Jamaica Broilers Group Limited

Financial Statements
29 April 2006

Jamaica Broilers Group Limited
Index
29 April 2006

PRICEWATERHOUSECOOPERS

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28 July 2006

To the Members of
Jamaica Broilers Group Limited

Auditors' Report

We have audited the accompanying consolidated balance sheet of Jamaica Broilers Group Limited and its subsidiaries ("the group") as at 29 April 2006 and the related consolidated profit and loss account, statements of changes in stockholders' equity and cash flows for the year then ended, and the accompanying balance sheet of Jamaica Broilers Group Limited standing alone as at 29 April 2006. We have received all the information and explanations which we considered necessary. These financial statements set out on pages 1 to 54 are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, based on our examination and on the reports of the auditors of those subsidiaries not audited by us, proper accounting records have been kept and the accompanying financial statements, which are in agreement therewith, give a true and fair view of the financial position of the group and the company as at 29 April 2006, and of the results of operations, changes in equity and cash flows of the group for the year then ended, in accordance with International Financial Reporting Standards and comply with the provisions of the Jamaican Companies Act.

PricewaterhouseCoopers

Chartered Accountants
Kingston, Jamaica

Jamaica Broilers Group Limited

Group Profit and Loss Account

Year ended 29 April 2006

(expressed in Jamaican dollars unless otherwise indicated)

	Note	29 April 2006 $'000	Restated 30 April 2005 $'000
Turnover		9,938,217	9,146,538
Cost of sales		(7,437,672)	(6,875,391)
Gross Profit		2,500,545	2,271,147
Other operating income	6	242,764	519,917
Distribution costs		(326,134)	(239,055)
Administration and other expenses		(1,601,455)	(1,484,197)
Operating Profit		815,720	1,067,812
Finance costs	9	(50,611)	(84,379)
Profit before Taxation		765,109	983,433
Taxation	10	(119,775)	(261,521)
NET PROFIT		645,334	721,912
Dealt with in the financial statements of:			
Holding company		321,743	694,680
Subsidiaries		323,591	27,232
		645,334	721,912
		Cents	**Cents**
Earnings per Stock Unit	11	53.81	60.20

Jamaica Broilers Group Limited

Group Balance Sheet

29 April 2006

(expressed in Jamaican dollars unless otherwise indicated)

	Note	29 April 2006 $'000	Restated 30 April 2005 $'000
Non-Current Assets			
Property, plant and equipment	12	2,092,535	1,744,142
Intangible assets	13	99,641	93,610
Investment properties	14	-	2,453
Investments	15	327,848	765,704
Deferred income taxes	17	3,965	10,524
Pension plan asset	18	298,200	218,900
		2,822,189	2,835,333
Current Assets			
Inventories	19	1,034,890	966,278
Biological assets	20	508,078	477,741
Receivables	21	661,849	911,576
Affiliates	22	35,116	32,903
Taxation recoverable		12,365	15,074
Financial assets at fair value through profit or loss	23	67,885	-
Cash and short term investments	24	622,156	600,226
		2,942,339	3,003,798
Current Liabilities			
Payables	25	941,448	1,061,962
Taxation payable		118,370	197,041
Dividends payable	26	77,953	77,953
Borrowings	27	285,548	631,265
		1,423,319	1,968,221
Net Current Assets		1,519,020	1,035,577
		4,341,209	3,870,910
Stockholders' Equity			
Share capital	28	765,137	599,638
Capital reserve	29	720,077	839,221
Retained earnings		2,318,833	1,811,416
		3,804,047	3,250,275
Non-Current Liabilities			
Borrowings	27	140,202	230,476
Deferred income taxes	17	389,460	383,059
Post-employment obligation	18	7,500	7,100
		4,341,209	3,870,910

Approved for issue on behalf of the Board of Directors on 28 July 2006 and signed on its behalf by:

R. Danvers Williams Chairman

Robert E. Levy Director

Jamaica Broilers Group Limited

Group Statement of Changes in Stockholders' Equity

Year ended 29 April 2006

(expressed in Jamaican dollars unless otherwise indicated)

	Note	Number of Shares '000	Share Capital $'000	Capital Reserve $'000	Retained Earnings $'000	Total $'000
Balance at 1 May 2004		1,199,277	599,638	858,631	1,189,932	2,648,201
Unrealised gains on available-for-sale securities		-	-	784	-	784
Translation gain		-	-	17,295	-	17,295
Net gains recognised directly in stockholders' equity		-	-	18,079	-	18,079
Net profit	33	-	-	-	721,912	721,912
Total income recognised in current year		-	-	18,079	721,912	739,991
Realised gains on disposal of investment property		-	-	(37,489)	37,489	-
Dividends	26	-	-	-	(137,917)	(137,917)
Balance at 30 April 2005		1,199,277	599,638	839,221	1,811,416	3,250,275
Unrealised gains on available-for-sale securities		-	-	1,524	-	1,524
Translation gain		-	-	44,831	-	44,831
Net gains recognised directly in stockholders' equity		-	-	46,355	-	46,355
Net profit		-	-	-	645,334	645,334
Total income recognised in current year		-	-	46,355	645,334	691,689
Dividends	26	-	-	-	(137,917)	(137,917)
Transfer of share premium to share capital	29	-	165,499	(165,499)	-	-
Balance at 29 April 2006		1,199,277	765,137	720,077	2,318,833	3,804,047

Jamaica Broilers Group Limited

Group Statement of Cash Flows

Year ended 29 April 2006

(expressed in Jamaican dollars unless otherwise indicated)

	Note	29 April 2006 $'000	Restated 30 April 2005 $'000
Cash Flows from Operating Activities			
Net profit		645,334	721,912
Adjustments for:			
Depreciation	12	198,497	187,292
Amortisation	13	9,797	174
Gain on disposal of property, plant and equipment		(183)	(5,539)
Gain on disposal of investment properties		-	(110,899)
Negative goodwill arising on acquisition	31	(120,339)	-
Gain on disposal of investment		-	(3,353)
Fair value loss on financial assets at fair value through profit or loss	6	9,588	-
Change in pension plan asset and post-employment obligations		(78,900)	(65,600)
Taxation expense	10	119,775	261,521
Interest income	6	(80,085)	(86,737)
Unrealised foreign exchange (gains)/losses		(24,922)	12,482
Interest expense	9	47,121	75,756
		725,683	987,009
Changes in operating assets and liabilities:			
Inventories		(68,612)	(152,952)
Biological assets		(30,337)	(62,882)
Receivables		210,614	(303,726)
Affiliates		(2,213)	(13,660)
Payables		(119,948)	173,584
Financial assets at fair value through profit or loss		(77,473)	-
Translation gain on working capital of foreign subsidiaries		47,405	10,343
		685,119	637,716
Taxation paid		(185,486)	(114,289)
Cash provided by operating activities		499,633	523,427

Jamaica Broilers Group Limited

Group Statement of Cash Flows (Continued)

Year ended 29 April 2006

(expressed in Jamaican dollars unless otherwise indicated)

	Note	29 April 2006 $'000	Restated 30 April 2005 $'000
Cash Flows from Operating Activities (Page 4)		499,633	523,427
Cash Flows from Investing Activities			
Purchase of property, plant and equipment	12	(226,172)	(206,365)
Proceeds from disposal of property, plant and equipment		43,323	4,564
Purchase of intangible asset	13	(15,828)	(92,869)
Proceeds from disposal of investment properties		-	148,393
Purchase of investments		-	(240,205)
Proceeds from sale of investments		242,825	169,663
Interest received		88,314	97,472
Cash provided by/(used in) investing activities		132,462	(119,347)
Cash Flows from Financing Activities			
Long term loans, net		(186,813)	(245,593)
Interest paid		(52,069)	(77,229)
Dividends paid		(137,917)	(113,931)
Cash used in financing activities		(376,799)	(436,753)
Increase/(decrease) in cash and cash equivalents		255,296	(32,673)
Effect of changes in exchange rates on cash and cash equivalents		11,624	979
Cash and cash equivalents at beginning of year		150,688	182,382
CASH AND CASH EQUIVALENTS AT END OF YEAR	24	417,608	150,688

Jamaica Broilers Group Limited

Company Balance Sheet

29 April 2006

(expressed in Jamaican dollars unless otherwise indicated)

	Note	29 April 2006 $'000	Restated 30 April 2005 $'000
Non-Current Assets			
Property, plant and equipment	12	1,175,792	1,187,057
Intangible assets	13	95,922	92,946
Investments	15	208,257	618,161
Interest in subsidiaries	16	286,602	81,964
Pension plan asset	18	269,400	189,500
		2,035,973	2,169,628
Current Assets			
Inventories	19	974,457	845,740
Biological assets	20	269,307	221,322
Receivables	21	487,135	536,862
Subsidiaries		330,172	-
Affiliates	22	35,115	32,903
Financial assets at fair value through profit or loss	23	67,885	-
Cash and short term investments	24	465,576	549,537
		2,629,647	2,186,364
Current Liabilities			
Payables	25	803,779	804,528
Taxation payable		102,085	163,949
Subsidiaries		-	211,923
Dividends payable	26	77,953	77,953
Borrowings	27	252,132	588,150
		1,235,949	1,846,503
Net Current Assets		1,393,698	339,861
		3,429,671	2,509,489
Stockholders' Equity			
Share capital	28	765,137	599,638
Capital reserve	29	137,101	312,335
Retained earnings		2,059,323	1,087,664
		2,961,561	1,999,637
Non-Current Liabilities			
Borrowings	27	128,259	188,239
Deferred income taxes	17	333,651	315,713
Post-employment obligation	18	6,200	5,900
		3,429,671	2,509,489

Approved for issue on behalf of the Board of Directors on 28 July 2006 and signed on its behalf by:

R. Danvers Williams Chairman

Robert E. Levy Director

1. Identification

Jamaica Broilers Group Limited (the company) is a company limited by shares, incorporated and domiciled in Jamaica. Its registered office is located at Content, McCooks Pen, St. Catherine.

