THE JAMAICA LIVESTOCK ASSOCIATION

CONSOLIDATED TWELVE MONTHS

FINANCIAL REPORT - NOVEMBER 30, 2003

Consolidated Balance Sheet

	2003 $'000	2002 $'000
CURRENT ASSETS		
Cash	27,519	20,830
Accounts receivable	37,174	23,981
Taxation recoverable	1,754	1,770
Inventories	124,042	113,504
	190,489	160,085
CURRENT LIABILITIES		
Bank overdraft	54,555	46,042
Current maturities of long-term liabilities	12,682	18,691
Accounts payable	136,301	113,311
Deferred income	22	106
	203,560	178,150
NET CURRENT LIABILITIES	(13,071)	(18,065)
LONG-TERM RECEIVABLE	-	483
INVESTMENTS	1,573	1,854
FIXED ASSETS	231,132	241,344
PENSION ASSET	32,687	31,568
	252,321	257,184
	=========	=========
Financed by:		
STOCKHOLDERS' NET EQUITY		
Share capital	57,456	57,456
Share premium	58,421	58,421
Capital reserves	74,446	74,446
Investment revaluation reserve	1,398	1,679
Retained earnings	29,668	29,917
	221,389	221,919
LONG-TERM LIABILITIES	5,961	16,193
DEFERRED TAX LIABILITIES	24,583	18,719
POST RETIREMENT OBLIGATION	388	353
	252,321	257,184
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Group Statement of Changes in Shareholders' Equity

	Share Capital $'000	Share premium $'000	Capital reserves $'000	Investment revaluation reserve $'000	Retained earnings $'000	Total $'000
Balances at November 30, 2001: As previously reported using Jamaican GAAP	57,456	58,421	86,169	-	12,919	214,965
Effect of first-time adoption of International Financial Reporting Standards (IFRS) - note 6(a)	-	-	(263)	1,595	9,873	11,205
As restated using IFRS	57,456	58,421	85,906	1,595	22,792	226,170
Restated net loss - note 6(b)	-	-	-	-	(26)	(26)*
Transfer to retained earnings	-	-	(11,460)	-	11,460	-
Dividends - (note 4)	-	-	-	-	(4,309)	(4,309)
Change in fair value of investment	-	-	-	84	-	84*
Balances at November 30, 2002 as restated - note 6(c)	57,456	58,421	74,446	1,679	29,917	221,919
Net profit for the year	-	-	-	-	4,060	4060*
Dividends - (note 4)	-	-	-	-	(4,309)	(4,309)
Change in fair value of investment	-	-	-	(281)	-	(281)*
Balances at November 30, 2003	57,456	58,421	74,446	1,398	29,668	221,389

* Total recognised gains for year $3,779,000 (2002: $58,000)

Consolidated Profit and Loss Account

	2003 $'000	2002 $'000
Gross operating revenue	798,786	600,410
Cost of operating revenue	(598,536)	(453,375)
Gross profit	200,250	147,035
Other income:		
Interest received	919	499
Dividend received	132	30
Miscellaneous	1,728	3,921
Commission received	-	19
Profit on sale of fixed asset	3,689	300
Gain on foreign exchange	667	-
	207,385	151,804
Expenses		
Administration	(130,781)	(85,434)
Selling	(28,591)	(25,493)
Depreciation	(19,265)	(19,517)
	(178,637)	(130,444)
Profit from operations	28,748	21,360
Finance costs	(18,824)	(22,310)
Profit/(loss) before taxation	9,924	(950)
Taxation	(5,864)	924
Net profit/(loss) for the year	4,060	(26)
Earnings/(loss) per stock unit - (note 5) in cents	7.07	0.05

Consolidated Statement of Cash Flows

	2003 $'000	2002 $'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit/(loss) for the year	4,060	(26)
Adjustments to reconcile profit/(loss) for the year to net cash provided by operating activities:		
Depreciation	20,096	19,517
Profit on disposal of fixed assets	(3,689)	(300)
Write-off of investment	-	929
Pension asset	(1,119)	(1,870)
Post retirement obligation	35	35
Deferred taxation	5,864	(924)
	25,247	17,361
(Increase)/decrease in current assets:		
Accounts receivable	(13,192)	1,450
Taxation recoverable	16	(125)
Inventories	(10,538)	(22,612)
Deferred expenses	-	-
Increase/(decrease) in current liabilities:		
Accounts payable	22,990	26,578
Deferred income,	(84)	(51)
Net cash provided by operating activities	24,439	22,601
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to fixed assets	(11,945)	(10,431)
Proceeds from disposal of fixed assets	5,750	173
Long-term receivable	483	719
Net cash used by investing activities	(5,712)	(9,539)
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank overdraft	8,513	20,789
Loan repayments	16,242	(17,733)
Dividend paid	(4,309)	(4,309)
Net cash used by financing activities	(12,038)	(1,253)
Net increase in cash	6,689	11,809
Cash at beginning of the year	20,830	9,021
Cash at end of the year	27,519	20,830
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Notes to the Financial Statements

1. The company

The company is incorporated under the laws of Jamaica.

