

Jamaica Broilers Group Limited

Financial Statements
3 May 2014

Jamaica Broilers Group Limited

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3 May 2014

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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 86, which comprise the consolidated balance sheet as at 3 May 2014 and the consolidated statements of comprehensive income, changes in stockholders' equity and cash flows for the year then ended, and the accompanying financial statements of Jamaica Broilers Group Limited standing alone, which comprise the balance sheet as at 3 May 2014 and the statements of comprehensive income, changes in stockholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated 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 judgement, 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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**Members of Jamaica Broilers Group Limited
Independent Auditors' Report
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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 3 May 2014, 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
7 July 2014
Kingston, Jamaica

Jamaica Broilers Group Limited

Group Statement of Comprehensive Income

Year ended 3 May 2014

(expressed in Jamaican dollars unless otherwise indicated)

	Note	3 May 2014 \$'000	Restated 27 April 2013 \$'000
Revenue		30,851,350	26,522,970
Cost of sales		(24,127,169)	(21,054,291)
Gross Profit		6,724,181	5,468,679
Other income/gains	6	165,320	132,598
Distribution costs		(991,747)	(795,938)
Administration and other expenses		(4,250,950)	(3,191,407)
Operating Profit		1,646,804	1,613,932
Finance income	9	18,368	22,504
Finance costs	9	(592,076)	(463,752)
Profit before Taxation		1,073,096	1,172,684
Taxation	10	(153,987)	(144,691)
Net Profit		919,109	1,027,993
Other Comprehensive Income, net of taxes -			
Item that will not be reclassified to profit or loss -			
Re-measurements of post-employment/pension benefits - , net of taxes		(103,750)	(330,600)
Item that will be reclassified to profit or loss -			
Exchange differences on translating foreign operations		317,800	418,957
Total other comprehensive income		214,050	88,357
Total Comprehensive Income		1,133,159	1,116,350
Net Profit Attributable to:			
Stockholders of the company	11	957,283	1,092,580
Non-controlling interests	17	(38,174)	(64,587)
		919,109	1,027,993
Total Comprehensive Income Attributable to:			
Stockholders of the company		1,167,079	1,172,394
Non-controlling interests	17	(33,920)	(56,044)
		1,133,159	1,116,350
Earnings per Stock Unit	12	79.82	91.11

Jamaica Broilers Group Limited

Group Balance Sheet

3 May 2014

(expressed in Jamaican dollars unless otherwise indicated)

	Note	3 May 2014 \$'000	Restated 27 April 2013 \$'000	Restated 28 April 2012 \$'000
Non-Current Assets				
Property, plant and equipment	13	9,395,304	8,308,510	7,208,170
Intangible assets	14	931,016	105,702	61,777
Investment property	15	58,098	58,988	-
Investments	16	65,669	60,289	34,673
Deferred income taxes	18	14,510	16,643	47,663
Post-employment benefit assets	19	-	62,300	562,000
		<u>10,464,597</u>	<u>8,612,432</u>	<u>7,914,283</u>
Current Assets				
Inventories	20	3,693,396	2,964,774	3,374,862
Biological assets	21	2,267,869	1,344,672	983,210
Receivables	22	2,822,029	2,213,526	1,720,733
Taxation recoverable		4,057	3,655	8,945
Financial assets at fair value through profit or loss	23	436,046	741,048	481,898
Cash and short term investments	24	670,757	1,511,999	1,215,956
		<u>9,894,154</u>	<u>8,779,674</u>	<u>7,785,604</u>
Current Liabilities				
Payables	25	2,825,867	1,879,759	2,189,601
Taxation payable		155,523	116,024	241,177
Borrowings	28	2,635,849	2,202,134	1,385,287
		<u>5,617,239</u>	<u>4,197,917</u>	<u>3,816,065</u>
Net Current Assets				
		<u>4,276,915</u>	<u>4,581,757</u>	<u>3,969,539</u>
		<u>14,741,512</u>	<u>13,194,189</u>	<u>11,883,822</u>
Stockholders' Equity				
Share capital	29	765,137	765,137	765,137
Capital reserve	30	1,746,374	1,432,828	1,022,414
Retained earnings		8,045,730	7,384,081	6,790,000
		<u>10,557,241</u>	<u>9,582,046</u>	<u>8,577,551</u>
Non-controlling interests				
	17	(36,023)	(55,877)	-
		<u>10,521,218</u>	<u>9,526,169</u>	<u>8,577,551</u>
Non-Current Liabilities				
Shareholders loan payable	27	-	43,643	-
Borrowings	28	3,568,071	3,241,562	2,725,853
Deferred income taxes	18	530,823	367,715	566,818
Post-employment benefit obligations	19	121,400	15,100	13,600
		<u>14,741,512</u>	<u>13,194,189</u>	<u>11,883,822</u>

Approved for issue by the Board of Directors on 7 July 2014 and signed on its behalf by:

Robert E. Levy

Chairman

Christopher Levy

Director

Jamaica Broilers Group Limited

Group Statement of Changes in Stockholders' Equity

Year ended 3 May 2014

(expressed in Jamaican dollars unless otherwise indicated)

	Note	Attributable to the Company's Stockholders				Non-controlling Interests	Total
		Number of Shares	Share Capital	Capital Reserve	Retained Earnings		
		'000	\$'000	\$'000	\$'000		
Balance at 30 April 2012		1,199,277	765,137	1,022,414	6,578,766	-	8,366,317
Effects of changes in accounting standard		-	-	-	211,234	-	211,234
Balance at 30 April 2012, as restated		-	765,137	1,022,414	6,790,000	-	8,577,551
Reameasurements of pension asset/obligation, net of taxes		-	-	-	(330,600)	-	(330,600)
Exchange differences on translating foreign operations		-	-	410,414	-	8,543	418,957
Total other comprehensive income		-	-	410,414	(330,600)	8,543	88,357
Net profit		-	-	-	1,092,580	(64,587)	1,027,993
Total comprehensive income		-	-	410,414	761,980	(56,044)	1,116,350
Dividends	26	-	-	-	(167,899)	-	(167,899)
Sale of interest to non-controlling interest in Haiti Broilers S.A.	17	-	-	-	-	167	167
Total transactions with owners		-	-	-	(167,899)	167	(167,732)
Movement during the year		-	-	410,414	594,081	(55,877)	948,618
Balance at 27 April 2013		1,199,277	765,137	1,432,828	7,384,081	(55,877)	9,526,169
Reameasurements of pension asset/obligation, net of taxes		-	-	-	(103,750)	-	(103,750)
Exchange differences on translating foreign operations		-	-	313,546	-	4,254	317,800
Total other comprehensive income		-	-	313,546	(103,750)	4,254	214,050
Net profit		-	-	-	957,283	(38,174)	919,109
Total comprehensive income		-	-	313,546	853,533	(33,920)	1,133,159
Dividends	26	-	-	-	(191,884)	-	(191,884)
Additional investment/loan conversion	17,27	-	-	-	-	53,774	53,774
Total transactions with owners		-	-	-	(191,884)	53,774	(138,110)
Movement during the year		-	-	313,546	661,649	19,854	995,049
Balance at 3 May 2014		1,199,277	765,137	1,746,374	8,045,730	(36,023)	10,521,218

Jamaica Broilers Group Limited

Group Statement of Cash Flows

Year ended 3 May 2014

(expressed in Jamaican dollars unless otherwise indicated)

	Note	3 May 2014 \$'000	Restated 27 April 2013 \$'000
Cash Flows from Operating Activities			
Net profit		919,109	1,027,993
Adjustments for:			
Depreciation	13	622,509	533,189
Amortisation	14	70,209	17,491
Write-off property, plant and equipment		8,332	-
Gain on disposal of property, plant and equipment	6	(18,346)	(12,541)
Fair value loss on investment property		890	-
Fair value (gain)/loss on financial assets at fair value through profit or loss	6	(3,227)	(14,881)
Changes in post-employment benefits		30,400	(67,400)
Taxation expense	10	153,987	144,691
Interest income	9	(18,368)	(22,504)
Unrealised foreign exchange losses		11,069	117,667
Interest expense	9	470,333	373,555
		<u>2,246,897</u>	<u>2,097,260</u>
Changes in operating assets and liabilities:			
Inventories		(708,622)	410,088
Biological assets		(450,425)	(361,462)
Receivables		(463,276)	(487,503)
Payables		776,002	(446,606)
Financial assets at fair value through profit or loss		308,229	(166,396)
Translation gain on working capital of foreign subsidiaries		(161,495)	(155,354)
		<u>1,547,310</u>	<u>890,027</u>
Taxation paid		(131,195)	(299,926)
Cash provided by operating activities		<u>1,416,115</u>	<u>590,101</u>

Jamaica Broilers Group Limited

Group Statement of Cash Flows (Continued)

Year ended 3 May 2014

(expressed in Jamaican dollars unless otherwise indicated)

		3 May 2014 \$'000	Restated 27 April 2013 \$'000
	Note		
Cash Flows from Operating Activities (Page 4)		<u>1,416,115</u>	<u>590,101</u>
Cash Flows from Investing Activities			
Acquisition of subsidiaries, net of cash acquired	33	(1,292,941)	-
Purchase of property, plant and equipment	13	(1,131,891)	(1,424,684)
Proceeds from disposal of property, plant and equipment		36,208	258,937
Purchase of intangible assets	14	(4,726)	(56,661)
Purchase of investments			(20,772)
Pension surplus refund		-	100,000
Interest received		18,368	22,504
Cash used in investing activities		<u>(2,374,982)</u>	<u>(1,120,676)</u>
Cash Flows from Financing Activities			
Long term loans repaid		(1,918,794)	(1,048,355)
Long term loans received		2,679,839	2,296,292
Additional investments from non-controlling interest	17	10,131	-
Interest paid		(468,138)	(339,954)
Dividends paid		(191,884)	(167,899)
Cash provided by financing activities		<u>111,154</u>	<u>740,084</u>
Effect of changes in exchange rates on cash and cash equivalents		<u>36,554</u>	<u>104,586</u>
(Decrease)/Increase in cash and cash equivalents		(811,159)	314,095
Cash and cash equivalents at beginning of year		<u>1,325,787</u>	<u>1,011,692</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	24	<u><u>514,628</u></u>	<u><u>1,325,787</u></u>

Jamaica Broilers Group Limited

Company Statement of Comprehensive Income

Year ended 3 May 2014

(expressed in Jamaican dollars unless otherwise indicated)

	Note	3 May 2014 \$'000	Restated 27 April 2013 \$'000
Revenue		25,286,157	23,363,626
Cost of sales		(20,433,589)	(19,079,028)
Gross Profit		4,852,568	4,284,598
Other income/gains	6	894,862	206,507
Distribution costs		(749,900)	(703,350)
Administration and other expenses		(3,222,517)	(2,642,023)
Operating Profit		1,775,013	1,145,732
Finance income	9	121,568	25,448
Finance costs	9	(529,334)	(447,349)
Profit before Taxation		1,367,247	723,831
Taxation	10	(61,186)	(103,749)
Net Profit		1,306,061	620,082
Other Comprehensive Income, net of taxes -			
Item that will not be reclassified to profit or loss -			
Re-measurements of post-employment benefits		(99,450)	(295,750)
TOTAL COMPREHENSIVE INCOME		<u>1,206,611</u>	<u>324,332</u>

Jamaica Broilers Group Limited

Company Balance Sheet

3 May 2014

(expressed in Jamaican dollars unless otherwise indicated)

	Note	3 May 2014 \$'000	Restated 27 April 2013 \$'000	Restated 28 April 2012 \$'000
Non-Current Assets				
Property, plant and equipment	13	3,503,655	2,806,903	2,231,082
Intangible asset	14	96,023	99,576	59,894
Investments	16	10,702	10,702	10,702
Interest in subsidiaries		920,460	410,612	410,612
Loan receivable	31	-	366,229	-
Post-employment benefit assets	19	-	58,500	513,600
		<u>4,530,840</u>	<u>3,752,522</u>	<u>3,225,890</u>
Current Assets				
Inventories	20	3,318,526	2,540,585	3,034,767
Biological assets	21	629,195	467,075	457,877
Receivables	22	1,957,921	1,728,006	1,478,999
Subsidiaries		5,306,997	4,183,749	3,951,888
Taxation recoverable		1,413	265	1,218
Cash and short term investments	24	339,483	1,040,529	681,048
		<u>11,553,535</u>	<u>9,960,209</u>	<u>9,605,797</u>
Current Liabilities				
Payables	25	2,288,846	1,504,673	2,019,111
Taxation payable		96,763	89,529	237,413
Subsidiaries		749,868	787,110	488,345
Borrowings	28	2,128,859	1,925,996	1,285,956
		<u>5,264,336</u>	<u>4,307,308</u>	<u>4,030,825</u>
Net Current Assets				
		<u>6,289,199</u>	<u>5,652,901</u>	<u>5,574,972</u>
		<u>10,820,039</u>	<u>9,405,423</u>	<u>8,800,862</u>
Stockholders' Equity				
Share capital	29	765,137	765,137	765,137
Capital reserve	30	133,201	133,201	133,201
Retained earnings		6,144,746	5,130,019	4,973,586
		<u>7,043,084</u>	<u>6,028,357</u>	<u>5,871,924</u>
Non-Current Liabilities				
Borrowings	28	3,405,805	3,038,560	2,413,862
Deferred income taxes	18	255,650	324,506	502,576
Post-employment benefit obligations	19	115,500	14,000	12,500
		<u>10,820,039</u>	<u>9,405,423</u>	<u>8,800,862</u>

