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Jamaica Broilers Group Limited

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28 April 2012

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Independent Auditors' Report

To the Members of
Jamaica Broilers Group Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Jamaica Broilers Group Limited and its subsidiaries, set out on pages 1 to 70, which comprise the consolidated balance sheet as at 28 April 2012 and the consolidated statements of comprehensive income, changes in stockholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards and with the requirements of the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated 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 about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view 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 entity'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 consolidated financial statements.

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

PricewaterhouseCoopers, Scotiabank Centre, Duke Street, Box 372, Kingston, Jamaica
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Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Jamaica Broilers Group Limited and its subsidiaries as at 28 April 2012, and of their financial performance and cash flows for the year then ended, so far as concerns the members of the Jamaica Broilers Group Limited, in accordance with International Financial Reporting Standards and the requirements of the Jamaican Companies Act.

Report on Other Legal and Regulatory Requirements

As required by 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 kept, so far as appears from our examination of those records, and the accompanying consolidated financial statements are in agreement therewith and give the information required by the Jamaican Companies Act, in the manner so required.

PricewaterhouseCoopers
Chartered Accountants
26 July 2012
Kingston, Jamaica

Jamaica Broilers Group Limited

Group Statement of Comprehensive Income

Year ended 28 April 2012

(expressed in Jamaican dollars unless otherwise indicated)

	Note	28 April 2012 $'000	30 April 2011 $'000
Revenue		23,672,341	21,294,517
Cost of sales		(18,917,064)	(16,696,155)
Gross Profit		4,755,277	4,598,362
Other (losses)/gains	6	(9,168)	200,514
Distribution costs		(643,347)	(591,660)
Administration and other expenses		(2,665,176)	(2,545,903)
Operating Profit		1,437,586	1,661,313
Finance income	9	38,771	21,904
Finance costs	9	(361,600)	(340,377)
Profit before Taxation		1,114,757	1,342,840
Taxation	10	(178,551)	(386,746)
Net Profit		936,206	956,094
Unrealised gains on available-for-sale securities		-	3,273
Losses on available-for-sale securities reclassified and reported in profit		4,944	-
Exchange differences on translating foreign operations		42,584	(100,328)
Total other comprehensive income		47,528	(97,055)
Total Comprehensive Income		983,734	859,039
Net profit attributable to:			
Holding company		885,218	625,521
Subsidiaries		50,988	330,573
		936,206	956,094
		Cents	**Cents**
Earnings per Stock Unit	11	78.06	79.72

Jamaica Broilers Group Limited

Group Balance Sheet

28 April 2012

(expressed in Jamaican dollars unless otherwise indicated)

	Note	28 April 2012 $'000	30 April 2011 $'000
Non-Current Assets			
Property, plant and equipment	12	7,208,170	6,596,076
Intangible asset	13	61,777	64,717
Investments	14	34,673	125,884
Deferred income taxes	16	44,696	27,058
Post-employment benefit assets	17	248,500	241,900
		7,597,816	7,055,635
Current Assets			
Inventories	18	3,374,862	2,820,443
Biological assets	19	983,210	914,498
Receivables	20	1,720,733	1,504,308
Taxation recoverable		8,945	4,285
Financial assets at fair value through profit or loss	21	481,898	983,754
Cash and short term investments	22	1,215,956	764,963
		7,785,604	6,992,251
Current Liabilities			
Payables	23	2,189,601	1,999,726
Taxation payable		241,177	387,155
Borrowings	25	1,385,287	1,452,598
		3,816,065	3,839,479
Net Current Assets		3,969,539	3,152,772
		11,567,355	10,208,407
Stockholders' Equity			
Share capital	26	765,137	765,137
Capital reserve	27	1,022,414	974,886
Retained earnings		6,578,766	5,810,763
		8,366,317	7,550,786
Non-Current Liabilities			
Borrowings	25	2,725,853	2,174,461
Deferred income taxes	16	460,985	469,860
Post-employment benefit obligations	17	14,200	13,300
		11,567,355	10,208,407

Approved for issue by the Board of Directors on 25 July 2012 and signed on its behalf by:

Robert E. Levy Director

Christopher Levy Director

Jamaica Broilers Group Limited

Group Statement of Changes in Stockholders' Equity

Year ended 28 April 2012

(expressed in Jamaican dollars unless otherwise indicated)

	Number of Shares	Share Capital	Capital Reserve	Retained Earnings	Total
	'000	$'000	$'000	$'000	$'000
Balance at 1 May 2010	1,199,277	765,137	1,071,941	5,046,553	6,883,631
Unrealised gains on available-for-sale securities	-	-	3,273	-	3,273
Exchange differences on translating foreign operations	-	-	(100,328)	-	(100,328)
Total other comprehensive income	-	-	(97,055)	-	(97,055)
Net profit	-	-	-	956,094	956,094
Total comprehensive income	-	-	(97,055)	956,094	859,039
Dividends (Note 24)	-	-	-	(191,884)	(191,884)
Movement during the year	-	-	(97,055)	764,210	667,155
Balance at 30 April 2011	1,199,277	765,137	974,886	5,810,763	7,550,786
Losses reclassified and reported in profit	-	-	4,944	-	4,944
Exchange differences on translating foreign operations	-	-	42,584	-	42,584
Total other comprehensive income	-	-	47,528	-	47,528
Net profit	-	-	-	936,206	936,206
Total comprehensive income	-	-	47,528	936,206	983,734
Dividends (Note 24)	-	-	-	(168,203)	(168,203)
Movement during the year	-	-	47,528	768,003	815,531
Balance at 28 April 2012	1,199,277	765,137	1,022,414	6,578,766	8,366,317

Jamaica Broilers Group Limited

Group Statement of Cash Flows

Year ended 28 April 2012

(expressed in Jamaican dollars unless otherwise indicated)

	Note	28 April 2012 $'000	30 April 2011 $'000
Cash Flows from Operating Activities			
Net profit		936,206	956,094
Adjustments for:			
Depreciation	12	471,904	480,268
Amortisation	13	14,520	13,367
Gain on disposal of property, plant and equipment	6	(3,639)	(3,864)
Gain on disposal of available-for-sale securities		-	(1,205)
Fair value loss/(gain) on financial assets at fair value through profit or loss	6	130,941	(114,750)
Changes in post-employment benefits		(5,700)	(31,600)
Taxation expense	10	178,551	386,746
Interest income	9	(38,771)	(21,904)
Unrealised foreign exchange losses/(gains)		20,879	(38,969)
Interest expense	9	326,853	340,774
		2,031,744	1,964,957
Changes in operating assets and liabilities:			
Inventories		(554,419)	(202,798)
Biological assets		(68,712)	(28,499)
Receivables		(219,299)	(218,981)
Payables		165,782	546,166
Financial assets at fair value through profit or loss		384,716	(869,003)
Translation loss on working capital of foreign subsidiaries		29,534	7,476
		1,769,346	1,199,318
Taxation paid		(351,042)	(115,208)
Cash provided by operating activities		1,418,304	1,084,110

Jamaica Broilers Group Limited

Group Statement of Cash Flows (Continued)

Year ended 28 April 2012

(expressed in Jamaican dollars unless otherwise indicated)

	Note	28 April 2012 $'000	30 April 2011 $'000
Cash Flows from Operating Activities		1,418,304	1,084,110
Cash Flows from Investing Activities			
Purchase of property, plant and equipment	12	(1,023,233)	(810,356)
Proceeds from disposal of property, plant and equipment		5,356	14,773
Purchase of intangible asset	13	(11,580)	(7,355)
Purchase of investments		(23,970)	(5,779)
Proceeds from sale of investments		109,151	3,016
Interest received		44,802	22,143
Cash used in investing activities		(899,474)	(783,558)
Cash Flows from Financing Activities			
Long term loans repaid		(3,762,266)	(3,326,492)
Long term loans received		4,292,686	3,124,305
Interest paid		(321,837)	(341,903)
Dividends paid		(168,203)	(191,884)
Cash provided by/(used in) financing activities		40,380	(735,974)
Effect of changes in exchange rates on cash and cash equivalents		4,473	(28,730)
Increase/(decrease) in cash and cash equivalents		563,683	(464,152)
Cash and cash equivalents at beginning of year		448,009	912,161
CASH AND CASH EQUIVALENTS AT END OF YEAR	22	1,011,692	448,009

Jamaica Broilers Group Limited

Company Statement of Comprehensive Income

Year ended 28 April 2012

(expressed in Jamaican dollars unless otherwise indicated)

	Note	28 April 2012 $'000	30 April 2011 $'000
Revenue		22,246,034	19,781,440
Cost of sales		(18,033,241)	(15,735,389)
Gross Profit		4,212,793	4,046,051
Other gains	6	373,904	16,503
Distribution costs		(593,949)	(553,497)
Administration and other expenses		(2,538,113)	(2,362,618)
Operating Profit		1,454,635	1,146,439
Finance income	9	12,670	8,784
Finance costs	9	(290,789)	(216,536)
Profit before Taxation		1,176,516	938,687
Taxation	10	(291,298)	(313,166)
Net Profit, being Total Comprehensive Income for the Year		885,218	625,521

Jamaica Broilers Group Limited

Company Balance Sheet

28 April 2012

(expressed in Jamaican dollars unless otherwise indicated)

	Note	28 April 2012 $'000	30 April 2011 $'000
Non-Current Assets			
Property, plant and equipment	12	2,231,082	2,176,684
Intangible asset	13	59,894	62,830
Investments	14	10,702	10,702
Interest in subsidiaries		410,612	293,030
Post-employment benefit assets	17	204,300	196,500
		2,916,590	2,739,746
Current Assets			
Inventories	18	3,034,767	2,660,637
Biological assets	19	457,877	442,503
Receivables	20	1,478,999	1,269,559
Subsidiaries		3,951,888	3,064,731
Taxation recoverable		1,218	2,469
Cash and short term investments	22	681,048	606,524
		9,605,797	8,046,423
Current Liabilities			
Payables	23	2,019,111	1,880,938
Taxation payable		237,413	279,212
Subsidiaries		488,345	399,768
Borrowings	25	1,285,956	1,014,873
		4,030,825	3,574,791
Net Current Assets		5,574,972	4,471,632
		8,491,562	7,211,378
Stockholders' Equity			
Share capital	26	765,137	765,137
Capital reserve	27	133,201	133,201
Retained earnings		4,767,319	4,050,304
		5,665,657	4,948,642
Non-Current Liabilities			
Borrowings	25	2,413,862	1,844,959
Deferred income taxes	16	399,443	405,977
Post-employment benefit obligations	17	12,600	11,800
		8,491,562	7,211,378

Approved for issue by the Board of Directors on 25 July 2012 and signed on its behalf by:

Robert E. Levy Director

Christopher Levy Director

Jamaica Broilers Group Limited

Company Statement of Changes in Stockholders' Equity

Year ended 28 April 2012

(expressed in Jamaican dollars unless otherwise indicated)

	Note	Number of Shares '000	Share Capital $'000	Capital Reserve $'000	Retained Earnings $'000	Total $'000
Balance at 1 May 2010		1,199,277	765,137	133,201	3,616,667	4,515,005
Net profit, being total comprehensive income for the year		-	-	-	625,521	625,521
Dividends	24	-	-	-	(191,884)	(191,884)
Movement during the year		-	-	-	433,637	433,637
Balance at 30 April 2011		1,199,277	765,137	133,201	4,050,304	4,948,642
Net profit, being total comprehensive income for the year				-	885,218	885,218
Dividends	24	-	-	-	(168,203)	(168,203)
Movement during the year		-	-	-	717,015	717,015
Balance at 28 April 2012		1,199,277	765,137	133,201	4,767,319	5,665,657

Jamaica Broilers Group Limited

Company Statement of Cash Flows

Year ended 28 April 2012

(expressed in Jamaican dollars unless otherwise indicated)