The principal activities of the group are the sale of animal health products, hardware, lumber, farm equipment and supplies and day-old chicks, transportation and the manufacture and sale of animal feed, the operation of wharf and grain off-loading facilities.

At the end of the year, the group had in its employment 193 (2002: 202) persons, including part-time employees.

2. Basis of preparation, statement of compliance and consolidation

(a) Basis of preparation

Jamaica adopted International Financial Reporting Standards (IFRS) effective July 1, 2002. Consequently, there have been significant changes in the accounting policies followed in these financial statements compared with those used in previous years. As a result, the comparative figures have been restated.

The financial statements are prepared in accordance with the provisions of the Companies Act and International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB) as well as interpretations issued by the International Financial Reporting Standards Interpretations Committee of the (IASB) and practice statements issued by the Institute of Chartered Accountants of Jamaica. IFRS 1 - First-time adoption of IFRS has been applied before its effective date in the preparation of these financial statements.

These are the group's first consolidated financial statements prepared in accordance with IFRS. An explanation of how the transition to IFRS has affected the reported financial position, financial performance and cash flows of the group is provided in note 6.

The significant accounting policies used in the preparation of the financial statements are summarised below and conform in all material respects to IFRS and the Companies Act.

They have been applied consistently to all periods presented in these financial statements and in preparing an opening IFRS balance sheet at January 1, 2002, for the purposes of transition to IFRS.

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

The financial statements are prepared on the historical cost basis, except that available-for-sale investments are stated at fair value.

The financial statements are presented in Jamaica dollars.

(b) Basis of consolidation:

The consolidated financial statements include the financial statements of the company and its wholly-owned subsidiaries made up to November 30, 2003. All significant inter-company transactions are eliminated.

The company and its subsidiaries, which are incorporated in Jamaica, are collectively referred to as "the group". The shareholding for 2003 and 2002 remain the same and are as follows:

Subsidiaries	Main activities
JLA Feeds Limited	Manufacture and sale of animal feed and operation of wharf and grain off-loading facilities
JLA Hatchery Limited	Production of chicks
Henmor Limited	Transportation

3. Significant accounting policies

(a) Fixed assets:

Fixed assets are stated at cost or deemed cost less accumulated depreciation (see below) and impairment losses [see accounting policy (J)]

(b) Depreciation:

Fixed assets, with the exception of freehold land on which no depreciation is provided, are depreciated on the straight-line basis at annual rates estimated to write off the assets over their expected useful lives. The depreciation rates are as follows:

Freehold buildings	1 2/3% - 4%
Furniture, fixtures, computers, plant, machinery and equipment	10%
Motor vehicles	20%
Wharf and grain off-loading facilities	2.50%

(c) Inventories:

Inventories, including biological assets for which fair value cannot be reliably determined, are valued at the lower of cost, determined principally on the weighted average cost basis, and net realisable value. Finished goods include cost of materials and labour and a portion of production overheads.

(d) Investments:

Debentures which are acquired directly from the issuer are classified as originated securities and are stated at amortised cost using the effective interest rate method. Quoted equities are classified as available-for-sale and are stated at fair value. Changes in fair value is taken to an investment revaluation reserve, unless the investment is disposed of or impaired, in which case, it is included in the consolidated profit and loss account.

(e) Foreign currencies

Foreign currency balances at the balance sheet date are translated at the rates of exchange ruling on that date.

Transactions in foreign currencies are converted at the rates of exchange ruling at the dates of those transactions.

Gains and losses arising from fluctuations in exchange rates are included in the consolidated profit and loss account, except that exchange losses, net, resulting from severe depreciation in the currency and relating to liabilities arising directly on the recent acquisition of fixed assets are included in the carrying value of the assets.