The principal activities of the company and its subsidiaries (the Group) include the production and distribution of poultry, beef, fish, animal feeds and agricultural items (Note 2(b)).

The company is listed on the Jamaica Stock Exchange.

2. Significant Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), and have been prepared under the historical cost convention as modified by the revaluation of certain financial assets.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. Although these estimates are based on management's best knowledge of current events and action, actual results could differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

Standards, interpretations and amendments to published standards effective in 2005

Certain new standards, amendments and interpretations to existing standards have been published that became effective during the current financial year. The Group has assessed the relevance of all such new standards, interpretations and amendments and has adopted the following IFRS, which are relevant to its operations. The 2005 comparative figures have been amended as required, in accordance with the relevant requirements. The effects of adopting the revised and new standards on equity previously reported for the Group are detailed in Note 33.

Jamaica Broilers Group Limited

Notes to the Financial Statements
29 April 2006
(expressed in Jamaican dollars unless otherwise indicated)

2. Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, interpretations and amendments to published standards effective in 2005 (continued)

IAS 1 (revised 2003)	Presentation of Financial Statements
IAS 2 (revised 2003)	Inventories
IAS 8 (revised 2003)	Accounting Policies, Changes in Accounting Estimates and Errors
IAS 10 (revised 2003)	Events after the Balance Sheet Date
IAS 16 (revised 2003)	Property, Plant and Equipment
IAS 17 (revised 2003)	Leases
IAS 21 (revised 2003)	The Effects of Changes in Foreign Exchange Rates
IAS 24 (revised 2003)	Related Party Disclosures
IAS 27 (revised 2003)	Consolidated and Separate Financial Statements
IAS 32 (revised 2003)	Financial Instruments: Disclosure and Presentation
IAS 33 (revised 2003)	Earnings per Share
IAS 36 (revised 2004)	Impairment of Assets
IAS 38 (revised 2004)	Intangible Assets
IAS 39 (revised 2003/2004)	Financial Instruments: Recognition and Measurement
IAS 40 (revised 2003)	Investment Properties
IFRS 3 (issued 2004)	Business Combinations
IFRS 4 (issued 2004)	Insurance Contracts

The adoption of IAS 1, 2, 8, 10, 16, 17, 21, 24, 27, 32, 33 and 40 (all revised 2003), 36 and 38 (revised 2004), 39 (revised 2003/2004) and IFRS 4 (issued 2004), did not result in substantial changes to the Group's accounting policies. In summary:

- IAS 1 (revised 2003) has affected the presentation of minority interest and other disclosures.

- IAS 2, 8, 10, 16, 17, 27, 28, 32, 33 and 40 (all revised 2003), 36 (revised 2004), IAS 39 (revised 2003/2004) and IFRS 4 (issued 2004) had no material effect on the Group's policies.

- IAS 21 (revised 2003) had no material effect on the Group's policy. The functional currency of each of the consolidated entities has been re-evaluated based on the guidance to the revised standard.

- IAS 24 (revised 2003) has affected the identification of related parties and some other related-party disclosures.

- The Group has reassessed the useful lives of its intangible assets in accordance with the provisions of IAS 38 (revised 2004). No adjustment resulted from this assessment.

Jamaica Broilers Group Limited
Notes to the Financial Statements
29 April 2006
(expressed in Jamaican dollars unless otherwise indicated)

2. Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, interpretations and amendments to published standards effective in 2005 (continued)
The adoption of the following new standards has resulted in changes to the Group's accounting policies as described below:

All changes in the accounting policies have been made in accordance with the transitional provisions in the respective standards. All standards adopted by the Group require retrospective application other than:

- IAS 16 - The exchange of property, plant and equipment is accounted for at fair value prospectively;
- IAS 21 - Prospective accounting for goodwill and fair value adjustments as part of foreign operations;
- IAS 39 - The de-recognition of financial assets is applied prospectively;
- IFRS 3 - Applied prospectively after 31 March 2004.

The impact on opening retained earnings at 1 June 2004 from the adoption of certain of the above-mentioned standards is detailed in Note 33.

Standards, interpretations and amendments to published standards that are not yet effective
At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been issued which are not yet effective, and which the Group has not early adopted. The Group has assessed the relevance of all such new standards, interpretations and amendments and has determined that the following may be relevant to its operations, and has concluded as follows:

- **IAS 19 (Amendment), Employee Benefits** (effective from 1 January 2006). This amendment introduces the option of an alternative recognition approach for actuarial gains and losses. . As the Group does not intend to change the accounting policy adopted for recognition of actuarial gains and losses and does not participate in any multi-employer plans, adoption of this amendment will only impact the format and extent of disclosures presented in the financial statements. The Group will apply this amendment from annual periods beginning 1 January 2006.

Jamaica Broilers Group Limited

Notes to the Financial Statements
29 April 2006
(expressed in Jamaican dollars unless otherwise indicated)

2. Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, interpretations and amendments to published standards that are not yet effective (continued)

- **IAS 39 (Amendment), The Fair Value Option** (effective from 1 January 2006)**.** This amendment changes the definition of financial instruments classified at fair value through profit or loss and restricts the ability to designate financial instruments as part of this category. The Group believes that this amendment should not have a significant impact on the classification of financial instruments, as the Group should be able to comply with the amended criteria for the designation of financial instruments at fair value through profit and loss. The Group will apply this amendment from annual periods beginning 30 April 2007.

- **IFRS 7, Financial Instruments: Disclosures, and a complementary Amendment to IAS 1, Presentation of Financial Statements - Capital Disclosures** (effective from 1 January 2007). IFRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk. It replaces IAS 30, Disclosures in the Financial Statements of Banks and Similar Financial Institutions, and disclosure requirements in IAS 32, Financial Instruments: Disclosure and Presentation. The amendment to IAS 1 introduces disclosures about the level of an entity's capital and how it manages capital. The Group assessed the impact of IFRS 7 and the amendment to IAS 1 and concluded that the main additional disclosures will be the sensitivity analysis to market risk and the capital disclosures required by the amendment to IAS 1. The Group will apply IFRS 7 and the amendment to IAS 1 from annual periods beginning 30 April 2007.

- **IFRIC 4, Determining whether an Arrangement contains a Lease** (effective from 1 January 2006). IFRIC 4 requires the determination of whether an arrangement is or contains a lease to be based on the substance of the arrangement. It requires an assessment of whether: (a) fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and (b) the arrangement conveys a right to use the asset. The Group assessed the impact of IFRIC 4 and concluded that there are no transactions to which this applies. The Group will apply IFRIC 4 from annual periods beginning 30 April 2006.

- **IAS 39 (Amendment), Cash Flow Hedge Accounting of Forecast Intragroup Transactions** (effective from 1 January 2006). The amendment allows the foreign currency risk of a highly probable forecast intragroup transaction to qualify as a hedged item in the consolidated financial statements, provided that: (a) the transaction is denominated in a currency other than the functional currency of the entity entering into the transaction; and (b) the foreign currency risk will affect the consolidated profit or loss. This amendment is not relevant to the Group's operations, as the Group does not have any intragroup transaction that would qualify as a hedged item in the consolidated financial statements.

2. Significant Accounting Policies (Continued)

(b) Consolidation

Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are no longer consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the profit and loss account.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Jamaica Broilers Group Limited

Notes to the Financial Statements

29 April 2006

(expressed in Jamaican dollars unless otherwise indicated)

2. Significant Accounting Policies (Continued)

(b) Consolidation (continued)

Subsidiaries (continued)

The Group financial statements include the financial statements of the company and its operating divisions and subsidiaries as follows:

	Principal Activities	% Ownership at 29 April 2006
Resident in Jamaica:		
Operating divisions		
Best Dressed Chicken	Poultry production and feed milling, feed sales / retailers of farming equipment and supplies	100
Best Dressed Foods	Distributors of chicken, beef and fish	100
Content Agricultural Products	Beef production	100
Jamaica Eggs Services	Pullet production	100
Subsidiaries		
Aquaculture Jamaica Limited and its wholly owned subsidiaries:	Fish farming	100
Aqualapia Limited	Fish farming	100
Jamaica Freshwater Snapper Limited	Fish farming	100
T.Hart Farms Limited	Fish farming	100
Content Agricultural Products Limited	Property rental	100
Energy Associates Limited	Holding and investment company	100
CE Jamaica Inc.	Non-trading	100
EAL/ERI Co-generation Partners, LP	Generation of electricity	9
ERI Services (St. Lucia) Limited	Holding company	100
Eri Jam, LLC	Non-trading	100
EAL/ERI Co-generation Partners, LP	Generation of electricity	91
Jabexco Limited	Non-trading	100
Jamaica Eggs Limited	Non-trading	100
Jamaica Poultry Breeders Limited	Hatching egg production	100
Levy Industries Limited	Property rental	100
Master Blend Feeds Limited	Property rental	100
Best Dressed Chicken Limited	Non-trading	100
J. B. Trading Limited	Non-trading	100
Trafalgar Agriculture Development Limited	Non-trading	100
Resident outside of Jamaica:		
Atlantic United Insurance Company Limited, Cayman	Captive insurance	100
International Poultry Breeders LLC, U.S.A.	Hatching egg production	90
Jabexco Cayman Limited, Cayman	Non-trading	40
Wincorp International, Inc., U.S.A. and its subsidiary:	Procurers and distributors of agricultural and industrial supplies	100
Consolidated Freight and Shipping, Inc.	Ocean freight consolidator	100

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Notes to the Financial Statements
29 April 2006
(expressed in Jamaican dollars unless otherwise indicated)

2. Significant Accounting Policies (Continued)

(c) Segment reporting

Business segments provide products or services that are subject to risks and returns that are different from those of other business segments. Geographical segments provide products and services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

(d) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Groups' activities. Revenue is shown net of General Consumption Tax, returns, discounts and after eliminating sales within the Group.

