

2019 ANNUAL REPORT







YEARS OF
**SUSTAINABLE
GROWTH**



MISSION STATEMENT

With God's guidance, we shall 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.



TRUE TO THE CORE

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

TABLE of CONTENTS

4	Notice of Annual General Meeting	58	Human Resource Development
6	Chairman & President's Overview	64	The Way Forward
8	Board of Directors	66	Corporate Social Responsibility
12	Directors' Report	74	Shareholding of Directors & Connected Persons
14	Executive Team		
16	Corporate Governance	76	Shareholding of Senior Management & Connected Persons
22	Financial Highlights	77	10 Largest Ordinary Stockholders
24	Management Discussion & Analysis	78	Directors & Senior Management
52	Risk Analysis & Debt Management	79	Operating Divisions & Subsidiaries
53	Environment, Quality and Safety (EQS) Management Systems	80	Advisors
56	Technology	81	Financial Statements

NOTICE of ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 61st Annual General Meeting of Jamaica Broilers Group Limited will be held at the Company's registered office at Content, McCook's Pen, Saint Catherine on Wednesday, October 23, 2019 at 1:00pm to transact the following Business:

1. To receive the Audited Accounts for the year ended April 27, 2019, 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 27, 2019, 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. Bruce Bowen, Mr. Omar Azan, Mr. Aubyn Hill and Mr. Robert Levy, 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 Mr. Bruce Bowen, Mr. Omar Azan, Mr. Aubyn Hill and Mr. Robert Levy 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. Syd Mogg 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. Syd Mogg, 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 19 cents paid on October 31, 2018 and of 20 cents paid on April 30, 2019, be and are hereby ratified and declared final for the financial year ended April 27, 2019".

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 27, 2019 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.

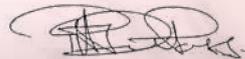
The Company is asked to consider, and if thought fit, pass the following resolution:

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 24th day of July, 2019

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 13th 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.

CHAIRMAN & PRESIDENT'S OVERVIEW

STRATEGIC DECISIONS

Having been in operation for over sixty (60) years, we can surely affirm that the Jamaica Broilers Group has experienced God's favour. We have achieved record-breaking profits with revenue growth across all three operations, the most significant being in our US Operation, with a growth rate of approximately 33%. This growth in the US is primarily attributed to acquisitions made over the past three (3) years, with our acquisition of Crystal Feeds being our most recent addition.

During the previous financial year, a large block of JBG shares became available for purchase and a strategic decision was taken to form the JBGL Stockholders Nominee Ltd. (the "Shareholders Trust") to purchase the shares. There has been notable gain during this financial year from the increase in value of JBG shares held by the Shareholders Trust which serves to benefit all our shareholders.



MR. ROBERT E. LEVY, CD



MR. CHRISTOPHER E. LEVY

The Company also took the decision to liquidate an external loan to West Indies Petroleum Limited (WIPL) by way of a debt purchase and novation agreement between JBG and the Bank of Nova Scotia Jamaica. This transaction has allowed us to monetize our holdings of debt issued thus enhancing our cash flows and providing us with added flexibility to make strategic decisions.

THE FINANCIALS

Our revenues were \$55.1 billion representing a 14% increase over the prior year with gross margin of 25.9% versus 26.6% for the prior year. Total assets of \$35.8 billion, is 15% above the prior year while profit before taxation of \$3.0 billion, is 13% above the prior year. We closed the year with net profits of \$2.4 billion, which is an increase of 17% above the prior year. Earnings per share is \$2.30 compared to \$1.64 in the prior year. Stockholders' equity of \$14.8 billion, is a 17% increase from prior year with return on assets of 7.1% and return on equity of 17.3%, a 0.2% and 1.7% increase respectively. The effective tax rate was 21.2% (24.0% - prior year).

ECONOMIC CLIMATE

The Jamaican economy performed exceptionally well over the year, creating

a positive environment for corporates to thrive. The 2018 calendar year is recorded as the sixth consecutive year of growth for the country with a growth rate of 1.9 per cent (the highest since 2006). As the Jamaica Broilers Group operates across three major jurisdictions, the state of the United States economy also has significant bearing on the Company. The U.S. also had a favourable year in 2018 with a 3.1 per cent growth rate (the highest since 2005). Business and consumer confidence is up and economic activity is on the rise in both Jamaica and the U.S. This has certainly been a contributing factor to our performance this year and augurs well for the 2019/20 financial year.

GRATITUDE

We give thanks to the Lord for a most favourable year. We continue to be grateful for the board, management and staff of this Company, who remained decisive and fluid in carrying out their tasks. We thank our shareholders and loyal customers for their continued faith in the Company and commitment to our expanding line of products. With sixty (60) years now behind us, we enter this new chapter of our history with thanksgiving and expectant hope, that with God's guidance, we shall continue to serve all our stakeholders with an attitude of service and a commitment to truth, fairness and the building of goodwill.



Robert Levy
Chairman

Christopher Levy
Group President & CEO

BOARD of DIRECTORS



Mr. Robert E. Levy, CD
Hon. LL.D, MA
Chairman

Robert Levy has served the Company for 60 years. He has operated at nearly every level within the Jamaica Broilers Group, resulting in a comprehensive understanding and knowledge of the business and the industry. In 1994 he was appointed as joint CEO, followed by his advancement to President and CEO in 2001. Robert Levy penned the Company's Mission Statement many years ago and to this day, Jamaica Broilers is known for operating "With God's guidance", towards "the building of goodwill". Since 2009 Robert Levy has served in his current position as Chairman of the Board of Directors. His longstanding, passionate commitment has made him a distinguished expert in the agriculture industry.



Mr. Christopher E. Levy
MBA
Executive Director

Christopher Levy has been highly regarded as an astute corporate leader in the industry. Since assuming the role of President and CEO in 2009, the scope of his leadership has grown exponentially with the acquisition of significant assets in the Group's US Operation. Under his leadership the Company expanded the business to Haiti. This decision has been rewarding both in terms of social responsibility to the Caribbean community as well as for the overall growth of the Group, as the Haiti Operation has crossed the threshold of profitability. Christopher Levy is passionate about nation building and he has built on the Company's tradition of far-reaching philanthropic pursuits and 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 66 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 Group Jamaica) before becoming Chairman of the Board and currently serves as Director Emeritus. He is the immediate Past Chairman of the Jamaica Broilers Group.



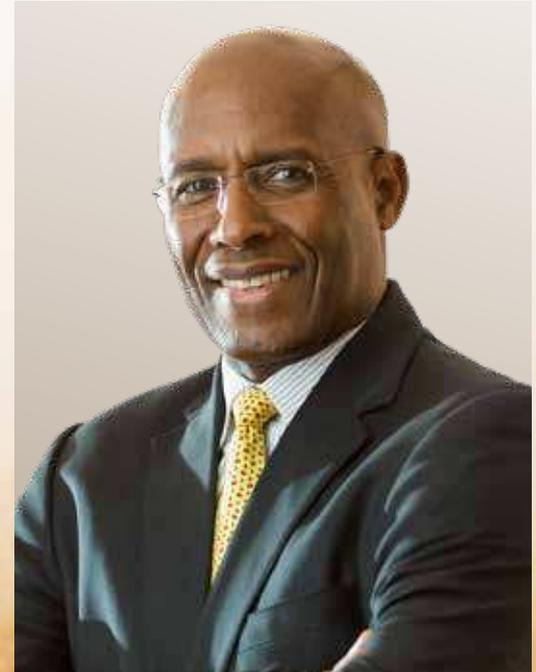
Dr. Claudette D. Cooke
Ed.D, CMT, CPC, CCRC
Executive Director

Claudette Cooke joined the Jamaica Broilers Group in 1994 as the Group Public Relations Executive. A 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 organisational effectiveness, as well as continually improving the Company's work environs and output quality 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. Dr. Cooke is an advocate for the support and mentorship of Christian women in leadership and has conceptualised the annual Signature Woman Leadership Connection, an event geared towards fostering the fellowship and development of Jamaica's female leaders.



Mr. Ian S. Parsard
MBA (Hons.), ACCA
Executive Director

Ian Parsard joined the Jamaica Broilers Group in 1989 as a Senior Systems Analyst. 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 during his tenure with the Company. In 2012 he was appointed as Senior Vice President and currently manages the portfolio for Finance and Planning. In his current capacity, he has worked in tandem with the CEO to secure significant capital assets for the Company, which have led to increased profitability and growth of the Group. Mr. Parsard also serves on the Board of Directors of the Mustard Seed Agricultural Program and Pan Jam Investments Limited.



Senator Aubyn R. Hill
MBA
Non-Executive Director

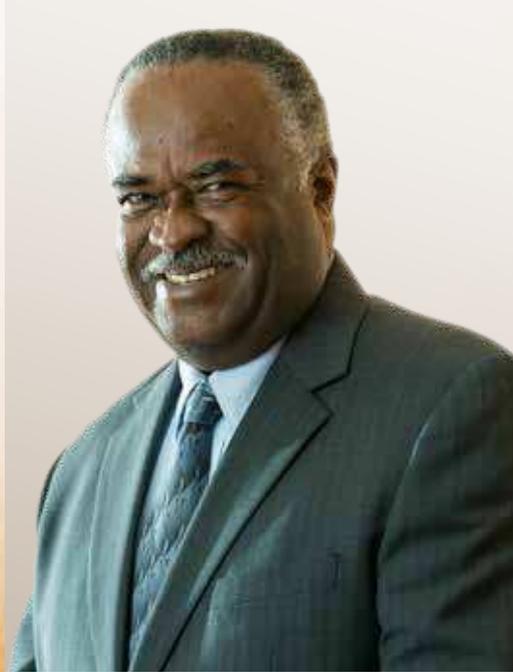
Senator Aubyn Hill has over 35 years working experience in the private sector. As an international banker, he has lived in nine countries and done business in more than 115. In March 2016, Prime Minister Andrew Holness appointed Aubyn Hill to the Senate and he was subsequently elected as Deputy President of the Senate. The Prime Minister also appointed Senator Hill as non-resident High Commissioner for Jamaica to India. In October 2017 Hill was chosen as the CEO of the Prime Minister's Economic Growth Council. His academic qualifications include an MBA which he earned from Harvard Business School.

BOARD of DIRECTORS continued



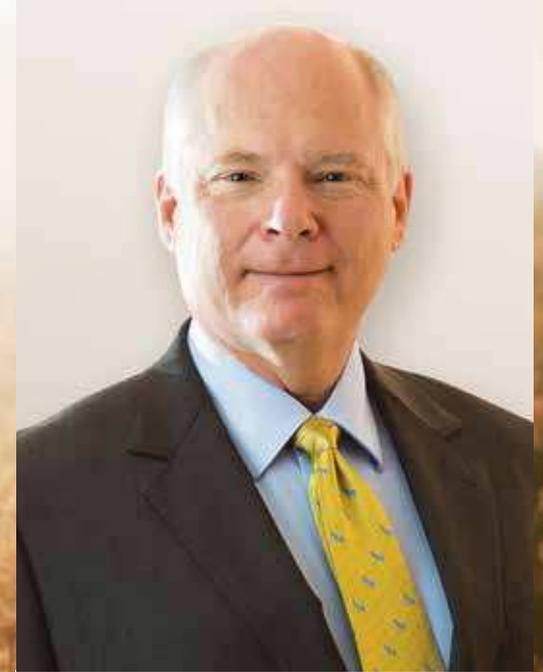
Mr. Omar L. F. Azan, JP
Non-Executive Director

Omar Azan has been one of Jamaica's leading manufacturers and exporters of furniture for over 20 years. 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. He has successfully influenced business growth and market captancy in Jamaica for over 25 years. Omar Azan is invaluable in ensuring effective management of operating budgets and analysing market dynamics.



Mr. Gregory B. Shirley
MBA
Non-Executive Director

With a career spanning nearly 35 years, Gregory Shirley has garnered extensive experience in the fields of corporate and strategic planning, process improvement and performance measurement. He started his professional career as the Manager of Human Resource Planning and Development for a major overseas utility company and later joined KPMG. There, 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. Since his retirement as a partner at KPMG Mr. Shirley has served on the Board of Directors in a number of companies.



Mr. Edward Z. Barber
B.Acy, CPA
Non-Executive Director

Edward Barber carries over 35 years of local and international experience in real estate, finance, development and acquisitions. A former CPA, 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. He also serves and has served on the boards of numerous other educational and Christian based not-for-profit entities.



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 and 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. 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 F. Bowen
BBA (Hons.), Hon. LL.D
Non-Executive Director

Bruce Bowen is known in the Caribbean for his 26 year career with Scotiabank's International Banking Division. Over his 5 years as CEO of Scotia Group Jamaica (2008-2013) he established the Group as one of the country's most profitable publicly-listed companies. Since leaving Scotiabank in 2016 he has founded Rock Capital Partners; a boutique financial advisory practice focused on the Caribbean, and ADVANTAQ, a managed services business supporting regional and community financial institutions. Bruce Bowen 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.



Mr. Syd Mogg
MSc
Executive Director

Syd Mogg is an Agriculturist with over 39 years of extensive local and international experience. He joined the Jamaica Broilers Group (JBG) in 1991 and is currently the Vice-President of JBG's United States subsidiary Wincorp International Inc. Mr. Mogg has played an integral role in the successful acquisition and operations of four companies in the United States. Mr. Mogg has developed strategic relationships with key industry players and regulatory agencies within the USA and the over twenty trading partner countries of Wincorp. He is a coach and mentor, with a unique ability to identify key talent that will commit to a culture of quality and service. An international cattle and livestock judge, Mr. Mogg holds a Bachelor of Science and a Master of Science in Agriculture from the University of Florida.

DIRECTORS' REPORT

The Directors present their annual report with the Financial Statements for the year ended April 27, 2019.

RESULTS OF OPERATIONS

TURNOVER

The Group's turnover for the year amounted to \$55,057,931,000 as compared with \$48,280,867,000 for the previous year.

PROFIT, DIVIDENDS AND APPROPRIATIONS

	\$'000
Net profit attributable to stockholders	2,365,563
Re-measurements of pension assets (obligations)	376,200
Profits brought forward from previous years	13,710,032
	<hr/>
To give an amount of	16,451,795
Interim Dividends	(414,298)
Purchase of shares from non-controlling interest	(197)
Thereby leaving profits to be carried forward as Retained Earnings of	\$16,037,300

The Directors are recommending that the interim dividend of 19 cents paid on October 31, 2018 and 20 cents paid on April 30, 2019, be ratified and declared final for the financial year ended April 27, 2019 by the shareholders in the annual 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 27, 2019.

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

The Director retiring in accordance with Regulation 95 of the Articles of Incorporation is Mr. Syd Mogg, who being eligible, offers himself 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 24th day of July, 2019



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



EXECUTIVE TEAM



MR. CHRISTOPHER E. LEVY
MBA

Group President &
Chief Executive Officer



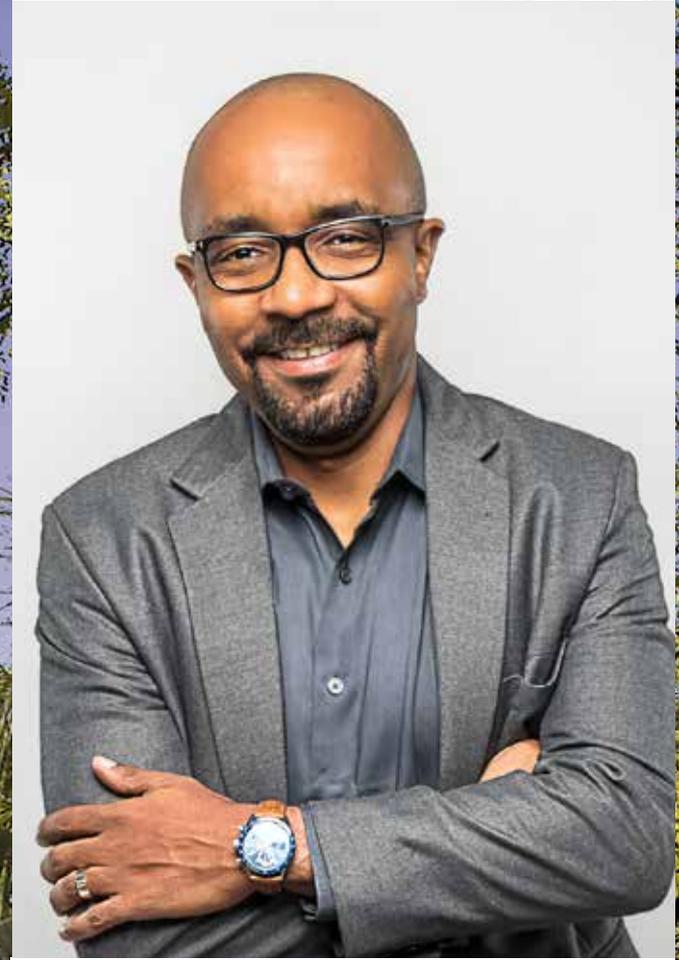
MR. IAN S. PARSARD
MBA (Hons.), ACCA

Group Senior Vice President
Finance



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

CORPORATE GOVERNANCE



The Company is committed to maintaining high standards of corporate governance and recognises that it is a key contributor to its long-term success and that of its subsidiaries (the Group). The delivery of exemplary governance consistent with international best practices is central to the Company'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 also believes that the Board has 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 Private Sector Organisation of Jamaica (PSOJ) Code of Corporate Governance 2nd Edition, published in 2016. 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 in keeping with the Group's Corporate Governance Manual and the core values of the Group.

COMMITMENT TO SHAREHOLDERS

The Group is proud of the way in which it conducts business and is committed to continuing to uphold the highest levels of corporate transparency, social responsibility and compliance in all its transactions and interactions.

The Company ensures that all shareholders are provided with adequate and timely information on the Company's activities and performance. Shareholders are encouraged to engage the Board and management at the Company's Annual General Meetings.

The Minutes of the Annual General Meeting are made available to shareholders for review at the meeting. Shareholders may also request a copy of the Minutes of the Annual General Meeting through the Company's website.

COMPOSITION OF THE BOARD

As at April 27, 2019, the Board comprised seven (7) non-executive directors (including the Chairman) and five (5) executive directors (the Group President & Chief Executive Officer; Senior Vice President - Finance; the Vice President - Human Resource Development and Public Relations; the President - US Operations; and the Vice President - Wincorp). The names and summary biographies of the directors are set out in the Report and 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 while also providing assurance that any additional appointment will not affect their ability to perform their duties.

While all the directors are equally accountable for the proper stewardship of the Company's affairs, the non-executive directors understand that they have a specific responsibility to ensure that business strategies and policies are fully ventilated and critically assessed and considered in Board meetings.

BOARD OVERSIGHT

Board members and attendance at meetings:

	BOARD MEETINGS
Mr. Omar Azan	10/10
Mr. Edward Barber	10/10
Mr. Bruce Bowen	9/10
Dr. Claudette Cooke	10/10
Dr. Trevor Dewdney *	8/8
Mr. Aubyn Hill	7/10
Mr. Robert Levy	9/10
Mr. Christopher Levy	10/10

Board members and attendance at meetings continued:

	BOARD MEETINGS
Mr. Stephen Levy	10/10
Mr. Ian Parsard	10/10
Syd Mogg **	2/2
Mr. Gregory Shirley	10/10
The Hon. R. D. Williams	8/10

* Dr. Trevor Dewdney resigned from directorship on 27 February 2019

** Mr. Syd Mogg was appointed as Director on 27 February 2019

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 10 times during the year to consider matters relevant to the operation and performance of the Group. Without exception, whenever needed during the year, directors have demonstrated their ability and willingness to provide any additional time required.

During the 2018-19 fiscal year, the Board fulfilled several of its key functions, including:

- Reviewing and approving the Company's 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 of the Company and its shareholders; and
- Consideration and approval of interim dividend payments to shareholders.

The Board is responsible for providing leadership through oversight and guidance whilst setting 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 considers that its members possess the requisite skillsets and knowledge in diverse areas relevant to the business of the Company. These include banking, corporate finance, insurance, human resources, agro-industry, animal health, marketing, corporate governance and general management. 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 put in place directors' and officers' liability insurance in respect of legal actions against its directors; this insurance cover does not extend to fraudulent or dishonest behaviour.

DIRECTORS TRAINING

During the year the Directors of the Company received training relative to the introduction of a Code of Ethics. The training was conducted by Mrs. Suzanne Ffolkes-Goldson, Attorney-at-Law and Senior Lecturer, Faculty of Law, University of the West Indies and a member of the PSOJ Corporate Governance Committee.

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 27, 2019. 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 on their representations and assertions regarding these controls;
- Reviewing means of safeguarding the Group's assets;
- Coordinating with the external auditors 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 agreed to recommend to the shareholders the re-appointment of PWC for a further period of one 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 makes provision for the manner in which members of the Board should handle conflicts of interest. A director has a duty to avoid, as far as possible, 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 to allow them to effectively review and assess the performance of the Group's business. Board papers are usually issued six days prior to meetings and Committee papers are usually issued five days prior. In an effort to reduce the costs and the environmental impact of printing and distributing Board papers, and 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) presents a report on all aspects of the Group's business and a report on the Group's financial performance is also received. From time to time, members of the senior management team provide the Board with detailed presentations on the Group's major activities.

REMUNERATION

Directors' remuneration continues to be set 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 non-executive directors met to review executive compensation. An Executive Director was invited to attend. The Committee, together with input from the Board, will focus on ensuring that the Company's compensation policies are competitive and remain aligned to best practice.

For non-executive directors, the level of remuneration generally reflects the experience and level of responsibilities undertaken. There was an increase in the remuneration paid to non-executive directors during the year. The approved remuneration provides for the payment of a retainer for non-executive directors and a fee for each Board and Committee meeting attended.

BOARD EVALUATION

The Directors undertook an evaluation of the Board's performance during the 2018-2019 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 committees of the Board with the objective of ensuring an optimal mix of skill, experience and competence. The Board has delegated specific duties to three Board Committees, each of which operates within specific Terms of Reference, as outlined in the Company's Corporate Governance Manual that define 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	4/4
Mr. Omar Azan	4/4
Dr. Trevor Dewdney	3/4
Mr. Gregory Shirley	3/4
Mr. Robert Levy (ex officio)	2/4

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) and the recommendations of the Private Sector Organisation of Jamaica's (PSOJ's) Code on Corporate Governance. During the year, the President and Chief Executive Officer (Managing Director), the Vice President, Accounting, the Chief Internal Auditor and the external auditors normally attend and report at Audit Committee meetings. Other senior managers are invited from time to time to present reports and discuss issues of importance.

The Audit Committee met four 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

- 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; 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
Mr. Robert Levy	1/1
Mr. Ian Parsard	1/1
Dr. Claudette Cooke	1/1

The Committee met once for the year to review executive remuneration.

CORPORATE GOVERNANCE COMMITTEE

Members and attendance at meetings:

COMMITTEE MEETINGS	
Mr. Gregory Shirley - Chairman	2/2
Mr. Omar Azan	2/2
Mr. Aubyn Hill	2/2
Dr. Trevor Dewdney	2/2

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

- Review and Analysis of JSE Corporate Governance Index;
- Director's Training in Code of Ethics;
- Appointment of new director to the Board;
- Board Evaluation Exercise.

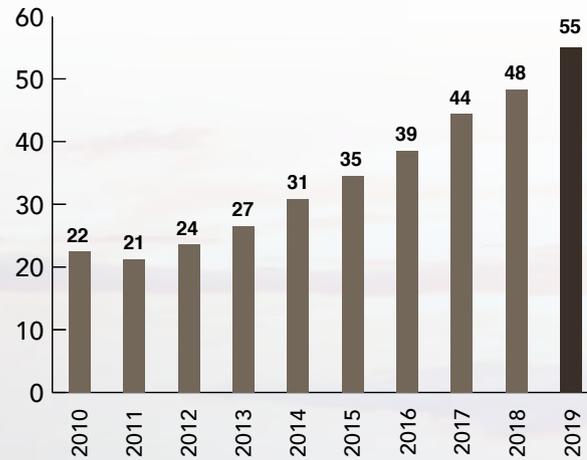
The Company's Corporate Governance Guidelines are available on the Company's website and may be found at <https://www.jamaicabroilersgroup.com/about/governance-policies>.

