ANNUAL REPORT **2017**

TRUE TO THE CORE

Shaped by **TRUTH**,
Committed to **FAIRNESS**,
Driven to **SERVE**.

MISSION STATEMENT

With God's guidance, we will efficiently manage the company to fulfill our obligations to our customers, shareholders, employees, contractors and the community at large, with an attitude of service and a commitment to truth, fairness and the building of goodwill.

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NOTICE OF **ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the 59th Annual General Meeting of Jamaica Broilers Group Limited, herein after referred to as The Company, will be held at the Company's registered office at Content, McCook's Pen, Saint Catherine on Tuesday, October 17, 2017 at 1:30pm to transact the following business:

1. To receive the Audited Accounts for the year ended April 29, 2017, together with the reports of the Directors and Auditors thereon.

   The Company is asked to consider, and if thought fit, pass the following resolution:

   Resolution No.1

   "That the Audited Accounts for the year ended April 29, 2017, together with the reports of the Directors and Auditors thereon, be and are hereby adopted".

2. To elect Directors.

   The Directors retiring by rotation in accordance with Regulation 89 of the Company's Articles of Incorporation are Mr. Omar Azan, Mr. Aubyn Hill, Mr. Robert Levy and Mr. Ian Parsard, who, being eligible for re-election, offer themselves for re-election.

   The Company is asked to consider, and if thought fit, pass the following resolutions:

   Resolution No.2

   "That the Directors, retiring by rotation, be re-elected by a single resolution."

   Resolution No.3

   "That Messrs. Omar Azan, Aubyn Hill, Robert Levy and Ian Parsard who are the Directors retiring by rotation in accordance with Regulation 89 of the Articles of Incorporation be and are hereby re-elected as Directors of the Company".

   The Director retiring in accordance with Regulation 95 of the Articles of Incorporation is Mr. Bruce Bowen who, being eligible for re-election, offers himself for re-election.

   The Company is asked to consider, and if thought fit, pass the following resolution:

   Resolution No.4

   "That Mr. Bruce Bowen, who is retiring in accordance with Regulation 95 of the Articles of Incorporation, be and is hereby re-elected as a Director of the Company".

3. To ratify interim dividends.

The Company is asked to consider, and if thought fit, pass the following resolution:

Resolution No. 5

"That the interim dividend of 17 cents paid on November 10, 2016 and of 18 cents paid on April 26, 2017, be and are hereby ratified and declared final for the financial year ended April 29, 2017".

4. To approve the remuneration of the Directors.

The Company is asked to consider, and if thought fit, pass the following resolution:

Resolution No. 6

"That the amount shown in the Audited Accounts of the Company for the year ended April 29, 2017 as fees of the Directors for their services as Directors, be and is hereby approved."

5. To Appoint Auditors and to authorize the Directors to fix the remuneration of the Auditors.

The Company is asked to consider, and if thought fit, pass the following resolution:

Resolution No. 7

"That the remuneration of the Auditors, PricewaterhouseCoopers, who have signified their willingness to continue in office, be such as may be agreed between the Directors of the Company and the Auditors."

Dated this 28th day of August, 2017

By order of the Board

PETER A. DePASS
Company Secretary
Registered Office
Content, McCook's Pen, St. Catherine

NOTE:

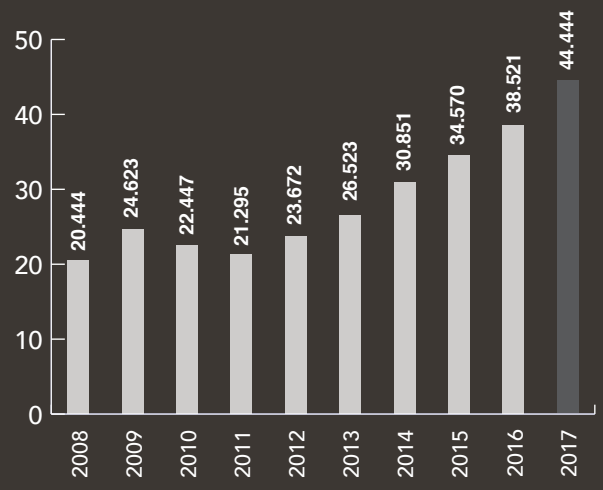
A member entitled to attend and vote at the meeting may appoint a proxy, who need not also be a member, to attend and so on a poll, vote on his/her behalf. A suitable form of proxy is enclosed. Forms of Proxy must be lodged at the registered office of the Company at Content, McCook's Pen, Saint Catherine or with the Registrar of the Company, PwC Corporate Services (Jamaica) Limited, Penthouse Floor, Scotiabank Centre, Cnr. Duke & Port Royal Streets, Kingston not less than 48 hours before the time of the meeting. The Form of Proxy should bear stamp duty of $100.00. The stamp duty may be paid by adhesive stamps which are to be cancelled by the person signing the Proxy.

A Corporate shareholder may (instead of appointing a proxy) appoint a representative in accordance with Regulation 74 of the Company's Articles of Incorporation. A copy of Regulation 74 is set out on the enclosed detachable proxy form.

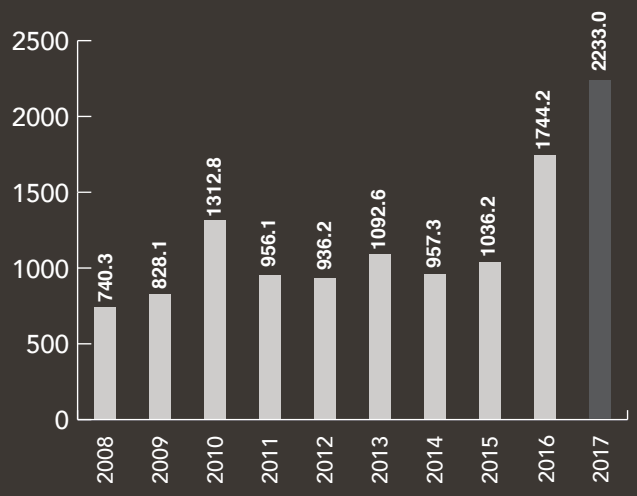
FINANCIAL **HIGHLIGHTS**

2017

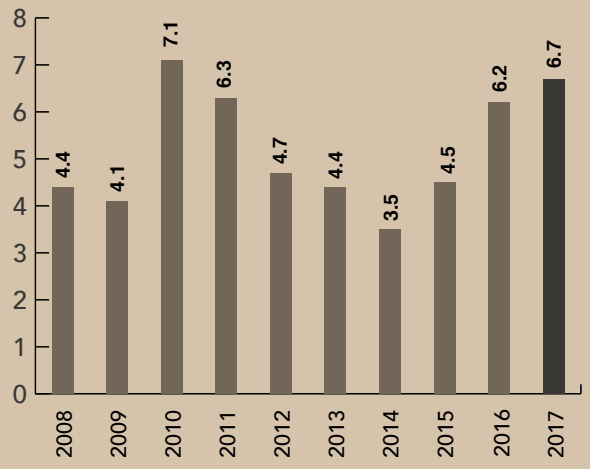
NET SALES – J$B



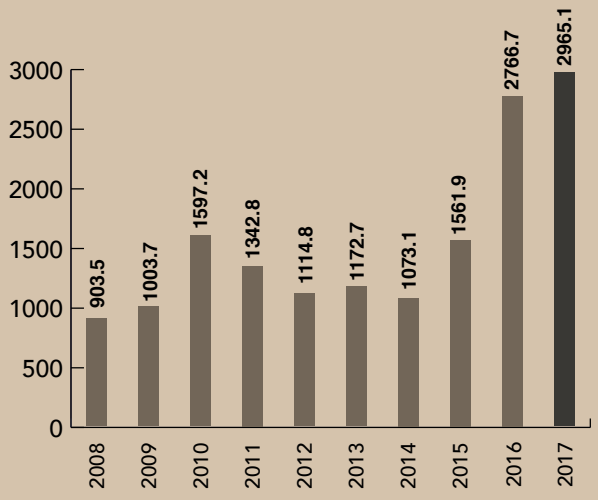
NET PROFIT ATTRIBUTABLE TO STOCKHOLDERS – J$M



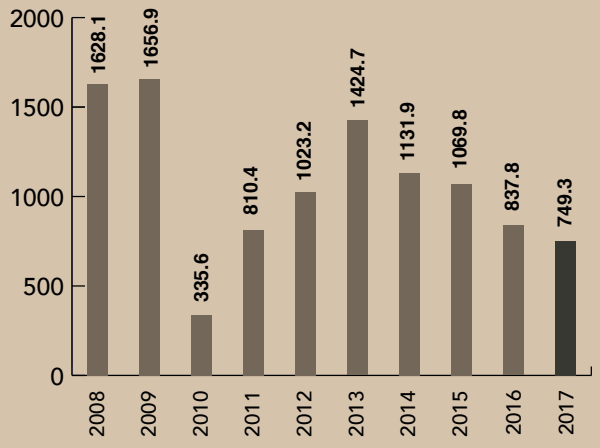
PRE-TAX PROFITS AS % OF NET SALES



PRE-TAX PROFITS – J$M



INVESTMENT IN PROPERTY PLANT & EQUIPMENT – J$M



CHAIRMAN & PRESIDENT'S **OVERVIEW**

FINANCIAL HIGHLIGHTS

The 2016-2017 operational year was another rewarding period for the Group. The fiscal year began just on the heels of Jamaica's local government elections and with a new government elected, we anticipated new policies being implemented and waited expectantly to learn how these would affect our industry. Later in the year we would also see the United Kingdom and the United States making major governmental decisions. These changes in the international landscape created a tentative economic climate as folks were unsure how these indicators would impact economies.

GROWTH

Despite the uncertainties, we have experienced growth across all three (3) of our operations. In summary, our overall performance for the year is as follows:

- **Turnover**
  Moved from $ 38.52 billion to $ 44.44 billion; an increase of 15.3%

- **Gross profit**
  Moved from $ 10.4 billion to $ 11.8 billion; an increase of 14.3%

- **Pre-tax profit**
  Moved from $ 2.8 billion to $ 3 billion; an increase of 7.2%

- **Net profit attributable to stockholders**
  Moved from $ 1.7 billion to $ 2.2 billion; an increase of 28%

We are truly grateful to the management and staff for their efforts towards achieving these results.

THE CORE FOCUS

Having divested the ethanol plant, we were able to further focus on our core markets by increasing inputs towards fertile hatching eggs, breeder and broiler birds in the Jamaica Operations and layer birds in Haiti. This significantly increased the profitability of these operations. In the US, the acquisition of the Welp Hatchery (now International Poultry Breeders – Iowa) contributed considerably to the increased revenue in this operation.

OUR PEOPLE

Our staff continues to embody our mission to employ an attitude of service and a commitment to truth and fairness in our day to day operations. We have seen significant efforts across the Group to implement and maintain best practices, to innovate and expedite positive change and generally serve one another and the wider communities within which our operations reside. God has blessed us with an amazing team and we are truly thankful for all the work they put in to making this year such a great success.

To you, our shareholders, customers and other loyal stakeholders, we remain grateful for your partnership with us and look forward to your continued support.

Robert Levy
Chairman

Christopher Levy
President and CEO

BOARD OF **DIRECTORS**

MR. ROBERT E. LEVY, CD
Hon. LL.D, MA
Chairman

The name Robert Levy has been synonymous with the Jamaica Broilers Group for decades. He joined the Company in 1959, one (1) year after its inception and for over 45 years, has made significant strides in the business through his service to the Group in several capacities. In 1994 he was appointed as joint CEO, followed by his advancement to President and CEO in 2001. Under his leadership the Best Dressed Chicken brand was cemented as a household name in Jamaica, a legacy of customer and stakeholder loyalty that still lives on today. Since 2009 Robert Levy has served in his current position as Chairman of the Board of Directors. His longstanding, passionate commitment to the agricultural industry has made him a distinguished expert in crop and poultry production.

MR. CHRISTOPHER E. LEVY
MBA
Executive Director

As President and CEO of the Jamaica Broilers Group's multinational operation, Christopher Levy has been highly regarded as an astute corporate leader. The scope of his leadership has grown exponentially with the acquisition of significant assets in the Group's US Operation. Wincorp International and its sister company, International Poultry Breeders, are now esteemed industry leaders in the United States. His decision to expand the business to Haiti has been rewarding both in terms of social responsibility to the Caribbean community as well as for the overall growth of the Group, as its Haiti Operation has crossed the threshold of profitability. With over 25 years of senior management experience garnered through working at almost every level of the Group's operations, he is versed in every aspect of the poultry industry. Under his leadership, the Group has continued its far-reaching philanthropic pursuits, maintaining its passion for nation-building through its support for education, sports, the indigent, community and social empowerment.

THE HON. R. DANVERS WILLIAMS, OJ, CD
Hon. LL.D, JP, CLU
Director Emeritus

With over 62 years in the life insurance industry, Danny Williams has amassed an incomparable wealth of knowledge and experience to create a most enviable and distinguished career. The impetus towards the development of the insurance industry and his country stems from as far back as 1953, and over the years, he has built a reputation as an entrepreneur, a philanthropist and a dedicated professional with an appetite for challenges. He was the founder and President of Life of Jamaica (now Sagicor Life) and currently serves as Chairman of the Board. He is the immediate Past Chairman of the Jamaica Broilers Group.

DR. CLAUDETTE D. COOKE
Ed.D, CMT, CPC, CCRC
Executive Director

Claudette Cooke joined the Jamaica Broilers Group in 1994 as the Group Public Relations Executive a few years after serving as Senior Vice President for Creative Services at Dunlop Corbin Compton Associates. A year later, she was appointed to her current role as Vice President for Human Resource Development and Public Relations. She is focused on maintaining the Group's organizational effectiveness, as well as continually improving the Company's work environs and output quality. This includes management and recruitment of top-quality employees both locally and overseas. She has also significantly invested in the preservation of the Group's reputation as a Christ-centered, employee-friendly and charitable company. Her professionalism and work ethic are contributing factors to her being listed in the International Who's Who of Professionals.

MR. IAN S. PARSARD
MBA (Hons.), ACCA
Executive Director

Ian Parsard joined the Jamaica Broilers Group in 1989 as a Senior Systems Analyst and was promoted to Project Leader in 1993. He progressed through a number of senior management positions including his appointment as Vice President, where he has held responsibility for Accounting, Finance, Energy, Operations and Corporate Planning at varying intervals over his near 30 year tenure with the Company. In 2012 he was appointed as Senior Vice President and currently manages the portfolio for Finance and Planning.

DR. TREVOR D. DEWDNEY, OD DVM
Director

Trevor Dewdney is a well-respected Veterinary Consultant who has been affiliated with the Jamaica Broilers Group since 1971, and appointed as a Director in 2002. A devoted farming practitioner, he has used his nearly 50 years of experience to serve in various capacities across the Agricultural Industry, including Vice President of the Jamaica Agricultural Society (JAS) and Director of the National Development Bank, where he served for almost 10 years. His passion for sustainable growth and development of the industry has earned him national recognition, as he was awarded the National Honour of the Order of Distinction for Excellence in Agriculture.

SENATOR AUBYN HILL
MBA
Director

Aubyn Hill has over 35 years of working experience in the private sector, specifically in banking and finance and has conducted business in more than 85 countries. During his 21 years as a banker, his performance resulted in several quantifiable successes, including leadership of the management team responsible for the turnaround of the National Commercial Bank (NCB) in only 19 months. In 2005, he established Corporate Strategies Limited, a management consultancy firm, where he currently serves as the CEO. Following Jamaica's 2016 local government elections, Aubyn Hill was appointed to the Senate and subsequently elected as its Deputy President. The Prime Minister also appointed Senator Hill as Special Investment Ambassador and Envoy to India.

MR. OMAR AZAN
Director

Omar Azan has been one of Jamaica's leading manufacturers and exporters of furniture for over 20 years. As an avid believer in service above self, he has become a strong voice for the manufacturing industry. His efforts have resulted in the achievement of such noteworthy milestones as the removal of the 2% Customs User Fee on raw materials and capital equipment; the provision of free factory space for start-ups and expanding entities; and the awarding of contracts to local printers during his tenure as President of the Jamaica Manufacturers Association. Having successfully influenced business growth and market captaincy in Jamaica for over 24 years, he brings the fiscal acumen needed to ensure effective management of operating budgets and the ability to analyze market dynamics, customer demands and competitor activities.

MR. GREGORY B. SHIRLEY
MBA
Director

With a career spanning over 30 years, Gregory Shirley has garnered extensive experience in various fields, including corporate and strategic planning and process improvement. He started his professional career as the Manager of Human Resource Planning and Development for a major overseas utility company and later joined KPMG where he served for over 30 years. At KPMG, he garnered experience in diverse business advisory assignments within banking and finance, government, utilities, manufacturing and service sectors. He has been one of the main architects in change management and the development and implementation of performance and reward management programmes within the public and private sectors of Jamaica. His tenure at KPMG, along with his international experience, has made him a desired consultant in areas such as compensation, benefits administration and performance measurement.

MR. EDWARD BARBER
B.Acy, CPA
Director

Edward Barber carries nearly 30 years of local and international experience in real estate, finance, development and acquisitions. His areas of specialization include strategic planning, capital procurement, investment and the development and implementation of real estate solutions. In 1997 he launched the company CRE Services, a private real estate consulting firm that specializes in capital placement and asset management. While being an astute businessman, he is also an active philanthropist, as he serves as a Director of the Global Orphan Project, a global orphan care and orphan prevention ministry that partners with local churches and organizations to provide family-based assistance to orphaned and abandoned children.

MR. STEPHEN E. LEVY
MBA
Executive Director

Stephen Levy's relationship with the Group commenced in 2003 with his appointment as Operations Manager for Content Agricultural Products. He has since occupied several management positions including Assistant Vice President of Energy Operations for the Group. Since May 2013, he has served as President of Wincorp International Inc., a wholly owned subsidiary of the Jamaica Broilers Group located in Medley, Florida. There he has spearheaded the reorganization, development and profitable growth of the Company's United States-based operations, supervising two (2) of the Group's most recent acquisitions – England Farms of Rison, Arkansas, and Welp Inc., located in Iowa. His leadership and management skills have helped the Group to develop strong relationships with key stakeholders including customers, suppliers, government and non-government organizations.

MR. BRUCE BOWEN
BBA (Hons.), Hon. LL.D
Director

Bruce Bowen is known in the Caribbean for his 26 year career with Scotiabank in their International Banking Division. Between 2013-2016, he held the role of Senior Vice President - Caribbean and was responsible for operations across 20 countries. Over his 5 years as CEO of Scotia Group Jamaica (2008-2013), he established the Group as the most profitable publicly listed company in Jamaica, growing market share in retail mortgage and commercial lending, life insurance sales and mutual funds (unit trust) under his management. Bruce has a notably successful track record leading large, complex financial service companies throughout diverse international markets. As a respected leader and trusted advisor across the Caribbean, he has participated in a number of national initiatives, private sector associations and charitable organisations.

DIRECTORS' **REPORT**

The directors present their annual report with the financial statements for the year ended April 29th, 2017

RESULTS OF OPERATIONS

TURNOVER

The Group's turnover for the year amounted to $44,444,248,000 as compared with $38,520,649,000 for the previous year.

PROFIT, DIVIDENDS AND APPROPRIATIONS

	$'000
Net profit attributable to stockholders	2,232,788
Re-measurements of pension assets / obligations	359,775
Transfers to Capital Reserves	(233)
Profits brought forward from previous years	10,332,414
To give an amount of	12,924,744
Interim Dividends	(419,746)
Thereby leaving profits to be carried forward as Retained Earnings of	**$12,504,998**

The Directors are recommending that the interim dividend of 17 cents paid on November 10, 2016 and 18 cents paid on April 26, 2017, be ratified and declared final for the financial year ended April 29, 2017 by the shareholders in the general meeting, as the Directors do not propose to declare any further dividend(s) from the audited profits realised during the financial year ended April 29, 2017.

The Directors retiring in accordance with Regulation 89 of the Articles of Incorporation are Mr. Omar Azan, Mr. Aubyn Hill, Mr. Robert Levy, and Mr. Ian Parsard all of whom are eligible for re-election.

Mr. Bruce Bowen who was appointed as a Director during the course of the year, retires in accordance with Regulation 95 of the Articles of Incorporation and is eligible for re-election.

AUDITORS

PricewaterhouseCoopers will continue in office as Auditors in accordance with the provisions of Section 154(2) of the Companies Act.

