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MISSION STATEMENT

Salada is committed to manufacturing products of the highest quality at the most competitive prices for both the local and export markets.

Salada, by its commitment, endeavours to improve the quality of life of its employees, optimize the returns to its shareholders and contribute to the well being of the communities we serve in Jamaica and elsewhere.

OUR OBJECTIVES

1. Salada Foods Employees must be recognized as the company's greatest asset and as individuals must have continuing opportunities for advancement.
2. Salada Foods Products shall be of the highest quality.
3. Salada Foods shall merit Consumer's confidence based on supplying quality products at fair prices and the ultimate in satisfaction.
4. Salada Foods shall provide Share Owners a reasonable return on their investment, consistent with maintaining the company in a sound financial position.
5. Salada Foods Marketing Policies shall be designed to achieve leadership in recognizing changing consumer tastes and needs.
6. Salada Foods shall establish with Distributors and Customers sound working relationships to mutual advantage.
7. Salada Foods shall deal fairly with all Suppliers based on the standard of Price Service and Quality.
8. Salada Foods shall enhance its earned reputation with the General Public and its stature through the recognition and fulfillment of social and corporate responsibilities.
9. Salada Foods shall have viable relationships with Government and Selected Industry Associations based on the economic importance of the Company as a key processor of Food and Allied products.
10. Salada Foods shall adhere to all Ethical Business Practices and observe fully all requirements of law in areas in which it operates.

NOTICE OF MEETING

Notice is hereby given that the Forty-forth Annual General Meeting of the above-named Company will be held on the 29th day of January, 2009 at 3:00 p.m. at the Hilton Kingston Hotel, 77 Knutsford Boulevard, Kingston 5, to consider and if thought fit pass the following resolutions:

1. Audited Accounts

   "THAT the Audited Accounts for the year ended September 30, 2008 and the report of the Directors and Auditors thereon, be and are hereby adopted."

2. Election of Directors

   "THAT retiring Director, Mr. Oliver Holmes, be and is hereby re-elected."

   "THAT retiring Director, Mrs. Keshia Nelson-Brown, be and is hereby re-elected."

   "THAT retiring Director, Mr. Eric Stultz, be and is hereby re-elected."

3. Appointment of Auditors and their remuneration

   "That Messrs. KPMG, having signified their willingness to continue in office as Auditors of the company until the conclusion of the next Annual General Meeting and to authorize the directors to fix their remuneration."

NOTES

1. A member eligible to attend and vote at a General Meeting is entitled to appoint a proxy to attend and, on a poll, to vote instead of him. A proxy need not be a member of the Company.
2. All members are entitled to attend and vote at the meeting.
3. Enclosed is a form of proxy which must be deposited with the Secretary, at the Registered Office of the Company not less than forty-eight hours before the time appointed for holding the meeting.

DATED this 1st day of December, 2008
BY ORDER OF THE BOARD

……………………………
M. Olivia Glover
COMPANY SECRETARY

FIVE YEAR SUMMARY

CONSOLIDATED PROFIT AND LOSS ACCOUNT

Year ended 30th September	2008	2007	2006	Restated 2005	2004
	$'000	$'000	$'000	$'000	$'000
TURNOVER	393,802	342,751	302,926	268,739	248,951
COST OF SALES	230,980	201,108	192,525	185,299	164,777
GROSS PROFIT	162,822	141,643	110,401	83,440	84,174
NET EXPENSES (Excluding Depreciation)	72,273	55,877	54,372	78,932	48,026
DEPRECIATION	6,352	8,881	9,309	9,121	8,300
PROFIT BEFORE TAX	114,034	102,834	56,093	5,568	36,161
TAXATION	38,706	34,668	19,168	2,823	12,060
PROFIT RETAINED	75,328	68,166	36,925	2,745	24,101
Parent Company	76,052	68,561	37,168	4,201	25,274
Subsidiary	(724)	(395)	(243)	(1,456)	(1,173)

CONSOLIDATED BALANCE SHEET

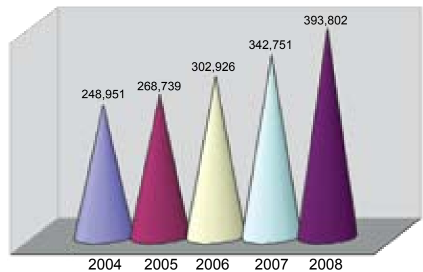
As at 30th September	2008	2007	2006	2005	2004
CAPITAL EMPLOYED					
Share Capital	73,216	73,216	5,194	5,194	5,194
Capital Reserve	16,275	16,275	16,275	16,275	16,275
Accumulated Surplus	259,452	184,124	115,958	79,033	76,288
Share Premium	-	-	68,022	68,022	68,022
LONG TERM LIABILITIES					
Deferred tax liability	8,290	5,377	3,967	4,740	4,740
Long Term Loan	1,311	7,211	12,262	17,266	22,412
FUNDS EMPLOYED	358,544	286,203	221,678	190,530	192,931
REPRESENTED BY:					
Fixed Assets & Investments	63,580	60,687	64,523	70,267	80,186
Net Current Assets	294,964	225,516	157,155	120,263	112,745
NET WORTH	358,544	286,203	221,678	190,530	192,931
ORDINARY SHARES ISSUED (thousands)	10,388	10,388	10,388	10,388	10,388
ORDINARY SHARES AUTHORISED (thousands)	10,400	10,400	10,400	10,400	10,400
EARNING PER STOCK UNIT (cents)	725	656	355	26	232

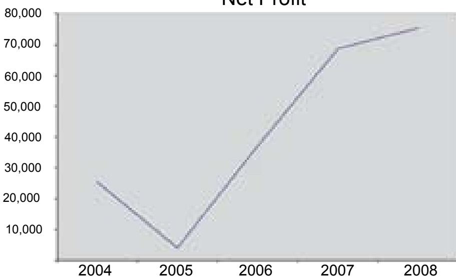
STATISTICS

As at 30th September

	2008	2007	2006	Restated 2005	2004
SHAREHOLDERS' FUNDS					
Per Ordinary Stock (dollars)	33.59	26.34	19.78	16.22	15.96
RETURN ON ASSETS					
Profit after Tax/Net Assets	21.00%	23.82%	16.66%	1.44%	12.49%
GEARING					
Borrowing /Reserves	2.04%	4.66%	8.65%	13.42%	16.25%
COST OF SALE TO SALES	58.65%	58.67%	63.56%	68.95%	66.19%
NET PROFIT TO SALES	19.12%	19.89%	12.19%	1.02%	9.68%
CHANGE IN TURNOVER	14.89%	13.15%	12.72%	7.94%	15.41%
GROSS PROFIT CHANGE	14.95%	28.30%	32.31%	-8.72%	18.50%
COST OF SALES CHANGE	14.85%	4.50%	3.90%	12.45%	13.55%

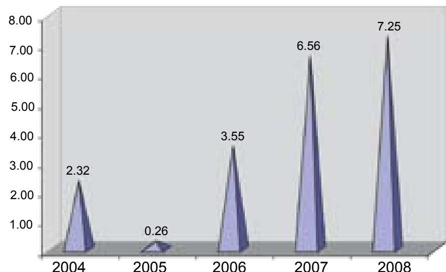
Revenue for the Group grew by J$51.0 million or 14.89% during the financial year 2008, this was mainly driven by an increase of 9.9% in poundage of coffee. The prudent liquidity management of the Group's funds in the money market complimented the continuous growth of the Group total revenue.





The Group net profit performed reasonable for the 2008 financial year, increasing by J$7.1 million over the previous financial year 2007 which is a growth of 10.5%. This was achieved through the growth in revenues while absorbing and managing spiraling input cost during the year which was mainly driven by increases in the cost of fuel and coffee bean on the world market.

The Group's total stock holder earnings per ordinary share grew by 10.5% moving from J$6.56 in the previous financial year to J$7.25 for the financial year ended September 2008.



