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Jamaica Broilers Group Limited

Financial Statements
27 April 2013

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Independent Auditors' Report

To the Members of
Jamaica Broilers Group Limited

Report on the Consolidated and Company Stand Alone Financial Statements
We have audited the accompanying consolidated financial statements of Jamaica Broilers Group Limited and its subsidiaries, set out on pages 1 to 71, which comprise the consolidated statement of financial position as at 27 April 2013 and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and the accompanying financial statements of Jamaica Broilers Group Limited standing alone, which comprise the statement of financial position as at 27 April 2013 and the statements of comprehensive income, changes in 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 and Company Stand Alone Financial Statements
Management is responsible for the preparation of consolidated and company stand alone 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 and company stand alone 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 and company stand alone 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 and company stand alone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated and company stand alone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated and company stand alone 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 and company stand alone 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 and company stand alone financial statements.

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

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Opinion

In our opinion, the consolidated financial statements of Jamaica Broilers Group Limited and its subsidiaries, and the financial statements of Jamaica Broilers Group Limited standing alone give a true and fair view of the financial position of Jamaica Broilers Group Limited and its subsidiaries and the Jamaica Broilers Group Limited standing alone as at 27 April 2013, and of their financial performance and cash flows for the year then ended, so far as concerns the members of 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 and company stand alone 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 June 2013
Kingston, Jamaica

Jamaica Broilers Group Limited

Group Statement of Comprehensive Income

Year ended 27 April 2013

(expressed in Jamaican dollars unless otherwise indicated)

	Note	27 April 2013 $'000	28 April 2012 $'000
Revenue		26,522,970	23,672,341
Cost of sales		(21,054,291)	(18,917,064)
Gross Profit		5,468,679	4,755,277
Other gains/(losses)	6	132,598	(9,168)
Distribution costs		(795,938)	(643,347)
Administration and other expenses		(3,173,207)	(2,665,176)
Operating Profit		1,632,132	1,437,586
Finance income	9	22,504	38,771
Finance costs	9	(463,752)	(361,600)
Profit before Taxation		1,190,884	1,114,757
Taxation	10	(160,407)	(178,551)
Net Profit		1,030,477	936,206
Losses on available-for-sale securities reclassified and reported in profit		-	4,944
Exchange differences on translating foreign operations		418,957	42,584
Total other comprehensive income		418,957	47,528
Total Comprehensive Income		1,449,434	983,734
Net Profit Attributable to:			
Stockholders of the company	11	1,095,064	936,206
Non-controlling interests		(64,587)	-
		1,030,477	936,206
Total Comprehensive Income Attributable to:			
Stockholders of the company		1,505,478	983,734
Non-controlling interests		(56,044)	-
		1,449,434	983,734
		Cents	**Cents**
Earnings per Stock Unit	12	91.31	78.06

Jamaica Broilers Group Limited
Group Balance Sheet
27 April 2013
(expressed in Jamaican dollars unless otherwise indicated)

	Note	27 April 2013 $'000	28 April 2012 $'000
Non-Current Assets			
Property, plant and equipment	13	8,308,510	7,208,170
Intangible asset	14	105,702	61,777
Investment property	15	58,988	-
Investments	16	60,289	34,673
Deferred income taxes	19	9,113	44,696
Post-employment benefit assets	20	234,700	248,500
		8,777,302	7,597,816
Current Assets			
Inventories	21	2,964,774	3,374,862
Biological assets	22	1,344,672	983,210
Receivables	23	2,213,526	1,720,733
Taxation recoverable		3,655	8,945
Financial assets at fair value through profit or loss	24	741,048	481,898
Cash and short term investments	25	1,511,999	1,215,956
		8,779,674	7,785,604
Current Liabilities			
Payables	26	1,879,759	2,189,601
Taxation payable		116,024	241,177
Borrowings	29	2,202,134	1,385,287
		4,197,917	3,816,065
Net Current Assets		4,581,757	3,969,539
		13,359,059	11,567,355
Stockholders' Equity			
Share capital	30	765,137	765,137
Capital reserve	31	1,432,828	1,022,414
Retained earnings		7,505,931	6,578,766
		9,703,896	8,366,317
Non-controlling interests		(55,877)	-
		9,648,019	8,366,317
Non-Current Liabilities			
Shareholders loan payable	28	43,643	-
Borrowings	29	3,241,562	2,725,853
Deferred income taxes	19	411,035	460,985
Post-employment benefit obligations	20	14,800	14,200
		13,359,059	11,567,355

Approved for issue by the Board of Directors on 26 June 2013 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 27 April 2013

(expressed in Jamaican dollars unless otherwise indicated)

	Attributable to the Company's Stockholders				Non-controlling Interests	Total
	Number of Shares	Share Capital	Capital Reserve	Retained Earnings		
	'000	$'000	$'000	$'000	$'000	$'000
Balance at 30 April 2011	1,199,277	765,137	974,886	5,810,763	-	7,550,786
Unrealised gains on available-for-sale securities	-	-	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 27)	-	-	-	(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
Exchange differences on translating foreign operations	-	-	410,414	-	8,543	418,957
Total other comprehensive income	-	-	410,414	-	8,543	418,957
Net profit	-	-	-	1,095,064	(64,587)	1,030,477
Total comprehensive income	-	-	410,414	1,095,064	(56,044)	1,449,434
Dividends (Note 27)	-	-	-	(167,899)	-	(167,899)
Sale of interest to non-controlling interest in Haiti Broilers S.A. (Note 18)	-	-	-	-	167	167
Total transactions with owners	-	-	-	(167,899)	167	(167,732)
Movement during the year	-	-	410,414	927,165	(55,877)	1,281,702
Balance at 27 April 2013	1,199,277	765,137	1,432,828	7,505,931	(55,877)	9,648,019

Jamaica Broilers Group Limited

Group Statement of Cash Flows

Year ended 27 April 2013

(expressed in Jamaican dollars unless otherwise indicated)

	Note	27 April 2013 $'000	28 April 2012 $'000
Cash Flows from Operating Activities			
Net profit		1,030,477	936,206
Adjustments for:			
Depreciation	13	533,189	471,904
Amortisation	14	17,491	14,520
Gain on disposal of property, plant and equipment	6	(12,541)	(3,639)
Fair value (gain)/loss on financial assets at fair value through profit or loss	6	(14,881)	130,941
Changes in post-employment benefits		(85,600)	(5,700)
Taxation expense	10	160,407	178,551
Interest income	9	(22,504)	(38,771)
Unrealised foreign exchange losses		117,667	20,879
Interest expense	9	373,555	326,853
		2,097,260	2,031,744
Changes in operating assets and liabilities:			
Inventories		410,088	(554,419)
Biological assets		(361,462)	(68,712)
Receivables		(487,503)	(219,299)
Payables		(446,606)	165,782
Financial assets at fair value through profit or loss		(166,396)	384,716
Translation (gain)/ loss on working capital of foreign subsidiaries		(155,354)	29,534
		890,027	1,769,346
Taxation paid		(299,926)	(351,042)
Cash provided by operating activities		590,101	1,418,304

Jamaica Broilers Group Limited

Group Statement of Cash Flows (Continued)

Year ended 27 April 2013

(expressed in Jamaican dollars unless otherwise indicated)