(f) Revenue:

Revenue from the sale of goods is recognised in the consolidated profit and loss account when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recorded if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(g) Employee benefits:

(i) Defined benefit pension plans:

The group participates in a defined benefit pension plan, the assets of which are held separately from those of the group.

The group's net obligation in respect of defined benefit pension plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that value is discounted to determine the present value, and the fair value of plan assets is deducted. The discount rate is the yield on long-term government securities that have maturity dates approximating the terms of the company's obligation. The calculation is performed by an independent qualified actuary using the projected unit credit method.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised as an expense in the consolidated profit and loss account on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in the consolidated profit and loss account.

In calculating the group's obligation in respect of the plan, all actuarial gains and losses as at December 1, 2001, the date of transition to IFRS, were recognised. In respect of actuarial gains and losses that arise subsequent to December 1, 2001, to the extent that any cumulative unrecognised actuarial gain or loss exceeds 10 percent of the greater of the present value of the defined benefit obligation and the fair value of plan assets, that portion is recognised in the consolidated profit and loss account over the expected average remaining working lives of the employees participating in the plan. Otherwise, the actuarial gain or loss is not recognised.

Where the calculation results in a benefit to the group, the recognised asset is limited to the net total of any unrecognised actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in f6ture contributions to the plan.

(ii) Post retirement health and life insurance benefits:

The group provides post retirement life insurance benefits to retirees. The obligation with respect to this benefit is calculated on a basis similar to that for the defined benefit pension plan.

(h) Taxation

Income tax on the consolidated profit or loss for the year comprises current and deferred tax. Income tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

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

Deferred tax is provided using the balance sheet liability method, providing 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 balance sheet date.

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.

(i) Provisions:

A provision is recognised in the balance sheet when the group has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. 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 risks specific to the liability.

(j) Impairment:

The carrying amounts of the group's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated at each balance sheet date. 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 the consolidated profit and loss account.

(i) Calculation of recoverable amount

The recoverable amount of the group's originated securities and 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 an originated security or receivable 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.

An impairment loss is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(k) Accounts receivables:

Trade and other receivables are stated at cost less impairment losses [see accounting policy (j)].

(l) Accounts payable:

Trade and other payables are stated at their costs.

(m) Cash resources:

Cash resources comprise cash and bank balances.

(n) Preference share capital:

Preference share capital is classified as equity as it is non-redeemable. Dividends are recognised when declared as distributions within equity.

(o) Segment reporting:

The group is organised into three business segments which provide products that are subject to risks and returns dissimilar to each other:

(i) Animal feed- milling, manufacture and sale of animal feeds;
(ii) Poultry - production and sale of day old chicks.
(iii) Merchandise

4. Dividends

This represents amounts paid on the 7 1/2 % preference stock units of the company.

These dividends are an allowable charge for taxation purposes in accordance with the provisions of the Income Tax Act.

5. Earnings/(loss) per stock unit

The calculation of earnings/(loss) per stock unit is based on the group's net profit/(loss) for the year of $4,060,000 (2002: loss of $26,000) and the number of preference stock units in issue.

6. Explanation of effect of transition to IFRS

As stated in note 2, these are the group's first financial statements prepared in accordance with IFRS.

The accounting policies set out in note 3 have been applied in preparing the financial statements for the year ended November 30, 2003, the comparative information presented for the year ended November 30, 2002 and in the preparation of an opening IFRS balance sheet at December 1, 2001 (the group's date of transition to IFRS).

In preparing its opening IFRS balance sheet, the company has adjusted amounts previously reported in financial statements prepared in accordance with previous Jamaica generally accepted accounting principles (GAAP). An explanation of how the transition from previous Jamaica GAAP to IFRS has affected the company's financial position, financial performance and cash flows is set out below.

(a) Reconciliation of equity as at December 1, 2001:

	Capital reserves $'000	Investment revaluation reserve $'000	Retained profits $'000	Total $'000
Balances as previously reported	86,169	-	12,919	99,088
IAS 39 - Financial instruments - recognition and measurement (note i)	-	1,595	-	1,595
IAS 12 - Income taxes (note ii)	-	-	(19,770)	(19,770)
IAS 19 - Employee benefits (note iv)			29,380	29,380
IAS 16 - Property, plant and equipment (note iii)	(263)	-	263	-
	(263)	1,595	9,873	11,205
Balances as restated	85,906	1,595	22,792	110,293

(b) Reconciliation of net loss for 2002:

	$'000
Net loss as previously reported under Jamaican GAAP	(2,785)
Effect of first-time adoption of IFRS:	
IAS 12 - Income taxes (note ii)	924
IAS 19 - Employee benefits (note iv)	1,835
Net loss for the year as restated	(26)

(c) Reconciliation of equity as at November 30, 2002 (only affected balance sheet items shown).