Dated this 28th day of August, 2017

PETER A. DePASS
Company Secretary
Registered Office
Content, McCook's Pen, St. Catherine

EXECUTIVE **TEAM**

CHRISTOPHER E. LEVY
MBA
Group President &
Chief Executive Officer

IAN S. PARSARD
MBA (Hons.), ACCA
Senior Group
Vice President
Finance & Planning

CLAUDETTE D. COOKE
Ed.D, CMT, CPC, CCRC
Group Vice President
Human Resource
Development &
Public Relations

LENNOX D. CHANNER (JR.)
FCCA, MSc
Group Vice President
Accounting

CORPORATE GOVERNANCE **REPORT**

The Jamaica Broilers Group is committed to maintaining high standards of corporate governance and recognizes that this is a key contributor to the long-term success of the company and that of its divisions and subsidiaries (the Group). The delivery of exemplary governance consistent with international best practices is central to the Group's strategic objectives.

The members of the Board understand their duty of care to the Company and its stakeholders and exercise their fiduciary responsibilities with transparency and integrity. The Company is confident that the Board collectively holds the right mix of skills, experience, independence and knowledge to enable it to discharge these responsibilities successfully.

The Group's Corporate Governance Manual is guided by the governance standards set out in the PSOJ Code of Corporate Governance 2nd Edition, published in 2009. The Board considers that its governance practices are generally consistent and compliant with all applicable legislation, regulations, standards and codes and aligns its corporate governance practices with the Group's Corporate Governance Manual and core values.

OUR COMMITMENT

The Group remains committed to upholding the highest levels of corporate transparency, social responsibility and compliance in all of its transactions and interactions.

BOARD OVERSIGHT

Board members and attendance at meetings:

	BOARD MEETINGS
Mr. Omar Azan	7/9
Mr. Edward Barber	7/9
Mr. Bruce Bowen	6/6
Dr. Claudette Cooke	9/9
Dr. Trevor Dewdney	9/9
Mr. Aubyn Hill	7/9
Mr. Robert Levy	8/9
Mr. Christopher Levy	9/9
Mr. Stephen Levy	8/9
Mr. Ian Parsard	9/9
Mr. Gregory Shirley	9/9
The Hon. R. D. Williams	9/9

The Board is scheduled to meet once monthly. However, special meetings are convened if urgent matters arise between the scheduled meetings. The Board met in regular and special sessions nine (9) times during the year to consider matters relevant to the operation and performance of the Group. Without exception, whenever needed during the year, the directors have demonstrated their ability and willingness to provide any additional time required. Mr. Bruce Bowen was appointed as a Director on August 22, 2016.

During the year, the Board fulfilled several of its key functions, including:

- Reviewing and approving the Company's 2016-2017 operational plans and budgets
- Approving capital expenditure
- Reviewing and approving credit facilities
- Monitoring executive management performance in the implementation and achievement of strategic and business objectives and financial performance

The Board is responsible for providing leadership through oversight and guidance whilst charting the strategic direction and delivering value to its shareholders and other stakeholders. The Board is also responsible for ensuring that, as a collective body, it has the appropriate skills, knowledge and experience to perform its role effectively. The Board is not involved in the Group's day-to-day operation but has delegated to management the power to make decisions on operational matters within an agreed framework. The Company has also implemented directors' and officers' liability insurance in respect of legal actions against its directors. This insurance cover does not extend to fraudulent or dishonest behaviour.

COMPOSITION OF THE BOARD

As at April 29, 2017, the Board comprised eight (8) non-executive directors (including the Chairman) and four (4) executive directors (the Group President & Chief Executive Officer, the Senior Group Vice President – Finance & Planning, the Group Vice President – Human Resource Development & Public Relations and the President – US Operations). The names and summary biographies of the directors including details of other material directorships are on the Company's website at www.jamaicabroilersgroup.com. Executive and non-executive directors are required to seek the approval of the Board before accepting additional directorships and must confirm that no conflict of interest

arises from the appointment. They must also provide assurance that any additional appointment will not affect their ability to perform their duties.

NOMINATION OF DIRECTORS

The Board is satisfied that the directors have the appropriate competencies to meet the challenges faced by the Group. Each year at the Annual General Meeting, the Board recommends and the shareholders elect directors in accordance with Article 89 of the Company's Articles of Incorporation. The Corporate Governance Committee is responsible for the nomination and selection of new directors.

INTERNAL CONTROLS

The Board, through its Committees, has reviewed the effectiveness of the Group's risk management practices and systems of internal control for the year ended April 29, 2017. This review involved consideration of the internal audit and risk management functions including operational risk, regulatory risk and compliance. The Chairman of the Audit Committee, reports to the Board on all significant issues considered by the Committee.

INTERNAL AUDIT FUNCTION

The Group's Internal Audit function is an independent function which reports directly to the Board through the Audit Committee. Currently, KPMG carries out part of the internal audit functions of the Group. The scope of the internal audit function encompasses the following activities:

- Reviewing and ensuring the annual internal audit plan is designed to assist in attaining the required objectives;
- Reviewing financial reporting and disclosure controls and advising management in their representations and assertions regarding these controls;
- Reviewing means of safeguarding the Group's assets;
- Coordinating and reviewing the Group's relationship with the external auditors, including independence and management's response to any major external audit recommendations;
- Participating in the planning and performance of audits of mergers, acquisitions and divestitures;
- Reviewing guidelines for ethical business conduct and the process for ensuring compliance; and
- Periodically reviewing and making recommendations concerning procedures for receipt, retention and treatment of complaints about accounting and auditing matters.

EXTERNAL AUDIT FUNCTION

The Audit Committee annually reviews the appointment of the Group's external auditors. Currently, the auditors are PricewaterhouseCoopers (PWC). The Board, on the recommendation of the Audit Committee, is satisfied with the effectiveness of the external auditors and has agreed to recommend to the shareholders the re-appointment of PWC for a further period of one (1) year.

The fees paid to the external auditors in the financial year are included in the audited financial statements.

CONFLICTS OF INTEREST

In keeping with international best practices, the Company's Corporate Governance Manual offers guidance concerning how members of the Board should handle conflicts of interest. A director has a duty to avoid, as far as possible, any activities that could create conflicts of interest or the

appearance of conflicts of interest and must disclose to the Board any matter that may result, or has already resulted, in a conflict of interest. Where a conflict of interest arises, directors have a responsibility to declare their interest and remove themselves from the relevant Board or Committee meetings without deliberating or voting on the proposal or transaction.

INFORMATION AND REPORTS

Prior to and at each regular meeting of the Board, the Directors receive detailed financial and operational reports which facilitate their effective review and assessment of the Group's performance. Board papers are usually issued six (6) days prior to meetings and Committee papers are usually issued five (5) days prior. In an effort to reduce the costs and the environmental impact of printing and distributing Board papers, as well as to improve the efficiency of the process, the Company enables each director to receive Board papers by way of a secure tablet.

At each Board meeting, the President and Chief Executive Officer (Managing Director) reports on all aspects of the Group's business. The Board also receives a report on the Group's financial performance. From time to time, members of the senior management team provide the Board with detailed presentations on the Group's major activities.

REMUNERATION

The remuneration of Directors continues to be maintained at levels that would attract and retain persons with the required skill and experience. For the executive directors, a significant portion of the compensation package is variable and dependent on the Group's performance during the year. During the year, the Board's Compensation Committee, comprising three (3) non-executive directors, met to review executive compensation. An Executive Director was invited to attend. The Committee, together with input from the Board, will ensure that the Company's compensation policies are competitive and remain aligned with best practice.

For non-executive directors, the level of remuneration generally reflects the experience and level of responsibilities undertaken. The approved remuneration provides for the payment of a retainer for non-executive directors and a fee for each Board and Committee meeting attended.

The total fees paid fell within the amounts approved by shareholders at the Annual General Meeting held on December 3, 2016.

BOARD EVALUATION

The Directors undertook an evaluation of the Board's performance during the 2016-2017 financial year. The results of the evaluation were discussed and analysed by the Board and suggestions made for improvements in Board performance.

BOARD COMMITTEES

The Board appoints members to its various committees with the objective of ensuring an optimal mix of skill, experience and competence. The Board has delegated specific duties to three (3) Board Committees, each of which operates within specific Terms of Reference as outlined in the Company's Corporate Governance Manual defining the respective roles and responsibilities.

The Committees assist the Board in its oversight role. Subsequent to each Committee meeting, the minutes are included in the Board papers for the review of all Board members. Round robin resolutions approved by the Committees are also included in the Board papers.

Members' attendance at Board Committee meetings during the past year is set out below:

AUDIT COMMITTEE

Members and attendance at meetings:

	COMMITTEE MEETINGS
Mr. Aubyn Hill - Chairman	3/4
Mr. Omar Azan	4/4
Dr. Trevor Dewdney	4/4
Mr. Gregory Shirley	4/4
Mr. Robert Levy	3/4

The Board has determined that each member of the Audit Committee is independent and that the membership meets the requirements of the Jamaica Stock Exchange (JSE) as well as the recommendations outlined in the Code on Corporate Governance issued by the Private Sector Organisation of Jamaica (PSOJ). During the year, the Group President & Chief Executive Officer (Managing Director), the Group Vice President – Accounting and the external auditors, normally attend and report at Audit Committee meetings. The Chairman of the Board and other senior managers are invited from time to time to present reports and discuss issues of importance.

The Audit Committee met four (4) times during the year and focused on the effectiveness of internal controls, compliance, assurance and internal audit functions. Responsibilities discharged during the year included the following:

Financial statements

- reviewing significant accounting and reporting issues, considering any changes to accounting standards, and understanding their impact on the financial statements;
- ensuring that the Group's quarterly and annual financial statements and quarterly releases represent accurate, clear and balanced assessments of the Group's financial position and prospects.

Internal control

- monitoring and reviewing the effectiveness of the risk management and internal control systems, including information technology security and control;
- review of risk management and internal controls over financial and operational reporting, and obtaining reports on significant findings and recommendations together with management's responses.

Internal audit

- monitoring and reviewing the effectiveness of the Group's internal audit function

Fraud prevention

- monitoring and receiving and considering reports on significant frauds, forgeries and other irregularities in respect of investigations undertaken.

External audit

- reviewing the external auditors' audit scope and approach;
- monitoring and reviewing the objectivity, effectiveness and independence of the external auditors which includes approving their scope of work, reports and fee proposals for audit services;

Compliance

- reviewing the external auditors' audit scope and approach;
- monitoring and reviewing the objectivity, effectiveness and independence of the external auditors; approving their scope of work, reports and fee proposals for audit services;

COMPENSATION COMMITTEE

Members and attendance at meetings:

	COMMITTEE MEETINGS
Mr. Gregory Shirley – Chairman	1/1
Dr. Trevor Dewdney	1/1
Mr. Aubyn Hill	1/1

CORPORATE GOVERNANCE COMMITTEE

Members and attendance at meetings:

	COMMITTEE MEETINGS
Mr. Gregory Shirley – Chairman	2/2
Mr. Aubyn Hill	2/2

The Committee met twice during the year and considered the following matters: -

- Appointment of New Director – Bruce Bowen
- Review and Analysis of the Board Evaluation Exercise

GREGORY SHIRLEY
Chairman
Corporate Governance Committee

The Company's Corporate Governance Guidelines are available on the Company's website at http://www.jamaicabroilersgroup.com/resources/corporate-data/corporate-governance-guidelines

MANAGEMENT DISCUSSION **& ANALYSIS**

TRUE TO THE CORE

We give thanks to the Lord as 2016-2017 was another rewarding operational year for the Group. We performed well across our three (3) operations and saw growth in all our Divisions.

The Jamaica Broilers Group maintains a unique position in the market place as our business, builds businesses. We continue to bear up farmers in Jamaica, Haiti and the USA, offering products, advice and practical support that are typically out of reach for small operations. Our mission statement declares a commitment to an attitude of service and the building of goodwill among our stakeholders, and our management team has embraced this wholeheartedly in their executions.

The following Operational Highlights outline the details of our public campaigns, new products and other successful endeavours undertaken by the various Divisions throughout the year.

CONLEY N. SALMON
President
Jamaica Operations

OPERATIONAL HIGHLIGHTS

JAMAICA OPERATIONS

The major activities within the Jamaica Operations of the Group this Financial year took place in the Best Dressed Chicken and Hi-Pro divisions.

THE BEST DRESSED CHICKEN DIVISION

It was a relatively good year for us at the Best Dressed Chicken Division. The demand for protein meat offered under our various business lines and brands remained stable and saw us returning good financial performances across the board. This, even as the strong demand for poultry meat witnessed for the prior year did not hold true for the fiscal year under review. Interestingly, there was a general oversupply of protein meat observed in the market as manufacturers and importers alike effected plans to safeguard against demand outstripping supply. Our go to market strategy that sees us using multiple platforms to serve our customers allowed us to contain the economic impact normally associated with oversupply of products and attendant moderate consumer demand. The end result was us being able to close the year with all our business lines making a contribution to our overall financial performance.

We introduced new products under our further processed lines that continue to eke out market share, in a highly competitive retail landscape. Consumers within varying demographic profiles have embraced the recently launched suite of value-added products rolled out under the Best Dressed Chicken and Reggae Jammin' brands. These included the ***Breaded Chicken*** products – which had an above the line campaign; ***Chicken Bologna***; and a range of ***Miniature Cocktail Burgers***. All major outlets across the island now stock these items.

THE BEST DRESSED CHICKEN – REGIONAL ADVANCES

Demand for our products outside of the Jamaican market place remained strong as **The Best Dressed Chicken** continuously carved out a niche for itself in the regional marketplace. We are humbled by the growing acceptance of our local products in the wider region and will jealously guard the confidence bestowed in our various brands, particularly our flagship product – **The Best Dressed Chicken**.

We are therefore happy to report that ***The Best Dressed Free Range Chicken*** was successfully recertified under the Global Animal Partnership (GAP) programme. GAP facilitates ongoing improvement in farm animal agriculture across the world. It has as its mandate a commitment to recognizing farmers that exceed industry standards and endeavour to improve animal welfare on a continuous basis. As a part of this exercise, The Best Dressed Free Range Chicken farming practices were subjected to the highest level of scrutiny and we were pleased that our systems passed the rigorous and onerous evaluation. We have also been successful in attaining an independent Animal Welfare Certification for The Best Dressed Chicken and its Free Range product line. Our customers at home and abroad can therefore rest assured that when they take our chicken home to feed their families, that this is indeed the brand that they can trust.

The year 2016 marked our Silver Anniversary in the Cayman Islands. The tremendous response, which **The Best Dressed Chicken** has been enjoying in The Cayman Islands over the past 25 years reflects solid partnerships with our customers and community. We published a supplement to commemorate the occasion and have been very encouraged by the positive response to this publication, ranging from the reviews of the content to advertising support from our partners on the ground.

The now annual ***Table Talk Food Awards*** presented by **The Best Dressed Chicken** also provided the perfect backdrop for us to say 'thank you' to our valued partners who helped us not only to break new ground, but also to concretize our roots in the Cayman Islands. Throughout the event, we recognized and celebrated the stalwarts of Cayman's culinary industry and our valuable customers, who have supported our brand over the past 25 years. This year, Kirk Market received the Lifetime Achievement Award. Formerly known as Kirk Supermarket & Pharmacy, a rebranding exercise in 2013 delivered the new generation name Kirk Market, which not only personified the diversity of the store but also reinforced their company's pledge to innovate and reshape the local grocery industry in service, selection, quality and value, and the business has maintained a lead in the market. Kirk Market's philosophy is a good fit with the wholesome products that we supply, which supports their brand promise to ensure that shoppers "Experience a world of choice".

We were particularly pleased to have been able to use the ***Table Talk Food Awards*** platform to recognize our longstanding brand advocate, William "Billy" Reid. **The Best Dressed Chicken**

presented a citation to Mr. Reid for being the brand's champion in Cayman since the inception of our trading relations there. The Citation read in part…"We are deeply honoured to have had the enduring support of our dear friend William 'Billy' Reid, who twenty-five years ago believed as much as we did that **The Best Dressed Chicken** would find a place at the Cayman table."

As was done previously, **The Best Dressed Chicken** donated part proceeds from ticket sales of the event to the non-profit organization Feed Our Future, to aid in its charitable efforts. This organization is devoted to 'solving childhood hunger and supporting intellectual nourishment' in The Cayman Islands.

To mark our coming of age in the Cayman Islands, we launched our ***'Naturally the Tastiest Chicken'*** campaign there. The campaign was built around our brand attributes that goes to the heart of who we are and our connection with our customers.

THE BEST DRESSED SUMMER IN JAMAICA

The Best Dressed Chicken Fun in the Son returned to the National Heroes' Circle last summer with approximately 70,000 persons in attendance. This spiritually engaging event saw 4,000 persons making (re) commitments to the Lord. This time around, we paired the the spiritual aspect of the Festival with a cultural component and conducted tours of the memorial site, providing key information on our national heroes. Several stellar artistes, including Carlene Davis, Kevin Downswell and Rondell Positive ministered in song. International act, Donnie McClurkin, was well received with hits such as 'Stand' and 'I got my mind made up'. **The Best Dressed Chicken** Flash Mob captivated the audience with a dance recital to the song, 'I know who I am', while Papa San who continues to be the crowd favourite, closed the show with an energetic performance.

That summer we also launched ***'Di Summa'*** Promotion. Our customers purchasing specially marked packages of **The Best Dressed Chicken** were able to enter the campaign by texting pre-printed codes found on the coupons placed within said package. The campaign ran for three (3) months and included prizes such as smart TVs, smart phones and back to school supplies. The response from our customers indicated a wholesale acceptance of this promotion. From our end, we relished the opportunity to reward our consumers for their ongoing support of our brand.

THE HAMILTON'S SMOKEHOUSE BRAND

Hamilton's Smokehouse rolled out its ***'Summer Nights, Summer Bites'*** customer engagement programme with key customers Uncorked, Tea Tree, Pier One, John Crow's Tavern, Rituals and Café Blue. A specially crafted selection of **Hamilton Smokehouse** dishes were created for this event and added to the menus at the various eateries. The offers were well publicized and created the desired appeal and support at the various locations. In the words of one of our customers: "This has been a great experience for us working with **Hamilton's Smokehouse**. With the added promotion we definitely saw a boost in our sales of the signature item".

REGGAE JAMMIN'

Reggae Jammin' which has been a longstanding sponsor of the Prep School Championship, raised the bar in leveraging this sponsorship property. Coming out of the 2016 staging of the event, 40 of the top performers were invited to a special training session with the MVP Track Club. We subsequently hosted these student athletes in a world class training session at the National Stadium under the tutelage of Bruce James, President of MVP. The athletes were divided into four teams and guided by coaches Paul Francis, Michael Kerr, John Mair and David Riley in activities such as sprinting, hurdling, relay exchanges and long jump. In addition to the training, the athletes competed in the various categories and vied for medals and prizes. Jamaica Olympian, Megan Simmonds was also in attendance and assisted in training the hurdlers.

Prior to the start of their training, the student athletes were very excited to witness some of Jamaica's star athletes executing their training drills in preparation for the National Trials. This served as added inspiration for the student athletes as they all cherish dreams of one day joining the list of Jamaica's internationally recognized athletes. **Reggae Jammin'** was honoured to host an event which not only nurtured aspiring national athletes, but also serves to sustain Jamaica's rich heritage in athletics.

MORE ON SPORTS, HEALTH & WELLNESS

The Best Dressed Chicken continued its partnership with the Diabetes Association of Jamaica (DAJ). The DAJ has been providing diabetic care for the past 30 years, tending to approximately 8,000 persons collectively on a monthly basis, through its islandwide branch network. This year, proceeds from ***'The Everyone's a Winner/ The Best Dressed Chicken Road Race Series'*** were used to acquire much needed equipment to enhance DAJ's ability to serve those ailing from this lifestyle illness. The equipment included an echocardiogram (ECG) machine, body mass index (BMI) scale, wheelchairs and cholesterol machines. Since the inception of the Road Race Series, we have been making monetary contribution to the work of the DAJ. We are grateful for all the entrants who continue to support this series, as they allow us to make a huge difference in the lives of those persons under the technical care of the Association.

Following the expiration of our first five (5) year commitment to support the Jamaica Netball Association, **The Best Dressed Chicken** returned as a sponsor of the Sunshine Girls for an additional three (3) year period. We are now in our second year of this agreement and our support extends to a $9 million monetary contribution as well as a bolstering of the nutritional programme for the team.

ENGAGING NEW MEDIA

We note our growth on the digital marketing platform as the lines between traditional and non-traditional media have begun to intersect. One of the engaging activities that resonated well with our fans was the ***'Cooking Live'*** series on Instagram that featured some of Jamaica's well known culinary stars literally cooking Sunday dinner live. The series kicked off with our Brand Ambassador Chef Brian Lumley and ended with Chef Jacqui Tyson - a veteran chef in the local culinary industry and one long associated with our brands.

Our penetration in the digital space was not confined to social media. Since the campaign was launched in the Cayman Islands, almost half a million impressions were emanating from online advertisements, within a 2-month window based on our digital media marketing information. We also saw an increase in traffic on the Group's website, largely driven by this campaign. We are encouraged by the response to our brands across the various multimodal channels and the analytics also indicate that we have been able to captivate the minds of individuals residing outside of Jamaica.

