,748	739,894	772,256
<b>Total Current Liabilities</b>	<b>4,542,341</b>	<b>3,366,063</b>	<b>4,377,562</b>
<b>Working Capital</b>	<b>4,256,050</b>	<b>3,151,361</b>	<b>3,552,242</b>
<b>Non-Current Assets</b>			
Biological assets	78,143	141,151	119,785
Interest in associated companies	656,680	565,080	625,664
Investments	95,438	102,660	97,813
Intangible assets	1,612,971	1,689,462	1,635,472
Deferred tax asset	3,802	2,171	2,245
Property, plant and equipment	21,334,971	20,043,571	21,083,079
Employee benefit asset	1,174,675	936,177	1,174,675
<b>Total Non-Current Assets</b>	<b>24,956,680</b>	<b>23,480,272</b>	<b>24,738,733</b>
<b>Total Assets Less Current Liabilities</b>	<b>29,212,730</b>	<b>26,631,633</b>	<b>28,290,975</b>
<b>Equity</b>			
Share capital	112,214	112,214	112,214
Reserves	11,529,976	10,713,517	11,148,619
<b>Total equity attributable to equity holders of the parent</b>	<b>11,642,190</b>	<b>10,825,731</b>	<b>11,260,833</b>
<b>Non-Controlling Interest</b>	<b>11,760,524</b>	<b>11,056,358</b>	<b>11,484,023</b>
<b>Total Equity</b>	<b>23,402,714</b>	<b>21,882,089</b>	<b>22,744,856</b>
<b>Non-Current Liabilities</b>			
Deferred tax liability	1,287,579	1,159,861	1,183,851
Long-term loans	4,164,645	3,312,921	4,004,476
Employee benefit obligation	357,792	276,762	357,792
<b>Total Non-Current Liabilities</b>	<b>5,810,016</b>	<b>4,749,544</b>	<b>5,546,119</b>
<b>Total Equity and Non-Current Liabilities</b>	<b>29,212,730</b>	<b>26,631,633</b>	<b>28,290,975</b>
<b>Parent company stockholders' equity per ordinary stock unit:</b>			
Based on stock units in issue	<b>\$10.37</b>	<b>\$9.65</b>	<b>\$10.04</b>
After exclusion of stock units held by ESOP	<b>\$11.16</b>	<b>\$10.40</b>	<b>\$10.78</b>



# Jamaica Producers Group Limited

## UNAUDITED GROUP RESULTS

26 WEEKS ENDED JUNE 30, 2018

### Group Profit and Loss Account

Notes	Unaudited	Unaudited	Unaudited	Unaudited	
	13 weeks ended June 30, 2018	13 weeks ended July 01, 2017	26 weeks ended June 30, 2018	26 weeks ended July 01, 2017	
	\$'000	\$'000	\$'000	\$'000	
Gross operating revenue	3	4,808,042	3,995,939	9,287,390	7,404,210
Cost of operating revenue		( 3,289,781 )	( 2,763,368 )	( 6,433,126 )	( 5,083,211 )
<b>Gross profit</b>		<b>1,518,261</b>	<b>1,232,571</b>	<b>2,854,264</b>	<b>2,320,999</b>
Other income		100,404	45,874	153,454	92,470
Selling, administrative and other operating expenses		( 823,299 )	( 732,905 )	( 1,638,556 )	( 1,432,489 )
<b>Profit from operations</b>		<b>795,366</b>	<b>545,540</b>	<b>1,369,162</b>	<b>980,980</b>
Share of profit/(loss) in associated companies		33,442	( 5,976 )	33,021	( 2,229 )
<b>Profit before finance cost and taxation</b>		<b>828,808</b>	<b>539,564</b>	<b>1,402,183</b>	<b>978,751</b>
Finance cost - interest		( 89,713 )	( 67,618 )	( 187,975 )	( 142,042 )
<b>Profit before taxation</b>		<b>739,095</b>	<b>471,946</b>	<b>1,214,208</b>	<b>836,709</b>
Taxation charge		( 205,576 )	( 94,305 )	( 317,782 )	( 166,476 )
<b>Profit for the period</b>		<b>533,519</b>	<b>377,641</b>	<b>896,426</b>	<b>670,233</b>
<b>Attributable to:</b>					
Parent company stockholders		262,972	157,931	414,590	251,036
Non-controlling interest		270,547	219,710	481,836	419,197
		<b>533,519</b>	<b>377,641</b>	<b>896,426</b>	<b>670,233</b>
<b>Profit per ordinary stock unit:</b>	4				
Based on stock units in issue		<b>23.43</b> ¢	<b>14.07</b> ¢	<b>36.95</b> ¢	<b>22.37</b> ¢
After exclusion of stock units held by ESOP		<b>25.17</b> ¢	<b>15.18</b> ¢	<b>39.68</b> ¢	<b>24.13</b> ¢