GREGORY SHIRLEY
Chairman
Corporate Governance Committee

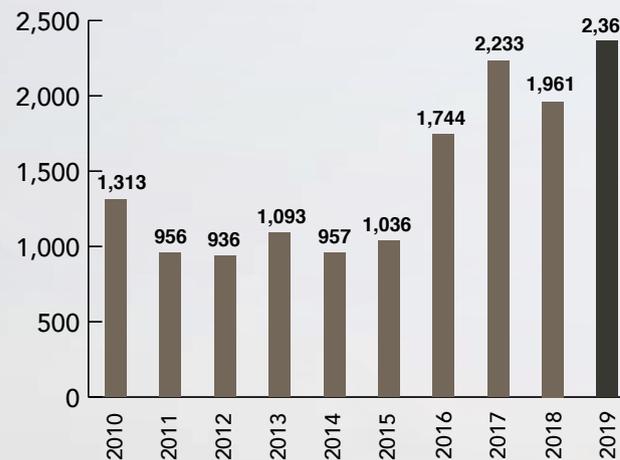
FINANCIAL HIGHLIGHTS 2019



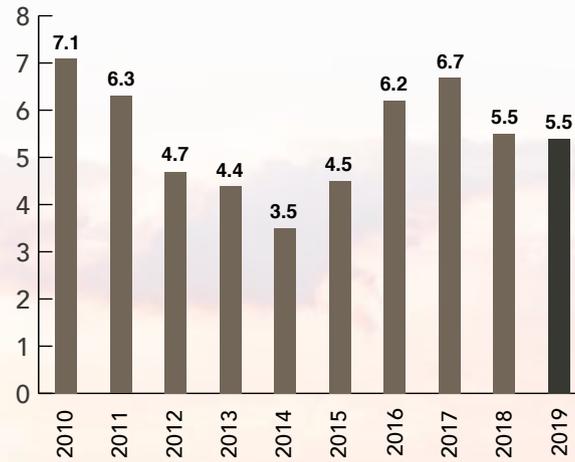
REVENUE – J\$B



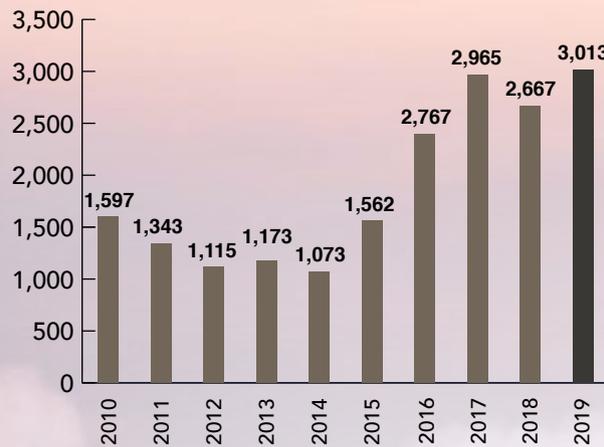
NET PROFIT ATTRIBUTABLE TO STOCKHOLDERS – J\$M



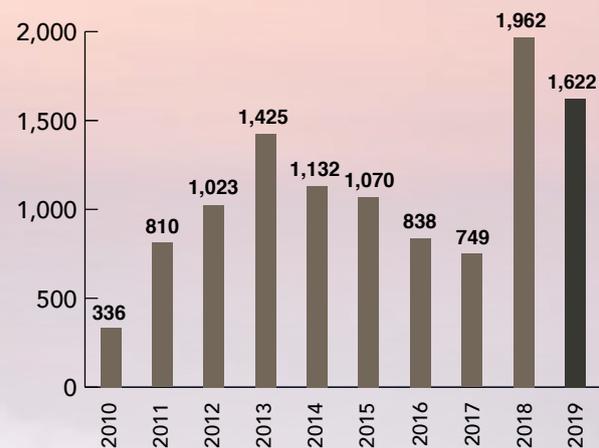
PRE-TAX PROFITS AS % OF NET SALES



PRE-TAX PROFITS – J\$M



INVESTMENT IN PROPERTY PLANT & EQUIPMENT – J\$M



MANAGEMENT DISCUSSION & ANALYSIS

For six (6) decades of business, we give thanks! Our sixtieth year has been particularly rewarding for the Group as we have been given the opportunity to reflect on God's faithfulness through the lifetime of our Company, while continuing to experience His grace and favour in our day to day operations.

This year, the Group performed exceptionally well, receiving record profitability with Group profit before tax at \$3.01 billion. A first in our sixty year history. The following operational highlights outline the details of our activities across our three (3) Operations and their respective Divisions throughout the fiscal year.

OPERATIONAL HIGHLIGHTS

JAMAICA OPERATIONS

The Jamaica Operations of the Group continued to have a significant impact in the marketplace through its Best Dressed Chicken and Hi-Pro divisions. Despite the appearance of advertisements in support of overseas poultry products during this fiscal year, the local market has remained strong with Jamaica being 100% self-sufficient in the production of poultry meat and eggs. We are pleased to note that government support for locally produced products has also been unwavering.



MINISTER TOURS OPERATIONS

We were delighted to host The Honourable Audley Shaw, Minister of Industry, Commerce, Agriculture and Fisheries (MICAFA) and members of his team for a tour of sections of our Jamaica Operation in October of 2018. Once again, the Minister signalled his approval for the vertically integrated model employed by the Group.

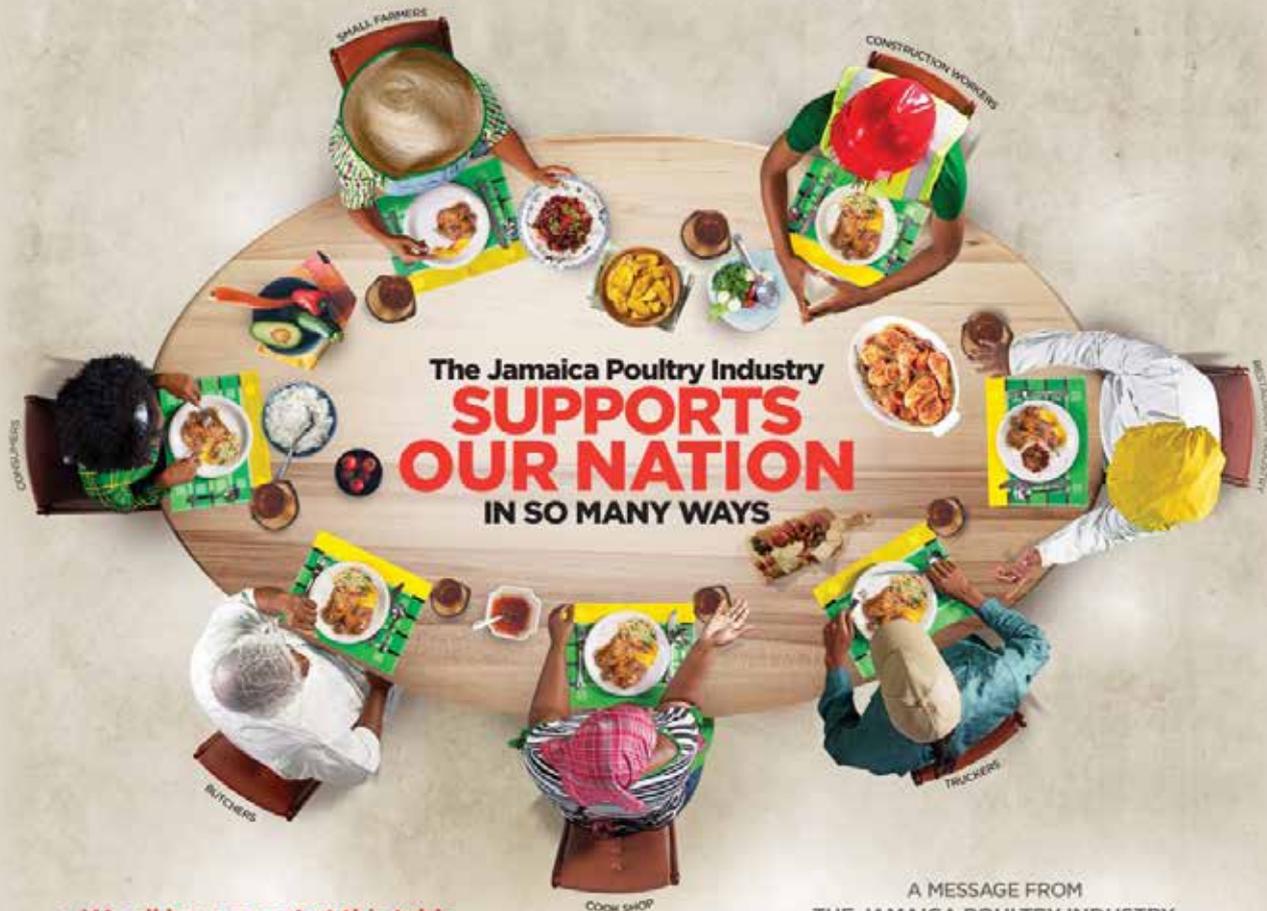
The Minister commented, "I am totally impressed at what I have seen here today and I want to commend the Jamaica Broilers who I think commands the vast majority of the poultry business in the country but are showing the propensity for diversification into other meats, which are (by the way) all locally produced."

As one of the largest poultry producers in the Caribbean, our vertically integrated model continues to bolster the industry through the mobilization of resources to small farmers. This is an industry achievement that is very significant to us as we seek to build Jamaica.



INDUSTRY LOBBY

In response to advertising promoting the importation of poultry and eggs, the Company opted to partner with the industry in mounting a national media campaign in support of the thousands of Jamaicans who contribute to the local poultry sector.



We all have a seat at this table.

Jamaica's poultry producers, 100,000 of whom are small farmers, proudly produce all the chicken our nation needs and more. These small farmers are mostly women and meet up to 46% of the demand. Together, we deliver Jamaican raised, safe, affordable, healthy food to our people. This industry contributes over \$50 Billion dollars to the Government of Jamaica through taxes and receives no Government subsidies. A thriving Jamaican Poultry Industry supports the livelihoods of our people.

A MESSAGE FROM
THE JAMAICA POULTRY INDUSTRY.



MS. ANDRIENE PATTERSON *(left)*
Food Technologist | Best Dressed Chicken

Andriene is an internationally Certified Food Scientist (CFS). At the Best Dressed Chicken she develops convenient, easy to prepare product offerings, ensuring that they are also healthy and safe for consumption. With Andriene's careful attention, the Best Dressed Chicken has been able to successfully launch a number of new products in the convenience market.

MRS. LORI-ANN THWAITES *(center)*
Hatchery Manager | Best Dressed Chicken

Lori-Ann has proven that knowledge in bio-chemistry can open up tremendous career opportunities. She has worked across several of the Jamaica Broilers Group operations and has served as team leader on a number of the company's ISO certification projects. Today, Lori-Ann focuses on the intricate processes of embryonic development, managing very precise physical parameters in order to ensure the best hatch rates.

MRS. PAMELLA RUSSELL *(right)*
General Manager
Best Dressed Chicken Live Production

Having studied natural sciences and with several years of experience at the Jamaica Broilers Group, Pamella has headed up our BDC Field Operations, BD Feed Mill, BDC Hatchery and Jamaica Poultry Breeders (now International Poultry Breeders Jamaica). Her wealth of knowledge has sparked innovations which have modernised contract farming in the Caribbean region, including utilising green energy in supporting tunnel ventilated houses. She has also contributed to the training and development of several of our current managers in the live production segment. Pamella's understanding of the science of the business has made her a vital asset to the company and to the development of Jamaica's agriculture sector.

DR. JANIELLE WALLACE *(back left)*
Health Services & Laboratory Manager
Best Dressed Chicken Live Production

Knowledge in the fields of zoology, aquaculture and environmental studies and finally, sustainable aquaculture nutrition form a very specialised portfolio for Janielle. From sample testing to field trials, she has had a hand in several innovations within our field operations. Currently the Health Services and Animal Welfare Team Leader, she manages our laboratory's poultry diagnostic activities and coordinates our broiler welfare programme at all relevant facilities.

MRS. TRICIA JACKSON *(back right)*
Store Operations Manager | Hi-Pro

With a background in pharmacology, Tricia believes that the knowledge she gained through her studies in science brings about a significant advantage for a business woman in the field of agriculture. She has been able to utilise principles of chemistry and biology in procuring the finest fertilisers, chemicals and medicines towards the best plant and animal care in the Caribbean's largest farm supplies store.



CELEBRATING OUR WOMEN IN SCIENCE



On International Women and Girls in Science Day, we showcased just a few of our women in science through a feature published in two of Jamaica's leading newspapers. It was a great opportunity for us to honour all the women who have helped to advance our Company, as well as Jamaica's Agriculture and Production sectors, through their innovations in science.



DAVE FAIRMAN
VICE PRESIDENT
Best Dressed Chicken Division



THE BEST DRESSED CHICKEN DIVISION

The Best Dressed Chicken Division (BDC) performed well over the fiscal year with total product revenue sales exceeding last year's performance by 8.98%, and poultry sales up 10% over last year. This was achieved even with the reduction of revenue from our import distribution activity as the company phased out this activity starting in early 2019.

The focus on removal of nuisance products continued in parallel with the identification of new product opportunities in response to the general growth in the economy and some specific market segments.

As consumer trends continue in favour of convenience products, we continue to respond to the growing demand for ready to cook (RTC) and ready to eat (RTE) products. Sales of our further processed line of products grew by 10% year-over-year with revenue growth of 14%. Frankfurters continue to show strong growth increasing by 30%. Export sales also experienced strong growth of 16%.

With the improvement in the road network, the management team made a decision to close the Montego Bay distribution facility and commence island-wide distribution from our Spring Village plant and distribution facility. The changeover was accomplished seamlessly and we continue to identify areas of improvement to ensure products are delivered on-time and in-full while reducing costs.

The Division also made significant investments towards improving efficiency within the processing and further processing facilities through the sourcing and installation of cutting-edge equipment. This included new packing machines, a ten-cut machine to facilitate cutting whole chickens in up to ten pieces per bird and a new spiral freezer which allows additional blast freezing capacity. Another major undertaking was the reconfiguration of the plant to optimize efficiency of product movement with the installation of new conveyors.







PURSUIT OF CULLINARY EXCELLENCE

The Best Dressed Chicken has been committed to the growth and exposure of the culinary talent here in Jamaica. We are proud to be a title sponsor of the Taste of Jamaica Culinary Competition & Expo which is a unique networking event developed to showcase Jamaica's most outstanding culinary talents and expose the population to the exciting, vibrant and growing culinary movement in Jamaica. This culminated with the Taste of The Caribbean in Miami where we sponsored both the Jamaican and Cayman Islands teams.

Over the years we have also partnered with the Jamaica Observer Table Talk Food Awards which celebrates gastronomic excellence across the eateries, supermarket shelves, street corners and hotels of Jamaica. This year we showcased the Best Dressed "Chicken Shack" along with Hamilton's Smokehouse and Reggae Jammin', each in their own space. This year we celebrated 'street food' with delectable preparations by some of Jamaica's finest chefs.

Near the close of the fiscal we also released Beef Frankfurters under the Hamilton's Smokehouse brand. The product has gained popularity in the hotel market segment and went on to receive the award for Best New Product in the 2019 staging of the Jamaica Observer Table Talk Food Awards.



Hanging out at the Chicken Shack are Andrew Allen, BDC Relationship Manager; Avadaugn Sinclair, BDC Regional Marketing Programmes Manager; and Lloyd Phillips, BDC Relationship Manager.







We partnered with Running Events in the 7th staging of the Everyone's A Winner / Best Dressed Chicken Father's Day Road Race Series. This event, along with our participation in the Jamaica Moves Corporate Challenge has been a significant effort towards contributing to the health and wellness of Jamaica. Proceeds from the race allowed us to purchase a Kidney Dialysis Machine valued at US\$3,500 which we donated to the Diabetes Association of Jamaica.

There was an exciting twist in our campaign this year as we launched our Best Dressed Chicken Anniversary 'All Year Winnings' promotion. In an effort to include as many of our loyal customers and stakeholders as possible as in celebrating sixty (60) years in operation, our team created a campaign that would run for four seasons across the entire year. In total, we gave away four million dollars (\$4,000,000.00) in cash, with over eighty five thousand (85,000) winners receiving cash and/or prizes.

With an overall submission of 736,990 entries, we say a big thank you to Jamaica for making The Best Dressed Chicken a part of your family!

BDC PRODUCTION - LIVE

HATCHERY OPERATIONS

The BDC Hatchery Operations have continued the drive towards modernization and improvement of efficiency over the course of 2018-19.

The Hatchery had uninterrupted hatching egg supplies from our local and overseas-based breeder operations- International Poultry Breeders (IPB). This strategy of dual sourcing has over the years, provided an added layer of protection particularly in seasons of disaster. Hatchability continues to improve and the Hatchery, with locations at White Marl and Cumberland, fully satisfied the increased demands for day old chicks to its two major customers – Best Dressed Chicken Field Operations and Hi-Pro Farm Supplies.

Supplying the best quality baby chicks remains the focus of the Hatchery team which recently successfully completed its first surveillance audit in the maintenance of its ISO 9001 certification.

FIELD & LIVE HAUL OPERATIONS

We saw great improvements in the Operation's main performance efficiency targets such as liveability, feed conversion and growth rate. Feed conversion and growth rate ranked in the top 5% of Agristats (USA Benchmarking Companies) growing similar size birds. Growing capacity increased and modernization continued as we strived to respond to market requirements.

The Operation consistently met the requirements to retain its ISO 9001:2015 and Animal Welfare certifications having demonstrated improvements in our Quality Management System. Focus on daily operational procedures and production standards remain a high priority among the Live Operations team and BDC Contract Farmers. Renewed emphasis on Biosecurity practices and monthly awareness training now underpins our operational culture. Overall success was achieved through dedication and hard-work by the team and our contract farmers.



BDC Contract Farmers and father-daughter duo, Kaydeon and Donald Davis monitoring their chicks.

Our contract farmers continued to make significant investments in housing and farm upgrades to support the operational growth and demand. In acknowledgement of their commitment, monthly awards are provided to Farmers and their workers as a motivational tool driving the performances realized.

HEALTH SERVICES AND LABORATORY

As a support arm for the Jamaica Operations, the Health Services and Laboratory perform critical diagnostic functions for International Poultry Breeders Jamaica, The BDC Hatcheries, Field and Livehaul Operations, BDC Processing Plant and Furthering Processing Facility, Best Dressed Feed Mill, Hi-Pro and Jamaica Egg Services. The department strives for continual improvement through GLP/HACCP training and focuses on effectively supporting our internal partners. The laboratory continued to upgrade and automate critical equipment in keeping with the latest molecular detection and analytical technologies over the course of the fiscal year.

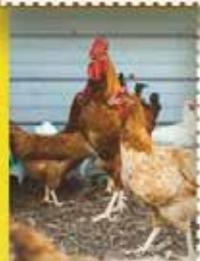
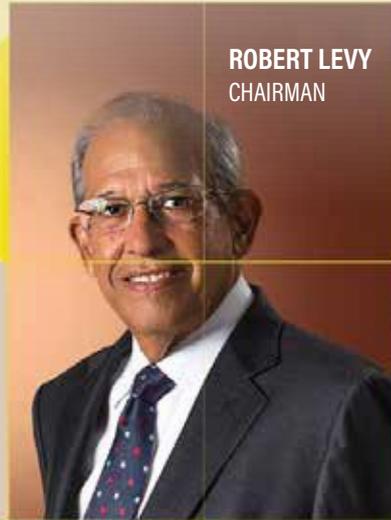
SYDNEY LEVY
FOUNDER



SIXTY YEARS AGO, GRANDFATHER SYDNEY LEVY STARTED OUT WITH THE DREAM OF TAKING BUSINESS IN JAMAICA TO A NEW LEVEL.



ROBERT LEVY
CHAIRMAN

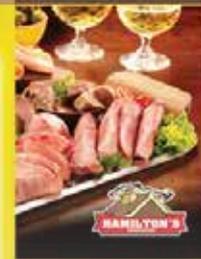


HATCHERY
WHITE MARL





CHRISTOPHER LEVY
GROUP PRESIDENT & CEO





COL. JAIMIE OGILVIE
ASSISTANT VICE PRESIDENT

Hi-Pro Division



HI-PRO DIVISION

LIVESTOCK AND FEED

The 2018-19 financial year has been one of stimulating complexity for the Hi-Pro Division. The Division grappled with a volatile exchange rate, fluctuating grain prices, overall increases in the cost of production and a continued glut in the pig and layer markets. These circumstances lead to a series of price increases throughout the year, with cost saving measures executed within the organisation to mitigate against worsening market conditions.

The Hi-Pro sales team responded to these challenges in a resolute and determined manner, continuing to offer superior service and support to the farming community. Hi-Pro also sought to strengthen the capacity, technical knowledge, and service delivery of staff employed to Hi-Pro dealers by staging a series of seminars to provide customer service and technical training in the areas of Livestock, Poultry and Agronomy. As a result, Hi-Pro Feeds ended the financial year having achieved 95% of the net margin target, even though volumes were depressed primarily due to glut conditions.

The local broiler sector remained vibrant, with overall national broiler meat production increasing by 5.6% for calendar year 2018 versus 2017. Hi-Pro baby chick sales were a direct reflection of this upward trajectory exceeding total revenue and net profit targets by 103% and 120% respectively.

The small farmer remains a significant contributor to this sector, producing over 30% of locally consumed broiler meat. Hi-Pro is committed to the growth and sustainability of this industry, as the productivity of small farmers will have a direct impact on whether the Jamaican poultry sector can replace imported chicken neck and back with locally produced, fresh, wholesome, homegrown broiler meat.

While the broiler market remained vibrant, the table egg market faced one of the most challenging periods in recent years with Jamaica Egg Services (JES) navigating a year-long glut which did not ease until the start of 2019. Oversupply in the market and soft sales for pullets, were accompanied by increasing prices for fertile eggs and overall production costs. Nevertheless, JES adjusted its internal pullet growing operation and sales projections to counter the negative market conditions. After a year of diligent management, JES ended the financial year achieving 100% and 110% of its revenue and net profit targets respectively. Even though the year was challenging, the outlook for the coming year is positive as appropriate corrective measures have been implemented to ensure a balance in supply and demand in the market.

Hi-Pro remained committed to the growth of the agricultural sector and displayed this through continued support of local agricultural initiatives-

farm shows, local association events and workshops in collaboration with agricultural entities in the public and private sector. These efforts were complemented by technical training sessions with livestock and poultry farmers island wide.

The launch of the 2018 Corporate Campaign "Great Things Grow with Hi-Pro"- a sequel to the 2016 "Grow with Hi-Pro" campaign, met with positive response from farmers, customers and other stakeholders. The campaign featured local crop and livestock farmers who epitomize excellence in their dedication and approach to the business of farming and agriculture.

Our customer-focused promotional activities continued through the Hipro.mobi platform with the Hi-Pro Rewards, Hi-Pro Christmas Countdown and Hi-Pro 365 promotions. With the introduction of the 2019 Hi-Pro 365 Promotion, the Division has now transitioned from the traditional promotional structure to a loyalty programme whereby customers receive prizes based on their consistent purchase of Hi-Pro distributed products and feed.

At the 2018 Denbigh Agricultural Show, the Division launched products and services specifically for expansion of the cattle and small ruminants sector, simultaneously increasing milk and meat productivity while improving the quality of both outputs. Significant progress was made with a new and critical mandate to make embryo and semen technology available to the local market. The veterinary team has worked closely with international partners and industry leaders in reproductive technologies, as well as the Ministry of Agriculture, in preparation for the rollout of artificial insemination in cattle and small ruminants.



The Hon. Audley Shaw, Minister of Industry, Commerce, Agriculture and Fisheries (MICAFA) (left) took a moment to “chill out” in the cool hospitality room at the Hi-Pro booth during the Denbigh Agricultural, Industrial and Food Showcase. With him are (left-right) The Hon. J.C. Hutchinson, Minister without Portfolio, MICAFA; Mr. Christopher Levy, Group President & CEO, Jamaica Broilers Group; and Mr. Lenworth Fulton, President, Jamaica Agricultural Society.