With another financial year behind us, we look to the new fiscal year with cautious optimism as the market indicators point to a general reduction in demand for typically fast-moving consumer goods. Notwithstanding, we have crafted plans to navigate the rough seas and to allow us to keep on the pathway of success, while maintaining a close eye on the leading macroeconomic indicators.

We are truly thankful to our management and staff, customers, our board of directors and other stakeholders who keep us focused on the deliverables, responsive and adaptive to a fast-paced environment and ever changing consumer preferences.

THE BEST DRESSED FEED MILL

The Best Dressed Feed Mill saw a continuation of the aggressive growth in the demand for both the Hi-Pro branded feeds and our internal **Best Dressed Chicken** feeds, both of which experienced record growth over the year. The team at the Mill worked assiduously and successfully satisfied the market, however it became abundantly clear that investment to increase capacity was required. Consequently the planned project for capacity expansion commenced in January 2017 and is expected to be completed in August of that year. This investment will facilitate improved customer service and lay the foundation to support continued growth of the business. The sustained focus on energy management has also led to improvements in operational efficiencies. We look forward to the new fiscal year with confidence and optimism as we strive to provide our customers with quality, cost effective products.

HI-PRO DIVISION

Once again our Hi-Pro Division was able to maintain the growth trajectory established two years prior, by identifying opportunities and leveraging relationships towards profitability.

Our ***"Grow with Hi-Pro"*** campaign encouraged Jamaican consumers to support Jamaica's 85,000 broiler farmers by purchasing fresh, homegrown chicken from producers in their community. Hi-Pro generated awareness around one (1) simple message: it costs the same per pound to grow a whole fresh chicken, as it does to purchase imported chicken neck and back. Our efforts, along with the support of Jamaican consumers and the local government, saw a 22% reduction in the importation of chicken neck and back over the previous fiscal year. We are proud of this shift and continue to encourage Jamaicans to "Grow what we eat and eat what we grow."

Other successful promotional campaigns included the annual ***Hi-Pro Christmas Countdown*** and ***Hi-Pro Rewards*** promotions. We saw a record number of entries, with over 34,000 winners across the two (2) promotions as of April 2017. For the first time in our history, Hi-Pro gave away not one, but two (2) Suzuki Vitaras in the 2016 Hi-Pro Christmas Countdown promotion. The excitement and appreciation shown at the hand-over ceremony considerably re-enforced our belief in giving back to our loyal customer base.

Hi-Pro
FEEDS

THE BUSINESS OF EGGS

At the beginning of the fiscal year, **Hi-Pro** in association with the Jamaica Egg Farmers Association (JEFA), and the United States Soybean Council (USSEC) launched the ***"Eat Eggs"*** campaign to promote the consumption of eggs as an excellent and affordable source of protein. This effort was paired with the ***"Get Crackin' and Win"*** promotion, targeted at driving egg sales through retail and wholesale channels. Reports from the egg farmers indicate a noted increase in demand during the promotion period.

PARTNERING IN DAIRY DEVELOPMENTS

Hi-Pro's ongoing efforts with the local dairy industry yielded a number of positive developments. Our activities on one (1) of Jamaica's leading dairy farms has led to increased milk production from an average of 8 litres per cow in 2015 to 12 litres per cow in 2017. This fifty percent (50%) increase in production was achieved by addressing critical issues such as nutrition, herd health management, cow fertility and cow comfort. We continue to emphasize the importance of a total mixed ration in the dairy cow diet, which is an important component of our **Hi-Pro Dairy Concentrate.**

Through our technical support services and expanded veterinary team, we expect to strengthen our partnerships with farmers islandwide as we offer on-farm consultation, veterinary pharmaceuticals and farm supplies that will enhance their operations and lead to greater profitability.

HI-PRO FARM SUPPLIES

Following on two (2) consecutive years of drought, crop farmers were blessed with ample rain this year resulting in increased fertilizer, chemical and equipment sales for Hi-Pro Farm Supplies.

The agronomy portfolio was again expanded as **Hi-Pro** assumed the role of distributor for *RoundUp Ultra* and the *Detia* suite of organic pesticides. *RoundUp Ultra* is recognized as the world's most effective herbicide, while *Detia's* Diatomaceous Algae Organic Insecticide, although recently launched, was recipient of the Pesticide Control Authority 2016 Award for Least Toxic, Most Innovative Pesticide.

Our Agronomy team also focused on highlighting the economic benefits to be gained through implementation of complete crop care and plant health programs particularly in yam, sugar, and coffee. Farmers participating in our Hi-Pro crop care programmes reported increased yields of up to 30%. We continue to support the development of these acreages through further education campaigns.

Our Hi-Pro Farm Supplies team also conducted a series of technical workshops targeting specific crop sectors including vegetables, peanut, irish potato, and hot pepper. These workshops were used as the platform to educate farmers about the technology behind the products, effective implementation of our crop care programmes and best practices for their application.

With the exception of our agronomy based products, our Farm Supplies Team adopted an events-based approach to the marketing of specific product categories including Power Tools and Pet Care. Hi-Pro staged Jamaica's first ***"Tool Fest***" in Montego Bay, Ocho Rios and finally at the **Hi-Pro Supercentre** with representatives from all four (4) of the major tool companies- Milwaukee, Makita, Dewalt and Westinghouse. The event series received tremendous support, with customers having a chance to actively utilize the tools and engage in training consultations prior to purchase.

Likewise, our one of a kind ***"Doggy Day"*** allowed customers to bring in their pets for grooming, veterinary consultation and general checkup at nominal costs. This was a major success and is scheduled to become a staple on the **Hi-Pro Supercentre** calendar.

EDUCATION TOWARDS GROWTH

The Division advanced its mission to educate farmers, training over 12,000 farmers islandwide in best practices for animal and crop husbandry. These efforts were supported by the launch of various management guides in animal husbandry and crop care. Additionally, the Hi-Pro Veterinary Compendium, a comprehensive guide to veterinary pharmaceuticals, was launched as a training tool for farm owners, workers and professionals in the agricultural sector. These books have been a huge success and are available at Hi-Pro farm stores islandwide.

It has been our privilege to partner with farmers, dealers and other industry stakeholders towards the growth of Jamaica's agriculture industry. We give thanks to God for another successful year in our **Hi-Pro** Division.

STEPHEN E. LEVY
MBA
President
US Operations

US OPERATIONS

The 2016-2017 fiscal year proved successful for the Group's US Operations. The team focused on biosecurity and quality towards growth.

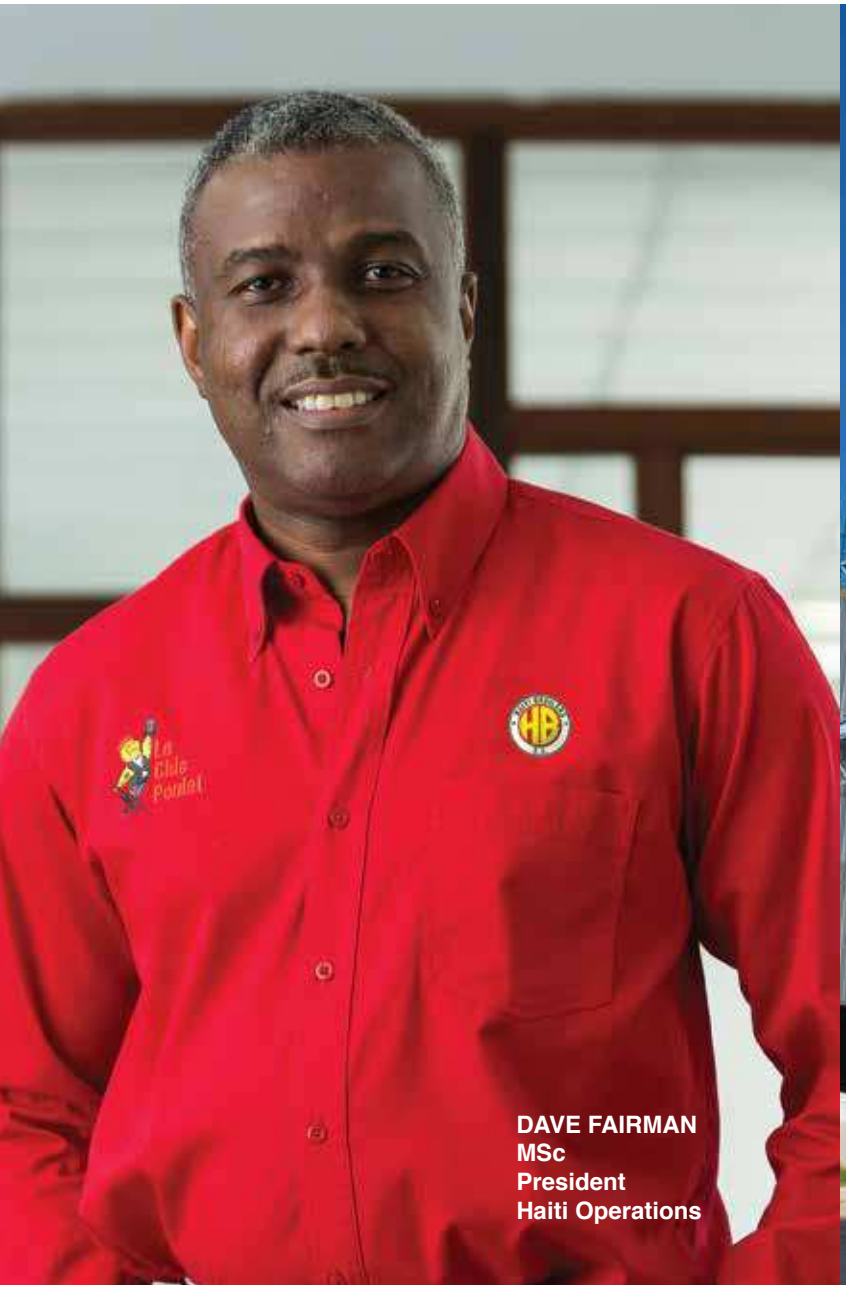
Biosecurity was a significant focal point because of the impending threat of Avian Influenza. Our flocks have been strategically placed to minimize this risk, but what has been paramount to us has been training and educating our farmers & employees. We thank the Lord that even though this virus has been a major challenge to the US Poultry Industry, neither our birds nor the Company were negatively impacted.

As the US Operations have grown, focusing on quality has become a big priority. In light of this, we have implemented strict Quality Control policies across our operations. Again, training has been a key component to success in this area and so we have implemented a recurring programme for the farmers and their employees to ensure continued use of best practices.

The combination of these elements have made this year particularly exciting as we saw firsthand where our efforts translated to growth. Our focus on disease control and consistently producing high quality products have led us to great opportunities.

We continue to explore avenues towards the further expansion of our US business, and are grateful to the management and staff for their commitment to the success of the Group.

WINCORP INTERNATIONAL



DAVE FAIRMAN
MSc
President
Haiti Operations

OTHER CARIBBEAN OPERATIONS

Our Haiti Operations have continued to experience exponential growth. The operating year was very good as it saw us making a profit of approximately US$1M. This was mainly due to the continued increase in our sales year over year to 851M gourdes from 619M gourdes the previous year. Egg sales accounted for most of this increase as we invested in the expansion of layer hens for egg production on the farm. As our production increases our efficiencies through our feed mill, hatchery and general overheads improve.

We continue to market our feeds and chicks under the Hi-Pro brand to small farmers who are integral to our strategy in developing the sector. Our processed chicken marketed under the ***Le Chic Poulet*** brand provides ready access to markets for some of Haiti's smaller farmers through our buy-back programme.

For the new financial year, we expect continued growth in our egg production and sales with our decision to strategically distribute eggs through our own depots and our many distributors. Profits are expected to increase as we gain market share over the illegal egg market. We are hoping to increase our buy-back program this year by securing more markets to sell our ***Le Chic Poulet*** products.

Le Chic Poulet

Hi-Pro
Poul ak Manje Poul

Fierté d'Haïti
ZE PEYI'M

RISK ANALYSIS & DEPT **MANAGEMENT**

RISK ANALYSIS

AVIAN INFLUENZA

We have been diligent over the last few years in educating our farmers regarding minimizing the risk of contracting diseases such as Avian Influenza (AI). We continue to see a reduction in the occurrence of outbreaks and remain focused in this regard.

The continued development of our staff remains a top priority in this regard as it is essential that our teams know and understand the risks associated with such diseases and are equipped to educate our stakeholders on the prevention methods and care required to maintain viable flocks. Keeping abreast of current trends and best practices are paramount.

DEBT MANAGEMENT

The Company continues to take advantage of favourable market conditions to structure its debt and align same to our strategic objectives. Almost all of the debt is denominated in Jamaican currency, thereby mitigating foreign exchange risk. The debt is also primarily at a fixed rate of interest, thereby mitigating interest rate risk. The debt facilities are predominantly long term, bringing further stability to the Balance Sheet. The Company has capacity to increase the level of debt if so desired, and all loan covenants are being comfortably satisfied.

HUMAN RESOURCE **DEVELOPMENT**

STRENGTH IN TOP MANAGEMENT

During this fiscal year, the Group undertook plans to revise our organizational structure. This was done with a view to strengthening our team and empower our leadership to maximize efficiencies in delegation of duties across the Group. Our Human Resource team headed by Dr. Claudette Cooke had the significant task of recruiting to fill two major vacancies namely Corporate Vice President – Accounting as well as Chief Information Officer. The selected candidates for the respective roles: Mr. Lennox Channer and Mr. Sheldon Mundle, have been a welcome addition to our team, both embracing the mandate to efficiently manage their respective portfolios towards fulfilling our obligations to our various stakeholders.

The decision was taken to strengthen our senior management team through the promotion of two (2) of our team members accordingly:

- Mrs. Joan Forrest-Henry, Vice President – Sales & Marketing, Best Dressed Chicken Division
- Mr. Allen Chambers, Vice President – Poultry Operations, Best Dressed Chicken Division

Each of them have successfully adopted their new portfolios with their teams both celebrating and supporting their leadership.

Further plans to complement our management structure as well as our Information Systems Department were also in the pipeline during the year with those changes being set for implementation in the 2017-18 fiscal year.

EMPLOYEE HEALTH & WELLNESS

The Group continued its focus on ensuring the health and wellness of its employees through involvement in a number of initiatives. Our health team conducted regular visits to our various locations to provide physical checkups and reinforce healthy lifestyle and safe on the job practices.

The staff continues to be enthusiastic about our exercise programme, with many setting healthy goals and effecting changes towards positive results. Participation in charitable run/walk activities was significant particularly across our US and Jamaica Operations as employees and other company associates set out to raise awareness for various causes while contributing to their own health and wellness.

THE WAY **FORWARD**

I am pleased to report that 2016-2017 was another successful operational year to the credit of the teams across our three (3) territories. We experienced growth in all our markets.

Basically, we see 2017-2018 as a year of consolidation and we are grateful for the economic stability being experienced in Jamaica and to a lesser extent, in Haiti. We expect our US Operations in particular to continue to experience growth.

We have a dynamic three (3) years ahead of us as we plan to focus on updating our overall approach to systems and administration. The attention will be internal, as we look to build a stronger, more robust platform from which to operate. Streamlining the way we do things across our three operations can only make us more efficient in our day to day dealings and provide the foundation to continue our growth.

With movements made towards strengthening our management team, we are now focused on building our teams in order to ensure that a healthy structure is maintained. This means that training and development will be high on our radar, as we seek to secure that core competencies are met at all levels of employment.

CORPORATE SOCIAL **RESPONSIBILITY**

Good corporate citizenship is paramount to the Jamaica Broilers family. All three (3) operations, including their various Brands and Divisions, were actively engaged in promoting sustainable business initiatives and supporting the interests of our communities.

INVESTING IN OUR NATION

We are particularly proud of our **Jamaica Operations**, who have paired their activities with 'an attitude of gratitude and service to our stakeholders. The **Hi-Pro Division** in particular lead the charge as it sought to continue the development of Jamaica's farmers and the agricultural sector in general, hosting seminars on best practices in animal husbandry and lobbying for greater support of the local market with a view to increasing revenues for Jamaica's over 85,000 broiler farmers.

Also, our **Best Dressed Chicken Field Operation** continues to be the only programme in the industry that incentivizes deliverables, rewarding our contract farmers for delivering healthier flocks. Our farmers proudly produce flocks with lower mortality rates, lower feed conversion rates and thus secure higher profits for themselves. This initiative has secured a healthy reputation for **The Best Dressed Chicken Contract Farmer Programme** and has elevated the brand as one employing an ethical business model, consistent with current discourse on corporate social responsibility internationally.

PARTNERING TOWARDS EXCELLENCE

The Group continued our annual initiatives towards excellence in journalism and education with our ***Fair Play Awards for Excellence*** in journalism as well as the ***JBG Teachers Day Luncheon***. We also continued our partnership with young people pursuing achievement in academics and sports such as the Jamaica College Robotics Team who presented the only team from the island to enter the 2016 First Tech Challenge Competition hosted in the USA as well as one of Jamaica's Badminton Junior Champions, Samuel Ricketts, who continues to excel as he trains for the 2020 Olympics.

COMMUNITY RELATIONS

The communities within which our major operations reside, continue to be an important area of focus for the Group. Spring Village, White Marl, Central Village and McCook's Pen in St. Catherine, as well as Bodles and Freetown (Old Harbour), bordering St. Catherine and Clarendon, were among those that continued to benefit from JBG's community support programmes.

The ***JBG Back to School initiative*** met the needs of hundreds of students this year. The Company issued school bags filled with supplies to basic, primary and secondary level students and granted bursaries to select students who were successful in passing the Grade Six Achievement Test (GSAT). We also partnered with various communities in staging Back to School Treats for their youngsters as the summer came to an end.

Other activities included strong support towards community sports programmes; delivery of special care packages and meals to the elderly and indigent – particularly during the Christmas and Easter seasons; and involvement in citizens' associations meetings and projects.

ENVIRONMENTAL STEWARDSHIP

The Group has embraced environmental sustainability as a business imperative. We continue to explore new ways of reducing consumption of water and energy in addition to the efficient management of our operations. This includes a commitment to the basic environmental preservation principles: reduce, reuse, recycle and recover.

Our recycling programme was re-energized this year and a renewed thrust went into the management of solid waste coming out of our operations. Our energy management program was strengthened through the commissioning of an energy management dashboard that records and displays real-time continuous monitoring of the major energy users in our facilities. This system allows easy visibility of results and hence drives achievement of targets and timely responses as issues arise.

We enjoyed another successful round of surveillance audits in Quality Management and Environmental Management Systems and have commenced the process of transitioning to the ISO 9001:2015 and ISO 14001:2015 versions of the applicable standards in preparation for the 2018 recertification deadline for companies worldwide. While we foresee an intense year of activities as we migrate to the new ISO standards, we are confident that with the sustained top management support and buy-in from team members across the Group, we will maintain our certifications. These management systems have been pivotal to the achievement of some of our most important operational efficiency goals.

Our commitment to complying with all applicable legal and regulatory requirements is unwavering. To this end, we engaged internal and external stakeholders and have successfully obtained all the required environmental permits.

Other successful endeavours include the exploration of new bio-degradable product packaging that will reduce the Group's environmental footprint. We also continued our partnership with the "Nuh Dutty Up Jamaica" campaign towards the upkeep of the Old Harbour Bay community. This is in keeping with our vision to serve the communities within which our major operations reside.

The Jamaica Broilers Group is committed to managing its affairs with due consideration for the sustainability of the environment for present and future generations.