# Jamaica Producers Group Limited

## UNAUDITED GROUP RESULTS

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### Group Statement of Profit or Loss and Other Comprehensive Income

	Unaudited 13 weeks ended June 30, 2018 \$'000	Unaudited 13 weeks ended July 01, 2017 \$'000	Unaudited 26 weeks ended June 30, 2018 \$'000	Unaudited 26 weeks ended July 01, 2017 \$'000
<b>Profit for the period</b>	<u>533,519</u>	<u>377,641</u>	<u>896,426</u>	<u>670,233</u>
<b>Other comprehensive (expense)/income:</b>				
Items that may be reclassified to profit or loss:				
Exchange (losses)/gains on translating foreign operations	( 57,419 )	123,091	( 2,425 )	152,047
	<u>( 57,419 )</u>	<u>123,091</u>	<u>( 2,425 )</u>	<u>152,047</u>
<b>Total comprehensive income for the period</b>	<u>476,100</u>	<u>500,732</u>	<u>894,001</u>	<u>822,280</u>
<b>Attributable to:</b>				
Parent company stockholders	197,094	277,371	401,597	404,891
Non-controlling interest	<u>279,006</u>	<u>223,361</u>	<u>492,404</u>	<u>417,389</u>
	<u>476,100</u>	<u>500,732</u>	<u>894,001</u>	<u>822,280</u>



# Jamaica Producers Group Limited

## UNAUDITED GROUP RESULTS

26 WEEKS ENDED JUNE 30, 2018

### Group Statement of Changes in Equity

	Share Capital \$'000	Share Premium \$'000	Capital Reserves \$'000	Reserve For Own Shares \$'000	Retained Profits \$'000	Parent Company Stockholders' Equity \$'000	Non- Controlling Interest \$'000	Total Equity \$'000
Balances at December 31, 2016	<u>112,214</u>	<u>135,087</u>	<u>2,202,157</u>	<u>( 96,911 )</u>	<u>8,065,941</u>	<u>10,418,488</u>	<u>10,779,986</u>	<u>21,198,474</u>
Changes in equity:								
Profit for the period	-	-	-	-	251,036	251,036	419,197	670,233
Other comprehensive income/(loss)								
Exchange gains/(losses) arising on retranslation of foreign operations	-	-	153,855	-	-	153,855	( 1,808 )	152,047
Total other comprehensive income/(expense)	-	-	153,855	-	-	153,855	( 1,808 )	152,047
Total comprehensive income for the period	-	-	153,855	-	251,036	404,891	417,389	822,280
Transactions with owners recorded directly in equity								
Contributions and Distributions								
Own shares sold by ESOP	-	-	-	2,352	-	2,352	-	2,352
Distributions to non-controlling interests	-	-	-	-	-	-	( 141,017 )	( 141,017 )
Total Transactions with owners recorded directly in equity	-	-	-	2,352	-	2,352	( 141,017 )	( 138,665 )
Total increase in equity	-	-	153,855	2,352	251,036	407,243	276,372	683,615
Balances at July 1, 2017	<u>112,214</u>	<u>135,087</u>	<u>2,356,012</u>	<u>( 94,559 )</u>	<u>8,316,977</u>	<u>10,825,731</u>	<u>11,056,358</u>	<u>21,882,089</u>
Retained in the financial statements of:								
The company	112,214	135,087	1,533,173	-	2,674,906	4,455,380		
Subsidiaries	-	-	822,839	( 94,559 )	5,589,011	6,317,291		
Associated companies	-	-	-	-	53,060	53,060		
Balances at July 1, 2017	<u>112,214</u>	<u>135,087</u>	<u>2,356,012</u>	<u>( 94,559 )</u>	<u>8,316,977</u>	<u>10,825,731</u>		



# Jamaica Producers Group Limited

## UNAUDITED GROUP RESULTS

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### Group Statement of Changes in Equity (cont'd)