Sales of goods
Sales are recognised upon delivery of products, customer acceptance of the products and collectibility of the related receivables is reasonably assured.

Interest income
Interest income is recognised in the profit and loss account for all interest bearing instruments on an accrual basis using the effective yield method based on the actual purchase price. Interest income includes coupons earned on fixed income investments and accrued discount on other discounted instruments.

Dividend income
Dividend income is recognised when the right to receive payment is established.

(e) Foreign currency translation

(i) Functional and presentation currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Jamaican dollars, which is the company's functional and presentation currency.

(ii) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

(iii) Group companies
The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities of foreign subsidiaries are translated into Jamaican dollars at year end rates and items affecting the profit and loss account are translated at average rates.

- The resultant gains, as well as those arising from translating the net equity interest in foreign associated companies, are reflected in stockholders' equity as translation gains.

2. Significant Accounting Policies (Continued)

(f) Income taxes
Taxation expense in the profit and loss account comprises current and deferred tax charges.

Current tax charges are based on taxable profit for the year, which differs from the profit before tax reported because it excludes items that are taxable or deductible in other years, and items that are never taxable or deductible. The Group's liability for current tax is calculated at tax rates that have been enacted at balance sheet date.

Deferred tax is the tax expected to be paid or recovered on differences between the carrying amounts of assets and liabilities and the corresponding tax bases. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred income tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is charged or credited in the profit and loss account, except where it relates to items charged or credited to stockholders' equity, in which case, deferred tax is also dealt with in stockholders' equity.

(g) Property, plant and equipment
Property, plant and equipment are recorded at cost, less accumulated depreciation. Land is carried at cost and is not depreciated.

Depreciation is calculated on the straight line basis at such rates as will write off the carrying value of the assets over the period of their expected useful lives. The expected useful lives are as follows:

Freehold buildings	11 – 100 years
Leasehold property	Life of lease
Plant, machinery and equipment	4 – 33 years
Furniture and fixtures	10 years
Motor vehicles	3 – 5 years

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposals of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining profit.

Repairs and maintenance expenditure is charged to the profit and loss account during the financial period in which it is incurred.

2. Significant Accounting Policies (Continued)

(h) Investment properties

Investment properties are held for long-term rental yields and are not occupied by the Group. Investment properties are treated as long-term investments and are carried at cost less accumulated depreciation. Freehold buildings are depreciated on the straight line basis over their expected useful lives of 11-100 years.

If an investment property becomes owner-occupied, it is reclassified to property, plant and equipment.

(i) Intangible assets

(i) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the acquisition date.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses.

An excess of the identifiable net assets acquired over the acquisition cost is treated as negative goodwill. Negative goodwill related to expected post-acquisition losses is taken to the profit and loss account during the period the future losses are recognised. Negative goodwill which does not relate to expected future losses is recognised as income immediately.

(ii) Computer software

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over the estimated useful life of ten years for software.

(j) Impairment of non-current assets

Property, plant and equipment and other non-current assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount, which is the greater of an asset's net selling price and value in use. For the purpose of assessing impairment, assets are grouped at the lowest level for which separate cash flows can be identified.

(k) Financial instruments

A financial instrument is any contract that gives rise to both a financial asset in one entity and a financial liability or equity of another entity.

Financial assets

The Group classifies its financial assets into the following categories: financial assets at fair value through profit or loss, loans and receivables, available-for-sale and held to maturity. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Jamaica Broilers Group Limited

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2. Significant Accounting Policies (Continued)

(k) Financial instruments (continued)

Financial assets

(i) Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated as fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date. These assets are classified as current assets in the balance sheet.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date, which are classified as non-current assets. Loans and receivables are classified as 'trade and other receivables' in the balance sheet.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity.

(iv) Available-for sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Purchases and sales of investments are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit and loss. Available-for-sale financial assets are subsequently carried at fair value.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences are recognised in profit or loss, and other changes in carrying amount are recognised in stockholders' equity. Changes in the fair value of monetary securities classified as available-for-sale and non-monetary securities classified as available-for-sale are recognised in stockholders' equity.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in stockholders' equity are included in the profit and loss account as other income. Interest on available-for-sale securities calculated using the effective interest method is recognised in the profit and loss account. Dividends on available-for-sale equity instruments are recognised in the profit and loss account when the Group's right to receive payments is established.

Jamaica Broilers Group Limited

2. Significant Accounting Policies (Continued)

(k) Financial instruments (continued)

Financial assets (continued)

(iv) Available-for sale financial assets (continued)

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same and discounted cash flow analysis making maximum use of market inputs and relying as little as possible on entity-specific inputs.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of a security below its cost is considered an indicator that the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously not recognised in profit or loss – is removed from stockholders' equity and recognised in the profit and loss account. Impairment losses recognised in the profit and loss account on equity instruments are not reversed through the profit and loss account. Impairment provisioning of trade receivables is described in Note 2(n).

Financial liabilities

The Group's financial liabilities are initially measured at fair value, and are subsequently measured at amortised cost using the effective interest method. These liabilities are classified as current and non-current liabilities and are included in 'borrowings' in the balance sheet.

(l) Investments in subsidiaries

Investments in subsidiaries are stated at cost.

(m) Employee benefits

(i) Pension obligations

The Group operates a defined benefit plan, the assets of which are generally held in separate trustee-administered funds. The pension plan is funded by payments from employees and by the relevant companies, taking into account the recommendations of qualified actuaries.

The asset in respect of a defined benefit plan is the difference between the present value of the defined benefit obligation at the balance sheet date and the fair value of plan assets, adjusted for unrecognised actuarial gains/losses and past service cost. Where a pension asset arises, the amount recognised is limited to the net total of any cumulative unrecognised net actuarial losses and past service cost and the present value of any economic benefits available in the form of refunds from the plan or reduction in future contributions to the plan. The pension costs are assessed using the Projected Unit Credit Method. Under this method, the cost of providing pensions is charged to the profit and loss account so as to spread the regular cost over the service lives of the employees in accordance with the advice of the actuaries. The pension obligation is measured at the present value of the estimated future cash outflows using estimated discount rates based on market yields on Government securities which have terms to maturity approximating the terms of the related liability.

2. Significant Accounting Policies (Continued)

(m) Employee benefits (continued)

(i) Pension obligations (continued)

A portion of actuarial gains and losses is recognised in the profit and loss account if the net cumulative unrecognised actuarial gains or losses at the end of the previous reporting period exceeded 10 percent of the greater of the present value of the gross defined benefit obligation and the fair value of plan assets at that date. Any excess actuarial gains or losses are recognised in the profit and loss account over the average remaining service lives of the participating employees.

An overseas subsidiary operates a defined contribution plan. The subsidiary's contributions are based primarily on employee participation. Once the contributions have been paid, the subsidiary has no further legal or constructive obligations.

(ii) Other post-employment benefits

The Group also provides supplementary medical and life insurance benefits to qualifying employees upon retirement. The entitlement to these benefits is usually based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment, using an accounting methodology similar to that for defined benefit pension plans. These obligations are valued annually by qualified actuaries.

(iii) Termination benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed formal plan without the possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than twelve months after the balance sheet date are discounted to present value.

(iv) Leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date. Where amounts determined are insignificant, they are included in accounts payable.

(v) Profit-sharing and performance incentives

The Group recognises a liability and an expense for performance incentives and profit-sharing based on a formula that takes into consideration the profit before taxation after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

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2. Significant Accounting Policies (Continued)

(n) Inventories
Inventories are stated at the lower of cost and net realisable value. Cost is determined as follows:

(i) Processed broilers, beef and fish at accumulated cost of growing and processing, or landed cost.

(ii) Finished feeds and fertilisers at cost of production.

(iii) All other items of inventory at landed cost or purchase price.

Net realisable value is the estimated selling price in the ordinary course of business, less the cost of selling expenses.

