

**The Jamaica Livestock Association Limited**  
**Consolidated Balance Sheet**  
**Quarter ended August 31, 2007**

	Unaudited as at August 31, <u>2007</u> \$'000	Derived from the audited as at November 30, <u>2006</u> \$'000	Unaudited as at August 31, <u>2006</u> \$'000
<b>Assets</b>			
Other assets	626	626	626 *
Investments	3,629	4,877	1,737
Property, plant and equipment	213,310	225,298	228,687
Pension asset	53,497	52,111	50,308
<b>Total non-current assets</b>	<u>271,062</u>	<u>282,912</u>	<u>281,358</u>
Cash	3,806	3,242	12,579
Accounts receivable	28,780	64,465	38,458 *
Taxation recoverable	2,377	1,916	5,866
Inventories	282,143	255,069	254,117
<b>Total current assets</b>	<u>317,106</u>	<u>324,692</u>	<u>311,020</u>
<b>Total assets</b>	<u><u>588,168</u></u>	<u><u>607,604</u></u>	<u><u>592,378</u></u>
<b>Equity</b>			
Share capital	115,877	115,877	115,877
Capital reserves	74,441	74,441	74,446
Investment revaluation reserve	1,284	2,175	1,212
Retained earnings	16,937	36,635	44,332
<b>Total equity</b>	<u>208,539</u>	<u>229,128</u>	<u>235,867</u>
<b>Liabilities</b>			
Deferred tax liability	25,659	25,200	34,227
Long-term liabilities	65,080	46,797	74,781
Post retirement obligation	548	512	497
<b>Total non-current liabilities</b>	<u>91,287</u>	<u>72,509</u>	<u>109,505</u>
Bank overdraft	58,193	36,730	42,165
Current portion of long-term liabilities	21,520	26,761	748
Accounts payable	206,659	240,506	201,686
Taxation payable	1,970	1,970	0
Deferred income		0	2,407
<b>Total current liabilities</b>	<u>288,342</u>	<u>305,967</u>	<u>247,006</u>
<b>Total liabilities</b>	<u>379,629</u>	<u>378,476</u>	<u>356,511</u>
<b>Total equity and liabilities</b>	<u><u>588,168</u></u>	<u><u>607,604</u></u>	<u><u>592,378</u></u>

\* After reclassification to conform to 2006.

**The Jamaica Livestock Association Limited**  
**Consolidated Profit and Loss Account**  
**Quarter ended August 31, 2007**

	<b>Unaudited</b> <b>Three months to</b> <b><u>31-Aug-07</u></b> <b>\$'000</b>	<b>Unaudited</b> <b>Three months to</b> <b><u>31-Aug-06</u></b> <b>\$'000</b>	<b>Unaudited</b> <b>Nine months to</b> <b><u>31-Aug-07</u></b> <b>\$'000</b>	<b>Unaudited</b> <b>Nine months to</b> <b><u>31-Aug-06</u></b> <b>\$'000</b>
Gross operating revenue	285,810	285,828	918,646	845,909
Cost of operating revenue	(200,805)	(212,648)	(648,373)	(572,032)
Gross profit	85,005	73,180	270,273	273,877
Other operating income	2,803	1,585	6,674	5,863
	87,808	74,765	276,947	279,740
Administrative expenses	(62,810)	(64,384)	(181,405)	(178,151)
Depreciation	(5,466)	(5,263)	(16,399)	(15,337)
Other operating expenses	(20,517)	(4,559)	(59,487)	(52,133)
Profit from operations	(984)	559	19,657	34,119
Finance costs	(15,387)	(10,765)	(36,885)	(31,838)
Profit/(Loss) before taxation	(16,371)	(10,206)	(17,228)	2,281
Taxation	(681)	(3,324)	(459)	(10,337)
Loss for the period	(17,052)	(13,530)	(17,687)	(8,056)
Earnings per stock unit of \$1.00	(29.68)¢	(23.55)¢	(30.78)¢	(14.02)¢

**The Jamaica Livestock Association Limited**  
**Group Statement of Changes in Equity**  
**Quarter ended August 31, 2007**  
**(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
<b><u>Unaudited</u></b>						
Balances at November 30, 2005	115,877	0	74,446	2,169	54,399	246,891
Loss for the period	0	0	0	0	(8,056)	(8,056)
Dividends paid (note 8)	0	0	0	0	(2,011)	(2,011)
Decrease in fair value of investments	0	0	0	(957)	0	(957)
	<hr/>					
Balances at August 31, 2006	<u>115,877</u>	<u>0</u>	<u>74,446</u>	<u>1,212</u>	<u>44,332</u>	<u>235,867</u>
<b><u>Unaudited</u></b>						
Balances at November 30, 2006	115,877	0	74,441	2,175	36,635	229,128
Net Loss for the period	0	0	0	0	(17,687)	(17,687)
Dividends paid (note 8)	0	0	0	0	(2,011)	(2,011)
Decrease in fair value of investments	0	0	0	(891)	0	(891)
	<hr/>					
Balances at August 31, 2007	<u>115,877</u>	<u>0</u>	<u>74,441</u>	<u>1,284</u>	<u>16,937</u>	<u>208,539</u>