SHAREHOLDING OF DIRECTORS & CONNECTED **PERSONS**

For purposes of compliance with Rule 407 of the Jamaica Stock Exchange Rules, details of stockholdings of Directors and Senior Management and their connected persons as at 29 April 2017 are set out hereunder:

DIRECTORS	SHAREHOLDING	CONNECTED PERSONS	SHAREHOLDING
Robert E. Levy Chairman	616,000	Robert E. Levy / Judy Levy Portland Corporation Ltd The Robert Levy Family Foundation Phillip E. Levy The Phillip Levy Family Foundation	6,907,893 8,805,363 100,412,389 670,000 34,964,975
Christopher Levy Group President & Chief Executive Officer	2,731,316	Christopher Levy / Sarah Levy	14,112,790
R. Danny Williams Director Emeritus	NIL	R. Danny Williams / Shirley Williams Ravers Limited	NIL 9,873,332
Claudette Cooke Corporate Vice President – Human Resource Development & Public Relations	NIL	Claudette Cooke / Richard Cooke Richard Cooke Richard Cooke / Claudette Cooke Richard Cooke / Claudette Cooke/ Ryan Cooke	4,044,107 9,318 7,454 20
Ian Parsard Senior Corporate Vice President – Finance & Planning	NIL	Ian Parsard / Karen Parsard Karen Parsard / Peter-John Parsard	3,202,489 5,250
Stephen Levy President – US Operations	NIL	Stephen Levy / Michka-Mae Levy	1,346,791
Aubyn Hill Director	6,103,934	–	–
Bruce Bowen Director	NIL	Kathyrn Bowen Mackenzie Bowen Suzanne Fernando Bowen	NIL NIL NIL
Edward Barber Director	NIL	–	–
Gregory B. Shirley Director	1,150,620	Gregory B. Shirley / Susan Shirley	4,895,990
Omar Azan Director	NIL	–	–
Trevor Dewdney Director	53,333	Trevor Dewdney Jr. Trevor Dewdney / Gloria Dewdney Don-Pierre Dewdney	9,318 9,318 19,078

SHAREHOLDING OF SENIOR MANAGEMENT & CONNECTED **PERSONS**

SENIOR MANAGEMENT	SHAREHOLDING	CONNECTED PERSONS	SHAREHOLDING
Peter DePass	NIL	–	–
Lennox Channer	NIL	Shelee Wilkie / Lennox Channer	15,532
Conley Salmon	NIL	Conley Salmon / Juliet Salmon Christopher McClure / Angela McClure / Juliet Salmon	6,783,101 Nil
Judy Baugh	NIL	Dorothy Jaggan / Eric Jaggan	354,066
John Carberry	619,173	–	–

10 LARGEST ORDINARY **STOCKHOLDERS**

The Holdings of those persons owning the ten (10) largest blocks of stock units as at 29 April 2017 are set out hereunder:

SHAREHOLDER	SHAREHOLDING
Jamaica Broilers Trust (JBT)	168,330,275
The Robert Levy Family Foundation	100,412,389
SJIML A/C 3119	67,920,672
National Insurance Fund	56,745,762
Halcyon Limited	54,314,945
The Arrol Trust	44,411,830
The Philip Levy Family Foundation	34,964,975
Sagicor Pooled Equity Fund	32,986,394
NCB Insurance Co. Ltd. WT 109	28,487,667
SJLIC For Scotiabridge Retirement Scheme	15,640,000

PETER A. DePASS
Company Secretary

DIRECTORS & SENIOR **MANAGEMENT**

BOARD OF DIRECTORS

MR. ROBERT E. LEVY, CD
Hon. LL.D, MA
Chairman

MR. CHRISTOPHER E. LEVY
MBA
Executive Director

THE HON. R. DANVERS WILLIAMS, OJ, CD
Hon. LL.D, JP, CLU
Director Emeritus

DR. CLAUDETTE D. COOKE
Ed.D, CMT, CPC, CCRC
Executive Director

MR. IAN S. PARSARD
MBA (Hons.), ACCA
Executive Director

DR. TREVOR D. DEWDNEY, OD
DVM
Director

SENATOR AUBYN HILL
MBA
Director

MR. OMAR AZAN
Director

MR. GREGORY B. SHIRLEY
MBA
Director

MR. EDWARD BARBER
B.ACY, CPA
Director

MR. STEPHEN E. LEVY
MBA
Executive Director

MR. BRUCE BOWEN
BBA (Hons.), Hon. LL.D
Director

EXECUTIVE TEAM

MR. CHRISTOPHER E. LEVY
MBA
Group President & Chief Executive Officer

MR. IAN S. PARSARD
MBA (Hons.), ACCA
Senior Group Vice President –
Finance & Planning

DR. CLAUDETTE D. COOKE
ED.D, CMT, CPC, CCRC
Group Vice President –
Human Resource Development & Public Relations

MR. LENNOX D. CHANNER (JR.)
FCCA, MSC
Group Vice President –
Accounting

COMPANY SECRETARY

MR. PETER A. DEPASS
Attorney-at-Law

OPERATING **DIVISIONS & SUBSIDIARIES**

JAMAICA BROILERS GROUP LIMITED

Group Head Office
Content, McCook's Pen, St. Catherine
Jamaica, West Indies
Tel: 943-4376
Fax: 943-4322
Website: www.jamaicabroilersgroup.com

DIVISIONS

BEST DRESSED CHICKEN PROCESSING PLANT & BEST DRESSED CHICKEN FURTHER PROCESSING FACILITY
Spring Village, St. Catherine
Tel:983-8001-4 Fax: 983-8818

BEST DRESSED FEED MILL
Freetown, P.O. Box 24
Old Harbour P.O., St. Catherine
Tel: 983-2322 Fax: 983-9241

BEST DRESSED FOODS
Spring Village St. Catherine
Tel: 708-5670-5
Fax: 708-5410
Toll Free: 1 888 BUY BDF1

HI-PRO FARM SUPPLIES STORE
P.O. Box 886
White Marl, St. Catherine
Tel: 984-7919-20 Fax: 984-5914

JAMAICA EGG SERVICES
White Marl. St. Catherine
Tel: 749-5433 Fax: 749-5003

SUBSIDIARIES – LOCAL

EAL/ERI CO-GENERATION PARTNERS, LP
Content, McCook's Pen
St. Catherine
Tel: 943-4370 Fax: 943-4322

INTERNATIONAL POULTRY BREEDERS (JAMAICA) LIMITED
Caentabert, P.O., Box 27
Claremont, St. Ann
Tel: 972-3609 Fax: 972-3775

SUBSIDIARIES – OVERSEAS

ATLANTIC UNITED INSURANCE CO. LTD.
20 Micoud Street
Castries, St. Lucia

HAITI BROILERS S.A.
Route Nationale #1
Lafiteau, Port Au Prince
Haiti

INTERNATIONAL POULTRY BREEDERS INC. (ARKANSAS)
660 Niven Road Rison,
Arkansas 71665
Tel: 870-325-6231 Fax: 870-325-7252

INTERNATIONAL POULTRY BREEDERS LLC (GEORGIA)
1235 Perry Batts Road
Norman Park, Georgia 31771
Tel: 229-769-3410 Fax: 229-769-3425

INTERNATIONAL POULTRY BREEDERS HATCHERIES INC. (IOWA)
113 North Long Street
Brancroft, Iowa 50517

WINCORP INTERNATIONAL INC.
10050 NW 116th Way, Suite #9
Medley, FL 33178
Tel: (305) 887-4000
Fax: (305) 887-4400

ADVISORS

AUDITORS

PricewaterhouseCoopers
Corner Duke & Port Royal Streets
P.O. Box 372, Kingston

BANKERS

Exim Bank
Jamaica First Caribbean International Bank
Bank of Nova Scotia Jamaica Limited
Inter-American Investment Corporation
National Commercial Bank Jamaica Limited
Sagicor Investments Jamaica Limited
Sagicor Bank
Citibank N.A.

ATTORNEY-AT-LAW

Peter A. Depass
Attorney-at-Law
96 3⁄4 Old Hope Road
Kingston 6

REGISTRAR & SECRETARIAL AGENTS

PwC Corporate Services (Jamaica)
Corner Duke & Port Royal Streets
P.O. Box 372, Kingston

CONSULTANTS

KPMG
The Victoria Mutual Building
6 Duke Street, Kingston

JAMAICA BROILERS
JB
GROUP OF COMPANIES

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Independent auditor's report

To the Members of Jamaica Broilers Group Limited

Report on the audit of the consolidated and stand-alone financial statements

Our opinion

In our opinion, the consolidated financial statements and stand-alone financial statements give a true and fair view of the consolidated financial position of Jamaica Broilers Group Limited (the Company) and its subsidiaries (together 'the Group') and the stand-alone financial position of the Company as at 29 April 2017, and of their consolidated and stand-alone financial performance and their consolidated and stand-alone cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Jamaican Companies Act.

What we have audited

Jamaica Broilers Group Limited's consolidated and stand-alone financial statements comprise:

- the Group and stand-alone statements of comprehensive income for the year ended 29 April 2017;
- the Group and stand-alone balance sheets as at 29 April 2017;
- the Group and stand-alone statements of changes in stockholders' equity for the year ended 29 April 2017;
- the Group and stand-alone statements of cash flows for the year ended 29 April 2017;
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the audit of the consolidated and stand-alone financial statements* section of our report.

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

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Our audit approach

Audit scope

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and stand-alone financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

In addition to Jamaica, the entities of the Group are located in Haiti, St. Lucia and the United States of America. These entities maintain their own accounting records and report to the Group through the completion of consolidation packages. All companies located outside of Jamaica are audited by non-PwC firms. Based on the financial significance of the individual entities and our professional judgement, eight of these components were selected for full scope audit procedures to achieve appropriate coverage on the consolidated financial statements.

In establishing the overall group audit strategy and plan, we determined the type of work that needed to be performed at the components by the group engagement team and component auditors, these procedures included:

- Meeting with the management teams of the components and/or the engagement leaders of the audit teams to discuss the approach and our expectations for the audits; and

- Reviewing the working papers of the auditors of select components. Components were selected for review based on a determined level of profit before tax or total assets or risk. Completion of our reviews included on site visits to the offices of the component auditors or meeting at a mutually convenient location and interaction with audit personnel.

With regards to the pension fund, the results of which are used to provide information for inclusion in the consolidated financial statements, our approach involved a site visit to the offices of the non PwC firm, who performed the audit of the pension fund and reviewed the related working papers.

The group team engagement leader and the senior members of the group engagement team reviewed all inter-office and inter firm reports about the audit approach and findings of the component auditors in detail.

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Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and stand-alone financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report in relation to the stand-alone financial statements.

Key audit matter	How our audit addressed the Key audit matter
Goodwill impairment assessment *See note 2, 4 and 14 to the financial statements* The Group has recorded goodwill of $423 million arising from several acquisitions and representing approximately 2% of the Group's total assets at year end. We focused on this area as the valuation of assets and liabilities acquired requires management's judgement and estimation, particularly in relation to the estimation of future cash flows from the businesses, taking into consideration the growth rates, inflation rates, the discount rate and other underlying assumptions in the Group's impairment model. Management utilised an expert to determine the fair value of assets for goodwill allocation at the time of the acquisitions.	We evaluated managements' future cash flow forecasts, and the process by which they were drawn up, including testing the underlying calculations and comparing them to the latest Board approved budgets. We compared previous forecasts to actual results to assess the performance of the business and the accuracy of forecasting. We, with the assistance of our internal expert, challenged: • managements' key assumptions for long term growth rates in the forecasts by comparing them to historical results, and economic and industry forecasts; and • the discount rate by assessing the cost of capital for the Group. • In order to do this: ▪ Our valuation expert evaluated these assumptions with reference to valuations of similar companies. ▪ We compared the key assumptions to externally derived data where possible, including market expectations of investment return, projected economic growth and interest rates. ▪ We applied sensitivities in evaluating managements' assessment of the planned growth rate in cash flows. We found the assumptions to be consistent and in line with our expectations based on the procedures performed.

Other information

Management is responsible for the other information. The other information comprises the information presented in the Annual Report (but does not include the consolidated and stand-alone financial statements and our auditor's report thereon), which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and stand-alone financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and stand-alone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and stand-alone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the consolidated and stand-alone financial statements

Management is responsible for the preparation of the consolidated and 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 stand-alone financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and stand-alone financial statements, management is responsible for assessing the Group's and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group, the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group and Company's financial reporting process.

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Auditor's responsibilities for the audit of the consolidated and stand-alone financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and stand-alone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and stand-alone financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and stand-alone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and stand-alone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and stand-alone financial statements, including the disclosures, and whether the consolidated and stand-alone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and stand-alone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 stand-alone financial statements are in agreement therewith and give the information required by the Jamaican Companies Act, in the manner so required.

The engagement partner on the audit resulting in this independent auditor's report is Recardo Nathan.

PricewaterhouseCoopers

Chartered Accountants
29 June 2017
Kingston, Jamaica

Jamaica Broilers Group Limited

Group Statement of Comprehensive Income
Year ended 29 April 2017
(expressed in Jamaican dollars unless otherwise indicated)

	Note	29 April 2017 $'000	30 April 2016 $'000
Continuing operations			
Revenue		44,444,248	38,520,649
Cost of sales		(32,594,573)	(28,150,377)
Gross Profit		11,849,675	10,370,272
Other income/gains	6	328,347	268,860
Distribution costs		(1,578,385)	(1,209,088)
Administration and other expenses		(7,366,634)	(6,128,660)
Operating Profit		3,233,003	3,301,384
Finance income	9	379,379	159,078
Finance costs	9	(647,238)	(693,804)
Profit before Taxation		2,965,144	2,766,658
Taxation	10	(700,615)	(671,960)
Net Profit from continuing operations		2,264,529	2,094,698
Discontinued operations			
Profit/(loss) for the year from discontinued operations	35	3,944	(368,082)
Net Profit		2,268,473	1,726,616
Other Comprehensive Income, net of taxes -			
Item that will not be reclassified to profit or loss -			
Re-measurements of post-employment benefits and obligations - net of taxes, continuing operations		359,775	212,925
Re-measurements of post-employment benefits and obligations - net of taxes, discontinued operations		-	2,500
	10	359,775	215,425
Item that will be reclassified to profit or loss -			
Exchange differences on translating foreign operations		119,650	741,600
Exchange differences on translating discontinued operations		(956,124)	(666,033)
		(836,474)	75,567
Total other comprehensive income		(476,699)	290,992
Total Comprehensive Income		1,791,774	2,017,608

Jamaica Broilers Group Limited

Group Statement of Comprehensive Income (Continued)
Year ended 29 April 2017
(expressed in Jamaican dollars unless otherwise indicated)

	Note	29 April 2017 $'000	30 April 2016 $'000
Net Profit Attributable to:			
Stockholders of the company	11	2,232,788	1,744,195
Non-controlling interests	19	35,685	(17,579)
		2,268,473	1,726,616
Net Profit from continuing operations:			
Stockholders of the company		2,228,844	2,112,277
Non-controlling interests	19	35,685	(17,579)
		2,264,529	2,094,698
Total Comprehensive Income Attributable to:			
Stockholders of the company		1,757,112	2,039,482
Non-controlling interests	19	34,662	(21,874)
		1,791,774	2,017,608
Total Comprehensive Income Attributable to Stockholders of the company:			
Continuing operations		2,709,292	3,071,097
Discontinued operations		(952,180)	(1,031,615)
		1,757,112	2,039,482
		$	$
Earnings per Stock Unit			
From continuing operations	12	1.85	1.76
From discontinued operations	12	0.01	(0.31)
		1.86	1.45

Jamaica Broilers Group Limited

Group Balance Sheet
29 April 2017
(expressed in Jamaican dollars unless otherwise indicated)

	Note	29 April 2017 $'000	30 April 2016 $'000
Non-Current Assets			
Property, plant and equipment	13	7,062,286	10,501,877
Intangible assets	14	1,086,547	1,165,272
Assets held for sale	15	-	16,042
Investment property	16	6,479	6,645
Investments	17	8,567	45,982
Loans receivable	18	2,051,914	-
Deferred income taxes	20	37,681	15,601
Post-employment benefit assets	21	691,100	180,100
		10,944,574	11,931,519
Current Assets			
Inventories	22	5,164,289	4,280,347
Biological assets	23	4,457,372	2,952,244
Receivables	24	3,568,655	3,278,254
Taxation recoverable		64,534	36,400
Loans receivable	18	500,967	-
Financial assets at fair value through profit or loss	25	760,696	701,303
Cash and short term investments	26	2,004,565	1,199,194
		16,521,078	12,447,742
Current Liabilities			
Payables	27	4,414,142	3,207,847
Taxation payable		179,278	482,217
Borrowings	29	2,501,612	1,983,290
		7,095,032	5,673,354
Net Current Assets		9,426,046	6,774,388
		20,370,620	18,705,907
Stockholders' Equity			
Share capital	30	765,137	765,137
Reserves	31	1,170,695	2,062,158
Retained earnings		12,504,998	10,332,414
		14,440,830	13,159,709
Non-controlling interests	19	(22,837)	(57,499)
		14,417,993	13,102,210
Non-Current Liabilities			
Borrowings	29	5,200,463	5,096,511
Deferred income taxes	20	729,764	485,286
Post-employment benefit obligations	21	22,400	21,900
		20,370,620	18,705,907

Approved for issue by the Board of Directors on 29 June 2017 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 29 April 2017

(expressed in Jamaican dollars unless otherwise indicated)

	Note	Attributable to the Company's Stockholders					
		Number of Shares	Share Capital	Reserves	Retained Earnings	Non-controlling Interests	Total Equity
		'000	$'000	$'000	$'000	$'000	$'000
Balance at 2 May 2015		1,199,277	765,137	1,850,181	8,816,721	(35,625)	11,396,414
Remeasurements of pension asset/obligation, net of taxes	10	-	-	-	215,425	-	215,425
Exchange differences on translating foreign operations	31	-	-	79,862	-	(4,295)	75,567
Total other comprehensive income		-	-	79,862	215,425	(4,295)	290,992
Net profit		-	-	-	1,744,195	(17,579)	1,726,616
Total comprehensive income		-	-	79,862	1,959,620	(21,874)	2,017,608
Dividends	28	-	-	-	(311,812)	-	(311,812)
Transfer from capital reserves	31	-	-	132,115	(132,115)	-	-
Total transactions with owners		-	-	132,115	(443,927)	-	(311,812)
Movement during the year		-	-	211,977	1,515,693	(21,874)	1,705,796
Balance at 30 April 2016		1,199,277	765,137	2,062,158	10,332,414	(57,499)	13,102,210
Remeasurements of pension asset/obligation, net of taxes	10	-	-	-	359,775	-	359,775
Exchange differences on translating foreign operations	31	-	-	(835,451)	-	(1,023)	(836,474)
Total other comprehensive income		-	-	(835,451)	359,775	(1,023)	(476,699)
Net profit		-	-	-	2,232,788	35,685	2,268,473
Total comprehensive income		-	-	(835,451)	2,592,563	34,662	1,791,774
Dividends	28	-	-	-	(419,746)	-	(419,746)
Transfer to capital reserves	31	-	-	233	(233)	-	-
Realised reserves	31	-	-	(56,245)	-	-	(56,245)
Total transactions with owners		-	-	(56,012)	(419,979)	-	(475,991)
Movement during the year		-	-	(891,463)	2,172,584	34,662	1,315,783
Balance at 29 April 2017		1,199,277	765,137	1,170,695	12,504,998	(22,837)	14,417,993

Jamaica Broilers Group Limited

Group Statement of Cash Flows
Year ended 29 April 2017
(expressed in Jamaican dollars unless otherwise indicated)

	Note	29 April 2017 $'000	30 April 2016 $'000
Cash Flows from Operating Activities			
Net profit		2,268,473	1,726,616
Adjustments for:			
Depreciation		733,862	817,260
Amortisation	14	125,656	86,650
Property, plant and equipment write-off	13	7,998	-
Property, plant and equipment adjustment	13	-	(3,308)
Loss/(gain) on disposal of property, plant and equipment	6	418	(9,990)
Gain on disposal of subsidiaries	35	(39,474)	-
Gain on disposal of assets held for sale		(74,530)	-
Disposal adjustment		(5,778)	-
Impairment of investment		39,263	26,847
Fair value (gain)/loss on financial assets at fair value through profit or loss	6	(4,450)	44,520
Changes in post-employment benefits		(30,800)	8,700
Taxation expense	10	700,615	671,960
Interest income		(194,089)	(25,286)
Unrealised foreign exchange (gains)/losses		(44,608)	52,745
Interest expense		627,106	636,866
		4,109,662	4,033,580
Changes in operating assets and liabilities:			
Inventories		(1,016,265)	(285,256)
Biological assets		(1,414,054)	(382,463)
Receivables		(288,661)	(512,053)
Payables		1,142,405	(600,323)
Financial assets at fair value through profit or loss		(54,943)	(273,341)
Translation gain on working capital of foreign subsidiaries		(193,333)	(90,513)
		2,284,811	1,889,631
Taxation paid		(930,673)	(661,760)
Cash provided by operating activities		1,354,138	1,227,871

Jamaica Broilers Group Limited

Group Statement of Cash Flows (Continued)
Year ended 29 April 2017
(expressed in Jamaican dollars unless otherwise indicated)

	Note	29 April 2017 $'000	30 April 2016 $'000
Cash Flows from Operating Activities (Page 5)		1,354,138	1,227,871
Cash Flows from Investing Activities			
Acquisition of business	36	-	(982,811)
Purchase of property, plant and equipment	13	(749,302)	(800,835)
Proceeds from disposal of property, plant and equipment		23,181	55,788
Proceeds from disposal of assets held for sale		90,572	-
Purchase of intangible assets	14	-	(3,611)
Loan repayments received		-	46,027
Proceeds from disposal of subsidiaries, net of costs	34	461,873	-
Interest received		36,452	25,286
Cash used in investing activities		(137,224)	(1,660,156)
Cash Flows from Financing Activities			
Long term loans repaid		(1,174,596)	(3,374,499)
Long term loans received		1,674,847	3,890,724
Interest paid		(619,509)	(618,618)
Dividends paid		(419,746)	(311,812)
Cash used in financing activities		(539,004)	(414,205)
Effect of changes in exchange rates on cash and cash equivalents		45,585	50,821
Increase/(decrease) in cash and cash equivalents		723,495	(795,669)
Cash and cash equivalents at beginning of year		872,888	1,668,557
CASH AND CASH EQUIVALENTS AT END OF YEAR	25	1,596,383	872,888

Non-cash additions during the year amounted to Nil (2016 - $36,976,000). In the prior year the amounts were transferred from accounts payable.