	Note	28 April 2012 $'000	30 April 2011 $'000
Cash Flows from Operating Activities			
Net profit		885,218	625,521
Adjustments for:			
Depreciation	12	210,679	198,317
Amortisation	13	14,129	13,007
Gain on disposal of property, plant and equipment	6	(3,035)	(3,833)
Gain on disposal of available-for-sale securities		-	(1,205)
Changes in post-employment benefits		(7,000)	(28,900)
Taxation expense	10	291,298	313,166
Interest income	9	(12,670)	(8,784)
Dividend income	6	(348,080)	-
Unrealised foreign exchange losses/(gains)		35,612	(40,019)
Interest expense	9	257,946	225,247
		1,324,097	1,292,517
Changes in operating assets and liabilities:			
Inventories		(374,130)	(214,242)
Biological assets		(15,374)	(52,384)
Receivables		(206,403)	(438,756)
Subsidiaries		(788,945)	(697,463)
Payables		114,080	585,491
		53,325	475,163
Taxation paid		(339,631)	(103,857)
Cash (used in)/provided by operating activities		(286,306)	371,306

Jamaica Broilers Group Limited
Company Statement of Cash Flows (Continued)
Year ended 28 April 2012
(expressed in Jamaican dollars unless otherwise indicated)

	Note	28 April 2012 $'000	30 April 2011 $'000
Cash Flows from Operating Activities		(286,306)	371,306
Cash Flows from Investing Activities			
Acquisition of subsidiary		(117,582)	(4,277)
Purchase of property, plant and equipment	12	(275,882)	(269,813)
Proceeds from disposal of property, plant and equipment		4,205	14,740
Purchase of intangible asset	13	(11,193)	(7,355)
Purchase of investments		-	(8,567)
Proceeds from sale of investments		-	3,016
Interest received		12,670	8,784
Dividend received		348,080	-
Cash used in investing activities		(39,702)	(263,472)
Cash Flows from Financing Activities			
Long term loans repaid		(3,266,437)	(2,791,772)
Long term loans received		4,197,065	2,697,461
Interest paid		(252,930)	(211,881)
Dividends paid		(168,203)	(191,884)
Cash provided by/(used in) financing activities		509,495	(498,076)
Effect of changes in exchange rates on cash and cash equivalents		4,366	(28,513)
Increase/(decrease) in cash and cash equivalents		187,853	(418,755)
Cash and cash equivalents at beginning of year		290,588	709,343
CASH AND CASH EQUIVALENTS AT END OF YEAR	22	478,441	290,588

Jamaica Broilers Group Limited

Notes to the Financial Statements
28 April 2012
(expressed in Jamaican dollars unless otherwise indicated)

1. Identification

Jamaica Broilers Group Limited (the company) is a company limited by shares, incorporated and domiciled in Jamaica. Its registered office is located at Content, McCooks Pen, St. Catherine. The company was incorporated in 1958.

The principal activities of the company and its subsidiaries include the production and distribution of poultry, ethanol, animal feeds and agricultural items (Note 2(b)). In addition, one of the company's subsidiaries, JB Ethanol Limited contractually processes hydrous alcohol into anhydrous ethanol on behalf of customers for a fee.

The company's subsidiaries together with the company are referred to as "the Group".

The company is listed on the Jamaica Stock Exchange.

2. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

The consolidated financial statements of Jamaica Broilers Group Limited have been prepared in accordance with International Financial Reporting Standards (IFRS) under the historical cost convention, as modified by the revaluation of certain financial assets.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Although these estimates are based on management's best knowledge of current events and action, actual results could differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

Interpretations and amendments to published standards effective in current year that are relevant to the Group's operations

- IAS 1 (Amendment), 'Presentation of Financial Statements', issued in May 2010 as part of the annual improvements to IFRS. This amendment clarifies that an entity will present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements. This amendment is applied retrospectively. The adoption of this amendment resulted in the company presenting an analysis of other comprehensive income in the statement of stockholders' equity.

- IFRS 7, 'Financial Instruments Disclosures', effective 1 January 2011. This amendment clarifies the disclosure requirement by emphasising the interaction between quantitative and qualitative disclosures and the nature and extent of risks associated with financial instruments. Amendments were made to quantitative and credit risk disclosures. The adoption of this amendment resulted in changes in the presentation of credit risk disclosures (Note 3).

2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Interpretations and amendments to published standards effective in current year that are relevant to the Group's operations (continued)

- IAS 24 (revised), 'Related party disclosures', issued in November 2009. It supersedes IAS 24, 'Related party disclosures', issued in 2003. IAS 24 (revised) is mandatory for periods beginning on or after 1 January 2011. Earlier application, in whole or in part, is permitted. The revised standard clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. There is no impact from the adoption of this amendment.

- IFRIC 14 (Amendments), 'Prepayments of a minimum funding requirement'. The amendments correct an unintended consequence of IFRIC 14, 'IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction'. Without the amendments, entities are not permitted to recognise as an asset some voluntary prepayments for minimum funding contributions. This was not intended when IFRIC 14 was issued, and the amendments correct this. The amendments are effective for annual periods beginning 1 January 2011. Earlier application is permitted and should be applied retrospectively. There is no impact from the adoption of this amendment.

- IFRIC 19, 'Extinguishing financial liabilities with equity instruments', effective 1 July 2010. The interpretation clarifies the accounting by an entity when the terms of a financial liability are renegotiated and result in the entity issuing equity instruments to a creditor of the entity to extinguish all or part of the financial liability (debt for equity swap). It requires a gain or loss to be recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued. If the fair value of the equity instruments issued cannot be reliably measured, the equity instruments should be measured to reflect the fair value of the financial liability extinguished. There is no impact from the adoption of this amendment.

Standards and amendments to published standards not yet effective and have not been early adopted by the Group

- IFRS 9, 'Financial Instruments', (effective for annual periods beginning on or after 1 January 2015). IFRS 9 addresses classification and measurement of financial assets and replaces the multiple classification and measurement models in IAS 39 with a single model that has only two classification categories: amortised cost and fair value. Classification under IFRS 9 is driven by the entity's business model for managing the financial assets and the contractual characteristics of the financial assets. IFRS 9 removes also the requirement to separate embedded derivatives from financial asset hosts. It requires a hybrid contract to be classified in its entirety at either amortised cost or fair value.

  For financial liabilities, IFRS 9 retains most of the IAS 39 requirements, including amortised cost accounting for most financial liabilities and the requirement to separate embedded derivatives. The main change is where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than in profit or loss, unless this creates an accounting mismatch. The adoption of IFRS 9 is currently not expected to have a material impact on the Group's financial position or results.

Jamaica Broilers Group Limited

Notes to the Financial Statements

28 April 2012

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(b) Basis of preparation (continued)

Interpretations and amendments to published standards effective in current year that are relevant to the Group's operations (continued)

- Amendment to IAS 1, 'Financial statement presentation' regarding other comprehensive income. The main change resulting from these amendments is a requirement for entities to group items presented in Other comprehensive income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI. This amendment is effective for annual periods beginning on or after 29 April 2012.

- IAS 19, 'Employee benefits' was amended in June 2011. The impact on the Group will be as follows: to eliminate the corridor approach and recognise all actuarial gains and losses in OCI as they occur; to immediately recognise all past service costs; and to replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability (asset). This amendment is effective for annual periods beginning on or after 28 April 2013. The Group is yet to assess the full impact of the amendments.

- IAS 12, 'Income taxes', currently requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. It can be difficult and subjective to assess whether recovery will be through use or through sale when the asset is measured using the fair value model in IAS 40, 'Investment property'. This amendment therefore introduces an exception to the existing principle for the measurement of deferred tax assets or liabilities arising on investment property measured at fair value. As a result of the amendments, SIC 21, 'Income taxes – recovery of revalued non-depreciable assets', will no longer apply to investment properties carried at fair value. The amendments also incorporate into IAS 12 the remaining guidance previously contained in SIC 21, which is withdrawn. This amendment is effective for annual periods beginning on or after 29 April 2012. The Group is yet to assess the full impact of the amendments.

2 Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards and amendments to published standards not yet effective and have not been early adopted by the Group (continued)

- IFRS 10, 'Consolidated Financial Statements', (effective for annual periods beginning on or after 1 January 2013). IFRS 10 replaces all of the guidance on control and consolidation in *IAS 27, 'Consolidated and Separate Financial Statements'*, and *SIC-12, 'Consolidation – Special Purpose Entities'*. IAS 27 (Revised) now renamed 'Separate Financial Statements'. IFRS 10 builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements. The standard provides additional guidance to assist in determining control where this is difficult to assess. This new standard might impact the entities that a group consolidates as its subsidiaries. The Group is assessing the impact of future adoption of the standard on its financial statements.

- IFRS 11, 'Joint Arrangements', (effective for annual periods beginning on or after 1 January 2013). IFRS 11 provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. There are two types of joint arrangements: joint operations and joint ventures. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and hence accounts for its interest in assets, liabilities, revenue and expenses. Joint ventures arise where the joint operator has rights to the net assets of the arrangement and hence equity accounts for its interest. Proportional consolidation of joint ventures is no longer allowed. This standard is not expected to have any significant impact on the Group's financial statements when it becomes effective.

- IFRS 12, 'Disclosure of Interests in Other Entities', (effective for annual periods beginning on or after 1 January 2013). IFRS 12 requires entities to disclose information that helps financial statement users to evaluate the nature, risks and financial effects associated with the entity's interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities. The Group is assessing the impact of future adoption of the standard on its financial statements.

- IFRS 13, 'Fair Value Measurement', (effective for annual periods beginning on or after 1 January 2013). IFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRS. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards. The requirements are similar to those in *IFRS 7, 'Financial instruments: Disclosures'*, but apply to all assets and liabilities measured at fair value, not just financial assets and liabilities. The Group is assessing the impact of future adoption of the standard on its financial statements.

- IAS 28 (Revised), 'Investments in Associates and Joint Ventures', (effective for annual periods beginning on or after 1 January 2013). IAS 28 (Revised) includes the requirements for joint ventures, as well as associates, to be equity accounted following the issue of IFRS 11. This standard is not expected to have any impact on the Group's financial statements.

2. Summary of Significant Accounting Policies (Continued)

(b) Consolidation

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity. The Group also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control. De-facto control may arise in circumstances where the size of the Group's voting rights relative to the size and dispersion of holdings of other shareholders give the Group the power to govern the financial and operating policies, etc.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition- by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Jointly controlled operation

The Group has a contractual arrangement to engage in joint activities that do not give rise to a jointly controlled entity.

The financial statements of the Group include its share of revenues and expenses arising jointly or otherwise from the operation. All such amounts are measured in accordance with the terms of the arrangement.

Jamaica Broilers Group Limited

Notes to the Financial Statements

28 April 2012

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2. Summary of Significant Accounting Policies (Continued)

(b) Consolidation (continued)

Subsidiaries (continued)

The consolidated financial statements include the financial statements of the company and its operating divisions and subsidiaries as follows:

	Principal Activities	% Ownership at 28 April 2012
Resident in Jamaica:		
Operating divisions		
Best Dressed Chicken (including Hipro-Ace)	Poultry and pullet production and feed milling, feed sales /retailers of farming equipment and supplies	100
Best Dressed Foods	Distributors of chicken, beef, fish and importation of protein products	100
Content Agricultural Products	Beef production, cattle rearing for sale processing and sale of salted products/pickled products	100
Subsidiaries		
Aquaculture Jamaica Limited and its wholly owned subsidiary:	Fish farming	100
Aqualapia Limited	Fish farming	100
Best Dressed Chicken Limited	Non-trading	100
Content Agricultural Products Limited	Property rental	100
Energy Associates Limited	Holding and investment company	100
CE Jamaica Inc.	Non- trading	100
EAL/ERI Co-generation Partners, LP	Generation of electricity	100
ERI Jam, LLC (subsidiary of ERI Services (St. Lucia) Limited)	Non-trading	100
JB Ethanol Limited (subsidiary of ERI Services (St. Lucia) Limited)	Ethanol production	100
Jabexco Limited	Non-trading	100
Jamaica Eggs Limited	Non-trading	100
Jamaica Poultry Breeders Limited	Fertile egg production	100
Levy Industries Limited	Property rental	100
Master Blend Feeds Limited	Property rental	100
JB. Trading Limited	Non-trading	100
Trafalgar Agriculture Development Limited	Non-trading	100
S.G Developments Limited	Non-trading	100
Resident outside of Jamaica:		
Atlantic United Insurance Company Limited, St.Lucia	Captive insurance	100
ERI Services (St. Lucia) Limited, St. Lucia	Holding company	100
Haiti Broilers, S.A. and its subsidiary:	Build out of production facilities for feed mill, hatchery and poultry farm	99
T&S Rice S.A., Haiti	Lessee of production facilities in Haiti	100
Wincorp Air Services Limited, St.Lucia	Aircraft ownership	100
International Poultry Breeders LLC, U.S.A.	Fertile egg production	90
Jabexco Cayman Limited, Cayman	Non-trading	40
Wincorp International, Inc., U.S.A. and its subsidiary:	Procurers and distributors of agricultural and industrial supplies	100
Consolidated Freight and Shipping, Inc.	Ocean freight consolidator	100

2. **Summary of Significant Accounting Policies (Continued)**

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the President and Chief Executive Officer.