(o) Biological assets
Biological assets which include fish, cattle, poultry, flocks in field including breeder, layer and pullets are stated at cost as no reliable measure for determining fair value has been identified. Cost is determined as the accumulated cost of livestock, feed, medication, and in respect of breeder flocks, accumulated production costs.

(p) Trade receivables
Trade receivables are carried at anticipated realisable value. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying value and the present value of estimated future cash flows, discounted at the market rate of interest for similar borrowings. The amount of the provision is recognised in the profit and loss account.

(q) Cash and cash equivalents
Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of the cash flow statement, cash and cash equivalents comprise cash at bank and in hand, short term deposits and investments with original maturity dates of ninety days or less, net of short term loans and bank overdrafts.

(r) Trade payables
Trade payables are stated at cost.

2. Significant Accounting Policies (Continued)

(s) Borrowings

Borrowings are recognised initially at proceeds received. Borrowings are subsequently stated at amortised cost using the effective yield method. Any difference between proceeds and the redemption value is recognised in the profit and loss account over the period of the borrowings using the effective interest method.

(t) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, if it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

(u) Leases

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are recognised at the inception of the lease at the lower of the fair value of the leased asset or the present value of minimum lease payments. Each lease payment is allocated between the liability and interest charges so as to produce a constant rate of charge on the lease obligation. The interest element of the lease payments is charged to the profit and loss account over the lease period.

Property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset or the lease term.

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

(v) Dividend distribution

Dividend distribution is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Board of Directors.

(w) Comparative information

Where necessary, comparative figures have been reclassified to conform with changes in presentation in the current year. In particular, the comparatives have been adjusted or extended to reflect the requirements of new IFRS, as well as, amendments to and interpretations of existing IFRS (Note 33).

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3. Financial Risk Management

(a) Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by a central treasury function which identifies, evaluates and manages financial risks in close co-operation with the Group's operating business units. The Board of Directors sets guidelines for overall risk management including specific areas, such as foreign exchange risk, interest rate risk, credit risk, and investing excess liquidity.

(i) Market risk

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group operates internationally and is exposed to foreign exchange risk primarily arising from its US Dollar transactions for purchases, and its US Dollar denominated investments. The Group balance sheet at 29 April 2006 includes aggregate net foreign liabilities of approximately US$15,000 (2005 – US$4,352,000) in respect of transactions arising in the ordinary course of business.

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from net assets of the Group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. The Group is exposed to equity securities price risk because of investments held by the Group and classified on the consolidated balance sheet either as available-for-sale or at fair value through profit or loss.

(ii) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group has no significant concentrations of credit risk attached to trade receivables as the Group has a large and diverse customer base, with no significant balances arising from any single economic or business sector, or any single entity or group of entities. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. Cash transactions are limited to high credit quality financial institutions. A significant level of investments is held in various forms of Government securities.

3. Financial Risk Management (Continued)

(a) Financial risk factors (continued)

(iii) Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the Group Treasury aims to maintain flexibility in funding by keeping committed credit lines available.

(iv) Cash flow and fair value Interest rate risk

Cash flow risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises from long-term borrowings and investments**.** The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Interest margins may increase as a result of such changes but may reduce or create losses in the event that unexpected movements arise.

(b) Fair value estimation

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value less impairment provision of trade receivables and payables is assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

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4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (Continued)

(a) Critical judgments in applying the Groups' accounting policies
In the process of applying the Group's accounting policies, management has made no significant judgements regarding the amounts recognised in the financial statements.

(b) Key sources of estimation uncertainty

Negative goodwill
The assessment of negative goodwill involves the determination of the present value of future net income expected to arise from energy supplied by the Co-generation plant. The present value calculation depends on a number of factors and assumptions. These include the discount rate, foreign exchange rate, inflation rate and plant usage.

5. Segmental Financial Information

The Group is organised into three primary business segments:

(a)	Poultry Operations	-	The rearing of poultry for fertile egg production and for sale, as well as processed broilers.
(b)	Feed and Farm Supplies	-	The manufacture and sale of animal feeds, and the retailing of agricultural items.
(c)	Fish Operations	-	The grow out, processing and sale of fish.

Other operations of the Group include the sale of feed ingredients, cattle rearing and energy supply.

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5. Segmental Financial Information (Continued)

	2006					
	Poultry Operations	**Feed and Farm Supplies**	**Fish Operations**	**Other**	**Eliminations**	**Group**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
External revenues	5,594,495	2,818,670	519,621	1,005,431	-	9,938,217
Revenue from other segments	28,468	296,526	-	372,797	(697,791)	-
Total revenue	5,622,963	3,115,196	519,621	1,378,228	(697,791)	9,938,217
Segment result	848,130	399,357	(100,140)	24,092	-	1,171,439
Corporate expenses						(476,118)
Negative goodwill on acquisition (Note 31)						120,399
Operating profit						815,720
Finance costs						(50,611)
Profit before tax						765,109
Income tax expense						(119,775)
Net profit						645,334
Segment assets	3,466,033	829,929	458,201	1,904,352	(2,460,225)	4,198,290
Unallocated corporate assets						1,566,238
Total assets						5,764,528
Segment liabilities	(1,413,021)	(332,540)	(427,965)	(462,817)	2,092,369	(543,974)
Unallocated corporate liabilities						(1,416,507)
Total liabilities						(1,960,481)
Other segment items-						
Capital expenditure	175,234	2,346	19,082	29,510	-	226,172
Amortisation	7,573	242	778	1,204	-	9,797
Depreciation	152,972	546	22,272	22,097	-	197,887
Unallocated depreciation						610
Total depreciation						198,497

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5. Segmental Financial Information (Continued)

	2005					
	Poultry Operations	**Feed and Farm Supplies**	**Fish Operations**	**Other**	**Eliminations**	**Group**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
External revenues	5,155,253	2,696,313	347,117	947,855	-	9,146,538
Revenue from other segments	27,774	345,960	-	813,179	(1,186,913)	-
Total revenue	5,183,027	3,042,273	347,117	1,761,034	(1,186,913)	9,146,538
Segment result	617,859	455,674	(42,896)	143,246	-	1,173,883
Insurance claim						210,925
Unallocated corporate expenses						(514,007)
Gain on disposal of investment property						110,899
Settlement of Co-Generation lawsuit, net						86,112
Operating profit						1,067,812
Finance costs						(84,379)
Profit before tax						983,433
Income tax expense						(261,521)
Net profit						721,912
Segment assets	3,341,306	664,514	400,260	1,483,775	(2,590,148)	3,299,707
Unallocated corporate assets						2,539,424
Total assets						5,839,131
Segment liabilities	(1,764,589)	(373,551)	(421,485)	(655,571)	2,637,257	(577,939)
Unallocated corporate liabilities						(2,010,917)
Total liabilities						(2,588,856)
Other segment items-						
Capital expenditure	135,622	4,709	15,652	50,382	-	206,365
Depreciation	125,769	2,184	19,640	39,049	-	186,642
Unallocated depreciation						650
Total depreciation						187,292

6. Other Operating Income

	29 April 2006 $'000	30 April 2005 $'000
Fair value losses on financial assets at fair value through profit or loss	(9,588)	-
Insurance claim (a)	4,045	210,925
Interest income	80,085	86,737
Negative goodwill arising on acquisition (Note 31)	120,339	-
Profit on disposal of investment property	-	110,899
Reinsurance commissions	12,275	9,086
Settlement of Co-Generation lawsuit, net (b)	-	86,112
Other	35,608	16,158
	242,764	519,917

(a) The amount in 2005 represented business interruption claims as a result of Hurricane Ivan in September 2004.

(b) In 2005 the company was successful in a lawsuit against Equitable Energy Resources with regards to the operation of the Co-Generation Plant. The amount is shown net of legal expenses of $55,338,000.

7. Expenses by Nature

	29 April 2006 $'000	30 April 2005 $'000
Auditors' remuneration	12,616	10,708
Advertising and promotions	154,031	143,141
Amortisation of intangible assets (Note 13)	9,797	174
Cost of inventories recognised as expense	6,004,628	5,616,581
Depreciation (Note 12)	198,497	187,352
Donation and subscription	16,156	10,820
Insurance	99,469	81,585
Occupancy – rent and utilities	454,860	317,217
Legal and professional fees	97,121	145,918
Repairs and maintenance	370,824	383,282
Security	38,420	37,331
Staff costs (Note 8)	1,572,444	1,419,165
Stationery	35,956	19,058
Travelling and entertainment	26,644	20,546
Trucking	188,674	148,643
Other expenses	85,124	57,122
	9,365,261	8,598,643

Expenses by nature include the total of cost of goods sold, distribution costs, administration and other expenses.

The profit and loss account includes net foreign exchange gains/(losses) of $9,944,000 (2005 – ($12,733,000)).