Jamaica Broilers Group Limited

Company Statement of Comprehensive Income
Year ended 29 April 2017
(expressed in Jamaican dollars unless otherwise indicated)

	Note	29 April 2017 $'000	30 April 2016 $'000
Revenue		32,547,914	29,103,699
Cost of sales		(25,161,058)	(22,217,921)
Gross Profit		7,386,856	6,885,778
Other income/gains	6	825,450	530,316
Distribution costs		(1,170,541)	(901,298)
Administration and other expenses		(4,917,580)	(4,184,378)
Operating Profit		2,124,185	2,330,418
Finance income	9	487,077	155,525
Finance costs	9	(521,597)	(533,520)
Profit before Taxation		2,089,665	1,952,423
Taxation	10	(318,296)	(404,632)
Net Profit		1,771,369	1,547,791
Other Comprehensive Income, net of taxes -			
Item that will not be reclassified to profit or loss -			
Re-measurements of post-employment benefits	10	349,950	206,325
TOTAL COMPREHENSIVE INCOME		2,121,319	1,754,116

Jamaica Broilers Group Limited

Company Balance Sheet
29 April 2017
(expressed in Jamaican dollars unless otherwise indicated)

	Note	29 April 2017 $'000	30 April 2016 $'000
Non-Current Assets			
Property, plant and equipment	13	3,779,155	3,801,278
Intangible asset	14	79,033	93,472
Investments	17	8,567	45,982
Interest in subsidiaries		686,374	888,367
Loans receivable	18	4,709,209	3,847,499
Post-employment benefit assets	21	671,300	174,300
		9,933,638	8,850,898
Current Assets			
Inventories	22	4,357,778	3,796,636
Biological assets	23	668,145	630,123
Receivables	24	2,290,535	1,885,243
Subsidiaries	32	2,372,415	3,305,597
Taxation recoverable		10,226	26,103
Loans receivable	18	500,967	-
Cash and short term investments	26	1,127,511	893,097
		11,327,577	10,536,799
Current Liabilities			
Payables	27	2,941,371	2,129,272
Taxation payable		148,178	374,184
Subsidiaries	32	36,402	459,885
Borrowings	29	1,380,452	1,250,855
		4,506,403	4,214,196
Net Current Assets		6,821,174	6,322,603
		16,754,812	15,173,501
Stockholders' Equity			
Share capital	30	765,137	765,137
Reserves	31	222,947	133,201
Retained earnings		10,881,826	9,214,373
		11,869,910	10,112,711
Non-Current Liabilities			
Borrowings	29	4,250,869	4,650,058
Deferred income taxes	20	613,233	390,232
Post-employment benefit obligations	21	20,800	20,500
		16,754,812	15,173,501

Approved for issue by the Board of Directors on 29 June 2017 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 29 April 2017
(expressed in Jamaican dollars unless otherwise indicated)

	Note	Number of Shares '000	Share Capital $'000	Capital Reserve $'000	Retained Earnings $'000	Total $'000
Balance at 2 May 2015		1,199,277	765,137	133,201	7,772,069	8,670,407
Remeasurement of pension asset/obligation, net of taxes	10	-	-	-	206,325	206,325
Total other comprehensive income		-	-	-	206,325	206,325
Net profit		-	-	-	1,547,791	1,547,791
Total comprehensive income		-	-	-	1,754,116	1,754,116
Dividends	28	-	-	-	(311,812)	(311,812)
Movement during the year		-	-	-	1,442,304	1,442,304
Balance at 30 April 2016		1,199,277	765,137	133,201	9,214,373	10,112,711
Remeasurement of pension asset/obligation, net of taxes	10	-	-	-	349,950	349,950
Total other comprehensive income		-	-	-	349,950	349,950
Net profit		-	-	-	1,771,369	1,771,369
Total comprehensive income		-	-	-	2,121,319	2,121,319
Dividends	28	-	-	-	(419,746)	(419,746)
Amalgamation	34	-	-	89,746	(34,120)	55,626
Movement during the year		-	-	89,746	1,667,453	1,757,199
Balance at 29 April 2017		1,199,277	765,137	222,947	10,881,826	11,869,910

Jamaica Broilers Group Limited

Company Statement of Cash Flows
Year ended 29 April 2017
(expressed in Jamaican dollars unless otherwise indicated)

	Note	29 April 2017 $'000	30 April 2016 $'000
Cash Flows from Operating Activities			
Net profit		1,771,369	1,547,791
Adjustments for:			
Depreciation	13	381,563	345,342
Amortisation	14	14,439	14,898
Property, plant and equipment write off		6,417	-
Liquidation of subsidiaries		651	-
Amalgamation		(375)	-
Loss/(gain) on disposal of property, plant and equipment	6	418	(4,429)
Gain on disposal of subsidiaries		(87,139)	-
Investment write off		39,263	-
Changes in post-employment benefits		(30,100)	6,800
Taxation expense	10	318,296	404,632
Interest income		(322,001)	(138,579)
Dividend income		(406,177)	(132,915)
Unrealised foreign exchange gains		(187,710)	(207,419)
Interest expense		520,718	530,156
		2,019,632	2,366,277
Changes in operating assets and liabilities:			
Inventories		(561,142)	(362,434)
Biological assets		(38,022)	(129,735)
Receivables		(385,583)	(125,869)
Subsidiaries		(2,279,948)	110,312
Intercompany loans receivable		1,805,076	(1,254,174)
Payables		746,570	(952,461)
		1,306,583	(348,084)
Taxation paid		(427,535)	(206,184)
Cash provided by/(used in) operating activities		879,048	(554,268)

Jamaica Broilers Group Limited

Company Statement of Cash Flows (Continued)
29 April 2017
(expressed in Jamaican dollars unless otherwise indicated)

	Note	29 April 2017 $'000	30 April 2016 $'000
Cash Flows from Operating Activities (Page 10)		879,048	(554,268)
Cash Flows from Investing Activities			
Proceeds from disposal of subsidiaries, net of costs		461,873	-
Purchase of property, plant and equipment	13	(374,254)	(341,903)
Proceeds from disposal of property, plant and equipment		8,275	4,429
Purchase of intangible asset	14	-	(3,611)
Interest received		17,766	138,579
Dividend received		406,177	132,915
Cash provided by/(used in) investing activities		519,837	(69,591)
Cash Flows from Financing Activities			
Long term loans repaid		(531,388)	(3,141,509)
Long term loans received		250,000	3,803,186
Interest paid		(512,987)	(507,404)
Dividends paid		(419,746)	(311,812)
Cash used in financing activities		(1,214,121)	(157,539)
Effect of changes in exchange rates on cash and cash equivalents		45,585	50,821
Increase/(decrease)in cash and cash equivalents		230,349	(730,577)
Cash and cash equivalents at beginning of year		715,966	1,446,543
CASH AND CASH EQUIVALENTS AT END OF YEAR	26	946,315	715,966

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 products, animal feeds and agricultural items (Note 2(b)).

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.

Standards, interpretations and amendments to published standards effective in the current 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:

- **Amendment to IAS 1, 'Presentation of financial statements' on the disclosure initiative** (effective for annual periods beginning on or after 1 January 2016)**.** The amendments do not require specific changes. However, they clarify a number of presentation issues and highlight that preparers are permitted to tailor the format and presentation of the financial statements to their circumstances and the needs of users. Preparers should consider their financial statements in light of these clarifications and whether there is an opportunity to clarify or improve the disclosure. The order of the notes needs to balance understandability and comparability and changes should generally result from a specific change in facts and circumstances. It did not have a significant impact on the financial statements.

- **Amendments to IAS 27, 'Separate financial statements' on equity method**, (effective for annual periods beginning on or after 1 January 2016). These amendments allow entities to use equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. This amendment did not have an impact on the financial statements.

Jamaica Broilers Group Limited

Notes to the Financial Statements
29 April 2017
(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, interpretations and amendments to published standards effective in the current year (continued)

- IAS 16, 'Property, plant and equipment' and IAS 38, 'Intangible assets (effective for accounting periods beginning on or after 1 January 2016). Both standards are amended to clarify how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model. The carrying amount of the asset is to be restated to the revalued amount. The split between gross carrying amount and accumulated depreciation is treated in one of two ways. The gross carrying amount may restated in a manner consistent with the revaluation of the carrying amount, and the accumulated depreciation is adjusted to equal the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses. Alternatively, the accumulated depreciation may be eliminated against the gross carrying amount of the asset. These amendments did not have an impact on the financial statements.

- Amendments to IAS 16 'Property, Plant and Equipment' and IAS 41 'Agriculture' (effective for annual periods beginning on or after 1 January 2016). The amendments define a bearer plant and include bearer plants within the scope of IAS 16. A bearer plant is defined as a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales. Previously, bearer plants were not defined and bearer plants related to agricultural activity were included within the scope of IAS 41.

  Bearer plants are used solely to grow produce. The only significant future economic benefits from bearer plants arise from selling the agricultural produce that they create. Bearer plants meet the definition of property, plant and equipment in IAS 16 and their operation is similar to that of manufacturing. Accordingly, the amendments require bearer plants to be accounted for as property, plant and equipment and included within the scope of IAS 16, instead of IAS 41. The produce growing on bearer plants will remain within the scope of IAS 41. This did not have an impact on the financial statements as the Group does not have any bearer plants.

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

At the date of authorisation of these financial statements, certain new accounting standards, amendments and interpretation to existing standards have been issued which are not yet effective, and which the Group has not early adopted. The Group has assessed the relevance of all such new standards, interpretations and amendments and has determined that the following may be relevant to its operations:

- **Amendments to IAS 7, 'Statement of Cash Flows'**, (effective for annual periods beginning on or after 1 January 2017). In January 2016, the IASB published amendments to IAS 7 to improve information about an entity's financing activities. These amendments are part of the IASB initiative to improve presentation and disclosure in financial reports. The amendments require disclosure of information enabling users to evaluate changes in liabilities arising from financing activities including both cash and non-cash changes. The future adoption of these amendments will result in additional disclosure in the financial statements. The Group will apply amendment effective 28 April 2017.

2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

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

- **IFRS 9, 'Financial instruments'** (effective for annual periods beginning on or after 1 January 2018). In July 2014, the IASB issued IFRS 9 which is the comprehensive standard to replace IAS 39 'Financial Instruments: Recognition and Measurement', and includes requirements for classification and measurement of financial assets and liabilities, impairment of financial assets and hedge accounting. Financial assets are required to be classified into three measurement categories: those to be measured subsequently at amortised cost, those to be measured subsequently at fair value through other comprehensive income (FVOCI) and those to be measured subsequently at fair value through profit or loss (FVPL).

  Classification for debt instruments is driven by the entity's business model for managing the financial assets and whether the contractual cash flows represent solely payments of principal and interest (SPPI). If a debt instrument is held to collect the asset's cash flows, it may be carried at amortised cost if it also meets the SPPI requirement. Debt instruments that meet the SPPI requirement that are held in a portfolio where an entity both holds to collect assets' cash flows and sells assets may be classified as FVOCI. Financial assets that do not contain cash flows that are SPPI must be measured at FVPL (for example, derivatives). Embedded derivatives are no longer separated from financial assets but will be included in assessing the SPPI condition. The Group is considering the implications of the standard and the impact on the Group.

- **IFRS 15, 'Revenue from contracts with customers'** (effective for annual periods beginning on or after 1 January 2018) deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. Early application is permitted. The Group will apply the amendment effective 29 April 2018.

- **Amendment to IFRS 15, 'Revenue from contracts with customers'** (effective for annual periods beginning on or after 1 January 2018) comprise clarifications of the guidance on identifying performance obligations, accounting for licences of intellectual property and the principal versus agent assessment (gross versus net revenue presentation). New and amended illustrative examples have been added for each of those areas of guidance. The IASB has also included additional practical expedients related to transition to the new revenue standard.Early application is permitted. The Group will apply the amendment effective 29 April 2018.

Jamaica Broilers Group Limited

Notes to the Financial Statements
29 April 2017
(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

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

- **IFRS 16, 'Leases'**, (effective for annual periods beginning on or after 1 January 2019). In January 2016, the IASB published IFRS 16 which replaces the current guidance in IAS 17. Under IAS 17, lessees were required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). IFRS 16 now requires lessees to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. There is an optional exemption for lessees for certain short-term leases and leases of low-value assets.

- **Amendments to IAS 12, 'Income Taxes**, (effective for annual periods beginning on or after 1 January 2017). In January 2016, the IASB published amendments to IAS 12 clarifying specifically how to account for deferred tax assets related to debt instruments measured at fair value as well as clarifying the guidance for deferred tax assets in general by adding examples and elaborating on some of the requirements in more detail. The amendments do not change the underlying principles for the recognition of deferred tax assets.

- **Amendments to IAS 40, 'Investment property relating to transfer of investment property**, (effective for annual periods beginning on or after 1 January 2018). These amendments clarify that to transfer to, or from, investment properties there must be change in use. To conclude if a property has changed use, there should be an assessment of whether the property meets the definition.

- **IFRIC 22, 'Foreign currency transactions and advance consideration'** (effective for annual periods beginning on or after 1 January 2018). This IFRIC addresses foreign currency transactions or parts of transactions where there is consideration that is denominated or priced in a foreign currency. The interpretation provides guidance for when a single payment/receipt is made as well as for situations where multiple payment/receipt are made. The guidance aims to reduce diversity in practice. It does not apply when an entity measures the related asset, expense or income on initial recognition at fair value of the consideration received or paid at a date other than the date of initial recognition of the non-monetary asset or non-monetary liability. Also, the interpretation need not be applied to income taxes, insurance contracts or reinsurance contracts.

The IASB annual improvement projects for the 2014-2016 cycles resulted in amendments to the following standards which may be relevant to the Group's operations.

Amendments effective for the accounting periods beginning on or after 1 January 2018:

- IFRS 12, 'Disclosure of interest in other entities' regarding claricaton of the scope of the standard. These amendments should be applied retrospectively for annual period beginning on or after 1 January 2018.

- IAS 28 'Investment in associate and joint ventures' regading measuring an assocaiate or joint venture at fair value.

There are no other standards, interpretations or amendments to existing standards that are not yet effective that would be expected to have a material impact on the operations of the Group.

2. Summary of Significant Accounting Policies (Continued)

(b) Consolidation

(i) Subsidiaries

Subsidiaries are all entities (including structured 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.

Jamaica Broilers Group Limited

Notes to the Financial Statements
29 April 2017
(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(b) Consolidation (continued)

(i) Subsidiaries (continued)

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 acquire and the fair value of the non-controlling interest in the acquire. 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.

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 29 April 2017	% Ownership by Group at 29 April 2017
Resident in Jamaica:			
Operating divisions			
Best Dressed Chicken (including Best Dressed Feed Mill and Best Dressed Further Processing Facility)	Poultry and pullet production and feed milling, 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
Hi-Pro Ace	Feed sales, suppliers of farming equipment and supplies	100	100
Subsidiaries			
Content Agricultural Products Limited	Property rental	100	100
Energy Associates Limited and its subsidiary:	Holding and investment company	100	100
JB Group Limited	Non- trading	100	100
CE Jamaica Inc.	Non- trading	-	100
EAL/ERI Co-generation Partners, LP	Generation of electricity	-	100
ERI Jam, LLC	Non-trading	-	100
Hamilton Smoke House Limited	Non-trading	100	100
Jabexco Limited	Non-trading	100	100
International Poultry Breeders (Jamaica) 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
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
International Poultry Breeders, Inc, Arkansas USA and its subsidiaries	Holding company	100	100
England Packing Company Inc Arkansas. USA	Packing company	-	100
England Transport Company Inc, USA	Transportation	-	100
England Farms Inc. USA	Fertile egg production	-	100
International Poultry Breeders Hatcheries Inc. USA	Hatching and distribution of baby chicks	100	100
International Poultry Breeders LLC Georgia, USA	Fertile egg production	90	90
Wincorp Properties Limited, USA	Non-trading	100	100
Haiti Broilers, S.A. and its subsidiary:	Production and sale of broilers , layer pullets, table eggs and animal feeds	68	68
T&S Rice S.A., Haiti	Lessee of production facilities in Haiti	-	68
WI Trading (St. Lucia) Limited, St.Lucia	Aircraft ownership	100	100
Jabexco Cayman Limited, Cayman Islands	Non-trading	40	40
Wincorp International, Inc., USA and its subsidiary:	Procurers and distributors of agricultural and industrial supplies	100	100
Consolidated Freight and Shipping, Inc., USA	Ocean freight consolidator	-	100

Jamaica Broilers Group Limited

Notes to the Financial Statements
29 April 2017
(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(b) Consolidation (continued)

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

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

(iv) Changes in year
During the year the following subsidiaries were liquidated, Jamaica Eggs Limited, Best Dressed Chicken Limited and JB Trading Limited. ERI Services (St. Lucia) Limited and its subsidiary JB Terminal (Port Esquivel) Limited were sold.

(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.

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 profit or loss, 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 statement of comprehensive income 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
29 April 2017
(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(e) Foreign currency translation (continued)

(iii) *Group companies*
The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

(b) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

(c) all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

(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.

2. Summary of Significant Accounting Policies (Continued)

(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 the 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 benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized.

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 the end of each reporting period.

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

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

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

(h) Assets held for sale

Property and equipment held for sale is stated at the lower of their carrying amount and fair value less cost to sell. The assets are not depreciated while they are classified as held for sale.

Jamaica Broilers Group Limited

Notes to the Financial Statements
29 April 2017
(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(i) 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 annually 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.

For the purposes of impairment testing, goodwill acquired in a business combination is assigned to cash generating units that is expected to benefit from the synergies of the combination.

(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 to 15 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 between 8 to 10 years.

(v) 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.

(vi) Product formulation

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

2. Summary of Significant Accounting Policies (Continued)

(j) 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.

(k) 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.

(l) 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.

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2. Summary of Significant Accounting Policies (Continued)

(l) 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 assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and that loss event has an impact on the estimated cash flows of the financial asset or financial group of assets that can be reliably estimated.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying value amount and the present value of estimated cash flows discounted at the financial asset's original effective interest rate. The carrying amount is reduced and the amount of the loss is recognised in the consolidated profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the reversal of the previously recognised impairment loss is recognised in the consolidated profit or loss.

For equity investments, a significant or prolonged decline in the fair value of the security below its costs is also evidence that the assets are impaired. If any such assets exists the cumulative loss is removed from the equity and recognised in the profit or loss. Impairment losses recognised in the consolidated profit or loss on equity instruments are not reversed through the profit or loss.

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.

(m) Interest in subsidiaries

Interests in subsidiaries are stated at cost.

2. Summary of Significant Accounting Policies (Continued)

(n) 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.

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The asset or liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. 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.

The current service cost of the defined benefit plan, recognised in the income statement in employee benefit expense, except where included in the cost of an asset, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes curtailment and settlements.

Past-service costs are recognised immediately in income.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the profit or loss.

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.

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. The contributions are recognized as employee benefit expense when they are due.

(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.

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2. Summary of Significant Accounting Policies (Continued)

(n) Employee benefits (continued)

(iii) Termination benefits (continued)

The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the balance sheet date are discounted to present value.

(iv) Leave entitlements

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

(v) Profit-sharing and performance incentives

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

(o) 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.

(p) Biological assets

Biological assets include 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 beef cattle.

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.

2. Summary of Significant Accounting Policies (Continued)

(q) 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.

(r) 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.

(s) Trade payables
Trade payables are stated at cost.

(t) 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.

(u) 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.

(v) 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.

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2. Summary of Significant Accounting Policies (Continued)

(v) Leases (continued)
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.

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

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

3. Financial Risk Management

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

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

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

(i) Treasury Function

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

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

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

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

3. Financial Risk Management (Continued)

(a) Credit risk (continued)

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

(i) Trade and other receivables
The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Customers of the Group include wholesalers, farm store and feed customers, and chicken 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.