	Note	27 April 2013 $'000	28 April 2012 $'000
Cash Flows from Operating Activities (Page 4)		590,101	1,418,304
Cash Flows from Investing Activities			
Purchase of property, plant and equipment	13	(1,424,684)	(1,023,233)
Proceeds from disposal of property, plant and equipment		258,937	5,356
Purchase of intangible asset	14	(56,661)	(11,580)
Purchase of investments		(20,772)	(23,970)
Proceeds from sale of investments		-	109,151
Pension surplus refund		100,000	-
Interest received		22,504	44,802
Cash used in investing activities		(1,120,676)	(899,474)
Cash Flows from Financing Activities			
Long term loans repaid		(1,048,355)	(3,762,266)
Long term loans received		2,296,292	4,292,686
Interest paid		(339,954)	(321,837)
Dividends paid		(167,899)	(168,203)
Cash provided by financing activities		740,084	40,380
Effect of changes in exchange rates on cash and cash equivalents		104,586	4,473
Increase in cash and cash equivalents		314,095	563,683
Cash and cash equivalents at beginning of year		1,011,692	448,009
CASH AND CASH EQUIVALENTS AT END OF YEAR	25	1,325,787	1,011,692

Jamaica Broilers Group Limited
Company Statement of Comprehensive Income
Year ended 27 April 2013
(expressed in Jamaican dollars unless otherwise indicated)

	Note	27 April 2013 $'000	28 April 2012 $'000
Revenue		23,363,626	22,246,034
Cost of sales		(19,079,028)	(18,033,241)
Gross Profit		4,284,598	4,212,793
Other gains	6	206,507	373,904
Distribution costs		(703,350)	(593,949)
Administration and other expenses		(2,624,223)	(2,538,113)
Operating Profit		1,163,532	1,454,635
Finance income	9	25,448	12,670
Finance costs	9	(447,349)	(290,789)
Profit before Taxation		741,631	1,176,516
Taxation	10	(119,402)	(291,298)
Net Profit, being Total Comprehensive Income for the Year		622,229	885,218

Jamaica Broilers Group Limited

Company Balance Sheet

27 April 2013

(expressed in Jamaican dollars unless otherwise indicated)

	Note	27 April 2013 $'000	28 April 2012 $'000
Non-Current Assets			
Property, plant and equipment	13	2,806,903	2,231,082
Intangible asset	14	99,576	59,894
Investments	16	10,702	10,702
Interest in subsidiaries		410,612	410,612
Loan receivable	32	366,229	-
Post-employment benefit assets	20	189,000	204,300
		3,883,022	2,916,590
Current Assets			
Inventories	21	2,540,585	3,034,767
Biological assets	22	467,075	457,877
Receivables	23	1,728,006	1,478,999
Subsidiaries		4,183,749	3,951,888
Taxation recoverable		265	1,218
Cash and short term investments	25	1,040,529	681,048
		9,960,209	9,605,797
Current Liabilities			
Payables	26	1,504,673	2,019,111
Taxation payable		89,529	237,413
Subsidiaries		787,110	488,345
Borrowings	29	1,925,996	1,285,956
		4,307,308	4,030,825
Net Current Assets		5,652,901	5,574,972
		9,535,923	8,491,562
Stockholders' Equity			
Share capital	30	765,137	765,137
Capital reserve	31	133,201	133,201
Retained earnings		5,221,649	4,767,319
		6,119,987	5,665,657
Non-Current Liabilities			
Borrowings	29	3,038,560	2,413,862
Deferred income taxes	19	363,776	399,443
Post-employment benefit obligations	20	13,600	12,600
		9,535,923	8,491,562

Approved for issue by the Board of Directors on 26 June 2013 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 27 April 2013

(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 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	27	-	-	-	(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
Net profit, being total comprehensive income for the year		-	-	-	622,229	622,229
Dividends	27	-	-	-	(167,899)	(167,899)
Movement during the year		-	-	-	454,330	454,330
Balance at 27 April 2013		1,199,277	765,137	133,201	5,221,649	6,119,987

Jamaica Broilers Group Limited
Company Statement of Cash Flows
Year ended 27 April 2013
(expressed in Jamaican dollars unless otherwise indicated)

	Note	27 April 2013 $'000	28 April 2012 $'000
Cash Flows from Operating Activities			
Net profit		622,229	885,218
Adjustments for:			
Depreciation	13	197,368	210,679
Amortisation	14	16,346	14,129
Gain on disposal of property, plant and equipment	6	(873)	(3,035)
Changes in post-employment benefits		(83,700)	(7,000)
Taxation expense	10	119,402	291,298
Interest income	9	(25,448)	(12,670)
Dividend income	6	(179,860)	(348,080)
Unrealised foreign exchange losses		151,004	35,612
Interest expense	9	320,304	257,946
		1,136,772	1,324,097
Changes in operating assets and liabilities:			
Inventories		494,182	(374,130)
Biological assets		(9,198)	(15,374)
Receivables		(239,131)	(206,403)
Subsidiaries		91,357	(788,945)
Payables		(650,485)	114,080
		823,497	53,325
Taxation paid		(302,953)	(339,631)
Cash provided by/(used in) operating activities		520,544	(286,306)

Jamaica Broilers Group Limited

Company Statement of Cash Flows (Continued)

Year ended 27 April 2013

(expressed in Jamaican dollars unless otherwise indicated)

	Note	27 April 2013 $'000	28 April 2012 $'000
Cash Flows from Operating Activities (Page 9)		520,544	(286,306)
Cash Flows from Investing Activities			
Acquisition of subsidiary		-	(117,582)
Long term loan to subsidiary		(366,229)	-
Purchase of property, plant and equipment	13	(803,768)	(275,882)
Proceeds from disposal of property, plant and equipment		6,997	4,205
Purchase of intangible asset	14	(56,028)	(11,193)
Pension surplus refund		100,000	-
Interest received		25,448	12,670
Dividend received		179,860	348,080
Cash used in investing activities		(913,720)	(39,702)
Cash Flows from Financing Activities			
Long term loans repaid		(949,384)	(3,266,437)
Long term loans received		2,080,375	4,197,065
Interest paid		(286,703)	(252,930)
Dividends paid		(167,899)	(168,203)
Cash provided by financing activities		676,389	509,495
Effect of changes in exchange rates on cash and cash equivalents		94,894	4,366
Increase in cash and cash equivalents		378,107	187,853
Cash and cash equivalents at beginning of year		478,441	290,588
CASH AND CASH EQUIVALENTS AT END OF YEAR	25	856,548	478,441

Jamaica Broilers Group Limited

Notes to the Financial Statements
27 April 2013
(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.

Standards, interpretations and amendments to published standards effective in current year

Certain new standards, interpretations and amendments to existing standards have been published that became effective during the current financial year. None of these pronouncements is expected to have a significant impact on the accounting policies or financial disclosures of the Group.

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.

Jamaica Broilers Group Limited

Notes to the Financial Statements
27 April 2013
(expressed in Jamaican dollars unless otherwise indicated)

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 9, 'Financial Instruments' (continued)
  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.

- Amendment to IAS 1, 'Financial statement presentation' (effective for periods beginning on or after 1 July 2012). The main change resulting from this amendment 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. The only anticipated impact on adoption is to the disclosure of items presented in OCI in the statement of comprehensive income.

- IAS 19, 'Employee benefits' (effective for annual periods beginning on or after 1 January 2013). 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). The Group is yet to assess the full impact of the amendments.

- 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 currently 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.

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 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.

- IAS 1 'Presentation of financial statements' (effective for annual periods beginning on or after 1 January 2013). This amendment clarifies the disclosure requirements for comparative information when an entity provides a third balance sheet. When an entity produces an additional balance sheet as required by IAS 8, the balance sheet should be as at the date of the beginning of the preceding period, that is, the opening position. No notes are required to support this balance sheet. When management provides additional comparative information voluntarily, for example, statement of profit and loss, balance sheet, it should present the supporting notes to these additional statements. This amendment will impact the Group to the extent that a third balance sheet is presented in accordance with IAS 8.