	Share Capital \$'000	Share Premium \$'000	Capital Reserves \$'000	Reserve For Own Shares \$'000	Retained Profits \$'000	Parent Company Stockholders' Equity \$'000	Non- Controlling Interest \$'000	Total Equity \$'000
<b>Balances at December 31, 2017</b>	<b>112,214</b>	<b>135,087</b>	<b>2,308,929</b>	<b>( 72,419 )</b>	<b>8,777,022</b>	<b>11,260,833</b>	<b>11,484,023</b>	<b>22,744,856</b>
<b>Changes in equity:</b>								
Profit for the period	-	-	-	-	414,590	414,590	481,836	896,426
<b>Other comprehensive (loss)/income</b>								
Exchange (losses)/gains arising on retranslation of foreign operations	-	-	( 12,993 )	-	-	( 12,993 )	10,568	( 2,425 )
Total other comprehensive (expense)/income	-	-	( 12,993 )	-	-	( 12,993 )	10,568	( 2,425 )
<b>Total comprehensive (loss)/income for the period</b>	<b>-</b>	<b>-</b>	<b>( 12,993 )</b>	<b>-</b>	<b>414,590</b>	<b>401,597</b>	<b>492,404</b>	<b>894,001</b>
<b>Other reserve movements</b>								
Other transfer to capital reserve	-	-	19,095	-	( 19,095 )	-	-	-
<b>Transactions with owners recorded directly in equity</b>								
<b>Contributions and Distributions</b>								
Own shares acquired by ESOP	-	-	-	( 20,240 )	-	( 20,240 )	-	( 20,240 )
Net movement in subsidiary ESOP	-	-	-	-	-	-	( 50,000 )	( 50,000 )
Distributions to non-controlling interests	-	-	-	-	-	-	( 165,903 )	( 165,903 )
<b>Total Transactions with owners recorded directly in equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>( 20,240 )</b>	<b>-</b>	<b>( 20,240 )</b>	<b>( 215,903 )</b>	<b>( 236,143 )</b>
<b>Total increase/(decrease) in equity</b>	<b>-</b>	<b>-</b>	<b>6,102</b>	<b>( 20,240 )</b>	<b>395,495</b>	<b>381,357</b>	<b>276,501</b>	<b>657,858</b>
<b>Balances at June 30, 2018</b>	<b>112,214</b>	<b>135,087</b>	<b>2,315,031</b>	<b>( 92,659 )</b>	<b>9,172,517</b>	<b>11,642,190</b>	<b>11,760,524</b>	<b>23,402,714</b>
Retained in the financial statements of:								
The company	112,214	135,087	1,297,715	-	2,700,468	4,245,484		
Subsidiaries	-	-	1,017,316	( 92,659 )	6,367,792	7,292,449		
Associated companies	-	-	-	-	104,257	104,257		
<b>Balances at June 30, 2018</b>	<b>112,214</b>	<b>135,087</b>	<b>2,315,031</b>	<b>( 92,659 )</b>	<b>9,172,517</b>	<b>11,642,190</b>		





# Jamaica Producers Group Limited

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### Group Statement of Cash Flows

	Unaudited as at 26 weeks ended June 30, 2018	Unaudited as at 26 weeks ended July 01, 2017
	\$'000	\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit for the period	896,426	670,233
Adjustments for items not affecting cash:		
Depreciation and amortisation	583,653	450,359
Share of (profits)/losses in associated companies	( 33,021 )	2,229
Losses on disposal of fixed assets and investments	2,127	611
Exchange movement in working capital	( 426 )	29,754
Taxation charge	317,782	166,476
Net interest expense	161,655	98,615
	<u>1,928,196</u>	<u>1,418,277</u>
Increase in current assets	( 547,577 )	( 302,683 )
Increase/(decrease) in current liabilities	128,479	( 33,784 )
<b>CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b><u>1,509,098</u></b>	<b><u>1,081,810</u></b>
<b>CASH FLOWS FROM INVESTMENT ACTIVITIES</b>		
Additions to property, plant and equipment	( 772,441 )	( 858,838 )
Proceeds on disposals	2,878	4,916
Movement in short term investments and repos	( 472,336 )	784,728
Net movement in interest in associated companies	( 6,999 )	14,103
Net movement in own shares held by group ESOPs	( 70,240 )	-
Movement in long term loans receivable	3,132	6,404
Interest received	53,688	53,409
<b>CASH (USED)/PROVIDED BY INVESTMENT ACTIVITIES</b>	<b><u>( 1,262,318 )</u></b>	<b><u>4,722</u></b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net movement in loans and short term credit lines	86,396	( 554,079 )
Interest paid	( 189,675 )	( 146,382 )
Distribution to non-controlling interest	( 162,977 )	( 165,903 )
Dividends paid	( 104,483 )	( 124,523 )
<b>CASH USED BY FINANCING ACTIVITIES</b>	<b><u>( 370,739 )</u></b>	<b><u>( 990,887 )</u></b>
<b>Net decrease/(increase) in cash and cash equivalents</b>	<b>( 123,958 )</b>	<b>95,645</b>
<b>Cash at beginning of the period</b>	<b>885,254</b>	<b>632,914</b>
<b>Cash at end of the period</b>	<b><u>761,296</u></b>	<b><u>728,559</u></b>



# Jamaica Producers Group Limited

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### Notes to the Financial Statements

#### 1. Group's Operations and Activities

Jamaica Producers Group Limited ("company") is incorporated and domiciled in Jamaica. The company's registered office is located at 4 Fourth Avenue, Newport West, Kingston 13.