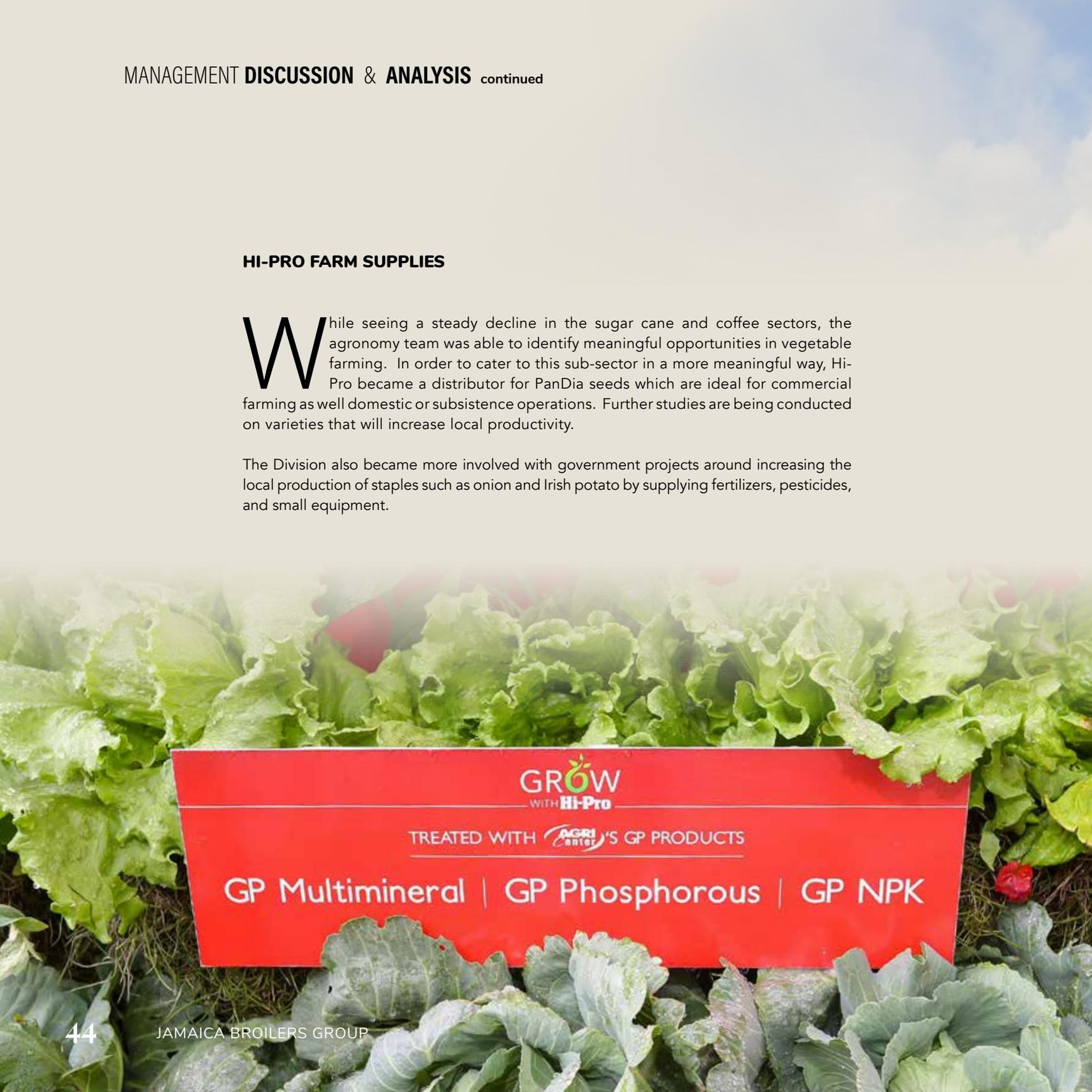


His Excellency, the Most Hon. Sir Patrick Allen along with Her Excellency, the Most Hon. Lady Allen examine a pepper plant on display at the Hi-Pro booth on the Denbigh grounds. Presenting the plant are Mrs. Tricia Jackson, Hi-Pro Store Operations Manager and Mr. Dayne Patterson, Hi-Pro Business Development Manager..

HI-PRO FARM SUPPLIES

While seeing a steady decline in the sugar cane and coffee sectors, the agronomy team was able to identify meaningful opportunities in vegetable farming. In order to cater to this sub-sector in a more meaningful way, Hi-Pro became a distributor for PanDia seeds which are ideal for commercial farming as well domestic or subsistence operations. Further studies are being conducted on varieties that will increase local productivity.

The Division also became more involved with government projects around increasing the local production of staples such as onion and Irish potato by supplying fertilizers, pesticides, and small equipment.



GROW
WITH **Hi-Pro**

TREATED WITH 'S GP PRODUCTS

GP Multimineral | GP Phosphorous | GP NPK



With consumers moving towards more organic based products, the team worked with overseas suppliers to develop a complete organic portfolio. Organic products are recognized as a niche market where consumers deem the produce to be healthier, thereby creating opportunities for local farmers. The organic portfolio includes products that help develop the plants natural defense mechanism against pests and diseases, so harsh pesticides are not required. In partnership with Agri-centre and Nuvia Technologies, Hi-Pro was able to practically exhibit the value of these products through plot demonstrations and regular execution of promotional and targeted training activities in the field.

The Hi-Pro Ace Supercentre had to contend with a reduction in walk-in customers from the ongoing road construction along Mandela Highway. In addressing this matter, the store sought to diversify retail and distribution channels, which resulted in items from pharmaceuticals, pet care, tools and other categories being merchandised in local supermarkets, pet stores and pharmacies.

In an effort to appeal to a new target market, the Division also sought to develop the Housewares categories and refine the store's image as a Home and Hardware destination by hosting a number of events including the Hi-Pro Home Fest and Hi-Pro Tool Fest. Similarly, the pharmacy and pet care markets were addressed through two (2) separate Hi-Pro Vet Day executions.

We are grateful to our staff, suppliers, customers and other stakeholders for their support and continued loyalty to the Hi-Pro Brand. With God's guidance, we are committed to continuing the pursuit of excellence in the agricultural sector through the provision of quality products and best-in-class customer service, underpinned by strong relationships with all our stakeholders.



STEPHEN E. LEVY, MBA
PRESIDENT - US OPERATION

US OPERATIONS

Our US Operations had significant growth for the 2018-2019 financial year through focus and alignment on strategic and integrated expansion. We continued to establish and maintain a dominant position against other industry players through generating a unique space that supports our tactical growth plans and the evolution of our customers. As we moved to further cement a stronghold and presence along the supply chain, key focus was placed on expenditure control and healthy workplace optimization within our operations.

Despite impediments caused by a difficult hurricane season, our team in Norman Park, Georgia was vigilant in protecting our operations during Hurricane Michael. With God's protection, we came through with minimum losses and provided donations to those affected within our community.

EXCITING FIRSTS

We achieved several operational milestones and firsts over the course of the year. We are thankful, ready and eager for continued growth and hope to maintain solid teams across all our US locations.

- Wincorp Trading sent out their very first shipment of doors to the US Virgin Islands, British Virgin Island and St. Maarten. The team has been hard at work to develop this new line of products offered in many different styles and finishes.
- Wincorp Trading supplied a customer in Guyana with all the equipment needed to open the country's first fully automated cage system layer house.
- Welp Hatchery completed their first international shipment of chicks to the Caribbean. Over three thousand-day-old chicks were sent all the way to Trinidad!

The newly acquired 'Crystal Feeds' mill in Georgia, USA is ideally located on the Norfolk Southern Railroad where we are able to take full advantage of grain logistics capabilities.





The International Poultry Breeders Hatchery,
Pennsylvania, U.S.A.

ACQUISITIONS AND UPDATES

In the previous fiscal year, we acquired a hatchery in Pennsylvania which we rebranded as the International Poultry Breeders Hatcheries Inc (Pennsylvania) (IPBH PA). The IPBH PA team has performed well under the leadership of Dave Gould and continues to excel.

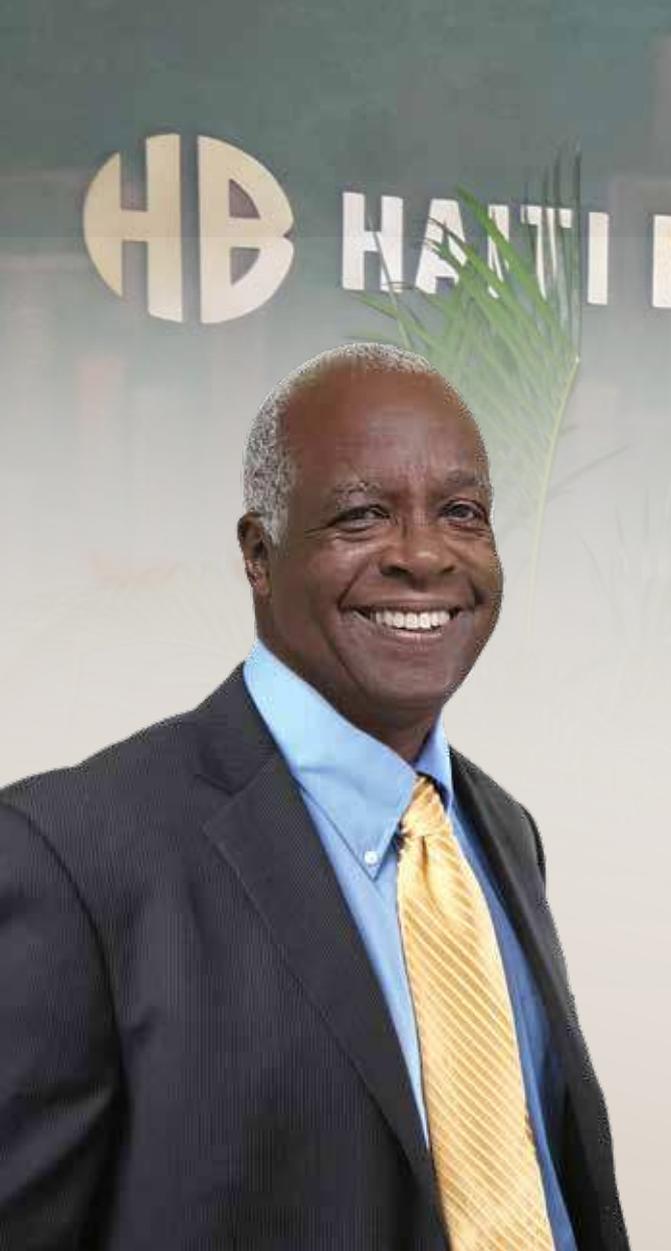
We sustained our presence through, entering new segments, developing our brand recognition and reaching important milestones. The company acquired a feed mill in Oakwood, Georgia, which we have rebranded Crystal Feeds. This has allowed for increased control over our feed supplies and further integration. Wincorp Eggs achieved record-breaking sales since our inception due to the hardworking and persistent efforts of our team. Additionally, rebranding plans were established for Wincorp Trading and Consolidated Freight & Shipping to symbolize our progression and better reflect our identity.

INTERNATIONAL PRODUCTION AND PROCESSING EXPO (IPPE)

We had an exciting and productive three days at the annual IPPE held at the Georgia World Congress Center in February. This is the world's largest poultry, meat and feed industry event. The expo brought together team members from across our US Operations, as well as Jamaica and Haiti. International Poultry Breeders Hatchery (IPB Hatchery) was displayed in one of the prime spots and experienced high traffic as guests made their way around the expo.

As we reflect on the past year with humility and gratitude, we remain committed to upholding our momentum and trajectory while navigating the upcoming 2019-2020 financial year.





MR. LAWRENCE ALEXANDER
MANAGER - HAITI OPERATION

HAITI OPERATIONS

Sales for the year 2018-2019 increased by 20% year over year from HTG1.15 Billion to HTG 1.38 Billion, despite the loss of 20 days sales due to intermittent social unrest throughout the year. A 30% devaluation of the Haitian Gourdes (HTG) however resulted in foreign exchange losses of HTG 45 Million in the year, which exceeded our year on year profit decline of HTG 38 Million or 38% from HTG 104 Million to HTG 67 Million. This translated to a 48% decline of profits from US\$1.6M last year to US\$0.77M this year.

Growth in egg production (15%) and sales (27%) continued to increase, while egg sales accounted for a slightly higher portion of total sales. Operational efficiency continues to improve as revenue increases.

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. The sector is continuing to become better organised, with there now being an officially recognized Haiti Poultry Farmers Association, of which we are active participants.

Our processed chicken marketed under the Le Chic Poulet brand continues to provide some small farmers access to a guaranteed market through our buy-back program. We are pleased to see continued growth in some of our Hi-Pro products, baby chicks in particular, as this signals expansion in domestic poultry production.

As a company, one of our ethos is True to the Core and at our core, is our people. We have been blessed with an amazing team - highly qualified, committed and results driven, who contributed significantly to the success of the business over the past year. We continue to invest in their growth and development, pouring into their lives and implementing employee programmes aimed at driving performance and engagement.

While we are pleased with the continued growth of our Haiti operations, we remain vigilant as disruptions continue around the political crisis being experienced in the country. We are taking a more cautious approach to Haiti until we see things settle down. We are also paying keen attention to the safety and welfare of our staff with regard to their exposure to the continued unrest.



RISK ANALYSIS & DEBT MANAGEMENT

We have been diligent over the last few years in educating our farmers regarding minimising the risk of contracting diseases such as Avian Influenza (AI). We continue to see a reduction in the occurrence of outbreaks globally. 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 is paramount.

The Company continues to take advantage of favourable market conditions to structure its debt and align same to our strategic objectives. We have maintained low interest rates given the debt restructuring executed in the prior year. The majority 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.

ENVIRONMENT, QUALITY AND SAFETY (EQS) MANAGEMENT SYSTEMS

We remain committed to managing our environment, quality and safety management systems to meet the needs and expectations of our stakeholders. The Group's Environment, Quality and Safety Policy is communicated to all relevant and interested parties and is fully embraced by our workforce. It was another commendable year of improved performances as ISO surveillance audits were conducted across our Jamaica Operation and four (4) of our facilities have successfully transitioned to the 2015 versions of the ISO 9001 (Quality Management System), namely Best Dressed Chicken Hatchery (BDCH), Best Dressed Chicken Field Operations (BDCFO), Best Dressed Feed Mills (BDFM) and Best Dressed Chicken Processing Plant (BDCPP). BDCPP was also able to transition to the 2015 standard for the 14001 (Environmental Management System) last year. Our teams have demonstrated that these management systems are effective tools towards assisting in the achievement of business objectives and the consistent realisation of operational efficiencies.

As we look forward to many more years of operation, Jamaica Broilers Group of Companies renews its pledge to managing its affairs with due consideration for the sustainability of the Jamaican environment for the present and future generations.



TRECIA ALLEN
Group Environment & Safety
Standards Manager

In anticipation of the introduction of the Natural Resources Conservation Authority (Plastic Packaging Material Prohibition) Order 2018 and consistent with the Group's thrust to use more environmentally friendly packaging materials, we have introduced bio-degradable packaging solutions for several of our poultry products. We continue to explore additional avenues to reduce waste generation and while ensuring all waste streams generated from our operations are properly managed and disposed of. The Group continues to keenly monitor all our compliance obligations and regulatory requirements of our stakeholders in order to be proactive and reduce the likelihood of non-compliance.

There was a decrease in the number of safety incidents in the Group when compared to the corresponding period last year. Consequently, there was a 30% reduction in the number of incident related absent days. The management team remained focused on strengthening the occupational safety and health programmes aimed at reducing and eliminating safety hazards. This commendable performance is testament to the dedication and commitment of our health and safety professionals in the field.

The Group continues to perform well in satisfying all quality and food safety compliance obligations. This has resulted in improved scores across the board for both regulatory and customers' audits. These achievements have allowed us to expand our customer base both locally and regionally. Additionally, an increase in the number of process and supplier audits conducted has contributed to an improvement in production and process efficiencies. The thrust for training has been elevated, resulting in the workforce being more exposed and aware of critical elements of food safety, thus supporting a food safety culture.

As we look forward to many more years of operation, Jamaica Broilers Group of Companies renews its pledge to managing its affairs with due consideration for the sustainability of the environment for present and future generations.



TECHNOLOGY



NYMPHAS STEWART
Business Technology &
Operations Manager
Information System Department

The Information Systems Department focused on further building out the security and network infrastructure established over the last 2 years. This was achieved through direct emphasis on our Operation Technology applications and included:

- The outfitting of new equipment and support systems at BDC Processing Plant to include installation of new scales and the set-up of call centre operations as we continue to fulfil our obligations to our stakeholders.
- The stabilisation of key applications that support the BDC Processing Plant's Warehousing and Direct Store Delivery Operations.
- The development of a Business Continuity & Disaster Recovery Plan for our key business applications across the Group. This was bolstered by several upgrades to our network infrastructure to increase resilience and robustness in event of disaster.

Another key initiative completed during the year was the establishment of a Group Project Office to standardise the execution of projects and programmes across all business units, through the adoption of recognised governance frameworks and methodologies to improve on the success of implementations.

CYBER SECURITY INITIATIVES

The Group-wide efforts to improve our defenses regarding cyber-risk involved investments in training for all staff and the implementation of hardware to protect the enterprise from network attacks.

- A Web-based training portal was provided to equip staff with the requisite knowledge to protect themselves and the organisation from cyber-attacks from the internet or via emails.
- Firewalls were implemented across the US business to prevent unauthorised access to our network. Similar initiatives are set to continue in the Jamaica and Haiti business units in the coming year.
- Periodic Penetration testing (pen-testing) which is a systematic way to detect security vulnerabilities in an application by evaluating the system or network with various malicious techniques. Pen-testing was done across our networks and the weaknesses and vulnerabilities which were identified were prioritized and addressed. Enterprise Risk Management of our group's network architecture will be an ongoing feature as ISD proactively employ a risk-based approach to threat and vulnerability management.



MICHAEL SUTHERLAND
IT Security Manager
Information System Department

HUMAN RESOURCE DEVELOPMENT



NICOLE MARSHALL-WALKER
Group Human Resource Manager

With the changes to the demographic profile of the talent pool, coupled with the widening of the global skills gap, we must pursue strategic human resource management initiatives to identify and retain top talent, retool and sharpen the existing workforce and tap into emerging fields such as analytics and artificial intelligence, to maintain the Group's competitive advantage.

TRAINING & DEVELOPMENT

Our Group Executives and Board of Directors opened the year with training in Corporate Governance and Executive Financial Management. This commitment to remaining on the cutting edge regarding modern trends and best practices, set the stage for the rest of the Company. This effort saw management across the board paying keen attention to the development of staff at all levels.

The diverse talent which exists across the Group resulted in training across numerous disciplines including:

- Artificial Insemination & Embryo Transfer: Our Senior Veterinarians delved deeper into this area as we prepare to support the dairy and beef industries.
- Cardiovascular Care: New approaches in cardiovascular care were explored by our Industrial Nurse towards ensuring the health and safety of our staff.
- Human Resource Management: The Society for Human Resource Management (SHRM), Senior Certified Professional is an international certification recently attained by our Group Human Resources Manager.
- Leadership Development and Performance Management: We continued to support the Company's endeavor towards succession planning through investment in the growth and development of our emerging leaders.
- International Shows, Conferences and Workshops – Several individuals among our Marketing, Sales, Nutrition and Field Operation teams attended these events towards increasing their knowledge of industry trends and developing proactive strategies in their respective areas.

In maintaining our ISO 9001 and 14000 certifications, regulatory training inclusive of safety and emergency management interventions were also administered throughout the year.

EMPLOYEE ENGAGEMENT

As a Group, we recognize that our most valuable resource is our people. The strength of our business and our level of profitability can be directly linked to the productivity of our employees which is influenced by their overall sense of morale and level of engagement.

In an effort to boost staff morale throughout the year, we hosted a number of activities and participated in initiatives aimed at connecting our people, bolstering our culture, encouraging employee wellness and providing opportunities for passions to be pursued. As customary, on the first of May, we hosted our annual thanksgiving service on the lawns of our Head Office. This was a particularly special time as the Group celebrated its sixtieth anniversary with staff, contractors, associates and customers. We were also happy to host staff members from our US Operations and ensured that the service was streamed live to all our locations for those who were unable to attend.

We celebrated national pride with our teams around Jamaica's Emancipation and Independence days – affectionately dubbed 'Emancipendence' and the USA's fourth of July festivities. Our employees enjoyed representing their cultures through food and fellowship with one another, while building a sense of togetherness within our teams.



Health professionals and fitness trainers continued to visit our business locations to conduct regular health screenings and assist staff in accomplishing their fitness goals. Additionally, the group participated in the Ministry of Health and Wellness' Jamaica Moves Get Moving Corporate Challenge – a programme aimed at promoting physical activity, particularly among corporate Jamaica, as a way of reducing non-communicable diseases and lifestyle illnesses. Our team of just over fifty (50) employees (across divisions) participated in group work-out sessions and a series of 5K road races over four (4) months to finish in seventh place among sixteen (16) competing teams.

Our Jamaica Operations team held a six-a-side world cup themed turf football tournament, ultimate (frisbee) lessons and even some friendly fire with our first ever inter-company paintball competition. The latter had the dual benefit of building camaraderie among our staff members while still focusing on their overall wellness. Our Us Operations team also demonstrated their commitment to wellness by participating in both the 2018 and 2019 stagings of the Mercedes Benz Corporate Run – an event seeking to promote running and walking as a means to a fit and healthy lifestyle for people from all walks of corporate life, while supporting community partners.

As another means of engaging our people, we added an employee volunteer component to our existing Share the Love programme. Previously this initiative allowed employees to donate care items towards select charities engaged by the Company. The expansion of the programme to include voluntary service hours has given employees opportunities to have a “hands-on” role in the Group’s Corporate Social Responsibility (CSR) activities and experience first-hand the joy of giving back to our communities.

Along similar lines, this year the Group was able to rally around a worthy cause showing our support for the fight against cancer at the Jamaica Cancer Society’s annual fundraising event – Relay for Life, as well as by wearing pink for breast cancer awareness during the month of October. These events not only provided opportunities for giving financial support, but also created an environment for wholesome family fun, camaraderie and solidarity with those who are fighting or may have lost loved ones to the disease.



THE WAY FORWARD



After such an exceptional year, we have high hopes, not just for Jamaica Broilers, but for the Jamaican economy as well. As Jamaican economic conditions continue to improve, we believe this creates unique opportunities for businesses to thrive and encourages an entrepreneurial spirit among our people. We have invested much in the training and development of our Best Dressed Chicken Contract Farmers and their teams and we will continue to stand by them as they build on their businesses utilising international best practices to secure the best results. We will also continue to invest in the development of micro and small businesses, particularly farming initiatives, through partnerships with our team at Hi-Pro as well as through the Subsistence to Success programme.

We have had great success in our US Operation and therefore JBG continues to look for growth prospects towards strengthening the business even further. We have made valuable connections overseas and have found great opportunities for knowledge exchange across our Jamaica Operation and US Operation to the benefit of both teams. We expect growth to continue as we anticipate the success of acquisition targets being explored.

While Haiti faced significant challenges on the political landscape over the year, our Haiti Operation experienced a revenue growth rate of 7% which is very encouraging. Similar to the model employed in Jamaica, we continue to partner with local farmers to train and support them through our contract farming “buy back” programme, guaranteeing farmers a ready market for their mature flocks. We expect to continue to grow our egg production and sales by strategically distributing these through our own network of depots and our many distributors as we seek to make this cost effective source of protein readily available to more Haitians. We expect a good year in spite of the challenges posed by social unrest and continue to look at every means to reduce our exposure to foreign exchange losses.

We continue to trust that God will guide us and we have a positive outlook for the 2019/2020 fiscal year. We wholeheartedly embrace our role in ensuring a viable, productive and sustainable poultry sector and remain confident that we will continue to deliver to our customers, consumers and stakeholders well into the future.



CORPORATE SOCIAL RESPONSIBILITY

More than just a duty, our actions of Corporate Social Responsibility (CSR) emanate from our core culture starting with our mission statement crafted by Mr. Robert Levy six decades ago. Today, we remain committed to **truth, fairness and the building of goodwill** among all our stakeholders both at home and overseas.

As in years past, our CSR portfolio continues to focus on community relations, nation building, caring across borders and environmental sustainability. Our employee volunteer programme **“Share the Love”** has thrived tremendously this year with staff giving of their own resources of time, talent and treasure. Of course, the Company has matched every effort as we seek to encourage our teams to “give back” a bit of what the Lord has blessed us with.

JBG EMPLOYEES SHARE THE LOVE

SHARE THE LOVE – STRATHMORE

Just around a corner or two from the Group office, the Strathmore Children’s Home is nestled in a residential community... a home away from home for children who have had to step away from their families while matters of the court are being resolved. We paid them a visit and saw the heart of the staff for these kids, but also a great amount of need. So, we unofficially adopted them. Our staff visited both at Christmas time and on Valentine’s day to share a meal and have some fun. Our employees also donated household and hygiene products while the company matched that with meat products from the Best Dressed Chicken and maintenance supplies from Hi-Pro.



IT Managers Desrine Lawson and Michael Sutherland greet a resident from the McCook's Pen community as they hand her a Christmas care package and a tray pack of The Best Dressed Chicken.