- IAS 16 'Property, plant and equipment' (effective for annual periods beginning on or after 1 January 2013). This amendment clarifies that spare parts and servicing equipment are classified as property, plant and equipment rather than inventory when they meet the definition of property, plant and equipment. The Group is assessing the impact of future adoption of the standard on its financial statements.

- IAS 32 'Financial instruments: Presentation' (effective for annual periods beginning on or after 1 January 2013). The amendment clarifies the treatment of income tax relating to distributions and transaction costs. The treatment is in accordance with IAS 12. Therefore, income tax related to distributions is recognised in the statement of comprehensive income, and income tax related to the costs of equity transactions is recognised in equity. This amendment is not expected to have a significant impact on the Group's financial statements.

2. Summary of Significant Accounting Policies (Continued)

(b) Consolidation

(i) Subsidiaries

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. Acquisition-related costs are expensed as incurred. 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.

If a business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

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.

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.

Jamaica Broilers Group Limited

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2. Summary of Significant Accounting Policies (Continued)

(b) Consolidation (continued)

(i) 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 27 April 2013
Resident in Jamaica:		
Operating divisions		
Best Dressed Chicken (including Hipro-Ace, Best Dressed Feed mill and Best Dressed Further Processing Facility)	Poultry and pullet production and feed milling, feed sales /retailers of farming equipment and supplies, processing and sale of salted products/pickled products	100
Best Dressed Foods	Distributors of chicken, beef, fish and importation of protein products	100
Subsidiaries		
Aquaculture Jamaica Limited and its wholly owned subsidiary:	Fish farming	100
Aqualapia Limited	Non-trading	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 and cattle rearing for sale	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:	Production and sale of broilers , layer pullets, table eggs and animal feeds	68
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)

(b) Consolidation (continued)

(ii) Changes in ownership interests in subsidiaries without change of control
Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions, that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(iii) Disposal of subsidiaries
When the Group ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(iv) Jointly controlled operation
The Group recognises the assets that it controls and the liabilities that it incurs, the expenses that it incurs, and its share of income that it earns from the sale of goods or services by the joint venture.

(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.

Jamaica Broilers Group Limited
Notes to the Financial Statements
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2. Summary of Significant Accounting Policies (Continued)

(d) Revenue recognition (continued)
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 and the company's functional 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.

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.

Jamaica Broilers Group Limited

2. Summary of Significant Accounting Policies (Continued)

(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.

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.

2. Summary of Significant Accounting Policies (Continued)

(g) Property, plant and equipment (continued)

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.

(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) Investment properties

Investment properties are held for long-term rental yields and are not occupied by the Group. Investment properties are treated as long-term investments and are carried at deemed cost less accumulated depreciation. Freehold buildings are depreciated on the straight line basis over their expected useful lives of 60 years.

(j) 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)

(k) 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.

Jamaica Broilers Group Limited

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

(k) 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.

(l) Interest in subsidiaries
Interests in subsidiaries are stated at cost.

(m) 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.

Jamaica Broilers Group Limited

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2. Summary of Significant Accounting Policies (Continued)

(m) 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.

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2. Summary of Significant Accounting Policies (Continued)

(n) 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.

(o) 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, layer pullets held for the production of table eggs, 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 and pullets in production, 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 and pullets in production are capitalised. Breeder flocks and pullets in production 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 and pullets in production are measured at cost less depreciation and impairment losses.

Pullets in production are depreciation on a straight line basis over the production life cycle which is estimated to be one year.

Breeder flocks are depreciated over the production cycle which is estimated to be nine months based on the anticipated production output month to month.

(p) 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.

2. Summary of Significant Accounting Policies (Continued)

(q) 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.

(r) Trade payables

Trade payables are stated at cost.

(s) 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.

(t) 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.

(u) 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.

2. Summary of Significant Accounting Policies (Continued)

(v) 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.

Jamaica Broilers Group Limited

Notes to the Financial Statements
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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 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.

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 27 April 2013, trade receivables of $458,446,000 (2012 - $351,326,000) and $247,685,000 (2012 - $182,410,000) for the Group and company, respectively, were impaired. The amount of the provision was $176,601,000 (2012 - $147,193,000) and $143,062,000 (2012 - $75,419,000) 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	
	27 April 2013	28 April 2012	27 April 2013	28 April 2012
	$'000	$'000	$'000	$'000
Past due 31 to 60 days	105,393	56,794	23,333	39,293
Past due 61 to 90 days	65,764	34,334	14,170	8,763
Past due over 91 days	287,289	260,198	210,182	134,354
	458,446	351,326	247,685	182,410

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	
	27 April 2013	28 April 2012	27 April 2013	28 April 2012
	$'000	$'000	$'000	$'000
At beginning of year	147,193	141,326	75,419	73,487
Provision for receivables impairment	86,289	35,745	73,213	32,111
Receivables written off during the year as uncollectible	(57,295)	(17,849)	(3,025)	(17,849)
Recoveries	(2,545)	(12,330)	(2,545)	(12,330)
Translation	2,959	301	-	-
At end of year	176,601	147,193	143,062	75,419

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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	
	27 April 2013 $'000	28 April 2012 $'000	27 April 2013 $'000	28 April 2012 $'000
In Jamaica -				
Wholesale, retail and hotel	1,021,735	931,211	956,290	922,135
Contract farmers	30,685	63,064	3,356	3,493
Other	249,973	163,159	249,645	163,158
	1,302,393	1,157,434	1,209,291	1,088,786
Overseas customers	274,611	184,412	9,724	9,702
	1,577,004	1,341,846	1,219,015	1,098,488
Less: Provision for impairment	(176,601)	(147,193)	(143,062)	(75,419)
	1,400,403	1,194,653	1,075,953	1,023,069

Overseas customers mainly relate to customers in the Caribbean, Central America and North America.

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 financial assets at fair value through profit or loss in Note 24 and short term investments included in Note 25:

	The Group		The Company	
	27 April 2013 $'000	**28 April 2012 $'000**	**27 April 2013 $'000**	**28 April 2012 $'000**
Financial institutions	1,159,056	745,762	418,008	248,009

(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.

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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 27 April 2013 and 28 April 2012 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 27 April 2013					
Payables	1,860,526	19,233	-	-	1,879,759
Borrowings	970,619	1,598,994	3,400,591	50,974	6,021,178
Total financial liabilities (contractual maturity dates)	2,831,145	1,618,227	3,400,591	50,974	7,900,737

	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

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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 27 April 2013					
Payables	1,504,673				1,504,673
Borrowings	748,499	1,509,006	3,193,645	-	5,451,150
Total financial liabilities (contractual maturity dates)	2,253,172	1,509,006	3,193,645	-	6,955,823

	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

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

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 subsidiaries, International Poultry Breeders LLC, ERI Services (St. Lucia) Limited and Wincorp Air Services Limited.

(b) The company has guaranteed $452,083,000 (2012 - $428,000,000) and US$1,000,000 (2012 - US$Nil) in favour of various financial institutions for loans undertaken by the company and certain subsidiaries.

(c) The Group has capital commitments authorised but not contracted for amounting to $219,500,000 (2012 - $223,532,000).

(d) JB Ethanol Limited, a subsidiary, has guaranteed US$3,500,000 (2012 - 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	
	27 April 2013	**28 April 2012**
	$'000	**$'000**
Not later than 1 year	10,288	10,087
Later than 1 year and not later than 5 years	1,986	8,020
	12,274	18,107

(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.