(d) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of General Consumption Tax, returns, discounts and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group and specific criteria have been met in relation to the Group's activities as described below:

Sales of goods

Sales are recognised upon delivery of products, customer acceptance of the products and collectibility of the related receivables is reasonably assured.

Interest income

Interest income is recognised in profit or loss for all interest bearing instruments on an accrual basis using the effective yield method based on the actual purchase price. Interest income includes coupons earned on fixed income investments and accrued discount on other discounted instruments.

Dividend income

Dividend income is recognised when the right to receive payment is established.

(e) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

The consolidated financial statements are presented in Jamaican dollars, which is the Group's presentation currency.

(ii) Transactions and balances

Foreign currency transactions or that require settlement, in a foreign currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Monetary items denominated in foreign currency are translated with the closing rate as at the reporting date. Non-monetary items measured at historical cost denominated in a foreign currency are translated with the exchange rate as at the date of initial recognition; non-monetary items in a foreign currency that are measured at fair value are translated using the exchange rates at the date when the fair value was determined. These rates represent the weighted average rates at which the company trades in foreign currency.

2. Summary of Significant Accounting Policies (Continued)

(e) Foreign currency translation (continued)

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss, except when deferred in equity as gains or losses from qualifying cash flow hedging instruments.

All foreign exchange gains and losses recognised in the profit or loss are presented net in the profit or loss within the corresponding item. Foreign exchange gains and losses on other comprehensive income items are presented in other comprehensive income within the corresponding item.

Changes in the fair value of monetary securities denominated in foreign currency classified as available-for-sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in stockholders' equity.

Translation differences on non-monetary financial instruments, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary financial instruments, such as equities classified as available-for-sale financial assets, are included in the capital reserve in stockholders' equity.

On consolidation, exchange differences arising from the translation of borrowings that form a part of the net investment in foreign operations are taken to stockholders' equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in stockholders' equity are recognised in the profit or loss.

(f) Income taxes

Taxation expense in profit or loss comprises current and deferred tax charges.

(i) Current taxation

Current tax charges are based on taxable profit for the year, which differs from the profit before tax reported because it excludes items that are taxable or deductible in other years, and items that are never taxable or deductible. The Group's liability for current tax is calculated at tax rates that have been enacted at balance sheet date.

(ii) Deferred taxation

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability settled.

Deferred tax assets are recognised where it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Jamaica Broilers Group Limited

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2. Summary of Significant Accounting Policies (Continued)

(f) Income taxes (continued)

Deferred income tax is provided on temporary differences arising from investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the difference will not reverse in the foreseeable future.

The tax effects of income tax losses available for carry-forward are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilised.

(g) Property, plant and equipment

Property, plant and equipment are stated at historical cost, less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of items. Land is carried at cost and is not depreciated. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefit associated with the item will flow to the Group or the cost of the item can be measured reliably.

Depreciation is calculated on the straight line basis at such rates as will write off the carrying value of the assets over the period of their estimated useful lives. The expected useful lives are as follows:

Freehold buildings	11 – 100 years
Leasehold property	Life of lease
Plant, machinery and equipment	4 – 33 years
Furniture and fixtures	10 years
Motor vehicles	3 – 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are recognised in other income in profit or loss.

Repairs and maintenance expenditure are charged to profit or loss during the financial period in which they are incurred.

Jamaica Broilers Group Limited

Notes to the Financial Statements
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2. Summary of Significant Accounting Policies (Continued)

(h) Intangible assets

(i) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the acquisition date. Goodwill on acquisition of subsidiaries is included in intangible assets. Separately recognised goodwill is tested for impairment and carried at cost less accumulated impairment. Impairment losses on goodwill are not reversed Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

An excess of the identifiable net assets acquired over the acquisition cost is treated as negative goodwill. Negative goodwill related to expected post-acquisition losses is taken to profit or loss during the period the future losses are recognised. Negative goodwill which does not relate to expected future losses is recognised as income immediately.

(ii) Computer software

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over the estimated useful life of ten years for software on a straight line basis. Amortisation is recognised in the profit or loss in administration and other expenses.

Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred.

(i) Impairment of non-financial assets

Property, plant and equipment and other non-current assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the greater of an asset's net selling price and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2. Summary of Significant Accounting Policies (Continued)

(j) Financial assets

The Group classifies its financial assets into the following categories: financial assets at fair value through profit or loss, loans and receivables and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

(i) Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated as fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date, which are classified as non-current assets. Loans and receivables are classified as 'trade and other receivables' in the balance sheet.

(iii) Available-for sale financial assets

Available-for-sale investments are non-derivative financial assets intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices. Available-for-sale investments are initially recognised at fair value, which is the cash consideration including any transaction costs.

Purchases and sales of available-for-sale financial assets are recognised at the trade date – the date on which the Group commits the purchase or sell the asset. Loans and receivables are recognised when cash is advanced to the borrowers.

Subsequent to initial recognition at cost, financial assets at fair value through profit or loss and available-for-sale financial assets are carried at fair value. Loans and receivables financial assets are carried at amortised cost using the effective interest method. Gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised directly in other comprehensive income, until the financial asset is derecognised or impaired. At this time, the cumulative gain or loss previously recognised in other comprehensive income is recognised in profit or loss. However, interest calculated using the effective interest method and foreign currency gains and losses on monetary assets classified as available for sale are recognised in the profit or loss. Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payment is established.

2. Summary of Significant Accounting Policies (Continued)

(j) Financial assets (continued)

The fair values of quoted investments in active markets are based on current bid prices. Unquoted securities are recorded initially at cost. They are subsequently measured at fair value. Where fair value cannot be measured reliably they are measured at cost less impairment.

Financial assets are derecognised when the right to received cash flows from the financial assets have expired or where the Group has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when they are extinguished, that is, when the obligation is discharged, cancelled or expires.

The Group may choose to reclassify a non-derivative financial asset held for trading out of the held-for-trading category if the financial asset is no longer held for the purpose of selling it in the near term. Financial assets other than loans and receivables are permitted to be reclassified out of the held for trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near-term. In addition, the Group may choose to reclassify financial assets that would meet the definition of loans and receivables out of the held-for-trading or available-for-sale categories if the Group has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification. Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively.

Financial liabilities

The Group's financial liabilities are initially measured at fair value, and are subsequently measured at amortised cost using the effective interest method. These liabilities are classified as current and non-current liabilities.

(k) Interest in subsidiaries

Interests in subsidiaries are stated at cost.

(l) Employee benefits

(i) Pension obligations

The Group has a defined benefit plan; the assets of which are generally held in separate trustee-administered funds. The pension obligations are determined by periodic actuarial calculations.

The asset or liability recognised in the balance sheet in respect of defined benefit pension plans is the difference between the present value of the defined benefit obligation at the balance sheet date and the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension liability.

2. Summary of Significant Accounting Policies (Continued)

(l) Employee benefits (continued)

(i) Pension obligations (continued)

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions in excess of the greater of 10% of the value of plan assets or 10% of the defined benefit obligation are charged or credited to income over the employees' expected average remaining working lives.

Past-service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

An overseas subsidiary operates a defined contribution plan. The subsidiary's contributions are based primarily on employee participation. Once the contributions have been paid, the subsidiary has no further legal or constructive obligations.

(ii) Other post-employment benefits

The Group also provides supplementary medical and life insurance benefits to qualifying employees upon retirement. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit pension plans. Actuarial gains and losses arising from experience adjustments, and changes in actuarial assumptions in excess of the greater of 10% of the value of plan assets or 10% of the defined benefit obligation, are charged or credited to income over the expected average remaining working lives of the related employees. These obligations are valued annually by independent qualified actuaries.

(iii) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the balance sheet date are discounted to present value.

(iv) Leave entitlements

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

(v) Profit-sharing and performance incentives

The Group recognises a liability and an expense for performance incentives and profit-sharing based on a formula that takes into consideration the profit before taxation after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2. Summary of Significant Accounting Policies (Continued)

(m) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method.

Net realisable value is the estimated selling price in the ordinary course of business, less the cost of selling expenses.

(n) Biological assets

Biological assets include fish, beef cattle, breeder flocks held for the production of hatching eggs, layer pullets being grown for sale to table egg farmers and broiler flocks at various stages of growth.

There is an active market in Jamaica for live fish and beef cattle. However, no active markets exist for breeder flocks, layer pullets in grow out and broiler flocks at various stages of growth. Biological assets, except breeder flocks, are measured at fair value less cost to sell. Fair value is determined by reference to available market data. In the absence of market data, fair value is based on management's best estimate considering available data and benchmark statistics. Gains and losses arising from changes in fair values are recorded in profit or loss for the period in which they arise.

Breeder flocks are capitalised like a production asset. Breeder flocks are not sold and no active market exists for these birds. Other references to market prices such as market prices for similar assets are also not available. Valuation based on a discounted cash flow method is considered to be unreliable given the uncertainty with respect to mortality rates and production. Consequently, breeder flocks are measured at cost less depreciation and impairment losses. Depreciation is on a straight-line basis taking into account a small residual value.

(o) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the profit or loss in administration and other expenses. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited in profit or loss.

(p) Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of the cash flow statement, cash and cash equivalents comprise cash at bank and in hand, short term deposits and investments with original maturity dates of ninety days or less, net of short term loans and bank overdrafts.

(q) Trade payables

Trade payables are stated at cost.

2. Summary of Significant Accounting Policies (Continued)

(r) Borrowings and borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective yield method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of these assets. Capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(s) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, if it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

(t) Leases

Leases of property, plant and equipment, where the Group has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are recognised at the inception of the lease at the lower of the fair value of the leased asset or the present value of minimum lease payments. Each lease payment is allocated between the liability and interest charges so as to produce a constant rate of charge on the lease obligation. The interest element of the lease payments is charged to profit or loss over the lease period.

Property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset or the lease term.

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

(u) Dividends paid

Dividends on ordinary shares are recognised in stockholders' equity in the period in which they are approved by the company's stockholders.

Dividends for the year that are declared after the balance sheet date are dealt with in the subsequent events note.

3. Financial Risk Management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme includes a focus on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The Group's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Group regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

The Board of Directors is ultimately responsible for the establishment and oversight of the Group's risk management framework. The Board approves principles for overall risk management. The Board has established functions/committees for managing and monitoring risks, as follows:

(i) Treasury Function

The Treasury function is responsible for managing the Group's assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Group. The Treasury function identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units.

(ii) Audit Committee

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The most important types of risk are credit risk, liquidity risk and market risk. Market risk includes currency risk, interest rate and other price risk.

(a) Credit risk

The Group takes on exposure to credit risk, which is the risk that its customers or counterparties will cause a financial loss for the Group by failing to discharge their contractual obligations. Credit exposures arise principally from the Group's receivables from customers and investment activities. The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to a single counterparty or groups of related counterparties.