CHAIRMAN'S STATEMENT

John Bell
Chairman

The year ended September 30, 2008 was another successful one for Salada Foods.

Turnover was $393.8 million representing a 14% increase over the previous year. This resulted in a net profit of $75.3 million. Earnings per share increased by 10.5% to $7.25 from $6.56 in the prior year.

The company was again the recipient of an award from the Jamaica Stock Exchange placing third in the "Best Practices-Best Performing Company" category and was awarded a certificate. This award was presented at the Jamaica Stock Exchange Annual Awards function held in December 2008. In the previous year we were the overall winner in this category.

During the year the company's dependence on imported coffee beans continued as a result of the unavailability of local coffee beans at competitive prices, the shortage on the local market being caused by adverse weather conditions which affected production output. Imported coffee bean prices increased by over 25% during the year. There was also a shortage of coffee bottles during the early part of the year. This was a hangover from the previous year and resulted in reduced sales during that period.

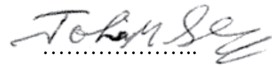
In respect of other costs, severe increases in oil prices resulted in increased costs for energy, one of our main production costs. Production

was also affected by tropical storms Fay and Gustav which occurred late in the year. Despite the above, production efficiencies allowed us to contain costs and increased profitability by approximately 10.5%.

During the latter part of the year the company started the process of effecting a Stock Split of 10 shares for every one held. We believe this will bring increased liquidity and trading activity to our stock. This Stock Split became effective on November 14, 2008.

In terms of the future, we are in the process of rationalising our Sales and Marketing strategy and are confident that these changes will lead to increased sales volumes and profitability.

We are aware that 2009 will be a challenging year, especially, in view of all the changes being experienced in the international economic and financial arena, and its probable effects on the local economy. However, we are, confident that with the usual dedication of our management and staff, whom we also would like to thank for their efforts in 2008, we will be up to the task of maintaining and improving the company's position in the marketplace during the coming year.



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John Bell
CHAIRMAN

BOARD OF DIRECTORS

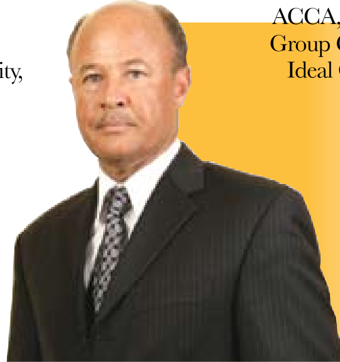
John Bell holds a Bachelor's degree in Economics and Accounting from the University of the West Indies and is a Fellow of the Institute of Chartered Accountants of Jamaica and the Association of Chartered Certified Accountants of Great Britain. Mr. Bell is also a director on the Board of other companies

Jeffrey Cobham
B.A. (Hons.) Dip. Mgmt. Studies, Business Consultant, Director on the Board of other companies and charitable organizations.

Michael Bernard
M.B.A. – Harvard Business School;
BSc. – Forest Management, (summa cum laude),
B.A. – Business Administration, (summa cum laude)
Washington State University,
Managing Director Carreras Group Limited.
Director on the Board of other companies.

Eleanor Brown
Rhodes Scholar, Oxford University, M.Phil (Politics), Hons. Degree (Molecular Biology) Brown University, J.D. Yale University, Certificate of Legal Education, UWI, member of the Connecticut & Jamaican Bar Association, Director on the Board of other companies.

Keshia Nelson-Brown
ACCA, Graduate of UTech., Group Compliance Manager, Ideal Group of Companies.



Oliver Holmes
MSc. Accounting, BSc. Management Studies, Investment Banker, Managing Director, Capital Options Limited, Director on the Board of other companies.

Eric George Stultz
Graduate of St. Georges College, General Manager of Baking Enterprises Ltd.

John Rosen
H.N.D. Mechanical Engineer, U.K.

DIRECTORS' REPORT

The Directors take pleasure in submitting their report for the year ended September 30, 2008.

Profit before tax was $114.0 million compared with $102.8 million for the year ended September 30, 2007, an increase of 10.5%. Turnover was $393.8 million or 14.9% over the previous year of $342.7 million. Net profit attributable to Stockholders was $75.3 million compared with the previous year's $68.2 million. Earnings per share were $7.25 an increase of 10.51% over 2007 of $6.56.

FINANCIAL RESULTS	**$'000**
Profit before taxation	114,034
Taxation	(38,706)
Net Profit	75,328
Accumulated Surplus at beginning of year	184,124
Accumulated Surplus at end of year	259,452
	======
Earnings per Ordinary Stock Unit	7.25

Details of the results for the period were approved by the Board on November 26, 2008 and a comparison with the previous year is set out in the Group Income Statement on page 20.

DIVIDENDS

The Directors did not recommend that a dividend be paid to shareholders for the year ended September 30, 2008.

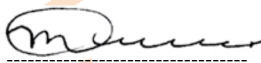
DIRECTORS

Pursuant to Article 72 of the Articles of Association, one-third of the Directors other than the Managing Director, Mr. John Rosen, shall retire. The Directors retiring under this article are Messrs. Oliver Holmes, Eric Stultz and Mrs. Keshia Nelson-Brown and being eligible offer themselves for re-election.

The Board takes this opportunity to thank all its employees for their contributions in the past year and looks forward to their cooperation in the New Year as we strive to realize renewed growth, in a challenging economy, for the mutual benefit of our Stockholders and employees.

DATED this 1st day of December 2008

BY ORDER OF THE BOARD



M. Olivia Glover
SECRETARY

Salada
Start up your day!
JAMAICA
Mountain
Peak
Coffee
Roasted & Ground
100%
Salada Jamaica Mountain Peak
Coffee
Net Wt 227g
(8oz)
Brews 25 - 30 cups
Salada BRAND.
JAMAICA
NET 170g (6 oz)
DECAFFEINTATED
NET 170 GRAMS

AUDIT COMMITTEE

The members of the Audit Committee are:

Messrs. Jeffrey Cobham (Chairman), John Bell, Michael Bernard and Oliver Holmes.
This Committee has the responsibility of:

1. Monitoring and ensuring that the integrity of the Company's financial reports is maintained.

2. Ensuring that proper accounting standards are complied with.

3. Ensuring that proper internal control systems are in place to identify and contain business risks.

CORPORATE GOVERNANCE COMMITTEE

The members of the Corporate Governance Committee are:

Messrs. John Bell (Chairman), Jeffrey Cobham and Mrs. Keshia Nelson-Brown.

The principal duties/responsibilities for which this committee shall support the Board in the administration and exercise of the Boards' responsibilities are:

1. To develop and periodically review Corporate Governance practices, principles/policies applicable to the Board and management.

2. To ensure that the company's strategic aims/goals are monitored for their achievement and effectiveness.

3. To oversee and co-ordinate annual self-evaluation of the Board and its committees.

4. To ensure a formal and transparent procedure to develop policies and to ensure that the company's values, standards and its obligations to its shareholders' are understood and met.

JAMAICA
Mountain
Peak
Roasted & Ground
Coffee
100% Salada Jamaica
Mountain Peak Coffee
NET WT 28 g
Mountain
Peak
Decaffeinated
Lushus
JELLY CRYSTALS
PINEAPPLE FLAVOUR
Lushus
JELLY CRYSTALS
ORANGE FLAVOUR
Salada
Salada
Rise'n
Shine
Instant Drink Mix
GUAVA FLAVOUR
NET WT 124g (4.4 oz)
Salada
Rise'n
Shine
Instant Drink Mix
APPLE FLAVOUR
NET WT 124g (4.4 oz)
NET WT
264 g
Salada
Powdered
Old Fashioned
COCOA
MIX
12
CONVENIENT
PACKETS

MANAGERS

John Rosen
Managing Director
H.N.D.Mechanical Eng., U.K.