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

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

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

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3. Financial Risk Management (Continued)

(a) Credit risk (continued)

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

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

As of 29 April 2017, trade receivables of $602,842,000 (2016 - $774,823,000) and $412,762,000 (2016 - $366,336,000) for the Group and company, respectively, were past due for more than 30 days. The amount of the provision was $293,343,000 (2016 - $283,846,000) and $257,181,000 (2016 - $235,366,000) 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	
	29 April 2017 $'000	**30 April 2016 $'000**	**29 April 2017 $'000**	**30 April 2016 $'000**
Past due 31 to 60 days	197,904	364,788	149,188	132,774
Past due 61 to 90 days	38,166	60,613	23,497	18,190
Past due over 91 days	366,772	349,422	240,077	215,372
	602,842	774,823	412,762	366,336

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	
	29 April 2017 $'000	**30 April 2016 $'000**	**29 April 2017 $'000**	**30 April 2016 $'000**
At beginning of year	283,846	312,171	235,366	262,578
Provision for receivables impairment	54,080	102,355	45,750	98,501
Receivables written off during the year as uncollectible	(23,682)	(102,138)	(3,094)	(102,138)
Unused amounts reversed	(2,692)	-	(2,692)	-
Recoveries	(18,149)	(23,575)	(18,149)	(23,575)
Translation	(60)	(4,967)	-	-
At end of year	293,343	283,846	257,181	235,366

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	
	29 April 2017 $'000	30 April 2016 $'000	29 April 2017 $'000	30 April 2016 $'000
Supermarket chains	143,978	116,823	123,055	105,065
Wholesalers and retail distributors	642,505	528,121	554,027	436,146
Hotels	151,333	141,244	142,960	132,277
Farmers/farm stores	1,412,311	1,357,049	587,792	564,751
Other	382,853	513,519	281,909	252,068
	2,732,980	2,656,756	1,689,743	1,490,307
Less: Provision for impairment	(293,343)	(283,846)	(257,181)	(235,366)
	2,439,637	2,372,910	1,432,562	1,254,941

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3. Financial Risk Management (Continued)

(a) Credit risk (continued)

Exposure to credit risk for investments

The following table summarises the Group's and company's credit exposure for investments at their carrying amounts, as categorised by issuer. The carrying amounts below represent the total for investments (adjusted for equity securities) included in financial assets at fair value through profit or loss in Note 25 and short term investments included in Note 26:

	The Group		The Company	
	29 April 2017 $'000	**30 April 2016 $'000**	**29 April 2017 $'000**	**30 April 2016 $'000**
Financial institutions	1,097,094	1,112,094	336,398	410,876

(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

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 29 April 2017 and 30 April 2016 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 29 April 2017					
Payables	4,274,664	45,716	-	-	4,320,380
Borrowings	947,284	2,057,658	4,074,587	2,925,585	10,005,114
Total financial liabilities (contractual maturity dates)	5,221,948	2,103,374	4,074,587	2,925,585	14,325,494

	The Group				
	Within 3 Months	**4 to 12 Months**	**2 to 5 Years**	**Over 5 Years**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
As at 30 April 2016					
Payables	2,955,954	-	36,976	-	2,992,930
Borrowings	999,796	1,484,615	3,402,469	3,852,216	9,739,096
Total financial liabilities (contractual maturity dates)	3,955,750	1,484,615	3,439,445	3,852,216	12,732,026

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3. Financial Risk Management (Continued)

(b) Liquidity risk (continued)

Financial liabilities cash flows (continued)

	The Company				
	Within 3 Months $'000	**3 to 12 Months $'000**	**1 to 5 Years $'000**	**Over 5 Years $'000**	**Total $'000**
As at 29 April 2017					
Payables	2,842,551	-	-	-	2,842,551
Borrowings	408,102	1,416,968	2,960,694	2,866,065	7,651,829
Total financial liabilities (contractual maturity dates)	3,250,653	1,416,968	2,960,694	2,866,065	10,494,380

	The Company				
	Within 3 Months $'000	**3 to 12 Months $'000**	**1 to 5 Years $'000**	**Over 5 Years $'000**	**Total $'000**
As at 30 April 2016					
Payables	2,030,185	-	-	-	2,030,185
Borrowings	448,358	1,264,866	3,107,362	3,551,238	8,371,824
Total financial liabilities (contractual maturity dates)	2,478,543	1,264,866	3,107,362	3,551,238	10,402,009

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

3. Financial Risk Management (Continued)

(b) Liquidity risk (continued)

Off-balance sheet items – Contingent liabilities and commitments

(a) The company has guaranteed US$5,360,000 (2016 - US$6,360,000) in favour of various financial institutions for loans undertaken by the company and certain subsidiaries.

(b) The company is contingently liable to its bankers in respect of guarantees in the ordinary course of business totaling approximately $16,000,000 (2016 - $16,000,000).

(c) The Group has capital commitments authorised amounting to US$3,000,000 (2016 – Nil).

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

	The Group		The Company	
	29 April 2017 $'000	30 April 2016 $'000	29 April 2017 $'000	30 April 2016 $'000
Not later than 1 year	173,169	101,258	39,756	30,180
Later than 1 year and not later than 5 years	428,578	270,163	74,622	106,649
Later than 5 years	80,438	21,487	-	-
	682,185	392,908	114,378	136,829

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

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3. Financial Risk Management (Continued)

(c) Market risk

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

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

(i) Currency risk

Currency risk is the risk that the fair value or 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 balance sheet at 29 April 2017 includes aggregate net foreign assets (2016 – liabilities) of approximately US$10,392,000 (2016 – (US$4,730,000)) in respect of transactions arising in the ordinary course of business.

The company's balance sheet at 29 April 2017 includes aggregate net foreign assets of approximately US$37,211,000 (2016 – US$38,135,000), in respect of transactions arising in the ordinary course of business.

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% (2016 – 1%) depreciation and a 6% (2016 – 6%) appreciation of the US dollar against the Jamaican dollar. There was no impact on other components of equity.

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 Other Comprehensive Income
	29 April 2017	29 April 2017 $'000	29 April 2017	29 April 2017 $'000
Currency:				
USD	+6	86,138	+6	175,754
USD	-1	(14,356)	-1	(29,292)

	The Group			
	% Change in Currency Rate	Effect on Pre-Tax Profit	% Change in Currency Rate	Effect on Other Comprehensive Income
	30 April 2016	30 April 2016 $'000	30 April 2016	30 April 2016 $'000
Currency:				
USD	+6	(34,843)	+6	172,818
USD	-1	5,807	-1	(34,983)

	The Company			
	% Change in Currency Rate	Effect on Pre-Tax Profit	% Change in Currency Rate	Effect on Pre-Tax Profit
	29 April 2017	29 April 2017 $'000	30 April 2016	30 April 2016 $'000
Currency:				
USD	+6	288,908	+6	280,890
USD	-1	(48,151)	-1	(46,815)

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3. Financial Risk Management (Continued)

(c) Market risk (continued)

(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 29 April 2017 and 30 April 2016, the Group's investments were fixed rate instruments.

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 1% increase/1% decrease (2016 – 1% increase and 1% decrease) for Jamaican dollar denominated loans and a 1% increase/0.5% decrease (2016 – 1% increase and 1% decrease) for US dollar denominated loans 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 29 April 2017 $'000	Effect on Pre-tax Profit 30 April 2016 $'000	Effect on Pre-tax Profit 29 April 2017 $'000	Effect on Pre-tax Profit 30 April 2016 $'000
Change in basis points:				
Jamaican dollars				
- 100(2016: -100)	7,500	5,000	7,500	5,000
+ 100(2016: 250)	(7,500)	(5,000)	(7,500)	(5,000)
US dollars				
- 50(2016: -100)	5,649	153	5,649	153
+ 100(2016: 250)	(11,300)	(307)	(11,300)	(307)

3. Financial Risk Management (Continued)

(c) Market risk (continued)

(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 and soya bean meal.

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 on imported corn and soya bean meal, the prices are tracked and items purchased in advance if prices are increasing.

(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 2017, the Group's strategy, which was unchanged from 2016, was to maintain the gearing ratio below 1:1. The gearing ratios at 29 April 2017 and 30 April 2016 were as follows:

	The Group	
	29 April 2017 $'000	**30 April 2016 $'000**
Borrowings	7,702,075	7,079,801
Total capital	22,142,904	20,239,510
Gearing ratio	0.35:1	0.35:1

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

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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 21).

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.

Assessment of goodwill

The Group test annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2(i). 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 $347,990,000 which would not result in an impairment of goodwill of $422,651,000 (Note 14).

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (Continued)

(b) **Key sources of estimation uncertainty (continued)**

Purchase price allocation of a business combination
In a business combination, the acquirer must allocate the cost of the acquisition at the acquisition date by recognising the acquiree's identifiable assets, liabilities and contingent liabilities at fair value at that date. The allocation is based upon certain valuations and other studies performed with the assistance of external valuation specialists. Due to the underlying assumptions made in the valuation process, the determination of those fair values requires estimations of the effects of uncertain future events at the acquisition date and the carrying amounts of some assets, such as intangible assets, acquired through a business combination could therefore differ significantly in the future.

As prescribed by IFRS 3 (revised), if the initial accounting for a business combination can be determined only provisionally by the end of the reporting period in which the combination is effected, the acquirer must account for the business combination using those provisional values and has a twelve month period from the acquisition date to complete the purchase price allocation. Any adjustment of the carrying amount of an identifiable asset or liability made as a result of completing the initial accounting is accounted for as if its fair value at the acquisition date had been recognised from that date.

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.

Segment information is provided for reportable segments as follows:

- Jamaica Operations
- US Operations
- Other Caribbean Operations

The business is considered primarily from a geographical perspective.

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.

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5. Segmental Financial Information (Continued)

	2017				
	Jamaica Operations	US Operations	Other Caribbean Operations	Eliminations	Group
	$'000	$'000	$'000	$'000	$'000
External revenues	31,955,577	10,862,452	1,626,219	-	44,444,248
Revenue from other segments	265,288	2,921,429	498,471	(3,685,188)	-
Total revenue	32,220,865	13,783,881	2,124,690	(3,685,188)	44,444,248
Segment result	2,872,997	1,291,764	943,657	(176,102)	4,932,316
Unallocated corporate expenses					(1,699,313)
Operating profit					3,233,003
Finance income					379,379
Finance costs					(647,238)
Profit before tax					2,965,144
Taxation					(700,615)
Net profit from continuing operations					2,264,529
Profit for the year from discontinued operations					3,944
Net profit					2,268,473
Segment assets -					
Current assets	10,787,263	5,696,346	1,886,043	(1,848,574)	16,521,078
Non-current assets	10,599,918	2,406,852	918,889	(2,981,085)	10,944,574
Total assets	21,387,181	8,103,198	2,804,932	(4,829,660)	27,465,652
Segment liabilities -					
Current liabilities	4,552,934	2,996,358	1,405,434	(1,859,694)	7,095,032
Non-current liabilities	5,146,177	2,807,138	645,652	(2,646,340)	5,952,627
Total liabilities	9,699,111	5,803,496	2,051,086	(4,506,035)	13,047,659
Other segment items-					
Capital expenditure	438,713	223,399	87,190	-	749,302
Amortisation	21,803	103,853	-	-	125,656
Depreciation	496,970	149,669	88,123	-	733,862
Impairment charge	39,041	-	-	-	39,041

5. Segmental Financial Information (Continued)

	2016				
	Jamaica Operations	US Operations	Other Caribbean Operations	Eliminations	Group
	$'000	$'000	$'000	$'000	$'000
External revenues	28,401,780	8,802,209	1,316,660	-	38,520,649
Revenue from other segments	369,513	2,371,002	457,850	(3,198,365)	-
Total revenue	28,771,293	11,173,211	1,774,510	(3,198,365)	38,520,649
Segment result	3,575,838	1,023,127	254,039	(209,783)	4,643,221
Unallocated corporate expenses					(1,341,837)
Operating profit					3,301,384
Finance income					159,078
Finance costs					(693,804)
Profit before tax					2,766,658
Taxation					(671,960)
Net profit from continuing operations					2,094,698
Loss for the year from discontinued operations					(368,082)
Net profit					1,726,616
Segment assets -					
Current assets	9,043,353	3,892,570	1,336,025	(1,824,206)	12,447,742
Non-current assets	11,886,781	2,317,795	995,367	(3,268,424)	11,931,519
Total assets	20,930,134	6,210,365	2,331,392	(5,092,630)	24,379,261
Segment liabilities -					
Current liabilities	4,157,254	2,276,806	1,073,371	(1,834,077)	5,673,354
Non-current liabilities	5,379,620	2,216,007	675,940	(2,667,870)	5,603,697
Total liabilities	9,536,874	4,492,813	1,749,311	(4,501,947)	11,277,051
Other segment items-					
Capital expenditure	383,749	308,160	145,902	-	837,811
Amortisation	24,396	62,254	-	-	86,650
Depreciation	649,283	74,034	94,002	-	817,319
Impairment charge	-	-	26,847	-	26,847

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6. Other Income/Gains

	The Group		The Company	
	29 April 2017 $'000	**30 April 2016 $'000**	**29 April 2017 $'000**	**30 April 2016 $'000**
Dividend income from subsidiary	-	-	406,177	132,915
Fair value gain/(loss) on financial assets at fair value through profit or loss (Note 25)	4,450	(44,520)	-	-
Foreign exchange gains	31,072	78,126	31,072	78,126
Gain/(loss) on sale of property, plant and equipment	(418)	9,990	(418)	4,429
Gain on disposal of subsidiaries	-	-	87,139	-
Gain on disposal of assets held for sale	74,948	-	-	-
Interest income	28,824	25,286	17,766	19,095
Management fees	-	-	230,126	215,315
Reinsurance commissions	49,107	43,505	-	-
Other	140,364	156,473	53,588	80,436
	328,347	268,860	825,450	530,316

7. Expenses by Nature

	The Group		The Company	
	29 April 2017 $'000	**30 April 2016 $'000**	**29 April 2017 $'000**	**30 April 2016 $'000**
Auditors' remuneration	58,616	51,425	17,610	15,287
Advertising and promotions	798,819	639,382	724,880	580,044
Amortisation of intangible assets	125,656	85,858	14,439	14,898
Impairment charge	39,041	-	39,041	-
Bad debts	46,133	87,182	36,721	78,951
Cost of inventories recognised as expense	23,913,230	20,943,060	18,879,665	16,880,815
Depreciation	678,952	583,430	381,565	345,341
Fuel	566,961	481,353	413,188	330,666
Legal and professional fees	158,630	190,916	91,777	112,532
Insurance	357,143	285,195	516,138	457,522
Occupancy – rent and utilities	888,840	680,396	528,356	431,027
Repairs and maintenance	1,262,051	1,136,909	1,067,161	956,385
Staff costs (Note 8)	8,416,008	6,964,850	4,995,960	4,431,966
Trucking	1,274,598	1,117,467	1,020,165	821,699
Other expenses	2,954,914	2,240,702	2,522,513	1,846,464
	41,539,592	35,488,125	31,249,179	27,303,597

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

8. Staff Costs

	The Group		The Company	
	29 April 2017 $'000	30 April 2016 $'000	29 April 2017 $'000	30 April 2016 $'000
Wages, salaries and contractors' costs	7,134,766	5,949,614	4,132,186	3,670,796
Payroll taxes - Employer's portion	384,822	339,930	276,585	261,509
Pension costs - defined contribution plan	33,996	26,327	-	-
Pension costs - defined benefit plan (Note 21)	106,900	111,600	106,100	109,800
Post-employment medical benefits (Note 21)	1,900	2,200	1,800	2,100
Termination costs	59,822	12,979	55,010	12,516
Other - benefits and welfare	693,802	522,200	424,279	375,245
	8,416,008	6,964,850	4,995,960	4,431,966

9. Finance Income and Costs

	The Group		The Company	
	29 April 2017 $'000	30 April 2016 $'000	29 April 2017 $'000	30 April 2016 $'000
Finance income -				
Foreign exchange gains	214,114	159,078	182,852	36,041
Interest income	165,265	-	304,225	119,484
	379,379	159,078	487,077	155,525
Finance costs -				
Foreign exchange losses	20,132	96,926	879	3,364
Interest expense	610,261	545,607	504,143	496,216
Amortisation of debt financing fees and other expenses	16,845	51,271	16,575	33,940
	647,238	693,804	521,597	533,520

10. Taxation

Subsidiaries incorporated and domiciled in Jamaica, United States of America, Haiti and St. Lucia are taxable at a rate of 25% & 33 1/3%, 34% - 45%, 30% and 1% on their income, respectively.

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

	The Group		The Company	
	29 April 2017 $'000	30 April 2016 $'000	29 April 2017 $'000	30 April 2016 $'000
Current taxation	587,848	643,540	267,685	374,229
Prior year under/(over) provision	11,752	18,998	(50,278)	-
Deferred taxation (Note 20)	101,015	9,422	100,889	30,403
	700,615	671,960	318,296	404,632

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10. Taxation (Continued)

(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	
	29 April 2017 $'000	**30 April 2016 $'000**	**29 April 2017 $'000**	**30 April 2016 $'000**
Profit before taxation for taxable entities	3,131,362	2,832,571	2,089,666	1,952,423
Loss before taxation for non-taxable entities	(162,274)	(433,954)	-	-
	2,969,088	2,398,617	2,089,666	1,952,423
Tax calculated at applicable tax rates	782,840	708,143	522,416	488,106
Adjusted for:				
Income not subject to tax	(78,426)	(1,070)	(100,301)	(33,239)
Employment tax credit	(80,223)	(101,149)	(80,223)	(101,149)
Adjustment to deferred tax	2,290	15,550	-	15,550
Prior year under/(over) provision - current tax	11,752	18,998	(50,278)	-
Different tax rate in other countries	51,070	32,263	-	-
Expenses not deductible for tax purposes	21,704	806	17,472	22,383
Other allowances	(10,392)	(1,581)	9,210	12,981
Income tax expense	700,615	671,960	318,296	404,632

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

	The Group		The Company	
	29 April 2017 $'000	**30 April 2016 $'000**	**29 April 2017 $'000**	**30 April 2016 $'000**
Other comprehensive income -				
Remeasurements on retirement benefits	(479,700)	(286,400)	(466,600)	(275,100)
Tax charge (Note 20)	119,925	70,975	116,650	68,775
	(359,775)	(215,425)	(349,950)	(206,325)

11. Net Profit/Retained Earnings Attributable to the Stockholders

	29 April 2017 $'000	30 April 2016 $'000
Net profit attributable to:		
Holding company	1,771,369	1,547,791
Intercompany dividend and management fees	(636,303)	(348,229)
Adjusted Holding company profits	1,135,066	1,199,562
Subsidiaries	1,097,722	544,633
	2,232,788	1,744,195
Retained earnings attributable to:		
Holding company	10,881,826	9,214,373
Subsidiaries	1,623,172	1,118,041
	12,504,998	10,332,414

12. Earnings Per Stock Unit

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

	29 April 2017	30 April 2016
Net profit attributable to stockholders from continuing operations ($'000)	2,228,844	2,112,277
Net profit attributable to stockholders from discontinued operations ($'000)	3,944	(368,082)
Net profit attributable to stockholders ($'000)	2,232,788	1,744,195
Weighted average number of ordinary stock units ('000)	1,199,277	1,199,277
Basic earnings per stock unit from continuing operations ($)	1.85	1.76
Basic earnings per stock unit from discontinued operations ($)	0.01	(0.31)
Basic earnings per stock unit ($)	1.86	1.45

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13. Property, Plant and Equipment

	The Group							
	Freehold Land	Freehold Buildings	Leasehold Property	Plant, Machinery & Equipment	Furniture & Fixtures	Motor Vehicles	Capital Work in Progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At Cost -								
At 30 April 2016	464,947	3,347,183	311,283	10,239,796	1,049,724	911,466	103,935	16,428,334
Additions	-	-	721	126,318	15,864	109,508	496,891	749,302
Disposals	-	-	-	(17,172)	-	(35,628)	-	(52,800)
Disposal of subsidiaries	(53,808)	(114,507)		(5,037,881)	(406,397)	(1,905)	(3)	(5,614,501)
Transfer from CWIP	-	81,953	17,096	286,941	2,182	7,862	(397,615)	(1,581)
Write off	-	-	-	-	-	-	(6,417)	(6,417)
Translation	2,555	47,725	(10,979)	158,951	13,168	7,825	655	219,900
At 29 April 2017	413,694	3,362,354	318,121	5,756,953	674,541	999,128	197,446	11,722,237
Depreciation -								
At 30 April 2016	-	1,059,194	85,011	3,554,792	697,557	529,903	-	5,926,457
Charge for the year	-	100,542	32,253	391,452	78,515	130,934	-	733,696
Relieved on disposals	-	-	-	(2,266)	-	(26,935)	-	(29,201)
Disposal of subsidiaries	-	(25,010)	-	(1,693,320)	(317,925)	(1,905)	-	(2,038,160)
Reclassification	-	-	149	(93)	(56)	-	-	-
Translation	-	10,300	(3,058)	49,118	8,801	1,998	-	67,159
At 29 April 2017	-	1,145,026	114,355	2,299,683	466,892	633,995	-	4,659,951
Net Book Value -								
At 29 April 2017	413,694	2,217,328	203,766	3,457,270	207,649	365,133	197,446	7,062,286