3. **Financial Risk Management (Continued)**

(a) **Credit risk (continued)**

Credit review process
The Group has an established credit process which involves regular analysis of the ability of borrowers and other counterparties to meet repayment obligations.

(i) Trade and other receivables
The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Customers of the Group include wholesalers, farm store and feed customers, and chicken and fish farmers. There is a credit policy in place under which each wholesaler and feed customer is analysed individually for creditworthiness prior to the Group offering them a credit facility. Customers are assigned credit limits, which represent the maximum credit allowable. The Group has procedures in place to restrict customer orders if the orders will exceed their credit limits. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group on a prepayment basis.

Credit risk relating to fish farmers is significantly reduced based on contracts the Group has with farmers who grow fish. Fingerlings, feed and medication are supplied to these farmers and the amounts treated as receivables. These farmers are then obliged to sell the harvested fish at an agreed price to the Group; at which time the receivables are offset.

The credit quality of the customer is assessed, taking into account its financial position, past experience and other factors. The utilisation of credit limits is regularly monitored. Sales to farm store customers are settled in cash or by the use of major credit cards.

Credit risk is managed for ethanol sales by obtaining letters of credit from reputable overseas financial institutions. JB Ethanol Limited contractually processes hydrous alcohol into anhydrous ethanol on behalf of customers for a fee; credit risk is managed by entering into contracts with reputable customers.

The Group establishes a provision for impairment that represents its estimate of incurred losses in respect of trade and other receivables. Impairment is assessed for each customer balance over 30 days.

The Group's credit period on the sale of goods ranges from 7 to 30 days. The Group has provided fully for all receivables where collectibility is deemed doubtful.

(ii) Investments
The Group limits its exposure to credit risk by investing mainly in liquid securities, with counterparties that have high credit quality and Government of Jamaica securities. Accordingly, management does not expect any counterparty to fail to meet its obligations.

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3. Financial Risk Management (Continued)

(a) Credit risk (continued)

Ageing analysis of trade receivables that are past due but not impaired

Trade receivables that are less than 30 days past due are not considered impaired. Trade receivables over 30 days overdue are considered impaired.

Ageing analysis of trade receivables that are past due and impaired

As of 28 April 2012, trade receivables of $351,326,000 (2011 - $238,295,000) and $182,410,000 (2011 - $147,320,000) for the Group and company, respectively, were impaired. The amount of the provision was $147,193,000 (2011 - $141,326,000) and $75,419,000 (2011 - $73,487,000) for the Group and company, respectively. The impairment recognised represents an estimate of incurred losses in respect of trade receivables. The main components of the provision for impairment are a specific loss component that relates to individually significant exposures, and a collective loss component based on the time value of money. The impaired receivables mainly relate to wholesalers who are in unexpected difficult economic situations. It was assessed that a portion of the receivables is expected to be recovered.

	The Group		The Company	
	28 April 2012	30 April 2011	28 April 2012	30 April 2011
	$'000	$'000	$'000	$'000
Past due 31 to 60 days	56,794	64,576	39,293	42,858
Past due 61 to 90 days	34,334	32,352	8,763	13,759
Past due over 91 days	260,198	141,367	134,354	90,703
	351,326	238,295	182,410	147,320

Movement on the provision for impairment of trade receivables

The movement on the provision for impairment of trade receivables was as follows:

	The Group		The Company	
	28 April 2012	30 April 2011	28 April 2012	30 April 2011
	$'000	$'000	$'000	$'000
At beginning of year	141,326	110,523	73,487	66,337
Provision for receivables impairment	35,745	35,041	32,111	11,066
Receivables written off during the year as uncollectible	(17,849)	(2,150)	(17,849)	(2,150)
Recoveries	(12,330)	(1,766)	(12,330)	(1,766)
Translation	301	(322)	-	-
At end of year	147,193	141,326	75,419	73,487

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3. Financial Risk Management (Continued)

(a) Credit risk (continued)

Movement on the provision for impairment of trade receivables (continued)

The creation and release of provision for impaired receivables have been included in expenses in profit or loss. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

There are no significant financial assets other than those listed above that were individually impaired.

Exposure to credit risk for trade receivables

The following table summarises the Group's and company's credit exposure for trade receivables at their carrying amounts, as categorised by the customer sector:

	The Group		The Company	
	28 April 2012 $'000	**30 April 2011 $'000**	**28 April 2012 $'000**	**30 April 2011 $'000**
In Jamaica -				
Wholesale, retail and hotel	931,211	875,806	922,135	855,545
Contract farmers	63,064	52,031	3,493	3,850
Other	163,159	167,953	163,158	145,514
	1,157,434	1,095,790	1,088,786	1,004,909
Overseas customers	184,412	138,785	9,702	26,201
	1,341,846	1,234,575	1,098,488	1,031,110
Less: Provision for impairment	(147,193)	(141,326)	(75,419)	(73,487)
	1,194,653	1,093,249	1,023,069	957,623

Overseas customers mainly relate to customers in the United States of America in 2012 and 2011.

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3. Financial Risk Management (Continued)

(a) Credit risk (continued)

Exposure to credit risk for investments

The following table summarises the Group's and company's credit exposure for investments at their carrying amounts, as categorised by issuer. The carrying amounts below represent the total for investments (adjusted for equity securities) included in Note 14, financial assets at fair value through profit or loss in Note 21 and short term investments included in Note 22:

	The Group		The Company	
	28 April 2012 $'000	30 April 2011 $'000	28 April 2012 $'000	30 April 2011 $'000
Government of Jamaica	-	115,182	-	-
Financial institutions	745,762	1,028,345	248,009	29,426
	745,762	1,143,527	248,009	29,426

(b) Liquidity risk

Liquidity risk is the risk that the Group may be unable to meet its payment obligations associated with its financial liabilities when they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

Liquidity risk management process

The Group's liquidity management process, as carried out within the Group and monitored by the Treasury function, includes:

(i) Monitoring future cash flows and liquidity periodically. This incorporates an assessment of expected cash flows;

(ii) Maintaining a portfolio of highly marketable assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;

(iii) Maintaining committed lines of credit;

(iv) Managing the concentration and profile of debt maturities.

Jamaica Broilers Group Limited

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3. Financial Risk Management (Continued)

(b) Liquidity risk (continued)

The matching and controlled mismatching of the maturities and interest rates of assets and liabilities are fundamental to the management of the Group. It is unusual for companies ever to be completely matched since business transacted is often of uncertain term and of different types. An unmatched position potentially enhances profitability, but can also increase the risk of loss.

The maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities as they mature, are important factors in assessing the liquidity of the Group and its exposure to changes in interest rates and exchange rates.

Financial liabilities cash flows

The tables below summarise the maturity profile of the Group's and company's financial liabilities at 28 April 2012 and 30 April 2011 based on contractual undiscounted payments.

	The Group				
	Within 3 Months $'000	4 to 12 Months $'000	2 to 5 Years $'000	Over 5 Years $'000	Total $'000
As at 28 April 2012					
Payables	2,189,601	-	-	-	2,189,601
Borrowings	581,060	1,171,526	2,809,255	31,914	4,593,755
Total financial liabilities (contractual maturity dates)	2,770,661	1,171,526	2,809,255	31,914	6,783,356

	The Group				
	Within 3 Months $'000	4 to 12 Months $'000	2 to 5 Years $'000	Over 5 Years $'000	Total $'000
As at 30 April 2011					
Payables	1,999,726	-	-	-	1,999,726
Borrowings	792,478	1,750,027	1,469,831	11	4,012,347
Total financial liabilities (contractual maturity dates)	2,792,204	1,750,027	1,469,831	11	6,012,073

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3. Financial Risk Management (Continued)

(b) Liquidity risk (continued)

Financial liabilities cash flows (continued)

	The Company				
	Within 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Over 5 Years $'000	Total $'000
As at 28 April 2012					
Payables	2,019,111	-	-	-	2,019,111
Borrowings	508,429	1,004,185	2,615,337	-	4,127,951
Total financial liabilities (contractual maturity dates)	2,527,540	1,004,185	2,615,337	-	6,147,062

	The Company				
	Within 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Over 5 Years $'000	Total $'000
As at 30 April 2011					
Payables	1,880,938	-	-	-	1,880,938
Borrowings	643,501	1,432,420	1,088,269	-	3,164,190
Total financial liabilities (contractual maturity dates)	2,524,439	1,432,420	1,088,269	-	5,045,128

Assets available to meet liabilities and to cover financial liabilities include cash and short term investments.

Jamaica Broilers Group Limited

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3. **Financial Risk Management (Continued)**

(b) Liquidity risk (continued)

Off-balance sheet items – Contingent liabilities and commitments

(a) The company has issued a letter of comfort indicating its intention to provide financial support to its subsidiary, International Poultry Breeders LLC.

(b) The company has guaranteed $428,000,000 (2011 - $1,080,000,000) and US$Nil (2011 - US$10,000,000) in favour of various financial institutions for loans undertaken.

(c) The Group had capital commitments in respect of projects being undertaken of $223,532,000 (2011 - $194,000,000).

(d) JB Ethanol Limited, a subsidiary, has guaranteed US$9,000,000 (2011 - US$9,000,000) in favour of the company with Inter-American Investment Corporation.

(e) The Group has obligations under long term operating leases for premises. Future minimum lease payments under such commitments are as follows:

	The Group	
	28 April 2012	30 April 2011
	$'000	$'000
Not later than 1 year	10,087	10,783
Later than 1 year and not later than 5 years	8,020	18,751
	18,107	29,534

(f) The Group is subject to various claims, disputes and legal proceedings, in the normal course of business. Provisions are made for such matters when in the opinion of management and its legal counsel, it is probable that a payment will be made by the Group and the amount can be reasonably estimated.

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3. Financial Risk Management (Continued)

(c) Market risk
The Group takes on exposure to market risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks mainly arise from changes in foreign currency exchange rates, interest rates and commodity prices. Market risk is monitored by the Group's Treasury function which carries out research and monitors the price movement of financial assets on the local and international markets. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

There has been no change to the Group's exposure to market risk or the manner in which it manages and measures the risk.

(i) Currency risk
Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The Group manages its foreign exchange risk by ensuring that the net exposure in foreign assets and liabilities is kept to an acceptable level by monitoring currency positions. The Group further manages this risk by maximising foreign currency earnings and holding foreign currency balances.

The Group has operations in two functional currencies, Jamaican dollar and United States dollar, which provide a natural hedge in currency risk.

The Group's and the company's balance sheets at 28 April 2012 includes aggregate net foreign liabilities of approximately US$24,213,000 (2011 – US$13,265,000) and US$24,193,000 (2011 – US$13,398,000), respectively, in respect of transactions arising in the ordinary course of business respectively.

Foreign currency sensitivity

The following tables indicate the currencies to which the Group and company had significant exposure on its monetary assets and liabilities and its forecast cash flows. The change in currency rate below represents management's assessment of the possible change in foreign exchange rates with all variables held constant. The sensitivity analysis on pre-tax profit is based on outstanding foreign currency denominated monetary items and adjusts their translation at the year end for 1% depreciation and a 1% appreciation of the Jamaican dollar against the US dollar.

3. **Financial Risk Management (Continued)**

(c) **Market risk (continued)**

(i) Currency risk (continued)

	The Group			
	% Change in Currency Rate 28 April 2012 $'000	Effect on Pre-tax Profit 28 April 2012 $'000	% Change in Currency Rate 30 April 2011 $'000	Effect on Net Profit 30 April 2011 $'000
Currency:				
USD	+1	(21,003)	+1	(11,461)
USD	-1	21,003	-1	11,461

	The Company			
	% Change in Currency Rate 28 April 2012 $'000	Effect on Net Profit 28 April 2012 $'000	% Change in Currency Rate 30 April 2011 $'000	Effect on Net Profit 30 April 2011 $'000
Currency:				
USD	+1	(20,986)	+1	(11,347)
USD	-1	20,986	-1	11,347

(ii) Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Floating rate instruments expose the Group to cash flow interest risk, whereas fixed interest rate instruments expose the Group to fair value interest risk.