8. Staff Costs

	29 April 2006 $'000	30 April 2005 $'000
Wages, salaries and contractors' costs	1,386,811	1,221,972
Payroll taxes – Employer's portion	79,025	79,068
Pension costs - defined contribution plan	2,223	1,772
Pension costs - defined benefit plan (Note 18)	(48,700)	(37,700)
Other post-retirement benefits (Note 18)	1,100	1,000
Termination costs	2,415	11,621
Other	149,570	141,432
	1,572,444	1,419,165

The number of persons employed by the Group at the year end were as follows:

	29 April 2006 No.	30 April 2005 No.
Full - time	266	270
Part - time	92	73
Contractors and their employees	1,557	1,513
	1,915	1,856

9. Finance Costs

	29 April 2006 $'000	30 April 2005 $'000
Foreign exchange losses	3,490	8,623
Interest expense	47,121	75,756
	50,611	84,379

10. Taxation

(a) The egg production operation of Jamaica Poultry Breeders Limited was relieved from income tax until 1989 by virtue of the provisions of the Industrial Incentives Act. With effect from 1990 the egg production and crop growing operations were relieved from income tax for ten years under the provisions of the Income Tax (Approved Farmers) Act. A further five year period of relief was granted in 2006 by the Ministry of Finance.

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10. Taxation (Continued)

(b) Taxation is based on the profit for the year adjusted for tax purposes and comprises:

	29 April 2006 $'000	30 April 2005 $'000
Income tax at 33⅓%	136,543	207,837
Adjustment to prior year provision	(29,728)	(1,712)
Deferred taxation (Note 17))	12,960	55,396
	119,775	261,521

(c) The tax on the Group's profit differs from the theoretical amount that would arise using the applicable tax rate of 33⅓%, as follows:

	30 April 2006 $'000	29 April 2005 $'000
Profit before taxation	765,109	983,433
Tax calculated at a tax rate of 33⅓%	255,036	327,811
Adjusted for:		
Expenses not allowed	403	4,139
Income not subject to tax	(50,199)	(52,171)
Negative goodwill arising on acquisition (Note 31)	(40,113)	-
Adjustment to prior year provision	(29,728)	(1,712)
Expenses not deductible for tax purposes and other allowances	(15,624)	(16,546)
Income tax expense	119,775	261,521

Subject to agreement with the Taxpayer Audit and Assessment Department, losses available for offset against future profits of certain local subsidiaries amount to approximately $23,664,000 (2005 – $9,726,000).

11. Earnings Per Stock Unit

The calculation of earnings per ordinary stock unit is based on the Group net profit and 1,199,277,000 ordinary stocks units in issue.

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12. Property, Plant and Equipment

	The Group							
	2006							
	Freehold Land	Freehold Buildings	Leasehold Property	Plant, Machinery & Equipment	Furniture & Fixtures	Motor Vehicles	Capital Work in Progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At Cost -								
At 30 April 2005	38,213	1,081,438	56,948	1,427,385	314,011	323,376	59,800	3,301,171
Additions	5,124	2,656	4,846	71,545	28,206	47,405	66,390	226,172
Transferred from investment properties (Note 14)	-	-	3,589	-	-	-	-	3,589
Acquisition of subsidiary (Note 31)	-	-	-	358,737	205	-	-	358,942
Translation	669	841	226	4,852	104	746	-	7,438
Disposals	-	(201)	(2,791)	(40,804)	(6,111)	(15,715)	(535)	(66,157)
Transfers/reclassifications	-	37,600	5,131	29,913	31,514	-	(104,158)	-
At 29 April 2006	44,006	1,122,334	67,949	1,851,628	367,929	355,812	21,497	3,831,155
Depreciation -								
At 30 April 2005	-	382,243	34,000	709,091	198,415	233,280	-	1,557,029
Transferred from investment properties (Note 14)	-	-	1,136	-	-	-	-	1,136
Charge for the year	-	32,459	934	92,237	39,901	32,966	-	198,497
Translation	-	359	218	3,625	104	669	-	4,975
Relieved on disposals	-	(132)	-	(7,258)	(5,313)	(10,314)	-	(23,017)
Transfer/reclassifications	-	(1,739)	1,436	423	(120)	-	-	-
At 29 April 2006	-	413,190	37,724	798,118	232,987	256,601	-	1,738,620
Net Book Value -								
At 29 April 2006	44,006	709,144	30,225	1,053,510	134,942	99,211	21,497	2,092,535
At 30 April 2005	38,213	699,195	22,948	718,294	115,596	90,096	59,800	1,744,142

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12. Property, Plant and Equipment (Continued)

	The Group							
	2005							
	Freehold Land	Freehold Buildings	Leasehold Property	Machinery & Equipment	Furniture & Fixtures	Motor Vehicles	Capital Work in Progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At Cost -								
At 2 May 2004	75,726	1,006,179	33,571	1,354,311	246,822	291,686	101,395	3,109,690
Additions	166	9,336	639	69,108	21,278	45,814	60,024	206,365
Translation	155	195	158	1,317	121	264	8	2,218
Disposals	-	(34)	-	(9,537)	(696)	(16,626)	-	(26,893)
Transfers/reclassifications	(37,834)	65,762	22,580	12,186	46,486	2,238	(101,627)	9,791
At 30 April 2005	38,213	1,081,438	56,948	1,427,385	314,011	323,376	59,800	3,301,171
Depreciation -								
At 2 May 2004	-	362,928	15,155	638,937	145,783	222,791	-	1,385,594
Charge for the year	-	28,289	2,113	98,328	31,715	26,847	-	187,292
Translation	-	73	102	956	92	214	-	1,437
Relieved on disposals	-	(25)	-	(7,178)	(532)	(13,518)	-	(21,253)
Transfers/reclassifications	-	(9,022)	16,630	(21,952)	21,357	(3,054)	-	3,959
At 30 April 2005	-	382,243	34,000	709,091	198,415	233,280	-	1,557,029
Net Book Value -								
At 30 April 2005	38,213	699,195	22,948	718,294	115,596	90,096	59,800	1,744,142
At 1 May 2004	75,726	643,251	18,416	715,374	101,039	68,895	101,395	1,724,096

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12. Property, Plant and Equipment (Continued)

	The Company							
	2006							
	Freehold Land	Freehold Buildings	Leasehold Property	Machinery & Equipment	Furniture & Fixtures	Motor Vehicles	Capital Work in Progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At Cost -								
At 30 April 2005	10,443	495,312	9,943	1,113,118	283,808	280,976	46,083	2,239,683
Additions	-	-	-	68,353	27,702	37,532	46,718	180,305
Amalgamation assets (Note 32)	-	-	3,607	4,443	1,519	601	535	10,705
Disposals	-	-	(2,791)	(33,770)	(26,309)	(6,682)	(535)	(70,087)
Transfers/reclassifications	-	27,548	5,131	16,702	29,172	-	(78,553)	-
At 29 April 2006	10,443	522,860	15,890	1,168,846	315,892	312,427	14,248	2,360,606
Depreciation -								
At 30 April 2005	-	154,091	-	521,312	174,060	203,163	-	1,052,626
Charge for the year	-	12,480	203	71,230	37,410	28,508	-	149,831
Relieved on disposals	-	-	-	(8,268)	(5,312)	(4,063)	-	(17,643)
Transfers/reclassifications	-	(1,739)	1,436	423	(120)	-	-	-
At 29 April 2006	-	164,832	1,639	584,697	206,038	227,608	-	1,184,814
Net Book Value -								
At 29 April 2006	10,443	358,028	14,251	584,149	109,854	84,819	14,248	1,175,792
At 30 April 2005	10,443	341,221	9,943	591,806	109,748	77,813	46,083	1,187,057

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12. Property, Plant and Equipment (Continued)

	The Company							
	2005							
	Freehold Land	Freehold Buildings	Leasehold Property	Machinery & Equipment	Furniture & Fixtures	Motor Vehicles	Capital Work in Progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At Cost -								
At 2 May 2004	48,102	448,763	9,718	1,058,415	227,839	249,002	59,162	2,101,001
Additions	166	871	-	61,325	20,809	40,029	20,418	143,618
Disposals	-	-	-	(1,416)	(174)	(10,296)	-	(11,886)
Transfers/reclassifications	(37,825)	45,678	225	(5,206)	35,334	2,241	(33,497)	6,950
At 30 April 2005	10,443	495,312	9,943	1,113,118	283,808	280,976	46,083	2,239,683
Depreciation -								
At 2 May 2004	-	136,150	-	463,310	133,820	190,508	-	923,788
Charge for the year	-	12,348	-	72,397	30,054	21,877	-	136,676
Relieved on disposals	-	-	-	(1,221)	(23)	(9,057)	-	(10,301)
Transfers/reclassifications	-	5,593	-	(13,174)	10,209	(165)	-	2,463
At 30 April 2005	-	154,091	-	521,312	174,060	203,163	-	1,052,626
Net Book Value -								
At 30 April 2005	10,443	341,221	9,943	591,806	109,748	77,813	46,083	1,187,057
At 1 May 2004	48,102	312,613	9,718	595,105	94,019	58,494	59,162	1,177,213

Included in property, plant and equipment for the Group are motor vehicles and equipment with net book value of $3,976,000 (2005 - $5,301,000), which are being acquired under finance leases.