Winston Butler
Plant Manager
H.N.C. Mechanical Eng.,C.A.S.T

Kevin Price
Financial Controller
M.B.A., Banking & Finance,
BSc. Accounting & Management Studies

M. Olivia Glover
Company Secretary
LLB. (Hons.), C.P.S.

Lorna Lewis
Production Manager
M.B.A., BSc. Chem., (Hons.)
Dip. Mgnt. Studies

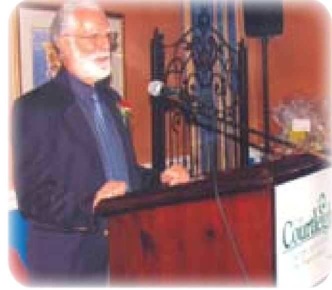
Bernadette Wong
Sales & Marketing Director
B.A. (Bus. Admin.), Dip. Marketing

HIGHLIGHTS

Pensioners' Dinner

At the begining of the 2008 financial year the company hosted a dinner in honour of its Pensioners'. Mr. John Fletcher, former Managing Director, responded on behalf of the Pensioners.

Guest speaker- Mr. St. Elmo Whyte



KPMG
Chartered Accountants
The Victoria Mutual Building
6 Duke Street
Kingston
Jamaica, W.I.

P.O. Box 76
Kingston
Jamaica, W.I.
Telephone +1 (876) 922-6640
Fax +1 (876) 922-7198
+1 (876) 922-4500
e-Mail firmmail@kpmg.com.jm

INDEPENDENT AUDITORS' REPORT

To the Members of
SALADA FOODS JAMAICA LIMITED

Report on the Financial Statements

We have audited the financial statements of Salada Foods Jamaica Limited ("the company") and the consolidated financial statements of the company and its subsidiaries ("the group") set out on pages 19 to 49, which comprise the company's and the group's balance sheets as at September 30, 2008, the company's and the group's statements of income, changes in equity and cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the Jamaican Companies Act. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error, selecting and consistently applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether or not the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence relating to the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal controls relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

KPMG, a Jamaican partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International, a Swiss cooperative.

Elizabeth A. Jones
Caryl A. Fenton
R. Tarun Handa
Patrick A. Chin
Patricia O. Dailey-Smith

Linroy J. Marshall
Cynthia L. Lawrence
Rajan Trehan
Norman O. Rainford
Nigel R. Chambers

INDEPENDENT AUDITORS' REPORT

To the Members of
SALADA FOODS JAMAICA LIMITED

Report on the Financial Statements (Cont'd)

Opinion

In our opinion, the financial statements give a true and fair view of the financial positions of the company and the group as at September 30, 2008, and of the company's and the group's financial performance, changes in equity and cash flows for the year then ended, in accordance with International Financial Reporting Standards and comply with the provision of the Jamaican Companies Act, so far as concerns members of the company.

Report on additional requirements of the Jamaican Companies Act

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit. In our opinion, proper accounting records have been maintained and the financial statements, which are in agreement with the accounting records, give the information required by the Jamaican Companies Act in the manner so required.

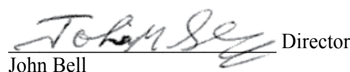
KPMG

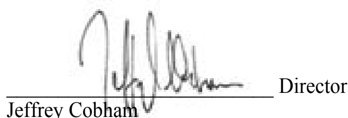
November 26, 2008

Balance Sheet
September 30, 2008

	Notes	The Group 2008 $'000	The Group 2007 $'000	The Company 2008 $'000	The Company 2007 $'000
NON-CURRENT ASSETS					
Property, plant & equipment	3	34,183	35,602	20,360	20,693
Investment in subsidiary companies	4	-	-	881	881
Employee benefits asset	5	29,397	25,085	29,397	25,085
		63,580	60,687	50,638	46,659
CURRENT ASSETS					
Cash and cash equivalents	6	163,827	162,833	163,827	162,833
Accounts receivable	7	73,258	49,988	73,258	49,988
Inventories	8	100,417	54,153	100,417	54,153
		337,502	266,974	337,502	266,974
TOTAL ASSETS		401,082	327,661	388,140	313,633
STOCKHOLDERS' EQUITY					
Share capital	9	73,216	73,216	73,216	73,216
Capital reserves	10	16,275	16,275	6,543	6,543
Retained earnings		259,452	184,124	259,485	183,433
		348,943	273,615	339,244	263,192
NON-CURRENT LIABILITIES					
Long-term loan	11	1,311	7,211	1,311	7,211
Deferred tax liabilities	12	8,290	5,377	5,047	1,772
		9,601	12,588	6,358	8,983
CURRENT LIABILITIES					
Bank overdraft	6	-	138	-	138
Current portion of long-term loan	11	5,842	5,534	5,842	5,534
Accounts payable	13	35,668	27,221	35,668	27,221
Taxation payable		1,028	8,565	1,028	8,565
		42,538	41,458	42,538	41,458
TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES		401,082	327,661	388,140	313,633

The financial statements on pages 19 to 49, were approved for issue by the Board of Directors on November 26, 2008 and signed on its behalf by:


Director
John Bell


Director
Jeffrey Cobham

The accompanying notes form an integral part of the financial statements.

ANNUAL REPORT 2008

Group Income Statement
Year ended September 30, 2008

	Notes	2008 $'000	2007 $'000
Sales	14	393,802	342,751
Cost of sales		(230,980)	(201,108)
Gross profit		162,822	141,643
Other operating income		2,318	2,669
Selling and promotion expenses		(17,784)	(10,857)
Administration expenses		(54,489)	(45,020)
Operating profit before net finance income and taxation		92,867	88,435
Finance income	15	21,539	14,659
Finance costs	15	(372)	(260)
Net finance income	15	21,167	14,399
Profit before taxation	17	114,034	102,834
Taxation	16	(38,706)	(34,668)
Net profit attributable to members		75,328	68,166
Dealt with in financial statements of:			
The company		76,052	68,561
The subsidiaries		(724)	(395)
		75,328	68,166
Earnings per ordinary stock unit	19	7.25	6.56

The accompanying notes form an integral part of the financial statements.

Group Statement of Changes in Stockholders' Equity
Year ended September 30, 2008

	Share capital (Note 9) $'000	Share premium $'000	Capital reserves (Note 10) $'000	Retained earnings $'000	Total $'000
Balances at September 30, 2006	5,194	68,022	16,275	115,958	205,449
Transfer of share premium (note 9)	68,022	(68,022)	-	-	-
Net profit , being total recognised gains, attributable to members	-	-	-	68,166	68,166
Balances at September 30, 2007	73,216	-	16,275	184,124	273,615
Net profit , being total recognised gains, attributable to members	-	-	-	75,328	75,328
Balances at September 30, 2008	73,216	-	16,275	259,452	348,943
Retained in the financial statements of:					
The company	73,216	-	6,543	259,485	339,244
The subsidiaries	-	-	9,732	(33)	9,699
Balances at September 30, 2008	73,216	-	16,275	259,452	348,943
The company	73,216	-	6,543	183,433	263,192
The subsidiaries	-	-	9,732	691	10,423
Balance at September 30, 2007	73,216	-	16,275	184,124	273,615

The accompanying notes form an integral part of the financial statements.

ANNUAL REPORT 2008

Group Statement of Cash Flows
Year ended September 30, 2008

	2008 $'000	2007 $'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit attributable to members	75,328	68,166
Adjustments for:		
Items not involving cash:		
Depreciation	6,352	8,881
Gain on disposal of property, plant & equipment	-	(580)
Foreign exchange losses on long-term loans	190	574
Income tax expense	35,793	32,755
Deferred taxation	2,913	1,913
Interest income	(20,607)	(13,279)
Employee benefits asset	(4,312)	(4,797)
	95,657	93,633
Changes in operating assets and liabilities:		
Inventories	(46,264)	11,447
Accounts receivable	(22,148)	(20,549)
Accounts payable	8,447	7,856
Cash generated from operations	35,692	92,387
Taxation paid	(43,330)	(33,163)
Net cash (used)/provided by operating activities	(7,638)	59,224
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	19,485	13,100
Purchase of property, plant & equipment	(4,933)	(931)
Proceeds from sale of property, plant & equipment	-	760
Net cash provided by investing activities	14,552	12,929
CASH FLOWS FROM FINANCING ACTIVITY		
Repayment of long-term loans, being net cash used by financing activity	(5,782)	(5,603)
Net increase in cash and cash equivalents	1,132	66,550
Cash and cash equivalents at beginning of year	162,695	96,145
Cash and cash equivalents at end of year (note 6)	163,827	162,695

The accompanying notes form an integral part of the financial statements.