Approved for issue by the Board of Directors on 7 July 2014 and signed on its behalf by:

Robert E. Levy

Chairman

Christopher Levy

Director

Jamaica Broilers Group Limited

Company Statement of Changes in Stockholders' Equity

Year ended 3 May 2014

(expressed in Jamaican dollars unless otherwise indicated)

	Number of Shares	Share Capital	Capital Reserve	Retained Earnings	Total
Note	'000	\$'000	\$'000	\$'000	\$'000
Balance at 30 April 2012	1,199,277	765,137	133,201	4,767,319	5,665,657
Effects of changes in accounting standard	-	-	-	206,267	206,267
Balance at 30 April 2012, as restated	-	765,137	133,201	4,973,586	5,871,924
Reameasurement of pension asset/obligation, net of taxes	-	-	-	(295,750)	(295,750)
Total other comprehensive income	-	-	-	(295,750)	(295,750)
Net profit, as restated	-	-	-	620,082	620,082
Total comprehensive income	-	-	-	324,332	324,332
Dividends	26	-	-	(167,899)	(167,899)
Movement during the year	-	-	-	156,433	156,433
Balance at 27 April 2013	1,199,277	765,137	133,201	5,130,019	6,028,357
Reameasurement of pension asset/obligation, net of taxes	-	-	-	(99,450)	(99,450)
Total other comprehensive income	-	-	-	(99,450)	(99,450)
Net profit	-	-	-	1,306,061	1,306,061
Total comprehensive income	-	-	-	1,206,611	1,206,611
Dividends	26	-	-	(191,884)	(191,884)
Movement during the year	-	-	-	1,014,727	1,014,727
Balance at 3 May 2014	1,199,277	765,137	133,201	6,144,746	7,043,084

Jamaica Broilers Group Limited

Company Statement of Cash Flows

Year ended 3 May 2014

(expressed in Jamaican dollars unless otherwise indicated)

	Note	3 May 2014 \$'000	Restated 27 April 2013 \$'000
Cash Flows from Operating Activities			
Net profit		1,306,061	620,082
Adjustments for:			
Depreciation	13	239,315	197,368
Amortisation	14	19,707	16,346
Property, plant and equipment write off		8,332	-
Gain on disposal of property, plant and equipment	6	(3,561)	(873)
Changes in post-employment benefits		27,400	(65,900)
Taxation expense	10	61,186	103,749
Interest income	9	(121,568)	(25,448)
Dividend income	6	(855,458)	(179,860)
Unrealised foreign exchange losses		113,737	151,004
Interest expense	9	481,712	320,304
		<u>1,276,863</u>	<u>1,136,772</u>
Changes in operating assets and liabilities:			
Inventories		(777,941)	494,182
Biological assets		(162,120)	(9,198)
Receivables		(222,797)	(239,131)
Subsidiaries		(1,180,753)	91,357
Payables		672,954	(650,485)
		<u>(393,794)</u>	<u>823,497</u>
Taxation paid		<u>(90,806)</u>	<u>(302,953)</u>
Cash (used in)/provided by operating activities		<u>(484,600)</u>	<u>520,644</u>

Jamaica Broilers Group Limited

Company Statement of Cash Flows (Continued)

Year ended 3 May 2014

(expressed in Jamaican dollars unless otherwise indicated)

	Note	3 May 2014 \$'000	Restated 27 April 2013 \$'000
Cash Flows from Operating Activities (Page 9)		<u>(484,600)</u>	<u>520,644</u>
Cash Flows from Investing Activities			
Acquisition of subsidiary	33	(111,160)	-
Long term loan to subsidiary		-	(366,229)
Purchase of property, plant and equipment	13	(972,189)	(803,768)
Proceeds from disposal of property, plant and equipment		3,561	6,997
Purchase of intangible asset	14	(559)	(56,028)
Pension surplus refund		-	100,000
Interest received		121,568	25,448
Dividend received		855,458	179,860
Cash used in investing activities		<u>(103,321)</u>	<u>(913,720)</u>
Cash Flows from Financing Activities			
Long term loans repaid		(1,661,856)	(949,384)
Long term loans received		2,210,000	2,080,375
Interest paid		(479,517)	(286,703)
Dividends paid		(191,884)	(167,899)
Cash (used in)/provided by financing activities		<u>(123,257)</u>	<u>676,389</u>
Effect of changes in exchange rates on cash and cash equivalents		<u>37,984</u>	<u>94,894</u>
(Decrease)/Increase in cash and cash equivalents		(673,194)	378,207
Cash and cash equivalents at beginning of year		856,548	478,441
CASH AND CASH EQUIVALENTS AT END OF YEAR	24	<u><u>183,354</u></u>	<u><u>856,548</u></u>

Jamaica Broilers Group Limited

Notes to the Financial Statements

3 May 2014

(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 biological assets and 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.

Jamaica Broilers Group Limited

Notes to the Financial Statements

3 May 2014

(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 effective during the year

Certain new standards, interpretations and amendments to existing standards have been published that became effective during the current financial year. The Group has assessed the relevance of all such new standards, interpretations and amendments and has put into effect the following IFRS, which are immediately relevant to its operations.

- IFRS 10, 'Consolidated financial statements' (effective for annual periods beginning on or after 1 January 2013) establish principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. It defines the principle of control, and establishes control as the basis for consolidation. It sets out how to apply the principle of control to identify whether an investor controls an investee and therefore must consolidate the investee. It also sets out the accounting requirements for the preparation of consolidated financial statements. The Group adopted IFRS 13 effective 28 April 2013, there was no impact from the adoption.
- IFRS 11, Joint Arrangements (effective for annual periods beginning on or after 1 January 2013) replaces IAS 31, Interests in Joint Ventures and SIC-13, Jointly Controlled Entities-Non-Monetary Contributions by Venturers. The standard requires a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations arising from the arrangement. The standard is concerned principally with addressing two aspects of IAS 31: first, that the structure of the arrangement was the only determinant of the accounting and, second, that an entity had a choice of accounting treatment for interests in jointly controlled entities, and improves on IAS 31 by establishing principles that are applicable to the accounting for all joint arrangements. The standard requires a joint venture to recognise an investment and to account for that investment using the equity method in accordance with IAS 28, Investments in Associates and Joint Ventures, unless the entity is exempted from applying the equity method as specified in that standard. The standard did not have a significant impact on the Group's financial statements.
- IFRS 12, 'Disclosures of interests in other entities' (effective for annual periods beginning on or after 1 January 2013) includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. See note 17 for the impact on the financial statements.
- IFRS 13, 'Fair value measurement' (effective for annual periods beginning on or after 1 January 2013) 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, which are largely aligned between IFRS, 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 within IFRS. The standard has resulted in extended disclosure in the financial statements but it did not have a significant impact on the Group's financial statements. The Group adopted IFRS 13 effective 28 April 2013 which resulted in expanded disclosures in the financial statements.

Jamaica Broilers Group Limited

Notes to the Financial Statements

3 May 2014

(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 effective during the year

- IAS 19, 'Employee benefits' was revised in June 2011. The changes on the Group's accounting policies has been as follows: 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). See note 34 for the impact on the financial statements.
- Amendment to IAS 1, 'Presentation of financial statements' (effective for annual periods beginning on or after 1 July 2012). The main change resulting from these amendments is a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The Group has applied the amendment from 28 April 2013 resulting in a change in presentation of the statement of other comprehensive income.
- Amendment to IAS 16, 'Property, plant and equipment' (effective for annual periods beginning on or after 1 July 2012) which clarifies that spare parts and servicing equipment are classified as property plant and equipment (PP&E) rather than inventory when they meet the definition of PP&E. The Group has applied the amendment from 28 April 2013 and there was no impact from the adoption.

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

The Group has concluded that the following standards which are published but not yet effective are relevant to its operations and will impact the Group's accounting policies and financial disclosures as discussed below. These standards and amendments to existing standards are mandatory for the Group's accounting periods beginning after 3 May 2014 or later periods, but the Group has not early adopted them:

- IFRS 9, 'Financial Instruments' (effective for annual periods beginning on or after 1 January 2015). This standard specifies how an entity should classify and measure financial instruments, including some hybrid contracts. It requires all financial assets to be classified on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset; initially measured at fair value plus, in the case of a financial asset not at fair value through profit or loss, particular transaction costs; and subsequently measured at amortised cost or fair value. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of IAS 39. They apply a consistent approach to classifying financial assets and replace the four categories of financial assets in IAS 39, each of which had its own classification criteria. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases 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 the income statement, unless this creates an accounting mismatch. There has been no significant change in the recognition and measurement of financial liabilities carried at amortised cost from that obtained under IAS 39. While adoption of IFRS 9 is mandatory from 1 January 2015, earlier adoption is permitted. The Group is considering the implications of the standard, the impact on the Group and the timing of its adoption.

Jamaica Broilers Group Limited

Notes to the Financial Statements

3 May 2014

(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 15, 'Revenue from Contracts with Customers'. The IASB has published its new revenue standard, IFRS 15 'Revenue from Contracts with Customers'. The U.S. Financial Accounting Standards Board (FASB) has concurrently published its equivalent revenue standard which is the result of a convergence project between the two Boards. IFRS 15 applies to nearly all contracts with customers: the main exceptions are leases, financial instruments and insurance contracts. It specifies how and when an entity will recognise revenue. It also requires entities to provide more informative, relevant disclosures. The standard supersedes IAS 18, 'Revenue', IAS 11, 'Construction Contracts' and a number of revenue-related interpretations. Application of the standard is mandatory for accounting periods beginning on or after 1 January 2017. The Group is assessing the impact of future adoption of the standard.

There are no other new or amended standards and interpretations that are published but not yet effective that would be expected to have an impact on the accounting policies or financial disclosures of the Group.

Jamaica Broilers Group Limited

Notes to the Financial Statements

3 May 2014

(expressed in Jamaican dollars unless otherwise indicated)

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 recorded at cost and represents the excess of the value of consideration paid over the Group's interest in net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. 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.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segment.

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

Notes to the Financial Statements

3 May 2014

(expressed in Jamaican dollars unless otherwise indicated)

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 by Company at 3 May 2014	% Ownership by Group at 3 May 2014
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	100
Best Dressed Foods	Distributors of chicken, beef, fish and imported of protein products	100	100
Subsidiaries			
Aquaculture Jamaica Limited	Fish farming	100	100
Aqualapia Limited	Non-trading	100	100
Best Dressed Chicken Limited	Non-trading	100	100
Content Agricultural Products Limited	Property rental	100	100
Energy Associates Limited and its subsidiary: CE Jamaica Inc.	Holding and investment company Non- trading	100 -	100 100
EAL/ERI Co-generation Partners, LP ERI Jam, LLC (subsidiary of ERI Services (St. Lucia) Limited)	Generation of electricity Non-trading	- -	100 100
Hamilton Smoke House Limited	Processing and sale of meat products	100	100
JB Ethanol Limited (subsidiary of ERI Services (St. Lucia) Limited)	Ethanol production	-	100
Jabexco Limited	Non-trading	100	100
Jamaica Eggs Limited	Non-trading	100	100
Jamaica Poultry Breeders Limited	Fertile egg production and cattle rearing for sale	100	100
Levy Industries Limited	Property rental	100	100
Master Blend Feeds Limited	Property rental	100	100
JB. Trading Limited	Non-trading	100	100
Trafalgar Agriculture Development Limited	Non-trading	100	100
S.G Developments Limited	Non-trading	100	100
Resident outside of Jamaica:			
Atlantic United Insurance Company Limited, St.Lucia	Captive insurance	100	100
ERI Services (St. Lucia) Limited, St. Lucia and its subsidiary: International Poultry Breeders, Inc, USA and its subsidiary	Holding company Holding company	100 -	100 100
England Packing Company Inc Arkansas. USA and its subsidiaries	Holding company	-	100
England Transport Company Inc, USA	Transportation	-	100
England Farms Inc. USA	Fertile egg production	-	100
Haiti Broilers, S.A. and its subsidiary: T&S Rice S.A., Haiti	Production and sale of broilers , layer pullets, table eggs and animal feeds Lessee of production facilities in Haiti	68 -	68 68
Wincorp Air Services Limited, St.Lucia	Aircraft ownership	100	100
International Poultry Breeders LLC Georgia, U.S.A.	Fertile egg production	90	90
Jabexco Cayman Limited, Cayman	Non-trading	40	40
Wincorp International, Inc., U.S.A. and its subsidiary: Consolidated Freight and Shipping, Inc.	Procurers and distributors of agricultural and industrial supplies Ocean freight consolidator	100 -	100 100

Jamaica Broilers Group Limited

Notes to the Financial Statements

3 May 2014

(expressed in Jamaican dollars unless otherwise indicated)

3. 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) *Changes in year*

The Group's holding in subsidiaries and their activities remained the same as the previous year except for the acquisition of wholly owned subsidiaries Hamilton Smoke House Limited and England Packing Company Inc. and its subsidiaries..