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13. Intangible Assets

	The Group	The Company
	Computer Software	**Computer Software**
	$'000	**$'000**
Cost -		
At 2 May 2004	6,027	4,760
Additions	92,869	92,869
At 30 April 2005	98,896	97,629
Additions	15,828	12,673
At 29 April 2006	114,724	110,302
Amortisation -		
At 2 May 2004	5,112	4,621
Charge for the year	174	62
At 30 April 2005	5,286	4,683
Charge for the year	9,797	9,697
At 29 April 2006	15,083	14,380
Net Book Value -		
29 April 2006	99,641	95,922
30 April 2005	93,610	92,946

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14. Investment Properties

	The Group		
	Land	**Leasehold Buildings**	**Total**
	$'000	**$'000**	**$'000**
Cost -			
At 2 May 2004	32,000	28,521	60,521
Disposal	(32,000)	(24,932)	(56,932)
At 30 April 2005	-	3,589	3,589
Transferred to property, plant and equipment (Note 12)		(3,589)	(3,589)
At 29 April 2006	-	-	-
Depreciation -			
At 2 May 2004	-	14,485	14,485
Charge for the year	-	60	60
On disposal	-	(13,409)	(13,409)
At 30 April 2005	-	1,136	1,136
Transferred to property, plant and equipment (Note 12)	-	(1,136)	(1,136)
At 29 April 2006	-	-	-
Net Book Value -			
29 April 2006	-	-	-
30 April 2005	-	2,453	2,453

During the year, the investment property became owner-occupied and was transferred to property, plant and equipment (Note 12).

Rental income and repairs and maintenance expenditure in relation to investment properties amounted to $600,000 (2005 - $1,638,000) and Nil (2005 - $421,000) respectively for the Group and the company.

15. Investments

	The Group		The Company	
	29 April 2006 $'000	**30 April 2005 $'000**	**29 April 2006 $'000**	**30 April 2005 $'000**
Available-for-sale-				
Government of Jamaica securities	119,591	133,041	-	-
Quoted equities	6,582	7,630	6,582	7,630
Unquoted equities (a)	623	1,425	623	623
Debenture (b)	-	184,950	-	184,950
Other	-	13,700	-	-
	126,796	340,746	7,205	193,203
Held-to-maturity -				
Government of Jamaica securities	197,283	412,960	197,283	412,960
Interest receivable	3,769	11,998	3,769	11,998
	201,052	424,958	201,052	424,958
	327,848	765,704	208,257	618,161

(a) Included in unquoted equities in 2005 is $802,000, which represented the company's interest in EAL/ERI Cogeneration Partners, LP, a limited partnership, through the company's wholly-owned subsidiary, Energy Associates Limited.

EAL/ERI Cogeneration Partners, LP was acquired during the year (Note 31).

(b) This amount represented a debenture purchased from Teachers Insurance and Annuity Association of America. The debenture was originally issued to EAL/ERI Cogeneration Partners, LP (Note 15(a) and 31).

The weighted average effective interest rate on Government of Jamaica securities was 11.44% (2005 – 11.78%).

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16. Interest in Subsidiaries

	The Company	
	29 April 2006 $'000	**29 April 2005 $'000**
Balance as at 1 January	81,964	81,964
Acquired during the year (Note 31)	195,787	-
Disposed of during the year (Note 32)	(10,242)	-
Assumed on amalgamation (Note 32)	19,093	-
Balance at 31 December	286,602	81,964

17. Deferred Income Taxes

Deferred income taxes are calculated on all temporary differences under the liability method using an effective tax rate of 33⅓ %.

	The Group		The Company	
	29 April 2006 $'000	**30 April 2005 $'000**	**29 April 2006 $'000**	**30 April 2005 $'000**
Deferred tax assets	(3,965)	(10,524)	-	-
Deferred tax liabilities	389,460	383,059	333,651	315,713
	385,495	372,535	333,651	315,713

The movement on the deferred income tax account is as follows:

	The Group		The Company	
	29 April 2006 $'000	**30 April 2005 $'000**	**29 April 2006 $'000**	**30 April 2005 $'000**
Balance at start of year	372,535	317,139	315,713	280,054
Charged to profit and loss account (Note 10)	12,960	55,396	17,938	35,659
Balance as at end of year	385,495	372,535	333,651	315,713

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17. Deferred Income Taxes (Continued)

The deferred tax assets and liabilities at the end of the year are as follows:

	The Group		The Company	
	29 April 2006 $'000	30 April 2005 $'000	29 April 2006 $'000	30 April 2005 $'000
Deferred income tax assets -				
Accrued vacation	11,209	3,724	9,185	3,087
Tax losses unused	7,888	11,135	-	-
Other	6,689	3,512	6,553	2,647
	25,786	18,371	15,738	5,734
Deferred income tax liabilities -				
Accelerated tax depreciation	308,391	307,744	256,842	255,373
Pension and other post-employment benefits	96,900	68,900	87,733	61,300
Unrealised foreign exchange gains	1,610	4,774	1,610	4,774
Other	4,380	9,488	3,204	-
	411,281	390,906	349,389	321,447
Net deferred tax liability	385,495	372,535	333,651	315,713

The deferred tax charged in the profit and loss account comprises the following temporary differences:

	The Group		The Company	
	29 April 2006 $'000	30 April 2005 $'000	29 April 2006 $'000	30 April 2005 $'000
Accelerated tax depreciation	647	(13,058)	1,469	508
Accrued vacation	(7,485)	(1,945)	(6,098)	(1,660)
Pension and other post-employment benefits	28,000	27,015	26,985	19,415
Tax losses	3,247	13,958	-	-
Unrealised foreign exchange gains	(3,164)	20,740	(3,164)	20,740
Other temporary differences	(8,285)	8,686	(1,254)	(3,344)
	12,960	55,396	17,938	35,659

Deferred income tax liabilities have not been provided for in respect of the withholding and other taxes that would be payable on the undistributed earnings of certain subsidiaries to the extent that such earnings are permanently reinvested. Such undistributed earnings totalled $298,480,000 (2005 - $1,250,638,000).

The reduction in undistributed earnings for the subsidiaries is due to amalgamation of West Indies Nutritional Corporation Limited during the year (Note 32).

Deferred income tax assets are recognised for tax losses carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable.

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17. Deferred Income Taxes (Continued)

These balances include the following:

	The Group		The Company	
	29 April 2006	**30 April 2005**	**29 April 2006**	**30 April 2005**
Deferred tax liabilities to be recovered after more than 12 months	405,291	376,644	344,575	316,673

18. Retirement Benefits

Amounts recognised in the balance sheet are as follows:

	The Group		The Company	
	29 April 2006	**30 April 2005**	**29 April 2006**	**30 April 2005**
	$'000	**$'000**	**$'000**	**$'000**
Pension scheme	(298,200)	(218,900)	(269,400)	(189,500)
Other post-employment benefits	7,500	7,100	6,200	5,900

(a) Pension scheme

The Group participates in a defined benefit scheme, which is open to all permanent employees and administered by an external agency. The plan provides benefits to members based on average earnings for the final two years service or the two years in which the highest salaries of the employee have been earned. The defined benefit scheme is valued by independent actuaries annually using the Projected Unit Credit Method. The latest actuarial valuation was carried out as at 29 April 2006.

The defined benefit asset recognised in the balance sheet was determined as follows:

	The Group		The Company	
	29 April 2006	**30 April 2005**	**29 April 2006**	**30 April 2005**
	$'000	**$'000**	**$'000**	**$'000**
Present value of obligations	683,600	525,300	621,300	476,900
Fair value of plan assets	(1,206,900)	(1,185,200)	(1,096,900)	(1,076,000)
	(523,300)	(659,900)	(475,600)	(599,100)
Unrecognised actuarial gains	225,100	441,000	206,200	409,600
	(298,200)	(218,900)	(269,400)	(189,500)

Pension plan assets include investment in ordinary stock units of the company with a fair value of $13,813,000 (2005 - $23,087,000).

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18. Retirement Benefits (Continued)

(a) Pension scheme (continued)

The movement in the defined benefit asset during the year is as follows:

	The Group		The Company	
	29 April 2006	**30 April 2005**	**29 April 2006**	**30 April 2005**
	$'000	**$'000**	**$'000**	**$'000**
At beginning of year	(218,900)	(153,300)	(189,500)	(129,600)
Amalgamated assets (Note 32)	300	-	(6,300)	-
Amounts recognised in the profit and loss account (Note 8)	(48,700)	(37,700)	(45,800)	(35,400)
Contributions paid	(30,900)	(27,900)	(27,800)	(24,500)
At end of year	(298,200)	(218,900)	(269,400)	(189,500)

The amount recognised in the profit and loss account is determined as follows:

	The Group		The Company	
	29 April 2006	**30 April 2005**	**29 April 2006**	**30 April 2005**
	$'000	**$'000**	**$'000**	**$'000**
Current service cost	24,400	19,700	22,200	16,800
Interest cost	64,700	50,900	59,900	45,900
Expected return on plan assets	(120,800)	(93,900)	(111,800)	(84,600)
Net actuarial gains recognised in year	(17,000)	(14,400)	(16,100)	(13,500)
Total included in staff costs (Note 8)	(48,700)	(37,700)	(45,800)	(35,400)
Actual return on plan assets	(24,100)	228,800	(41,200)	213,000

The principal actuarial assumptions used were as follows:

	29 April 2006	**30 April 2005**
Discount rate	12.00%	12.50%
Expected return on plan assets	10.00%	10.00%
Future salary increases	9.00%	9.00%
Future pension increases	5.00%	5.00%
Remaining working lives - years	18.00	19.00

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18. Retirement Benefits (Continued)

(b) Other post-employment benefits

In addition to pension benefits, the Group offers retirees medical and life insurance benefits. Funds are not built up to cover the obligations under these retirement benefit schemes. The method of accounting and frequency of valuations are similar to those used for the defined benefit pension scheme. In addition to the assumptions used for the pension scheme, the main actuarial assumption is a long term increase in health costs of 11% per year (2005 - 11% per year).