The main activities of the company and its subsidiaries ("group"), and associated companies are port terminal operations, logistics, the cultivation, marketing and distribution of fresh produce, food and juice manufacturing, land management and the holding of investments.

#### 2. Basis of Presentation

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

The accounting policies and methods of computation used in these financial statements are consistent with the most recent annual report except where certain new, revised and amended standards and interpretations came into effect during the current financial year.

During the year a number of new or amended standards became applicable for the current reporting period. The group has assessed these and has adopted those which are relevant to its financial statements. Their adoption did not result in any changes to amounts recognised or disclosed in these financial statements. A summary of these new or amended standards is below:

##### **IFRS 9, Financial Instruments**

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, de-recognition of financial instruments and impairment of financial assets. The adoption of IFRS 9 from January 1, 2018 resulted in changes in accounting policies but no material adjustments were recognised in the financial statements. In accordance with the transitional provisions in IFRS 9 [7.2.15], comparative figures have not been restated.

For assets measured at fair value, gains or losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrecoverable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). Dividends from such investments continue to be recognized in profit or loss when the Group's right to receive payments is established and the Group measured its equity investments at fair value through comprehensive income.

The available for sale (AFS) category under IAS39 is no longer applicable.

##### **IFRS 15, Revenue from Contracts with Customers**

IFRS 15 replaces the provisions of IAS 18 that relate to the recognition of revenue. The adoption of IFRS 15 from January 1, 2018 resulted in changes in accounting policies but this has not resulted in any material adjustments in the financial statements. In accordance with the transitional provisions in IFRS 15 [C3(b)], comparative figures have not been restated.



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### Notes to the Financial Statements (cont'd)

#### 3. Gross operating revenue

Gross operating revenue comprises investment income, the gross sales of goods and services of the group and commission earned by the group on consignment sales. This is shown after deducting returns, rebates, discounts and consumption taxes and eliminating sales within the group.

#### 4. Profit per stock unit and stockholders' equity per stock unit

Profit per ordinary stock unit is calculated by dividing profit attributable to the group of \$414,590,000 by 1,122,144,036, being the total number of ordinary stock units in issue during the period and a weighted average number of ordinary stock units in issue (excluding those held by the ESOP) during the period. The weighted average number of ordinary stock units in issue (excluding those held by the ESOP) for the period ended June 30, 2018 was 1,044,832,060 (2017 - 1,040,371,247) stock units.

Stockholders' equity per ordinary stock unit is calculated by dividing the parent company stockholders' equity by 1,122,144,036 being the total number of ordinary stock units in issue at the end of the period and 1,043,622,060 (2017 - 1,040,478,060), representing the total number of ordinary stock units in issue for the period ended June 30, 2018 less those held by the ESOP at the same date.

#### 5. Accounting Policies

The following accounting policies have been reflected in these financial statements in compliance with IFRS:

##### a. Business combinations

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. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

##### b. Subsidiaries

Subsidiaries are those entities controlled by the group. The group controls an investee when it is exposed to, or has rights to, variable returns from its involvement with the investee, and has the ability to affect those returns through its power over the investee entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The company and its subsidiaries are collectively referred to as "group".

##### c. Associates

Associates are those entities over which the group has significant influence, but not control, or joint control over the financial and operating policies, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method and are initially recognized at cost, including transaction costs.



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## Notes to the Financial Statements (cont'd)

### 5. Accounting Policies (cont'd)

#### c. Associates (cont'd)

The group's investment is carried at the group's share of the fair value of net identifiable assets of the associate net of any impairment loss identified on acquisition. The group's share of its associates' post-acquisition profits or losses is recognised in the profit and loss account and its share of post-acquisition movements in reserves is recognized in other comprehensive income to the extent that the profits, losses or movements are consistent with the group's significant accounting policies. Should the group's share of losses in an associate equal or exceed its interest in the associate, including any other unsecured receivables, the group will not recognize further losses unless it has incurred obligations or made payments on behalf of the associate.

#### d. Intangible assets and goodwill

(i) Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units and tested annually for impairment. In respect of equity accounted investees, the carrying amount of goodwill is including in the carrying amount of the equity accounted investee as a whole.