13. Property, Plant and Equipment (Continued)

	The Group							
	Freehold Land	Freehold Buildings	Leasehold Property	Plant, Machinery & Equipment	Furniture & Fixtures	Motor Vehicles	Capital Work in Progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At Cost -								
At 2 May 2015	397,088	2,820,155	367,259	9,360,662	954,727	755,275	501,892	15,157,058
Acquisition of business	4,865	89,403	-	255,928	1,036	97,030	-	448,262
Additions	57,282	227,078	-	70,247	49,201	143,813	290,190	837,811
Disposals	-	(1,449)	-	(29,230)	-	(76,101)	-	(106,780)
Transfer from CWIP	-	181,359	8,710	463,960	26,750	265	(693,620)	(12,576)
Reclassifications/ adjustment	-	-	-	(4,701)	4,677	-	-	(24)
Write off	-	-	-	(122,851)	(8,672)	(5,887)	-	(137,410)
Translation	5,712	30,637	(64,686)	245,781	22,005	(2,929)	5,473	241,993
At 30 April 2016	464,947	3,347,183	311,283	10,239,796	1,049,724	911,466	103,935	16,428,334
Depreciation -								
At 2 May 2015	-	956,163	63,672	3,123,327	588,786	485,512	-	5,217,460
Charge for the year	-	91,747	33,789	479,433	101,117	110,546	-	816,632
Relieved on disposals	-	(451)	-	(1,897)	-	(58,634)	-	(60,982)
Reclassifications/ adjustment	-	-	(66)	(1,150)	-	-	-	(1,216)
Write off	-	-	-	(122,851)	(8,672)	(5,887)	-	(137,410)
Translation	-	11,735	(12,384)	77,930	16,326	(1,634)	-	91,973
At 30 April 2016	-	1,059,194	85,011	3,554,792	697,557	529,903	-	5,926,457
Net Book Value -								
At 30 April 2016	464,947	2,287,989	226,272	6,685,004	352,167	381,563	103,935	10,501,877

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13. Property, Plant and Equipment (Continued)

	The Company							
	Freehold Land	Freehold Buildings	Leasehold Property	Machinery & Equipment	Furniture & Fixtures	Motor Vehicles	Capital Work in Progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At Cost -								
At 2 May 2015	78,182	1,647,757	38,510	3,096,006	443,833	565,540	332,831	6,202,659
Additions	-	6,492	-	5,467	8,832	99,668	221,444	341,903
Disposals	-	-	-	-	-	(26,995)	-	(26,995)
Transfers from CWIP	-	9,666	-	400,825	21,424	-	(456,721)	(24,806)
Write off	-	-	-	(122,851)	(8,672)	(5,887)	-	(137,410)
At 30 April 2016	78,182	1,663,915	38,510	3,379,447	465,417	632,326	97,554	6,355,351
Additions	-	-	721	22,804	15,866	73,037	261,826	374,254
Disposals	(53,808)	-	-	-	-	(35,628)	-	(89,436)
Transfers from CWIP	-	-	1,775	271,009	-	-	(272,784)	-
Amalgamation	11,130	206,052	-	-	-	-	-	217,182
Write off	-	-	-	-	-	-	(6,417)	(6,417)
At 29 April 2017	35,504	1,869,967	41,006	3,673,260	481,283	669,735	80,179	6,850,934
Depreciation -								
At 2 May 2015	-	403,925	7,545	1,304,808	277,427	379,431	-	2,373,136
Charge for the year	-	40,847	4,567	175,918	48,154	75,856	-	345,342
Disposal	-	-	-	-	-	(26,995)	-	(26,995)
Write off	-	-	-	(122,851)	(8,672)	(5,887)	-	(137,410)
At 30 April 2016	-	444,772	12,112	1,357,875	316,909	422,405	-	2,554,073
Charge for the year	-	45,961	4,598	194,880	53,670	82,454	-	381,563
Disposals	-	-	-	-	-	(26,935)	-	(26,935)
Amalgamation	-	163,078	-	-	-	-	-	163,078
At 29 April 2017	-	653,811	16,710	1,552,755	370,579	477,924	-	3,071,779
Net Book Value -								
At 29 April 2017	35,504	1,216,156	24,296	2,120,505	110,704	191,811	80,179	3,779,155
At 30 April 2016	78,182	1,219,143	26,398	2,021,572	148,508	209,921	97,554	3,801,278

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

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 2 May 2015	372,545	427,084	93,738	20,780	236,862	1,151,009	228,714
Additions	-	-	-	-	3,611	3,611	3,611
Acquisition of business	201,886	240,598	45,857	-	-	488,341	-
Deferred tax adjustment (a)	(191,324)	-	-	-	-	(191,324)	-
Transfer from CWIP	-	-	-	-	14,693	14,693	14,693
Translation	22,034	25,934	5,934	-	514	54,416	-
At 30 April 2016	405,141	693,616	145,529	20,780	255,680	1,520,746	247,018
Disposal of subsidiaries	-	-	-	-	(3,013)	(3,013)	-
Translation	17,510	31,934	6,917	-	364	56,725	-
At 29 April 2017	422,651	725,550	152,446	20,780	253,031	1,574,458	247,018
Amortisation -							
At 2 May 2015	-	78,881	37,108	1,645	142,773	260,407	138,648
Charge for the year	-	47,163	20,641	1,039	17,807	86,650	14,898
Translation	-	5,506	2,568	-	343	8,417	-
At 30 April 2016	-	131,550	60,317	2,684	160,923	355,474	153,546
Charge for the year	-	73,535	35,310	1,039	15,772	125,656	14,439
Disposal of subsidiaries	-	-	-	-	(3,013)	(3,013)	-
Translation	-	6,431	3,048	-	315	9,794	-
At 29 April 2017	-	211,516	98,675	3,723	173,997	487,911	167,985
Net Book Value -							
29 April 2017	422,651	514,034	53,771	17,057	79,034	1,086,547	79,033
30 April 2016	405,141	562,066	85,212	18,096	94,757	1,165,272	93,472

(a) This represented the effect a deferred tax adjustment to goodwill calculations in relation to the 2013/2014 acquisition of England Packing Group – Arkansas USA, based on subsequent deductions received for tax purposes (Note 20).

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14. Intangible Assets (Continued)

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.

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

	29 April 2017 $'000	30 April 2016 $'000
US operations	369,618	352,108
Jamaica operations	53,033	53,033
	422,651	405,141

The recoverable amount of a CGU is determined based on value in use. 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	3.0%	10.0%	1.0%	10.8%
Jamaica operations	6.0%	8.2%	1.2%	18.3%

15. Assets held for sale

This represented certain land, buildings and equipment with a carrying value of $16,042,000 in a subsidiary company that was been placed on the market for sale. The assets were sold during the year.

16. Investment Property

	The Group
	Land and Buildings
	$'000
Cost -	
At 2 May 2015	58,939
Transfer to assets held for sale	(48,963)
At 30 April 2016 and 29 April 2017	9,976
Depreciation -	
At 2 May 2015	35,624
Charge for the year	628
Transfer to assets held for sale	(32,921)
At 30 April 2016	3,331
Charge for the year	166
At 29 April 2017	3,497
Net Book Value -	
At 29 April 2017	6,479
At 30 April 2016	6,645

The investment property was valued by independent valuers, Allison Pitter & Company as at December 2015, on the basis of open market value. The market value of the property is estimated to be $27,000,000.

Rental income earned on these properties amounted to $1,542,000 (2016 - $600,000). There was no repairs and maintenance on the property.

17. Investments

	The Group		The Company	
	29 April 2017	**30 April 2016**	**29 April 2017**	**30 April 2016**
	$'000	**$'000**	**$'000**	**$'000**
Available-for-sale -				
Unquoted equities- at cost	8,567	45,982	8,567	45,982

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18. Loans Receivable

	The Group		The Company	
	29 April 2017 $'000	30 April 2016 $'000	29 April 2017 $'000	30 April 2016 $'000
Non-Current				
External	2,051,914	-	2,051,914	-
Related parties (Note 32)	-	-	2,657,295	3,847,499
	2,051,914	-	4,709,209	3,847,499
Current				
External	500,967	-	500,967	-
Related parties (Note 32)	-	-	278,913	760,189
	500,967	-	779,880	760,189
	2,552,881	-	5,489,089	4,607,688

The external loan matures June 2023 with annual principal repayments of US$2,643,000. Interest is charged at a rate of 8% per annum. The current portion includes interest receivable of $158,981,000 (2016 – Nil) for both the Group and the Company. Included in the related parties current portion for the Company is interest receivable of $78,344,000 (2016 - $8,973,000).

19. Non-Controlling Interests

	The Group	
	29 April 2017 $'000	30 April 2016 $'000
Beginning of year	(57,499)	(35,625)
Share of total comprehensive income, as restated:		
Share of net profit/(loss) of subsidiaries	35,685	(17,579)
Revaluation loss	(1,023)	(4,295)
End of year	(22,837)	(57,499)

19. Non-Controlling Interests (Continued)

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

	The Group	
	29 April 2017 $'000	**30 April 2016 $'000**
Current		
Assets	960,853	541,575
Liabilities	(1,393,730)	(1,084,592)
Total current net liabilities	(432,877)	(543,017)
Non-current		
Assets	558,176	559,999
Total non-current net assets	558,176	559,999
Net assets	125,299	16,982

Summarised income statement

	The Group	
	29 April 2017 $'000	**30 April 2016 $'000**
Revenue	1,626,219	1,316,660
Profit/(loss) before income tax	117,233	(54,933)
Taxation expense	(5,717)	-
Profit/(loss) after tax	111,516	(54,933)
Other comprehensive income	-	-
Total comprehensive income	111,516	(54,933)
Total comprehensive income allocated to non-controlling interest	34,662	(21,874)
Dividends paid to non-controlling interest	-	-

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19. Non-Controlling Interests (Continued)

Summarised cash flows

	The Group	
	29 April 2017 $'000	**30 April 2016 $'000**
Cash flows from operating activities		
Cash generated from operations	150,315	44,613
Interest paid	(24,300)	(18,811)
Income tax recovered	-	-
Net cash generated from operating activities	126,015	25,802
Net cash used in investing activities	(87,161)	(131,895)
Net cash provided by/(used in) financing activities	104,021	(34,508)
Net increase/(decrease) in cash and cash equivalents	142,875	(140,601)
Cash and cash equivalents at the beginning of year	(115,273)	25,328
Cash and cash equivalents at end of year	27,602	(115,273)

The information above represents amounts before intercompany eliminations.

20. Deferred Income Taxes

Deferred income taxes are calculated on all temporary differences under the liability method using the effective tax rates used throughout the Group (Note 10).

	The Group		The Company	
	29 April 2017 $'000	30 April 2016 $'000	29 April 2017 $'000	30 April 2016 $'000
The movement on the deferred income				
Deferred tax assets	(37,681)	(15,601)	-	-
Deferred tax liabilities	729,764	485,286	613,233	390,232
	692,083	469,685	613,233	390,232

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

	The Group		The Company	
	29 April 2017 $'000	30 April 2016 $'000	29 April 2017 $'000	30 April 2016 $'000
Balance at start of year	469,685	567,032	390,232	291,054
Credited to profit or loss (Note 10)	101,015	9,422	100,889	30,403
Credited to other comprehensive income (Note 10)	119,925	70,975	116,650	68,775
Adjustment to goodwill (a)	-	(191,324)	-	-
Amalgamation	-	-	5,462	-
Translation	1,458	13,580	-	-
Balance as at end of year	692,083	469,685	613,233	390,232

(a) This represented the effect of a deferred tax adjustment to goodwill calculations in relation to the 2013/2014 acquisition of England Packing Group – Arkansas USA, based on subsequent deductions received for tax purposes (Note 14).

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

	The Group		The Company	
	29 April 2017 $'000	30 April 2016 $'000	29 April 2017 $'000	30 April 2016 $'000
Deferred income tax assets -				
Other post-employment benefits	5,600	5,475	5,200	5,125
Accrued vacation and general provisions	13,251	11,028	13,040	10,813
Tax losses unused	7,524	-	-	-
Interest payable	10,365	11,158	9,890	10,580
Intangible assets	63,634	30,112	-	-
Unrealised foreign exchange losses	52	-	-	-
	100,426	57,773	28,130	26,518
Deferred income tax liabilities -				
Pension benefits	172,775	44,875	167,825	43,575
Property, plant and equipment	473,120	432,825	337,108	336,276
Unrealised foreign exchange gains	68,471	27,949	68,471	27,922
Intangible assets	10,186	12,832	-	-
Other	67,957	8,977	67,959	8,977
	792,509	527,458	641,363	416,750

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Net deferred tax liabilities	692,083	469,685	613,233	390,232

20. 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	
	29 April 2017 $'000	**30 April 2016 $'000**	**29 April 2017 $'000**	**30 April 2016 $'000**
Profit or loss				
Property, plant and equipment	37,008	43,046	(4,630)	44,002
Accrued vacation and general provisions	(2,223)	(423)	(2,227)	(1,953)
Post-employment benefits	7,850	(1,850)	7,525	(1,700)
Tax losses	(7,524)	1,664	-	-
Unrealised foreign exchange losses/gains	40,470	(13,345)	40,549	(13,361)
Intangible assets	(34,340)	(27,657)	-	-
Interest payable	793	3,820	692	3,150
Other temporary differences	58,981	4,167	58,980	265
	101,015	9,422	100,889	30,403
Other comprehensive income				
Post-employment benefits	119,925	70,975	116,650	68,775

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 the consolidated results, totalled $2,020,806,000
(2016 - $1,505,264,000). These undistributed earnings are in foreign subsidiaries.

20. Deferred Income Taxes (Continued)

These balances include the following:

	The Group		The Company	
	29 April 2017 $'000	**30 April 2016 $'000**	**29 April 2017 $'000**	**30 April 2016 $'000**
Deferred tax assets -				
Deferred tax assets to be recovered after more than 12 months	5,600	35,587	5,200	5,125
Deferred tax assets to be recovered within 12 months	94,826	22,186	22,930	21,393
	100,426	57,773	28,130	26,518
Deferred tax liabilities -				
Deferred tax liabilities to be recovered after more than 12 months	645,895	490,532	504,933	379,851
Deferred tax liabilities to be recovered within 12 months	146,614	36,926	136,430	36,899
	792,509	527,458	641,363	416,750
Net deferred tax liability	692,083	469,685	613,233	390,232

21. Post-Employment Benefits

Amounts recognised in the balance sheet are as follows:

	The Group		The Company	
	29 April 2017 $'000	**30 April 2016 $'000**	**29 April 2017 $'000**	**30 April 2016 $'000**
Pension scheme benefit assets	691,100	180,100	671,300	174,300
Post-employment benefit obligations	(22,400)	(21,900)	(20,800)	(20,500)
Amounts recognised in the profit or loss (Note 8) -				
Pension scheme benefit liabilities	106,900	113,800	106,100	109,800
Post-employment benefit obligations	1,900	2,200	1,800	2,100
	108,800	116,000	107,900	111,900
Amounts recognised in other comprehensive income				
Pension scheme benefit assets	(480,500)	(283,500)	(467,100)	(272,100)
Post-employment benefit obligations	800	(2,900)	500	(3,000)
	(479,700)	(286,400)	(466,600)	(275,100)

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21. 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 29 April 2017.

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	
	29 April 2017 $'000	**30 April 2016 $'000**	**29 April 2017 $'000**	**30 April 2016 $'000**
Fair value of plan assets	4,269,900	3,346,100	4,147,700	3,238,000
Present value of obligations	(3,578,800)	(3,166,000)	(3,476,400)	(3,063,700)
	691,100	180,100	671,300	174,300

Pension plan assets include investment in ordinary stock units of the company with a fair value of $204,033,000 (2016 - $172,736,000).

The pension fund earned and received rental income from the company of Nil.

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

	The Group		The Company	
	29 April 2017 $'000	**30 April 2016 $'000**	**29 April 2017 $'000**	**30 April 2016 $'000**
At start of year	180,100	(94,700)	174,300	(91,100)
Amounts recognised in profit or loss (Note 8)	(106,900)	(113,800)	(106,100)	(109,800)
Amounts recognised in other comprehensive income (Note 8)	480,500	283,500	467,100	272,100
Contributions paid	137,400	105,100	135,400	103,100
Transfer from subsidiary	-	-	600	-
At end of year	691,100	180,100	671,300	174,300

21. Post-Employment Benefits (Continued)

(a) Pension scheme benefits (continued)

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

	The Group		The Company	
	29 April 2017 $'000	**30 April 2016 $'000**	**29 April 2017 $'000**	**30 April 2016 $'000**
At start of year	3,166,000	2,626,300	3,063,700	2,526,600
Transfer in fund – new employee	2,400	2,900	2,400	2,900
Current service cost	118,700	97,700	117,500	94,300
Interest cost	299,700	263,600	291,400	253,800
Transfer from subsidiary	-	-	10,600	
Curtailment	(3,000)	-	(3,000)	-
	3,583,800	2,990,500	3,482,600	2,877,600
Remeasurement (gain)/loss on obligations:-				
Changes in financial assumptions	29,000	82,000	29,200	79,600
Experience adjustment	(57,000)	54,800	(61,200)	66,700
Members contribution	116,300	98,800	114,400	96,900
Benefits paid	(93,300)	(60,100)	(88,600)	(57,100)
At end of year	3,578,800	3,166,000	3,476,400	3,063,700

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

	The Group		The Company	
	29 April 2017 $'000	**30 April 2016 $'000**	**29 April 2017 $'000**	**30 April 2016 $'000**
At start of year	3,346,100	2,531,600	3,238,000	2,435,500
Transfer in fund – new employee	2,400	2,900	2,400	2,900
Transfer from subsidiary	-	-	11,200	-
Members' contribution	116,300	98,800	114,400	96,900
Employer's contribution	137,400	105,100	135,400	103,100
Interest income on plan assets	308,500	247,500	299,800	238,300
Benefits paid	(93,300)	(60,100)	(88,600)	(57,100)
Remeasurement gain on plan assets	452,500	420,300	435,100	418,400
At end of year	4,269,900	3,346,100	4,147,700	3,238,000

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21. Post-Employment Benefits (Continued)

(a) Pension scheme benefits (continued)

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

	The Group		The Company	
	29 April 2017 $'000	**30 April 2016 $'000**	**29 April 2017 $'000**	**30 April 2016 $'000**
Current service cost	118,700	97,700	117,500	94,300
Interest cost	299,700	263,600	291,400	253,800
Interest income on plan assets	(308,500)	(247,500)	(299,800)	(238,300)
Curtailment	(3,000)	-	(3,000)	-
Total included in staff costs (Note 8)	106,900	113,800	106,100	109,800

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

	The Group		The Company	
	29 April 2017 $'000	**30 April 2016 $'000**	**29 April 2017 $'000**	**30 April 2016 $'000**
Remeasurements of the defined benefit obligation	(28,000)	136,800	(32,000)	146,300
Remeasurements of the plan assets	(452,500)	(420,300)	(435,100)	(418,400)
Total	(480,500)	(283,500)	(467,100)	(272,100)

At the last valuation date, the present value of the defined benefit obligation was comprised, for the group and the company respectively, of approximately $3,006,200,000 and $2,938,800,000 relating to active members, $230,400,000 and $229,300,000 relating to deferred members, $338,700,000 and $304,800,000 relating to the members in retirement and $3,500,000 and $3,500,000 relating to other liabilities.

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 28 April 2018 amount to $255,200,000 for the group and $260,700,000 for the company.

The principal actuarial assumptions used were as follows:

	29 April 2017	**30 April 2016**
Discount rate	9.5%	9.0%
Future salary increases	7.5%	6.5%
Future pension increases	2.5%	2.25%

21. Post-Employment Benefits (Continued)

(a) Pension scheme benefits (continued)

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

		The Group			
		Impact on post-employment obligations			
		29 April 2017		30 April 2016	
	Change in assumption	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
		$'000	$'000	$'000	$'000
Discount rate	1%	(506,700)	659,700	(467,600)	612,000
Future salary increases	1%	271,400	(230,600)	253,500	(214,800)
Pension increases	1%	310,100	(262,300)	284,000	(294,500)

		The Company			
		Impact on post-employment obligations			
		29 April 2017		30 April 2016	
	Change in assumption	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
		$'000	$'000	$'000	$'000
Discount rate	1%	(495,100)	645,200	(455,600)	596,900
Future salary increases	1%	266,800	(226,600)	248,700	(210,600)
Pension increases	1%	301,200	(254,700)	275,600	(285,200)

	The Group			
	29 April 2017		30 April 2016	
	Increase Assumption by One Year	Decrease Assumption by One Year	Increase Assumption by One Year	Decrease Assumption by One Year
	$'000	$'000	$'000	$'000
Life expectancy	37,600	(38,800)	36,700	(40,000)

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21. Post-Employment Benefits (Continued)

(a) Pension scheme benefits (continued)

	The Company			
	29 April 2017		30 April 2016	
	Increase Assumption by One Year	Decrease Assumption by One Year	Increase Assumption by One Year	Decrease Assumption by One Year
	$'000	$'000	$'000	$'000
Life expectancy	36,400	(37,500)	35,400	(38,800)

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 (2016 – 8% per year).