(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.

Sales of services

Fees and commission income fees arising from tolling and insurances contracts are generally recognised on an accrual basis when the service has been provided.

Dividend income

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

Jamaica Broilers Group Limited

Notes to the Financial Statements

3 May 2014

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(d) Revenue recognition (continued)

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.

(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 are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement in other income.

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.

Jamaica Broilers Group Limited

Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

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.

Jamaica Broilers Group Limited

Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

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.

(iii) Brands

Brands are recorded at historical cost. They are acquired in a business combination and are recognised at the fair value at acquisition date. These costs have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight line method over their expected useful lives of 7 years.

(iv) Customer relationships

Customer relationships are recorded at cost and represent the value of the consideration paid to acquire customer contract and the related customer relationships. These costs are amortised over the estimated useful lives of the relationships, of 10 years.

(iv) Non-compete agreements

Non-compete agreements are recorded at cost and represent the attributed consideration paid to acquire them. These costs are amortised over the estimated useful lives of the non-compete agreements which is between 2 to 10 years.

(iv) Product formulation

Product formulation are recorded at cost and represent the value of the consideration paid to have rights to use of recipes and formulations. These costs are amortised over their estimated useful lives of 20 years.

Jamaica Broilers Group Limited

Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(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.

(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.

Jamaica Broilers Group Limited

Notes to the Financial Statements

3 May 2014

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(k) Financial assets (continued)

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.

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.

Jamaica Broilers Group Limited

Notes to the Financial Statements

3 May 2014

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(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.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions of the defined benefit obligation are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in income

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 are charged or credited to equity in other comprehensive income. 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.

Jamaica Broilers Group Limited

Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(m) Employee benefits (continued)

(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.

(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 depreciated on a straight line basis over the production life cycle which is estimated to be one year on average

Breeder flocks are depreciated over the production cycle which is estimated to be nine months on average 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.

Jamaica Broilers Group Limited

Notes to the Financial Statements

3 May 2014

(expressed in Jamaican dollars unless otherwise indicated)

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.

Jamaica Broilers Group Limited

Notes to the Financial Statements

3 May 2014

(expressed in Jamaican dollars unless otherwise indicated)

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

3 May 2014

(expressed in Jamaican dollars unless otherwise indicated)

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.

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.

Jamaica Broilers Group Limited

Notes to the Financial Statements

3 May 2014

(expressed in Jamaican dollars unless otherwise indicated)

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 for impairment

As of 3 May 2014, trade receivables of \$554,478,000 (2013 - \$458,446,000) and \$244,041,000 (2013 - \$247,685,000) for the Group and company, respectively, were past due for more than 30 days. The amount of the provision was \$, 212,337,000 (2013 - \$176,601,000) and \$177,182,000 (2013 - \$143,062,000) 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	
	3 May 2014 \$'000	27 April 2013 \$'000	3 May 2014 \$'000	27 April 2013 \$'000
Past due 31 to 60 days	210,828	105,393	136,646	23,333
Past due 61 to 90 days	172,022	65,764	24,774	14,170
Past due over 91 days	171,628	287,289	82,621	210,182
	<u>554,478</u>	<u>458,446</u>	<u>244,041</u>	<u>247,685</u>

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	
	3 May 2014 \$'000	27 April 2013 \$'000	3 May 2014 \$'000	27 April 2013 \$'000
At beginning of year	176,601	147,193	143,062	75,419
Provision for receivables impairment	39,775	86,289	38,071	73,213
Receivables written off during the year as uncollectible	(4,783)	(57,295)	(2,101)	(3,025)
Recoveries	(1,850)	(2,545)	(1,850)	(2,545)
Translation	2,594	2,959	-	-
At end of year	<u>212,337</u>	<u>176,601</u>	<u>177,182</u>	<u>143,062</u>

Jamaica Broilers Group Limited

Notes to the Financial Statements

3 May 2014

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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	
	3 May 2014 \$'000	27 April 2013 \$'000	3 May 2014 \$'000	27 April 2013 \$'000
In Jamaica -				
Wholesale, retail and hotel	1,035,579	1,021,735	1,035,579	956,290
Contract farmers	-	30,685	-	3,356
Other	303,747	249,973	303,375	249,645
	<u>1,339,326</u>	<u>1,302,393</u>	<u>1,338,954</u>	<u>1,209,291</u>
Overseas customers	723,283	274,611	26,510	9,724
	<u>2,062,609</u>	<u>1,577,004</u>	<u>1,365,464</u>	<u>1,219,015</u>
Less: Provision for impairment	(212,337)	(176,601)	(177,182)	(143,062)
	<u>1,850,272</u>	<u>1,400,403</u>	<u>1,188,282</u>	<u>1,075,953</u>

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

Jamaica Broilers Group Limited

Notes to the Financial Statements

3 May 2014

(expressed in Jamaican dollars unless otherwise indicated)

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 23 and short term investments included in Note 24:

	The Group		The Company	
	3 May 2014 \$'000	27 April 2013 \$'000	3 May 2014 \$'000	27 April 2013 \$'000
Financial institutions	476,231	1,159,056	40,185	418,008

(b) Liquidity risk

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

Liquidity risk management process

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

- (i) Monitoring future cash flows and liquidity periodically. This incorporates an assessment of expected cash flows;
- (ii) Maintaining a portfolio of highly marketable assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;
- (iii) Maintaining committed lines of credit;
- (iv) Managing the concentration and profile of debt maturities.

Jamaica Broilers Group Limited

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3 May 2014

(expressed in Jamaican dollars unless otherwise indicated)

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 03 May 2014 and 27 April 2013 based on contractual undiscounted payments.

	The Group				
	Within 3 Months	4 to 12 Months	2 to 5 Years	Over 5 Years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 3 May 2014					
Payables	2,825,867	-	-	-	2,825,867
Borrowings	945,382	1,921,016	3,506,405	375,766	6,748,569
Total financial liabilities (contractual maturity dates)	3,771,249	1,921,016	3,506,405	375,766	9,574,436
	The Group				
	Within 3 Months	4 to 12 Months	2 to 5 Years	Over 5 Years	Total
	\$'000	\$'000	\$'000	\$'000	\$'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

Jamaica Broilers Group Limited

Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(b) Liquidity risk (continued)

Financial liabilities cash flows (continued)

	The Company				
	Within 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 3 May 2014					
Payables	2,288,846	-	-	-	2,288,846
Borrowings	919,320	1,681,751	3,456,880	339,622	6,397,573
Total financial liabilities (contractual maturity dates)	3,208,166	1,681,751	3,456,880	339,622	8,686,419

	The Company				
	Within 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Total
	\$'000	\$'000	\$'000	\$'000	\$'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

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

Jamaica Broilers Group Limited

Notes to the Financial Statements

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3. Financial Risk Management (Continued)

(b) Liquidity risk (continued)

Off-balance sheet items – Contingent liabilities and commitments

- (a) The company has issued a letter of comfort indicating its intention to provide financial support to its subsidiaries, International Poultry Breeders LLC, ERI Services (St. Lucia) Limited and Wincorp Air Services Limited.
- (b) The company has guaranteed \$686,963,000 (2013 - \$452,083,000) and US\$3,860,000 (2013 - US\$1,000,000) 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 \$190,249,000 (2013 - \$219,500,000).
- (d) JB Ethanol Limited, a subsidiary, has guaranteed US\$3,500,000 (2013 - US\$3,500,000) 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	
	3 May 2014 \$'000	27 April 2013 \$'000
Not later than 1 year	19,710	10,288
Later than 1 year and not later than 5 years	55,028	1,986
Later than 5 years	10,365	-
	85,103	12,274

- (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.

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.

Jamaica Broilers Group Limited

Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

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 3 May 2014 includes aggregate net foreign liabilities of approximately US\$13,823,000 (2013 – US\$9,380,000) and US\$12,695,000 (2013 – US\$8,806,000), 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% (2013 – 1%) depreciation and a 10% (2013 – 1%) appreciation of the US dollar against the Jamaican dollar. There was no impact on other components of equity.

Jamaica Broilers Group Limited

Notes to the Financial Statements

3 May 2014

(expressed in Jamaican dollars unless otherwise indicated)

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
	3 May 2014	3 May 2014 \$'000	27 April 2013	27 April 2013 \$'000
Currency:				
USD	+15	(208,828)	+10	(71,218)
USD	-1	13,921	-1	7,121
The Company				
	% Change in Currency Rate	Effect on Net Profit	% Change in Currency Rate	Effect on Net Profit
	3 May 2014	3 May 2014 \$'000	27 April 2013	27 April 2013 \$'000
Currency:				
USD	+15	(199,592)	+10	(87,329)
USD	-1	13,306	-1	8,733

(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 and borrowings. 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 3 May 2014 and 27 April 2013, the Group's investments were fixed rate instruments.

Jamaica Broilers Group Limited

Notes to the Financial Statements

3 May 2014

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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 2.5% increase/1% decrease (2013 – 4% increase and 1% 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 3 May 2014 \$'000	Effect on Pre-tax Profit 27 April 2013 \$'000	Effect on Pre-tax Profit 3 May 2014 \$'000	Effect on Pre-tax Profit 27 April 2013 \$'000
Change in basis points:				
- 100 (2013: -100)	1,516	8,539	316	6,539
+ 250 (2013: 400)	(3,790)	(34,156)	(790)	(26,156)

(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.

Jamaica Broilers Group Limited

Notes to the Financial Statements

3 May 2014

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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 2014, the Group's strategy, which was unchanged from 2013, was to maintain the gearing ratio below 1:1. The gearing ratios at 3 May 2014 and 27 April 2013 were as follows:

	The Group	
	3 May 2014 \$'000	27 April 2013 \$'000
Borrowings	6,203,919	5,443,696
Total capital	16,761,161	15,147,592
Gearing ratio	1:3	1:3

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

Jamaica Broilers Group Limited

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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 19).

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.

Estimated impairment of goodwill

The Group test annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2h. The assessment of goodwill impairment involves the determination of the value in use. Determination of value in use involves the estimation of future cash flows from the business taking into consideration the growth rates, inflation rates and the discount rate. Any changes in these variables would impact the value in use calculations. A 1% increase in the discount rates would result in a reduction in the value in use by \$181,351 000 which would not result in an impairment of goodwill.

Jamaica Broilers Group Limited

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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 Chief Operating Decision Maker

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

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 \$25,288,490,000 (2013 - \$24,297,446,000) and \$5,683,210,000 (2013 - \$2,225,524,000) from external customers in other countries.

Property, plant and equipment and intangible assets located in Jamaica and other countries are \$8,061,784,000 (2013 - \$7,126,255,000) and \$2,264,536,000 (2013 - \$1,067,909,000), respectively.