#### (ii) Other intangible assets

Other intangible assets that are acquired by the group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

#### (iii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

#### (iv) Amortization

Except for goodwill, intangible assets are amortised on a straight-line basis in profit or loss over their estimated useful lives, from the date that they are available for use.

The estimates of useful lives are as follows:

- |                                      |               |
|--------------------------------------|---------------|
| • brands and trademarks              | 25 years      |
| • customer relationships             | 10 - 15 years |
| • other identified intangible assets | 3 - 5 years   |

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

#### e. Segment reporting

Segment information is presented in respect of the group's strategic business segments. The identification of business segments is based on the group's management and internal reporting structure. Segment results, assets and liabilities include items directly attributable to a segment, as well as those that can be allocated on a reasonable basis.



# Jamaica Producers Group Limited

## UNAUDITED GROUP RESULTS

26 WEEKS ENDED JUNE 30, 2018

### Notes to the Financial Statements (cont'd)

#### 5. Accounting Policies (cont'd)

##### e. Segment reporting (cont'd)

The group's business segments reflect its current strategy and focus. The profit or loss before finance cost and taxation is used to measure the segment result. This has resulted in the recognition of three business segments:

- JP Food & Drink - This comprises businesses that are engaged in agriculture, processing, distribution and/or retail of food and drink.
- JP Logistics & Infrastructure - This comprises businesses that are engaged in logistics, transportation, port operations and related industries.
- Corporate Services - This comprises interest and investment income, net of the cost of corporate functions not directly charged to business units.

#### 6. Segment Results

	<b>2018</b>			
	<b>JP Food &amp; Drink</b>	<b>JP Logistics &amp; Infrastructure</b>	<b>Corporate Services</b>	<b>Group</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Gross revenue	5,457,234	3,830,047	51,238	9,338,519
Inter - segment revenue	( 2,225 )	-	( 48,904 )	( 51,129 )
Revenue from external sources	<u>5,455,009</u>	<u>3,830,047</u>	<u>2,334</u>	<u>9,287,390</u>
Profit before finance cost and taxation	<u>296,086</u>	<u>1,261,005</u>	( <u>154,908</u> )	1,402,183
Finance cost - interest				( <u>187,975</u> )
Profit before taxation				1,214,208
Taxation				( 317,782 )
Non-controlling interest				( <u>481,836</u> )
Net profit attributable to parent company stockholders				<u>414,590</u>
	<b>2017</b>			
	<b>JP Food &amp; Drink</b>	<b>JP Logistics &amp; Infrastructure</b>	<b>Corporate Services</b>	<b>Group</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Gross revenue	4,043,442	3,360,768	40,512	7,444,721
Inter - segment revenue	-	-	( 40,512 )	( 40,512 )
Revenue from external sources	<u>4,043,442</u>	<u>3,360,768</u>	<u>-</u>	<u>7,404,210</u>
Profit before finance cost and taxation	<u>74,135</u>	<u>973,013</u>	( <u>68,397</u> )	978,751
Finance cost - interest				( <u>142,042</u> )
Profit before taxation				836,709
Taxation				( 166,476 )
Non-controlling interest				( <u>419,197</u> )
Net profit attributable to parent company stockholders				<u>251,036</u>



# Jamaica Producers Group Limited

## UNAUDITED GROUP RESULTS

26 WEEKS ENDED JUNE 30, 2018

### Notes to the Financial Statements (cont'd)

#### 7. Seasonal Variations

There are significant seasonal variations in some of the group's activities, and so the results for any period are not necessarily indicative of the final results for the whole year.

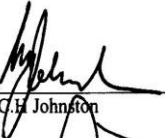
#### 8. Foreign Currency Translation

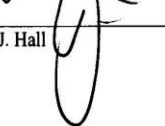
Overseas revenues and expenses have been translated at average exchange rates of J\$147.19 (2017: J\$134.60) to €1, J\$172.16 (2017: J\$160.56) to £1 and J\$125.30 (2017: J\$128.08) to US\$1.

Adjustments have been made for exchange gains and losses on foreign currency assets and liabilities as shown below:

	<u>J\$/€</u>	<u>J\$/£</u>	<u>J\$/US\$</u>
June 30, 2018	144.32	170.17	128.54
December 31, 2017	147.10	165.35	124.11
July 1, 2017	141.34	163.23	127.64
December 31, 2016	129.76	157.03	127.48

*On behalf of the Board*

  
C.H. Johnston Chairman

  
J. Hall Group Managing Director

*August 10, 2018*