CHRISTMAS DOOR TO DOOR

This year we headed out into the communities of McCook's Pen and Spring Village accompanied by the Spring Village Phoenix Marching Band, singing carols and spreading cheer. In both communities, our Share the Love team members were greeted with warm smiles, big hugs and joyful words of gratitude. The initiative however, not only had an impact on the lives of the residents, but also on the hearts of our volunteers. We delivered over 300 packages of The Best Dressed Chicken along with staples such as flour, sugar, rice cornmeal and a few canned goods.



A job well done. Team BDC poses for a photo with Mrs. Howell in front of her new home.

A HOME FOR MRS. HOWELL

The Best Dressed Chicken team headed to Chateau District, Clarendon to assist Food for the Poor in constructing a home for Mrs. Patricia Howell. Having participated in the Food for the Poor 5K Walk/Run held in May 2018, we had committed at that time to cover the cost to gift a house to a candidate on the Food for the Poor database residing in the vicinity of one of our operations. After careful review, Mrs. Howell in Clarendon was selected as a suitable recipient. The BDC and Food for the Poor teams got to work on the formidable task of constructing a home from the ground up and in one day no less. We give God thanks for the opportunity to serve Mrs. Howell and her family in this way.

COMMUNITY RELATIONS

APPLAUD IT

In collaboration with the Jamaica Observer's Applaud It! series, we hosted 10 male students from our neighbours over at Innswood High School in the Board Room at our Group Office. Applaud it! is an annual "initiative that provides a unique opportunity for industry leaders to meet the next generation exactly where they are at and guide them through an awesome experience that exposes them to social and dining skills".

For our leg of the programme, we specifically wanted to give these young men a chance to break bread with a few of our male executives and discover how Christ is at work in becoming a well-rounded individual, a component necessary for both manhood and leadership. Of course, it was no coincidence that our young entrepreneur Conroy Shakespeare was among the lot as it has been our privilege to invest in his growth and development. Kudos to our chef Jacqui Tyson, who made it a delicious encounter with menu items that celebrated Jamaica Broilers products.

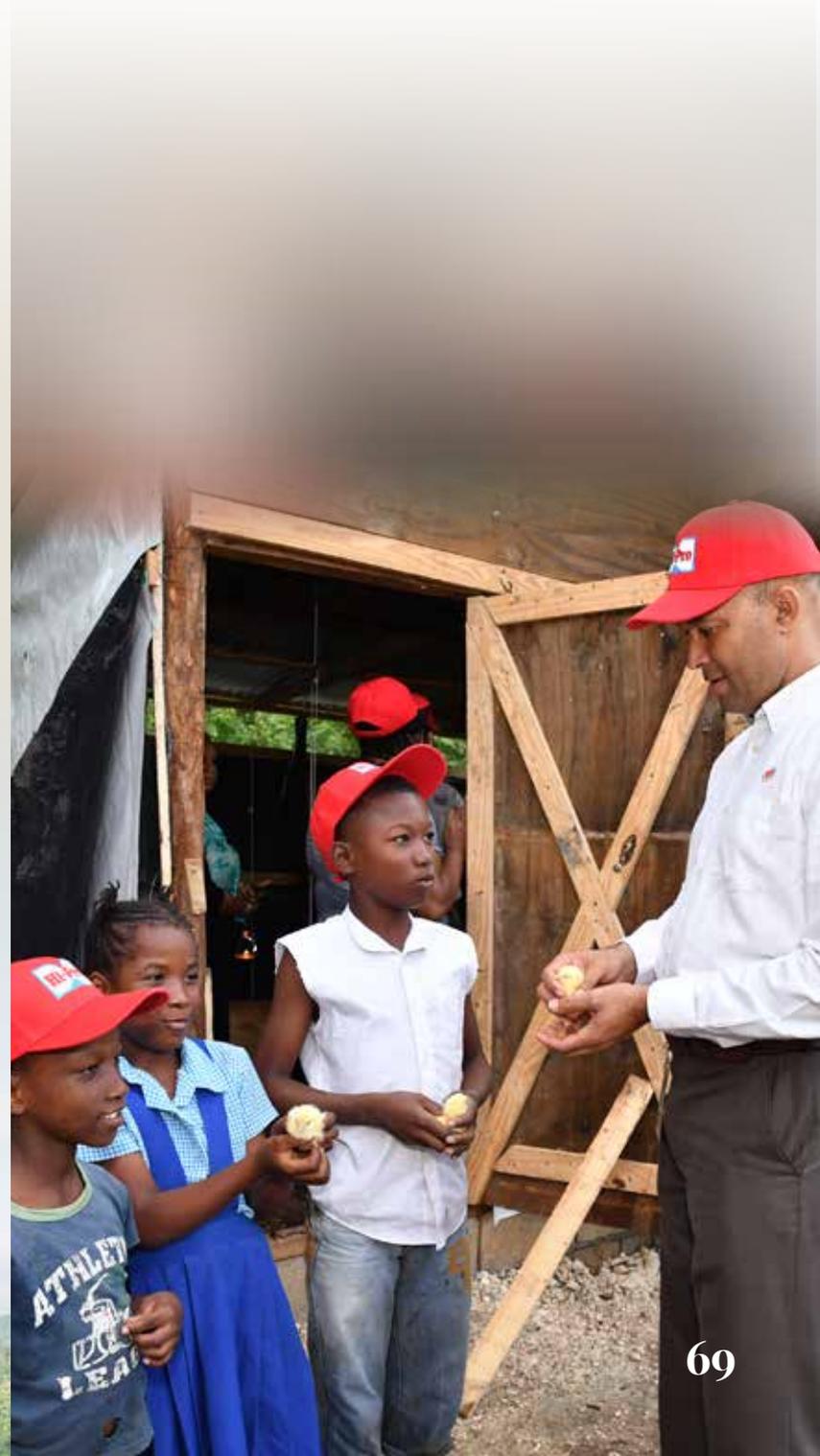


STAR QUALITY

In October 2018, the Jamaican Newspaper - The Star - published an article about a young 12-year-old boy who was determined to help get his family out of poverty by raising six chickens. Having saved \$680 from his lunch money, Conroy Shakespeare bought six chickens (and received an extra one from the farm store owner) which he housed in a small coop that he constructed in his back yard. He made a promise that once the chickens were mature enough, he would sell six of them and the seventh would become a meal for his family, and so said, so done.

After the initial story was published, there was overwhelming response from a number of entities, one of which was Hi-Pro, who donated 100 chicks, feed, and helped with some necessary installations to his new broiler coop erected by another corporate sponsor. Since then, a number of visits from his Hi-Pro technical representative Kirk Pennant, yielded very positive results. Conroy managed to raise 92% of his birds to maturity, with weights that exceeded those of his adult neighbour, who is a seasoned broiler farmer.

He has also been able to make further upgrades to the property in an effort to better secure the coop and has since been awarded the **Youth Entrepreneur of the Year Award** at Life Yard's 'Entrepreneurship meets Live Music' event in Kingston.





Group Internal Communications and Engagement Officer, Loren Lee presents school supplies to teachers.

BACK TO SCHOOL

As part of this year's Back-to-School initiative, special donations were made to over 400 children in the McCook's Pen, Spring Village Bodles and Free Town communities, in which some of our Jamaica Operations reside. Brightly colored school bags containing exercise books, dictionaries, pencil cases, rulers, sharpeners, pens, pencils, erasers and other stationery were awarded to children in each community. We believe that investing in our youth is crucial to maintaining a healthy society. We are so blessed to be able to give back to our children and teens in this way.

BEST DRESSED CHICKEN 60 SCHOOL TOUR

With 20 stops, over 30 schools and upwards of 30,000 students, the Best Dressed Chicken 60 School Tour came to a close in the parish of Clarendon at Denbigh High School in February 2019. The final leg of journey also brought the curtain down on our 60th Anniversary celebrations.

We give God praise for an intense 4 weeks of praise and worship, testimony and sound preaching that by God's grace saw near 6000 children making commitments for the Lord. We are also grateful for our partners at the Interschool Christian Fellowship (ISCF) who walked side by side with us on the journey and continue to follow up with the students in school through Bible Studies and other programmes.

The School Tour programme included MCs Ity and Blacka Ellis, worship by Carlene Davis and musical presentations by Marq Johnson, Rondell Positive and Kevin Downswell, all of whom had students singing along word-for-word as they ministered. Youth Reaching Youth (YRY), a favourite participant at many tour stops, was also very well received, with both students and teachers joining the YRY youngsters and Mr. Chicken on the dance floor. Pastor Marcus Williams was an energetic speaker, who became affectionately known as the DJ Pastor in honour of his shining ability to freestyle his messages in a language our youth understand well.

For more photos and videos check out our page at: <https://thebestdressedchickenschooltour.com/>



EXPANDING BORDERS

OPERATION CHRISTMAS CHILD

We participated in Operation Christmas Child again this year and donated a total of 145 boxes! This is organized by Samaritan's Purse, a Christian organization that provides spiritual and physical relief to hurting people worldwide. Through Operation Christmas Child, shoeboxes are filled with gifts for children between the ages of 2-14. They are then sent to children outside the US who have been affected by war, poverty, natural disaster, famine, and disease; and children living on Native American reservations in the US.

BACK TO SCHOOL WITH WINCORP

This year, we were happy to again support the Annual Safe Summer Back to School Health Fair in Miami, Florida. This event is aimed at empowering the community to adopt healthier lifestyle behaviours and get children ready for school through free health screenings, educational talks and fun activities. This year, we doubled our donation to the cause by gifting a total of 200 school bags with school supplies to families. As a special addition this year, each package also included a water bottle along with a special letter from Mr. Stephen Levy.





Christopher Levy (2nd right) with students from SEED Ministries, Haiti. (Left to right) Pierre Télimo, cohort leader; Pierre Bateau; and Patrick Bance (missing is Samuel Dorrelus).

HAITI BROILERS GIVES BACK

During the year, the staff of Haiti Broilers participated in community outreach in Lafiteau through a staff-led mentorship programme. Every Monday and Friday afternoon after work, staff members spent time teaching children English and otherwise assisting them in their educational and personal development. This 'learning English' initiative was facilitated by Operations Manager, Larry Alexander and Sales and Marketing Coordinator, Pierre Kendy, with the assistance of several members of staff. This Christmas, as an extra special treat, the Haiti Broilers team also organized a Christmas party for all the children who participated in the programme.

KNOWLEDGE EXCHANGE WITH HAITI

We opened our doors to four Haitian students from the Service Evangelisation Education and Development (SEED) Ministries for a two-week intensive internship during the summer. The interns engaged in a rigorous programme, taking them through International Poultry Breeders – Jamaica; the Best Dressed Chicken Division; the Hi-Pro Division; the Best Dressed Feed Mill and its Field operations, among other areas. The group of interns also had the opportunity to attend the Denbigh Agricultural, Industrial and Food Show in an effort to broaden their agricultural experience while giving greater scope for opportunities in agriculture.

SHAREHOLDING OF DIRECTORS AND 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 27 April 2019 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 Jamaica Broilers Trust JBGL Stockholders Nominee Limited	4,907,893 49,000 100,412,389 670,000 NIL 56,110,091 36,484,176
Christopher Levy * Group President & Chief Executive Officer	2,731,316	Christopher Levy / Sarah Levy	14,889,091
R. Danny Williams Director Emeritus	NIL	R. Danny Williams / Shirley Williams Ravers Limited JBGL Stockholders Nominee Limited	NIL 9,873,332 36,484,176
Claudette Cooke * Group Vice President - Human Resource Development & Public Relations	NIL	Claudette Cooke / Richard Cooke Claudette Cooke/Richard Cooke/Rachel King Richard Cooke Richard Cooke / Claudette Cooke Richard Cooke / Claudette Cooke/ Ryan Cooke Ryan Cooke	276,173 2,400,000 9,318 7,454 20 300
Ian Parsard Group Senior Vice President - Finance & Planning	NIL	Ian Parsard / Karen Parsard Karen Parsard / Peter-John Parsard	3,003,926 5,250
Stephen Levy * President - US Operations	NIL	Stephen Levy / Michka-Mae Levy JBGL Stockholders Nominee Limited	1,916,728 36,484,176

* These Directors also form part of the Senior Management Team

SHAREHOLDING OF DIRECTORS AND CONNECTED PERSONS continued

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 27 April 2019 are set out hereunder:

DIRECTORS	SHAREHOLDING	CONNECTED PERSONS	SHAREHOLDING
Aubyn Hill Director	NIL	–	–
Bruce Bowen Director	28,000	Kathryn 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	Jonathan O. Azan Joshua O. Azan Lezanne M. Azan	NIL NIL NIL
Syd Mogg ** Vice President - US Operations	NIL	–	–

* Effective February 27, 2019 Syd Mogg was appointed Director while Dr. Trevor Dewdney resigned from the directorship (on said date).

SHAREHOLDING OF SENIOR MANAGEMENT & CONNECTED PERSONS

SENIOR MANAGEMENT	SHAREHOLDING	CONNECTED PERSONS	SHAREHOLDING
Peter DePass Company Secretary	NIL	—	—
Lennox Channer Group Vice President - Accounts	NIL	Lennox Channer/Shelee Channer/ Maya-Paige Channer Lennox Channer/ Shelee Channer/ Kyra-Jade Channer Shelee Channer/Lennox Channer	576,134 576,134 15,532
Rochelle Cameron Group Assistant Vice President - HRD & PR	NIL	Marcia Cameron	61,326
Dave Fairman *** Vice President - Best Dressed Chicken	NIL	Dave Fairman/Sophia Fairman	454,954
Jaimie Ogilvie **** Assistant Vice President - HiPro Division	43,000	—	—
Judy Baugh Manager - Procurement	NIL	Dorothy Jaggan / Eric Jaggan	354,066
John Carberry General Manager - Best Dressed Chicken Processing Facilities and Energy	619,173	Jennifer Carberry	NIL

*** Effective October 8, 2018, Dave Fairman was appointed Vice President, Best Dressed Chicken Division

**** Effective October 10, 2018, Jaime Ogilvie was appointed Assistant Vice President, Hi-Pro Division

10 LARGEST ORDINARY STOCKHOLDERS

The Holdings of those persons owning the ten (10) largest blocks of stock units as at 27 April 2019:

SHAREHOLDER	SHAREHOLDING
Mayberry/JBGL Escrow Account	139,047,499
The Robert Levy Family Foundation	100,412,389
SJIMLA/C 3119	77,420,672
National Insurance Fund	64,596,054
Jamaica Broilers Trust (JBT)	56,110,091
JBGL Stockholders Nominee Limited	36,484,176
Sagicor Pooled Equity Fund	36,271,536
NCB Insurance Co. Ltd. WT 109	30,987,667
Grace Kennedy Pension Fund Custodian Limited	21,072,236
The Arrol Trust	20,411,830



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 *
DVM
Director

SENATOR AUBYN HILL
MBA
Director

MR. OMAR L. F. AZAN, JP
Director

MR. GREGORY B. SHIRLEY
MBA
Director

MR. EDWARD Z. BARBER
B.ACY, CPA
Director

MR. STEPHEN E. LEVY
MBA
Executive Director

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

MR. SYD MOGG **
MSc
Executive Director

* Resigned as of February 27, 2019

** Appointed on February 27, 2019

EXECUTIVE TEAM

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

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

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

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

MR. DAVE FAIRMAN
MSc
Vice President
Best Dressed Chicken Division

COL. JAIMIE OGILVIE
MSc, MMAS, MSS
Assistant Vice President
Hi-Pro Division

MR. LAWRENCE ALEXANDER
Manager
Haiti Operations

MS. ROCHELLE CAMERON
LLB
Assistant Vice President
Human Resource Development
& Public Relations

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: 876-943-4376
Fax: 876-943-4322
Website: www.jamaicabroilersgroup.com

DIVISIONS

BEST DRESSED CHICKEN

Spring Village, St. Catherine

Processing Plant:
Tel: 876-983-8001-4 Fax: 876-983-8818

Feed Mill:
Tel: 876-983-2322 Fax: 876-983-9241

Sales:
Tel: 876-708-5670-5 Fax: 876-708-5410
Toll Free: 1 888 BUY BDF1

HI-PRO ACE

P.O. Box 886
White Marl, St. Catherine

Hi-Pro Farm Supplies Store:
876-984-7919-20 Fax: 876-984-5914

Jamaica Egg Services:
876-749-5433 Fax: 876-749-5003

SUBSIDIARIES – LOCAL

EAL/ERI CO-GENERATION PARTNERS, LP

Content, McCook's Pen, St. Catherine
Tel: 876-943-4376 Fax: 876-943-4322

INTERNATIONAL POULTRY BREEDERS (JAMAICA) LTD.

Caentabert, P.O. Box 27
Claremont, St. Ann
Tel: 876-972-3609 Fax: 876-972-3775

SUBSIDIARIES - OVERSEAS:

ATLANTIC UNITED INSURANCE CO. LTD.

20 Micoud Street
Castries, St. Lucia

HAITI BROILERS S.A.

Lafiteau, Port Au Prince
Mailing Address: Building #47
Parc Industriel Sonapi, Port Au Prince, Haiti

INTERNATIONAL POULTRY BREEDERS INC. (ARKANSAS)

660 Niven Road
Rison, AR 71665, USA
Tel: 870-325-6231 Fax: 870-325-7252

INTERNATIONAL POULTRY BREEDERS LLC. (GEORGIA)

1235 Perry Batts Road
Norman Park, GA 31771, USA
Tel: 229-769-3410 Fax: 229-769-3425

INTERNATIONAL POULTRY BREEDERS HATCHERIES INC. (IOWA)

113 North Long Street
IA 50517, USA

WINCORP INTERNATIONAL INC.

10050 NW 116th Way, Suite #9
Medley, FL 33178, USA
Tel: 305-887-4000 Fax: 305-887-4400

ADVISORS

AUDITORS

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

BANKERS

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

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U.S.A.

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



FINANCIAL
STATEMENTS

TABLE of ACCOUNTS

83 Independent Auditor's Report to the Members

STATUTORY FINANCIAL STATEMENTS

89 Group Statement of Comprehensive Income

91 Group Balance Sheet

92 Group Statement of Changes in Stockholders'
Equity

93 Group Statement of Cash Flows

95 Company Statement of Comprehensive Income

96 Company Balance Sheet

97 Company Statement of Changes in
Stockholders' Equity

98 Company Statement of Cash Flows

100 Notes to the Financial Statements



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 the 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 27 April 2019, 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 with 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 balance sheet as at 27 April 2019;
- the Group statement of comprehensive income for the year then ended;
- the Group statement of changes in stockholders' equity for the year then ended;
- the Group statement of cash flows for the year then ended;
- the Company balance sheet as at 27 April 2019;
- the Company statement of comprehensive income for the year then ended;
- the Company statement of changes in stockholders' equity for the year then ended;
- the Company statement of cash flows for the year then ended; and
- the notes to the consolidated and stand-alone financial statements, which include 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.

PricewaterhouseCoopers, Scotiabank Centre, Duke Street, Box 372, Kingston, Jamaica
T: (876) 922 6230, F: 876) 922 7581, www.pwc.com/jm

L.A. McKnight P.E. Williams A.K. Jain B.L. Scott B.J. Denning G.A. Reece P.A. Williams R.S. Nathan C.I. Bell-Wisdom G.K. Moore

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.

Our 2019 audit was planned and executed having regard to the fact that the operations of the Group remain largely unchanged from the prior year.

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. Certain components were selected for full scope audit procedures to achieve appropriate coverage on the consolidated financial statements based on the financial significance of the individual entities and our professional judgement.

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:

- Meetings 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. 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. The group 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.

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 and stand-alone 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, as it pertains to the stand-alone financial statements, in our report.

Key audit matter

How our audit addressed the key audit matter

Goodwill impairment assessment

Refer to notes 2(h), 4 and 14 to the consolidated and stand-alone financial statements for disclosures of related accounting policies and balances.

The Group has recorded goodwill of \$436.0 million arising from several acquisitions and representing approximately 1.2% of the Group's total assets at year end.

We focused on this area as the annual impairment assessment 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.

We evaluated management's 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 Management's key assumptions. In order to do this, we:

- compared long term growth rates to historical results and economic and industry forecasts.
- evaluated the discount rate by testing the cost of capital of the Group.
- in addition, we evaluated these assumptions with reference to valuations of similar companies.
- compared the key assumptions to externally derived data where possible, including market expectations of investment return, projected economic growth and interest rates.
- applied sensitivities in evaluating management's 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 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 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 IFRS 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 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 or 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.

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 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 or 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
Kingston, Jamaica
1 July 2019

Jamaica Broilers Group Limited

Group Statement of Comprehensive Income

Year ended 27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

	Note	27 April 2019 \$'000	28 April 2018 \$'000
Revenue		55,057,931	48,280,867
Cost of sales		<u>(40,822,967)</u>	<u>(35,418,865)</u>
Gross Profit		14,234,964	12,862,002
Other income	6	585,248	197,852
Distribution costs		(2,097,170)	(1,920,943)
Net impairment losses on trade receivables	3	(131,824)	-
Administration and other expenses		<u>(8,956,521)</u>	<u>(7,757,715)</u>
Operating Profit		3,634,697	3,381,196
Finance income	9	366,817	474
Finance costs	9	<u>(988,587)</u>	<u>(714,897)</u>
Profit before Taxation		3,012,927	2,666,773
Taxation	10	<u>(639,209)</u>	<u>(641,257)</u>
Net Profit		2,373,718	2,025,516
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	10	376,200	(242,775)
Item that will be reclassified to profit or loss -			
Exchange differences on translating foreign operations		<u>103,434</u>	<u>(122,376)</u>
Total other comprehensive income		<u>479,634</u>	<u>(365,151)</u>
Total Comprehensive Income		<u><u>2,853,352</u></u>	<u><u>1,660,365</u></u>

Jamaica Broilers Group Limited

Group Statement of Comprehensive Income (Continued)

Year ended 27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

	Note	27 April 2019 \$'000	28 April 2018 \$'000
Net Profit Attributable to:			
Stockholders of the company		2,365,563	1,961,380
Non-controlling interests	18	<u>8,155</u>	<u>64,136</u>
		<u>2,373,718</u>	<u>2,025,516</u>
Total Comprehensive Income Attributable to:			
Stockholders of the company		2,872,493	1,598,571
Non-controlling interests		<u>(19,141)</u>	<u>61,794</u>
		<u>2,853,352</u>	<u>1,660,365</u>
Earnings per Stock Unit			
	12	<u>\$ 2.30</u>	<u>\$ 1.64</u>

Jamaica Broilers Group Limited

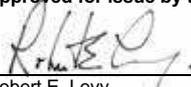
Group Balance Sheet

27 April 2019

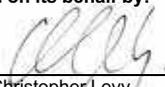
(expressed in Jamaican dollars unless otherwise indicated)

	Note	27 April 2019 \$'000	28 April 2018 \$'000
Non-Current Assets			
Property, plant and equipment	13	10,106,694	8,186,112
Intangible assets	14	1,029,429	983,047
Investment property	15	6,146	6,313
Investments	16	278,239	260,319
Loans receivable	17	1,058,544	1,647,029
Deferred expenditure	32	72,841	-
Deferred income taxes	19	60,656	59,317
Post-employment benefit assets	20	803,600	438,600
		<u>13,416,149</u>	<u>11,580,737</u>
Current Assets			
Inventories	21	6,684,882	5,783,503
Biological assets	22	6,823,793	5,443,704
Receivables	23	4,104,902	3,945,121
Taxation recoverable		48,747	34,311
Loans receivable	17	361,321	341,535
Financial assets at fair value through profit or loss	24	636,930	767,150
Cash and short term investments	25	3,730,722	3,116,000
		<u>22,391,297</u>	<u>19,431,324</u>
Current Liabilities			
Payables	26	6,337,815	5,019,273
Dividends payable	27	212,332	-
Taxation payable		188,332	540,986
Borrowings	28	6,637,197	5,364,899
Other long term liabilities – current portion	29	720,383	1,540,268
		<u>14,096,059</u>	<u>12,465,426</u>
Net Current Assets			
		<u>8,295,238</u>	<u>6,965,898</u>
		<u>21,711,387</u>	<u>18,546,635</u>
Stockholders' Equity			
Share capital	30	765,137	765,137
Reserves	31	1,181,391	1,050,661
Retained earnings		16,037,300	13,815,849
Shares held by Trust	30	(3,273,909)	(3,010,231)
		<u>14,709,919</u>	<u>12,621,416</u>
Non-controlling interests			
	18	125,604	38,957
		<u>14,835,523</u>	<u>12,660,373</u>
Non-Current Liabilities			
Borrowings	28	5,987,159	4,658,531
Other long term liabilities	29	-	720,383
Deferred income taxes	19	865,805	481,348
Post-employment benefit obligations	20	22,900	26,000
		<u>21,711,387</u>	<u>18,546,635</u>

Approved for issue by the Board of Directors on 1 July 2019 and signed on its behalf by:


Robert E. Levy

Chairman


Christopher Levy

Director

Jamaica Broilers Group Limited

Group Statement of Cash Flows

Year ended 27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

	Note	27 April 2019 \$'000	28 April 2018 \$'000
Cash Flows from Operating Activities			
Net profit		2,373,718	2,025,516
Adjustments for:			
Depreciation		927,214	743,833
Amortisation	14	122,727	122,350
Gain on disposal of property, plant and equipment	6	(863)	(2,542)
Gain on acquisition of business	34	(224,968)	-
Deferred expenditure		18,210	-
Fair value gain on financial assets at fair value through profit or loss		40,940	(19,349)
Changes in post-employment benefits		133,500	(67,600)
Taxation expense	10	639,209	641,257
Interest income		(179,294)	(200,615)
Unrealised foreign exchange losses/(gains)		(46,723)	37,555
Interest expense		811,822	737,706
		<u>4,615,492</u>	<u>4,018,111</u>
Changes in operating assets and liabilities:			
Inventories		(737,038)	(619,214)
Biological assets		(1,165,394)	(1,110,382)
Receivables		(378,987)	(379,965)
Payables		1,159,641	660,946
Financial assets at fair value through profit or loss		89,426	12,112
Translation gain on working capital of foreign subsidiaries		(42,074)	34,469
		<u>3,541,066</u>	<u>2,616,077</u>
Taxation paid		<u>(719,031)</u>	<u>(438,601)</u>
Cash provided by operating activities		<u>2,822,035</u>	<u>2,177,476</u>

Jamaica Broilers Group Limited

Group Statement of Cash Flows (Continued)

Year ended 27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

		27 April 2019 \$'000	28 April 2018 \$'000
	Note		
Cash Flows from Operating Activities (Page 93)		2,822,035	2,177,476
Cash Flows from Investing Activities			
Purchase of property, plant and equipment	13	(1,622,260)	(1,962,190)
Proceeds from disposal of property, plant and equipment		13,552	5,344
Acquisition of business		(1,291,379)	-
Purchase of investments		-	(249,285)
Purchase of intangible assets		-	(6,378)
Loans receivable repayments		682,202	339,607
Interest received		182,629	345,782
Cash used in investing activities		<u>(2,035,256)</u>	<u>(1,527,120)</u>
Cash Flows from Financing Activities			
Loans repaid		(4,973,573)	(1,126,210)
Loans received		7,188,225	3,612,504
Other long term liabilities paid		(1,540,268)	(749,580)
Purchase of the company's shares by the Trust		(263,678)	-
Interest paid		(838,921)	(609,112)
Additional investment by non-controlling interest		115,139	-
Purchase of shares from non-controlling interest		(6,961)	-
Dividends paid		<u>(201,966)</u>	<u>(407,754)</u>
Cash (used in)/provided by financing activities		<u>(522,003)</u>	<u>719,848</u>
Effect of changes in exchange rates on cash and cash equivalents		<u>144,479</u>	<u>(40,962)</u>
Increase in cash and cash equivalents		409,255	1,329,242
Cash and cash equivalents at beginning of year		<u>2,925,625</u>	<u>1,596,383</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	25	<u><u>3,334,880</u></u>	<u><u>2,925,625</u></u>

Non-cash transaction during 2018 amounted to \$2,432,250,000 in relation to repayment of the bondholders.

