

The Jamaica Livestock Association Limited
Consolidated Balance Sheet
As at August 31, 2006

	Unaudited as at August 31, 2006	Audited as at November 30, 2005	Unaudited as at August 31, 2005
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Current Assets			
Cash	12,579	3,827	9,650
Accounts receivable	39,084	62,197	41,912
Taxation recoverable	5,866	1,787	2,253
Inventories	<u>254,117</u>	<u>253,771</u>	<u>188,419</u>
	<u>311,646</u>	<u>321,582</u>	<u>242,234</u>
Current liabilities			
Bank overdraft	42,165	47,870	68,664
Current portion of long-term liabilities	748	4,094	68
Accounts payable	201,686	260,086	134,477
Taxation payable	-	6,378	-
Deferred income	2,407	-	-
Directors' loan	<u>-</u>	<u>-</u>	<u>10,523</u>
	<u>247,006</u>	<u>318,428</u>	<u>213,732</u>
Net current assets	64,640	3,154	28,502
Deferred tax assets	-	-	371
Investments	1,737	2,694	3,005
Property, plant and equipment	228,687	230,552	226,320
Pension asset	<u>50,308</u>	<u>46,869</u>	<u>46,716</u>
	<u>345,372</u>	<u>283,269</u>	<u>304,914</u>
Financed by:			
Shareholders' net equity	235,867	246,891	256,225
Deferred tax liabilities	34,227	23,920	30,455
Long-term liabilities	74,781	11,994	17,788
Post retirement obligation	<u>497</u>	<u>464</u>	<u>446</u>
	<u>345,372</u>	<u>283,269</u>	<u>304,914</u>

The Jamaica Livestock Association Limited
Consolidated Profit and Loss Account
Nine months ended August 31, 2006 (Unaudited)

	Unaudited Three months to <u>August 31, 2006</u> \$'000	Unaudited Three months to <u>August 31, 2005</u> \$'000	Unaudited Nine months to <u>August 31, 2006</u> \$'000	Unaudited Nine months to <u>August 31, 2005</u> \$'000
Gross operating revenue	285,828	257,241	845,909	856,193
Cost of operating revenue	<u>(212,648)</u>	<u>(178,519)</u>	<u>(572,032)</u>	<u>(600,112)</u>
Gross profit	73,180	78,722	273,877	256,081
Other operating income	<u>1,585</u>	<u>1,445</u>	<u>5,863</u>	<u>4,522</u>
	74,765	80,167	279,740	260,603
Administrative expenses	(64,384)	(54,645)	(178,151)	(155,317)
Depreciation	(5,263)	(5,666)	(15,337)	(15,480)
Other operating expenses	<u>(4,559)</u>	<u>(17,509)</u>	<u>(52,133)</u>	<u>(50,467)</u>
Profit from operations	559	2,347	34,119	39,339
Finance costs	<u>(10,765)</u>	<u>(5,038)</u>	<u>(31,838)</u>	<u>(18,927)</u>
(Loss)/profit before taxation	(10,206)	(2,691)	2,281	20,412
Taxation	<u>(3,324)</u>	<u>89</u>	<u>(10,337)</u>	<u>(1,050)</u>
(Loss)/profit for the period	<u>(13,530)</u>	<u>(2,602)</u>	<u>(8,056)</u>	<u>19,362</u>
(Loss)/profit per stock unit of \$1.00	<u>(23.55)¢</u>	<u>(4.53)¢</u>	<u>(14.02)¢</u>	<u>33.70¢</u>

The Jamaica Livestock Association Limited
Consolidated Statement of Changes in Equity
Nine months ended August 31, 2006 (Unaudited)

	<u>Share capital</u> \$'000	<u>Share premium</u> \$'000	<u>Capital reserves</u> \$'000	<u>Investment revaluation reserve</u> \$'000	<u>Unappropriated profits</u> \$'000	<u>Total</u> \$'000
Balances at November 30, 2004	<u>57,456</u>	<u>58,421</u>	<u>74,446</u>	<u>2,871</u>	<u>45,781</u>	<u>238,975</u>
Profit for the period	-	-	-	-	19,362	19,362
Decrease in fair value of investments	-	-	-	(101)	-	(101)
Total recognised (losses)/gains	-	-	-	(101)	<u>19,362</u>	<u>(19,261)</u>
Dividend paid (note 7)	-	-	-	-	(2,011)	(2,011)
Balances at August 31, 2005	<u>57,456</u>	<u>58,421</u>	<u>74,446</u>	<u>2,770</u>	<u>63,132</u>	<u>256,225</u>
Balances at November 30, 2005	<u>115,877</u>	-	<u>74,446</u>	<u>2,169</u>	<u>54,399</u>	<u>246,891</u>
Loss for the period	-	-	-	-	(8,056)	(8,056)
Decrease in fair value of investments	-	-	-	(957)	-	(957)
Total recognised losses	-	-	-	(957)	<u>(8,056)</u>	<u>(9,013)</u>
Dividend paid (note 7)	-	-	-	-	(2,011)	(2,011)
Balances at August 31, 2006	<u>115,877</u>	-	<u>74,446</u>	<u>1,212</u>	<u>44,332</u>	<u>235,867</u>