Jamaica Broilers Group Limited

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5. Segmental Financial Information (Continued)

	2014						Group \$'000
	Best Dressed Foods Division	Hipro-Ace Division	Ethanol Operations	US Operations	Other	Eliminations	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
External revenues	15,466,010	8,851,115	578,144	4,697,569	1,258,512	-	30,851,350
Revenue from other segments	464,958	55,779	-	2,155,001	1,145,855	(3,821,593)	-
Total revenue	15,930,968	8,906,894	578,144	6,852,570	2,404,367	(3,821,593)	30,851,350
Segment result	1,251,370	797,826	(65,985)	332,536	452,586	-	2,768,333
Unallocated corporate							(1,121,529)
Operating profit							1,646,804
Finance income							18,368
Finance costs							(592,076)
Profit before tax							1,073,096
Taxation							(153,987)
Net profit							919,109
Segment assets	1,484,753	718,109	3,800,679	3,588,589	-	-	9,592,100
Other current and non-current assets							10,766,651
Total assets							20,358,751
Segment liabilities	-	-	2,058,950	692,301	-	-	2,751,251
Other current and non-current liabilities							7,086,282
Total liabilities							9,837,533
Other segment items-							
Capital expenditure	18,316	-	2,913	26,751	1,296,066	-	1,344,046
Amortisation	-	-	835	41,618	27,757	-	70,209
Depreciation	13,292	17,515	207,060	45,349	339,911	-	623,127

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5. Segmental Financial Information (Continued)

	Restated 2013						
	Best Dressed Foods Division \$'000	Hipro-Ace Division \$'000	Ethanol Operations \$'000	US Operations \$'000	Other \$'000	Eliminations \$'000	Group \$'000
External revenues	13,203,649	8,751,813	1,913,545	1,734,249	919,714	-	26,522,970
Revenue from other segments	180,175	129,360	-	1,820,511	2,769,331	(4,899,377)	-
Total revenue	<u>13,383,824</u>	<u>8,881,173</u>	<u>1,913,545</u>	<u>3,554,760</u>	<u>3,689,045</u>	<u>(4,899,377)</u>	<u>26,522,970</u>
Segment result	<u>929,056</u>	<u>910,496</u>	<u>335,793</u>	<u>20,509</u>	<u>335,343</u>	<u>-</u>	<u>2,531,197</u>
Unallocated corporate expenses							(917,265)
Operating profit							1,613,932
Finance income							22,504
Finance costs							(463,752)
Profit before tax							1,172,684
Taxation							(144,691)
Net profit							<u>1,027,993</u>
Segment assets	<u>1,091,838</u>	<u>743,332</u>	<u>3,888,142</u>	<u>1,500,778</u>	<u>-</u>	<u>-</u>	<u>7,224,090</u>
Other current and non-current assets							10,332,886
Total assets							<u>17,556,976</u>
Segment liabilities	<u>-</u>	<u>-</u>	<u>1,850,744</u>	<u>464,558</u>	<u>-</u>	<u>-</u>	<u>2,315,302</u>
Other current and non-current liabilities							5,593,656
Total liabilities							<u>7,908,957</u>
Other segment items-							
Capital expenditure	<u>50,573</u>	<u>26,783</u>	<u>14,844</u>	<u>25,509</u>	<u>1,368,027</u>	<u>-</u>	<u>1,485,736</u>
Amortisation	<u>961</u>	<u>1,500</u>	<u>123</u>	<u>662</u>	<u>14,246</u>	<u>-</u>	<u>17,491</u>
Depreciation	<u>10,714</u>	<u>11,180</u>	<u>181,328</u>	<u>18,245</u>	<u>311,721</u>	<u>-</u>	<u>533,189</u>

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6. Other Income/Gains

	The Group		The Company	
	3 May 2014 \$'000	27 April 2013 \$'000	3 May 2014 \$'000	27 April 2013 \$'000
Dividend income from subsidiary	-	-	855,458	179,860
Fair value gain/(loss) on financial assets at fair value through profit or loss (Note 24)	3,227	14,881	-	-
Gain on sale of property, plant and equipment	18,346	12,541	3,561	873
Reinsurance commissions	50,564	46,543	-	-
Other	93,183	58,633	35,843	25,774
	<u>165,320</u>	<u>132,598</u>	<u>894,862</u>	<u>206,507</u>

7. Expenses by Nature

	The Group		The Company	
	3 May 2014 \$'000	27 April 2013 \$'000	3 May 2014 \$'000	27 April 2013 \$'000
Auditors' remuneration	32,090	28,975	11,865	9,845
Advertising and promotions	464,321	412,076	417,428	390,361
Amortisation of intangible assets (Note 14)	70,209	17,491	19,707	16,346
Bad debts	53,949	89,913	43,407	76,796
Cost of inventories recognised as expense	16,580,972	13,158,753	14,175,904	13,757,738
Fuel	931,985	1,134,106	541,386	335,456
Depreciation (Note 13)	622,508	533,189	239,315	197,368
Occupancy – rent and utilities	752,374	1,011,398	558,970	667,803
Repairs and maintenance	1,073,581	939,892	985,154	829,798
Staff costs (Note 8)	4,417,213	3,382,820	3,525,727	2,833,471
Other expenses	4,370,664	4,333,023	3,887,143	3,309,419
	<u>29,369,866</u>	<u>25,041,636</u>	<u>24,406,006</u>	<u>22,424,401</u>

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	
	3 May 2014 \$'000	Restated 27 April 2013 \$'000	3 May 2014 \$'000	Restated 27 April 2013 \$'000
Wages, salaries and contractors' costs	3,439,058	2,691,405	2,720,778	2,242,227
Payroll taxes - Employer's portion	187,335	173,571	145,848	147,481
Pension costs - defined contribution plan	15,882	4,333	-	-
Pension costs - defined benefit plan (Note 19)	72,500	(28,400)	69,500	(29,400)
Post-employment medical benefits (Note 19)	1,400	2,700	1,300	2,600
Termination costs	22,276	50,570	22,020	49,627
Other - benefits and welfare	678,762	488,641	566,281	420,936
	<u>4,417,213</u>	<u>3,382,820</u>	<u>3,525,727</u>	<u>2,833,471</u>

9. Finance Income and Costs

	The Group		The Company	
	3 May 2014 \$'000	27 April 2013 \$'000	3 May 2014 \$'000	27 April 2013 \$'000
Finance income -				
Interest income	18,368	22,504	121,568	25,448
Finance costs -				
Foreign exchange losses	54,872	74,501	47,622	118,774
Interest expense	470,333	373,555	469,786	320,304
Amortisation of debt financing fees and other expenses	66,871	15,696	11,926	8,271
	<u>592,076</u>	<u>463,752</u>	<u>529,334</u>	<u>447,349</u>

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 25%, 34% and 1% on their income, respectively.

During the year, the Government of Jamaica continued its reform of taxes. As a result the Fiscal Incentives Act dated 20 December 2013 was signed into law. Under this Act the tax rate for large unregulated entities was reduced from 30% to 25% effective 1 January 2014.

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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	
	3 May 2014 \$'000	Restated 27 April 2013 \$'000	3 May 2014 \$'000	Restated 27 April 2013 \$'000
Current taxation	170,292	189,793	96,892	155,069
Prior year (over)/under provision	-	(15,019)	-	-
Deferred taxation (Note 18)	(16,305)	(30,083)	(35,706)	(51,320)
	<u>153,987</u>	<u>144,691</u>	<u>61,186</u>	<u>103,749</u>

(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	
	3 May 2014 \$'000	Restated 27 April 2013 \$'000	3 May 2014 \$'000	Restated 27 April 2013 \$'000
Profit before taxation for taxable entities	1,059,014	904,033	1,367,247	723,831
Profit before taxation for non-taxable entities	14,082	268,651	-	-
	<u>1,073,096</u>	<u>1,172,684</u>	<u>1,367,247</u>	<u>723,831</u>
Tax calculated at applicable tax rates	210,555	196,245	341,812	217,149
Adjusted for:				
Income not subject to tax	-	-	(213,864)	(53,958)
Adjustment to prior year's deferred tax	-	12,068	-	(14,220)
Effect of changes in tax rates	(53,044)	(46,014)	(53,044)	(50,527)
Prior year under/(over) provision - current tax	-	(15,019)	-	-
Expenses not deductible for tax purposes and other allowances	(3,524)	(2,589)	(13,718)	5,035
Income tax expense	<u>153,987</u>	<u>144,691</u>	<u>61,186</u>	<u>103,749</u>

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10. Taxation (Continued)

(c) The tax charge/(credit) relating to components of other comprehensive income is as follows:

	The Group		The Company	
	3 May 2014 \$'000	Restated 27 April 2013 \$'000	3 May 2014 \$'000	Restated 27 April 2013 \$'000
Other comprehensive income -				
Retirement benefit assets				
Remeasurements on retirement benefit assets, before tax	137,800	468,600	132,600	423,000
Tax charge (Note 18)	(34,450)	(138,000)	(33,150)	(127,750)
	<u>103,750</u>	<u>330,600</u>	<u>99,450</u>	<u>295,750</u>

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11. Net Profit Attributable to the Stockholders

	3 May 2014 \$'000	Restated 27 April 2013 \$'000
Net profit attributable to:		
Holding company	1,306,061	620,082
Subsidiaries	(348,778)	472,498
	<u>957,283</u>	<u>1,092,580</u>

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.

13. Property, Plant and Equipment

	The Group							
	2014							
	Freehold Land \$'000	Freehold Buildings \$'000	Leasehold Property \$'000	Plant, Machinery & Equipment \$'000	Furniture & Fixtures \$'000	Motor Vehicles \$'000	Capital Work in Progress \$'000	Total \$'000
At Cost -								
At 28 April 2013	317,646	2,256,414	131,840	7,605,606	875,151	597,485	484,447	12,268,589
Additions	-	79,433	7,395	28,598	6,252	73,886	936,327	1,131,891
Acquisition of subsidiaries	34,882	55,193	-	56,716	845	30,183	-	177,819
Translation	2,218	34,200	9,214	492,265	35,933	8,431	4,041	586,302
Disposals	-	-	-	-	-	(20,353)	-	(20,353)
Transfers/reclassifications	-	86,840	126,110	213,771	57,122	1,188	(485,031)	-
Write-off	-	-	-	-	-	-	(8,332)	(8,332)
Transfer to intangible assets	-	-	-	-	-	-	(15,595)	(15,595)
At 3 May 2014	<u>354,746</u>	<u>2,512,080</u>	<u>274,559</u>	<u>8,396,956</u>	<u>975,303</u>	<u>690,820</u>	<u>915,857</u>	<u>14,120,321</u>
Depreciation -								
At 28 April 2013	-	811,456	16,230	2,280,578	513,686	338,129	-	3,960,079
Charge for the year	-	66,643	17,209	384,838	64,371	89,448	-	622,509
Translation	-	13,918	1,242	106,120	18,905	4,735	-	144,920
Relieved on disposals	-	-	-	-	-	(2,491)	-	(2,491)
At 3 May 2014	<u>-</u>	<u>892,017</u>	<u>34,681</u>	<u>2,771,536</u>	<u>596,962</u>	<u>429,821</u>	<u>-</u>	<u>4,725,017</u>
Net Book Value -								
At 3 May 2014	<u>354,746</u>	<u>1,620,063</u>	<u>239,878</u>	<u>5,625,420</u>	<u>378,341</u>	<u>261,999</u>	<u>915,857</u>	<u>9,395,304</u>

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13. Property, Plant and Equipment (Continued)

	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	\$'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)	(156,415)
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 Company							Total \$'000
	2014							
	Freehold Land \$'000	Freehold Buildings \$'000	Leasehold Property \$'000	Machinery & Equipment \$'000	Furniture & Fixtures \$'000	Motor Vehicles \$'000	Capital Work in Progress \$'000	
At Cost -								
At 27 April 2013	78,182	1,239,600	13,510	2,197,922	462,362	459,308	346,383	4,797,267
Additions	-	79,433	-	25,633	732	55,822	812,204	972,189
Transfers/reclassifications	-	81,820	-	91,525	27,023	-	(200,368)	-
Transferred to subsidiary	-	-	-	-	-	-	(12,195)	(12,195)
Transfer to intangible assets	-	-	-	-	-	-	(15,595)	(15,595)
Write off	-	-	-	-	-	-	(8,332)	(8,332)
At 3 May 2014	78,182	1,399,218	13,510	2,315,080	490,117	515,130	922,097	5,733,334
Depreciation -								
At 27 April 2013	-	336,316	3,983	1,082,779	302,836	264,450	-	1,990,364
Charge for the year	-	31,539	398	118,855	24,138	64,385	-	239,315
At 3 May 2014	-	367,855	4,381	1,201,634	326,974	328,835	-	2,229,679
Net Book Value -								
At 3 May 2014	78,182	1,031,363	9,129	1,113,446	163,143	186,295	922,097	3,503,655

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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	\$'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

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

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14. Intangible Assets

						The Group	The Company
	Goodwill	Brands and Customer Relationships	Non- Compete Agreement	Product Formulation	Computer Software	Total	Computer Software
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cost -							
At 30 April 2012	-	-	-	-	155,370	155,370	150,472
Additions	-	-	-	-	61,052	61,052	56,028
Translation	-	-	-	-	426	426	-
At 27 April 2013	-	-	-	-	216,848	216,848	206,500
Additions	-	-	-	-	4,726	4,726	559
Acquisition of subsidiaries	357,217	409,064	89,550	20,780	-	876,611	-
Transfer from PPE	-	-	-	-	15,595	15,595	15,595
Translation	-	-	-	-	837	837	-
At 3 May 2014	357,217	409,064	89,550	20,780	238,006	1,114,617	222,654
Amortisation -							
At 30 April 2012	-	-	-	-	93,593	93,593	90,578
Charge for the year	-	-	-	-	17,491	17,491	16,346
Translation	-	-	-	-	62	62	-
At 27 April 2013	-	-	-	-	111,146	111,146	106,924
Charge for the year	-	32,101	15,084	606	22,418	70,209	19,707
Translation	-	1,390	646	-	210	2,246	-
At 3 May 2014	-	33,491	15,730	606	133,774	183,601	126,631
Net Book Value -							
3 May 2014	357,217	375,573	73,820	20,174	104,232	931,016	96,023
27 April 2013	-	-	-	-	105,702	105,702	99,576

Impairment tests for goodwill

The Group determines whether goodwill is impaired at least on an annual basis or when events or changes in circumstances indicate the carrying value may be impaired. This requires an estimation of the recoverable amount of the cash generating unit (CGU) to which the goodwill is allocated. The recoverable amount is usually determined by reference to the value in use. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the CGU and also to choose an appropriate discount rate in order to calculate the present value of those future cash flows.