The liability recognised in the balance sheet was determined as follows:

	The Group		The Company	
	29 April 2006 $'000	30 April 2005 $'000	29 April 2006 $'000	30 April 2005 $'000
Present value of obligations	9,000	8,600	7,600	7,300
Unrecognised actuarial losses	(1,500)	(1,500)	(1,400)	(1,400)
	7,500	7,100	6,200	5,900

The movement in the liability during the year is as follows:

	The Group		The Company	
	29 April 2006 $'000	30 April 2005 $'000	29 April 2006 $'000	30 April 2005 $'000
At beginning of year	7,100	6,800	5,900	5,600
Amounts recognised in the profit and loss account (Note 8)	1,100	1,000	900	900
Contributions paid	(700)	(700)	(600)	(600)
At end of year	7,500	7,100	6,200	5,900

The amount recognised in the profit and loss account is as follows:

	The Group		The Company	
	29 April 2006 $'000	30 April 2005 $'000	29 April 2006 $'000	30 April 2005 $'000
Interest cost, included in staff costs (Note 8)	1,100	1,000	900	900

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19. Inventories

	The Group		The Company	
	29 April 2006 $'000	**30 April 2005 $'000**	**29 April 2006 $'000**	**30 April 2005 $'000**
Grain and feed ingredients	294,175	300,037	262,619	223,555
Inventories for resale and spares	492,922	416,696	464,594	384,253
Processed broilers, beef and fish	164,679	206,196	164,579	205,285
Goods in transit and others	102,125	64,848	97,407	53,792
	1,053,901	987,777	989,199	866,885
Less: Provision for obsolescence	(19,011)	(21,499)	(14,742)	(21,145)
	1,034,890	966,278	974,457	845,740

20. Biological Assets

	The Group		The Company	
	29 April 2006 $'000	**30 April 2005 $'000**	**29 April 2006 $'000**	**30 April 2005 $'000**
Cattle	59,424	39,146	59,424	39,145
Fish	78,816	108,421	-	-
Poultry	369,838	330,174	209,883	182,177
	508,078	477,741	269,307	221,322

The movement in biological assets was determined as follows:

	The Group		The Company	
	29 April 2006 $'000	**30 April 2005 $'000**	**29 April 2006 $'000**	**30 April 2005 $'000**
At start of year	477,471	414,859	221,322	221,489
Increases due to purchases	1,390,363	1,737,954	1,253,180	1,566,475
Decreases due to sales	(1,359,756)	(1,675,072)	(1,205,195)	(1,566,642)
At end of year	508,078	477,741	269,307	221,322

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21. Receivables

	The Group		The Company	
	29 April 2006 $'000	**30 April 2005 $'000**	**29 April 2006 $'000**	**30 April 2005 $'000**
Trade receivables	539,935	580,820	388,964	306,945
Less: Provision for impairment and doubtful debts	(84,588)	(72,051)	(78,695)	(54,939)
	455,347	508,769	310,269	252,006
Equitable Energy Resources	-	18,306	-	18,306
Insurance claims receivable	5,299	101,884	5,299	-
Jamaica Public Service Company	8,109	48,608	8,109	48,608
Prepayments	57,462	69,228	47,984	59,899
Other	135,632	164,781	115,474	158,043
	661,849	911,576	487,135	536,862

22. Related Party Transactions and Balances

The following transactions were carried out with related parties:

(a) Key management compensation

	29 April 2006 $'000	**30 April 2005 $'000**
Salaries, profit sharing and other short-term employee benefits	169,058	116,674
Statutory contributions	123	113
Pension benefits	3,500	2,707
Other	2,250	1,367
	174,931	120,861
Directors' emoluments –		
Fees	5,600	2,960
Management remuneration (included above)	91,838	68,436

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22. Related Party Transactions and Balances (Continued)

The following transactions were carried out with related parties (continued):

(b) Due from affiliated parties:

	29 April 2006 $'000	30 April 2005 $'000
Portland Corporation Limited	10	10
Jamaica Broilers Employees Trust	35,105	32,893

(c) Loan to director :

	29 April 2006 $'000	30 April 2005 $'000
Beginning of the year	3,512	4,214
Repayments	(702)	(702)
End of the year	2,810	3,512

The loan is interest free and repayable within four years.

23. Financial Assets at Fair Value through Profit or Loss

This represents quoted shares designated at fair value on initial recognition.

Changes in fair values of financial assets at fair value through profit or loss are included in other operating income in the profit and loss account (Note 6).

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24. Cash and Short Term Investments

	The Group		The Company	
	29 April 2006 $'000	30 April 2005 $'000	29 April 2006 $'000	30 April 2005 $'000
Cash at bank and in hand	287,641	230,916	174,513	180,735
Short term investments	332,771	365,908	289,319	365,400
	620,412	596,824	463,832	546,135
Interest receivable	1,744	3,402	1,744	3,402
Included in cash and cash equivalents	622,156	600,226	465,576	549,537

The weighted average effective interest rate on short term deposits was 10.4% (2005 – 10.97%). These deposits have an average maturity of 30 days.

For the purposes of the cash flow statement, cash and cash equivalents comprise the following:

	29 April 2006 $'000	30 April 2005 $'000
Cash and short term investments	622,156	600,226
Short term borrowings and bank overdraft (Note 27)	(204,548)	(449,538)
	417,608	150,688

25. Payables

	The Group		The Company	
	29 April 2006 $'000	30 April 2005 $'000	29 April 2006 $'000	30 April 2005 $'000
Accrued charges	196,380	239,572	168,585	199,429
Jamaica Public Service Company	12,924	14,149	12,924	14,149
Statutory contributions payable	13,813	14,012	13,581	13,620
Trade payables	550,885	667,521	468,121	446,718
Other	167,446	126,708	140,568	130,612
	941,448	1,061,962	803,779	804,528

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26. Dividends

	The Group and The Company	
	29 April 2006 $'000	**30 April 2005 $'000**
Interim – 5.0 cents per stock unit (2005 – 5.0 cents), paid	59,964	59,964
Second interim – 6.5 cents per stock unit (2005 – 6.5 cents), declared	77,953	77,953
	137,917	137,917

27. Borrowings

	The Group		The Company	
	29 April 2006 $'000	**30 April 2005 $'000**	**29 April 2006 $'000**	**30 April 2005 $'000**
Non-Current -				
Borrowings	139,895	223,219	127,952	180,982
Finance lease obligations	307	7,257	307	7,257
	140,202	230,476	128,259	188,239
Current -				
Short term borrowings and bank overdraft (Note 24)	204,548	449,538	191,841	415,905
Current portion of non-current borrowings	76,209	171,988	56,061	162,983
Interest payable	4,791	9,739	4,230	9,262
	285,548	631,265	252,132	588,150
	425,750	861,741	380,391	776,389

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27. Borrowings (Continued)

The Group has long term financing agreements with several financial institutions as follows:

		The Group		The Company	
		29 April 2006 $'000	**30 April 2005 $'000**	**29 April 2006 $'000**	**30 April 2005 $'000**
(a)	American Banking Company US$2.37M - 1996/2006 - 9%	-	11,670	-	-
(b)	Citibank N.A. – US$4.5M – 2006 - 4.0%	-	102,750	-	102,750
(c)	Bank of Nova Scotia/Development Bank of Jamaica -13%	28,233	36,300	28,233	36,300
(d)	Development Bank of Jamaica 2004/2008 – 9.5%	19,810	28,572	-	-
(e)	Citibank N.A. – US$1.08M – 2008 – 6.4%	48,497	59,573	48,497	59,573
(f)	Citibank N.A. /Development Bank of Jamaica – 13%	107,193	140,175	107,193	140,175
(g)	GMAC –2009 – 6.95%	1,281	-		
(h)	Sundry mortgages and loans	11,000	15,112	-	4,112
(i)	Interest payable	4,791	9,739	4,230	9,262
		220,805	403,891	188,153	352,172
Finance Lease Obligations	2001/2003–2004/2005 – various rates	397	8,312	397	8,312
		221,202	412,205	188,550	360,484
Less: Current portion		(81,000)	(181,727)	(60,291)	(172,245)
		140,202	230,476	128,259	188,239

Loans, guarantees and other banking facilities extended by Bank of Nova Scotia Jamaica Limited, Citibank N.A., and National Commercial Bank Limited to the Group are secured by debentures governed by an inter-creditor agreement between the parties. Guarantees by the holding company on behalf of all subsidiary companies have been provided (Note 30).

The Development Bank of Jamaica Limited loan is repayable by 21 consecutive quarterly installments commencing March 2004. It is guaranteed by a promissory note to the value of the loan.

Under the terms of certain agreements with the Bank of Nova Scotia Jamaica Limited and Citibank N.A, the company and the Group are required to maintain certain financial ratios. At 29 April 2006, the company was in compliance with these requirements.