The Group's interest rate risk mainly arises from its long term investments. This risk is managed by analysing the economic environment and obtaining fixed rate loans when interest rates are expected to rise and floating rate loans when interest rates are expected to fall. The policy also requires it to manage the maturities of interest bearing financial assets and liabilities.

Investments

At 28 April 2012 and 30 April 2011, the Group's investments were fixed rate instruments.

3. Financial Risk Management (Continued)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

Interest rate sensitivity

The following tables indicate the sensitivity to a reasonable possible change in interest rates, with all other variables held constant, on the Group's and company's profit or loss and stockholders' equity.

The sensitivity of the profit or loss is the effect of a 0.5% change in interest rates on pre-tax profit based on the floating rate borrowings. The sensitivity of other components of stockholders' equity is calculated by revaluing fixed rate available-for-sale financial assets for the effects of an assumed change in interest rates. The available-for-sale financial asset matured during the year.

Effect on pre-tax profit from a 50 change in basis points:

	The Group		The Company	
	Effect on Pre-tax Profit 28 April 2012 $'000	Effect on Pre-tax Profit 30 April 2011 $'000	Effect on Pre-tax Profit 28 April 2012 $'000	Effect on Pre-tax Profit 30 April 2011 $'000
Change in basis points:				
-50 (2011: -50)	5,586	6,754	5,570	3,243
+50 (2011: 50)	(5,586)	(6,754)	(5,570)	(3,243)

(iii) Commodity price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market.

The Group and the company are exposed to price risk relating to corn, soya bean meal and ethanol.

The Group and the company enter into commodity contracts or related financial instruments in respect of its future usage requirements. The price of these commodities is reviewed regularly in considering the need for active financial risk management.

To manage price risk in the ethanol operation, purchases and related sales are effected on the same bases to the extent possible to create a hedge. In the few instances in which a mismatch occurs a short term financial hedging instrument may be used to minimise attendant risks. Price risk is also managed by entering into contracts to process hydrous alcohol into anhydrous ethanol on behalf of customers for a fee.

To manage price risk on imported corn and soya bean meal, short term commodity instruments are used.

3. Financial Risk Management (Continued)

(d) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for its stockholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital as well as meet externally imposed capital requirements. The Board of Directors monitors the return on capital, which the Group defines as net operating income divided by total stockholders' equity. The Board of Directors also monitors the level of dividends to ordinary stockholders.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as borrowings divided by total capital. Borrowings include current and non-current borrowings as shown in the consolidated balance sheet. Total capital is calculated as 'stockholders' equity' as shown in the consolidated balance sheet plus borrowings.

During 2012, the Group's strategy, which was unchanged from 2011, was to maintain the gearing ratio below 1:1. The gearing ratios at 28 April 2012 and 30 April 2011 were as follows:

	The Group	
	28 April 2012	**30 April 2011**
	$'000	**$'000**
Borrowings	4,111,140	3,627,058
Total capital	12,477,457	11,177,845
Gearing ratio	1:3	1:3

There were no changes to the Group's approach to capital management during the year.

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Critical judgments in applying the Group's accounting policies

In the process of applying the Group's accounting policies, management has made no significant judgements regarding the amounts recognised in the financial statements.

(b) Key sources of estimation uncertainty

Income taxes

Estimates are required in determining the provision for income taxes. There are some transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for possible tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were originally recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Post-employment benefits

Accounting for some post employment benefits requires the use of actuarial techniques to make a reliable estimate of the amount of benefit that employees have earned in return for their service in the current and prior periods. These actuarial assumptions are based on management's best estimates of the variables that will determine the ultimate cost of providing post-employment benefits and comprise both demographic and financial assumptions. Variations in the financial assumptions can cause material adjustments in the next financial year, if it is determined that the actual experience differed from the estimate (Note 17).

Depreciable assets

Estimates of the useful life and the residual value of property, plant and equipment are required in order to apply an adequate rate of transferring the economic benefits embodied in these assets in the relevant periods. The Group applies a variety of methods in an effort to arrive at these estimates from which actual results may vary. Actual variations in estimated useful lives and residual values are reflected in profit or loss through impairment or adjusted depreciation provisions.

Jamaica Broilers Group Limited

5. Segmental Financial Information

Management has determined the operating segments based on the reports reviewed by the President and Chief Executive Officer that are used to make strategic decisions.

The following segment assets and liabilities are reviewed by the CODM:

- Best Dressed Foods Division - Inventories and receivables.
- Hipro-Ace Division - Inventories and receivables.
- Ethanol Operations - All assets and liabilities relating to ethanol activities.

Interest income and interest expense are not included in the measure of segment results and are not regularly reviewed by the President and Chief Executive Officer.

The company is domiciled in Jamaica. Revenue from its external customers attributable to Jamaica is $22,587,051,000 (2011 - $20,460,209,000) and $1,085,290,000 (2011 - $834,308,000) from external customers in other countries.

Property, plant and equipment and intangible assets located in Jamaica and other countries are $6,472,000,000 (2011 - $6,335,510,000) and $797,947,000 (2011 - $305,283,000) respectively.

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5. Segmental Financial Information (Continued)

	2012					
	Best Dressed Foods Division	**Hipro-Ace Division**	**Ethanol Operations**	**Other**	**Eliminations**	**Group**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
External revenues	12,377,638	8,537,870	1,191,388	1,565,445	-	23,672,341
Revenue from other segments	181,214	240,643	-	2,579,506	(3,001,363)	-
Total revenue	12,558,852	8,778,513	1,191,388	4,144,951	(3,001,363)	23,672,341
Segment result	1,011,058	1,125,171	62,775	(29,472)	-	2,169,532
Unallocated corporate expenses						(731,946)
Operating profit						1,437,586
Finance income						38,771
Finance costs						(361,600)
Profit before tax						1,114,757
Taxation						(178,551)
Net profit						936,206
Segment assets	1,117,138	719,594	3,919,161	-	-	5,755,893
Other current and non-current assets						9,627,527
Total assets						15,383,420
Segment liabilities	-	-	2,123,515	-	-	2,123,515
Other current and non-current liabilities						4,893,588
Total liabilities						7,017,103
Other segment items-						
Capital expenditure	6,775	21,155	-	1,006,883	-	1,034,813
Amortisation	959	1,198	-	12,363	-	14,520
Depreciation	9,586	11,535	169,709	281,074	-	471,904

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5. Segmental Financial Information (Continued)

	2011					
	Best Dressed Foods Division	Hipro-Ace Division	Ethanol Operations	Other	Eliminations	Group
	$'000	$'000	$'000	$'000	$'000	$'000
External revenues	11,708,652	7,133,136	1,078,085	1,374,644	-	21,294,517
Revenue from other segments	187,647	147,409	-	2,248,205	(2,583,261)	-
Total revenue	11,896,299	7,280,545	1,078,085	3,622,849	(2,583,261)	21,294,517
Segment result	1,238,968	890,307	88,674	212,601	-	2,430,550
Unallocated corporate expenses						(769,237)
Operating profit						1,661,313
Finance income						21,904
Finance costs						(340,377)
Profit before tax						1,342,840
Taxation						(386,746)
Net profit						956,094
Segment assets	991,641	614,028	3,971,874	-	-	5,577,543
Other current and non-current assets						8,470,343
Total assets						14,047,886
Segment liabilities	-	-	2,251,206	-	-	2,251,206
Other current and non-current liabilities						4,245,894
Total liabilities						6,497,100
Other segment items-						
Capital expenditure	15,592	9,507	13,249	779,363		817,711
Amortisation	478	-	-	12,889		13,367
Depreciation	9,544	9,453	168,893	292,378		480,268

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6. Other (Losses)/Gains

	The Group		The Company	
	28 April 2012 $'000	**30 April 2011 $'000**	**28 April 2012 $'000**	**30 April 2011 $'000**
Dividend income from subsidiary	-	-	348,080	-
Fair value (loss)/gain on financial assets at fair value through profit or loss (Note 21)	(130,941)	114,750	-	-
Insurance claim	10,394	20,854	-	-
Gain on sale of property, plant and equipment	3,639	3,864	3,035	3,833
Reinsurance commissions	42,320	41,375	-	-
Negotiated settlements	25,905	-	-	-
Other	39,515	19,671	22,789	12,670
	(9,168)	200,514	373,904	16,503

7. Expenses by Nature

	The Group		The Company	
	28 April 2012 $'000	**30 April 2011 $'000**	**28 April 2012 $'000**	**30 April 2011 $'000**
Auditors' remuneration	30,052	20,098	18,842	10,182
Advertising and promotions	430,349	350,392	430,110	347,285
Amortisation of intangible assets (Note 13)	14,520	13,367	14,128	13,007
Bad debts	51,884	33,275	37,582	9,300
Cost of inventories recognised as expense	13,447,931	11,350,690	13,853,742	11,379,992
Fuel	1,010,156	668,820	477,865	366,092
Depreciation (Note 12)	471,904	480,268	210,679	198,317
Occupancy – rent and utilities	483,896	334,410	409,159	261,214
Repairs and maintenance	795,036	731,268	727,396	670,734
Staff costs (Note 8)	3,043,535	2,819,675	2,713,223	2,479,909
Other expenses	2,446,324	3,031,455	2,272,577	2,915,472
	22,225,587	19,833,718	21,165,303	18,651,504

Expenses by nature include the total of cost of sales, distribution costs, administration and other expenses.

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8. Staff Costs

	The Group		The Company	
	28 April 2012 $'000	30 April 2011 $'000	28 April 2012 $'000	30 April 2011 $'000
Wages, salaries and contractors' costs	2,417,401	2,291,823	2,161,137	2,006,283
Payroll taxes - Employer's portion	146,360	166,196	128,719	147,853
Pension costs - defined contribution plan	4,175	4,330	-	-
Pension costs - defined benefit plan (Note 17)	30,600	(1,100)	27,000	(1,500)
Post-employment medical benefits (Note 17)	2,200	5,600	2,000	5,400
Termination costs	13,519	1,324	13,519	1,324
Other - benefits and welfare	429,280	351,502	380,848	320,549
	3,043,535	2,819,675	2,713,223	2,479,909

9. Finance Income and Costs

	The Group		The Company	
	28 April 2012 $'000	30 April 2011 $'000	28 April 2012 $'000	30 April 2011 $'000
Finance income -				
Interest income	38,771	21,904	12,670	8,784
Finance costs -				
Foreign exchange losses/(gains)	12,494	(41,405)	18,016	(42,239)
Interest expense	326,853	340,774	257,946	225,247
Amortisation of debt financing fees and other expenses	22,253	41,008	14,827	33,528
	361,600	340,377	290,789	216,536

10. Taxation

The Group's subsidiary, JB Ethanol Limited, is an approved enterprise under the Jamaica Export Free Zone Act 1982, and accordingly has been granted total relief from income tax in respect of profits earned from its manufacturing and retailing operations until 2015.

The egg production operation of Jamaica Poultry Breeders Limited was relieved from income tax until 1989 by virtue of the provisions of the Industrial Incentives Act. With effect from 1990 the egg production and crop growing operations were relieved from income tax for ten years under the provisions of the Income Tax (Approved Farmers) Act. A further five year period of relief was granted in 2006 by the Ministry of Finance and Planning and this expired in 2010. A tax provision was therefore included for Jamaica Poultry Breeders Limited for 2010 and 2011.

Subsequently, an Order was approved in February 2012 granting a further relief of five years commencing in the 2010 year of assessment. The provision made in 2010 and 2011 was consequently reversed in the current year.

Subsidiaries incorporated and domiciled in Jamaica and St. Lucia are taxable at a rate of 33⅓% and 1% on their income, respectively.