At 27 April 2013, the company incurred liabilities in respect of losses incurred by horse owners from the sale of contaminated horse feed by the company during the month of April 2013. Management has assessed the extent of the exposure arising from these sales, and is of the opinion that adequate provisions have been made in the financial statements.

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 27 April 2013 includes aggregate net foreign liabilities of approximately US$9,380,000 (2012 – US$24,213,000) and US$8,806,000 (2012 – US$24,193,000), 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% (2012 – 1%) depreciation and a 10% (2012 – 1%) appreciation of the US dollar against the Jamaican dollar.

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3. Financial Risk Management (Continued)

(c) Market risk (continued)

(i) Currency risk (continued)

	The Group			
	% Change in Currency Rate	Effect on Pre-tax Profit	% Change in Currency Rate	Effect on Net Profit
	27 April 2013 $'000	27 April 2013 $'000	28 April 2012 $'000	28 April 2012 $'000
Currency:				
USD	+10	(71,218)	+1	(21,003)
USD	-1	7,121	-1	21,003

	The Company			
	% Change in Currency Rate	Effect on Net Profit	% Change in Currency Rate	Effect on Net Profit
	27 April 2013 $'000	27 April 2013 $'000	28 April 2012 $'000	28 April 2012 $'000
Currency:				
USD	+10	(87,329)	+1	(20,986)
USD	-1	8,733	-1	20,986

(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 27 April 2013 and 28 April 2012, the Group's investments were fixed rate instruments.

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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 4% increase/1% decrease (2012 – 0.5% increase/decrease) 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. There were no available-for-sale financial assets at the current or prior year end.

	The Group		The Company	
	Effect on Pre-tax Profit 27 April 2013 $'000	Effect on Pre-tax Profit 28 April 2012 $'000	Effect on Pre-tax Profit 27 April 2013 $'000	Effect on Pre-tax Profit 28 April 2012 $'000
Change in basis points:				
- 100 (2012: -50)	8,539	5,586	6,539	5,570
+ 400 (2012: 50)	(34,156)	(5,586)	(26,156)	(5,570)

(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.

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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 2013, the Group's strategy, which was unchanged from 2012, was to maintain the gearing ratio below 1:1. The gearing ratios at 27 April 2013 and 28 April 2012 were as follows:

	The Group	
	27 April 2013	**28 April 2012**
	$'000	**$'000**
Borrowings	5,443,696	4,111,140
Total capital	15,147,592	12,477,457
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 20).

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.

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 \$24,297,446,000 (2012 - \$22,587,051,000) and \$2,225,524,000 (2012 - \$1,085,290,000) from external customers in other countries.

Property, plant and equipment and intangible assets located in Jamaica and other countries are \$8,413,144,650,000 (2012 - \$6,472,000,000) and \$1,067,909,000 (2012 - \$797,947,000) respectively.

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5. Segmental Financial Information (Continued)

	2013					
	Best Dressed Foods Division	Hipro-Ace Division	Ethanol Operations	Other	Eliminations	Group
	$'000	$'000	$'000	$'000	$'000	$'000
External revenues	13,203,649	8,751,813	1,913,545	2,653,963		26,522,970
Revenue from other segments	180,175	129,360	-	4,589,842	(4,899,377)	-
Total revenue	13,383,824	8,881,173	1,913,545	7,243,805	(4,899,377)	26,522,970
Segment result	929,056	910,496	335,793	355,852	-	2,531,197
Unallocated corporate expenses						(899,065)
Operating profit						1,632,132
Finance income						22,504
Finance costs						(463,752)
Profit before tax						1,190,884
Taxation						(160,407)
Net profit						1,030,477
Segment assets	1,091,838	743,332	3,888,142	-	-	5,723,312
Other current and non-current assets						11,833,664
Total assets						17,556,976
Segment liabilities	-	-	1,850,744	-	-	1,850,744
Other current and non-current liabilities						6,058,213
Total liabilities						7,908,957
Other segment items-						
Capital expenditure	50,573	26,783	14,844	1,393,536	-	1,485,736
Amortisation	961	1,500	123	14,907	-	17,491
Depreciation	10,714	11,180	181,328	329,967	-	533,189

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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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6. Other Gains/(Losses)

	The Group		The Company	
	27 April 2013 $'000	28 April 2012 $'000	27 April 2013 $'000	28 April 2012 $'000
Dividend income from subsidiary	-	-	179,860	348,080
Fair value gain/(loss) on financial assets at fair value through profit or loss (Note 24)	14,881	(130,941)	-	-
Insurance claim	-	10,394	-	-
Gain on sale of property, plant and equipment	12,541	3,639	873	3,035
Reinsurance commissions	46,543	42,320	-	-
Negotiated settlements	-	25,905	-	-
Other	58,633	39,515	25,774	22,789
	132,598	(9,168)	206,507	373,904

7. Expenses by Nature

	The Group		The Company	
	27 April 2013 $'000	28 April 2012 $'000	27 April 2013 $'000	28 April 2012 $'000
Auditors' remuneration	28,975	30,052	9,845	18,842
Advertising and promotions	412,076	430,349	390,361	430,110
Amortisation of intangible assets (Note 14)	17,491	14,520	16,346	14,128
Bad debts	89,913	51,884	76,796	37,582
Cost of inventories recognised as expense	13,158,753	13,447,931	13,757,738	13,853,742
Fuel	1,134,106	1,010,156	335,456	477,865
Depreciation (Note 13)	533,189	471,904	197,368	210,679
Occupancy – rent and utilities	1,011,398	483,896	667,803	409,159
Repairs and maintenance	939,892	795,036	829,798	727,396
Staff costs (Note 8)	3,364,620	3,043,535	2,815,671	2,713,223
Other expenses	3,333,023	2,446,324	3,309,419	2,272,577
	25,023,436	22,225,587	22,406,601	21,165,303

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	
	27 April 2013 $'000	**28 April 2012 $'000**	**27 April 2013 $'000**	**28 April 2012 $'000**
Wages, salaries and contractors' costs	2,691,405	2,417,401	2,242,227	2,161,137
Payroll taxes - Employer's portion	173,571	146,360	147,481	128,719
Pension costs - defined contribution plan	4,333	4,175	-	-
Pension costs - defined benefit plan (Note 20)	(46,200)	30,600	(47,200)	27,000
Post-employment medical benefits (Note 20)	2,300	2,200	2,600	2,000
Termination costs	50,570	13,519	49,627	13,519
Other - benefits and welfare	488,641	429,280	420,936	380,848
	3,364,620	3,043,535	2,815,671	2,713,223

9. Finance Income and Costs

	The Group		The Company	
	27 April 2013 $'000	**28 April 2012 $'000**	**27 April 2013 $'000**	**28 April 2012 $'000**
Finance income -				
Interest income	22,504	38,771	25,448	12,670
Finance costs -				
Foreign exchange losses	74,501	12,494	118,774	18,016
Interest expense	373,555	326,853	320,304	257,946
Amortisation of debt financing fees and other expenses	15,696	22,253	8,271	14,827
	463,752	361,600	447,349	290,789

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 fertile egg production and cattle rearing operations of Jamaica Poultry Breeders Limited have been granted relief from income tax in respect of profits earned until year of assessment 2014.