Company Income Statement
Year ended September 30, 2008

	Notes	2008 $'000	2007 $'000
Sales	14	393,802	342,751
Cost of sales		(230,980)	(201,108)
Gross profit		162,822	141,643
Other operating income		2,318	2,669
Selling and promotion expenses		(17,784)	(10,857)
Administration expenses		(53,403)	(44,263)
Operating profit before net finance income and taxation		93,953	89,192
Finance income	15	21,539	14,659
Finance costs	15	(372)	(260)
Net finance income	15	21,167	14,399
Profit before taxation	17	115,120	103,591
Taxation	16	(39,068)	(35,030)
Net profit for the year		76,052	68,561

The accompanying notes form an integral part of the financial statements.

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Company Statement of Changes in Stockholders' Equity
Year ended September 30, 2008

	Share capital (Note 9) $'000	Share premium $'000	Capital reserves (Note 10) $'000	Retained earnings $'000	Total $'000
Balances at September 30, 2006	5,194	68,022	6,543	114,872	194,631
Transfer of share premium (note 9)	68,022	(68,022)	-	-	-
Net profit for the year, being total recognised gains	-	-	-	68,561	68,561
Balances at September 30, 2007	73,216	-	6,543	183,433	263,192
Net profit for the year, being total recognised gains	-	-	-	76,052	76,052
Balances at September 30, 2008	73,216	-	6,543	259,485	339,244

The accompanying notes form an integral part of the financial statements.

Company Statement of Cash Flows
Year ended September 30, 2008

	2008 $'000	2007 $'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the year	76,052	68,561
Adjustments for:		
Items not involving cash:		
Depreciation	5,266	7,795
Gain on disposal of property, plant & equipment	-	(580)
Foreign exchange losses on long-term loans	190	574
Income tax expense	35,793	32,755
Deferred taxation	3,275	2,275
Interest income	(20,607)	(13,279)
Employee benefits asset	(4,312)	(4,797)
	95,657	93,304
Changes in operating assets and liabilities:		
Inventories	(46,264)	11,447
Accounts receivable	(22,148)	(20,519)
Due from subsidiary companies	-	299
Accounts payable	8,447	7,856
Cash generated from operations	35,692	92,387
Taxation paid	(43,330)	(33,163)
Net cash (used)/provided by operating activities	(7,638)	59,224
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	19,485	13,100
Purchase of property, plant & equipment	(4,933)	(931)
Proceeds from sale of property, plant & equipment	-	760
Net cash provided by investing activities	14,552	12,929
CASH FLOWS FROM FINANCING ACTIVITY		
Repayment of long-term loans, being net cash used by financing activity	(5,782)	(5,603)
Net increase in cash and cash equivalents	1,132	66,550
Cash and cash equivalents at beginning of year	162,695	96,145
Cash and cash equivalents at end of year (note 6)	163,827	162,695

The accompanying notes form an integral part of the financial statements.

Notes to the Financial Statements
Year ended September 30, 2008

1. Identification

Salada Foods Jamaica Limited ("the company"), is incorporated and domiciled in Jamaica. Its principal activity is the manufacture and sale of instant coffee and roasted and ground coffee beans. The company has two wholly-owned subsidiaries, Coffee Company of Jamaica Limited and Shirriff's (Jamaica) Limited. The company's registered office is located at 20 Bell Road, Kingston 11, Jamaica, W.I.

The company is listed on the Jamaica Stock Exchange.

A shareholder of the company controls 76% of the voting rights in the company.

During the year, the company did not directly employ its operational labour force but contracted Caribbean Applied Technology Company Limited to provide this service.

2. Statement of compliance, basis of preparation and significant accounting policies

(a) Statement of compliance:

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations adopted by the International Accounting Standards Board (IASB), and comply with the provisions of the Jamaican Companies Act.

In preparing these financial statements, the company has adopted IFRS 7 *Financial Instruments: Disclosures* and amendment to IAS 1 *Presentation of Financial Instruments- Capital Disclosures*. The adoption of IFRS 7 and the amendment to IAS 1 impacted the type and amount of disclosures made in these financial statements, but had no impact on the reported profits or financial position of the company. In accordance with the transition requirements of the standards, full comparative information has been provided.

At the date of authorisation of the financial statements the following new standards, amendments to standards and interpretations, which were in issue, are not yet effective and have not been applied in preparing these financial statements:

- *IFRS 8, Operating Segments* (effective January 1, 2009) introduces the "management approach" to segment reporting. IFRS 8, which becomes mandatory for the group's 2010 financial statements, will require the disclosure of segment information based on the internal reports regularly reviewed by the group's Chief Operating Decision Maker in order to assess each segment's performance and to allocate resources to them.

- *IFRIC 12 Service Concession Arrangements* (effective January 1, 2008) addresses the accounting requirements for public-to-private service concession arrangements in private sector entities.

- *IAS 23, Revised – Borrowing Costs (*effective January 1, 2009) allows the removal of the option of immediately recognising all borrowing costs as an expense. The standard requires that an entity capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of the asset.

Notes to the Financial Statements
Year ended September 30, 2008

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

(a) Statement of compliance (cont'd):

- *IFRIC 14, IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction* (effective January 1, 2008) clarifies when refunds or reductions in future contributions in relation to defined benefit assets should be regarded as available and provides guidance on the impact of minimum funding requirements (MFR) on such assets. It also addresses when a MFR might give rise to a liability.

- *Revised IAS 1 – Presentation of Financial Statements* (effective January 1, 2009) requires presentation of all non-owner changes in equity in one or two statements either in a single statement of comprehensive income, or in an income statement plus in a statement of comprehensive income. Revised IAS 1 also requires that a statement of financial position be presented at the beginning of the comparative period when the entity restates the comparatives, a disclosure for reclassification adjustments and disclosure of dividends and related per share amounts be disclosed on the face of the statement of changes in equity or in the notes.

- *Amendments to IAS 32 Financial instruments: Presentation* (effective January 1, 2009). The amendments allow certain instruments that would normally be classified as liabilities to be classified as equity if certain conditions are met. Where such instruments are reclassified, the entity is required to disclose the amount, the timing and the reason for the reclassification.

The adoption of IFRS 8, IFRIC 14, IAS19, IAS 1 revised and IAS 23 revised and amendments to IAS 32 are expected to result in adjustments and additional disclosures to the financial statements. Management has not completed its evaluation of the impact of adopting these standards on the financial statements.

(b) Basis of preparation:

The financial statements are presented in Jamaica dollars ($), which is the company's functional currency.

The financial statements are prepared on the historical cost basis.

Where necessary, prior year comparatives have been reclassified to conform to current year presentation.

(c) Basis of consolidation:

(i) A "subsidiary" is an enterprise controlled by the company. Control exists when the company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities.

The consolidated financial statements include the financial statements of the company and its wholly-owned subsidiaries, Coffee Company of Jamaica Limited and Shirriff's (Jamaica) Limited made up to September 30, 2008. The company and its subsidiaries are collectively referred to as "the group". These companies are currently dormant and the shareholdings are the same for 2008 and 2007.

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Notes to the Financial Statements
Year ended September 30, 2008

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

(c) Basis of consolidation (cont'd):

(ii) Intra-group balances and transactions are eliminated in preparing the consolidated financial statements.