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10. Taxation (Continued)

(a) Taxation is based on the profit for the year adjusted for tax purposes and comprises:

	The Group		The Company	
	28 April 2012 $'000	30 April 2011 $'000	28 April 2012 $'000	30 April 2011 $'000
Current taxation	204,216	370,561	297,832	307,680
Prior year under/(over) provision	848	(255)	-	-
Deferred taxation (Note 16)	(26,513)	16,440	(6,534)	5,486
	178,551	386,746	291,298	313,166

(b) The tax on the Group's and company's profit differs from the theoretical amount that would arise using the applicable tax rate as follows:

	The Group		The Company	
	28 April 2012 $'000	30 April 2011 $'000	28 April 2012 $'000	30 April 2011 $'000
Profit before taxation for taxable entities	1,109,902	1,156,362	1,176,516	938,687
Profit before taxation for non-taxable entities	4,855	186,478	-	-
	1,114,757	1,342,840	1,176,516	938,687
Tax calculated at applicable tax rates	475,145	378,542	392,172	312,896
Adjusted for:				
Income not subject to tax	(172,097)	(1,999)	(116,027)	(402)
Utilisation of tax losses previously unrecognised	(15,938)	(36,781)	-	-
Reversal of prior years' current tax accrual for Jamaica Poultry Breeders Limited	(99,398)	-	-	-
Deferred tax not recognised on tax losses	8,191	25,351	-	-
Deferred tax on prior year's tax losses recognised	(43,386)	-	-	-
Exchange gains on subsidiary's loan recognised in stockholders' equity	10,728	19,766	-	-
Prior year under/(over) provision - current tax	848	(255)	-	-
Expenses not deductible for tax purposes and other allowances	14,458	2,122	15,153	672
Income tax expense	178,551	386,746	291,298	313,166

Subject to agreement with the Taxpayer Audit and Assessment Department, losses available for offset against future profits of certain local subsidiaries amount to approximately $159,842,000 (2011 – $230,268,000).

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11. Earnings Per Stock Unit

The calculation of earnings per ordinary stock unit is based on the Group's net profit and 1,199,277,000 ordinary stocks units in issue.

12. Property, Plant and Equipment

	The Group							
	2012							
	Freehold Land	Freehold Buildings	Leasehold Property	Plant, Machinery & Equipment	Furniture & Fixtures	Motor Vehicles	Capital Work in Progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At Cost -								
At 30 April 2011	112,070	1,867,822	63,823	6,321,994	735,137	396,286	154,753	9,561,885
Additions	214,255	55,533	80,342	358,315	10,536	91,303	212,949	1,023,233
Translation	335	2,390	(604)	69,430	5,155	266	46	77,018
Disposals	-	-	-	(809)	-	(2,145)	(1,170)	(4,124)
Transfers/reclassifications	-	-	-	25,571	44,220	-	(69,791)	-
At 28 April 2012	326,660	1,925,745	143,561	6,684,501	795,048	485,710	296,787	10,658,012
Depreciation -								
At 30 April 2011	-	627,631	49,117	1,676,306	354,901	257,854	-	2,965,809
Charge for the year	-	47,552	2,958	297,811	71,515	52,068	-	471,904
Translation	-	416	129	11,609	1,942	440	-	14,536
Relieved on disposals	-	-	-	(262)	-	(2,145)	-	(2,407)
At 28 April 2012	-	675,599	52,204	1,985,464	428,358	308,217	-	3,449,842
Net Book Value -								
At 28 April 2012	326,660	1,250,146	91,357	4,699,037	366,690	177,493	296,787	7,208,170

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12. Property, Plant and Equipment (Continued)

	The Group							
	2011							
	Freehold Land	Freehold Buildings	Leasehold Property	Plant, Machinery & Equipment	Furniture & Fixtures	Motor Vehicles	Capital Work in Progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At Cost -								
At 1 May 2010	112,770	1,819,507	66,075	5,706,992	642,387	355,792	240,814	8,944,337
Additions	-	44,990	-	353,482	29,863	73,614	308,407	810,356
Translation	(700)	(3,861)	(290)	(140,879)	(10,333)	(1,097)	(276)	(157,436)
Disposals	-	-	-	(4,717)	(35)	(32,023)	-	(36,775)
Transfers/reclassifications	-	7,186	(1,962)	317,116	73,255	-	(394,192)	1,403
At 30 April 2011	112,070	1,867,822	63,823	6,231,994	735,137	396,286	154,753	9,561,885
Depreciation -								
At 1 May 2010	-	558,641	46,814	1,395,395	293,430	235,467	-	2,529,747
Charge for the year	-	69,298	2,935	295,187	65,016	47,832	-	480,268
Translation	-	(695)	(222)	(15,406)	(2,376)	(1,042)	-	(19,741)
Relieved on disposals	-	-	-	(1,601)	(35)	(24,232)	-	(25,868)
Transfers/reclassifications	-	387	(410)	2,731	(1,134)	(171)	-	1,403
At 30 April 2011	-	627,631	49,117	1,676,306	354,901	257,854	-	2,965,809
Net Book Value -								
At 30 April 2011	112,070	1,240,191	14,706	4,555,688	380,236	138,432	154,753	6,596,076

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12. Property, Plant and Equipment (Continued)

	Freehold Land	Freehold Buildings	Leasehold Property	Machinery & Equipment	Furniture & Fixtures	Motor Vehicles	Capital Work in Progress	Total
	The Company							
	2012							
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
At Cost -								
At 30 April 2011	78,182	997,474	13,510	1,836,310	385,988	328,130	147,356	3,786,950
Additions	-	-	-	27,512	8,088	47,579	192,703	275,882
Disposals	-	-	-	-	-	-	(1,170)	(1,170)
Transfers/reclassifications	-	-	-	15,936	44,220	-	(69,791)	(9,635)
At 28 April 2012	78,182	997,474	13,510	1,879,758	438,296	375,709	269,098	4,052,027
Depreciation -								
At 30 April 2011	-	285,529	3,187	891,715	225,824	204,011	-	1,610,266
Charge for the year	-	24,343	398	101,894	40,191	43,853	-	210,679
At 28 April 2012	-	309,872	3,585	993,609	266,015	247,864	-	1,820,945
Net Book Value -								
At 28 April 2012	78,182	687,602	9,925	886,149	172,281	127,845	269,098	2,231,082

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12. Property, Plant and Equipment (Continued)

	The Company							
	2011							
	Freehold Land	Freehold Buildings	Leasehold Property	Machinery & Equipment	Furniture & Fixtures	Motor Vehicles	Capital Work in Progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At Cost -								
At 1 May 2010	78,182	997,474	13,510	1,690,177	292,857	295,713	183,115	3,551,028
Additions	-	-	-	79,558	29,436	62,940	97,879	269,813
Disposals	-	-	-	(3,368)	-	(30,523)	-	(33,891)
Transfers/reclassifications	-	-	-	69,943	63,695	-	(133,638)	-
At 30 April 2011	78,182	997,474	13,510	1,836,310	385,988	328,130	147,356	3,786,950
Depreciation -								
At 1 May 2010	-	261,186	2,789	792,366	192,466	186,126	-	1,434,933
Charge for the year	-	24,343	398	99,600	33,358	40,618	-	198,317
Relieved on disposals	-	-	-	(251)	-	(22,733)	-	(22,984)
At 30 April 2011	-	285,529	3,187	891,715	225,824	204,011	-	1,610,266
Net Book Value -								
At 30 April 2011	78,182	711,945	10,323	944,595	160,164	124,119	147,356	2,176,684

Depreciation is charged to cost of sales and administration and other expenses in profit or loss.

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13. Intangible Asset

	The Group	The Company
	Computer Software	**Computer Software**
	$'000	**$'000**
Cost -		
At 1 May 2010	136,435	131,924
Additions	7,355	7,355
At 30 April 2011	143,790	139,279
Additions	11,580	11,193
At 28 April 2012	155,370	150,472
Amortisation -		
At 1 May 2010	65,706	63,442
Charge for the year	13,367	13,007
At 30 April 2011	79,073	76,449
Charge for the year	14,520	14,129
At 28 April 2012	93,593	90,578
Net Book Value -		
28 April 2012	61,777	59,894
30 April 2011	64,717	62,830

The amortisation of computer software is included in administration and other expenses in profit or loss.

14. Investments

	The Group		The Company	
	28 April 2012 $'000	30 April 2011 $'000	28 April 2012 $'000	30 April 2011 $'000
Available-for-sale -				
Government of Jamaica securities	-	109,151	-	-
Unquoted equities	34,673	10,702	10,702	10,702
	34,673	119,853	10,702	10,702
Interest receivable	-	6,031	-	-
	34,673	125,884	10,702	10,702

The weighted average effective interest rate on Government of Jamaica securities was 11.75% in 2011.

15. Investment in Jointly Controlled Operation

The Group jointly controls an operation in Haiti established to facilitate the importation and distribution of animal feed and chicks to the Haitian market. Under the joint venture agreement, Jamaica Broilers Group Limited is entitled to 68% of the operating results of the joint venture. Jamaica Broilers Group Limited participates in the joint venture through an agent, Haiti Broilers S.A. The following represents the Group's share of the revenue and expenses of the joint operation. These are included in the statement of comprehensive income:

	28 April 2012 $'000
Revenue	107,577
Other income	1,253
Expenses	(295,077)
Loss	(186,247)

An amount of $18,869,000 is included in receivables (Note 20) relating to amounts recoverable from the other joint venture partner.

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16. Deferred Income Taxes

Deferred income taxes are calculated on all temporary differences under the liability method using an effective tax rate of 33⅓ %.

	The Group		The Company	
	28 April 2012 $'000	30 April 2011 $'000	28 April 2012 $'000	30 April 2011 $'000
Deferred tax assets	(44,696)	(27,058)	-	-
Deferred tax liabilities	460,985	469,860	399,443	405,977
	416,289	442,802	399,443	405,977

The movement on the deferred income tax account is as follows:

	The Group		The Company	
	28 April 2012 $'000	30 April 2011 $'000	28 April 2012 $'000	30 April 2011 $'000
Balance at start of year	442,802	426,362	405,977	400,491
(Credited)/charged to profit or loss (Note 10)	(26,513)	16,440	(6,534)	5,486
Balance as at end of year	416,289	442,802	399,443	405,977

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16. Deferred Income Taxes (Continued)

The deferred tax assets and liabilities at the end of the year are as follows:

	The Group		The Company	
	28 April 2012 $'000	**30 April 2011 $'000**	**28 April 2012 $'000**	**30 April 2011 $'000**
Deferred income tax assets -				
Property, plant and equipment	3,769	2,798	-	-
Accrued vacation	15,423	10,257	15,329	9,928
Tax losses unused	61,171	32,149	-	-
Unrealised foreign exchange losses	26	3,654	26	3,571
Other	5,943	4,270	5,942	4,270
	86,332	53,128	21,297	17,769
Deferred income tax liabilities -				
Property, plant and equipment	396,675	420,586	328,084	361,970
Pension and other post-employment benefits	91,254	75,133	78,120	61,567
Unrealised foreign exchange gains	14,510	-	14,354	-
Other	182	211	182	209
	502,621	495,930	420,740	423,746
Net deferred tax liability	416,289	442,802	399,443	405,977

The deferred tax (credited)/charged in profit or loss comprises the following temporary differences:

	The Group		The Company	
	28 April 2012 $'000	**30 April 2011 $'000**	**28 April 2012 $'000**	**30 April 2011 $'000**
Property, plant and equipment	(24,882)	2,421	(33,886)	5,193
Accrued vacation	(5,166)	(3,496)	(5,401)	(3,370)
Post-employment benefits	16,121	10,100	16,553	9,634
Tax losses	(29,022)	13,572	-	-
Unrealised foreign exchange losses/gains	18,755	(4,872)	17,900	(4,683)
Other temporary differences	(2,319)	(1,285)	(1,700)	(1,288)
	(26,513)	16,440	(6,534)	5,486

Deferred income tax liabilities have not been provided for in respect of the withholding and other taxes that would be payable on the undistributed earnings of certain subsidiaries to the extent that such earnings are permanently reinvested. Such undistributed earnings totalled $154,177,000 (2011 - $133,544,000). These undistributed earnings are in foreign subsidiaries.

Deferred income tax assets of $24,573,000 (2011 - $76,053,000) in respect of tax losses available in certain subsidiaries (Note 10) are not recognised as their utilisation is not currently anticipated.