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

	The Group		The Company	
	29 April 2017 $'000	Restated 30 April 2016 $'000	29 April 2017 $'000	Restated 30 April 2016 $'000
Present value of funded obligations	22,400	21,900	20,800	20,500

The movement in the liability during the year was as follows:	The Group		The Company	
	29 April 2017 $'000	30 April 2016 $'000	29 April 2017 $'000	30 April 2016 $'000
At start of year	21,900	24,800	20,500	23,400
Amounts recognised in profit or loss (Note 8)	1,900	2,200	1,800	2,100
Amounts recognised in other comprehensive income	800	(2,900)	500	(3,000)
Contributions paid	(2,200)	(2,200)	(2,000)	(2,000)
At end of year	22,400	21,900	20,800	20,500

21. Post-employment Benefits (Continued)

(b) Post-employment medical benefits (continued)

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

	The Group		The Company	
	29 April 2017 $'000	**30 April 2016 $'000**	**29 April 2017 $'000**	**30 April 2016 $'000**
At start of year	21,900	24,800	20,500	23,400
Interest cost	1,900	2,200	1,800	2,100
Benefits paid	(2,200)	(2,200)	(2,000)	(2,000)
Remeasurement loss/(gain) on obligation:-				
Changes in financial assumptions	700	200	700	200
Experience adjustment	100	(3,100)	(200)	(3,200)
At end of year	22,400	21,900	20,800	20,500

The amount recognised in profit or loss is as follows:

	The Group		The Company	
	29 April 2017 $'000	**30 April 2016 $'000**	**29 April 2017 $'000**	**30 April 2016 $'000**
Interest cost	1,900	2,200	1,800	2,100
Total included in staff costs (Note 8)	1,900	2,200	1,800	2,100

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

	The Group		The Company	
	29 April 2017 $'000	**30 April 2016 $'000**	**29 April 2017 $'000**	**30 April 2016 $'000**
Remeasurements of the defined benefit obligation	800	(2,900)	500	(3,000)

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21. 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 Group			
		Impact on post-employment obligations			
		29 April 2017		30 April 2016	
	Change in assumption	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
		$'000	$'000	$'000	$'000
Discount rate	1%	(1,700)	1,900	(1,600)	1,700
Medical cost	1%	(1,300)	(4,500)	(3,600)	(6,300)

		The Company			
		Impact on post-employment obligations			
		29 April 2017		30 April 2016	
	Change in assumption	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
		$'000	$'000	$'000	$'000
Discount rate	1%	(1,600)	1,800	(1,500)	1,600
Medical cost	1%	(1,300)	(4,300)	(3,600)	(6,100)

	The Group			
	29 April 2017		30 April 2016	
	Increase Assumption by One Year	Decrease Assumption by One Year	Increase Assumption by One Year	Decrease Assumption by One Year
	$'000	$'000	$'000	$'000
Life expectancy	(2,100)	(3,900)	1,200	(1,200)

	The Company			
	29 April 2017		30 April 2016	
	Increase Assumption by One Year	Decrease Assumption by One Year	Increase Assumption by One Year	Decrease Assumption by One Year
	$'000	$'000	$'000	$'000
Life expectancy	(2,100)	(3,700)	1,100	(1,000)

21. Post-Employment Benefits (Continued)

(c) Distribution of pension plan assets -

	The Group			
	29 April 2017 $'000	**30 April 2017 %**	**30 April 2016 $'000**	**30 April 2016 %**
Equities - quoted	1,783,487	42	1,164,600	35
Equities - unquoted	128,913	3	7,500	-
Property	304,300	7	252,700	8
Government securities and reverse repurchase agreements	1,377,100	32	1,449,600	43
Corporate bonds	482,900	11	306,700	9
Leased assets	68,100	2	38,400	1
Other	125,100	3	126,600	4
	4,269,900	100	3,346,100	100

	The Company			
	29 April 2017 $'000	**29 April 2017 %**	**30 April 2016 $'000**	**30 April 2016 %**
Equities - quoted	1,772,271	42	1,126,976	35
Equities - unquoted	85,398	3	7,258	-
Property	295,591	7	244,536	8
Government securities and reverse repurchase agreements	1,337,689	32	1,402,769	43
Corporate bonds	469,080	11	296,792	9
Leased assets	66,151	2	37,159	1
Other	121,520	3	122,510	4
	4,147,700	100	3,238,000	100

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21. 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 2017 consists of bonds and equities.

Funding levels are monitored on an annual basis and the agreed employer contribution rate was 10% of pensionable salaries up to 29 April, 2017. The next triennial valuation is due to be completed as at 30 April 2017.

22. Inventories

	The Group		The Company	
	29 April 2017 $'000	**30 April 2016 $'000**	**29 April 2017 $'000**	**30 April 2016 $'000**
Grain and feed ingredients	1,209,604	1,502,741	1,022,329	1,384,151
Inventories for resale and spares	3,127,605	2,477,276	3,033,512	2,271,623
Processed broilers	38,990	16,926	-	-
Goods in transit and others	879,196	357,141	380,506	191,492
	5,255,395	4,354,084	4,436,347	3,847,266
Less: Provision for obsolescence	(91,106)	(73,737)	(78,569)	(50,630)
	5,164,289	4,280,347	4,357,778	3,796,636

There were no inventory write-downs for the current or the previous year.

23. Biological Assets

	The Group		The Company	
	29 April 2017 $'000	**30 April 2016 $'000**	**29 April 2017 $'000**	**30 April 2016 $'000**
Cattle	38,956	38,729	-	-
Poultry	4,418,416	2,913,515	668,145	630,123
	4,457,372	2,952,244	668,145	630,123

Biological assets comprise of:

	The Group		The Company	
	29 April 2017 $'000	**30 April 2016 $'000**	**29 April 2017 $'000**	**30 April 2016 $'000**
Biological assets at fair value	568,175	482,686	529,219	443,958
Biological assets at cost	3,889,197	2,469,558	138,926	186,165
	4,457,372	2,952,244	668,145	630,123

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23. Biological Assets (Continued)

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

	The Group		The Company	
	29 April 2017 $'000	**30 April 2016 $'000**	**29 April 2017 $'000**	**30 April 2016 $'000**
At start of year	482,686	418,976	443,958	364,703
Fair value gain/(losses)	2,665	(1,308)	-	-
Increase due to purchases and transfers	7,921,991	6,574,609	7,921,991	6,574,609
Decrease due to sales	(7,839,167)	(6,509,591)	(7,836,730)	(6,495,354)
At end of year	568,175	482,686	529,219	443,958

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

	The Group		The Company	
	29 April 2017 $'000	**30 April 2016 $'000**	**29 April 2017 $'000**	**30 April 2016 $'000**
At start of year	2,469,558	2,150,805	186,165	135,685
Increase due to purchases and acquisition	7,601,739	5,471,977	2,530,111	2,376,415
Decrease due to sales and depreciation	(6,273,174)	(5,213,576)	(2,577,350)	(2,325,935)
Translation	91,074	60,352	-	-
At end of year	3,889,197	2,469,558	138,926	186,165

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 545 (2016 – 545).

The number of cattle harvested during the year was 183 (2016 – 380).

(ii) Poultry
The number of birds in the field, including broilers, breeders, and layer pullets at year end was 7,525,000 (2016 – 5,808,000) and the number of eggs at year end was 5,413,000 (2016 – 5,585,000).

The total number of birds produced during the year was 53,233,000 (2016 – 47,619,000).

The total number of eggs produced during the year was 23,083,000 (2016 – 20,947,000) dozens.

24. Receivables

	The Group		The Company	
	29 April 2017 $'000	**30 April 2016 $'000**	**29 April 2017 $'000**	**30 April 2016 $'000**
Trade receivables	2,732,980	2,656,756	1,689,743	1,490,307
Less: Provision for impairment	(293,343)	(283,846)	(257,181)	(235,366)
	2,439,637	2,372,910	1,432,562	1,254,941
Contract farmers' receivables	271,726	286,783	271,726	286,783
Deposits	22,777	21,160	3,088	3,088
G.C.T recoverable	39,087	32,541	38,643	22,891
Insurance claims receivable	2,814	3,454	2,814	2,788
Jamaica Broilers Trust (Note 32)	85,568	70,656	85,568	70,656
Prepayments	453,375	321,563	319,636	161,029
Staff receivables	42,354	26,254	36,665	19,887
Other	211,635	143,251	100,151	63,498
	3,568,973	3,278,572	2,290,853	1,885,561
Less: Provision for impairment	(318)	(318)	(318)	(318)
	3,568,655	3,278,254	2,290,535	1,885,243

25. 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).

26. Cash and Short Term Investments

	The Group		The Company	
	29 April 2017 $'000	**30 April 2016 $'000**	**29 April 2017 $'000**	**30 April 2016 $'000**
Cash at bank and in hand	1,668,167	788,318	791,113	482,221
Short term investments	335,180	408,258	335,180	408,258
	2,003,347	1,196,576	1,126,293	890,479
Interest receivable	1,218	2,618	1,218	2,618
	2,004,565	1,199,194	1,127,511	893,097

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26. Cash and Short Term Investments (Continued)

The weighted average effective interest rate on Jamaica dollar and US dollar short term deposits was 4% (2016 – 4%) and 0.5% (2016 – 1%) respectively. These represent call deposits which are repayable on demand.

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

	The Group		The Company	
	29 April 2017 $'000	**30 April 2016 $'000**	**29 April 2017 $'000**	**30 April 2016 $'000**
Cash and short term investments	2,004,565	1,199,194	1,127,511	893,097
Short term borrowings and bank overdraft	(408,182)	(326,306)	(181,196)	(177,131)
	1,596,383	872,888	946,315	715,966

27. Payables

	The Group		The Company	
	29 April 2017 $'000	**30 April 2016 $'000**	**29 April 2017 $'000**	**30 April 2016 $'000**
Accrued charges	759,053	549,844	634,602	455,173
Contractors retention payable	18,161	8,630	555	448
GCT payable	11	64	-	-
Payroll taxes payable	46,659	55,834	46,659	55,834
Staff related payables	56,557	100,137	15,632	47,945
Trade payables	3,191,089	2,024,296	1,943,134	1,316,500
Unclaimed cheques	61,013	59,533	61,013	59,533
Other	281,599	409,509	239,776	193,839
	4,414,142	3,207,847	2,941,371	2,129,272

28. Dividends

	The Group and The Company	
	29 April 2017 $'000	**30 April 2016 $'000**
First interim – 17 cents per stock unit (2016 – 10 cents)	203,877	119,928
Second interim – 18 cents per stock unit (2016 – 16 cents)	215,869	191,884
	419,746	311,812

29. Borrowings

	The Group		The Company	
	29 April 2017 $'000	**30 April 2016 $'000**	**29 April 2017 $'000**	**30 April 2016 $'000**
Non-Current -				
Borrowings	5,200,463	5,096,511	4,250,869	4,650,058
Current -				
Short term borrowings and bank overdraft	1,906,035	1,306,461	931,203	677,139
Current portion of non-current borrowings	554,116	632,196	409,688	531,388
Interest payable	41,461	44,633	39,561	42,328
	2,501,612	1,983,290	1,380,452	1,250,855
	7,702,075	7,079,801	5,631,321	5,900,913

Interest rates on these loans ranged between 8% to 10% on Jamaican currency loans and 4% to 6% on United States currency loans throughout the Group.

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

At year end the group has access to undrawn financing facilities amounting to $250,000,000.

30. Share Capital

	Number of Stock Units '000	**Ordinary Stock Units $'000**
29 April 2017	1,199,277	765,137
30 April 2016	1,199,277	765,137

The total authorised number of ordinary shares is 1,209,324,000 shares (2016 – 1,209,324,000).

The stock units in 2017 and 2016 are stated in these financial statements without a nominal or par value.

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31. Reserves

	The Group		The Company	
	29 April 2017 $'000	**30 April 2016 $'000**	**29 April 2017 $'000**	**30 April 2016 $'000**
(a) Capital Reserve				
At start of year -				
Realised capital gains	24,500	32,618	3,227	3,227
Unrealised surplus on revaluations	378,052	378,052	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	1,659,606	1,439,511	-	-
	2,062,158	1,850,181	133,201	133,201
Movements during the year -				
Translation gain	(835,451)	79,862	-	-
Transfer from retained earnings	-	132,115	-	-
Realised reserves	(56,245)	-	-	-
Amalgamation (Note 34)	-	-	89,746	-
At end of year	1,170,462	2,062,158	222,947	133,201
Consisting of -				
Realised capital gains	24,500	24,500	3,227	3,227
Unrealised surplus on revaluations	321,807	378,052	228,944	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	824,155	1,659,606	-	-
	1,170,462	2,062,158	222,947	133,201
(b) Legal Reserve	233	-	-	-
	1,170,695	2,062,158	222,947	133,201

The legal reserve represents required reserve for one of the overseas subsidiaries.

32. Related Party Transactions and Balances

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

Related parties include fellow subsidiaries, directors and key management.

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

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

(i) The following transactions were carried out between the company and its related parties:

	29 April 2017 $'000	30 April 2016 $'000
Sale of goods	675,448	795,529
Purchases of goods	3,459,350	3,361,116
Purchase of services	207,707	167,632
Interest income earned	146,589	119,484
Management fees earned	230,126	215,315
Insurance premiums expense	477,541	447,681
Rental expense incurred	-	17,060
Dividend received	406,177	132,915
Other expenses	11,504	16,485

(ii) Key management compensation

	The Group		The Company	
	29 April 2017 $'000	30 April 2016 $'000	29 April 2017 $'000	30 April 2016 $'000
With directors and key management -				
Salaries, profit sharing and other short-term employee benefits	420,905	546,064	325,665	437,689
Payroll taxes - Employer's portion	28,523	41,527	25,742	41,527
Pension benefits	16,188	12,568	13,490	12,568
Professional fees paid	6,367	6,100	6,367	6,100
	471,983	606,259	371,264	497,884
Directors' emoluments -				
Fees	32,153	21,970	32,153	21,970
Management remuneration (included above)	275,449	390,581	202,924	352,250

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32. Related Party Transactions and Balances (Continued)

(iii) Year end balances with related parties:

	The Group		The Company	
	29 April 2017 $'000	30 April 2016 $'000	29 April 2017 $'000	30 April 2016 $'000
Directors and key management -				
Receivables	18,937	4,753	9,962	4,753
Receivable from subsidiaries -				
Trade and other receivables	-	-	2,093,502	2,545,408
Current portion of loans receivable	-	-	278,913	760,189
	-	-	2,372,415	3,305,597
Payable to subsidiaries	-	-	36,402	459,885
Loan to Jamaica Broilers Trust(a)	85,568	70,656	85,568	70,656
Loans receivable :				
Loan to Haiti Broilers S.A.(b)	-	-	645,125	676,387
Loan to JB Terminal (Port Esquivel) Limited long term portion of loans receivable (c)	-	-	-	1,169,925
Loan to International Poultry Breeder Inc. long term portion of loans receivable (d)	-	-	1,022,260	1,059,090
Loan to International Poultry Breeder Hatcheries Inc. long term portion of loans receivable (e)	-	-	989,910	942,097
	-	-	2,657,295	3,847,499

(a) Loan receivable from Jamaica Broilers Trust is payable by August 2017 and interest is payable at WATBY plus 2% per annum. The loan is secured with stock units in Jamaica Broilers Group Limited.

(b) The balance represents the outstanding amounts on a loan of HTG344,000,000. The loan is interest free and matures in 2019.

(c) The balance represented the outstanding amounts on a loan of US$18,000,000 at a rate of LIBOR + 2% and would have matured 2022. Principal was repaid quarterly in the amount of US$500,000. Included in receivable from subsidiaries is the current portion of the loan in the amount of Nil (2016 - $560,333,000). During the year the entity was sold.

(d) The balance represents the outstanding amounts on a loan of US$10,750,000 at a rate of US Prime + 3% and matures 2023. Principal is repaid quarterly in the amount of US$700,000. Included in receivable from subsidiaries is the current portion of the loan in the amount of $90,580,000 (2016 - $86,205,000) and interest receivable of $38,262,000 (2016 - $3,540,000).

(e) The balance represents the outstanding amounts on a loan of US$8,500,000 at a rate of US Prime + 2.75% and matures 2026. Principal is repaid quarterly in the amount of US$850,000. Included in receivable from subsidiaries is the current portion of the loan in the amount of $109,990,000 (2016 - $104,678,000) and interest receivable of $40,081,000 (2016 - $5,433,000).

33. Fair Value of Financial Instruments

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

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 exist 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 $760,696,000 (2016 - $701,303,000) for the Group. 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 $568,175,000 (2016 – $482,686,000) and $529,219,000 (2015 - $443,958,000) for the Group and the Company respectively are included in Level 2.

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34. Amalgamation

During the year, the operation of two of the company's subsidiaries', Master Blend Feeds Limited and Content Agricultural Products Limited, were amalgamated within the company. The assets and liabilities of these operations are as follows:

	$'000
Property, plant and equipment	54,105
Intercompany balances	13,544
Payables	(631)
Deferred tax liabilities	(5,462)
Taxation payable	838
	62,394
Share capital	2,080
Reserves	89,746
Opening retained earnings	(34,120)
Net income for the year	4,688
	62,394

35. Discontinued Operations

During the year the Group disposed of its wholly owned subsidiary ERI Services (St. Lucia) Limited and its wholly owned subsidiary JB Terminal (Port Esquivel) Limited for a cash consideration of US$4 million. As part of the deal the acquirer also assumed liabilities of US$18.5 million due to Jamaica Broilers Group Limited.

The financial performance and cash flow information presented are for two months ended 29 June 2016 (2017 column) and the year ended 30 April 2016.

	29 April 2017 $'000	30 April 2016 $'000
Revenue	187	655
Cost of sales	(43,275)	(350,371)
Gross loss	(43,088)	(349,716)
Other income	-	44,638
Administration and other expenses	(7,388)	(23,016)
Operating loss	(50,476)	(328,094)
Finance cost	14,946	(39,988)
Loss before taxation	(35,530)	(368,082)
Taxation	-	-
Net loss after tax of discontinued operations	(35,530)	(368,082)
Gain on disposal of subsidiaries	39,474	-
Profit/(loss) for the period from discontinued operations	3,944	(368,082)

35. Discontinued Operations (Continued)

	29 April 2017 $'000	30 April 2016 $'000
Operating cash flows	(1,740)	(80,660)
Financing cash flows	-	(32,041)
outflows	(1,740)	(112,701)
Net cash		

Details of the sale of the subsidiaries

	29 April 2017 $'000
Consideration received or receivable:	
Cash	505,520
Loan receivable	2,338,030
Total disposal consideration	2,843,550
Carrying amount of net assets sold	(3,716,553)
Cost of disposal	(43,647)
Loss on sale before reclassification of foreign currency reserves	(916,650)
Reclassification of foreign currency translation reserve	956,124
Gain on sale	39,474

	29 April 2017 $'000
The carrying amounts of assets and liabilities as at the date of the sale were:	
Property, plant and equipment	3,576,341
Receivables	8,835
Inventories	132,323
Total assets	3,717,499
Payables	(946)
Net assets	3,716,553

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Notes to the Financial Statements
29 April 2017
(expressed in Jamaican dollars unless otherwise indicated)

36. Business Combinations

During the previous year, the Group acquired assets in North America.

In March 2016, International Poultry Breeders Hatcheries, Inc (USA). a newly incorporated subsidiary of the Group acquired hatchery assets from a company in the USA. The principal activity of International Poultry Breeders Hatcheries, Inc. is the hatching and distribution of baby chicks for the poultry industry. As a result of this acquisition, the Group extended its reach in the poultry industry of North America.

The acquired assets contributed revenues of $95,636,000 and losses of $12,006,000 for the year ended 30 April 2016. Had the company been acquired at the beginning of the year, it could have contributed revenues of approximately $1,147,635,000 and profits of approximately $229,867,000 to the Group for the year ended 30 April 2016.

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

	Total Fair Values
	$'000
Net assets arising on the acquisition –	
Intangible assets	286,455
Property, plant and equipment	448,262
Inventories	46,208
	780,925
Goodwill on acquisition:	**$'000**
Purchase consideration	982,811
Less: Fair value of net assets acquired	(780,925)
	201,886
Net cash outlay on acquisition:	
Purchase consideration paid in cash	982,811
Cash and cash equivalents acquired	-
	982,811

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

NOTES

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