(d) Use of estimates and judgements:

The preparation of the financial statements to conform to IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, contingent assets and contingent liabilities at the balance sheet date and the income and expense for the year then ended. Actual amounts could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next financial year are discussed below:

(i) Pension and other post-retirement benefits:

The amounts recognised in the balance sheet and income statement for pension and other post-retirement benefits are determined actuarially using several assumptions. The primary assumptions used in determining the amounts recognised include expected long-term return on plan assets, the discount rate used to determine the present value of estimated future cash flows required to settle the pension and other post-retirement obligations.

The expected return on plan assets considers the long-term returns, asset allocation and future estimates of long-term investment returns. The discount rate is determined based on the estimate of yield on long-term government securities that have maturity dates approximating the terms of the company's obligation; in the absence of such instruments in Jamaica, it has been necessary to estimate the rate by extrapolating from the longest-tenor security on the market. Any changes in the foregoing assumptions will affect the amounts recorded in the financial statements for these obligations.

(ii) Allowance for impairment losses on receivables:

In determining amounts recorded for impairment of losses in the financial statements, management makes judgements regarding indicators of impairment, that is, whether there are indicators that suggest there may be a measurable decrease in the estimated future cash flows from receivables, for example, based on default and adverse economic conditions. Management also makes estimates of the likely estimated future cash flows from impaired receivables as well as the timing of such cash flows. Historical loss experience is applied where indicators of impairment are not observable on individual significant receivables with similar characteristics, such as credit risks.

Notes to the Financial Statements
Year ended September 30, 2008

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

(d) Use of estimates and judgements (cont'd):

(iii) Net realisable value of inventories:

Estimates of net realisable value are based on the most reliable evidence available at the time the estimates are made, of the amount the inventories are expected to realise. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of the period to the extent that such events confirm conditions existing at the end of the period.

Estimates of net realisable value also take into consideration the purpose for which the inventory is held.

It is reasonably possible, based on existing knowledge, that outcomes within the next financial year that are different from those assumptions could require a material adjustment to the carrying amount reflected in the financial statements.

(e) Property, plant & equipment:

(i) Property, plant & equipment are stated at historical cost or deemed cost, less accumulated depreciation and impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the group and its cost can be measured reliably. The costs of day-to-day servicing of property, plant and equipment are recognised in the income statement.

(ii) Depreciation:

Depreciation is computed on a straight-line basis at annual rates estimated to write down the property, plant & equipment to their estimated residual values at the end of their expected useful lives. No depreciation is charged on the freehold land or capital work-in-progress. Annual depreciation rates are as follows:

Buildings	2.5 - 6.5%
Machinery and equipment	2.5 - 20%
Motor vehicles	20%

The depreciation methods, useful lives and residual values are reassessed at the reporting date.

(f) Investment in subsidiary companies:

Investments in subsidiary companies are stated at cost.

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Notes to the Financial Statements
Year ended September 30, 2008

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

(g) Employee benefits:

Employee benefits comprising pensions and other post-employment assets and obligations included in these financial statements have been actuarially determined by a qualified independent actuary, appointed by management. The appointed actuary's report outlines the scope of the valuation and the actuary's opinion. The actuarial valuations were conducted in accordance with IAS 19, and the financial statements reflect the group's post-employment benefits asset as computed by the actuary. In carrying out their audit, the auditors make use of the work of the actuary and the actuary's report.

The Group operates a defined benefit plan, the assets of which are generally held in a separate trustee-administered fund. A defined benefit plan is a pension plan that defines an amount of pension benefit to be provided, usually as a function of one or more factors such as age, years of service or compensation.

The group's net obligation in respect of the defined benefit pension plan is calculated by estimating the amount of future benefits that employees have earned in return for their service in the current and prior periods; that value is discounted to determine the present value, and the fair value of any plan assets is deducted. To the extent that the obligation is less than the fair value of plan assets, the asset recognised is restricted to the discounted value of future benefits available to the group.

Cumulative actuarial gains or losses that exceed 10% of both the present value of the obligation and the fair value of plan assets, are recognised in the income statement over the expected average remaining working lives of the employees participating in the plan. Otherwise, actuarial gains or losses are not recognised.

The discount rate is determined by reference to the yield at the balance sheet date on long-term government bonds with maturities approximating the terms of the group's obligation. The calculation is performed by a qualified actuary, using the projected unit credit method.

Employee entitlements to leave are recognised when they accrue to employees. A provision is made for the estimated liability for vacation leave, as a result of services rendered by employees up to the balance sheet date.

(h) Inventories:

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average cost basis. The cost of finished goods and work-in-progress comprises raw and packaging materials, direct labour, other direct costs and a proportion of related production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The cost of other inventories is based on the FIFO principles and includes expenses incurred in acquiring and bringing them to their existing location and condition.

(i) Accounts receivable:

Trade and other receivables are stated at amortised cost, less impairment losses.

Notes to the Financial Statements (Continued)
Year ended September 30, 2008

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

(j) Cash and cash equivalents:

Cash and cash equivalents comprise cash and bank balances, short-term deposits and other monetary instruments with maturities ranging between one and three months from balance sheet date.

Bank overdrafts, repayable on demand and forming an integral part of the group's cash management activities, are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(k) Long-term loan:

Long-term loan is recognised, initially at cost. Subsequent to initial recognition, long-term loan is recorded at amortised cost, with any difference between cost and redemption value being recognised in the income statement over the period of the loan on an effective interest rate basis.

(l) Accounts payable:

Trade and other payables are stated at amortised cost.

(m) Provisions:

A provision is recognised in the balance sheet when the company and its subsidiaries have a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the obligation.

(n) Impairment:

The carrying amounts of the company's and its subsidiaries' assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated at each balance sheet date. An impairment loss is recognised whenever the carrying amount of an asset or group of operating assets exceeds its recoverable amount. Impairment losses are recognised in the income statement.

(i) Calculation of recoverable amount:

The recoverable amount of the company's and its subsidiaries' receivables is calculated as the present value of expected future cash flows, discounted at the original effective interest rate inherent in the asset. Receivables with a short duration are not discounted.

The recoverable amount of other assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate independent cash inflows, the recoverable amount is determined for the group of operating assets to which the asset belongs.

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2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

(n) Impairment (cont'd):

(ii) Reversals of impairment:

An impairment loss in respect of receivables is reversed, if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(o) Revenue:

Revenue from the sale of goods is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or material associated costs on the possible return of goods.

(p) Net finance income:

Net finance income comprises interest payable on long-term loan, calculated using the effective interest rate method, interest income on funds invested, material bank charges and foreign exchange gains and losses recognised in the income statement.

Interest income is recognised in the income statement as it accrues, taking into account the yield on the asset.

(q) Income tax:

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the balance sheet date.

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

(q) Income tax (cont'd):

A deferred tax liability is recognised for all taxable temporary differences associated with investments in subsidiaries, except to the extent that the company and its subsidiaries are able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(r) Determination of profit and loss:

Profit is determined as the difference between the revenues from the goods and services rendered and the costs and other charges incurred during the year. Profits on transactions are taken in the year in which they are realised. A transaction is realised at the moment of delivery. Losses are taken in the year in which they are realised or determinable.

(s) Foreign currencies:

Transactions in foreign currencies are converted at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated at the foreign exchange rate ruling at the balance sheet date. Foreign exchange differences arising from fluctuations in exchange rates are recognised in the income statement. Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated at the foreign exchange rate ruling at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to the functional currency at the foreign exchange rates ruling at the dates that the values were determined.

(t) Related parties:

A party is related to the company, if:

(i) directly, or indirectly through one or more intermediaries, the party:

(a) is controlled by, or is under common control with, the company (this includes parents, subsidiaries and fellow subsidiaries);

(b) has an interest in the company that gives it significant influence over the entity; or

(c) has joint control over the company;

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Notes to the Financial Statements (Continued)
Year ended September 30, 2008

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

(t) Related parties (cont'd):

A party is related to the company, if (cont'd):

(ii) the party is an associate of the company;

(iii) the party is a joint venture in which the company is a venturer;

(iv) the party is a member of the key management personnel of the entity or its parent;

(v) the party is a close member of the family of any individual referred to in (i) or (iv);

(vi) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or

(vii) the party is a post-employment benefit plan for the benefit of employees of the company, or of any entity that is a related party of the entity.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

(u) Segment reporting:

A segment is a distinguishable component of the group that is engaged either in providing products (business segment), or in providing products within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

More than 90% of the group's sales represent coffee products, almost all of which are sold locally. As such, the group has no separable segments for reporting.

