

The Jamaica Livestock Association Limited
Consolidated Balance Sheet
As at November 30, 2007

	Unaudited as at November 30, <u>2007</u> \$'000	Derived from the audited as at November 30, <u>2006</u> \$'000	
Assets			
Other assets	626	626	*
Investments	3,020	4,877	
Property, plant and equipment	215,802	225,298	
Pension asset	55,277	52,111	
Total non-current assets	<u>274,725</u>	<u>282,912</u>	
Cash	12,471	3,242	
Accounts receivable	42,647	64,465	*
Taxation recoverable	2,413	1,916	
Inventories	246,953	255,069	
Total current assets	<u>304,485</u>	<u>324,692</u>	
Total assets	<u><u>579,210</u></u>	<u><u>607,604</u></u>	
Equity			
Share capital	115,877	115,877	
Capital reserves	74,441	74,441	
Investment revaluation reserve	675	2,175	
Retained earnings	10,488	36,635	
Total equity	<u>201,481</u>	<u>229,128</u>	
Liabilities			
Deferred tax liability	13,347	25,200	
Long-term liabilities	79,513	46,797	
Post retirement obligation	534	512	
Total non-current liabilities	<u>93,394</u>	<u>72,509</u>	
Bank overdraft	65,300	36,730	
Current portion of long-term liabilities	22,063	26,761	
Accounts payable	195,001	240,506	
Taxation payable	1,970	1,970	
Total current liabilities	<u>284,334</u>	<u>305,967</u>	
Total liabilities	<u>377,729</u>	<u>378,476</u>	
Total equity and liabilities	<u><u>579,210</u></u>	<u><u>607,604</u></u>	

* After reclassification to conform to 2006 presentation

The Jamaica Livestock Association Limited
Consolidated Profit and Loss Account
Year ended November 30, 2007

	Unaudited Three months to <u>30-Nov-07</u> \$'000	Unaudited Three months to <u>30-Nov-06</u> \$'000	Unaudited as at <u>30-Nov-07</u> \$'000	Derived from the audited as at <u>30-Nov-06</u> \$'000
Gross operating revenue	280,458	302,590	1,199,104	1,148,498
Cost of operating revenue	(202,192)	(223,690)	(850,565)	(799,891)
Gross profit	78,266	78,900	348,539	348,607
Other operating income	12,077	2,206	18,751	17,593
	90,343	81,106	367,290	366,200
Administrative expenses	(68,447)	(70,860)	(249,851)	(254,068)
Depreciation	(2,467)	(5,308)	(18,866)	(21,097)
Other operating expenses	(20,816)	(4,150)	(80,303)	(65,368)
Profit from operations	(1,387)	788	18,270	25,667
Finance costs	(15,076)	(5,585)	(51,961)	(37,700)
Loss before taxation	(16,463)	(4,797)	(33,691)	(12,033)
Taxation	12,312	8,491	11,853	(1,427)
Profit/(Loss) for the period	(4,151)	3,694	(21,838)	(13,460)
Earnings/(loss) per stock unit of \$1.00	(7.23)¢	6.43¢	(38.01)¢	(23.43)¢

The Jamaica Livestock Association Limited
Consolidated Statement of Changes in Equity
Year ended November 30, 2007

	<u>Share capital</u> \$'000	<u>Share premium</u> \$'000	<u>Capital reserves</u> \$'000	<u>Investment revaluation reserve</u> \$'000	<u>Retained earnings</u> \$'000	<u>Total</u> \$'000
<u>Audited</u>						
Balances at November 30, 2005	115,877	0	74,446	2,169	54,399	246,891
Transfer of capital reserves			(5)		5	0
Loss for the year	0	0	0	0	(13,460)	(13,460)
Dividends paid (note 8)	0	0	0	0	(4,309)	(4,309)
Increase in fair value of investments	0	0	0	6	0	6
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Balances at November 30, 2006	<u>115,877</u>	<u>0</u>	<u>74,441</u>	<u>2,175</u>	<u>36,635</u>	<u>229,128</u>
<u>Unaudited</u>						
Balances at November 30, 2006	115,877	0	74,441	2,175	36,635	229,128
Loss for the year	0	0	0	0	(21,838)	(21,838)
Dividends paid (note 8)	0	0	0	0	(4,309)	(4,309)
Decrease in fair value of investments	0	0	0	(1,500)	0	(1,500)
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Balances at November 30, 2007	<u>115,877</u>	<u>0</u>	<u>74,441</u>	<u>675</u>	<u>10,488</u>	<u>201,481</u>

The Jamaica Livestock Association Limited
Consolidated Statement of Cash Flows
November 30, 2007

	<u>Unaudited</u> <u>2007</u> \$'000	<u>Audited</u> <u>2006</u> \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	(21,838)	(13,460)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation	18,866	21,097
Profit on disposal of property, plant and equipment	0	(1,367)
Gain on sale of investment	(329)	0
Deferred taxation (net)	(11,853)	1,280
Post retirement obligation	22	48
Pension asset	(3,166)	(5,242)
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	(18,298)	2,356
(Increase)/decrease in current assets		
Accounts receivable	21,818	(2,895)
Taxation recoverable	(497)	(128)
Inventories	8,116	(1,298)
Increase/(decrease) in current liability		
Accounts payable	(45,505)	(20,838)
Director's loan	0	1,258
Taxation payable	0	(4,408)
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Net cash used by operating activities	(34,366)	(25,953)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of investments	(1,820)	(2,177)
Additions to fixed assets	(9,367)	(15,843)
Proceeds from disposal of investments	2,503	0
Proceeds from disposal of property, plant and equipment	0	1,367
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Net cash used by investing activities	(8,684)	(16,653)
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank overdraft	28,570	(11,140)
Loan (net)	28,019	57,470
Dividends paid	(4,309)	(4,309)
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Net cash provided by financing activities	52,279	42,021
Net increase/(decrease) in cash	9,229	(585)
Cash at beginning of the period	3,242	3,827
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Cash at end of period	12,471	3,242
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The Jamaica Livestock Association Limited
Stockholding of Directors and Officers
As at November 30, 2007

<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	16,308,532	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 November 30, 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
Year ended November 30, 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
Year ended November 30, 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 exceeds 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

	<u>2007</u> \$'000	<u>2006</u> \$'000
Sales		
Animal feeds	679,746	622,019
Poultry	227,954	210,540
Merchandise	291,404	315,940
	<u>1,199,104</u>	<u>1,148,499</u>
Loss before tax		
Animal feeds	(20,932)	(565)
Poultry	(9,710)	(172)
Merchandise	(3,049)	(1,779)
	<u>(33,691)</u>	<u>(2,516)</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 loss for the year of \$(21,838,000) (2006: \$13,460,000) and 57,452,517 preference stock units in issue.

The Jamaica Livestock Association Limited
Notes to the Interim Consolidated Financial Statements
Year ended November 30, 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

11-Apr-08