The amortisation of intangible assets is included in administration and other expenses in profit or loss.

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14. Intangible Assets (Continued)

The allocation of goodwill to the Group's cash generating units (CGUs) identified according to segment is as follows:

	3 May 2014 \$'000
US operations	304,184
Best Dressed Foods Division	53,033
	<u>357,217</u>

The recoverable amount of a CGU is determined based on value in use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.

Key assumptions used for value in use calculations:

	Revenue Growth Rate	EBITDA to Revenue	Capital Expenditure to Revenue	Discount Rate
US operations	6.5%	20.6%	1%	20.6%
Best Dressed Foods Division	10.0%	8.5%	1%	18.9%

15. Investment Property

During 2013 investment property previously occupied by the company, and classified as property plant and equipment in the group balance sheet were transferred to investment property arising out of a change in use.

	The Group	
	3 May 2014	27 April 2013
	Land and Buildings \$'000	Land and Buildings \$'000
At Net Book Value -		
Transferred from property, plant and equipment	<u>58,098</u>	<u>58,988</u>

The investment property was valued by independent valuers, Property Consultants Limited as at March 2013, on the basis of open market value. The market value of the property is estimated to be valued at \$105,000,000.

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16. Investments

	The Group		The Company	
	3 May 2014 \$'000	27 April 2013 \$'000	3 May 2014 \$'000	27 April 2013 \$'000
Available-for-sale - Unquoted equities- at cost	65,669	60,289	10,702	10,702

17. Non-controlling interests

	The Group	
	3 May 2014 \$'000	27 April 2013 \$'000
Beginning of year	(55,877)	-
Share of total comprehensive income, as restated:		
Share of net profit of subsidiaries	(38,174)	(64,587)
Revaluation surplus	4,254	8,543
Conversion of shareholder's loan	43,643	-
Additional investments during the year	10,131	-
End of year	<u>(36,023)</u>	<u>(55,877)</u>

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17. Non-controlling interests

Summarised financial information on subsidiaries with material non-controlling interests

Set out below is the summarised financial information for the subsidiary that has non-controlling interests that are material to the Group.

Summarised balance sheet

	<u>The Group</u>	
	3 May 2014 \$'000	27 April 2013 \$'000
Current		
Assets	682,680	485,741
Liabilities	(1,146,485)	(777,996)
Total current net assets	<u>(463,805)</u>	<u>(292,255)</u>
Non-current		
Assets	603,192	527,512
Liabilities	(420,002)	(409,872)
Total non-current net assets	<u>183,190</u>	<u>117,640</u>
Net assets	<u><u>(280,615)</u></u>	<u><u>(174,615)</u></u>

Summarised income statement

	<u>The Group</u>	
	3 May 2014 \$'000	27 April 2013 \$'000
Revenue	904,444	491,276
Loss before income tax	(119,294)	(183,930)
Taxation expense	-	-
Loss after tax	(119,294)	(183,930)
Other comprehensive income	-	-
Total comprehensive income	<u>(119,294)</u>	<u>(183,930)</u>
Total comprehensive income allocated to non-controlling interest	<u>(33,920)</u>	<u>(56,044)</u>
Dividends paid to non-controlling interest	<u>-</u>	<u>-</u>

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17. Non-controlling interests

Summarised cash flows

	The Group	
	3 May 2014 \$'000	27 April 2013 \$'000
Cash flows from operating activities		
Cash generated from operations	(558)	(77,328)
Interest paid	(34,529)	-
Income tax recovered	-	-
Net cash generated from operating activities	<u>33,971</u>	<u>(77,328)</u>
Net cash used in investing activities	<u>(128,230)</u>	<u>(527,512)</u>
Net cash provided by financing activities	<u>151,256</u>	<u>437,091</u>
Net increase in and cash equivalents	<u>56,997</u>	<u>13,093</u>
Cash and cash equivalents at the beginning of year	<u>13,093</u>	<u>-</u>
Cash and cash equivalents at end of year	<u><u>70,090</u></u>	<u><u>13,093</u></u>

The information above represents amounts before intercompany eliminations.

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18. Deferred Income Taxes

Deferred income taxes are calculated on all temporary differences under the liability method using an effective tax rate of 25% (2013 – 30%).

	The Group		The Company	
	3 May 2014 \$'000	Restated 27 April 2013 \$'000	3 May 2014 \$'000	Restated 27 April 2013 \$'000
Deferred tax assets	(14,510)	(16,643)	-	-
Deferred tax liabilities	530,823	367,715	255,650	324,506
	<u>516,313</u>	<u>351,072</u>	<u>255,650</u>	<u>324,506</u>

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

	The Group		The Company	
	3 May 2014 \$'000	Restated 27 April 2013 \$'000	3 May 2014 \$'000	Restated 27 April 2013 \$'000
Balance at start of year	351,072	519,155	324,506	502,576
Credited to profit or loss (Note 10)	(16,305)	(30,083)	(35,706)	(51,320)
Credited to other comprehensive income	(34,450)	(138,000)	(33,150)	(126,750)
Acquisition of intangibles	215,852	-	-	-
Translation	144	-	-	-
Balance as at end of year	<u>516,313</u>	<u>351,072</u>	<u>255,650</u>	<u>324,506</u>

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

	The Group		The Company	
	3 May 2014 \$'000	Restated 27 April 2013 \$'000	3 May 2014 \$'000	Restated 27 April 2013 \$'000
Deferred income tax assets -				
Pension and other post-employment benefits	30,495	-	28,875	-
Property, plant and equipment	-	13,216	-	-
Accrued vacation	10,308	17,426	10,308	17,039
Tax losses unused	390	35,170	-	-
Unrealised foreign exchange losses	-	3	-	-
Other	17,432	12,482	14,977	12,484
	<u>58,625</u>	<u>78,297</u>	<u>54,160</u>	<u>29,523</u>
Deferred income tax liabilities -				
Property, plant and equipment	281,037	389,215	218,585	314,799
Pension and other post-employment benefits	-	14,033	-	13,350
Unrealised foreign exchange gains	91,089	25,717	91,089	25,717
Intangibles	202,676	-	-	-
Other	136	404	136	163
	<u>574,938</u>	<u>429,369</u>	<u>309,810</u>	<u>354,029</u>
Net deferred tax liability	<u>516,313</u>	<u>351,072</u>	<u>255,650</u>	<u>324,506</u>

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18. Deferred Income Taxes (Continued)

The deferred tax credited in profit or loss and other comprehensive income comprises the following temporary differences:

	The Group		The Company	
	3 May 2014 \$'000	Restated 27 April 2013 \$'000	3 May 2014 \$'000	Restated 27 April 2013 \$'000
Profit or loss				
Property, plant and equipment	(94,906)	(16,907)	(96,214)	(13,285)
Accrued vacation	7,118	(2,003)	6,731	(1,710)
Post-employment benefits	(10,078)	(42,087)	(9,075)	(41,153)
Tax losses	34,780	26,001	-	-
Unrealised foreign exchange losses/gains	65,375	11,230	65,373	11,389
Intangibles	(13,376)	-		
Other temporary differences	(5,218)	(6,317)	(2,521)	(6,561)
	<u>(16,305)</u>	<u>(30,083)</u>	<u>(35,706)</u>	<u>(51,320)</u>
Other comprehensive income				
Post-employment benefits	(34,450)	(138,000)	(33,150)	(126,750)
	<u>(34,450)</u>	<u>(138,000)</u>	<u>(33,150)</u>	<u>(126,750)</u>

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 \$282,865,000 (2013 - \$196,061,000). These undistributed earnings are in foreign subsidiaries.

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18. Deferred Income Taxes (Continued)

These balances include the following:

	The Group		The Company	
	3 May 2014 \$'000	Restated 27 April 2013 \$'000	3 May 2014 \$'000	Restated 27 April 2013 \$'000
Deferred tax assets -				
Deferred tax assets to be recovered after more than 12 months	30,885	30,642	28,875	-
Deferred tax assets to be recovered within 12 months	27,740	47,655	25,285	29,523
	<u>58,625</u>	<u>78,297</u>	<u>54,160</u>	<u>29,523</u>
Deferred tax liabilities -				
Deferred tax liabilities to be recovered after more than 12 months	483,713	402,288	218,585	328,149
Deferred tax liabilities to be recovered within 12 months	91,225	26,121	91,225	25,880
	<u>574,938</u>	<u>428,409</u>	<u>309,810</u>	<u>354,029</u>
Net deferred tax liability	<u>516,313</u>	<u>350,112</u>	<u>255,650</u>	<u>324,506</u>

19. Post-employment Benefits

Amounts recognised in the balance sheet are as follows:

	The Group		The Company	
	3 May 2014 \$'000	Restated 27 April 2013 \$'000	3 May 2014 \$'000	Restated 27 April 2013 \$'000
Pension scheme benefit assets	(105,900)	234,700	(101,200)	58,500
Post-employment benefit obligations	<u>(15,500)</u>	<u>(15,100)</u>	<u>(14,300)</u>	<u>(14,000)</u>
Amounts recognised in the profit or loss (Note 8) -				
Pension scheme benefit assets	72,500	(28,400)	68,500	(29,400)
Post-employment benefit obligations	1,400	2,700	1,300	2,600
	<u>73,900</u>	<u>(25,700)</u>	<u>69,800</u>	<u>(26,800)</u>

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19. 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 of 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 3 May 2014.

The Board of the pension fund is required by law and its articles and association to act in the interest of the fund and all relevant stakeholders. The Board of the fund is responsible for the investment policy with regard to the assets of the fund. The funds are managed by NCB Insurance Company Limited who has responsibilities for the general management of the portfolio of investments and the administration of the fund.

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

	The Group		The Company	
	3 May 2014 \$'000	Restated 27 April 2013 \$'000	3 May 2014 \$'000	Restated 27 April 2013 \$'000
Fair value of plan assets	2,201,800	2,006,800	2,105,100	1,884,000
Present value of obligations	(2,307,700)	(1,944,500)	(2,206,300)	(1,825,500)
	<u>(105,900)</u>	<u>62,300</u>	<u>(101,200)</u>	<u>58,500</u>

Pension plan assets include investment in ordinary stock units of the company with a fair value of \$13,124,000 (2013 - \$31,117,000).