(v) Financial instruments:

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. For the purpose of these financial statements, financial assets have been determined to include cash and cash equivalents, accounts receivable and due from subsidiary companies. Similarly, financial liabilities include bank overdraft, accounts payable and long-term loans.

(w) Determination of fair value:

Fair value amounts represent estimates of the arm's length consideration that would be currently agreed between knowledgeable, willing parties who are under no compulsion to act and is best evidenced by a quoted market price, if one exists. Some financial instruments lack an available trading market. These instruments have been valued using present value or other valuation techniques and the fair value shown may not necessarily be indicative of the amounts realisable in an immediate settlement of the instruments.

Notes to the Financial Statements (Continued)
Year ended September 30, 2008

3. Property, plant & equipment

(a) The Group:

	Freehold Land $'000	Freehold buildings $'000	Machinery equipment & vehicles $'000	Work-in progress $'000	Total $'000
At cost or deemed cost:					
September 30, 2006	10,000	34,484	89,226	2,489	136,199
Additions	-	-	931	-	931
Transfers	-	-	2,489	(2,489)	-
Disposals	-	-	(900)	-	(900)
September 30, 2007	10,000	34,484	91,746	-	136,230
Additions	-	-	4,933	-	4,933
September 30, 2008	10,000	34,484	96,679	-	141,163
Depreciation:					
September 30, 2006	-	10,692	81,775	-	92,467
Charge for the year	-	2,192	6,689	-	8,881
Eliminated on disposals	-	-	(720)	-	(720)
September 30, 2007	-	12,884	87,744	-	100,628
Charge for the year	-	2,192	4,160	-	6,352
September 30, 2008	-	15,076	91,904	-	106,980
Net book value:					
September 30, 2008	10,000	19,408	4,775	-	34,183
September 30, 2007	10,000	21,600	4,002	-	35,602

(b) The Company:

	Freehold Land $'000	Freehold buildings $'000	Machinery equipment & vehicles $'000	Work-in progress $'000	Total $'000
At cost or deemed cost:					
September 30, 2006	6,144	16,919	89,226	2,489	114,778
Additions	-	-	931	-	931
Transfers	-	-	2,489	(2,489)	-
Disposals	-	-	(900)	-	(900)
September 30, 2007	6,144	16,919	91,746	-	114,809
Additions	-	-	4,933	-	4,933
September 30, 2008	6,144	16,919	96,679	-	119,742

3. Property, plant & equipment (cont'd)

(b) The Company (cont'd):

	Freehold Land $'000	Freehold buildings $'000	Machinery equipment & vehicles $'000	Work-in progress $'000	Total $'000
Depreciation:					
September 30, 2006	-	5,266	81,775	-	87,041
Charge for the year	-	1,106	6,689	-	7,795
Eliminated on disposals	-	-	(720)	-	(720)
September 30, 2007	-	6,372	87,744	-	94,116
Charge for the year	-	1,106	4,160	-	5,266
September 30, 2008	-	7,478	91,904	-	99,382
Net book values:					
September 30, 2008	6,144	9,441	4,775	-	20,360
September 30, 2007	6,144	10,547	4,002	-	20,693

(c) Freehold land and buildings were professionally valued on a fair market value basis by Stoppi Cairney Bloomfield in September 2001. These values have been incorporated into the financial statements as deemed costs as at the date of transition to IFRS (October 1, 2001). The surpluses arising from these adjustments were credited to capital reserves (note 10).

4. Investment in subsidiary companies

Investment in subsidiary companies at year end comprises:

	The Company 2008 $'000	2007 $'000
Shares at cost:		
Coffee Company of Jamaica Limited	790	790
Shirriff's (Jamaica) Limited	91	91
	881	881

During the year, the company had no significant related party transactions.

5. Employee benefits asset

The Group operates a pension plan which provides retirement and death benefits to its employees. The plan is administered by trustees and is managed by Guardian Life Limited. Contributions to the plan are made by the company and employees based on a percentage of the employees' pensionable earnings. Retirement benefits are based on the average of the final three years' salary.

(i) The amounts recognised in the balance sheet are determined as follows:

	The Group and the Company	
	2008	2007
	$'000	$'000
Fair value of plan assets	68,779	81,817
Present value of funded obligations	(21,889)	(19,147)
	46,890	62,670
Unrecognised actuarial losses/(gains)	8,340	(12,423)
Unrecognised amount due to limitation	(25,833)	(25,162)
	29,397	25,085

(ii) The movement in the asset recognised in the balance sheet is as follows:

	The Group and the Company	
	2008	2007
	$'000	$'000
At beginning of year	25,085	20,288
Amounts recognised in the income statement	4,225	4,721
Contributions paid	87	76
At end of year	29,397	25,085

(iii) The movement in present value of funded obligations is as follows:

	The Group and the Company	
	2008	2007
	$'000	$'000
At beginning of year	(19,147)	(10,059)
Benefit paid	22,663	997
Current service and interest costs	(4,559)	(3,250)
Actuarial loss	(20,846)	(6,835)
At end of year	(21,889)	(19,147)

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5. Employee benefits asset (cont'd)

(iv) The movement in the plan assets recognised in the balance sheet is as follows:

	The Group and the Company	
	2008	2007
	$'000	$'000
Fair value of plan assets at beginning of year	81,817	72,802
Contribution paid	1,713	1,545
Expected return on plan assets	7,495	6,974
Benefit paid	(22,663)	(997)
Actuarial gain	417	1,493
Fair value of plan assets at end of year	68,779	81,817

The assets of the fund are invested in Guardian Life's Pool Investment Fund and Deposit Administration Fund as at September 30, 2008 and 2007, respectively.

(v) The amounts recognised in the income statement, included in staff costs are as follows:

	The Group and the Company	
	2008	2007
	$'000	$'000
Interest and employer's current service cost	(2,932)	(1,782)
Expected return on plan assets	7,495	6,974
Net actuarial loss recognised during the year	334	820
Change in surplus not eligible for recognition due to limitation	(672)	(1,291)
At the end of the year	4,225	4,721

(vi) The actual return on the plan assets was $7,912,000 (2007: $8,467,000).

(vii) The principal actuarial assumptions used were as follows:

	The Group and the Company	
	2008	2007
	%	%
Discount rate	13.0	12.5
Expected return on plan assets	9.5	9.5
Future salary increases	9.5	9.5
Future pension increases	2.5	2.5
Inflation rate	9.0	8.0

Assumptions regarding future mortality are based on GAM 83 table, with no age set back. The expected long-term rate of return on plan assets is based on the assumed long-term rate of inflation.

Notes to the Financial Statements (Continued)
Year ended September 30, 2008

5. Employee benefits asset (cont'd)

(viii) Historical information

Defined benefit pension plan:

	2008 $'000	2007 $'000	2006 $'000	2005 $'000	2004 $'000
Present value of the defined benefit obligation	(21,889)	(19,147)	(10,059)	(11,808)	(27,416)
Fair value of plan assets	68,779	81,817	72,802	65,435	76,152
Surplus	46,890	62,670	62,743	53,627	48,736
Experience adjustments arising on plan liabilities	21,523	7,670	(4,695)	1,247	(356)
Experience adjustments arising on plan assets	417	1,493	248	729	14,515

6. Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise:

	The Group and the Company	
	2008 $'000	2007 $'000
Cash in hand and bank	4,649	1,066
Short term deposits [note (a)]	159,178	161,767
	163,827	162,833
Bank overdraft [note (b)]	-	(138)
	163,827	162,695

(a) The weighted average effective interest rate on short term deposits denominated in Jamaica dollars was 14.40% (2007: 12%) and on short term deposits denominated in United States dollars was 5.43% (2007: 5.15%), and these deposits mature within 90 days.