Jamaica Broilers Group Limited
 Company Statement of Comprehensive Income
Year ended 27 April 2019
 (expressed in Jamaican dollars unless otherwise indicated)

		27 April	28 April
	Note	2019	2018
		\$'000	\$'000
Revenue		36,441,472	34,579,821
Cost of sales		<u>(28,096,234)</u>	<u>(26,916,016)</u>
Gross Profit		8,345,238	7,663,805
Other income	6	701,730	180,456
Distribution costs		(1,420,897)	(1,429,998)
Administration and other expenses		(5,324,358)	(4,903,045)
Net impairment losses on trade receivables	3	<u>(98,776)</u>	<u>-</u>
Operating Profit		2,202,937	1,511,218
Finance income	9	389,748	139,655
Finance costs	9	<u>(655,576)</u>	<u>(589,242)</u>
Profit before Taxation		1,937,109	1,061,631
Taxation	10	<u>(360,854)</u>	<u>(189,357)</u>
Net Profit		1,576,255	872,274
Other Comprehensive Income, net of taxes -			
Item that will not be reclassified to profit or loss -			
Re-measurements of post-employment benefits	10	<u>367,425</u>	<u>(234,825)</u>
TOTAL COMPREHENSIVE INCOME		<u><u>1,943,680</u></u>	<u><u>637,449</u></u>

Jamaica Broilers Group Limited

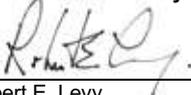
Company Balance Sheet

27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

	Note	27 April 2019 \$'000	28 April 2018 \$'000
Non-Current Assets			
Property, plant and equipment	13	5,093,785	4,507,026
Intangible asset	14	105,760	112,876
Investments	16	8,567	8,567
Interest in subsidiaries		3,156,556	686,374
Loans receivable	17	3,858,031	3,286,045
Post-employment benefit assets	20	784,000	427,800
		<u>13,006,699</u>	<u>9,028,688</u>
Current Assets			
Inventories	21	4,772,045	4,628,450
Biological assets	22	730,884	654,718
Receivables	23	2,473,643	3,356,251
Subsidiaries	32	3,011,271	3,214,792
Taxation recoverable		13,897	24,491
Loans receivable	17	361,321	341,535
Cash and short term investments	25	3,000,569	2,668,323
		<u>14,363,630</u>	<u>14,888,560</u>
Current Liabilities			
Payables	26	4,290,708	3,497,213
Dividends payable		239,855	-
Taxation payable		134,249	247,657
Subsidiaries	32	39,686	38,842
Borrowings	28	3,668,883	4,012,656
		<u>8,373,381</u>	<u>7,796,368</u>
Net Current Assets			
		<u>5,990,249</u>	<u>7,092,192</u>
		<u>18,996,948</u>	<u>16,120,880</u>
Stockholders' Equity			
Share capital	30	765,137	765,137
Reserves	31	222,947	222,947
Retained earnings		12,568,083	11,111,521
		<u>13,556,167</u>	<u>12,099,605</u>
Non-Current Liabilities			
Borrowings	28	4,726,634	3,572,329
Deferred income taxes	19	693,047	424,846
Post-employment benefit obligations	20	21,100	24,100
		<u>18,996,948</u>	<u>16,120,880</u>

Approved for issue by the Board of Directors on 1 July 2019 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 27 April 2019
 (expressed in Jamaican dollars unless otherwise indicated)

	Number of Shares	Share Capital	Capital Reserve	Retained Earnings	Total
Note	'000	\$'000	\$'000	\$'000	\$'000
Balance at 29 April 2017	1,199,277	765,137	222,947	10,881,826	11,869,910
Remeasurement of pension asset/obligation, net of taxes	10	-	-	(234,825)	(234,825)
Total other comprehensive income	-	-	-	(234,825)	(234,825)
Net profit	-	-	-	872,274	872,274
Total comprehensive income	-	-	-	637,449	637,449
Dividends	27	-	-	(407,754)	(407,754)
Movement during the year	-	-	-	229,695	229,695
Balance at 28 April 2018	1,199,277	765,137	222,947	11,111,521	12,099,605
Effects of adopting new standards	35	-	-	(19,401)	(19,401)
Restated balance at 29 April 2018	1,199,277	765,137	222,947	11,092,120	12,080,204
Remeasurement of pension asset/obligation, net of taxes	10	-	-	367,425	367,425
Total other comprehensive income	-	-	-	367,425	367,425
Net profit	-	-	-	1,576,255	1,576,255
Total comprehensive income	-	-	-	1,943,680	1,943,680
Dividends	27	-	-	(467,717)	(467,717)
Movement during the year	-	-	-	1,475,963	1,475,963
Balance at 27 April 2019	<u>1,199,277</u>	<u>765,137</u>	<u>222,947</u>	<u>12,568,083</u>	<u>13,556,167</u>

Jamaica Broilers Group Limited

Company Statement of Cash Flows

Year ended 27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

	Note	27 April 2019 \$'000	28 April 2018 \$'000
Cash Flows from Operating Activities			
Net profit		1,576,255	872,274
Adjustments for:			
Depreciation	13	491,271	389,116
Amortisation	14	17,680	12,919
Loss/(gain) on disposal of property, plant and equipment	6	1,747	(2,542)
Changes in post-employment benefits		130,700	(66,300)
Taxation expense	10	360,854	189,357
Interest income		(261,534)	(317,226)
Dividend income		(479,970)	-
Unrealised foreign exchange gains		(144,694)	(10,931)
Interest expense		594,192	621,342
		<u>2,286,501</u>	<u>1,688,009</u>
Changes in operating assets and liabilities:			
Inventories		(143,595)	(270,672)
Biological assets		(76,166)	13,427
Receivables		819,900	(1,094,874)
Subsidiaries		546,422	(1,033,204)
Intercompany loans receivable		(3,094,405)	1,425,203
Payables		634,594	611,657
		<u>973,251</u>	<u>1,339,546</u>
Taxation paid		<u>(317,942)</u>	<u>(214,255)</u>
Cash provided by operating activities		<u>655,309</u>	<u>1,125,291</u>

Jamaica Broilers Group Limited
 Company Statement of Cash Flows (Continued)
Year ended 27 April 2019
 (expressed in Jamaican dollars unless otherwise indicated)

	Note	27 April 2019 \$'000	28 April 2018 \$'000
Cash Flows from Operating Activities (Page 98)		<u>655,309</u>	<u>1,125,291</u>
Cash Flows from Investing Activities			
Investments in subsidiaries		(616,022)	-
Purchase of property, plant and equipment	13	(1,096,743)	(1,159,908)
Proceeds from disposal of property, plant and equipment		6,402	5,079
Purchase of intangible asset		-	(6,378)
Loans receivable repayments		682,202	339,607
Interest received		152,493	324,565
Dividend received		<u>479,970</u>	<u>-</u>
Cash used in investing activities		<u>(391,698)</u>	<u>(497,035)</u>
Cash Flows from Financing Activities			
Loans repaid		(2,798,735)	(807,264)
Loans received		3,536,443	2,666,300
Interest paid		(620,011)	(493,834)
Dividends paid		<u>(227,862)</u>	<u>(407,754)</u>
Cash (used in)/ provided by financing activities		<u>(110,165)</u>	<u>957,448</u>
Effect of changes in exchange rates on cash and cash equivalents		<u>144,479</u>	<u>(40,962)</u>
Increase in cash and cash equivalents		297,925	1,544,742
Cash and cash equivalents at beginning of year		<u>2,491,057</u>	<u>946,315</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	25	<u><u>2,788,982</u></u>	<u><u>2,491,057</u></u>

Non-cash transaction during the year amounted \$1,854,160,000 representing intercompany loans converted to investment in subsidiaries. In the previous year amounts of \$2,432,250,000 in relation to repayment of the bondholders.

Jamaica Broilers Group Limited

Notes to the Financial Statements

27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

1. Identification

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

The principal activities of the company and its subsidiaries include the production and distribution of poultry 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

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB). These financial statements have been prepared 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:

- **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 payments/receipts are made. The guidance aims to reduce diversity in practice.

Jamaica Broilers Group Limited

Notes to the Financial Statements

27 April 2019

(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)

- **IFRS 9, 'Financial instruments'** (effective for annual periods beginning on or after 1 January 2018). The standard introduces new requirements for the classification, measurement and recognition of financial assets and financial liabilities, in order to ensure that relevant and useful information is presented to users of financial statements. It replaces the multiple classification and measurement models in IAS 39 with a single model that has only two classification categories: amortised cost and fair value. The determination of classification is made at initial recognition, and depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument.

IFRS 9 introduces a new model for the recognition of impairment losses – the expected credit losses (ECL) model. There is a 'three stage' approach which is based on the change in credit quality of financial assets since initial recognition. In practice, the new rules mean that entities have to record an immediate loss equal to the 12-month ECL on initial recognition of financial assets that are not credit impaired (or lifetime ECL for trade receivables). Where there has been a significant increase in credit risk, impairment is measured using lifetime ECL rather than 12-month ECL. The model includes operational simplifications for lease and trade receivables.

The Group reviewed its business model based on the different portfolios of financial assets and the characteristics of these financial assets in the various entities within the Group. Consequently, debt instruments whose cash flows are solely payments of principal and interest "SPPI" are designated at amortised cost.

The impact of the new impairment model has also been reviewed. This analysis required the identification of the credit risk associated with the counterparties. The counterparties are mainly trade receivables from customers. Management uses a provisions matrix for the trade receivables reflecting past experience of losses incurred due to default as well as forward looking information in arriving at an assessment of impairment. Changes in accounting policies resulting from adoption has been applied retrospectively as of 28 April 2018, but with no restatement of comparative information for prior years. The opening retained earnings was adjusted for the amount calculated (Note 35).

- **IFRS 15, 'Revenue from contracts with customers'** (effective for annual periods beginning on or after 1 January 2018) The new standard introduces the core principle that revenue must be recognised when the goods or services are transferred to the customer, at the transaction price. Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements. When the consideration varies for any reason, minimum amounts must be recognised if they are not at significant risk of reversal. Costs incurred to secure contracts with customers are required to be capitalised and amortised over the period when the benefits of the contract are consumed. The Group reviewed the main types of commercial arrangements used with customers under the model and have determined that the application of IFRS 15 does not have a material impact on the consolidated results or financial position based on the nature of services offered by the Group.
- **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).

Jamaica Broilers Group Limited

Notes to the Financial Statements

27 April 2019

(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)

- **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.
- **Annual improvements to IFRS 2014 – 2016 cycles**. The amendment to IAS 28, 'Investments in associates and joint ventures' (effective for annual periods beginning on or after 1 January 2018) clarifies that the election by venture capital organisations, mutual funds, unit trusts and similar entities to measure investments in associates or joint ventures at fair value through profit or loss should be made separately for each associate or joint venture at initial recognition.

Unless stated otherwise, the adoption of the above-mentioned standards and amendments and interpretations to existing standards did not have a significant impact on the Group's financial statements

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. Unless stated otherwise, the impact of the changes is still being assessed by management.

- **Amendment to IFRS 9, 'Financial instruments'** (effective for annual periods beginning on or after 1 January 2019). This amendment confirms that when a financial liability measured at amortized cost is modified without this resulting in de-recognition, a gain or loss should be recognized immediately in the profit and loss. The gain or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate. This means that the difference cannot be spread across the remaining life of the instrument which may be changed in practice from IAS 39.
- **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 19, 'Employee benefits' on plan amendment, curtailment or settlement'** (effective for annual period beginning on or after 1 January 2019). These amendments require an entity to: use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling.

Jamaica Broilers Group Limited

Notes to the Financial Statements

27 April 2019

(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)

- **Amendments to IFRS 10, 'Consolidated financial statements' and 'IAS 28 Investments in associates and joint ventures'**. The amendments clarify the accounting treatment for sales or contribution of assets between an investor and its associates or joint ventures. They confirm that the accounting treatment depends on whether the nonmonetary assets sold or contributed to an associate or joint venture constitute a 'business' (as defined in IFRS 3 Business Combinations). Where the non-monetary assets constitute a business, the investor will recognise the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor only to the extent of the other investor's investments in the associate or joint venture. The amendments apply prospectively.
- **IFRIC 23, 'Uncertainty over income tax treatments'** (effective for annual periods beginning on or after 1 January 2019). This IFRIC clarifies how the recognition and measurement requirements of IAS 12 'Income taxes' are applied where there is uncertainty over income tax treatments. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether the treatment will be accepted by the tax authority.
- **Annual improvements to IFRS 2015 - 2017 Cycle – Amendments to IFRS 3, IAS 12 and IAS 23** (effective for annual periods beginning on or after 1 January 2019). The amendments to IFRS 3 clarifies how a company remeasures its previously held interest in a joint operation when it obtains control of a business. The amendments to IAS 12 clarify that all income tax consequences of dividends should be recognised in profit or loss, regardless of how the tax arises. The amendments to IAS 23 clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.

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.

(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.

Jamaica Broilers Group Limited

Notes to the Financial Statements

27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(b) Consolidation (continued)

(i) Subsidiaries (continued)

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

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

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

Goodwill is recorded at cost and represents the excess of the value of consideration paid over the Group's interest in net fair value of the identifiable assets, liabilities and contingent liabilities of the 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.

Jamaica Broilers Group Limited

Notes to the Financial Statements

27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(b) Consolidation (continued)

(i) Subsidiaries (continued)

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

	Principal Activities	% Ownership by Company at 27 April 2019	% Ownership by Group at 27 April 2019
Resident in Jamaica:			
Operating divisions			
Best Dressed Chicken	Poultry and pullet production and feed milling, processing and sale of salted products/pickled products	100	100
Hi-Pro Ace	Feed sales, suppliers of farming equipment and supplies	100	100
Subsidiaries			
Energy Associates Limited and its subsidiary: CE Jamaica Inc.	Holding and investment company Non- trading	100 -	100 100
JB Group Limited	Non- trading	100	100
EAL/ERI Co-generation Partners, LP	Generation of electricity	-	100
ERI Jam, LLC	Non-trading	-	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
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., USA and its subsidiaries	Holding company	100	100
England Packing Company Inc., 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., USA	Fertile egg production	90	90
Wincorp Properties Inc., USA	Feed milling and sales	100	100
Haiti Broilers, S.A. and its subsidiary: T&S Rice S.A., Haiti	Production and sale of broilers, layer pullets, table eggs and animal feeds Lessee of production facilities in Haiti	72 -	72 72
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: Consolidated Freight and Shipping, Inc., USA	Procurers and distributors of agricultural and industrial supplies Ocean freight consolidator	100 -	100 100

The JBGL Stockholders Nominee Limited is consolidated in the Group as a special purpose entity.

Jamaica Broilers Group Limited

Notes to the Financial Statements

27 April 2019

(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 during the year*

Effective October 2018 Jamaica Broilers Group Limited acquired an additional 4% stake in Haiti Broilers S.A., thereby increasing our holdings to 72%.

The following subsidiaries were dissolved, Master Blend Feeds Limited, Content Agricultural Products Limited and Hamilton Smoke House Limited.

(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 in the ordinary course of the Group's activities. Revenue is shown net of General Consumption Tax, returns, rebates and discounts and after eliminating sales within the Group.

Revenue is recognised when control of the goods has been established – being when the goods are delivered to the customer, the customer has full discretion over the channel and price to sell the goods and there is no unfulfilled obligation that could affect the customer's acceptance of the goods. Delivery occurs when the goods have been transported to a specific predetermined location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the goods in accordance with the sales contract, the acceptance provisions have lapsed or the Group has objective evidence that all criteria for acceptance have been satisfied. A receivable is recognised when the goods are delivered, at which point in time the consideration is deemed unconditional and only the passage of time is required before the payment is due.

Interest income

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income.

Dividend income

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

Jamaica Broilers Group Limited

Notes to the Financial Statements

27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(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

27 April 2019

(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.

Jamaica Broilers Group Limited

Notes to the Financial Statements

27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

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.

Jamaica Broilers Group Limited

Notes to the Financial Statements

27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(h) Intangible assets

(i) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the acquisition date. Goodwill on acquisition of subsidiaries is included in intangible assets. Separately recognised goodwill is tested for impairment 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.

Jamaica Broilers Group Limited

Notes to the Financial Statements

27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(i) Investment properties

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

(j) Impairment of non-financial assets

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

(k) Financial assets

Classification

Financial assets are classified on the basis of the business model within which they are held and their contractual cash flow characteristics

As at 29 April 2018, the Group classifies its financial assets in the following categories:

- (i) Measured at amortised cost
- (ii) Measured at fair value through other comprehensive income
- (iii) Measured at fair value through profit or loss

The Group reclassifies debt investments only when its business model for managing those assets changes.

Measurement

Debt instruments

Measurement of debt instruments depends on the Group's business model for managing the asset and cash flow characteristics of the financial assets. The Group classifies its debt instrument into three measurement categories:

(i) Amortised cost

Financial assets that are held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortised cost. Interest income from these assets is included in the income statement using the effective interest rate method. Any gain or loss arising on derecognition is recognised in profit or loss. Impairment losses are presented in the income statement.

(ii) Fair value through other comprehensive income(FVOCI)

Financial assets that are held in order to collect contractual cash flows and for selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at FVOCI. Changes in fair value are taken through OCI. The recognition of interest income and impairment gains or losses are recognise in the profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. Interest income from these assets is included in the income statement using the effective interest rate method. Impairment losses are presented in the income statement.

Jamaica Broilers Group Limited

Notes to the Financial Statements

27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(k) Financial assets (continued)

Measurement (continued)

Debt instruments (continued)

(iii) Fair value through profit or loss (FVPL)

All other financial assets that do not meet the criteria for amortised costs or FVOCI. A gain or loss on a debt investment that is measured at FVPL is recognised in profit or loss in the period in which it arises.

Equity instruments

The Group measures all equity investment at fair value. An entity may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income. Where management has elected to present fair value gains and losses on equity instruments in OCI, there is no subsequent reclassification of fair value gains and losses to profit and loss following the derecognition of the investment. Dividends from such investments are recognised in profit or loss when the Group's right to receive payments is established. Change in the fair value of financial assets at FVPL are recognised in the income statement.

Impairment

As at 29 April, the Group assesses on a forward looking basis the expected credit losses (ECL) associated with its financial assets classified at amortised cost and debt instruments measured at FVOCI.

Application of the General Model

The Group applied the 'general model' as required by IFRS 9 for debt instrument other than trade receivables. Under this model, the Group is required to assess on a forward-looking basis the ECL associated with its debt instrument assets carried at amortised cost and FVOCI. The ECL will be recognised in the profit or loss before a loss event has occurred. The measurement of ECL reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes. The probability-weighted outcome considers multiple scenarios based on reasonable and supportable forecasts. Under current guidance, impairment amount represents the single best outcome; the time values of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

ECL is calculated by multiplying the Probability of default (PD), Loss Given Default (LGD) and Exposure at Default (EAD). The impairment model uses a three-stage approach based on the extent of credit deterioration since origination:

Stage 1 – 12-month ECL applies to all financial assets that have not experienced a significant increase in credit risk since origination and are not credit impaired. The ECL will be computed using a 12-month PD that represents the probability of default occurring over the next 12 months.

Stage 2 – When a financial asset experiences a significant increase in credit risk subsequent to origination but is not credit impaired, it is considered to be in Stage 2. This requires the computation of ECL based on lifetime PD that represents the probability of default occurring over the remaining estimated life of the financial asset. Provisions are higher in this stage because of an increase in risk and the impact of a longer time horizon being considered compared to 12 months in Stage 1.

Stage 3 – Financial assets that have an objective evidence of impairment will be included in this stage. Similar to Stage 2, the allowance for credit losses will continue to capture the lifetime ECL.

Jamaica Broilers Group Limited

Notes to the Financial Statements

27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(k) Financial assets (continued) Application of the General Model (continued)

The Group uses judgement when considering the following factors that affect the determination of impairment:

Assessment of Significant Increase in Credit Risk

The assessment of a significant increase in credit risk is done on a relative basis. To assess whether the credit risk on a financial asset has increased significantly since origination, the Group compares the risk of default occurring over the expected life of the financial asset at the reporting date to the corresponding risk of default at origination, using key risk indicators that are used in the Group's existing risk management processes. At each reporting date, the assessment of a change in credit risk will be individually assessed for those considered individually significant and at the segment level for retail exposures. This assessment is symmetrical in nature, allowing credit risk of financial assets to move back to Stage 1 if the increase in credit risk since origination has reduced and is no longer deemed to be significant.

Macroeconomic Factors, Forward Looking Information and Multiple Scenarios

The Group applies an unbiased and probability weighted estimate of credit losses by evaluating a range of possible outcomes that incorporates forecasts of future economic conditions.

Macroeconomic factors and forward looking information are incorporated into the measurement of ECL as well as the determination of whether there has been a significant increase in credit risk since origination. Measurement of ECLs at each reporting period reflect reasonable and supportable information at the reporting date about past events, current conditions and forecasts of future economic conditions. The Group uses three scenarios that are probability weighted to determine ECL.

Expected Life

When measuring ECL, the Group considers the maximum contractual period over which the Group is exposed to credit risk. All contractual terms are considered when determining the expected life, including prepayment options and extension and rollover options. For certain revolving credit facilities that do not have a fixed maturity, the expected life is estimated based on the period over which the Group is exposed to credit risk and where the credit losses would not be mitigated by management actions.