Subsidiaries incorporated and domiciled in Jamaica, United States of America and St. Lucia are taxable at a rate of 30%, 34% 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	
	27 April 2013 $'000	**28 April 2012 $'000**	**27 April 2013 $'000**	**28 April 2012 $'000**
Current taxation	189,793	204,216	155,069	297,832
Prior year (over)/under provision	(15,019)	848	-	-
Deferred taxation (Note 19)	(14,367)	(26,513)	(35,667)	(6,534)
	160,407	178,551	119,402	291,298

(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	
	27 April 2013 $'000	**28 April 2012 $'000**	**27 April 2013 $'000**	**28 April 2012 $'000**
Profit before taxation for taxable entities	921,733	1,077,322	741,631	1,176,516
Profit before taxation for non-taxable entities	269,151	37,435	-	-
	1,190,884	1,114,757	741,631	1,176,516
Tax calculated at applicable tax rates	201,555	343,370	222,489	392,172
Adjusted for:				
Income not subject to tax	-	(56,070)	(53,958)	(116,027)
Reversal of prior years' current tax accrual for Jamaica Poultry Breeders Limited	-	(99,398)	-	-
Deferred tax not recognised on tax losses	-	1,486	-	-
Deferred tax on prior year's tax losses recognised		(43,386)	-	-
Adjustment to prior year's deferred tax	12,068		(14,220)	-
Effect of changes in tax rates	(35,608)		(39,944)	-
Prior year under/(over) provision - current tax	(15,019)	848	-	-
Expenses not deductible for tax purposes and other allowances	(2,589)	31,701	5,035	15,153
Income tax expense	160,407	178,551	119,402	291,298

Subject to agreement with the Taxpayer Audit and Assessment Department, losses available for offset against future profits of certain local subsidiaries amount to approximately $Nil (2012 – $67,948,000).

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11. Net Profit Attributable to the Stockholders

	27 April 2013 $'000	28 April 2012 $'000
Net profit attributable to:		
Holding company	622,229	885,218
Subsidiaries	408,248	50,988
	1,030,477	936,206

12. 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.

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13. Property, Plant and Equipment

	The Group							
	2013							
	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 28 April 2012	326,660	1,925,745	143,561	6,684,501	795,048	485,710	296,787	10,658,012
Additions	-	6,460	13,681	426,042	10,836	137,331	830,334	1,424,684
Translation	2,476	31,227	8,132	558,966	39,136	9,973	1,893	651,803
Disposals	-	-	-	(273,966)	-	(35,529)	-	(309,495)
Transfers/reclassifications	(11,490)	292,982	(33,534)	210,063	30,131	-	(644,567)	(156,414)
At 27 April 2013	317,646	2,256,414	131,840	7,605,606	875,151	597,485	484,447	12,268,589
Depreciation -								
At 28 April 2012	-	675,599	52,204	1,985,464	428,358	308,217	-	3,449,842
Charge for the year	-	93,930	7,746	305,626	70,042	55,845	-	533,189
Translation	-	8,984	1,161	102,902	17,661	1,612	-	132,320
Relieved on disposals	-	-	-	(35,380)	-	(27,719)	-	(63,099)
Transfers/reclassifications	-	32,943	(44,881)	(78,034)	(2,375)	174	-	(92,173)
At 27 April 2013	-	811,456	16,230	2,280,578	513,686	338,129	-	3,960,079
Net Book Value -								
At 27 April 2013	317,646	1,444,958	115,610	5,325,028	361,465	259,356	484,447	8,308,510

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13. Property, Plant and Equipment (Continued)

	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	6,231,994	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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13. Property, Plant and Equipment (Continued)

	The Company							
	2013							
	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 28 April 2012	78,182	997,474	13,510	1,879,758	438,296	375,709	269,098	4,052,027
Additions	-	-	-	26,241	9,164	113,881	654,482	803,768
Disposals	-	-	-	(3,792)	-	(30,282)	-	(34,074)
Transfers/reclassifications	-	242,126	-	295,715	14,902	-	(552,743)	-
Transferred to subsidiary	-	-	-	-	-	-	(24,454)	(24,454)
At 27 April 2013	78,182	1,239,600	13,510	2,197,922	462,362	459,308	346,383	4,797,267
Depreciation -								
At 28 April 2012	-	309,872	3,585	993,609	266,015	247,864		1,820,945
Charge for the year	-	26,444	398	89,400	36,821	44,305	-	197,368
Relieved on disposals	-	-	-	(230)	-	(27,719)	-	(27,949)
At 27 April 2013	-	336,316	3,983	1,082,779	302,836	264,450	-	1,990,364
Net Book Value -								
At 27 April 2013	78,182	903,284	9,527	1,115,143	159,526	194,858	346,383	2,806,903

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13. Property, Plant and Equipment (Continued)

	The Company							
	2012							
	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 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

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

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14. Intangible Asset

	The Group	The Company
	Computer Software	Computer Software
	$'000	$'000
Cost -		
At 30 April 2011	143,790	139,279
Additions	11,580	11,193
At 28 April 2012	155,370	150,472
Additions	61,052	56,028
Translation	426	-
At 27 April 2013	216,848	206,500
Amortisation -		
At 30 April 2011	79,073	76,449
Charge for the year	14,520	14,129
At 28 April 2012	93,593	90,578
Charge for the year	17,491	16,346
Translation	62	-
At 27 April 2013	111,146	106,924
Net Book Value -		
27 April 2013	105,702	99,576
28 April 2012	61,777	59,894

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

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15. Investment Property

Investment property previously occupied by the company, and classified as property plant and equipment in the group balance sheet were transferred to investment property during the year arising out of a change in use.

	The Group
	Land and Buildings
	$'000
At Net Book Value -	
Transferred from property, plant and equipment	58,988

The investment property was valued by independent valuers, Property Consultants Limited as at March 2012, on the basis of open market value. The market value of the property is estimated to be valued at 105,000,000.

16. Investments

	The Group		The Company	
	27 April 2013	28 April 2012	27 April 2013	28 April 2012
	$'000	$'000	$'000	$'000
Available-for-sale -				
Unquoted equities	60,289	34,673	10,702	10,702

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17. Investment in Jointly Controlled Operation

In prior year, the Group jointly controlled 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 was entitled to 68% of the operating results of the joint venture. Jamaica Broilers Group Limited participated in the joint venture through an agent, Haiti Broilers S.A. The following represented 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 $Nil (2012 - $18,869,000) is included in receivables (Note 23) relating to amounts recoverable from the other joint venture partner.

Effective 29 April 2012, and on execution of a shareholders' agreement, the joint venture arrangement was dissolved and the operations transferred to Haiti Broilers S.A. Under the shareholders' agreement, Jamaica Broilers Group Limited disposed of 31% of its ownership interest in Haiti Broilers S.A. by way of a share transfer (Note 18).

18. Transaction with non-controlling interests

Disposal of interest in a subsidiary without loss of control
On 29 April 2012, the company disposed of a 31% interest out of the 99% interest held in Haiti Broilers S.A. for a consideration of HTG80,000.The carrying amount of the non-controlling interest in Haiti Broilers S.A. on the date of disposal was HTG80,000 (representing 31% interest). This resulted in an increase in non-controlling interests of HTG80,000.

There were no transactions with non-controlling interests in prior year.

Jamaica Broilers Group Limited

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19. Deferred Income Taxes

Deferred income taxes are calculated on all temporary differences under the liability method using an effective tax rate of 30%.