(b) The company and its subsidiaries do not have any bank overdraft facility. In the prior year, the negative balance arose from unpresented cheques.

7. Accounts receivable

	The Group		The Company	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Trade receivables	51,903	29,201	51,903	29,201
Prepayments	17,029	18,932	17,029	18,932
Other receivables	4,404	1,933	4,404	1,933
	73,336	50,066	73,336	50,066
Less: allowances for doubtful debts	(78)	(78)	(78)	(78)
	73,258	49,988	73,258	49,988

The company's exposure to credit and currency risks and impairment losses related to trade and other receivables are disclosed in note 20.

8. Inventories

	The Group and the Company	
	2008	2007
	$'000	$'000
Raw and packaging material	51,844	22,159
Finished goods held for sale	31,830	8,241
Work-in-progress	4,322	16,641
Fuel, spares and consumables	6,964	6,320
Goods-in-transit	6,380	1,720
	101,340	55,081
Less: provision for obsolescence	(923)	(928)
	100,417	54,153

9. Share capital

	2008	2007
	$'000	$'000
Authorised:		
10,400,000 ordinary units of no par value		
Stated:		
Issued and fully paid:		
10,388,330 ordinary stock units of no par value	73,216	73,216

The amounts accounted for as share premium were transferred to stated capital in accordance with the Companies Act, 2004.

10. Capital reserves

	The Group		The Company	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Revaluation surplus on assets carried at deemed cost	14,528	14,528	4,838	4,838
Realised gains	1,747	1,747	1,705	1,705
	16,275	16,275	6,543	6,543

11. Long-term loan

	The Group and the Company	
	2008	2007
	$'000	$'000
Jamaican Redevelopment Foundation, Inc.	7,153	12,745
Less: Current portion	(5,842)	(5,534)
	1,311	7,211

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Notes to the Financial Statements (Continued)
Year ended September 30, 2008

11. Long-term loan (cont'd)

During 1998, the Financial Sector Adjustment Company Limited (FINSAC) took over the non-performing loan portfolio of National Commercial Bank Jamaica Limited. The terms and conditions of the loan were renegotiated, resulting in the loan being repayable within a maximum of 10 years at an interest rate of 12%.

In February 2002, the loan was sold, and servicing rights transferred to Jamaican Redevelopment Foundation, Inc. (JRF).

The loans were secured by a mortgage over land and buildings and a debenture over the fixed and floating assets of the company.

Based on the conditions of the loan restructuring agreement in October 1999 with Dennis Joslin Jamaica, Inc., the then servicer appointed by JRF, all accumulated unpaid interest was capitalised and a moratorium on interest payments was granted until full principal repayments have been completed. On repayment of the principal balances, outstanding interest will be repaid on a monthly basis ending 2009. No interest is charged on the unpaid interest amounts.

12. Deferred tax assets/(liabilities)

Deferred tax liabilities are attributable to the following:

	The Group		The Company	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Deferred tax assets:				
Interest payable on FINSAC loans	3,303	4,248	3,303	4,248
Property, plant & equipment	1,902	1,840	1,902	1,840
Accrued charges	-	607	-	607
Tax value of losses carried forward	71	71	-	-
	5,276	6,766	5,205	6,695
Deferred tax liabilities:				
Employee benefits asset	(9,799)	(8,362)	(9,799)	(8,362)
Property, plant & equipment	(3,314)	(3,676)	-	-
Accounts receivable	(452)	(77)	(452)	(77)
Unrealised foreign exchange gains	(1)	(28)	(1)	(28)
	(13,566)	(12,143)	(10,252)	(8,467)
	(8,290)	(5,377)	(5,047)	(1,772)

All movements in temporary differences are recognised in the income statement.

At September 30, 2008, a deferred tax liability of approximately $Nil (2007: $230,000) relating to investment in subsidiaries has not been recognised, as the company controls, or significantly controls, whether any liability will be incurred and management is satisfied that it will not be incurred in the foreseeable future.

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Notes to the Financial Statements (Continued)
Year ended September 30, 2008

13. Accounts payable

	The Group and the Company	
	2008	2007
	$'000	$'000
Trade payable	14,371	16,402
Accrued charges	12,098	6,779
Other payables	9,199	4,040
	35,668	27,221

14. Sales

Sales comprise the invoiced value of goods sold, net of general consumption tax, rebates and discounts.

15. Net finance income/(costs)

	The Group and the Company	
	2008	2007
	$'000	$'000
Finance income:		
Interest income – bank deposits	20,607	13,279
Net foreign exchange gains	932	1,380
	21,539	14,659
Finance costs:		
Bank charges	(372)	(260)
	21,167	14,399

16. Taxation

(a) Taxation is based on net profit for the year adjusted for taxation purposes and represents income tax charged at 33⅓%.

	The Group		The Company	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Current tax expense:				
Income tax	35,793	32,755	35,793	32,755
Deferred taxation:				
Originating and reversal of other Timing differences, net	2,913	1,913	3,275	2,275
	38,706	34,668	39,068	35,030

Notes to the Financial Statements (Continued)
Year ended September 30, 2008

16. Taxation (cont'd)

(b) Reconciliation of effective tax rate:

	The Group		The Company	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Profit before tax	114,034	102,834	115,120	103,591
Computed "expected" tax expense @ 33⅓%	38,011	34,278	38,373	34,530
Difference between profits for financial statements and tax reporting purposes on:				
Disallowed expenses and capital adjustments, net	695	390	695	500
Actual expense	38,706	34,668	39,068	35,030

17. Disclosure of expenses

(a) Profit before taxation is stated after charging/(crediting):

	The Group		The Company	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Depreciation	6,352	8,881	5,266	7,795
Cost of inventories recognised as expense	132,202	112,337	132,202	112,337
Directors' emoluments:				
Fees	3,897	1,138	3,897	1,138
Management remuneration	6,750	6,000	6,750	6,000
Auditors' remuneration	1,600	1,400	1,600	1,400
Staff costs (note 18)	31,323	27,205	31,323	27,205
Stock write-off/write-back	(27)	-	(27)	-

(b) Transactions with key management personnel:

For directors/executive officers who receive salaries, the company contracts to a post employment defined benefit plan on their behalf.

Key management personnel compensation is as follows:

	The Group and the Company	
	2008	2007
	$'000	$'000
Short-term employee benefits	13,461	12,316
Post-employment benefits	6,934	6,362

Notes to the Financial Statements (Continued)
Year ended September 30, 2008

18. Staff costs

	The Group and the Company	
	2008	2007
	$'000	$'000
Salaries and wages	23,542	20,475
Statutory contributions	5,302	4,875
Pension costs (note 5)	(4,225)	(4,721)
Staff welfare	6,704	6,576
	31,323	27,205

19. Earnings per ordinary stock unit

Basic earnings per share are calculated by dividing the net profit attributable to members by the number of stock units in issue during the year.

	2008	2007
Net profit attributable to shareholders ($'000)	75,328	68,166
Number of stock units in issue ('000)	10,388	10,388
Basic earnings per stock unit ($)	7.25	6.56

The company has no potential dilutive ordinary shares.

20. Financial instruments

(a) Financial risk management:

The company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risks
- Operational risks

The Board of Directors, together with senior management has overall responsibility for the establishment and oversight of the group's risk management framework.

The group's risk management policies are established to identify and analyse the risks faced by the company and its subsidiaries to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and group's activities.

(i) 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. Credit risk arises principally from the receivables arising from credit given to customers and deposits with financial institutions.

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20. Financial instruments (cont'd)

(a) Financial risk management (cont'd):

(i) Credit risk (cont'd):

Cash and cash equivalents

Cash and cash equivalents are maintained with substantial counter-parties deemed to have low risk of default.