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

	The Group		The Company	
	3 May 2014 \$'000	Restated 27 April 2013 \$'000	3 May 2014 \$'000	Restated 27 April 2013 \$'000
At start of year	62,300	562,000	58,500	513,600
Transfer from subsidiary	-	-	1,000	-
Amounts recognised in profit or loss (Note 8)	(72,500)	28,400	(68,500)	29,400
Amounts recognised in other comprehensive income (Note 8)	(137,400)	(468,100)	(131,900)	(422,000)
Contributions paid	41,700	40,000	39,700	37,500
Pension surplus refund	-	(100,000)	-	(100,000)
At end of year	<u>(105,900)</u>	<u>62,300</u>	<u>(101,200)</u>	<u>58,500</u>

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19. Post-employment Benefits (Continued)

(a) Pension scheme benefits (continued)

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

	The Group		The Company	
	3 May 2014 \$'000	Restated 27 April 2013 \$'000	3 May 2014 \$'000	Restated 27 April 2013 \$'000
At start of year	1,944,500	1,519,100	1,825,500	1,388,400
Transfer from subsidiary	-	-	30,800	-
Current service cost	71,600	51,800	67,700	46,500
Interest cost	204,000	157,000	194,500	143,100
Loss on curtailment	-	(34,000)	-	(34,000)
	<u>2,220,100</u>	<u>1,693,900</u>	<u>2,118,500</u>	<u>1,544,000</u>
Remeasurement loss on obligations	82,500	258,900	85,400	291,700
Members contribution	69,600	66,700	66,300	62,800
Benefits paid	(64,500)	(75,000)	(63,900)	(73,000)
At end of year	<u>2,307,700</u>	<u>1,944,500</u>	<u>2,206,300</u>	<u>1,825,500</u>

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

	The Group		The Company	
	3 May 2014 \$'000	Restated 27 April 2013 \$'000	3 May 2014 \$'000	Restated 27 April 2013 \$'000
At start of year	2,006,800	2,081,100	1,884,000	1,902,000
Transfer from subsidiary	-	-	31,800	-
Members' contribution	69,600	66,700	66,300	62,800
Employer's contribution	41,700	40,000	39,700	37,500
Transfer in	-	500	-	500
Interest income on plan assets	203,100	202,700	193,700	184,500
Benefits paid	(64,500)	(75,000)	(63,900)	(73,000)
Pension surplus refund	-	(100,000)	-	(100,000)
Remeasurement loss on plan assets	(54,900)	(209,200)	(46,500)	(130,300)
At end of year	<u>2,201,800</u>	<u>2,006,800</u>	<u>2,105,100</u>	<u>1,884,000</u>

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19. Post-employment Benefits (Continued)

(a) Pension scheme benefits (continued)

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

	The Group		The Company	
	3 May 2014 \$'000	Restated 27 April 2013 \$'000	3 May 2014 \$'000	Restated 27 April 2013 \$'000
Current service cost	71,600	51,300	67,700	46,000
Interest cost	204,000	157,000	194,500	143,100
Interest income on plan assets	(203,100)	(202,700)	(193,700)	(184,500)
Loss on curtailment	-	(34,000)	-	(34,000)
Total included in staff costs (Note 8)	<u>72,500</u>	<u>(28,400)</u>	<u>68,500</u>	<u>(29,400)</u>

The amount recognised in other comprehensive income is determined as follows:

	The Group		The Company	
	3 May 2014 \$'000	Restated 27 April 2013 \$'000	3 May 2014 \$'000	Restated 27 April 2013 \$'000
Remeasurements of the defined benefit obligation	82,500	258,900	85,400	291,700
Remeasurements of the plan assets	54,900	209,200	46,500	130,300
Total	<u>137,400</u>	<u>468,100</u>	<u>131,900</u>	<u>422,000</u>

At the last valuation date, the present value of the defined benefit obligation was comprised of approximately \$1,909,700,000 and \$1,812,800,000 relating to active members, \$175,600,000 and \$173,900,000 relating to deferred members and \$222,400,000 and \$219,600,000 relating to the members in retirement for the group and the company respectively.

Expected yields on fixed interest investments are based on gross redemption yields as at the balance sheet date. Expected returns on equity and property investments reflect long-term real rates of return experienced in the respective markets.

Expected employer contributions to the plan for the year ended 2 May 2015 amount to \$123,600,000 for the group and \$118,400,000 for the company.

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19. Post-employment Benefits (Continued)

(a) Pension scheme benefits (continued)

The principal actuarial assumptions used were as follows:

	3 May 2014	Restated 27 April 2013
Discount rate	9.5%	10.0%
Future salary increases	4.25%	6.5%
Future pension increases	<u>8.5%</u>	<u>4.5%</u>

The sensitivity of the defined benefit obligation to changes in the principal assumptions is :

	The Group		
	Impact on post-employment obligations		
	Change in assumption	Increase in assumption \$'000	Decrease in assumption \$'000
Discount rate	1%	(241,000)	562,400
Future salary increases	1%	304,300	(61,300)
Pension increases	1%	322,700	(76,500)

The sensitivity of the defined benefit obligation to changes in the principal assumptions is :

	The Company		
	Impact on post-employment obligations		
	Change in assumption	Increase in assumption \$'000	Decrease in assumption \$'000
Discount rate	1%	(233,500)	542,100
Future salary increases	1%	294,000	(61,200)
Pension increases	1%	309,000	(72,600)

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19. Post-employment Benefits (Continued)

(a) Pension scheme benefits (continued)

	The Group	
	Increase Assumption by One Year	Decrease Assumption by One Year
	\$'000	\$'000
Life expectancy	149,300	(62,000)

	The Company	
	Increase Assumption by One Year	Decrease Assumption by One Year
	\$'000	\$'000
Life expectancy	142,800	(59,200)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

(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 8.5% per year (2013 – 9% per year).

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19. 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	
	3 May 2014 \$'000	Restated 27 April 2013 \$'000	3 May 2014 \$'000	Restated 27 April 2013 \$'000
Present value of funded obligations	15,500	15,100	14,300	14,000

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

	The Group		The Company	
	3 May 2014 \$'000	Restated 27 April 2013 \$'000	3 May 2014 \$'000	Restated 27 April 2013 \$'000
At start of year	15,100	13,600	14,000	12,500
Amounts recognised in profit or loss (Note 8)	1,400	2,700	1,300	2,600
Amounts recognised in other comprehensive income	800	500	700	500
Contributions paid	(1,800)	(1,700)	(1,700)	(1,600)
At end of year	15,500	15,100	14,300	14,000

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

	The Group		The Company	
	3 May 2014 \$'000	Restated 27 April 2013 \$'000	3 May 2014 \$'000	Restated 27 April 2013 \$'000
At start of year	15,100	13,600	14,000	12,500
Interest cost	1,400	1,400	1,300	1,300
Benefits paid	(1,800)	(1,700)	(1,700)	(1,600)
Past service cost – vested benefits	-	1,300	-	1,300
Remeasurement loss on obligation	800	500	700	500
At end of year	15,500	15,100	14,300	14,000

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19. Post-employment Benefits (Continued)

(b) Post-employment medical benefits (continued)

The amount recognised in profit or loss is as follows:

	The Group		The Company	
	3 May 2014 \$'000	Restated 27 April 2013 \$'000	3 May 2014 \$'000	Restated 27 April 2013 \$'000
Interest cost	1,400	1,400	1,300	1,300
Past service cost	-	1,300	-	1,300
Total included in staff costs (Note 8)	1,400	2,700	1,300	2,600

The amount recognised in other comprehensive income is determined as follows:

	The Group		The Company	
	3 May 2014 \$'000	Restated 27 April 2013 \$'000	3 May 2014 \$'000	Restated 27 April 2013 \$'000
Remeasurements of the defined benefit obligation	800	500	700	500

The sensitivity of the defined benefit obligation to changes in the principal assumptions is:

	The Group		
	Change in assumption	Increase in assumption \$'000	Decrease in assumption \$'000
Discount rate	1%	(1,000)	1,100
Medical cost	1%	(800)	2,700

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19. Post-employment Benefits (Continued)

(b) Post-employment medical benefits (continued)

The sensitivity of the defined benefit obligation to changes in the principal assumptions is :

	The Company		
	Impact on post-employment obligations		
	Change in assumption	Increase in assumption	Decrease in assumption
		\$'000	\$'000
Discount rate	1%	(800)	1,000
Medical cost	1%	(800)	2,500

	The Group	
	Increase Assumption by One Year	Decrease Assumption by One Year
	\$'000	\$'000
Life expectancy	(1,100)	2,300

	The Company	
	Increase Assumption by One Year	Decrease Assumption by One Year
	\$'000	\$'000
Life expectancy	(1,100)	2,400

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19. Post-employment Benefits (Continued)

(c) Distribution of pension plan assets -

	The Group			
	3 May	3 May	Restated	Restated
	2014	2014	27 April	27 April
	\$'000	%	2013	2013
			\$'000	%
Equities	556,600	25	508,600	25
Property	247,500	11	246,600	12
Government securities and reverse repurchase agreements	999,600	46	932,000	47
Corporate bonds	159,900	7	122,700	6
Leased assets	39,500	2	29,800	2
Other	198,700	9	167,100	8
	<u>2,201,800</u>	<u>100</u>	<u>2,006,800</u>	<u>100</u>

	The Company			
	3 May	3 May	Restated	Restated
	2014	2014	27 April	27 April
	\$'000	%	2013	2013
			\$'000	%
Equities	532,100	25	477,475	25
Property	236,600	11	231,509	12
Government securities and reverse repurchase agreements	956,000	46	874,963	47
Corporate bonds	152,800	7	115,191	6
Leased assets	37,700	2	27,976	2
Other	189,900	9	156,886	8
	<u>2,105,100</u>	<u>100</u>	<u>1,884,000</u>	<u>100</u>

19. Post-employment Benefits (Continued)

(d) Other pension plan disclosures -

Risks associated with pension plans and post-employment plans

Through its defined benefit pension plans and post-employment medical plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The plan liabilities are calculated using a discount rate set with reference to Government of Jamaica bond yields; if plan assets underperform this yield, this will create a deficit.

As the plan matures, the Company intends to reduce the level of investment risk by investing more in assets that better match the liabilities. The Government bonds represent investments in Government of Jamaica securities.

The Company believes that due to the long-term nature of the plan liabilities, a level of continuing equity investment is an appropriate element of the Company's long term strategy to manage the plans efficiently. See below for more details on the Company's asset-liability matching strategy.

Changes in bond yields

A decrease in Government of Jamaica bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

Inflation risk

Higher inflation will lead to higher liabilities. The majority of the plan's assets are either unaffected by fixed interest bonds, meaning that an increase in inflation will reduce the surplus or create a deficit.

Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant, where inflationary increases result in higher sensitivity to changes in life expectancy.

The Company ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the pension scheme. Within this framework, the company's ALM objective is to match assets to the pension obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due. The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the pension obligations. The Company has not changed the processes used to manage its risks from previous periods. The Company does not use derivatives to manage its risk. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets. A large portion of assets in 2014 consists of bonds and equities.

Funding levels are monitored on an annual basis and the current agreed contribution rate is 5% of pensionable salaries. The next triennial valuation is due to be completed as at 30 April 2014. The Company considers that the contribution rates set at the last valuation date to be sufficient to prevent a deficit and that regular contributions, which are based on service costs, will not increase significantly.

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20. Inventories

	The Group		The Company	
	3 May 2014 \$'000	27 April 2013 \$'000	3 May 2014 \$'000	27 April 2013 \$'000
Grain and feed ingredients	1,607,345	980,821	1,456,274	819,609
Inventories for resale and spares	1,908,814	1,853,711	1,700,617	1,613,464
Processed broilers, beef and fish	6,474	4,831	-	-
Goods in transit and others	214,791	163,609	195,054	136,111
	3,737,424	3,002,972	3,351,945	2,569,184
Less: Provision for obsolescence	(44,028)	(38,198)	(33,419)	(28,599)
	<u>3,693,396</u>	<u>2,964,774</u>	<u>3,318,526</u>	<u>2,540,585</u>

Inventory write-downs and provisions during the year amounted to \$18,069,000 respectively (2013 - \$8,969,000).

21. Biological Assets

	The Group		The Company	
	3 May 2014 \$'000	27 April 2013 \$'000	3 May 2014 \$'000	27 April 2013 \$'000
Cattle	61,878	64,048	-	-
Fish	85,014	139,593	32,014	-
Poultry	2,120,977	1,141,031	597,181	467,075
	<u>2,267,869</u>	<u>1,344,672</u>	<u>629,195</u>	<u>467,075</u>

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

	The Group		The Company	
	3 May 2014 \$'000	27 April 2013 \$'000	3 May 2014 \$'000	27 April 2013 \$'000
At start of year	684,145	639,411	352,172	342,974
Fair value gains	1,458	4,974	-	-
Increase due to purchases and transfers	4,716,343	5,025,679	4,451,747	4,881,714
Decrease due to sales	(4,681,509)	(4,987,726)	(4,323,769)	(4,872,516)
Translation	4,556	1,807	-	-
At end of year	<u>724,993</u>	<u>684,145</u>	<u>480,150</u>	<u>352,172</u>

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21. Biological Assets (Continued)

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

	The Group		The Group	
	3 May 2014 \$'000	27 April 2013 \$'000	3 May 2014 \$'000	27 April 2013 \$'000
At start of year	660,527	343,799	114,903	86,727
Increase due to purchases and acquisition	4,411,008	907,929	1,865,686	1,496,864
Decrease due to sales and depreciation	(3,587,900)	(637,124)	(1,831,544)	(1,468,688)
Translation	59,242	45,923	-	-
At end of year	<u>1,542,877</u>	<u>660,527</u>	<u>149,045</u>	<u>114,903</u>

Biological assets for the Group comprise of:

	The Group		The Company	
	3 May 2014 \$'000	27 April 2013 \$'000	3 May 2014 \$'000	27 April 2013 \$'000
Biological assets at fair value	724,993	684,145	480,150	352,172
Biological assets at cost	<u>1,542,877</u>	<u>660,527</u>	<u>149,045</u>	<u>114,903</u>
	<u>2,267,869</u>	<u>1,344,672</u>	<u>629,195</u>	<u>467,075</u>

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 898 (2013 – 913).