	The Group		The Company	
	27 April 2013 $'000	**28 April 2012 $'000**	**27 April 2013 $'000**	**28 April 2012 $'000**
Deferred tax assets	(9,113)	(44,696)	-	-
Deferred tax liabilities	411,035	460,985	363,776	399,443
	401,922	416,289	363,776	399,443

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

	The Group		The Company	
	27 April 2013 $'000	**28 April 2012 $'000**	**27 April 2013 $'000**	**28 April 2012 $'000**
Balance at start of year	416,289	442,802	399,443	405,977
(Credited to profit or loss (Note 10)	(14,367)	(26,513)	(35,667)	(6,534)
Balance as at end of year	401,922	416,289	363,776	399,443

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19. Deferred Income Taxes (Continued)

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

	The Group		The Company	
	27 April 2013 $'000	28 April 2012 $'000	27 April 2013 $'000	28 April 2012 $'000
Deferred income tax assets -				
Property, plant and equipment	13,216	3,769		-
Accrued vacation	17,426	15,423	17,039	15,329
Tax losses unused	35,170	61,171	-	-
Unrealised foreign exchange losses	3	26	-	26
Other	12,482	5,943	12,484	5,942
	78,297	86,332	29,523	21,297
Deferred income tax liabilities -				
Property, plant and equipment	389,215	396,675	314,799	328,084
Pension and other post-employment benefits	64,883	91,254	52,620	78,120
Unrealised foreign exchange gains	25,717	14,510	25,717	14,354
Other	404	182	163	182
	480,219	502,621	393,299	420,740
Net deferred tax liability	401,922	416,289	363,776	399,443

The deferred tax credited in profit or loss comprises the following temporary differences:

	The Group		The Company	
	27 April 2013 $'000	28 April 2012 $'000	27 April 2013 $'000	28 April 2012 $'000
Property, plant and equipment	(16,907)	(24,882)	(13,285)	(33,886)
Accrued vacation	(2,003)	(5,166)	(1,710)	(5,401)
Post-employment benefits	(26,371)	16,121	(25,500)	16,553
Tax losses	26,001	(29,022)		-
Unrealised foreign exchange losses/gains	11,230	18,755	11,389	17,900
Other temporary differences	(6,317)	(2,319)	(6,561)	(1,700)
	(14,367)	(26,513)	(35,667)	(6,534)

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, included in consolidated results, totalled $196,061,000 (2012 - $154,177,000). These undistributed earnings are in foreign subsidiaries.

Deferred income tax assets of $Nil (2012 - $1,486,000) in respect of tax losses available in certain subsidiaries (Note 10) are not recognised as their utilisation is not currently anticipated.

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19. Deferred Income Taxes (Continued)

These balances include the following:

	The Group		The Company	
	27 April 2013 $'000	28 April 2012 $'000	27 April 2013 $'000	28 April 2012 $'000
Deferred tax assets -				
Deferred tax assets to be recovered after more than 12 months	30,642	32,134	-	-
Deferred tax assets to be recovered within 12 months	47,655	54,198	29,523	21,297
	78,297	86,332	29,523	21,297
Deferred tax liabilities -				
Deferred tax liabilities to be recovered after more than 12 months	454,098	487,930	367,419	406,205
Deferred tax liabilities to be recovered within 12 months	26,121	14,691	25,880	14,535
	480,219	502,621	393,299	420,740
Net deferred tax liability	401,922	416,289	363,776	399,443

20. Post-employment Benefits

Amounts recognised in the balance sheet are as follows:

	The Group		The Company	
	27 April 2013 $'000	28 April 2012 $'000	27 April 2013 $'000	28 April 2012 $'000
Pension scheme benefit assets	234,700	248,500	189,000	204,300
Post-employment benefit obligations	(14,800)	(14,200)	(13,600)	(12,600)
Amounts recognised in the profit or loss (Note 8) -				
Pension scheme benefit assets	(46,200)	30,600	(47,200)	27,000
Post-employment benefit obligations	2,300	2,200	2,600	2,000
	(43,900)	32,800	(44,600)	29,000

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20. 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 27 April 2013.

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

	The Group		The Company	
	27 April 2013	**28 April 2012**	**27 April 2013**	**28 April 2012**
	$'000	**$'000**	**$'000**	**$'000**
Fair value of plan assets	2,006,800	2,081,100	1,884,000	1,902,000
Present value of obligations	(1,944,500)	(1,519,100)	(1,825,500)	(1,388,400)
	62,300	562,000	58,500	513,600
Unrecognised actuarial gains	172,400	(313,500)	130,500	(309,300)
	234,700	248,500	189,000	204,300

Pension plan assets include investment in ordinary stock units of the company with a fair value of $31,117,000 (2012 - $31,463,000).

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

	The Group		The Company	
	27 April 2013	**28 April 2012**	**27 April 2013**	**28 April 2012**
	$'000	**$'000**	**$'000**	**$'000**
At start of year	248,500	241,900	204,300	196,500
Amounts recognised in profit or loss (Note 8)	46,200	(30,600)	47,200	(27,000)
Contributions paid	40,000	37,200	37,500	34,800
Pension surplus refund	(100,000)	-	(100,000)	-
At end of year	234,700	248,500	189,000	204,300

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20. Post-employment Benefits (Continued)

(a) Pension scheme benefits (continued)

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

	The Group		The Company	
	27 April 2013 $'000	28 April 2012 $'000	27 April 2013 $'000	28 April 2012 $'000
At start of year	1,519,100	1,434,100	1,388,400	1,310,400
Current service cost	118,500	119,700	109,300	110,300
Interest cost	157,000	160,600	143,100	146,700
Benefits paid	(75,000)	(23,900)	(73,000)	(23,100)
Loss on curtailment	(34,000)	-	(34,000)	-
Actuarial (loss)/gain on obligations	258,900	(171,400)	291,700	(155,900)
At end of year	1,944,500	1,519,100	1,825,500	1,388,400

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

	The Group		The Company	
	27 April 2013 $'000	28 April 2012 $'000	27 April 2013 $'000	28 April 2012 $'000
At start of year	2,081,100	1,842,500	1,902,000	1,683,600
Members' contribution	66,700	61,800	62,800	57,700
Employer's contribution	40,000	37,200	37,500	34,800
Transfer in	500	-	500	-
Expected return on plan assets	202,700	188,000	184,500	171,800
Benefits paid	(75,000)	(23,900)	(73,000)	(23,100)
Pension surplus refund	(100,000)	-	(100,000)	-
Actuarial loss on plan assets	(209,200)	(24,500)	(130,300)	(22,800)
At end of year	2,006,800	2,081,100	1,884,000	1,902,000

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20. Post-employment Benefits (Continued)

(a) Pension scheme benefits (continued)

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

	The Group		The Company	
	27 April 2013 $'000	**28 April 2012 $'000**	**27 April 2013 $'000**	**28 April 2012 $'000**
Current service cost	51,300	58,100	46,000	52,600
Interest cost	157,000	160,600	143,100	146,700
Expected return on plan assets	(202,700)	(188,000)	(184,500)	(171,800)
Loss on curtailment	(34,000)		(34,000)	-
Net actuarial gains recognised in year	(17,800)	(100)	(17,800)	(500)
Total included in staff costs (Note 8)	(46,200)	30,600	(47,200)	27,000
Actual return on plan assets	(6,500)	163,500	54,200	149,000

The principal actuarial assumptions used were as follows:

	27 April 2013	**28 April 2012**
Discount rate	10.0%	10.5%
Expected return on plan assets	10.0&	10.0%
Future salary increases	6.5%	6.0%
Future pension increases	4.5%	3.0%
Remaining working lives - years	17	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 (2012 – 9% per year).