Application of the Simplified Approach

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires that the impairment provision is measured at initial recognition and throughout the life of the receivables using a lifetime ECL. As a practical expedient, a provision matrix is utilised in determining the lifetime ECLs for trade receivables.

The lifetime ECLs are determined by taking into consideration historical rates of default for each segment of aged receivables as well as the estimated impact of forward looking information.

Jamaica Broilers Group Limited

Notes to the Financial Statements

27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(k) Financial assets (continued)

Accounting policies applied until 28 April 2018

The Group has applied IFRS 9 retrospectively, but has elected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the Group's previous accounting policy.

Classification

Up to 28 April 2018, the Group classifies its financial assets into the following categories: financial assets at fair value through profit or loss, loans and receivables and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

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

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

(ii) Loans and receivables

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

(iii) Available-for sale financial assets

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

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

Jamaica Broilers Group Limited

Notes to the Financial Statements

27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(k) Financial assets (continued)

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

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

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

The group 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.

(l) Interest in subsidiaries

Interests in subsidiaries are stated at cost.

Jamaica Broilers Group Limited

Notes to the Financial Statements

27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(m) Employee benefits

(i) Pension obligations

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

A defined contribution plan is a pension plan under which an entity pays fixed contributions into a separate fund and will have no legal or constructive obligations to pay further contributions if this fund does not hold sufficient assets to pay all employees' benefits relating to employee service in the current and prior periods. The regular contributions constitute net periodic costs for the year in which they are due and as such are included in staff costs in the statement of comprehensive income.

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 also 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.

Jamaica Broilers Group Limited

Notes to the Financial Statements

27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(m) Employee benefits (continued)

(iii) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits.

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

(iv) Leave entitlements

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

(v) Profit-sharing and performance incentives

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

(n) Inventories

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

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

(o) Biological assets

Biological assets include 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.

Jamaica Broilers Group Limited

Notes to the Financial Statements

27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(p) Trade receivables

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

(q) Cash and cash equivalents

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

(r) Trade payables

Trade payables are stated at cost.

(s) Borrowings and borrowing costs

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

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

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

(t) Provisions

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

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

(u) Leases

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

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

Jamaica Broilers Group Limited

Notes to the Financial Statements

27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(u) 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.

(v) Dividends paid

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

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

(w) Share capital

Ordinary shares are classified as equity. Where any Group company purchases the company's equity share capital, the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the company's owners until the shares are reissued or cancelled. Where shares are subsequently reissued, any consideration received (net of any directly attributable incremental transaction costs and the related income tax effects) is included in equity attributable to company's owners.

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.

Jamaica Broilers Group Limited

Notes to the Financial Statements

27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(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.

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 applies the IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for these assets.

The Group's credit period on the sale of goods ranges from 7 to 30 days.

(ii) Investments

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

Jamaica Broilers Group Limited

Notes to the Financial Statements

27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(a) Credit risk (continued)

Trade Receivables

Loss Allowance

As of 29 April 2018, to measure expected credit losses, trade receivables are grouped by aging buckets. Lifetime expected credit losses are determined by taking into consideration historical rates of default for the totals of aged receivables as well as the estimated impact of forward looking information. In determining historical rates of default, trade receivables greater than 4 months past due are used as a proxy for historical losses. On this basis, the Group's loss allowance for trade receivables was determined as follows:

	Group					
	27 April 2019			29 April 2018		
	Gross carrying amount \$'000	Loss allowance \$'000	Expected loss rate	Gross carrying amount	Loss allowance \$'000	Expected loss rate
Less than 1 month	2,670,524	15,861	0.6%	2,248,645	19,736	0.9%
Within 1 to 3 months	510,993	62,768	12.3%	446,600	78,129	17.5%
Over 3 months	491,460	469,038	95.4%	350,933	342,609	97.6%
	<u>3,672,977</u>	<u>547,667</u>		<u>3,046,178</u>	<u>440,474</u>	

	Company					
	27 April 2019			29 April 2018		
	Gross carrying amount \$'000	Loss allowance \$'000	Expected loss rate	Gross carrying amount	Loss allowance \$'000	Expected loss rate
Less than 1 month	1,536,255	6,685	0.4%	1,443,762	8,527	0.6%
Within 1 to 3 months	271,761	23,839	8.8%	219,448	27,088	12.3%
Over 3 months	341,140	320,784	94.0%	250,667	243,572	97.2%
	<u>2,149,156</u>	<u>351,308</u>		<u>1,913,877</u>	<u>279,187</u>	

Jamaica Broilers Group Limited

Notes to the Financial Statements

27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(a) Credit risk (continued)

Trade Receivables (Continued)

Loss Allowance (Continued)

The closing loss allowances for trade receivable as at at 27 April 2018 reconcile to the opening loss allowances as follows:

	The Group		The Company	
	27 April 2019 \$'000	28 April 2018 \$'000	27 April 2019 \$'000	28 April 2018 \$'000
At 28 April 2018 – calculated under IAS 39	304,012	293,343	259,786	257,181
Amounts restated through opening retained earnings	136,462	-	19,401	-
At 29 April 2018	440,474	293,343	279,187	257,181
Movement on loss allowance recognised in the profit or loss	131,824	-	98,776	-
Provision for receivables impairment	-	84,714	-	27,394
Receivables written off during the year as uncollectible	(4,313)	(48,529)	(4,313)	(149)
Recoveries	(22,868)	(24,640)	(22,342)	(24,640)
Translation	2,550	(876)	-	-
At 27 April 2019	<u>547,667</u>	<u>304,012</u>	<u>351,308</u>	<u>259,786</u>

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.

Jamaica Broilers Group Limited

Notes to the Financial Statements

27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(b) Credit risk (continued)

Exposure to credit risk for trade receivables

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

	The Group		The Company	
	27 April 2019 \$'000	28 April 2018 \$'000	27 April 2019 \$'000	28 April 2018 \$'000
Supermarket chains	225,041	159,869	195,113	138,295
Wholesalers and retail distributors	835,683	715,097	787,310	633,032
Hotels	211,989	151,391	201,960	143,915
Farmers/farm stores	2,187,242	1,709,676	854,529	750,719
Other	213,022	310,145	110,244	247,916
	3,672,977	3,046,178	2,149,156	1,913,877
Less: Provision for impairment	(547,667)	(304,012)	(351,308)	(259,786)
	3,125,310	2,742,166	1,797,848	1,654,091

The following table summarises the Group's and company's credit exposure for investments at their carrying amounts, as categorised by issuer.

	The Group		The Company	
	27 April 2019 \$'000	28 April 2018 \$'000	27 April 2019 \$'000	28 April 2018 \$'000
Loans receivable	1,419,865	1,988,564	4,667,490	4,475,715
Investments	278,239	251,752	8,567	-
Financial assets at fair value through profit or loss	636,930	767,150	-	-
Subsidiaries	-	-	2,563,133	2,366,657
Cash and short term investments	3,730,722	3,116,000	3,000,569	2,668,324
	6,065,756	6,123,466	10,239,759	9,510,696

Jamaica Broilers Group Limited

Notes to the Financial Statements

27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(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.

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.

Jamaica Broilers Group Limited

Notes to the Financial Statements

27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(b) Liquidity risk (continued)

Financial liabilities cash flows

The tables below summarise the maturity profile of the Group's and company's financial liabilities at 27 April 2019 and 28 April 2018 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 27 April 2019					
Payables	4,362,752	1,851,423	-	-	6,214,175
Borrowings	600,607	4,832,538	7,973,170	1,273,023	14,679,338
Other long term liabilities	720,383	-	-	-	720,383
Total financial liabilities (contractual maturity dates)	5,683,742	6,683,961	7,973,170	1,273,023	21,613,896

	The Group				
	Within 3 Months	4 to 12 Months	2 to 5 Years	Over 5 Years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 28 April 2018					
Payables	3,273,187	1,547,484	-	-	4,820,671
Borrowings	538,756	5,470,538	3,819,305	1,842,936	11,671,535
Other long term liabilities	1,540,268	-	720,383	-	2,260,651
Total financial liabilities (contractual maturity dates)	5,352,211	7,018,022	4,539,688	1,842,936	18,752,857

Jamaica Broilers Group Limited

Notes to the Financial Statements

27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(b) Liquidity risk (continued)

Financial liabilities cash flows (continued)

	The Company				Total \$'000
	Within 3 Months \$'000	3 to 12 Months \$'000	1 to 5 Years \$'000	Over 5 Years \$'000	
	As at 27 April 2019				
Payables	2,352,095	1,816,826	-	-	4,168,921
Subsidiaries	39,686	-	-	-	39,686
Borrowings	480,351	2,078,547	7,185,856	323,332	10,068,086
Total financial liabilities (contractual maturity dates)	2,872,132	3,895,373	7,185,856	323,332	14,276,693

	The Company				Total \$'000
	Within 3 Months \$'000	3 to 12 Months \$'000	1 to 5 Years \$'000	Over 5 Years \$'000	
	As at 28 April 2018				
Payables	1,855,356	1,509,391	-	-	3,364,747
Subsidiaries	38,842	-	-	-	38,842
Borrowings	441,390	4,144,283	3,058,438	1,249,397	8,893,508
Total financial liabilities (contractual maturity dates)	2,335,588	5,653,674	3,058,438	1,249,397	12,297,097

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

Jamaica Broilers Group Limited

Notes to the Financial Statements

27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(b) Liquidity risk (continued)

Off-balance sheet items – Contingent liabilities and commitments

- (a) The company has guaranteed US\$3,860,000 (2018 - US\$3,860,000) 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 \$12,000,000 (2018 - \$12,000,000).
- (c) The Group has capital commitments authorised US\$1,500,000 (2018 – Nil).
- (d) The company has committed to fund the purchase of the shares by the JBGL Stockholders Nominee Limited in the amount of \$720,383,000 (2018 - \$3,010,231,000).
- (e) The Group has obligations under long term operating leases for premises. Future minimum lease payments under such commitments are as follows:

	<u>The Group</u>		<u>The Company</u>	
	<u>27 April 2019 \$'000</u>	<u>28 April 2018 \$'000</u>	<u>27 April 2019 \$'000</u>	<u>28 April 2018 \$'000</u>
Not later than 1 year	125,772	143,959	37,288	38,512
Later than 1 year and not later than 5 years	605,367	759,790	27,288	58,674
Later than 5 years	-	22,855	-	-
	<u>731,139</u>	<u>926,604</u>	<u>64,576</u>	<u>97,186</u>

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

Jamaica Broilers Group Limited

Notes to the Financial Statements

27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(c) Market risk

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

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

(i) Currency risk

Currency risk is the risk that the fair value 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 27 April 2019 includes aggregate net foreign assets of approximately US\$2,627,000 (2018 – (US\$1,506,000)) in respect of transactions arising in the ordinary course of business.

The company's balance sheet at 27 April 2019 includes aggregate net foreign assets of approximately US\$11,953,000 (2018 – US\$28,174,000), 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 4% (2018 – 2%) depreciation and a 6% (2018 – 4%) appreciation of the US dollar against the Jamaican dollar. There was no impact on other components of equity.

Jamaica Broilers Group Limited

Notes to the Financial Statements

27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(c) Market risk (continued)

(i) Currency risk (continued)

The Group				
	% Change in Currency Rate	Effect on Pre-Tax Profit	% Change in Currency Rate	Effect on Other Comprehensive Income
	27 April 2019	27 April 2019 \$'000	27 April 2019	27 April 2019 \$'000
Currency:				
USD	+6	21,042	+6	434,923
USD	-4	(14,028)	-4	(291,282)
The Group				
	% Change in Currency Rate	Effect on Pre-Tax Profit	% Change in Currency Rate	Effect on Other Comprehensive Income
	28 April 2018	28 April 2018 \$'000	28 April 2018	28 April 2018 \$'000
Currency:				
USD	+4	7,508	+4	151,860
USD	-2	(3,754)	-2	(75,930)
The Company				
	% Change in Currency Rate	Effect on Pre-Tax Profit	% Change in Currency Rate	Effect on Pre-Tax Profit
	27 April 2019	27 April 2019 \$'000	28 April 2018	28 April 2018 \$'000
Currency:				
USD	+6	95,755	+4	140,462
USD	-4	(64,837)	-2	(70,231)

Jamaica Broilers Group Limited

Notes to the Financial Statements

27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

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, loans receivable 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 27 April 2019 and 28 April 2018, 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 (2018 – 1% increase and 1% decrease) for Jamaican dollar denominated loans and a 1% increase/1% decrease (2018 – 0.5% increase and 0.5% 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 27 April 2019 \$'000	Effect on Pre-tax Profit 28 April 2018 \$'000	Effect on Pre-tax Profit 27 April 2019 \$'000	Effect on Pre-tax Profit 28 April 2018 \$'000
Change in basis points:				
Jamaican dollars				
- 100(2018: -100)	15,000	15,000	15,000	15,000
+ 100(2018: 100)	(15,000)	(15,000)	(15,000)	(15,000)
US dollars				
- 100(2018: -50)	27,395	7,984	-	-
+ 100(2018: 50)	(27,395)	(7,984)	-	-

Jamaica Broilers Group Limited

Notes to the Financial Statements

27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

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 2019, the Group's strategy, which was unchanged from 2018, was to maintain the gearing ratio below 1:1. The gearing ratios at 27 April 2019 and 28 April 2018 were as follows:

	The Group	
	27 April 2019 \$'000	28 April 2018 \$'000
Borrowings	12,624,356	10,023,430
Total capital	27,334,275	22,644,846
Gearing ratio	<u>0.46:1</u>	<u>0.44:1</u>

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

Jamaica Broilers Group Limited

Notes to the Financial Statements

27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

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

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

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

(b) Key sources of estimation uncertainty

Income taxes

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

Post-employment benefits

Accounting for some post-employment benefits requires the use of actuarial techniques to make a reliable estimate of the amount of benefit that employees have earned in return for their service in the current and prior periods. These actuarial assumptions are based on management's best estimates of the variables that will determine the ultimate cost of providing post-employment benefits and comprise both demographic and financial assumptions. Variations in the financial assumptions can cause material adjustments in the next financial year, if it is determined that the actual experience differed from the estimate (Note 20).

Depreciable assets

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

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 \$344,068,000, which would not result in an impairment of goodwill of \$435,981,000 (Note 14).

Jamaica Broilers Group Limited

Notes to the Financial Statements

27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

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
- Haiti Operations
- Other Caribbean Operations

The business is considered primarily from a geographical perspective. During the year the Haiti Operations was separated from the Other Caribbean Operations as a standalone segment. The comparative segment report has been revised to reflect this change.

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.

Jamaica Broilers Group Limited

Notes to the Financial Statements

27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

5. Segmental Financial Information (Continued)

	2019					Group \$'000
	Jamaica Operations	US Operations	Haiti Operations	Other Caribbean Operations	Eliminations	
	\$'000	\$'000	\$'000	\$'000	\$'000	
External revenues	35,858,161	16,804,633	2,395,137	-	-	55,057,931
Revenue from other segments	300,804	3,356,326	-	615,965	(4,273,095)	-
Total revenue	<u>36,158,965</u>	<u>20,160,959</u>	<u>2,395,137</u>	<u>615,965</u>	<u>(4,273,095)</u>	<u>55,057,931</u>
Segment result	<u>3,755,023</u>	<u>1,558,949</u>	<u>170,983</u>	<u>1,902,306</u>	<u>(1,986,642)</u>	5,400,619
Unallocated corporate expenses						(1,765,922)
Operating profit						3,634,697
Finance income						366,817
Finance costs						(988,587)
Profit before tax						3,012,927
Taxation						(639,209)
Net profit						<u>2,373,718</u>
Segment assets -						
Current assets	13,838,673	9,025,104	1,105,016	927,110	(2,504,606)	22,391,297
Non-current assets	<u>13,531,436</u>	<u>3,959,942</u>	<u>808,867</u>	<u>4,949,786</u>	<u>(9,833,882)</u>	<u>13,416,149</u>
Total assets	27,370,109	12,985,046	1,913,883	5,876,896	(12,338,488)	35,807,446
Segment liabilities -						
Current liabilities	8,412,076	5,351,156	1,484,047	660,689	(1,811,909)	14,096,059
Non-current liabilities	<u>5,656,603</u>	<u>1,216,203</u>	<u>-</u>	<u>2,802,545</u>	<u>(2,799,487)</u>	<u>6,875,864</u>
Total liabilities	<u>14,068,679</u>	<u>6,567,359</u>	<u>1,484,047</u>	<u>3,463,234</u>	<u>(4,611,396)</u>	<u>20,971,923</u>
Other segment items-						
Capital expenditure	<u>1,104,680</u>	<u>240,826</u>	<u>276,754</u>	<u>-</u>	<u>-</u>	<u>1,622,260</u>
Amortisation	<u>25,044</u>	<u>89,574</u>	<u>-</u>	<u>-</u>	<u>8,109</u>	<u>122,727</u>
Depreciation	<u>552,032</u>	<u>271,844</u>	<u>79,817</u>	<u>23,354</u>	<u>-</u>	<u>927,047</u>
Revenue						
Goods transferred at a point in time	35,858,161	16,742,853	2,395,137	-	-	54,996,151
Service transferred at a point in time	<u>-</u>	<u>61,780</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>61,780</u>
External revenues	<u>35,858,161</u>	<u>16,804,633</u>	<u>2,395,137</u>	<u>-</u>	<u>-</u>	<u>55,057,931</u>

Jamaica Broilers Group Limited
Notes to the Financial Statements
27 April 2019
(expressed in Jamaican dollars unless otherwise indicated)

5. Segmental Financial Information (Continued)

	2018 Restated					Group
	Jamaica	US	Haiti	Other	Eliminations	
	Operations	Operations	Operations	Caribbean		
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
External revenues	33,996,482	12,039,588	2,244,797	-	-	48,280,867
Revenue from other segments	296,481	3,063,122	-	534,847	(3,894,450)	-
Total revenue	34,292,963	15,102,710	2,244,797	534,847	(3,894,450)	48,280,867
Segment result	3,039,264	1,427,978	247,889	356,570	(209,055)	4,862,646
Unallocated corporate expenses						(1,481,450)
Operating profit						3,381,196
Finance income						474
Finance costs						(714,897)
Profit before tax						2,666,773
Taxation						(641,257)
Net profit						2,025,516
Segment assets -						
Current assets	14,363,747	6,482,748	1,018,982	973,278	(3,407,431)	19,431,324
Non-current assets	9,606,857	2,626,265	732,039	578,373	(1,962,797)	11,580,737
Total assets	23,970,604	9,109,013	1,751,021	1,551,651	(5,370,228)	31,012,061
Segment liabilities -						
Current liabilities	7,823,984	3,734,454	1,432,614	592,082	(1,117,708)	12,465,426
Non-current liabilities	4,266,311	2,535,633	-	2,984	(918,666)	5,886,262
Total liabilities	12,090,295	6,270,087	1,432,614	595,066	(2,036,374)	18,351,688
Other segment items-						
Capital expenditure	1,171,135	557,142	240,291	-	-	1,968,568
Amortisation	20,283	102,067	-	-	-	122,350
Depreciation	465,538	184,260	71,186	22,683	-	743,667
Revenue						
Goods transferred at a point in time	33,996,482	11,989,648	2,244,797	-	-	48,230,927
Service transferred at a point in time	-	49,940	-	-	-	49,940
External revenues	33,996,482	12,039,588	2,244,797	-	-	48,280,867

Jamaica Broilers Group Limited

Notes to the Financial Statements

27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

6. Other Income

	The Group		The Company	
	27 April 2019 \$'000	28 April 2018 \$'000	27 April 2019 \$'000	28 April 2018 \$'000
Dividend income from subsidiary	-	-	479,970	-
Fair value (loss)/gain on financial assets at fair value through profit or loss (Note 24)	(40,940)	20,304	-	-
Foreign exchange gains/(losses)	158,426	(36,285)	158,298	(36,338)
Gain/(loss) on sale of property, plant and equipment	863	2,542	(1,747)	2,542
Gain on acquisition of business	218,424	-	-	-
Interest income	44,827	35,076	14,613	12,176
Management fees	-	-	-	153,786
Reinsurance commissions	58,320	47,314	-	-
Other	145,328	128,901	50,596	48,290
	<u>585,248</u>	<u>197,852</u>	<u>701,730</u>	<u>180,456</u>

7. Expenses by Nature

	The Group		The Company	
	27 April 2019 \$'000	28 April 2018 \$'000	27 April 2019 \$'000	28 April 2018 \$'000
Auditors' remuneration	62,486	55,310	17,947	15,878
Advertising and promotions	855,077	799,905	731,837	737,158
Amortisation of intangible assets	122,727	122,350	17,680	12,919
Bad debts	-	84,714	-	27,394
Net impairment losses on trade receivables	131,824	-	98,776	-
Cost of inventories recognised as expense	29,711,180	25,331,094	20,337,853	19,885,968
Depreciation	912,702	729,738	491,270	389,116
Fuel	772,265	674,222	613,926	492,306
Legal and professional fees	292,201	209,380	57,081	107,920
Insurance	430,441	366,460	620,122	553,370
Occupancy – rent and utilities	1,128,325	1,067,573	690,565	636,048
Repairs and maintenance	1,512,104	1,385,922	1,293,868	1,207,773
Staff costs (Note 8)	10,873,778	9,649,851	6,032,176	5,447,520
Trucking	1,490,161	1,530,549	1,170,687	1,187,004
Other expenses	3,713,211	3,090,455	2,766,477	2,548,685
	<u>52,008,482</u>	<u>45,097,523</u>	<u>34,940,265</u>	<u>33,249,059</u>

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

Jamaica Broilers Group Limited

Notes to the Financial Statements

27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

8. Staff Costs

	The Group		The Company	
	27 April 2019 \$'000	28 April 2018 \$'000	27 April 2019 \$'000	28 April 2018 \$'000
Wages, salaries and contractors' costs	9,163,584	8,234,922	4,884,449	4,548,979
Payroll taxes - Employer's portion	479,799	427,724	330,604	311,227
Pension costs - defined contribution plan	62,130	43,827	2,555	190
Pension costs - defined benefit plan (Note 20)	164,200	80,500	160,800	79,200
Post-employment medical benefits (Note 20)	1,800	2,000	1,700	1,900
Termination costs	109,120	18,886	108,299	18,886
Other - benefits and welfare	893,145	841,992	543,769	487,138
	<u>10,873,778</u>	<u>9,649,851</u>	<u>6,032,176</u>	<u>5,447,520</u>

9. Finance Income and Costs

	The Group		The Company	
	27 April 2019 \$'000	28 April 2018 \$'000	27 April 2019 \$'000	28 April 2018 \$'000
Finance income -				
Foreign exchange gains/(losses)	232,594	(165,065)	142,827	(165,395)
Interest income	134,223	165,539	246,921	305,050
	<u>366,817</u>	<u>474</u>	<u>389,748</u>	<u>139,655</u>
Finance costs -				
Foreign exchange losses/(gains)	167,765	(22,809)	61,383	(32,100)
Interest expense	789,609	612,528	581,380	496,421
Amortisation of debt financing fees and other expenses	31,213	125,178	12,813	124,921
	<u>988,587</u>	<u>714,897</u>	<u>655,576</u>	<u>589,242</u>

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. The Corporate tax rates in the USA were reduced from 34% to 21% effective January 1, 2018.

