THE JAMAICA LIVESTOCK ASSOCIATION

CONSOLIDATED SIX MONTHS INTERIM

FINANCIAL REPORT MAY 31, 2004

	Unaudited as at May 31, 2004 $'000	Audited as at November 30, 2003 $'000	Unaudited as at May 31, 2003 $'000 (Restated)
Current Assets			
Cash	17,095	27,519	7,930
Accounts receivable	26,066	37,174	21,826
Taxation recoverable	1,457	1,754	3,272
Inventories	126,860	124,042	110,326
	171,478	190,489	143,354
Current liabilities			
Bank overdraft	27,543	54,555	56,626
Current portion of long-term liabilities	5,766	12,682	8,132
Accounts payable	139,464	136,301	93,308
Deferred income	-	22	106
	172,773	203,560	158,172
Net current liabilities	(1,295)	(13,071)	(14,818)
Fixed assets	225,145	231,132	233,231
Long-term receivable	-	-	483
Investments	1,908	1,573	1,440
Pension asset	33,292	32,687	32,127
	259,050	252,321	252,463
Financed by:			
Shareholders' net equity	224,011	221,389	214,270
Deferred tax liability	28,672	24,583	21,628
Long-term liabilities	5,961	5,961	16,194
Post retirement obligation	406	388	371
	259,050	252,321	252,463
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Consolidated Profit and Loss Account

	Unaudited Three months to May 31, 2004 $'000	Unaudited Three months to May 31, 2003 $'000 (Restated)	Unaudited Six months May 31, 2004 $'000	Unaudited Six months to May 31, 2003 $'000 (Restated)
Gross operating revenue	254,484	150,631	472,217	359,735
Cost of operating revenue	(186,562)	(102,711)	(337,544)	(253,219)
Gross profit	67,922	47,920	134,673	106,516
Other operating income	1,858	940	4,453	3,352
	69,780	48,860	139,126	109,868
Administrative expenses	(42,561)	(33,080)	(82,294)	(69,021)
Depreciation	(5,638)	(5,025)	(10,659)	(10,083)
Other operating expenses	(12,427)	(9,330)	(26,064)	(21,282)
Profit from operations	9,154	1,425	20,109	9,482
Finance costs	(3,686)	(3,329)	(11,567)	(11,774)
Profit/(loss) before taxation	5,468	1,904	8,542	2,292
Taxation	(2,782)	(1,466)	(4,089)	(2,932)
Net profit/(loss) for the period	2,686	(3,370)	4,453	(5,224)
Eamings/(loss) per stock unit of $ 1.00	4.70	5.90	7.80	(9.10)

Consolidated Statement of Changes in Equity

	Share capital	Share premium	Capital reserves	Investment revaluation reserve	Unappropriated profits	Total
Balances at November 30, 2002	57,456	58,421	74,446	1,679	29,917	221,919
Net loss for the period					(5,224)	(5,224)
Decrease in fair value of investments				(414)		(414)
Total recognised losses				(414)	(5,224)	(5,638)
Dividend paid					(2,011)	(2,011)
Balances at May 31,2003	57,456	58,421	74,446	1,265	22,682	214,270
Balances at November 30, 2003	57,456	58,421	74,446	1,398	29,668	221,389
Net profit for the period					4,453	4,453
Increase in fair value of investments				180		180
Total recognised gains				180	4,453	4,633
Dividend paid					(2,011)	(2,011)
Balances at May 31, 2004	57,456	58,421	74,446	1,578	32,110	224,011

	2004 $'000	2003 $'000 (Restated)
Cash flows from operating activities		
Net profit/(loss) for the period	4,453	(5,224)
Adjustments to reconcile net profit/(loss) to net cash provided/(used) by operating activities:		
Depreciation	10,659	10,083
Deferred taxation	4,089	2,909
Post retirement obligation	18	18
Pension asset	(605)	(559)
Gain on sale of fixed assets	(540)	(1,898)
	18,074	5,329
(Increase)/decrease in current assets		
Accounts receivable	11,108	2,155
Taxation recoverable	297	(1,502)
Inventories	(2,818)	3,178
Increase/(decrease) in current liability		
Deferred income	(22)	-
Accounts payable	3,163	(20,002)
Net cash provided/(used) by operating activities	29,802	(10,842)
Cash flows from investing activities		
Investments	(155)	-
Additions to fixed assets	(5,290)	(3,272)
Proceeds from disposal of fixed assets	1,158	3,200
Net cash used by operating activities	(4,287)	(72)
Cash flows from financing activities		
Bank overdraft	(27,012)	10,584
Loan repayments	(6,916)	(10,559)
Dividends paid	(2,011)	(2,011)
Net cash used by financing activities	(35,939)	(1,986)
Net decrease in cash	(10,424)	(12,900)
Cash at beginning of the period	27,519	20,830
Cash at end of period	17,095	7,930
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Notes

1. Group's operations

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 a wharf and grain off-loading facilities.

There were no significant changes to the group's operations for the period under review. The group accounts for the six months ended May 31, 2004, include the Company and its three wholly owned subsidiaries JLA Feeds Limited, JLA Hatchery Limited and Henmor Limited. The company and its subsidiaries are incorporated in Jamaica.

2. Basis of preparation

The financial statements have been prepared in accordance with, and comply with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board, and have been prepared on the historical cost basis modified for the inclusion of certain available-for-sale investments at fair value.

The accounting policies used in the preparation of these interim consolidated financial statements are consistent with those used in the year-end audited consolidated financial statements.

3. Gross operating revenue

Gross operating revenue represents the invoiced value of sales by the group net of returns and General Consumption Tax.

4. Accounting policies

The following accounting policies have been used in the preparation of the financial statements incompliance with IFRS.

(a) Deferred taxation:

Deferred income tax is provided in full, using the liability method, on temporary differences between the tax bases of assets and liabilities and their carrying amounts. A tax asset is recognised for unutilised tax losses only to the extent that reversal can reasonably be expected.

(b) Investments:

The group's investments are initially recognised at cost and classified at the time of purchase in accordance with IFRS. Available-for-sale investments are subsequently remeasured at fair value. Unrealised gains or losses arising from changes in fair value are taken to investment revaluation reserve.

(c) Employee benefits:

Employee benefits comprise pension and post-retirement life insurance benefits. 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 future periods; that value is discounted to determine the present value, and the fair value of plan assets deducted.

Where the fair value of plan assets exceed the present value of the obligation, a pension asset is recorded to the extent of economic benefits which can be obtained in the form of reduction in future contributions to the plan. The obligation is calculated using the projected unit credit method.

The obligation in respect of post retirement benefits is computed on a basis similar to that for the defined benefit pension plan.

(d) Segment reporting:

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

a. Animalfeed- milling, manufacture and sale of animal feeds;
b. Poultry - production and sale of day old chicks; and
c. Merchandise - sale of animal health products, hardware, lumber and farm equipment.

5. Segment results

	$'000
Sales	
Animal feeds	270,544
Poultry	84,585
Merchandise	117,088
Profit before tax	472,217
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Animal feeds	(10,182)
Poultry	(1,881)
Merchandise	16,516
	4,453
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6. Taxation

Taxation on the consolidated profit and loss account comprises deferred tax charge for the period.

7. Dividends

These represent amounts paid on 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 IncomeTax Act.

8. Profit per stock unit

The calculation of profit per stock unit is based on the group's net profit for the period of $4,453,000 (2003: loss $5,224,000) and 57,452,523 preference stock units in issue.

On behalf of the Board

John Masterton
Chairman

Henry Rainford
Director

July 14, 2004