The Jamaica Livestock Association Limited
Consolidated Statement of Cash Flows
Nine months ended August 31, 2006(Unaudited)

	<u>2006</u> \$'000	<u>2005</u> \$'000
Cash flows from operating activities		
(Loss)/ profit for the period	(8,056)	19,362
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation	15,337	15,480
Loss on investments written off	-	30
Deferred taxation	10,307	1,916
Post retirement obligation	33	30
Pension asset	<u>(3,439)</u>	<u>(3,492)</u>
	14,182	33,326
(Increase)/decrease in current assets		
Accounts receivable	23,113	12,245
Taxation recoverable	<u>(4,079)</u>	<u>(465)</u>
Inventories	<u>(346)</u>	6,079
Increase/(decrease) in current liability		
Taxation payable	(58,400)	-
Accounts payable	<u>(3,971)</u>	<u>(35,063)</u>
Net cash (used)/provided by operating activities	<u>(29,501)</u>	<u>16,122</u>
Cash flows from investing activities		
Investments	-	50
Additions to property, plant and equipment	<u>(13,472)</u>	<u>(23,460)</u>
Net cash used by investing activities	<u>(13,472)</u>	<u>(23,410)</u>
Cash flows from financing activities		
Bank overdraft	(5,705)	(575)
Loan repayments	(3,346)	(4,203)
Loans received	62,787	21,203
Dividends paid	<u>(2,011)</u>	<u>(2,011)</u>
Net cash provided/(used) by financing activities	<u>51,725</u>	<u>(14,414)</u>
Net increase/(decrease) in cash	8,752	(7,126)
Cash at beginning of the period	<u>3,827</u>	<u>2,524</u>
Cash at end of period	<u>12,579</u>	<u>9,650</u>

The Jamaica Livestock Association Limited
Stockholding of Directors and Officers
As at August 31, 2006

<u>Names</u>	<u>Personal Stockholdings No. of units</u>	<u>Stockholdings in which Director/Officer has a controlling interest No of units</u>
Directors		
Dr. John Masterton	494,769	
Henry Rainford	16,016,883	8,663,830
Arthur E Barrett	Nil	
Martin Hopwood	50,000	
Dr. Franklin Johnston	192,508	
Richard Lake	7,046,745	6,640,239
Dr. Karl Wellington	6,338	
Steve Fong-Yee	Nil	375,997
Barclay Ewart	Nil	
Leonard Grindley	Nil	
Andrea Sweeney	1,099,000	

List of 10 largest blocks of shares
as at August 31, 2006

H. J. Rainford	16,016,883
A & S Investments Limited	7,704,320
Richard Lake	7,046,745
Lakeland Farms Limited	6,640,239
Barrington Fields	2,322,500
ScotiaBank Trust & Merchant Bank A/C 268	1,643,955
Marston Gordon	1,004,365
Andrea Sweeney	1,099,000
Richard Rainford	1,000,000
Alexander V. Hamilton	849,186

The Jamaica Livestock Association Limited
Notes to the Interim Consolidated Financial Statements
Quarter ended August 31, 2006

1. Group's operations

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

There were no significant changes to the Group's operations for the period under review. The Group accounts for the nine months ended August 31, 2006, include the Company and its three wholly owned subsidiaries JLA Feeds Limited, JLA Hatchery Limited and Henmor Limited. The Company and its subsidiaries are incorporated and domiciled in Jamaica.

2. Basis of preparation

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

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

3. Gross operating revenue

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

4. Accounting policies

The following accounting policies are reflected in the financial statements in compliance with IFRS.

(a) Deferred taxation:

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

(b) Investments:

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

The Jamaica Livestock Association Limited
Notes to the Interim Consolidated Financial Statements
Quarter ended August 31, 2006

4. Accounting policies (cont'd)

(c) Property, plant and equipment:

Property, plant and equipment are stated at cost or deemed cost less accumulated depreciation and impairment losses.

(d) Employee benefits:

Employee benefits comprise pension and post-retirement life insurance benefits. The group's net obligation in respect of defined benefit pension plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and future periods; that value is discounted to determine the present value, and the fair value of plan assets deducted. Where the fair value of plan assets exceed the present value of the obligation, a pension asset is recorded to the extent of economic benefits which can be obtained in the form of reduction in future contributions to the plan. The obligation is calculated using the projected unit credit method.

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

(e) Segment reporting:

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

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

5. Segment results

	\$'000
Sales	
Animal feeds	463,244
Poultry	154,633
Merchandise	<u>228,032</u>
	<u>845,909</u>
Profit before tax	
Animal feeds	3,692
Poultry	3,239
Merchandise	<u>(4,650)</u>
	<u><u>2,281</u></u>

6. Taxation

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

The Jamaica Livestock Association Limited
Notes to the Interim Consolidated Financial Statements
Quarter ended August 31, 2006

7. Dividends

These represent amounts paid on 7 ½% preference stock units of the company. These dividends are an allowable charge for taxation purposes in accordance with the provisions of the Income Tax Act.

8. Earnings per stock unit

The calculation of earnings per stock unit is based on the group's net loss for the period of \$(8,056,000) (2005: \$19,362,000) and 57,452,523 preference stock units in issue.

On behalf of the Board

John Masterton
Chairman

Henry Rainford
Managing Director

October 17, 2006