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

	The Group		The Company	
	27 April 2019 \$'000	28 April 2018 \$'000	27 April 2019 \$'000	28 April 2018 \$'000
Current taxation	358,354	876,109	213,872	316,191
Prior year (over)/under provision	(6,413)	(45,577)	1,256	(16,722)
Deferred taxation (Note 19)	287,268	(189,275)	145,726	(110,112)
	<u>639,209</u>	<u>641,257</u>	<u>360,854</u>	<u>189,357</u>

Jamaica Broilers Group Limited

Notes to the Financial Statements

27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

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	
	27 April 2019 \$'000	28 April 2018 \$'000	27 April 2019 \$'000	28 April 2018 \$'000
Profit before taxation for taxable entities	3,071,637	2,744,634	1,937,109	1,061,631
Loss before taxation for non-taxable entities	(58,710)	(77,861)	-	-
	<u>3,012,927</u>	<u>2,666,773</u>	<u>1,937,109</u>	<u>1,061,631</u>
Tax calculated at applicable tax rates	767,910	686,158	484,277	265,407
Adjusted for:				
Income not subject to tax	(36,395)	(61,943)	(121,907)	(7,500)
Employment tax credit	(32,521)	(73,862)	(32,521)	(73,210)
Adjustment to deferred tax	-	(19,631)	-	(18,683)
Prior year (over)/under provision - current tax	(6,413)	(45,577)	1,256	(16,722)
Different tax rate in other countries	(34,995)	72,598	-	-
Effect of changes in tax rates	(53,891)	26,514	-	-
Expenses not deductible for tax purposes	53,080	48,283	42,557	42,442
Other allowances	(17,566)	8,717	(12,808)	(2,377)
Income tax expense	<u>639,209</u>	<u>641,257</u>	<u>360,854</u>	<u>189,357</u>

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

	The Group		The Company	
	27 April 2019 \$'000	28 April 2018 \$'000	27 April 2019 \$'000	28 April 2018 \$'000
Other comprehensive income -				
Remeasurements on retirement benefits	(501,600)	323,700	(489,900)	313,100
Tax charge (Note 19)	125,400	(80,925)	122,475	(78,275)
	<u>(376,200)</u>	<u>242,775</u>	<u>(367,425)</u>	<u>234,825</u>

Jamaica Broilers Group Limited

Notes to the Financial Statements

27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

11. Net Profit/Retained Earnings Attributable to the Stockholders

	27 April 2019 \$'000	28 April 2018 \$'000
Net profit attributable to:		
Holding company	1,576,255	872,274
Intercompany dividend and management fees	<u>(497,970)</u>	<u>(153,786)</u>
Adjusted Holding company profits	1,078,285	718,488
Subsidiaries	<u>1,287,278</u>	<u>1,242,892</u>
	<u>2,365,563</u>	<u>1,961,380</u>
Retained earnings attributable to:		
Holding company	12,568,083	11,111,521
Subsidiaries	<u>3,469,217</u>	<u>2,704,328</u>
	<u>16,037,300</u>	<u>13,815,849</u>

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 ordinary stocks units in issue (Note 30).

	27 April 2019	28 April 2018
Net profit attributable to stockholders (\$'000)	2,365,563	1,961,380
Weighted average number of ordinary stock units in issue ('000)	<u>1,027,743</u>	<u>1,198,370</u>
Basic earnings per stock unit (\$)	<u>2.30</u>	<u>1.64</u>

The weighted average number of shares is based on the purchase of shares by the Trust at several intervals throughout the year.

Jamaica Broilers Group Limited

Notes to the Financial Statements

27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

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 -	2019							
At 29 April 2018	416,854	3,440,124	537,339	7,076,105	764,768	1,041,630	143,911	13,420,731
Acquisition of business (Note 34)	126,452	71,079	-	912,354	-	135,115	-	1,245,000
Additions	-	13,506	8,230	194,098	9,921	180,652	1,215,853	1,622,260
Disposals	-	-	-	-	-	(83,646)	-	(83,646)
Transfer from CWIP	-	-	233,332	882,733	37,806	16,992	(1,170,863)	-
Transfer to Intangible assets	-	-	-	-	-	-	(10,564)	(10,564)
Translation	(3,681)	75,135	(54,468)	(17,160)	2,193	4,252	(3,237)	3,034
At 28 April 2019	539,625	3,599,844	724,433	9,048,130	814,688	1,294,995	175,100	16,196,815
Depreciation -								
At 29 April 2018	-	1,221,829	139,864	2,677,081	526,355	669,490	-	5,234,619
Charge for the year	-	107,268	68,516	533,812	71,444	146,007	-	927,047
Relieved on disposals	-	-	-	-	-	(70,957)	-	(70,957)
Translation	-	19,629	(22,395)	(1,119)	653	2,644	-	(588)
At 28 April 2019	-	1,348,726	185,985	3,209,774	598,452	747,184	-	6,090,121
Net Book Value -								
At 28 April 2019	539,625	2,251,118	538,448	5,838,356	216,236	547,811	175,100	10,106,694

Jamaica Broilers Group Limited

Notes to the Financial Statements

27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

13. Property, Plant and Equipment (Continued)

	The Group							Total
	Freehold Land	Freehold Buildings	Leasehold Property	Plant, Machinery & Equipment	Furniture & Fixtures	Motor Vehicles	Capital Work in Progress	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
At Cost -	2018							
At 29 April 2017	413,694	3,362,354	318,121	5,756,953	674,541	999,128	197,446	11,722,237
Additions	6,482	159,484	9,014	342,921	51,107	134,983	1,258,199	1,962,190
Disposals	-	-	(6,993)	-	(5,201)	(90,566)	-	102,760
Reclassification	-	(10,409)	10,409	-	-	-	-	-
Transfer from CWIP	-	-	206,319	1,007,763	47,669	5,558	(1,267,309)	-
Transfer to Intangible assets	-	-	-	-	-	-	(40,384)	(40,384)
Write off	-	(40,552)	-	-	(1,233)	-	-	(41,785)
Translation	(3,322)	(30,753)	469	(31,532)	(2,115)	(7,473)	(4,041)	(78,767)
At 28 April 2018	416,854	3,440,124	537,339	7,076,105	764,768	1,041,630	143,911	13,420,731
Depreciation -								
At 29 April 2017	-	1,145,026	114,355	2,299,683	466,892	633,995	-	4,659,951
Charge for the year	-	104,317	55,472	389,629	66,643	127,606	-	743,667
Relieved on disposals	-	-	(6,993)	-	(4,901)	(88,064)	-	(99,958)
Disposal of subsidiaries	-	21,338	(21,338)	-	-	-	-	-
Reclassification	-	(40,552)	-	-	(1,233)	-	-	(41,785)
Translation	-	(8,300)	(1,632)	(12,231)	(1,046)	(4,047)	-	(27,256)
At 28 April 2018	-	1,221,829	139,864	2,677,081	526,355	669,490	-	5,234,619
Net Book Value -								
At 28 April 2018	416,854	2,218,295	397,475	4,399,024	238,413	372,140	143,911	8,186,112

Jamaica Broilers Group Limited

Notes to the Financial Statements

27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

13. Property, Plant and Equipment (Continued)

	The Company							Total
	Freehold Land	Freehold Buildings	Leasehold Property	Machinery & Equipment	Furniture & Fixtures	Motor Vehicles	Capital Work in Progress	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
At Cost -								
At 29 April 2017	35,504	1,869,967	41,006	3,673,260	481,283	669,735	80,179	6,850,934
Additions	-	-	-	56,686	45,343	106,303	951,576	1,159,908
Disposals	-	-	-	-	-	(88,685)	-	(88,685)
Transfers from CWIP	-	-	-	870,625	37,371	-	(948,380)	(40,384)
Reclassification	-	41,006	(41,006)	-	-	-	-	-
At 28 April 2018	35,504	1,910,973	-	4,600,571	563,997	687,353	83,375	7,881,773
Additions	-	-	-	67,425	5,521	104,333	919,464	1,096,743
Disposals	-	-	-	-	-	(69,643)	-	(69,643)
Transfers from CWIP	-	-	-	822,758	34,605	-	(857,363)	-
Transfer to Intangible assets	-	-	-	-	-	-	(10,564)	(10,564)
At 27 April 2019	35,504	1,910,973	-	5,490,754	604,123	722,043	134,912	8,898,309
Depreciation -								
At 29 April 2017	-	653,811	16,710	1,552,755	370,579	477,924	-	3,071,779
Charge for the year	-	46,156	4,628	214,157	47,138	77,037	-	389,116
Disposal	-	-	-	-	-	(86,148)	-	(86,148)
Reclassification	-	21,338	(21,338)	-	-	-	-	-
At 28 April 2018	-	721,305	-	1,766,912	417,717	468,813	-	3,374,747
Charge for the year	-	50,734	-	302,740	55,134	82,663	-	491,271
Disposals	-	-	-	-	-	(61,494)	-	(61,494)
At 27 April 2019	-	772,039	-	2,069,652	472,851	489,982	-	3,804,524
Net Book Value -								
At 27 April 2019	35,504	1,138,934	-	3,421,102	131,272	232,061	134,912	5,093,785
At 28 April 2018	35,504	1,189,668	-	2,833,659	146,280	218,540	83,375	4,507,026

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

Jamaica Broilers Group Limited

Notes to the Financial Statements

27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

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 29 April 2017	422,651	725,550	152,446	20,780	253,031	1,574,458	247,018
Additions	-	-	-	-	6,378	6,378	6,378
Transfer from CWIP	-	-	-	-	40,384	40,384	40,384
Translation	(12,116)	(22,096)	(4,786)	-	(197)	(39,195)	-
At 28 April 2018	410,535	703,454	147,660	20,780	299,596	1,582,025	293,780
Acquisition of business	-	93,834	13,172	-	-	107,006	-
Transfer from CWIP	-	-	-	-	10,564	10,564	10,564
Translation	25,446	44,833	9,831	-	414	80,524	-
At 27 April 2019	435,981	842,121	170,663	20,780	310,574	1,780,119	304,344
Amortisation -							
At 29 April 2017	-	211,516	98,675	3,723	173,997	487,911	167,985
Charge for the year	-	73,238	35,154	1,039	12,919	122,350	12,919
Translation	-	(7,418)	(3,668)	-	(197)	(11,283)	-
At 28 April 2018	-	277,336	130,161	4,762	186,719	598,978	180,904
Charge for the year	-	83,542	20,466	1,039	17,680	122,727	17,680
Translation	-	19,327	9,244	-	414	28,985	-
At 27 April 2019	-	380,205	159,871	5,801	204,813	750,690	198,584
Net Book Value -							
27 April 2019	435,981	461,916	10,792	14,979	105,761	1,029,429	105,760
28 April 2018	410,535	426,118	17,499	16,018	112,877	983,047	112,876

Jamaica Broilers Group Limited

Notes to the Financial Statements

27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

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:

	27 April 2019 \$'000	28 April 2018 \$'000
US operations	382,948	357,502
Jamaica operations	53,033	53,033
	<u>435,981</u>	<u>410,535</u>

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%	5% - 18%	0.4% - 1%	12.2% - 14.7%
Jamaica operations	6.0%	8.2%	1.2%	18.3%

Jamaica Broilers Group Limited

Notes to the Financial Statements

27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

15. Investment Property

	<u>The Group</u>
	Land and Buildings
	\$'000
Cost -	
At 29 April 2017, At 28 April 2018 and At 27 April 2019	9,976
Depreciation -	
At 29 April 2017	3,497
Charge for the year	166
At 28 April 2018	3,663
Charge for the year	167
At 27 April 2019	3,830
Net Book Value -	
At 27 April 2019	6,146
At 28 April 2018	6,313

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 \$Nil (2018 - \$1,496,000). There was no repairs and maintenance on the property.

16. Investments

	<u>The Group</u>		<u>The Company</u>	
	27 April 2019 \$'000	28 April 2018 \$'000	27 April 2019 \$'000	28 April 2018 \$'000
Available-for-sale -				
Unquoted equities- at cost	-	-	-	8,567
Fair value through profit or loss -				
Unquoted equities	8,567	8,567	8,567	-
Corporate bonds	267,029	249,285	-	-
Interest receivable	2,643	2,467	-	-
	<u>278,239</u>	<u>260,319</u>	<u>8,567</u>	<u>8,567</u>

Jamaica Broilers Group Limited

Notes to the Financial Statements

27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

17. Loans Receivable

	The Group		The Company	
	27 April 2019 \$'000	28 April 2018 \$'000	27 April 2019 \$'000	28 April 2018 \$'000
Non-Current				
External	1,058,544	1,647,029	1,058,544	1,647,029
Related parties (Note 32)	-	-	2,799,487	1,639,016
	1,058,544	1,647,029	3,858,031	3,286,045
Current				
External	361,321	341,535	361,321	341,535
Related parties (Note 32)	-	-	448,138	848,135
	361,321	341,535	809,459	1,189,670
	<u>1,419,865</u>	<u>1,988,564</u>	<u>4,667,490</u>	<u>4,475,715</u>

The external loan to West Indies Petroleum Limited (WIP) 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 \$8,473,000 (2018 – \$12,129,000) for both the Group and the Company. The loan was liquidated subsequent to the year-end via a debt purchase and novation agreement between the Company, WIP and Bank of Nova Scotia Jamaica Limited. Included in the related parties current portion for the Company is interest receivable of \$22,875,000 (2018 - \$6,401,000).

18. Non-Controlling Interests

	The Group	
	27 April 2019 \$'000	28 April 2018 \$'000
Beginning of year	38,957	(22,837)
Share of total comprehensive income, as restated:		
Share of net profit of subsidiaries	8,155	64,136
Revaluation loss	(27,296)	(2,342)
Acquisition of shares by other shares holder	(6,764)	-
Capital injection	115,139	-
IFRS 9 opening adjustment	(2,587)	-
End of year	<u>125,604</u>	<u>38,957</u>

Jamaica Broilers Group Limited

Notes to the Financial Statements

27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

18. 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	
	27 April 2019 \$'000	28 April 2018 \$'000
Current		
Assets	1,083,455	1,018,982
Liabilities	(1,462,486)	(1,432,614)
Total current net liabilities	(379,031)	(413,632)
Non-current		
Assets	808,867	732,039
Total non-current net assets	808,867	732,039
Net assets	429,836	318,407

Summarised income statement

	The Group	
	27 April 2019 \$'000	28 April 2018 \$'000
Revenue	2,395,137	2,244,797
Profit before income tax	30,440	270,209
Taxation expense	(7,191)	(23,340)
Profit after tax/Total comprehensive income	23,249	246,869
Total comprehensive income allocated to non-controlling interest	(19,141)	61,794

Jamaica Broilers Group Limited

Notes to the Financial Statements

27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

18. Non-Controlling Interests (Continued)

Summarised cash flows

	The Group	
	27 April 2019 \$'000	28 April 2018 \$'000
Cash flows from operating activities		
Cash generated from operations	36,416	414,719
Interest paid	(34,161)	(14,833)
Net cash generated from operating activities	2,255	399,886
Net cash used in investing activities	(100,953)	(240,291)
Net cash used in financing activities	(34,515)	(99,810)
Net (decrease)/increase in cash and cash equivalents	(133,213)	59,785
Cash and cash equivalents at the beginning of year	87,386	27,602
Cash and cash equivalents at end of year	(45,827)	87,387

The information above represents amounts before intercompany eliminations.

Jamaica Broilers Group Limited
Notes to the Financial Statements
27 April 2019
(expressed in Jamaican dollars unless otherwise indicated)

19. 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	
	27 April 2019 \$'000	28 April 2018 \$'000	27 April 2019 \$'000	28 April 2018 \$'000
The movement on the deferred income				
Deferred tax assets	(60,656)	(59,317)	-	-
Deferred tax liabilities	865,805	481,348	693,047	424,846
	<u>805,149</u>	<u>422,031</u>	<u>693,047</u>	<u>424,846</u>

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

	The Group		The Company	
	27 April 2019 \$'000	28 April 2018 \$'000	27 April 2019 \$'000	28 April 2018 \$'000
Balance at 28 April 2018	422,031	692,083	424,846	613,233
Amounts restated through opening retained earnings (Note 35)	(28,058)	-	-	-
Restated balance at 29 April 2018	393,973	692,083	424,846	613,233
Charged(credited) to profit or loss (Note 10)	287,268	(189,275)	145,726	(110,112)
Charged(credited) to other comprehensive income (Note 10)	125,400	(80,925)	122,475	(78,275)
Translation	(1,492)	148	-	-
Balance as at end of year	<u>805,149</u>	<u>422,031</u>	<u>693,047</u>	<u>424,846</u>

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

	The Group		The Company	
	27 April 2019 \$'000	28 April 2018 \$'000	27 April 2019 \$'000	28 April 2018 \$'000
Deferred income tax assets -				
Other post-employment benefits	187	6,500	5,275	6,025
Property, plant and equipment	5,725	1,458	-	-
Accrued vacation	17,926	15,763	17,426	15,491
Tax losses unused	8,230	3,352	-	-
Interest payable	11,294	16,966	10,979	16,305
Intangible assets	83,353	57,859	-	-
Unrealised foreign exchange losses	-	56,111	-	55,700
Other	111,898	-	-	-
	<u>238,613</u>	<u>158,009</u>	<u>33,680</u>	<u>93,521</u>
Deferred income tax liabilities -				
Pension benefits	200,900	109,650	196,000	106,950
Property, plant and equipment	770,000	456,337	463,077	404,939
Unrealised foreign exchange gains	65,415	36	65,098	-
Intangible assets	4,894	7,540	-	-
Other	2,553	6,477	2,552	6,478
	<u>1,043,762</u>	<u>580,040</u>	<u>726,727</u>	<u>518,367</u>
Net deferred tax liabilities	<u>805,149</u>	<u>422,031</u>	<u>693,047</u>	<u>424,846</u>

Jamaica Broilers Group Limited

Notes to the Financial Statements

27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

19. 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	
	27 April 2019 \$'000	28 April 2018 \$'000	27 April 2019 \$'000	28 April 2018 \$'000
Profit or loss				
Property, plant and equipment	293,975	(4,857)	58,138	67,831
Accrued vacation and general provisions	(2,162)	(2,511)	(1,935)	(2,451)
Post-employment benefits	(33,375)	16,900	(32,675)	16,575
Tax losses	(4,877)	1,223	-	-
Unrealised foreign exchange losses/gains	121,079	(124,083)	120,798	(124,172)
Intangible assets	(43,117)	(8,283)	-	-
Interest payable	5,673	(6,601)	5,326	(6,415)
Other temporary differences	<u>(49,928)</u>	<u>(61,063)</u>	<u>(3,926)</u>	<u>(61,480)</u>
	<u>287,268</u>	<u>(189,275)</u>	<u>145,726</u>	<u>(110,112)</u>
Other comprehensive income				
Post-employment benefits	<u>125,400</u>	<u>(80,925)</u>	<u>122,475</u>	<u>(78,275)</u>

Deferred income tax liabilities have not been provided for in respect of the withholding and other taxes that would be payable on the undistributed earnings of certain subsidiaries to the extent that such earnings are permanently reinvested. Such undistributed earnings, included in the consolidated results, totalled \$3,876,283,000 (2018 - \$3,082,412,000). These undistributed earnings are in foreign subsidiaries.

Jamaica Broilers Group Limited

Notes to the Financial Statements

27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

19. Deferred Income Taxes (Continued)

These balances include the following:

	The Group		The Company	
	27 April 2019 \$'000	28 April 2018 \$'000	27 April 2019 \$'000	28 April 2018 \$'000
Deferred tax assets -				
Deferred tax assets to be recovered after more than 12 months	89,265	65,817	5,275	6,025
Deferred tax assets to be recovered within 12 months	149,348	92,192	28,405	87,496
	<u>238,613</u>	<u>158,009</u>	<u>33,680</u>	<u>93,521</u>
Deferred tax liabilities -				
Deferred tax liabilities to be recovered after more than 12 months	975,794	573,527	658,760	511,889
Deferred tax liabilities to be recovered within 12 months	67,968	6,513	67,967	6,478
	<u>1,043,762</u>	<u>580,040</u>	<u>726,727</u>	<u>518,367</u>
Net deferred tax liability	<u>805,149</u>	<u>422,031</u>	<u>693,047</u>	<u>424,846</u>

20. Post-Employment Benefits

Amounts recognised in the balance sheet are as follows:

	The Group		The Company	
	27 April 2019 \$'000	28 April 2018 \$'000	27 April 2019 \$'000	28 April 2018 \$'000
Pension scheme benefit assets	803,600	438,600	784,000	427,800
Post-employment benefit obligations	<u>(22,900)</u>	<u>(26,000)</u>	<u>(21,100)</u>	<u>(24,100)</u>
Amounts recognised in the profit or loss (Note 8) -				
Pension scheme benefit liabilities	164,200	80,500	160,800	79,200
Post-employment benefit obligations	1,800	2,000	1,700	1,900
	<u>166,000</u>	<u>82,500</u>	<u>162,500</u>	<u>81,100</u>
Amounts recognised in other comprehensive income				
Pension scheme benefit assets	(499,200)	320,400	(487,400)	310,200
Post-employment benefit obligations	(2,400)	3,300	(2,500)	2,900
	<u>(501,600)</u>	<u>323,700</u>	<u>(489,900)</u>	<u>313,100</u>

Jamaica Broilers Group Limited

Notes to the Financial Statements

27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

20. Post-Employment Benefits (Continued)

(a) Pension plans

Defined contribution plan

The Group participates in a defined contribution plan which is open to Jamaican based employees hired on or after 1 October 2017. Employees contribute 5% of pensionable earning with the option to contribute an additional voluntary contribution of 5%. The employer contributions are currently set at 10%. The Group also had other defined contribution plans open to employees of its foreign subsidiaries which are operated in those countries. The Group's and company's contributions for the year were \$62,130,000 (2018 - \$43,827,000) and \$2,555,000 (2018 - 190,000)

Defined benefit plan

The Group participates in a defined benefit scheme, which is open to all permanent employees based in Jamaica and administered by an external agency. The plan is funded by employee contributions of 5% pensionable earning with the option to contribute an additional voluntary contribution of 5%, and employer contributes 2%, as recommended by independent actuaries. 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 27 April 2019. The fund was closed to new members as at 30 September 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 regards 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:

	<u>The Group</u>		<u>The Company</u>	
	<u>27 April 2019</u>	<u>28 April 2018</u>	<u>27 April 2019</u>	<u>28 April 2018</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Fair value of plan assets	6,195,200	5,031,300	6,044,000	4,907,000
Present value of obligations	<u>(5,391,600)</u>	<u>(4,592,700)</u>	<u>(5,260,000)</u>	<u>(4,479,200)</u>
	<u>803,600</u>	<u>438,600</u>	<u>784,000</u>	<u>427,800</u>

Pension plan assets include investment in ordinary stock units of the company with a fair value of \$403,250,000 (2018 - \$246,765,000).

Jamaica Broilers Group Limited

Notes to the Financial Statements

27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

20. Post-Employment Benefits (Continued)

(a) Pension scheme benefits (continued)

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

	The Group		The Company	
	27 April 2019 \$'000	28 April 2018 \$'000	27 April 2019 \$'000	28 April 2018 \$'000
At start of year	438,600	691,100	427,800	671,300
Amounts recognised in profit or loss (Note 8)	(164,200)	(80,500)	(160,800)	(79,200)
Amounts recognised in other comprehensive income	499,200	(320,400)	487,400	(310,200)
Contributions paid	30,000	148,400	29,600	145,900
At end of year	<u>803,600</u>	<u>438,600</u>	<u>784,000</u>	<u>427,800</u>

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

	The Group		The Company	
	27 April 2019 \$'000	28 April 2018 \$'000	27 April 2019 \$'000	28 April 2018 \$'000
At start of year	4,592,700	3,578,800	4,479,200	3,476,400
Transfer in fund – new employee	1,800	3,200	1,800	3,200
Current service cost	169,300	120,100	165,600	117,500
Interest cost	360,400	357,100	351,700	347,200
Curtailment	-	(1,600)	-	(1,600)
	<u>5,124,200</u>	<u>4,057,600</u>	<u>4,998,300</u>	<u>3,942,700</u>
Remeasurement (gain)/loss on obligations:-				
Changes in financial assumptions	121,100	462,000	117,300	452,000
Experience adjustment	136,700	29,400	131,400	37,200
Members contribution	129,900	127,500	128,200	125,000
Benefits paid	<u>(120,300)</u>	<u>(83,800)</u>	<u>(115,200)</u>	<u>(77,700)</u>
At end of year	<u>5,391,600</u>	<u>4,592,700</u>	<u>5,260,000</u>	<u>4,479,200</u>

Jamaica Broilers Group Limited

Notes to the Financial Statements

27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

20. Post-Employment Benefits (Continued)

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

	The Group		The Company	
	27 April 2019 \$'000	28 April 2018 \$'000	27 April 2019 \$'000	28 April 2018 \$'000
At start of year	5,031,300	4,269,900	4,907,000	4,147,700
Transfer in fund – new employee	1,800	3,200	1,800	3,200
Members' contribution	129,900	127,500	128,200	125,000
Employer's contribution	30,000	148,400	29,600	145,900
Interest income on plan assets	378,400	414,000	369,200	402,500
Benefits paid	(120,300)	(83,800)	(115,200)	(77,700)
Administrative expenses	(12,900)	(18,900)	(12,700)	(18,600)
Remeasurement gain on plan assets	757,000	171,000	736,100	179,000
At end of year	<u>6,195,200</u>	<u>5,031,300</u>	<u>6,044,000</u>	<u>4,907,000</u>

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

	The Group		The Company	
	27 April 2019 \$'000	28 April 2018 \$'000	27 April 2019 \$'000	28 April 2018 \$'000
Current service cost	169,300	120,100	165,600	117,500
Interest cost	360,400	357,100	351,700	347,200
Interest income on plan assets	(378,400)	(414,000)	(369,200)	(402,500)
Administrative expenses	12,900	18,900	12,700	18,600
Curtailment	-	(1,600)	-	(1,600)
Total included in staff costs (Note 8)	<u>164,200</u>	<u>80,500</u>	<u>160,800</u>	<u>79,200</u>

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

	The Group		The Company	
	27 April 2019 \$'000	28 April 2018 \$'000	27 April 2019 \$'000	28 April 2018 \$'000
Remeasurements of the defined benefit obligation	257,800	491,400	248,700	489,200
Remeasurements of the plan assets	(757,000)	(171,000)	(736,100)	(179,000)
Total	<u>(499,200)</u>	<u>320,400</u>	<u>(487,400)</u>	<u>310,200</u>

Jamaica Broilers Group Limited

Notes to the Financial Statements

27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

20. Post-Employment Benefits (Continued)

(a) Pension scheme benefits (continued)

At the last valuation date, the present value of the defined benefit obligation was comprised, for the group and the company respectively, of approximately \$4,071,300,000 and \$4,004,700,000 relating to active members, \$357,700,000 and \$356,100,000 relating to deferred members, \$949,000,000 and \$885,600,000 relating to the members in retirement and \$13,600,000 and \$13,600,000 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 2 May 2020 amount to \$29,700,000 for the group and \$29,700,000 for the company. Effective 28 April 2018 the employer contributions is 2% as recommended by independent actuaries.