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20. 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	
	27 April 2013	28 April 2012	27 April 2013	28 April 2012
	$'000	$'000	$'000	$'000
Present value of funded obligations	15,100	13,600	14,000	12,500
Unrecognised actuarial (losses)/gains	(300)	600	(400)	100
	14,800	14,200	13,600	12,600

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

	The Group		The Company	
	27 April 2013	28 April 2012	27 April 2013	28 April 2012
	$'000	$'000	$'000	$'000
At start of year	14,200	13,300	12,600	11,800
Amounts recognised in profit or loss (Note 8)	2,300	2,200	2,600	2,000
Contributions paid	(1,700)	(1,300)	(1,600)	(1,200)
At end of year	14,800	14,200	13,600	12,600

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

	The Group		The Company	
	27 April 2013	28 April 2012	27 April 2013	28 April 2012
	$'000	$'000	$'000	$'000
At start of year	13,600	15,400	12,500	13,800
Interest cost	1,400	1,600	1,300	1,400
Benefits paid	(1,700)	(1,300)	(1,600)	(1,200)
Past service cost – vested benefits	1,300	-	1,300	-
Actuarial loss/(gain) on obligation	500	(2,100)	500	(1,500)
At end of year	15,100	13,600	14,000	12,500

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20. Post-employment Benefits (Continued)

(b) Post-employment medical benefits (continued)

The amount recognised in profit or loss is as follows:

	The Group		The Company	
	27 April 2013	28 April 2012	27 April 2013	28 April 2012
	$'000	$'000	$'000	$'000
Interest cost, included in staff costs (Note 8)	2,300	2,200	2,600	2,000

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

	The Group		The Company	
	27 April 2013	28 April 2012	27 April 2013	28 April 2012
	$'000	$'000	$'000	$'000
	Increase	Increase	Increase	Increase
Effect on the aggregate of current service cost and interest cost	100	200	100	182
Effect on the defined benefit obligation	1,000	1,000	900	914
	1,100	1,200	1,000	1,096

	The Group		The Company	
	27 April 2013	28 April 2012	27 April 2013	28 April 2012
	$'000	$'000	$'000	$'000
	Decrease	Decrease	Decrease	Decrease
Effect on the aggregate of current service cost and interest cost	(100)	(100)	(100)	(91)
Effect on the defined benefit obligation	(900)	(900)	(800)	(823)
	(1,000)	(1,000)	(900)	(914)

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20. Post-employment Benefits (Continued)

(c) Distribution of pension plan assets -

	The Group			
	27 April 2013	27 April 2013	28 April 2012	28 April 2012
	$'000	%	$'000	%
Equities	508,600	25	567,800	27
Property	246,600	12	284,700	14
Government securities and reverse repurchase agreements	932,000	47	981,600	47
Corporate bonds	122,700	6	90,700	4
Leased assets	29,800	2	33,200	2
Other	167,100	8	123,100	6
	2,006,800	100	2,081,100	100

	The Company			
	27 April 2013	27 April 2013	28 April 2012	28 April 2012
	$'000	%	$'000	%
Equities	477,475	25	518,948	27
Property	231,509	12	260,205	14
Government securities and reverse repurchase agreements	874,963	47	897,145	47
Corporate bonds	115,191	6	82,896	4
Leased assets	27,976	2	30,344	2
Other	156,886	8	112,462	6
	1,884,000	100	1,902,000	100

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20. Post-employment Benefits (Continued)

(d) Other pension plan disclosures -

Expected contributions to post-employment plan for the year ending 3 May 2014 are $39,300,000.

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				
	2013	**2012**	**2011**	**2010**	**2009**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Fair value of plan assets	2,006,800	2,081,100	1,842,500	1,668,500	1,341,300
Present value of defined benefit obligation	(1,944,500)	(1,519,100)	(1,434,100)	(1,209,500)	(734,000)
Surplus	62,300	562,000	408,400	459,000	607,300
Experience adjustments to plan liabilities	22,200	(18,100)	13,700	6,500	18,100
Experience adjustments to plan assets	(209,100)	(24,600)	(83,300)	243,700	(219,500)

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20. Post-employment Benefits (Continued)

(d) Other pension plan disclosures (continued)-

Pension scheme benefits (continued)

	The Company				
	2013	**2012**	**2011**	**2010**	**2009**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Fair value of plan assets	1,884,000	1,902,000	1,683,600	1,524,900	1,235,300
Present value of defined benefit obligation	(1,825,500)	(1,388,400)	(1,310,400)	(1,105,400)	(676,000)
Surplus	58,500	513,600	373,200	419,500	559,300
Experience adjustments to plan liabilities	(26,800)	(16,800)	13,000	4,500	(5,100)
Experience adjustments to plan assets	(130,300)	(22,800)	(76,800)	222,400	(163,500)

Post-employment medical benefits

	The Group				
	2013	**2012**	**2011**	**2010**	**2009**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Present value of funded obligation	15,100	13,600	15,400	14,500	14,400
Experience adjustments to plan liabilities	(500)	2,100	(700)	900	(6,200)

	The Company				
	2013	**2012**	**2011**	**2010**	**2009**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Present value of funded obligation	14,000	12,500	13,800	13,000	13,000
Experience adjustments to plan liabilities	(500)	1,500	(700)	900	(5,800)

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21. Inventories

	The Group		The Company	
	27 April 2013 $'000	28 April 2012 $'000	27 April 2013 $'000	28 April 2012 $'000
Grain and feed ingredients	980,821	1,110,729	819,609	970,450
Inventories for resale and spares	1,853,711	2,204,600	1,613,464	2,014,189
Processed broilers, beef and fish	4,831	73,190	-	72,981
Goods in transit and others	163,609	33,302	136,111	15,809
	3,002,972	3,421,821	2,569,184	3,073,429
Less: Provision for obsolescence	(38,198)	(46,959)	(28,599)	(38,662)
	2,964,774	3,374,862	2,540,585	3,034,767

Inventory write-downs and provisions during the year amounted to $18,069,000 respectively (2012 - $8,969,000).

22. Biological Assets

	The Group		The Company	
	27 April 2013 $'000	28 April 2012 $'000	27 April 2013 $'000	28 April 2012 $'000
Cattle	64,048	65,897	-	65,616
Fish	139,593	163,949	-	-
Poultry	1,141,031	753,364	467,075	392,261
	1,344,672	983,210	467,075	457,877

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

	The Group		The Company	
	27 April 2013 $'000	28 April 2012 $'000	27 April 2013 $'000	28 April 2012 $'000
At start of year	639,411	603,972	457,877	442,503
Fair value gains	4,974	4,159	-	4,159
Increase due to purchases	5,025,679	4,640,965	4,881,714	4,445,583
Decrease due to sales	(4,987,726)	(4,609,685)	(4,872,516)	(4,434,368)
Translation	1,807	-	-	-
At end of year	684,145	639,411	467,075	457,877

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22. Biological Assets (Continued)

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

	The Group	
	27 April 2013 $'000	**28 April 2012 $'000**
At start of year	343,799	310,526
Increase due to purchases	907,929	529,063
Decrease due to sales and depreciation	(637,124)	(499,570)
Translation	45,923	3,780
At end of year	660,527	343,799

Biological assets for the Group comprise of:

	The Group		The Company	
	27 April 2013 $'000	**28 April 2012 $'000**	**27 April 2013 $'000**	**28 April 2012 $'000**
Biological assets at fair value	684,145	639,411	467,075	457,877
Biological assets at cost	660,527	343,799	-	-
	1,344,672	983,210	467,075	457,877

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 913 (2012 – 684).

The number of cattle harvested during the year was 419 (2012 – 400).

(ii) Fish
The estimated weight of fish and fingerlings at the end of the year was 141 tonnes (2012 – 170 tonnes).

The estimated weight of fish and fingerlings harvested during the year was 271 tonnes (2012 – 345 tonnes).