Deferred tax assets relating to unused tax losses for one of the entity's subsidiaries were recognised as it is probable that it can be offset against future profits based on approved business plans.

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16. Deferred Income Taxes (Continued)

These balances include the following:

	The Group		The Company	
	28 April 2012 $'000	30 April 2011 $'000	28 April 2012 $'000	30 April 2011 $'000
Deferred tax assets -				
Deferred tax assets to be recovered after more than 12 months	32,134	21,593	-	-
Deferred tax assets to be recovered within 12 months	54,198	31,535	21,297	17,769
	86,332	53,128	21,297	17,769
Deferred tax liabilities -				
Deferred tax liabilities to be recovered after more than 12 months	487,930	495,719	406,205	423,537
Deferred tax liabilities to be recovered within 12 months	14,691	211	14,535	209
	502,621	495,930	420,740	423,746
Net deferred tax liability	416,289	442,802	399,443	405,977

17. Post-employment Benefits

Amounts recognised in the balance sheet are as follows:

	The Group		The Company	
	28 April 2012 $'000	30 April 2011 $'000	28 April 2012 $'000	30 April 2011 $'000
Pension scheme benefit assets	248,500	241,900	204,300	196,500
Post-employment benefit obligations	(14,200)	(13,300)	(12,600)	(11,800)
Amounts recognised in the profit or loss (Note 8) -				
Pension scheme benefit assets	30,600	(1,100)	27,000	(1,500)
Post-employment benefit obligations	2,200	5,600	2,000	5,400
	32,800	4,500	29,000	3,900

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17. Post-employment Benefits (Continued)

(a) Pension scheme benefits

The Group participates in a defined benefit scheme, which is open to all permanent employees and administered by an external agency. The plan provides benefits to members based on average earnings for the final two years service or the two years in which the highest salaries of the employee have been earned. The defined benefit scheme is valued by independent actuaries annually using the Projected Unit Credit Method. The latest actuarial valuation was carried out as at 28 April 2012.

The post-employment benefit asset recognised in the balance sheet was determined as follows:

	The Group		The Company	
	28 April 2012	30 April 2011	28 April 2012	30 April 2011
	$'000	$'000	$'000	$'000
Fair value of plan assets	2,081,100	1,842,500	1,902,000	1,683,600
Present value of obligations	(1,519,100)	(1,434,100)	(1,388,400)	(1,310,400)
	562,000	408,400	513,600	373,200
Unrecognised actuarial gains	(313,500)	(166,500)	(309,300)	(176,700)
	248,500	241,900	204,300	196,500

Pension plan assets include investment in ordinary stock units of the company with a fair value of $31,463,000 (2011 - $40,726,000).

The movement in the defined benefit asset during the year was as follows:

	The Group		The Company	
	28 April 2012	30 April 2011	28 April 2012	30 April 2011
	$'000	$'000	$'000	$'000
At start of year	241,900	206,200	196,500	163,500
Amounts recognised in profit or loss (Note 8)	(30,600)	1,100	(27,000)	1,500
Contributions paid	37,200	34,600	34,800	31,500
At end of year	248,500	241,900	204,300	196,500

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17. Post-employment Benefits (Continued)

(a) Pension scheme benefits (continued)

The movement in the present value of obligations was as follows:

	The Group		The Company	
	28 April 2012 $'000	**30 April 2011 $'000**	**28 April 2012 $'000**	**30 April 2011 $'000**
At start of year	1,434,100	1,209,500	1,310,400	1,105,400
Current service cost	119,700	107,100	110,300	98,300
Interest cost	160,600	148,500	146,700	135,800
Benefits paid	(23,900)	(28,200)	(23,100)	(25,800)
Actuarial gain on obligations	(171,400)	(2,800)	(155,900)	(3,300)
At end of year	1,519,100	1,434,100	1,388,400	1,310,400

The movement in the fair value of plan assets was as follows:

	The Group		The Company	
	28 April 2012 $'000	**30 April 2011 $'000**	**28 April 2012 $'000**	**30 April 2011 $'000**
At start of year	1,842,500	1,668,500	1,683,600	1,524,900
Members' contribution	61,800	55,700	57,700	51,200
Employer's contribution	37,200	34,600	34,800	31,500
Expected return on plan assets	188,000	195,400	171,800	178,600
Benefits paid	(23,900)	(28,200)	(23,100)	(25,800)
Actuarial loss on plan assets	(24,500)	(83,500)	(22,800)	(76,800)
At end of year	2,081,100	1,842,500	1,902,000	1,683,600

17. Post-employment Benefits (Continued)

(a) Pension scheme benefits (continued)

The amount recognised in profit or loss is determined as follows:

	The Group		The Company	
	28 April 2012 $'000	30 April 2011 $'000	28 April 2012 $'000	30 April 2011 $'000
Current service cost	58,100	51,400	52,600	47,100
Interest cost	160,600	148,500	146,700	135,800
Expected return on plan assets	(188,000)	(195,400)	(171,800)	(178,600)
Net actuarial gains recognised in year	(100)	(5,600)	(500)	(5,800)
Total included in staff costs (Note 8)	30,600	(1,100)	27,000	(1,500)
Actual return on plan assets	163,500	112,600	149,000	101,800

The principal actuarial assumptions used were as follows:

	28 April 2012	30 April 2011
Discount rate	10.5%	10.5%
Expected return on plan assets	10.0%	11.5%
Future salary increases	6.0%	8.5%
Future pension increases	3.0%	5.0%
Remaining working lives - years	11.0	11.0

(b) Post-employment medical benefits

In addition to pension benefits, the Group offers qualifying retirees medical and life insurance benefits. Funds are not built up to cover the obligations under these retirement benefit schemes. The method of accounting and frequency of valuations are similar to those used for the defined benefit pension scheme. In addition to the assumptions used for the pension scheme, the main actuarial assumption is a long term increase in health costs of 9% per year (2011 – 9.5% per year).

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17. Post-employment Benefits (Continued)

(b) Post-employment medical benefits (continued)

The liability recognised in the balance sheet was determined as follows:

	The Group		The Company	
	28 April 2012 $'000	30 April 2011 $'000	28 April 2012 $'000	30 April 2011 $'000
Present value of funded obligations	13,600	15,400	12,500	13,800
Unrecognised actuarial gains/(losses)	600	(2,100)	100	(2,000)
	14,200	13,300	12,600	11,800

The movement in the liability during the year was as follows:

	The Group		The Company	
	28 April 2012 $'000	30 April 2011 $'000	28 April 2012 $'000	30 April 2011 $'000
At start of year	13,300	9,200	11,800	7,700
Amounts recognised in profit or loss (Note 8)	2,200	5,600	2,000	5,400
Contributions paid	(1,300)	(1,500)	(1,200)	(1,300)
At end of year	14,200	13,300	12,600	11,800

The movement in the present value of obligations was as follows:

	The Group		The Company	
	28 April 2012 $'000	30 April 2011 $'000	28 April 2012 $'000	30 April 2011 $'000
At start of year	15,400	14,500	13,800	13,000
Interest cost	1,600	1,600	1,400	1,400
Benefits paid	(1,300)	(1,400)	(1,200)	(1,300)
Actuarial (gain)/loss on obligation	(2,100)	700	(1,500)	700
At end of year	13,600	15,400	12,500	13,800

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17. Post-employment Benefits (Continued)

(b) Post-employment medical benefits (continued)

The amount recognised in profit or loss is as follows:

	The Group		The Company	
	28 April 2012	30 April 2011	28 April 2012	30 April 2011
	$'000	$'000	$'000	$'000
Interest cost, included in staff costs (Note 8)	2,200	5,600	2,000	5,400

The effects of a 1% movement in the assumed medical cost trend rate were as follows:

	The Group		The Company	
	28 April 2012	30 April 2011	28 April 2012	30 April 2011
	$'000	$'000	$'000	$'000
	Increase	Increase	Increase	Increase
Effect on the aggregate of current service cost and interest cost	200	100	182	91
Effect on the defined benefit obligation	1,000	1,200	914	1,096
	1,200	1,300	1,096	1,187

	The Group		The Company	
	28 April 2012	30 April 2011	28 April 2012	30 April 2011
	$'000	$'000	$'000	$'000
	Decrease	Decrease	Decrease	Decrease
Effect on the aggregate of current service cost and interest cost	(100)	(100)	(91)	(91)
Effect on the defined benefit obligation	(900)	(1,000)	(823)	(914)
	(1,000)	(1,100)	(914)	(1,005)

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17. Post-employment Benefits (Continued)

(c) Distribution of pension plan assets -

	The Group			
	28 April 2012	**28 April 2012**	**30 April 2011**	**30 April 2011**
	$'000	**%**	**$'000**	**%**
Equities	567,800	27	420,200	23
Property	284,700	14	293,800	16
Government securities and reverse repurchase agreements	981,600	47	920,600	50
Corporate bonds	90,700	4	99,800	5
Leased assets	33,200	2	42,800	2
Other	123,100	6	65,300	4
	2,081,100	100	1,842,500	100

	The Company			
	28 April 2012	**28 April 2012**	**30 April 2011**	**30 April 2011**
	$'000	**%**	**$'000**	**%**
Equities	518,948	27	383,955	23
Property	260,205	14	268,458	16
Government securities and reverse repurchase agreements	897,145	47	841,193	50
Corporate bonds	82,896	4	91,192	5
Leased assets	30,344	2	39,108	2
Other	112,462	6	59,694	4
	1,902,000	100	1,683,600	100

17. Post-employment Benefits (Continued)

(d) Other pension plan disclosures -

Expected contributions to post-employment plan for the year ending 27 April 2013 are $33,170,000.

The expected return on plan assets is based on market expectation of inflation plus a margin for real returns on a balanced portfolio.

Pension scheme benefits

The five-year trend for the defined benefit obligation and experience adjustments is as follows:

	The Group				
	2012	**2011**	**2010**	**2009**	**2008**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Fair value of plan assets	2,081,100	1,842,500	1,668,500	1,341,300	1,395,100
Present value of defined benefit obligation	(1,519,100)	(1,434,100)	(1,209,500)	(734,000)	(893,900)
Surplus	562,000	408,400	459,000	607,300	501,200
Experience adjustments to plan liabilities	(18,100)	13,700	6,500	18,100	19,900
Experience adjustments to plan assets	(24,600)	(83,300)	243,700	(219,500)	124,200

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17. Post-employment Benefits (Continued)

(d) Other pension plan disclosures (continued)-

Pension scheme benefits (continued)

	The Company				
	2012	**2011**	**2010**	**2009**	**2008**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Fair value of plan assets	1,902,000	1,683,600	1,524,900	1,235,300	1,252,100
Present value of defined benefit obligation	(1,388,400)	(1,310,400)	(1,105,400)	(676,000)	(802,300)
Surplus	513,600	373,200	419,500	559,300	449,800
Experience adjustments to plan liabilities	(16,800)	13,000	4,500	(5,100)	(77,700)
Experience adjustments to plan assets	(22,800)	(76,800)	222,400	(163,500)	105,100

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	The Group				
	2012	**2011**	**2010**	**2009**	**2008**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Present value of funded obligation	13,600	15,400	14,500	14,400	7,500
Experience adjustments to plan liabilities	2,100	(700)	900	(6,200)	(700)

	The Company				
	2012	**2011**	**2010**	**2009**	**2008**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Present value of funded obligation	12,500	13,800	13,000	13,000	7,500
Experience adjustments to plan liabilities	1,500	(700)	900	(5,800)	(700)

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18. Inventories

	The Group		The Company	
	28 April 2012 $'000	**30 April 2011 $'000**	**28 April 2012 $'000**	**30 April 2011 $'000**
Grain and feed ingredients	1,110,729	972,072	970,450	953,864
Inventories for resale and spares	2,204,600	1,750,548	2,014,189	1,619,445
Processed broilers, beef and fish	73,190	38,685	72,981	38,119
Goods in transit and others	33,302	94,432	15,809	83,366
	3,421,821	2,855,737	3,073,429	2,694,794
Less: Provision for obsolescence	(46,959)	(35,294)	(38,662)	(34,157)
	3,374,862	2,820,443	3,034,767	2,660,637

