

The Jamaica Livestock Association Limited
Consolidated Balance Sheet
Quarter ended August 31, 2008

	Unaudited as at August 31, <u>2008</u> \$'000	Derived from the audited as at November 30, <u>2007</u> \$'000	Unaudited as at August 31, <u>2007</u> \$'000
Assets			
Other assets	0	0	626
Investments	3,020	3,020	3,629
Property, plant and equipment	527,239	215,792	213,310
Pension asset	58,422	55,277	53,497
Total non-current assets	588,681	274,089	271,062
Cash	2,247	12,476	3,806
Accounts receivable	75,365	67,185	28,780
Taxation recoverable	2,417	2,413	2,377
Inventories	321,037	246,953	282,143
Total current assets	401,066	329,027	317,106
Total assets	989,747	603,116	588,168
Equity			
Share capital	115,877	115,877	115,877
Capital reserves	398,594	74,441	74,441
Investment revaluation reserve	675	675	1,284
Retained (deficit) / earnings	(2,533)	10,489	16,937
Total equity	512,613	201,482	208,539
Liabilities			
Deferred tax liability	13,785	13,347	25,659
Long-term liabilities	114,355	79,355	65,080
Post retirement obligation	549	534	548
Total non-current liabilities	128,689	93,236	91,287
Bank overdraft	47,042	65,305	58,193
Current portion of long-term liabilities	5,541	22,221	21,520
Due to related parties	75,749	43,527	36,547 *
Accounts payable	218,143	175,375	170,112 *
Taxation payable	1,970	1,970	1,970
Total current liabilities	348,445	308,398	288,342
Total liabilities	477,134	401,634	379,629
Total equity and liabilities	989,747	603,116	588,168

* After reclassification to conform to current year presentation

The Jamaica Livestock Association Limited
Consolidated Profit and Loss Account
Quarter ended August 31, 2008

	Unaudited Three months to <u>31-Aug-08</u> \$'000	Unaudited Three months to <u>31-Aug-07</u> \$'000	Unaudited Nine months to <u>31-Aug-08</u> \$'000	Unaudited Nine months to <u>31-Aug-07</u> \$'000
Gross operating revenue	234,027	285,810	760,296	918,646
Cost of operating revenue	(168,303)	(200,805)	(507,155)	(648,373)
Gross profit	65,724	85,005	253,141	270,273
Other operating income	4,524	2,803	24,088	6,674
	70,248	87,808	277,229	276,947
Administrative expenses	(59,229)	(62,810)	(177,169)	(181,405)
Depreciation	(5,456)	(5,466)	(15,038)	(16,399)
Other operating expenses	(15,849)	(20,517)	(53,815)	(59,487)
Profit from operations	(10,285)	(984)	31,208	19,657
Finance costs	(14,847)	(15,387)	(41,781)	(36,885)
Loss before taxation	(25,132)	(16,371)	(10,573)	(17,228)
Taxation	(49)	(681)	(438)	(459)
Loss for the period	(25,181)	(17,052)	(11,011)	(17,687)
Loss per stock unit of \$1.00	(43.82)¢	(29.68)¢	(19.16)¢	(30.78)¢

The Jamaica Livestock Association Limited
Group Statement of Changes in Equity
Quarter ended August 31, 2008
(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
<u>Unaudited</u>						
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)
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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>
<u>Unaudited</u>						
Balances at November 30, 2007	115,877	0	74,441	675	10,489	201,482
Net Loss for the period	0	0	0	0	(11,011)	(11,011)
Dividends paid (note 8)	0	0	0	0	(2,011)	(2,011)
Increase in fair value of property, plant and equipment	0	0	324,153	0	0	324,153
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Balances at August 31, 2008	<u>115,877</u>	<u>0</u>	<u>398,594</u>	<u>675</u>	<u>(2,533)</u>	<u>512,613</u>

The Jamaica Livestock Association Limited
Group Statement of Cash Flows
August 31, 2008
(Unaudited)

	<u>2008</u>	<u>2007</u>
	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	(11,011)	(17,687)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation	15,038	16,399
Gain on sale of investment	0	(329)
Deferred taxation (net)	438	459
Post retirement obligation	15	36
Pension asset	<u>(3,145)</u>	<u>(1,386)</u>
	1,335	(2,508)
(Increase)/decrease in current assets		
Accounts receivable	(8,180)	35,685
Taxation recoverable	(4)	(461)
Inventories	(74,084)	(27,074)
Increase/(decrease) in current liability		
Accounts payable	42,768	(32,919) *
Due to related parties	<u>32,222</u>	<u>(928) *</u>
Net cash used by operating activities	<u>(5,943)</u>	<u>(28,205)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of investments	0	(1,820)
Additions to fixed assets	(2,333)	(4,407)
Proceeds from disposal of investments	<u>0</u>	<u>2,503</u>
Net cash used by investing activities	<u>(2,333)</u>	<u>(3,724)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank overdraft	(18,263)	21,463
Loan (net)	18,320	13,042
Dividends paid	<u>(2,011)</u>	<u>(2,011)</u>
Net cash (used) / provided by financing activities	<u>(1,953)</u>	<u>32,494</u>
Net (decrease) / increase in cash	(10,229)	564
Cash at beginning of the period	<u>12,476</u>	<u>3,242</u>
Cash at end of period	<u><u>2,247</u></u>	<u><u>3,806</u></u>

* After reclassification to conform to current year presentation

The Jamaica Livestock Association Limited
Stockholding of Directors and Officers
As at August 31, 2008

<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	17,527,366	8,824,110
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, 2008

1.	H. J. Rainford	17,527,366
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.	Alexander V. Hamilton	849,186
10.	John H Lindsay	822,500

The Jamaica Livestock Association Limited
Notes to the Interim Consolidated Financial Statements
Quarter ended August 31, 2008

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.

(a) Other operating income

Other operating income includes \$14.2Million obtained in April 2008 as compensation for the relocation of a branch.

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 fair value at the date of revaluation less subsequent accumulated depreciation and impairment losses due to a change in accounting policy from the previous cost model. This change will provide more relevant or reliable information about assets previously carried at amounts lower than which the asset could be exchanged, between knowledgeable, willing parties in an arm's length transaction.

The Jamaica Livestock Association Limited
Notes to the Interim Consolidated Financial Statements
Quarter ended August 31, 2008

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

	\$'000
Sales	
Animal feeds	430,713
Poultry	171,991
Merchandise	157,593
	<u>760,296</u>
Loss before tax	
Animal feeds	(6,120)
Poultry	(2,470)
Merchandise	(1,983)
	<u>(10,573)</u>

6. Taxation

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

7. Loss per stock unit

The calculation of loss per stock unit is based on the group's net 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, 2008

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
Chairman

Henry Rainford
Managing Director

3-Nov-08