(iii) Poultry
The number of birds in the field, including broilers, breeders, and layer pullets at year end was 3,866,000 (2012 – 3,078,000) and the number of fertile (hatching) eggs at year end was 3,704,000 (2012 – 3,793,000).

The total number of birds produced during the year was 65,526,000 (2012 – 64,824,000).

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23. Receivables

	The Group		The Company	
	27 April 2013 $'000	**28 April 2012 $'000**	**27 April 2013 $'000**	**28 April 2012 $'000**
Trade receivables	1,577,004	1,341,846	1,219,015	1,098,488
Less: Provision for impairment	(176,601)	(147,193)	(143,062)	(75,419)
	1,400,403	1,194,653	1,075,953	1,023,069
Contract farmers' receivables	100,461	19,928	100,461	19,928
Deposits	6,327	4,794	701	2,511
G.C.T recoverable	99,398	111,479	53,784	96,110
Insurance claims receivable	10,187	-	10,187	-
Jamaica Broilers Trust (Note 32)	86,004	119,887	86,004	119,887
Jamaica Public Service Company Limited	32,002	30,645	32,002	30,645
Prepayments	279,304	120,744	237,253	106,835
Staff receivables	19,599	24,208	10,200	10,475
Other	182,188	112,213	123,808	87,357
	2,215,873	1,738,551	1,730,353	1,496,817
Less: Provision for impairment	(2,347)	(17,818)	(2,347)	(17,818)
	2,213,526	1,720,733	1,728,006	1,478,999

24. 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).

25. Cash and Short Term Investments

	The Group		The Company	
	27 April 2013 $'000	**28 April 2012 $'000**	**27 April 2013 $'000**	**28 April 2012 $'000**
Cash at bank and in hand	1,093,991	952,092	622,521	433,040
Short term investments	418,008	263,320	418,008	247,464
	1,511,999	1,215,412	1,040,529	680,504
Interest receivable	-	544	-	544
	1,511,999	1,215,956	1,040,529	681,048

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25. Cash and Short Term Investments (Continued)

The weighted average effective interest rate on short term deposits was 0.24% (2012 – 2.92%). These represent call deposits which are repayable on demand. In prior year, the deposits had an average maturity of 28 days.

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

	The Group		The Company	
	27 April 2013	28 April 2012	27 April 2013	28 April 2012
	$'000	$'000	$'000	$'000
Cash and short term investments	1,511,999	1,215,956	1,040,529	681,048
Short term borrowings and bank overdraft	(186,212)	(204,264)	(183,981)	(202,607)
	1,325,787	1,011,692	856,548	478,441

26. Payables

	The Group		The Company	
	27 April 2013	28 April 2012	27 April 2013	28 April 2012
	$'000	$'000	$'000	$'000
Accrued charges	288,427	469,246	246,247	398,103
Contractors retention payable	415	421	415	415
Payroll taxes payable	35,865	37,357	35,865	35,283
Staff related payables	78,245	72,082	60,784	67,289
Trade payables	1,291,235	1,523,318	987,139	1,395,141
Unclaimed cheques	57,921	57,585	57,920	57,213
Other	127,651	29,592	116,303	65,667
	1,879,759	2,189,601	1,504,673	2,019,111

27. Dividends

	The Group and The Company	
	27 April 2013 $'000	28 April 2012 $'000
First interim – 6 cents per stock unit (2012 – 6 cents)	71,957	71,957
Second interim – 8 cents per stock unit (2012 – 10 cents)	95,942	96,246
	167,899	168,203

28. Shareholders loan payable

This represents advances from the non-controlling interests to Haiti Broilers S.A, to fund working capital and infrastructure requirements. The loan is unsecured, does not attract interest and has no set repayment date. The loan is classified as long term in accordance with the terms of the shareholders' agreement.

29. Borrowings

	The Group		The Company	
	27 April 2013 $'000	28 April 2012 $'000	27 April 2013 $'000	28 April 2012 $'000
Non-Current -				
Borrowings	3,241,562	2,725,853	3,038,560	2,413,862
Current -				
Short term borrowings and bank overdraft	962,094	354,264	785,981	352,607
Current portion of non-current borrowings	1,198,429	1,013,197	1,098,404	915,523
Interest payable	41,611	17,826	41,611	17,826
	2,202,134	1,385,287	1,925,996	1,285,956
	5,443,696	4,111,140	4,964,556	3,699,818

Interest rates on these loans ranged from 7% to 10% on Jamaican currency loans and 4.34% to 6.19% 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.

30. Share Capital

	Number of Stock Units	Ordinary Stock Units
	'000	$'000
27 April 2013	1,199,277	765,137
28 April 2012	1,199,277	765,137

The total authorised number of ordinary shares is 1,209,324,000 shares (2012 – 1,209,324,000).

The stock units in 2013 and 2012 are stated in these financial statements without a nominal or par value.

31. Capital Reserve

	The Group		The Company	
	27 April 2013	28 April 2012	27 April 2013	28 April 2012
	$'000	$'000	$'000	$'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)	(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
Movements during the year -				
Fair value loss on available for sale securities	-	4,944	-	-
Translation gain	410,414	42,584	-	-
At end of year	1,432,828	1,022,414	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	-	-	(538)	(538)
Translation loss on subsidiary assumed	-	-	(8,686)	(8,686)
Gains on translation of financial statements of foreign subsidiaries	1,000,235	589,821	-	-
	1,432,828	1,022,414	133,201	133,201

32. 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 between the company and its subsidiaries:

	27 April 2013 $'000	28 April 2012 $'000
Sale of goods	722,969	644,652
Purchases of goods	2,755,381	2,174,183
Interest income earned	11,037	1,329
Rental expense incurred	6,480	6,480
Dividend received	179,860	348,080

(ii) Key management compensation

	The Group		The Company	
	27 April 2013 $'000	28 April 2012 $'000	27 April 2013 $'000	28 April 2012 $'000
With directors and key management -				
Salaries, profit sharing and other short-term employee benefits	275,318	286,256	275,318	286,256
Payroll taxes - Employer's portion	25,379	25,809	25,379	25,809
Pension benefits	4,425	4,151	4,425	4,151
Professional fees paid	24,524	13,892	24,524	13,892
	329,646	330,108	329,646	330,108
Directors' emoluments -				
Fees	15,990	13,330	15,990	13,330
Management remuneration (included above)	142,825	151,559	142,825	151,559

32. Related Party Transactions and Balances (Continued)

(iii) Year end balances with related parties:

	The Group		The Company	
	27 April 2013	28 April 2012	27 April 2013	28 April 2012
	$'000	$'000	$'000	$'000
Directors and key management -				
Receivables	3,785	2,527	5,011	4,077
Payables	-	(299)	-	(299)
Receivable from subsidiaries	-	-	4,183,749	3,951,888
Payable to subsidiaries	-	-	787,110	488,345
Payable to Jamaica Broilers Group Foundation Limited	17,116	490	17,116	490
Loan to Jamaica Broilers Trust	86,004	119,887	86,004	119,887
Loan to Haiti Broilers S.A.	-	-	366,229	-

(a) 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.

(b) Loan to Haiti Broilers S.A. to fund working capital and infrastructure requirements. The loan is unsecured, does not attract interest and has no set repayment date. The loan is classified as long term in accordance with the terms of the shareholders' agreement.

33. 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.

33. Fair Value of Financial Instruments (Continued)

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.

Financial instruments that are measured in the balance sheet at fair value are 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).

Financial assets measured at fair value are all categorised as level 2 and comprise financial assets at fair value through profit or loss amounting to $741,048,000 (2012 - $481,898,000) and $Nil (2012 - $Nil) for the Group and company respectively.

There were no transfers between levels in the year.