	As previously reported under Jamaica GAAP $'000	IFRS adjustments $'000	As reported under IFRS $'000
Assets			
Pension asset [note (iv)]	-	31,568	31,568
Accounts receivable	23,822	159	23,981
Investments [note (i)]	175	1,679	1,854
Deferred expenses (note (ii)]	286	(286)	-
	24,283	33,120	57,403

Liabilities and shareholders' Equity

	As previously reported under Jamaica GAAP $'000	IFRS adjustments $'000	As reported under IFRS $'000
Liabilities:			
Deferred tax liabilities [note (ii)]	-	18,719	18,719
Post retirement obligation [note (iv)]	-	353	353
Shareholders' equity:			
Capital reserves [note (iii)]	74,709	(263)	74,446
Fair value reserve [note (i)]	-	1,679	1,679
Retained profits [note (i),(ii)]	17,285	12,632	29,917
	91,994	33,120	125,114

(d) Explanation for significant adjustments:

(i) Investments were carried at the lower of cost and fair value under Jamaica GAAP. Under IFRS, investments classified as available-for-sale are shown at fair value, with changes in fair value taken to investment revaluation reserve.

(ii) Provision is made for deferred tax on all temporary differences between carrying amounts of assets and liabilities using the balance sheet liability method and tax rates enacted at the balance sheet date. Under Jamaica GAAP, no recognition was made for deferred tax.

(iii) Fixed assets were carried at revaluation under Jamaica GAAP. Under IFRS the group's policy is to carry fixed asset at cost. The revaluation surplus previously taken to capital reserve has been reversed and the accumulated depreciation on the related asset reversed and amount debited to retained earnings.

(iv) Assets and liabilities arising under defined benefit pension plan and other post-retirement life insurance obligations are recognised under IFRS. These were not recognised under previous Jamaica GAAP.

7. Segment Reporting

November 30, 2003

	Merchandise	Poultry	Feeds	Eliminations	Total
Revenue from external customers	174,813	169,046	454,927	-	798,786
Inter-segment revenue	1,120	105,009	397,417	(503,546)	-
Total revenue	175,933	274,055	852,344	(503,546)	798,786
Segment results	5,382	(1,603)	10,434	7,400	21,613
Interest and other income					7,135
Profit from operations					28,748
Finance costs					(18,824)
Taxation					(5,864)
					4,060
Net profit for year					
Segment assets	299,095	27,789	168,074	(71,764)	423,194
Unallocated assets					32,687
Total assets					455,881
Segment liabilities	140,336	15,976	149,416	(71,624)	234,104
Unallocated liabilities					388
Total liabilities					234,492
Capital expenditure	4,511	262	7,172	-	11,945
Depreciation	6,746	741	12,609	-	20,096

November 30, 2002

	Merchandise $'000	Poultry $'000	Feed $'000	Eliminations $'000	Total $'000
Revenue from external customers	165,410	138,929	296,071	-	600,410
Inter-segment revenue	838	96,452	274,104	(371,394)	-
Total revenue	166,248	235,381	570,175	(371,394)	600,410
Segment results	(22,059)	1,981	12,154	18,214	10,290
Interest and other income					11,070
Profit from operations					21,360
Finance costs					(22,310)
Taxation					924
Net loss for the year					(26)

November 30, 2002

	Merchandise $'000	Poultry $'000	Feeds $'000	Eliminations $'000	Total $'000
Segment net assets	239,486	28,075	202,086	(65,881)	403,766

Unallocated asset					31,568
Total assets					435,334
Segment liabilities	85,065	14,339	179,474	(65,816)	213,062
Unallocated liabilities					353
Total liabilities					213,415
Capital expenditure	4,936	1,583	3,912	-	10,431
Depreciation	6,550	651	12,316	-	19,517

Segment reporting is presented in respect of the group's business segments. The primary format business segments is based on the company's management and internal reporting structure.

Inter-segment transactions are eliminated in arriving at the group's total.

There are no geographical segment to disclose as the group operates in the local market only.

The financial statements were approved by the Board of Directors on February 10, 2004 and signed on its behalf by:

John Masterton
Chairman

Henry J. Rainford
Managing Director

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