The number of cattle harvested during the year was 343 (2013 – 419).

(ii) Fish

The estimated weight of fish and fingerlings at the end of the year was 60 tonnes (2013 – 141 tonnes).

The estimated weight of fish and fingerlings harvested during the year was 173 tonnes (2013 – 271 tonnes).

(iii) Poultry

The number of birds in the field, including broilers, breeders, and layer pullets at year end was 5,005,950 (2013 – 3,866,000) and the number of fertile (hatching) eggs at year end was 5,565,001 (2013 – 3,704,000).

The total number of birds produced during the year was 72,481,000 (2013 – 65,526,000).

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22. Receivables

	The Group		The Company	
	3 May 2014 \$'000	27 April 2013 \$'000	3 May 2014 \$'000	27 April 2013 \$'000
Trade receivables	2,062,609	1,577,004	1,365,464	1,219,015
Less: Provision for impairment	(212,337)	(176,601)	(177,182)	(143,062)
	1,850,272	1,400,403	1,188,282	1,075,953
Contract farmers' receivables	187,988	100,461	187,988	100,461
Deposits	55,127	6,327	42,247	701
G.C.T recoverable	150,028	99,398	111,538	53,784
Insurance claims receivable	15,733	10,187	10,222	10,187
Jamaica Broilers Trust (Note 32)	123,018	86,004	123,018	86,004
Jamaica Public Service Company Limited	2,010	32,002	2,010	32,002
Prepayments	187,170	279,304	116,481	237,253
Staff receivables	24,569	19,599	17,889	10,200
Other	226,432	182,188	158,564	123,808
	2,822,347	2,215,873	1,958,239	1,730,353
Less: Provision for impairment	(318)	(2,347)	(318)	(2,347)
	2,822,029	2,213,526	1,957,921	1,728,006

23. 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).

24. Cash and Short Term Investments

	The Group		The Company	
	3 May 2014 \$'000	27 April 2013 \$'000	3 May 2014 \$'000	27 April 2013 \$'000
Cash at bank and in hand	630,572	1,093,991	299,298	622,521
Short term investments	40,185	418,008	40,185	418,008
	670,757	1,511,999	339,483	1,040,529
Interest receivable	-	-	-	-
	670,757	1,511,999	339,483	1,040,529

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24. Cash and Short Term Investments (Continued)

The weighted average effective interest rate on Jamaica dollar short term deposits was 5.75% (2013 – 2.92% on \$US deposits). 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	
	3 May 2014 \$'000	27 April 2013 \$'000	3 May 2014 \$'000	27 April 2013 \$'000
Cash and short term investments	670,757	1,511,999	339,483	1,040,529
Short term borrowings and bank overdraft	(156,129)	(186,212)	(156,129)	(183,981)
	<u>514,628</u>	<u>1,325,787</u>	<u>183,354</u>	<u>856,548</u>

25. Payables

	The Group		The Company	
	3 May 2014 \$'000	27 April 2013 \$'000	3 May 2014 \$'000	27 April 2013 \$'000
Accrued charges	318,612	288,427	262,490	246,247
Contractors retention payable	438	415	414	415
Payroll taxes payable	41,173	35,865	41,173	35,865
Staff related payables	87,661	78,245	24,971	60,784
Trade payables	2,025,167	1,291,235	1,618,937	987,139
Unclaimed cheques	68,360	57,921	68,360	57,920
Other	284,456	127,651	272,501	116,303
	<u>2,825,867</u>	<u>1,879,759</u>	<u>2,288,846</u>	<u>1,504,673</u>

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26. Dividends

	<u>The Group and The Company</u>	
	<u>3 May 2014 \$'000</u>	<u>27 April 2013 \$'000</u>
First interim – 8 cents per stock unit (2013 – 6 cents)	95,942	71,957
Second interim – 8 cents per stock unit (2013 – 8 cents)	<u>95,942</u>	<u>95,942</u>
	<u>191,884</u>	<u>167,899</u>

27. Shareholders Loan Payable

This represented advances from the non-controlling interests to Haiti Broilers S.A, to fund working capital and infrastructure requirements. The loan was unsecured, and did not attract interest and had no set repayment date except that would not be called on for repayment in under two years. The amounts were transferred to investments in the subsidiary during the year.

28. Borrowings

	<u>The Group</u>		<u>The Company</u>	
	<u>3 May 2014 \$'000</u>	<u>27 April 2013 \$'000</u>	<u>3 May 2014 \$'000</u>	<u>27 April 2013 \$'000</u>
Non-Current -				
Borrowings	<u>3,568,071</u>	<u>3,241,562</u>	<u>3,405,805</u>	<u>3,038,560</u>
Current -				
Short term borrowings and bank overdraft	1,545,905	962,094	1,136,129	785,981
Current portion of non-current borrowings	1,030,034	1,198,429	932,820	1,098,404
Interest payable	<u>59,910</u>	<u>41,611</u>	<u>59,910</u>	<u>41,611</u>
	<u>2,635,849</u>	<u>2,202,134</u>	<u>2,128,859</u>	<u>1,925,996</u>
	<u>6,203,920</u>	<u>5,443,696</u>	<u>5,534,664</u>	<u>4,964,556</u>

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.

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29. Share Capital

	Number of Stock Units '000	Ordinary Stock Units \$'000
3 May 2014	1,199,277	765,137
27 April 2013	1,199,277	765,137

The total authorised number of ordinary shares is 1,209,324,000 shares (2013 – 1,209,324,000).

The stock units in 2014 and 2013 are stated in these financial statements without a nominal or par value.

30. Capital Reserve

	The Group		The Company	
	3 May 2014 \$'000	27 April 2013 \$'000	3 May 2014 \$'000	27 April 2013 \$'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	-	-	(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	-	-
	<u>1,432,828</u>	<u>1,022,414</u>	<u>133,201</u>	<u>133,201</u>
Movements during the year -				
Translation gain	313,546	410,414	-	-
At end of year	<u>1,746,374</u>	<u>1,432,828</u>	<u>133,201</u>	<u>133,201</u>
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	1,313,781	1,000,235	-	-
	<u>1,746,374</u>	<u>1,432,828</u>	<u>133,201</u>	<u>133,201</u>

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31. 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 related parties:

	3 May 2014 \$'000	27 April 2013 \$'000
Sale of goods	<u>775,157</u>	<u>722,969</u>
Purchases of goods	<u>3,180,066</u>	<u>2,755,381</u>
Interest income earned	<u>104,409</u>	<u>11,037</u>
Rental expense incurred	<u>7,743</u>	<u>6,480</u>
Dividend received	<u>855,458</u>	<u>179,860</u>

(ii) Key management compensation

	<u>The Group</u>		<u>The Company</u>	
	3 May 2014 \$'000	27 April 2013 \$'000	3 May 2014 \$'000	27 April 2013 \$'000
With directors and key management -				
Salaries, profit sharing and other short-term employee benefits	167,325	275,318	167,325	275,318
Payroll taxes - Employer's portion	15,171	25,379	15,171	25,379
Pension benefits	4,452	4,425	4,452	4,425
Professional fees paid	<u>23,071</u>	<u>24,524</u>	<u>9,361</u>	<u>24,524</u>
	<u>210,019</u>	<u>329,646</u>	<u>196,309</u>	<u>329,646</u>
Directors' emoluments -				
Fees	17,780	15,990	17,780	15,990
Management remuneration (included above)	<u>117,507</u>	<u>142,825</u>	<u>117,507</u>	<u>142,825</u>

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31. Related Party Transactions and Balances (Continued)

(iii) Year end balances with related parties:

	The Group		The Company	
	3 May 2014 \$'000	27 April 2013 \$'000	3 May 2014 \$'000	27 April 2013 \$'000
Directors and key management -				
Receivables	7,613	3,785	2,440	5,011
Receivable from subsidiaries	-	-	5,306,997	4,183,749
Payable to subsidiaries	-	-	749,868	787,110
Payable to Jamaica Broilers Group Foundation Limited	-	17,116	-	17,116
Loan to Jamaica Broilers Trust(a)	123,018	86,004	123,018	86,004
Loan to Haiti Broilers S.A.(b)	-	-	197,160	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) In the prior year, loan to Haiti Broilers S.A. of \$366,229,000 was to fund working capital and infrastructure requirements. The loan was unsecured, did not attract interest and had no set repayment date except that it would not be called upon for repayment in under two years. During the current year the loan was converted to advance on shareholder's investment. The current year balance of \$197,160,000 represents a loan of US\$1,655,000 at a rate of 8% and has no set repayment.

32. 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.

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32. 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) Financial assets 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 cost. Fair value cannot be reliably determined as no active market for these securities as they relate to investment in private entities
- (iii) The fair value of long term borrowings 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 short term borrowings and bank overdraft 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 \$436,046,000 (2013 - \$741,048,000) and \$Nil (2013 - \$Nil) for the Group and company, respectively. These investments represent units in investment funds which are stated at unit prices determined by the fund manager.

There were no transfers between levels in the year.

Biological assets which are measured at fair value totalling \$724,993,000 (2013 – 684,145,000) and \$480,150,000 (\$352,172,000) for the Group and the Company respectively are included in Level 2.

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33. Business Combinations

During the year, the Group acquired the entire share capital of two entities:

In July 2013, the Group acquired England Packing Co. Inc., an entity incorporated in the United States. The principal activity of this entity is the production and distribution of fertile (hatching) eggs to the poultry industry. As a result of the acquisition, the Group is expected to increase its presence in the North American, Caribbean and Central American markets.

In October 2013, the Group acquired Hamilton Smoke House Limited, an entity incorporated in Jamaica. The principal activity of this entity is the production and distribution of further processed meat products. This entity was acquired to expand the processed food line.

The acquired businesses contributed revenues of \$1,781,676,000 and profits of \$139,911,000 for the year ended 3 May, 2014. Had the companies been acquired at the beginning of the year, they could have contributed revenues of approximately \$2,229,600,000 and profits of approximately \$202,641,000 to the Group for the year ended 3 May 2014.

Details of the net assets acquired, goodwill and net cash outlay on acquisition, determined on a provisional basis, were as follows:

	Hamilton Fair Values \$'000	England Fair Values \$'000	Total Fair Values \$'000
Net assets arising on the acquisition –			
Cash and cash equivalents	(345)	352	7
Intangible assets	78,670	440,724	519,394
Property, plant and equipment	1,892	175,927	177,819
Inventories and biological assets	3,449	489,323	492,772
Receivables	11,459	133,768	145,227
Payables	(15,551)	(154,555)	(170,106)
Bank loan	(1,780)	(11,750)	(13,530)
Deferred taxation	(19,668)	(196,184)	(215,852)
	<u>58,126</u>	<u>877,605</u>	<u>935,731</u>
Goodwill on acquisition:	\$'000	\$'000	\$'000
Purchase consideration	111,160	1,181,788	1,292,948
Less: Fair value of net assets acquired	(58,126)	(877,605)	(935,731)
	<u>53,034</u>	<u>304,183</u>	<u>357,217</u>
Net cash outlay on acquisition:	\$'000	\$'000	\$'000
Purchase consideration paid in cash	111,160	1,181,788	1,292,948
Cash and cash equivalents acquired	345	(352)	(7)
	<u>111,505</u>	<u>1,181,436</u>	<u>1,292,941</u>

The goodwill acquired in both entities represents the synergies inherent in the consolidation of a market competitor.