**The Jamaica Livestock Association Limited**  
**Group Statement of Cash Flows**  
**August 31, 2007**  
**(Unaudited)**

	<u>2007</u> \$'000	<u>2006</u> \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss	(17,687)	(8,056)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation	16,399	15,337
Gain on sale of investment	(329)	0
Deferred taxation (net)	459	10,307
Post retirement obligation	36	33
Pension asset	(1,386)	(3,439)
	<u>(2,508)</u>	<u>14,182</u>
(Increase)/decrease in current assets		
Accounts receivable	35,685	23,113
Taxation recoverable	(461)	(4,079)
Inventories	(27,074)	(346)
Increase/(decrease) in current liability		
Accounts payable	(33,847)	(58,400)
Taxation payable	0	(3,971)
Net cash used by operating activities	<u>(28,205)</u>	<u>(29,501)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of investments	(1,820)	0
Additions to fixed assets	(4,407)	(13,472)
Proceeds from disposal of investments	2,503	0
Net cash used by investing activities	<u>(3,724)</u>	<u>(13,472)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Bank overdraft	21,463	(5,705)
Loan (net)	13,042	59,441
Dividends paid	(2,011)	(2,011)
Net cash provided by financing activities	<u>32,494</u>	<u>51,725</u>
Net increase in cash	564	8,752
Cash at beginning of the period	<u>3,242</u>	<u>3,827</u>
Cash at end of period	<u><u>3,806</u></u>	<u><u>12,579</u></u>

**The Jamaica Livestock Association Limited**  
**Stockholding of Directors and Officers**  
**As at August 31, 2007**

<u><b>Names</b></u>	<u><b>Personal Stockholdings No. of units</b></u>	<u><b>Stockholdings in which Director/Officer has a controlling interest No of units</b></u>
<b>Directors</b>		
Dr. John Masterton	494,769	
Henry Rainford	16,308,532	8,663,810
Arthur E Barrett	Nil	
Martin Hopwood	Nil	
Richard Lake	7,046,745	6,640,239
Dr. Karl Wellington	6,338	
Steve Fong-Yee	Nil	375,997
Barclay Ewart	Nil	
Andrea Sweeney	1,099,000	

**List of 10 largest blocks of shares**  
**As at August 31, 2007**

1.	H. J. Rainford	16,308,532
2.	A & S Investments Limited	7,704,320
3.	Richard Lake	7,046,745
4.	Lakeland Farms Limited	6,640,239
5.	Barrington Fields	2,322,500
6.	ScotiaBank Trust & Merchant Bank A/C 268	1,643,955
7.	Andrea Sweeney	1,099,000
8.	Richard Rainford	1,000,000
9.	Marston Gordon	934,897
10.	Alexander V. Hamilton	849,186

**The Jamaica Livestock Association Limited**  
**Notes to the Interim Consolidated Financial Statements**  
**Quarter ended August 31, 2007**

**1. Group' 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.

The operations of JLA Feeds Limited and JLA Hatchery Limited are carried out by the company with effect from September 1, 2005. All of the property, assets and rights of JLA Feeds Limited and JLA Hatchery Limited have been transferred and vested in The Jamaica Livestock Association Limited by virtue of a court order dated November 9, 2006. The Company and its subsidiary 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 new accounting policies have been reflected in these 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.

(c) Property, plant and equipment :

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

**The Jamaica Livestock Association Limited**  
**Notes to the Interim Consolidated Financial Statements**  
**Quarter ended August 31, 2007**

**4. Accounting policies (cont'd)**

(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 the 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 benefit 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.
- c. *Merchandise* – sale of animal health products, hardware, lumber, and farm equipment.

**5. Segment results**

	<b>\$'000</b>
<b>Sales</b>	
Animal feeds	536,912
Poultry	164,641
Merchandise	217,094
	<u>918,646</u>
<b>Profit before tax</b>	
Animal feeds	(11,540)
Poultry	(4,720)
Merchandise	(968)
	<u>(17,228)</u>

**6. Taxation**

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

**7. Earnings/(loss) per stock unit**

The calculation of earnings/ (loss) per stock unit is based on the group's net profit/(loss) for the period and 57,452,517 preference stock units in issue.

**The Jamaica Livestock Association Limited**  
**Notes to the Interim Consolidated Financial Statements**  
**Quarter ended August 31, 2007**

**8. 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.

On behalf of the Board

John Masterton  
Director

Henry Rainford  
Director

18-Oct-07