19. Biological Assets

	The Group		The Company	
	28 April 2012 $'000	**30 April 2011 $'000**	**28 April 2012 $'000**	**30 April 2011 $'000**
Cattle	65,897	53,894	65,616	53,612
Fish	163,949	161,188	-	-
Poultry	753,364	699,416	392,261	388,891
	983,210	914,498	457,877	442,503

The movement in biological assets at fair value was determined as follows:

	The Group		The Company	
	28 April 2012 $'000	**30 April 2011 $'000**	**28 April 2012 $'000**	**30 April 2011 $'000**
At start of year	603,972	590,945	442,503	390,119
Fair value gains	4,159	4,895	4,159	4,895
Increase due to purchases	4,640,965	4,111,838	4,445,583	4,111,838
Decrease due to sales	(4,609,685)	(4,103,706)	(4,434,368)	(4,064,349)
At end of year	639,411	603,972	457,877	442,503

19. Biological Assets (Continued)

The movement in biological assets at cost was determined as follows:

	The Group	
	28 April 2012 $'000	30 April 2011 $'000
At start of year	310,526	295,054
Increase due to purchases	529,063	458,399
Decrease due to sales and depreciation	(499,570)	(435,514)
Translation	3,780	(7,413)
At end of year	343,799	310,526

Biological assets for the Group comprise of:

	The Group	
	28 April 2012 $'000	30 April 2011 $'000
Biological assets at fair value	639,411	603,972
Biological assets at cost	343,799	310,526
	983,210	914,498

Fair value of livestock is determined as the best available estimate for livestock with similar attributes. Any gains or losses arising on initial recognition of livestock at fair value less estimated point of sale costs and from a change in fair value less estimated point of sale costs is included in other income in the period in which it arises.

The physical quantities at the end of the year and output for each group of biological assets are as follows:

(i) Cattle
The number of cattle at the end of the year was 684 (2011 – 621).

The number of cattle harvested during the year was 400 (2011 – 393).

(ii) Fish
The estimated weight of fish and fingerlings at the end of the year was 170 tonnes (2011 – 332 tonnes).

The estimated weight of fish and fingerlings harvested during the year 345 was tonnes (2011 – 625 tonnes).

(iii) Poultry
The number of birds in the field, including breeder, layer pullets at the year end was 7,330,000 (2011 – 7,875,000) and the number of fertile (hatching) eggs was 3,793,000 (2011 – 3,189,000).

The total number of birds produced during the year was 64,824,000 (2011 – 68,851,000).

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20. Receivables

	The Group		The Company	
	28 April 2012 $'000	30 April 2011 $'000	28 April 2012 $'000	30 April 2011 $'000
Trade receivables	1,341,846	1,234,575	1,098,488	1,031,110
Less: Provision for impairment	(147,193)	(141,326)	(75,419)	(73,487)
	1,194,653	1,093,249	1,023,069	957,623
Contract farmers' receivables	19,928	37,040	19,928	37,040
Deposits	4,794	4,068	2,511	1,741
G.C.T recoverable	111,479	78,062	96,110	4,195
Insurance claims receivable	-	5,684	-	5,684
Jamaica Broilers Trust (Note 28)	119,887	-	119,887	-
Jamaica Public Service Company Limited	30,645	31,071	30,645	31,071
Prepayments	120,744	203,382	87,359	187,489
Staff receivables	24,208	8,772	10,475	8,734
Other	112,213	60,798	106,833	53,800
	1,738,551	1,522,126	1,496,817	1,287,377
Less: Provision for impairment	(17,818)	(17,818)	(17,818)	(17,818)
	1,720,733	1,504,308	1,478,999	1,269,559

21. Financial Assets at Fair Value through Profit or Loss

This represents amount invested in investment funds that have been designated at fair value on initial recognition.

Changes in fair values of financial assets at fair value through profit or loss are included in other (losses)/gains (Note 6).

22. Cash and Short Term Investments

	The Group		The Company	
	28 April 2012 $'000	30 April 2011 $'000	28 April 2012 $'000	30 April 2011 $'000
Cash at bank and in hand	952,092	720,372	433,040	577,098
Short term investments	263,320	43,965	247,464	28,800
	1,215,412	764,337	680,504	605,898
Interest receivable	544	626	544	626
	1,215,956	764,963	681,048	606,524

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22. Cash and Short Term Investments (Continued)

The weighted average effective interest rate on short term deposits was 2.62% (2011 – 2.92%). These deposits have an average maturity of 28 days (2011 – 38 days).

For the purposes of the cash flow statement, cash and cash equivalents comprise the following:

	The Group		The Company	
	28 April 2012	30 April 2011	28 April 2012	30 April 2011
	$'000	$'000	$'000	$'000
Cash and short term investments	1,215,956	764,963	681,048	606,524
Short term borrowings and bank overdraft	(204,264)	(316,954)	(202,607)	(315,936)
	1,011,692	448,009	478,441	290,588

23. Payables

	The Group		The Company	
	28 April 2012	30 April 2011	28 April 2012	30 April 2011
	$'000	$'000	$'000	$'000
Accrued charges	469,246	376,040	398,103	343,142
Contractors retention payable	421	505	415	489
Payroll taxes payable	37,357	29,784	35,283	29,784
Staff related payables	72,082	29,010	67,289	22,764
Trade payables	1,523,318	1,493,852	1,395,141	1,386,623
Unclaimed cheques	57,585	44,639	57,213	44,361
Other	29,592	25,896	65,667	53,775
	2,189,601	1,999,726	2,019,111	1,880,938

24. Dividends

	The Group and The Company	
	28 April 2012 $'000	**30 April 2011 $'000**
First interim – 6 cents per stock unit (2011 – 6 cents)	71,957	71,956
Second interim – 8 cents per stock unit (2011 – 10 cents)	96,246	119,928
	168,203	191,884

25. Borrowings

	The Group		The Company	
	28 April 2012 $'000	**30 April 2011 $'000**	**28 April 2012 $'000**	**30 April 2011 $'000**
Non-Current -				
Borrowings	2,725,853	2,174,461	2,413,862	1,844,959
Current -				
Short term borrowings and bank overdraft	354,264	574,144	352,607	573,126
Current portion of non-current borrowings	1,013,197	864,820	915,523	428,938
Interest payable	17,826	13,634	17,826	12,809
	1,385,287	1,452,598	1,285,956	1,014,873
	4,111,140	3,627,059	3,699,818	2,859,832

Interest rates on these loans ranged from 8.25% to 10% on Jamaican currency loans and 4.34% to 4.81% on United States currency loans.

Negative pledges have been issued in respect of loans, guarantees and other banking facilities extended by the various financial institutions.

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26. Share Capital

	Number of Stock Units '000	Ordinary Stock Units $'000
28 April 2012	1,199,277	765,137
30 April 2011	1,199,277	765,137

The total authorised number of ordinary shares is 1,209,324,000 shares (2011 – 1,209,324,000).

The stock units in 2012 and 2011 are stated in these financial statements without a nominal or par value.

27. Capital Reserve

	The Group		The Company	
	28 April 2012 $'000	30 April 2011 $'000	28 April 2012 $'000	30 April 2011 $'000
At start of year -				
Realised capital gains	32,618	32,618	3,227	3,227
Unrealised surplus on revaluations	399,975	399,975	139,198	139,198
Fair value loss on available-for-sale securities	(4,944)	(8,217)	(538)	(538)
Translation loss on subsidiary assumed	-	-	(8,686)	(8,686)
Gains on translation of financial statements of foreign subsidiaries	547,237	647,565	-	-
	974,886	1,071,941	133,201	133,201
Movements during the year -				
Fair value loss on available for sale securities	4,944	3,273	-	-
Translation gain/(loss)	42,584	(100,328)	-	-
At end of year	1,022,414	974,886	133,201	133,201
Consisting of -				
Realised capital gains	32,618	32,618	3,227	3,227
Unrealised surplus on revaluations	399,975	399,975	139,198	139,198
Fair value loss on available-for-sale securities	-	(4,944)	(538)	(538)
Translation loss on subsidiary assumed	-	-	(8,686)	(8,686)
Gains on translation of financial statements of foreign subsidiaries	589,821	547,237	-	-
	1,022,414	974,886	133,201	133,201

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28. Related Party Transactions and Balances

Parties are considered to be related if one party has the ability to control or exercise significant influence over the other party in making financial or operational decisions.

Related parties include fellow subsidiaries, directors and key management.

Subsidiaries buy and sell inventory to other entities within the Group.

Key management includes directors (executives and non-executives) and members of the senior management team.

(i) The following transactions were carried out with related parties:

	The Group		The Company	
	28 April 2012 $'000	30 April 2011 $'000	28 April 2012 $'000	30 April 2011 $'000
With directors and key management -				
Salaries, profit sharing and other short-term employee benefits	286,256	250,854	286,256	250,854
Payroll taxes - Employer's portion	200	181	200	181
Pension benefits	4,151	4,074	4,151	4,074
Professional fees paid	13,892	13,739	13,892	13,739
	304,499	268,848	304,499	268,848
Directors' emoluments -				
Fees	13,330	16,240	13,330	16,240
Management remuneration (included above)	151,559	132,450	151,559	132,450

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28. Related Party Transactions and Balances (Continued)

(ii) Year end balances with related parties:

	The Group		The Company	
	28 April 2012 $'000	30 April 2011 $'000	28 April 2012 $'000	30 April 2011 $'000
Directors and key management -				
Receivables	2,527	101,995	4,077	99,630
Payables	(299)	(1,000)	(299)	(1,000)
Loan to Jamaica Broilers Trust	119,887	-	119,887	-

In 2011, receivables included advances totalling $98,628,000 which related to the establishment of operation in Haiti.

The receivable balance is repayable within 3 months.

Loan receivable from Jamaica Broilers Trust is payable in August 2016 and interest is payable at WATBY plus 2% per annum. The loan is secured with stock units in Jamaica Broilers Group Limited.

29. Fair Value of Financial Instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Market price is used to determine fair value where an active market (such as a recognised stock exchange) exists as it is the best evidence of the fair value of a financial instrument. However, market prices are not available for a significant number of the financial assets and liabilities held and issued by the Group. Therefore, for financial instruments where no market price is available, the fair values presented have been estimated using present value or other estimation and valuation techniques based on market conditions existing at balance sheet dates.

The values derived from applying these techniques are significantly affected by the underlying assumptions used concerning both the amounts and timing of future cash flows and the discount rates. The following methods and assumptions have been used:

(i) Investment securities at fair value through profit or loss are measured at fair value by reference to quoted prices when available. If quoted market prices are not available, then fair values are estimated on the basis of pricing models, or discounted cash flows. Fair value is equal to the carrying amount of these items;

(ii) Investment securities classified as available-for-sale are measured at fair value by reference to quoted market prices when available. If quoted market prices are not available, then fair values are based on pricing models or other recognised valuation techniques;

(iii) The fair value of financial liabilities approximates carrying value as the contractual cash flows are at current market interest rates that are available to the Group for similar financial instruments; and

(iv) The amounts included in the financial statements for receivables, cash and short term investments, payables and short term borrowings reflect their fair values due to the short term maturity of these instruments.

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29. Fair Value of Financial Instruments (Continued)

The following table provides an analysis of financial instruments that are measured in the balance sheet at fair value at 28 April 2012 and 30 April 2011, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

(i) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

(ii) Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

(iii) Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs)..

	The Group			
	28 April 2012			
	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial Assets				
Investments -				
Financial assets at fair value through profit or loss	-	481,898	-	481,898
	-	481,898	-	481,898

	The Group			
	30 April 2011			
	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial Assets				
Investments -				
Government of Jamaica securities	-	109,151	-	109,151
Quoted equities	-	983,754	-	983,754
	-	1,092,905	-	1,092,905

At 28 April 2012 and 30 April 2011, the company had no financial assets or liabilities measured at fair value.

There were no transfers between Level 1 and 2 in the year.