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28. Share Capital

	Number of Stock Units	Ordinary Stock Units	Share Premium	Total
	'000	$'000	$'000	$'000
30 April 2005	1,199,277	599,638	-	599,638
29 April 2006	1,199,277	599,638	165,499	765,137

The total authorised number of ordinary shares is 1,209,324,000 shares (2005 – 1,209,324,000)

Pursuant to the Jamaican Companies Act 2004, the ordinary stock units of the company are deemed to have been converted from $0.50 par value to no par value units, as the company did not elect to retain its shares with a nominal or par value under Section 37(i).

The stock units in 2006 are stated in these financial statements without a nominal or par value.

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29. Capital Reserve

	The Group		The Company	
	29 April 2006	**30 April 2005**	**29 April 2006**	**30 April 2005**
	$'000	**$'000**	**$'000**	**$'000**
At beginning of year -				
Share premium	165,499	165,499	165,499	165,499
Realised capital gains	32,618	32,618	3,227	3,227
Unrealised surplus on revaluations	399,975	437,464	139,198	176,687
Fair value gain on available-for-sale securities	4,411	3,627	4,411	3,627
Gains on translation of financial statements of foreign subsidiaries	236,718	219,423	-	-
	839,221	858,631	312,335	349,040
Movements during the year -				
Fair value gain on available for sale securities	1,524	784	(1,049)	784
Transfer to share capital	(165,499)	-	(165,499)	-
Translation gain	44,831	17,295	(8,686)	-
Realised on disposal of investment property	-	(37,489)		(37,489)
At end of year	720,077	839,221	137,101	312,335
Consisting of -				
Share premium	-	165,499	-	165,499
Realised capital gains	32,618	32,618	3,227	3,227
Unrealised surplus on revaluations	399,975	399,975	139,198	139,198
Fair value gains on available-for-sale securities	5,935	4,411	3,362	4,411
Gains on translation of financial statements of foreign subsidiaries	281,549	236,718	(8,686)	-
	720,077	839,221	137,101	312,335

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30. Commitments and Contingencies

(a) The company has issued a letter of comfort indicating its intention to provide financial support to its subsidiary International Poultry Breeders LLC.

(b) The company had capital commitments in respect of projects being undertaken of $122,523,000 (2005 - $30,000,000).

(c) The Group has obligations under long term operating leases for premises. Future minimum lease payments for such commitments are as follows:

	The Group	
	29 April 2005	**30 April 2005**
	$'000	**$'000**
Not later than 1 year	6,518	6,148
Later than 1 year and not later than 5 years	5,178	11,331
	11,726	11,479

(d) The Group is subject to various claims, disputes and legal proceedings, in the normal course of business. Provisons is made for such matters when in the opinion of management and its legal counsel, it is probable that a payment will be made by the Group and the amount can be reasonably estimated.

(e) The Group has entered into contracts with farmers who grow fish and chicken for its operations. Fingerlings, baby chicks, feed and medication are supplied to these farmers who are then obliged to sell the harvested fish and chickens to the Group.

31. Acquisition

Effective 29 April 2006, Jamaica Broilers Group Limited obtained control of ERI Services (St. Lucia) Limited as part of a Settlement Agreement. ERI Services (St. Lucia) Limited owns wholly owned subsidiary ERI Jam, LLC which is a 91% partner in EAL/ERI Co-generation Partners, LP. The remaining 9% was previously owned via wholly owned subsidiaries of Jamaica Broilers Group Limited.

The acquisitions have been recorded using the purchase method. The assets have been provisionally valued by the Directors of the company for the purposes of the acquisition accounting and these values are reviewable within 12 months in accordance with IFRS 3.

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31. Acquisition (Continued)

Details of net assets acquired are as follows:

	29 April 2006 $'000
Purchase consideration -	
Promissory note acquired	195,787
Fair value of net assets acquired	(316,126)
Negative goodwill	120,339

Negative goodwill has been included in other operating income (Note 6). The negative goodwill is attributable to the improved viability of the Co-generation plant operations expected as a result of management's strategic plans.

The assets and liabilities arising from the acquisition were as follows:

	Carrying Amount $'000	Fair Value $'000
Property, plant and equipment	362,558	358,942
Payables	(42,816)	(42,816)
Net assets	319,742	316,126

If the acquisition had been completed on 1 May 2005, losses of $166,763,000 would have been included in the Group's profit and loss account for the current year. However, this loss would have been offset by a compensating increase in the negative goodwill arising on acquisition (as determined above) and therefore have no impact on the profit and loss account for the Group.

32. Amalgamation

During the year, Jamaica Broilers Group Limited assumed the assets and liabilities of West Indies Nutritional Corporation Limited.

This amalgamation resulted in the shares of Wincorp International, a former subsidiary of West Indies Nutritional Corporation Limited, being directly owned by Jamaica Broilers Group Limited.

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33. Effects of the Adoption of Revised and New IFRS

The financial statements for the year ended 30 April 2005 have been prepared in accordance with revised and new International Financial Reporting Standards (IFRS) which became effective 1 January 2005. Prior to that date, the financial statements were prepared in accordance with IFRS which were effective on or before 1 January 2003. The financial statements for the year ended 1 May 2004 (the immediately preceding comparative period) have been restated to reflect the financial position and results under IFRS. The financial effects of adoption of the revised and new IFRS were as follows:

(a) Effect on stockholders' equity as at 1 May 2004:

		Group			Company		
		Previously reported	Effect of adoption of the revised and new IFRS	Restated	Previously reported	Effect of adoption of the revised and new IFRS	Restated
	Note	$'000	$'000	$'000	$'000	$'000	$'000
Non-Current assets	(i), (ii), (v)	2,630,008	23,621	2,653,629	3,264,320	(1,199,785)	2,064,545
Current assets	(ii)	2,396,961	(23,621)	2,373,340	1,867,793	(23,621)	1,844,172
Current liabilities		1,816,196	-	1,816,196	2,035,983	-	2,035,983
Net current assets/ (liabilities)		585,910	(23,621)	557,144	(168,190)	(23,621)	(191,811)
		3,210,773	-	3,210,773	3,096,130	(1,223,406)	1,872,724
Stockholders' equity	(v)	2,648,201	-	2,648,201	2,648,201	(1,223,406)	1,424,795
Non-Current liabilities		562,572	-	562,572	447,929	-	447,929
		3,210,773	-	3,210,773	3,096,130	(1,223,406)	1,872,724

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33. Effects of the Adoption of Revised and New IFRS (Continued)

(b) Effect on stockholders' equity as at 30 April 2005

		Group			Company		
	Note	Previously reported $'000	Effect of adoption of the revised and new IFRS $'000	Restated $'000	Previously reported $'000	Effect of adoption of the revised and new IFRS $'000	Restated $'000
Non-Current assets	(i), (ii), (v)	2,823,335	11,998	2,835,333	3,408,268	(1,238,640)	2,169,628
Current assets	(ii)	3,015,796	(11,998)	3,003,798	2,198,362	(11,998)	2,186,364
Current liabilities		1,968,221	-	1,968,221	1,846,503	-	1,846,503
Net current assets		1,047,575	(11,998)	1,035,577	351,859	(11,998)	339,861
		3,870,910	-	3,870,910	3,760,127	(1,250,638)	2,509,489
Stockholders' equity	(v)	3,250,275	-	3,250,275	3,250,275	(1,250,638)	1,999,637
Non-Current liabilities		620,635	-	620,635	509,852	-	509,852
		3,870,910	-	3,870,910	3,760,127	(1,250,638)	2,509,489

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33. Effects of the Adoption of Revised and New IFRS (Continued)

(c) Reconciliation of net profit at 30 April 2005:

		Group		
	Note	Previously reported $'000	Effect of adoption of the revised and new IFRS $'000	Restated $'000
Turnover		9,146,538	-	9,146,538
Cost of sales	(iii)	(6,871,281)	(4,110)	(6,875,391)
Gross Profit		2,275,257	(4,110)	2,271,147
Other operating income	(iv)	433,180	86,737	519,917
Distribution costs		(239,055)	-	(239,055)
Administration and other expenses		(1,484,197)	-	(1,484,197)
Operating Profit		985,185	82,627	1,067,812
Finance costs	(iii)	(1,752)	(82,627)	(84,379)
Profit before Taxation		983,433	-	983,433
Taxation		(261,521)	-	(261,521)
NET PROFIT		721,912	-	721,912

***Reclassification*s**

(i) Acquired computer software previously classified as property, plant and equipment have been now classified as intangible assets and their related accumulated depreciation shown as accumulated amortisation.

(ii) Interest receivable and payable previously included in receivables and payables are now included as part of the financial instruments to which they relate.

(iii) Foreign exchange differences have now been classified based on classification of the underlying balances or transactions:

(iv) Finance income and expense is shown separately as netting off is prohibited under IFRS. Interest income has now been included as part of operating profit.

Amendment to published standards effective in 2005

(v) Interest in subsidiaries that was previously accounted for using the equity method is stated at cost. As a result, the subsidiaries retained earnings and reserves recognised in the company's financial statements have been reversed.

34. Subsequent Event

At the Board of Directors meeting on 24 July 2006, the company approved the construction and operation of an Ethanol Production Facility. It is expected that this Facility will be completed by May of 2007, and will have an Annual Ethanol Production capacity of 60 million gallons. The company anticipates that the initial capital outlay for this project will be approximately US$17million (J$1,100,000,000) and that same will be financed through a combination of debt and equity resources.