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34. Restatement

Restatement of prior year balances relate to the adoption of a new standard as follows:

The impact of the adoption of IAS 19 (Revised) and consequential adjustments to deferred tax. The amendment eliminates the corridor approach to recognition of actuarial gains and losses arising from IAS 19 pension valuations and results in the recognition of all actuarial gains and losses in other comprehensive income (OCI) as they occur. Additionally, all past service costs are immediately recognised and interest cost and expected return on plan assets are replaced with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability. The effect of these revisions on 2012 statement of comprehensive income was the immediate recognition in other comprehensive income of actuarial losses of \$313,500,000 and \$309,300,000 on pension benefits and actuarial gains \$600,000 and \$100,000 on other retirement obligations, the recognition in profit or loss of the reversal of the net actuarial gains previously recognised is now recorded in other comprehensive income of \$100,000 and \$500,000 for group and company respectively. The effect of these revisions on 2013 statement of comprehensive income was the immediate recognition of actuarial gains of \$172,400,000 and \$130,500,000 on pension benefits and actuarial losses \$300,000 and \$400,000 on other retirement obligations, the recognition in profit or loss of the reversal of the net actuarial gains previously recognised is now recorded in other comprehensive income of \$17,800,000 for group and company respectively. As a result of the impact of the restatement in relation to IAS 19 (Revised) the effect of the change in tax rate from 33 1/3% to 30% on the restated amounts are also included.

The impact on the statement of changes in equity of the adoption of IAS 19 (revised) and the corrections are represented by the movements in the statement of comprehensive income as no other equity accounts were affected.

In accordance with the requirements of IAS 8 par 28 (f) the company is required to show the effect on each financial statement line item of the adoption of IAS 19 (revised) for the 2014 amounts presented. In the opinion of management this effect is not material and hence this disclosure has not been presented in these financial statements.

The financial statements for the years ended 27 April 2013 and 28 April 2012 have been restated to reflect the financial position and results for these corrections. The financial effects of these corrections are as follows:

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34. Restatement (Continued)

Effect on balance sheet at 28 April 2012:

	Group		
	At 28 April 2012	Adjustment	As Restated
	\$'000	\$'000	\$'000
Non-Current Assets			
Deferred income taxes	44,496	2,967	47,663
Post-employment benefit assets	248,500	313,500	562,000
Other non-current assets	7,304,620	-	7,304,620
Total Non-Current Assets	7,597,816	316,467	7,914,283
Total Current Assets	7,785,604	-	7,785,604
Total Current Liabilities	3,816,065	-	3,816,065
Net Current Assets	3,969,539	-	3,969,539
	11,567,355	316,467	11,883,822
Stockholders' Equity			
Other stockholders' equity accounting	1,787,551	-	1,787,551
Retained earnings	6,578,766	211,234	6,790,000
	8,366,317	211,234	8,577,551
Non-Current Liabilities			
Long term loans	2,725,853		2,725,853
Deferred income taxes	460,985	105,833	566,818
Post-employment benefit obligations	14,200	(600)	13,600
	11,567,355	316,467	11,883,822

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34. Restatement (Continued)

Effect on balance sheet at 27 April 2013:

	Group		
	At 27 April 2013	Adjustment	As Restated
	\$'000	\$'000	\$'000
Non-Current Assets			
Deferred income taxes	9,113	7,530	16,643
Post-employment benefit assets	234,700	(172,400)	62,300
Other non-current assets	8,533,489	-	8,533,489
Total Non-Current Assets	8,777,302	(164,870)	8,612,432
Total Current Assets	8,779,674	-	8,779,674
Total Current Liabilities	4,197,917	-	4,197,917
Net Current Assets	4,581,757	-	4,581,757
	13,359,059	(164,870)	13,194,189
Stockholders' Equity			
Other stockholders' equity accounting	2,142,088	-	2,142,088
Retained earnings	7,505,931	(121,850)	7,384,082
	9,703,896	(121,850)	9,582,046
Non-controlling interest	(55,877)	-	(55,877)
	9,648,019	(121,850)	9,526,169
Non-Current Liabilities			
Long term loans	3,285,205	-	3,285,205
Deferred income taxes	411,035	(43,320)	367,715
Post-employment benefit obligations	14,800	300	15,100
	13,359,059	(164,870)	13,194,189

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34. Restatement (Continued)

Effect on statement of comprehensive income at 27 April 2013:

	Group		
	At 27 April 2013	Adjustment	As Restated
	\$'000	\$'000	\$'000
Revenue	26,522,970	-	26,522,970
Cost of sales	(21,054,291)	-	(21,054,291)
Gross Profit	5,468,679	-	5,468,679
Other gains/(losses)	132,598	-	132,598
Distribution costs	(795,938)	-	(795,938)
Administration and other expenses	(3,173,207)	(18,200)	(3,191,407)
Operating Profit	1,632,132	(18,200)	1,613,932
Finance income	22,504	-	22,504
Finance costs	(463,752)	-	(463,752)
Profit before Taxation	1,190,884	(18,200)	1,172,684
Taxation	(160,407)	15,176	(144,691)
Net Profit	1,030,477	(2,484)	1,027,993
Other Comprehensive Income, net of taxes -			
Item that will not be reclassified to profit or loss -			
Re-measurements of post-employment benefits	-	(330,600)	(330,600)
Item that will be reclassified to profit or loss -			
Exchange differences on translating foreign operations	418,957	-	418,957
Total other comprehensive income	419,957	(330,600)	88,357
Total Comprehensive Income	1,449,434	(333,084)	1,116,350
Net Profit Attributable to:			
Stockholders of the company	1,095,064	(2,484)	1,092,580
Non-controlling interests	(64,587)	-	(64,587)
	1,030,477	(2,484)	1,027,993
Total Comprehensive Income Attributable to:			
Stockholders of the company	1,505,478	(333,084)	1,172,394
Non-controlling interests	(56,044)	-	(56,044)
	1,449,434	(333,084)	1,116,350
	Cents	Cents	Cents
Earnings per Stock Unit	91.31	(0.20)	91.11

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34. Restatement (Continued)

Impact on statement of cash flows for the year ended 27 April 2013

	Group		
	Restated 27 April 2013 \$'000	Restated 27 April 2013 \$'000	
Cash Flows from Operating Activities			
Net profit	1,030,477	(2,484)	1,027,993
Adjustments for:			
Depreciation	533,189	-	533,189
Amortisation	17,491	-	17,491
Gain on disposal of property, plant and equipment	(12,541)	-	(12,541)
Fair value (gain)/loss on financial assets at fair value through profit or loss	(14,881)		(14,881)
Changes in post-employment benefits	(85,600)	18,200	(67,400)
Taxation expense	160,407	(15,716)	144,691
Interest income	(22,504)	-	(22,504)
Unrealised foreign exchange losses	117,667	-	117,667
Interest expense	373,555	-	373,555
	2,097,260	-	2,097,260
Changes in operating assets and liabilities:			
Inventories	410,088	-	410,088
Biological assets	(361,462)	-	(361,462)
Receivables	(487,503)	-	(487,503)
Payables	(446,606)	-	(446,606)
Financial assets at fair value through profit or loss	(166,396)	-	(166,396)
Translation (gain)/ loss on working capital of foreign subsidiaries	(155,354)	-	(155,354)
	890,027	-	890,027
Taxation paid	(299,926)	-	(299,926)
Cash provided by operating activities	590,101	-	590,101
Cash flows from investing activities			
Cash used in investing activities	(1,120,676)	-	(1,120,676)
Cash flows from financing activities			
Cash provided by financing activities	740,084	-	740,084
Effect of changes in exchange rates on cash and cash equivalents	104,586	-	104,586
Increase in cash and cash equivalents	314,095	-	314,095
Cash and cash equivalents at the beginning of the year	1,011,692	-	1,011,692
Cash and cash equivalents at the end of year	1,325,787	-	1,325,787

Jamaica Broilers Group Limited

Notes to the Financial Statements

3 May 2014

(expressed in Jamaican dollars unless otherwise indicated)

34. Restatement (Continued)

Effect on balance sheet at 28 April 2012:

	Company		
	At 28 April 2012	Adjustment	As Restated
	\$'000	\$'000	\$'000
Non-Current Assets			
Post employment benefit assets	204,300	309,300	513,600
Other non-current assets	2,712,290	-	2,712,290
Total Non-Current Assets	2,916,590	309,300	3,225,890
Total Current Assets	9,605,797	-	9,605,797
Total Current Liabilities	4,030,825	-	4,030,825
Net Current Assets	5,574,972	-	5,574,972
	8,491,562	309,300	8,800,862
Stockholders' Equity			
Other stockholders' equity accounting	898,338	-	898,338
Retained earnings	4,767,319	206,267	4,973,586
	5,665,657	206,267	5,871,924
Non-Current Liabilities			
Long term loans	2,413,862	-	2,413,862
Deferred income taxes	399,443	103,133	502,576
Post-employment benefit obligations	12,600	(100)	12,500
	8,491,562	309,300	8,800,862

Jamaica Broilers Group Limited

Notes to the Financial Statements

3 May 2014

(expressed in Jamaican dollars unless otherwise indicated)

34. Restatement (Continued)

Effect on balance sheet at 27 April 2013:

	Company		
	At 27 April 2013	Adjustment	As Restated
	\$'000	\$'000	\$'000
Non-Current Assets			
Post-employment benefit assets	189,000	(130,500)	58,500
Other non-current assets	3,694,022	-	3,694,022
Total Non-Current Assets	3,883,022	(130,500)	3,752,522
Total Current Assets	9,960,209	-	9,960,209
Total Current Liabilities	4,307,308	-	4,307,308
Net Current Assets	5,652,901	-	5,652,901
	9,535,923	(130,500)	9,405,423
Stockholders' Equity			
Other stockholders' equity accounting	898,338	-	898,338
Retained earnings	5,221,649	(91,630)	5,130,019
	6,119,987	(91,630)	6,028,357
Non-Current Liabilities			
Long term loans	3,038,560	-	3,038,560
Deferred income taxes	363,776	(39,270)	324,506
Post-employment benefit obligations	13,600	400	14,000
	9,535,923	(130,500)	9,405,423

Jamaica Broilers Group Limited

Notes to the Financial Statements

3 May 2014

(expressed in Jamaican dollars unless otherwise indicated)

34. Restatement (Continued)

Effect on statement of comprehensive income at 27 April 2013:

	Company		
	At 27 April 2013	Adjustment	As Restated
	\$'000	\$'000	\$'000
Revenue	23,363,626	-	23,363,626
Cost of sales	(19,079,028)	-	(19,079,028)
Gross Profit	4,284,598	-	4,284,598
Other gains	206,507	-	206,507
Distribution costs	(703,350)	-	(703,350)
Administration and other expenses	(2,624,223)	(17,800)	(2,642,023)
Operating Profit	1,163,532	(17,800)	1,1445,732
Finance income	25,448	-	25,448
Finance costs	(447,349)	-	(447,349)
Profit before Taxation	741,631	(17,800)	723,831
Taxation	(119,402)	15,653	(103,749)
Net Profit	622,229	(2,147)	620,082
Other Comprehensive Income, net of taxes - Item that will not be reclassified to profit or loss -			
Re-measurements of post-employment benefits	-	(295,750)	(295,750)
Total other comprehensive income	-	(295,750)	(295,750)
Total Comprehensive Income	622,229	(297,897)	324,332

Jamaica Broilers Group Limited

Notes to the Financial Statements

3 May 2014

(expressed in Jamaican dollars unless otherwise indicated)

34. Restatement (Continued)

Impact on statement of cash flows for the year ended 27 April 2013

	Company	
	Restated 27 April 2013 \$'000	Restated 27 April 2013 \$'000
Cash Flows from Operating Activities		
Net profit	622,229	(2,147)
Adjustments for:		
Depreciation	197,368	-
Amortisation	16,346	-
Gain on disposal of property, plant and equipment	(873)	-
Changes in post-employment benefits	(83,700)	17,800
Taxation expense	119,402	(15,653)
Interest income	(25,448)	-
Dividend income	(179,860)	-
Unrealised foreign exchange losses	151,004	-
Interest expense	320,304	-
	1,136,772	-
Changes in operating assets and liabilities:		
Inventories	494,182	-
Biological assets	(9,198)	-
Receivables	(239,131)	-
Subsidiaries	91,357	-
Payables	(650,485)	-
	823,497	-
Taxation paid	(302,953)	-
Cash provided by operating activities	520,544	-
Cash flows from investing activities		
Cash used in investing activities	(913,720)	-
Cash flows from financing activities		
Cash provided by financing activities	676,389	-
Effect of changes in exchange rates on cash and cash equivalents	94,894	-
Increase in cash and cash equivalents	378,107	-
Cash and cash equivalents at the beginning of the year	478,441	-
Cash and cash equivalents at the end of year	856,548	-