Trade receivables

The group generally does not require collateral in respect of non-cash financial assets. The group's exposure to credit risk is influenced mainly by the individual characteristic of each customer. Management has a credit policy in place to minimise exposure to credit risk. Credit evaluations are performed on all customers requiring credit. Management establishes an allowance for impairment that represents its estimate of losses in respect of trade and other receivables. Management's policy is to provide for balances based on past default experience, current economic conditions and expected recovery.

At balance sheet date, there were no significant concentrations of credit risk and the maximum exposure to credit risk is represented by the carrying amount of each financial asset.

	Carrying amount	
	2008 $'000	2007 $'000
Cash and cash equivalents	163,827	162,833
Accounts receivable	73,258	49,988
	237,085	212,821

The aging of trade receivables at the reporting date was:

	2008		2007	
	Gross $'000	Impairment $'000	Gross $'000	Impairment $'000
Not past due	8,637	-	19,131	-
Past due 1-30 days	35,524	-	3,056	-
Past due 31-60 days	2,262	-	3,424	-
More than 60 days	5,480	78	3,590	78
	51,903	78	29,201	78

There was no movement in the allowance for impairment in respect of trade receivables during the year.

20. Financial instruments (cont'd)

(a) Financial risk management (cont'd):

(i) Credit risk (cont'd):

Based on past experience, the company believes that trade receivables not past due, relates to customers that have a good track record with the company.

(ii) Liquidity risk:

Liquidity risk is the risk that the group will not meet its financial obligations as they fall due. The group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liability when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company and or its subsidiaries reputation.

Management aims at maintaining sufficient cash and marketable securities, and the availability of funding through an adequate amount of committed facilities. The management of the group maintains an adequate amount of its financial assets in liquid form to meet contractual obligations and other recurring payments.

The following are the contractual maturities of the non-derivative financial liabilities, including interest payments and excluding the impact of netting agreements.

	Carrying amount $'000	Contractual cash flow $'000	Less than 1 year $'000	1-2 years $'000
September 30, 2008:				
Long-term loans	7,153	7,153	5,842	1,311
Accounts payable	35,668	35,668	35,668	-
	42,821	42,821	41,510	1,311
September 30, 2007:				
Bank overdraft	138	138	138	-
Long-term loans	12,745	12,745	5,534	7,211
Accounts payable	27,221	27,221	27,221	-
	40,104	40,104	32,893	7,211

(iii) Market risk:

Market risk is the risk that changes in market prices, such as foreign exchange rates, and interest rates will affect the company's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

20. Financial instruments (cont'd)

(a) Financial risk management (cont'd):

(iii) Market risk (cont'd):

(a) Interest rate risk:

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The group materially contracts financial liabilities at fixed interest rates for the duration of the term. When utilised, bank overdrafts are subject to fixed interest rates which may be varied by appropriate notice by the lender. At September 30, 2008 and 2007, there were no financial liabilities subject to variable interest rate risk.

Interest-bearing financial assets mainly comprise monetary instruments, bank deposits and short-term investments, which have been contracted at fixed interest rates for the duration of their terms.

At the reporting date the interest profile of the group's interest bearing financial instruments was:

	Carrying amount	
	2008	2007
	$'000	$'000
Variable rate:		
Assets	159,178	161,767

Fair value sensitivity analysis for fixed rate instruments

The group does not hold any fixed rate financial assets that are subject to material changes in fair value through profit or loss. Therefore a change in interest rates at the reporting dates would not affect profit or equity.

Cash flow sensitivity analysis for variable rate instruments

A change of one percent in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by $1,591,780 (2007:$1,617,670).

This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2007.

Notes to the Financial Statements (Continued)
Year ended September 30, 2008

20. Financial instruments (cont'd)

(a) Financial risk management: (cont'd)

(iii) Market risk (cont'd)

(b) Foreign currency risk:

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The group is exposed to significant foreign currency risk, primarily on purchases that are denominated in a currency other than the Jamaica dollar. Such exposures comprise the monetary assets and liabilities of the group that are not denominated in that currency. The main foreign currency risks of the group are denominated in United States dollars (US$), which is the principal intervening currency for the group.

The group jointly manages foreign exchange exposure by maintaining adequate liquid resources in appropriate currencies and by managing the timing of payments on foreign currency liabilities.

The table below shows the group's main foreign currency exposure at the balance sheet date.

	Net foreign currency monetary assets			
	2008		2007	
	US$	J$	US$	J$
Cash and cash equivalents	268,319	19,409,788	222,106	15,638,483
Accounts receivable	16,825	1,224,767	38,599	2,717,755
Accounts payable	(95,671)	(6,952,971)	(83,555)	(5,883,107)
Net exposure	189,473	13,681,584	177,150	12,473,131

Exchange rates for the US dollar, in terms of Jamaica dollars, were as follows:

November 26, 2008	77.08
September 30, 2008	72.67
September 30, 2007	70.41

Sensitivity analysis

A 5% strengthening/weakening of the US$ against the Jamaica dollar would have increased/(decreased) profit for the year by $688,450 (2007: $623,656) respectively. This analysis assumes that all other variables, in particular interest rates, remain constant.

20. Financial instruments (cont'd)

(a) Financial risk management: (cont'd)

(iv) Operational risk:

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the group's processes, personnel, technology and infrastructure, and from external factors, other than financial risks, such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour.

The group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to its reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management.

(b) Capital management:

The Board's policy is to maintain a strong capital base to maintain customer, creditor and other stakeholder confidence, and to sustain future development of the business. The Board of Directors monitor the return on capital, which is defined as total shareholders' equity and the level of dividends to shareholders. The company and its' subsidiaries are not subject to any externally imposed capital requirements.

- To safeguard the group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To maintain a strong capital base to support the development of its business.

(c) Fair value disclosure:

The fair values of amounts disclosed as cash and cash equivalents, accounts receivable and accounts payable approximate to their carrying value due to their short-term nature. Long-term loans are carried to their contracted settlement value.

21. Subsequent event

On September 22, 2008, the company held an Extraordinary General meeting to pass resolutions for a stock split and to offer to its shareholders on register ten shares for every one share held. The resolutions were adopted.

The Record date and the effective date of the stock split was November 14, 2008.

SHAREHOLDING
As at September 30th, 2008

DIRECTORS

John Bell	Nil
Michael Bernard	Nil
Eleanor Brown	Nil
Keshia Nelson-Brown	Nil
Jeffrey Cobham	Nil
Oliver Holmes	Nil
John Rosen	Nil
Eric Stultz	Nil

SENIOR PERSONS

John Rosen	Nil
Winston Butler	Nil
Kevin Price	Nil
M. Olivia Glover	Nil
Bernadette Wong	Nil

TEN LARGEST SHAREHOLDERS

Three Bears Limited	5,928,463
Advantage General Insurance Ltd.	898,812
Donwis Ltd.	748,000
Stocks and Securities Ltd.(ALPHA)	419,296
Ideal Betting Company. Ltd.	275,531
Ideal Group Corporation Ltd.	272,600
Ideal Financial Corporation Ltd	262,000
Ideal Portfolio Services Company Ltd.	250,300
Donovan A. Lewis	167,740
Tekodoo Investments Ltd.	118,131

PLACE
$100
STAMP
HERE

FORM OF PROXY

I/WE ………………………………………………………………………………….

of …………………………………………………………...Being a member/members

of the above-named Company, hereby apoint………………………………………………

……………………………………………………of…………………………………………….

or failing him………………………………..of…………………………………………….

……………………………………………………as my/our proxy to vote for me/us on

my/our behalf at the Annual General Meeting of the Company to be held on the 29th day of January, 2009 and at any adjournment thereof.

Dated this ……………………………………day of ……………………………2009

Signed …………………………………………………………………………………

Notes:

1. This Form of Proxy must be received by the Secretary of the Company not less than 48 hours before the time appointed for the Meeting.
2. This Form of Proxy should bear stamp duty of $100. Adhesive stamps are to be cancelled by the person signing the proxy.
3. It the appointer is a Corporation, this Form of Proxy must be executed under its Common Seal or under the hand of an officer of the Company.