

## **DISCLOSURE**

### **SWEET RIVER ABATTOIR & SUPPLIES COMPANY LIMITED**

#### **WRONGFUL ARREST OF THE MANAGING DIRECTOR – VALDENCE GIFFORD**

In his capacity as the Managing Director of Sweet River Abattoir & Supplies Company Limited (SRASCL) also function as pig procurement officer. As the procurement officer he is required to visit all farms/farmers to ensure that the animals meet the specification of the company before purchasing. Once the animals are suitable and the price and payment terms agreed with the farmers, arrangements are made for the animals to be transported to the plant either by the SRASCL trucker or the farmer.

Animals are kept overnight at the abattoir and slaughtered the next day. The farmers have the option of observing their animals being slaughter and collect an initial weight of each animal. An invoice/receipt is generated by the company outlining in full details, the farmer's name, address, phone number when available, the individual weight of each pig in pounds and kilograms, and their individual value as well as total value of all animals supplied. The date of harvesting and payment due date are also provided. The invoice/receipts are printed by the company and include the company name and phone number etc. Each farmer is required to collect their individual official invoice from the SRASCL's office. Most farmers however collect their invoice at the time of collecting their payment. Payments to farmers for pigs procured are made by way of SRASC L's cheques.

During the period 2018/2019 the company developed cash flow constrains due to the utilization of working capital to complete the new abattoir in 2017 given the urgency that was involved to do so at the time. This resulted in farmers not being paid in a timely manner, and hence resulted in some farmers commencing civil suits against the company. Valdence Gifford was also named as a defendant in some of

these suits although he acted at all times as an agent/employee of the company and contracted with the pig farmers for and on behalf of the company.

On Tuesday, July 16, 2019, judgments warrants were executed on Valdence Gifford on behalf of five (5) farmers for amounts totaling \$2.8m. These payments were made and Valdence Gifford was release on Thursday, July 18, 2019. It was surprising and egregiously wrong that Valdence Gifford as Managing Director, an agent of SRASCL was determine to pay the sums outstanding to farmers by the company. This therefore will be the subject of further legal process by Valdence Gifford to remedy financial, reputational and other harms which arose from these actions.

In the meantime, SRASCL continues to maintain communication with the farmers regarding its debts to them, while aggressively pursuing appropriate long-term financing to replace the working capital deficit in order to meet its short-term obligations.

For and on behalf of the Board of SRASL.