The principal actuarial assumptions used were as follows:

	27 April 2019	28 April 2018
Discount rate	6.5%	7.5%
Future salary increases	4.0%	5.5%
Future pension increases	1.25%	1.75%

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

The Group					
Impact on post-employment obligations					
	27 April 2019			28 April 2018	
	Change in assumption	Increase in assumption \$'000	Decrease in assumption \$'000	Increase in assumption \$'000	Decrease in assumption \$'000
Discount rate	0.5%	(416,000)	477,200	(360,300)	414,900
Future salary increases	0.5%	178,900	(165,400)	166,700	(154,000)
Pension increases	0.5%	250,800	(228,900)	206,300	(187,300)

The Company					
Impact on post-employment obligations					
	27 April 2019			28 April 2018	
	Change in assumption	Increase in assumption \$'000	Decrease in assumption \$'000	Increase in assumption \$'000	Decrease in assumption \$'000
Discount rate	0.5%	(408,000)	468,200	(353,400)	406,900
Future salary increases	0.5%	176,400	(163,100)	164,400	(151,900)
Pension increases	0.5%	244,700	(223,400)	201,100	(182,700)

Jamaica Broilers Group Limited

Notes to the Financial Statements

27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

20. 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			
	27 April 2019		28 April 2018	
	Increase Assumption by One Year \$'000	Decrease Assumption by One Year \$'000	Increase Assumption by One Year \$'000	Decrease Assumption by One Year \$'000
Life expectancy	70,800	(72,500)	57,400	(54,900)

	The Company			
	27 April 2019		28 April 2018	
	Increase Assumption by One Year \$'000	Decrease Assumption by One Year \$'000	Increase Assumption by One Year \$'000	Decrease Assumption by One Year \$'000
Life expectancy	68,900	(70,400)	55,700	(53,400)

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.

Jamaica Broilers Group Limited

Notes to the Financial Statements

27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

20. Post-Employment Benefits (Continued)

(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 5% per year (2018 – 6.5% per year).

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

	The Group		The Company	
	27 April 2019 \$'000	28 April 2018 \$'000	27 April 2019 \$'000	28 April 2018 \$'000
Present value of funded obligations	22,900	26,000	21,100	24,100

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

	The Group		The Company	
	27 April 2019 \$'000	28 April 2018 \$'000	27 April 2019 \$'000	28 April 2018 \$'000
At start of year	26,000	22,400	24,100	20,800
Amounts recognised in profit or loss (Note 8)	1,800	2,000	1,700	1,900
Amounts recognised in other comprehensive income	(2,400)	3,300	(2,500)	2,900
Contributions paid	(2,500)	(1,700)	(2,200)	(1,500)
At end of year	22,900	26,000	21,100	24,100

Jamaica Broilers Group Limited

Notes to the Financial Statements

27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

20. 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	
	27 April 2019 \$'000	28 April 2018 \$'000	27 April 2019 \$'000	28 April 2018 \$'000
At start of year	26,000	22,400	24,100	20,800
Interest cost	1,800	2,000	1,700	1,900
Benefits paid	(2,500)	(1,700)	(2,200)	(1,500)
Remeasurement loss/(gain) on obligation:-				
Changes in financial assumptions	(400)	500	(400)	500
Experience adjustment	(2,000)	2,800	(2,100)	2,400
At end of year	<u>22,900</u>	<u>26,000</u>	<u>21,100</u>	<u>24,100</u>

The amount recognised in profit or loss is as follows:

	The Group		The Company	
	27 April 2019 \$'000	28 April 2018 \$'000	27 April 2019 \$'000	28 April 2018 \$'000
Interest cost	1,800	2,000	1,700	1,900
Total included in staff costs (Note 8)	<u>1,800</u>	<u>2,000</u>	<u>1,700</u>	<u>1,900</u>

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

	The Group		The Company	
	27 April 2019 \$'000	28 April 2018 \$'000	27 April 2019 \$'000	28 April 2018 \$'000
Remeasurements of the defined benefit obligation	(2,400)	3,300	(2,500)	2,900

Jamaica Broilers Group Limited

Notes to the Financial Statements

27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

20. 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			
		27 April 2019		28 April 2018	
	Change in assumption	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
		\$'000	\$'000	\$'000	\$'000
Discount rate	0.5%	(900)	800	(1,000)	1,000
Medical cost	0.5%	(3,800)	(5,300)	(3,500)	(5,300)

		The Company			
		Impact on post-employment obligations			
		27 April 2019		28 April 2018	
	Change in assumption	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
		\$'000	\$'000	\$'000	\$'000
Discount rate	0.5%	(800)	800	(900)	1,000
Medical cost	0.5%	(3,700)	(5,100)	(3,400)	(5,100)

		The Group			
		27 April 2019		28 April 2018	
		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		1,000	(1,000)	1,100	(1,100)

		The Company			
		27 April 2019		28 April 2018	
		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		900	(900)	1,000	(900)

Jamaica Broilers Group Limited

Notes to the Financial Statements

27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

20. Post-Employment Benefits (Continued)

(c) Distribution of pension plan assets -

	The Group			
	27 April 2019 \$'000	27 April 2019 %	28 April 2018 \$'000	28 April 2018 %
Equities - quoted	3,313,228	54	2,179,100	44
Equities - unquoted	23,672	-	312,800	6
Property	564,400	9	408,700	8
Government securities and reverse repurchase agreements	1,182,500	19	1,459,900	29
Corporate bonds	759,700	12	398,800	8
Leased assets	96,100	2	109,000	2
Other	255,600	4	163,000	3
	<u>6,195,200</u>	<u>100</u>	<u>5,031,300</u>	<u>100</u>

	The Company			
	27 April 2019 \$'000	27 April 2019 %	28 April 2018 \$'000	28 April 2018 %
Equities - quoted	3,232,365	54	2,125,265	44
Equities - unquoted	23,094	-	305,072	6
Property	550,625	9	398,603	8
Government securities and reverse repurchase agreements	1,153,640	19	1,423,833	29
Corporate bonds	741,159	12	388,948	8
Leased assets	93,755	2	106,307	2
Other	249,362	4	158,972	3
	<u>6,044,000</u>	<u>100</u>	<u>4,907,000</u>	<u>100</u>

Jamaica Broilers Group Limited

Notes to the Financial Statements

27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

20. 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 2019 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 27 April 2019. The next triennial valuation is due to be completed as at 30 April 2020.

Jamaica Broilers Group Limited

Notes to the Financial Statements

27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

21. Inventories

	The Group		The Company	
	27 April 2019 \$'000	28 April 2018 \$'000	27 April 2019 \$'000	28 April 2018 \$'000
Grain and feed ingredients	2,238,370	1,827,750	1,752,848	1,664,793
Inventories for resale and spares	3,221,803	2,748,708	2,841,836	2,659,248
Goods in transit and others	1,311,622	1,286,310	263,868	370,957
	6,771,795	5,862,768	4,858,552	4,694,998
Less: Provision for obsolescence	(86,913)	(79,265)	(86,507)	(66,548)
	<u>6,684,882</u>	<u>5,783,503</u>	<u>4,772,045</u>	<u>4,628,450</u>

Inventory write-downs for the current year amounted to \$79,369,000 (2018 – \$371,817,000).

22. Biological Assets

	The Group		The Company	
	27 April 2019 \$'000	28 April 2018 \$'000	27 April 2019 \$'000	28 April 2018 \$'000
Cattle	50,959	46,555	-	-
Poultry	6,772,834	5,397,149	730,884	654,718
	<u>6,823,793</u>	<u>5,443,704</u>	<u>730,884</u>	<u>654,718</u>

Biological assets comprise of:

	The Group		The Company	
	27 April 2019 \$'000	28 April 2018 \$'000	27 April 2019 \$'000	28 April 2018 \$'000
Biological assets at fair value	575,196	523,933	524,237	477,377
Biological assets at cost	6,248,597	4,919,771	206,647	177,341
	<u>6,823,793</u>	<u>5,443,704</u>	<u>730,884</u>	<u>654,718</u>

Jamaica Broilers Group Limited

Notes to the Financial Statements

27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

22. Biological Assets (Continued)

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

	The Group		The Company	
	27 April 2019 \$'000	28 April 2018 \$'000	27 April 2019 \$'000	28 April 2018 \$'000
At start of year	523,933	568,175	477,377	529,219
Fair value gain	5,916	11,719	-	-
Increase due to purchases and transfers	8,543,304	7,586,682	8,541,826	7,586,482
Decrease due to sales	(8,497,957)	(7,642,643)	(8,494,966)	(7,638,324)
At end of year	<u>575,196</u>	<u>523,933</u>	<u>524,237</u>	<u>477,377</u>

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

	The Group		The Company	
	27 April 2019 \$'000	28 April 2018 \$'000	27 April 2019 \$'000	28 April 2018 \$'000
At start of year	4,919,771	3,889,197	177,341	138,926
Increase due to purchases and acquisition	9,289,481	9,254,636	2,849,521	2,615,164
Decrease due to sales and depreciation	(8,175,351)	(8,100,011)	(2,820,215)	(2,576,749)
Translation	214,696	(124,051)	-	-
At end of year	<u>6,248,597</u>	<u>4,919,771</u>	<u>206,647</u>	<u>177,341</u>

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

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

- (i) Cattle
The number of cattle at the end of the year was 627 (2018 – 571).

The number of cattle harvested during the year was 261 (2018 – 245).
- (ii) Poultry
The number of birds in the field, including broilers, breeders, and layer pullets at year end was 7,592,643 (2018 – 7,000,000) and the number of eggs at year end was 6,971,681 (2018 – 6,134,000).

The total number of birds produced during the year was 54,376,000 (2018 – 51,686,000).

The total number of eggs produced during the year was 29,027,000 (2018 – 27,706,000) dozens.

Jamaica Broilers Group Limited

Notes to the Financial Statements

27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

23. Receivables

	The Group		The Company	
	27 April 2019 \$'000	28 April 2018 \$'000	27 April 2019 \$'000	28 April 2018 \$'000
Trade receivables	3,672,977	3,046,178	2,149,156	1,913,877
Less: Provision for impairment	<u>(547,667)</u>	<u>(304,012)</u>	<u>(351,308)</u>	<u>(259,786)</u>
	3,125,310	2,742,166	1,797,848	1,654,091
Contract farmers' receivables	243,821	313,749	231,304	313,749
Deposits	67,307	16,028	40,729	752,668
G.C.T recoverable	73,011	28,060	72,951	27,285
Jamaica Broilers Trust (Note 32)	42,892	51,613	42,892	51,613
Prepayments	363,031	383,198	201,249	226,863
Staff receivables	60,113	192,174	51,336	185,348
Other	<u>131,903</u>	<u>218,451</u>	<u>35,652</u>	<u>144,952</u>
	4,107,388	3,945,439	2,473,961	3,356,569
Less: Provision for impairment	<u>(2,486)</u>	<u>(318)</u>	<u>(318)</u>	<u>(318)</u>
	<u>4,104,902</u>	<u>3,945,121</u>	<u>2,473,643</u>	<u>3,356,251</u>

24. Financial Assets at Fair Value through Profit or Loss

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

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

25. Cash and Short Term Investments

	The Group		The Company	
	27 April 2019 \$'000	28 April 2018 \$'000	27 April 2019 \$'000	28 April 2018 \$'000
Cash at bank and in hand	1,714,201	1,238,509	1,029,021	803,541
Short term investments	<u>2,013,359</u>	<u>1,874,569</u>	<u>1,968,386</u>	<u>1,861,860</u>
	3,727,560	3,113,078	2,997,407	2,665,401
Interest receivable	<u>3,162</u>	<u>2,922</u>	<u>3,162</u>	<u>2,922</u>
	<u>3,730,722</u>	<u>3,116,000</u>	<u>3,000,569</u>	<u>2,668,323</u>

Jamaica Broilers Group Limited

Notes to the Financial Statements

27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

25. Cash and Short Term Investments (Continued)

The weighted average effective interest rate on Jamaica dollar and US dollar short term deposits was 2.5% (2018 – 4%) and 0.5% (2018 – 0.5%) 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	
	27 April 2019 \$'000	28 April 2018 \$'000	27 April 2019 \$'000	28 April 2019 \$'000
Cash and short term investments	3,730,722	3,116,000	3,000,569	2,668,323
Short term borrowings and bank overdraft	(395,842)	(190,375)	(211,587)	(177,266)
	<u>3,334,880</u>	<u>2,925,625</u>	<u>2,788,982</u>	<u>2,491,057</u>

26. Payables

	The Group		The Company	
	27 April 2019 \$'000	28 April 2018 \$'000	27 April 2019 \$'000	28 April 2018 \$'000
Trade payables	4,903,834	3,631,010	3,091,929	2,371,956
Accrued charges	835,435	851,250	702,621	719,894
Contractors retention payable	22,926	18,218	301	691
GCT payable	340	500	-	-
Payroll taxes payable	54,017	78,749	52,083	70,502
Staff related payables	87,008	64,311	13,217	15,059
Unclaimed cheques	62,789	61,428	62,789	61,428
Other	371,466	313,807	367,768	257,683
	<u>6,337,815</u>	<u>5,019,273</u>	<u>4,290,708</u>	<u>3,497,213</u>

Jamaica Broilers Group Limited

Notes to the Financial Statements

27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

27. Dividends

	The Group		The Company	
	27 April 2019 \$'000	28 April 2018 \$'000	27 April 2019 \$'000	28 April 2018 \$'000
Dividends declared				
First interim – 19 cents per stock unit (2018 – 17 cents)	227,862	203,877	227,862	203,877
Second interim – 20 cents per stock unit (2018 – 17 cents)	239,855	203,877	239,855	203,877
	467,717	407,754	467,717	407,754
Elimination of dividends attributable to the Trust	(53,419)	-	-	-
	414,298	407,754	467,717	407,754
Dividend payable				
Dividend payable	239,855	-	239,855	-
Dividend payable to the Trust	(27,523)	-	-	-
	212,332	-	239,855	-

The second interim payment was declared during the year but paid subsequent to the year end and therefore represents dividend payable for the current year.

28. Borrowings

	The Group		The Company	
	27 April 2019 \$'000	28 April 2018 \$'000	27 April 2019 \$'000	28 April 2018 \$'000
Non-Current -				
Borrowings	5,987,159	4,658,531	4,726,634	3,572,329
Current -				
Short term borrowings and bank overdraft	5,877,372	4,862,309	3,011,594	3,546,874
Current portion of non-current borrowings	714,650	434,642	613,374	400,563
Interest payable	45,175	67,948	43,915	65,219
	6,637,197	5,364,899	3,668,883	4,012,656
	12,624,356	10,023,430	8,395,517	7,584,985

Interest rates on these loans range between 5% to 9% on Jamaican currency loans and 4% to 7% 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 no undrawn financing facilities.

Jamaica Broilers Group Limited

Notes to the Financial Statements

27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

28. Borrowings (Continued)

The loans for the company are unsecured, while loans in the overseas subsidiaries are secured by certain fixed assets and business assets.

In 2018, the company refinanced its long term loan facilities by the bank repaying the bond holders on behalf of the company in the amount of \$2,432,250,000 and consolidating the remaining loan facilities. The repayment terms for the new facility was extended by 2 years and interest rates were reduced by a range of 80 to 140 basis points.

Reconciliation of movement of liabilities to cash flows arising from financial activities:

Amounts represent bank loans, excluding bank overdrafts

	The Group		The Company	
	27 April 2019 \$'000	28 April 2018 \$'000	27 April 2019 \$'000	28 April 2018 \$'000
Opening	9,833,055	7,293,893	7,407,619	5,450,125
Loans received	7,188,225	3,612,504	3,536,443	2,666,300
Loans repaid	(4,973,573)	(1,126,210)	(2,798,735)	(807,364)
Foreign exchange adjustments	207,906	(75,726)	64,422	(28,950)
Net movement in deferred fees	(4,326)	102,107	(4,515)	101,850
Net interest movements	(22,773)	26,487	(21,304)	25,658
	<u>12,228,514</u>	<u>9,833,055</u>	<u>8,183,930</u>	<u>7,407,619</u>

29. Other Long Term Liabilities

On 1 February 2018 the Board of Directors approved the formation of JBGL Stockholders Nominees Limited ("the Trust") for the purpose of buying Jamaica Broilers Group Limited shares from major shareholders. The Trust will hold these shares purchased, and all benefits derived will be for the benefit of all shareholders of the Company in proportion to their shareholding in Jamaica Broilers Group Limited. The company loaned the Trust the amount to purchase the shares at an interest rate of 1% per annum. The Trust will repay the loan through the sale of the shares purchased on the open market as well as any dividends received.

Between 30 March 2018 and 26 April 2018, agreements were signed with two sets of shareholders (and the trustees and entities connected to them) and the Trust for the Trust to purchase 165,452,446 shares at an average cost of \$18.19. The amounts outstanding are payable by June 2019.

	The Group	
	28 April 2018 \$'000	29 April 2017 \$'000
Current	720,383	1,540,268
Non-current	-	720,383
	<u>720,383</u>	<u>2,260,651</u>

Jamaica Broilers Group Limited

Notes to the Financial Statements

27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

30. Share Capital

	Group			
	27 April 2019	28 April 2018	27 April 2019	28 April 2018
	Units '000	Units '000	\$'000	\$'000
Authorised-				
Ordinary shares	1,209,324	1,209,324	-	-
Issued and fully paid				
Ordinary units	1,199,277	1,199,277	765,137	765,137
Shares held by Trust	(175,531)	(165,452)	-	-
	<u>1,023,746</u>	<u>1,033,825</u>	<u>765,137</u>	<u>765,137</u>
	Company			
	27 April 2019	28 April 2018	27 April 2019	28 April 2018
	Units '000	Units '000	\$'000	\$'000
Authorised-				
Ordinary shares	1,209,324	1,209,324	-	-
Issued and fully paid				
Ordinary units	1,199,277	1,199,277	765,137	765,137

The stock units in 2019 and 2018 are stated in these financial statements without a nominal or par value.

The cost of the shares held by the Trust is \$3,273,909,000 (2018 - \$3,010,231,000). During the year the Trust purchased 10,079,000 additional shares.

Jamaica Broilers Group Limited

Notes to the Financial Statements

27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

31. Reserves

	The Group		The Company	
	27 April 2019 \$'000	28 April 2018 \$'000	27 April 2019 \$'000	28 April 2018 \$'000
(a) Capital Reserve				
At start of year -				
Realised capital gains	24,500	24,500	3,227	3,227
Unrealised surplus on revaluations	321,807	321,807	228,944	228,944
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	704,121	824,155	-	-
	<u>1,050,428</u>	<u>1,170,462</u>	<u>222,947</u>	<u>222,947</u>
Movements during the year -				
Translation gain	130,730	(120,034)	-	-
At end of year	<u>1,181,158</u>	<u>1,050,428</u>	<u>222,947</u>	<u>222,947</u>
Consisting of -				
Realised capital gains	24,500	24,500	3,227	3,227
Unrealised surplus on revaluations	321,807	321,807	228,944	228,944
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	834,851	704,121	-	-
	<u>1,181,158</u>	<u>1,050,428</u>	<u>222,947</u>	<u>222,947</u>
(b) Legal Reserve				
	233	233	-	-
	<u>1,181,391</u>	<u>1,050,661</u>	<u>222,947</u>	<u>222,947</u>

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

Jamaica Broilers Group Limited

Notes to the Financial Statements

27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

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:

	27 April 2019 \$'000	28 April 2018 \$'000
Sale of goods	654,992	648,186
Purchases of goods	3,819,422	3,558,870
Purchase of services	274,971	225,587
Interest income earned	113,013	139,512
Management fees earned	-	153,786
Insurance premiums expense	552,202	569,783
Dividend received	479,970	-
Other expenses	8,045	11,555

(ii) Key management compensation

	The Group		The Company	
	27 April 2019 \$'000	28 April 2018 \$'000	27 April 2019 \$'000	28 April 2018 \$'000
With directors and key management -				
Salaries, profit sharing and other short-term employee benefits	550,357	589,822	455,546	449,201
Payroll taxes - Employer's portion	41,213	43,090	37,955	37,297
Pension benefits	5,731	17,245	4,513	13,967
Professional fees paid	11,403	6,239	11,403	6,239
	<u>608,704</u>	<u>656,396</u>	<u>509,417</u>	<u>506,704</u>
Directors' emoluments -				
Fees	41,309	27,150	41,309	27,150
Management remuneration (included above)	<u>420,546</u>	<u>419,334</u>	<u>321,260</u>	<u>309,479</u>

Jamaica Broilers Group Limited

Notes to the Financial Statements

27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

32. Related Party Transactions and Balances (Continued)

(iii) Year end balances with related parties:

	The Group		The Company	
	27 April 2019 \$'000	28 April 2018 \$'000	27 April 2019 \$'000	28 April 2018 \$'000
Directors and key management -				
Receivables	21,270	4,163	21,243	4,123
Receivable from subsidiaries -				
Trade and other receivables	-	-	2,563,133	2,366,657
Current portion of loans receivable (Note 17)	-	-	448,138	848,135
	-	-	3,011,271	3,214,792
Payable to subsidiaries	-	-	39,686	38,842
Other long term liabilities (Note 29)	720,383	2,260,651	-	-
Loan to Jamaica Broilers Trust(a) (Note 23)	42,892	51,613	42,892	51,613
Loans receivable:				
Loan to International Poultry Breeder Inc. long term portion of loans receivable (c)	-	-	-	897,408
Loan to International Poultry Breeder Hatcheries Inc. long term portion of loans receivable (d)	-	-	-	741,608
Loan to JBGL Stockholders Nominee Limited (e) (Note 17)	-	-	2,799,487	-
	-	-	2,799,487	1,639,016

- (a) Loan receivable from Jamaica Broilers Trust is payable by December 2019 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 HTG 275,523,990 (2018 -HTG344,000,000). The loan is interest free and matures in 2019 included in current portion.
- (c) The balance represented the outstanding amounts on a loan of US\$10,750,000 at a rate of US Prime + 3% and matures 2023. Principal was repaid annually in the amount of US\$700,000. Included in receivable from subsidiaries is the current portion of the loan is Nil (2018 - \$87,248,000) and interest receivable of Nil (2018 - \$5,906,000). The remaining loan was converted to capital during the year.
- (d) The balance represented the outstanding amounts on a loan of US\$8,500,000 at a rate of US Prime + 2.75% and matures 2026. Principal was repaid annually in the amount of US\$850,000. Included in receivable from subsidiaries is the current portion of the loan is Nil (2018 - \$105,944,000) and interest receivable of Nil (2018 - \$4,955,000). The remaining loan balance was converted to capital during the year.
- (e) The balance represents the outstanding amounts on a loan issued during the year at a rate of 1% per annum and matures in 2024. Principal will be repaid on maturity. Included in receivable from subsidiaries is the interest receivable of \$22,875,000. The deferred expenditure of \$72,841,000 relates to transactions costs incurred by the Trust in obtaining the loan and is being amortised over the life of the loan.

Jamaica Broilers Group Limited

Notes to the Financial Statements

27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

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 receivables, borrowings and other long term liabilities approximates carrying value as the contractual cash flows are at current market interest rates that are available to the Group for similar financial instruments; and
- (iv) The amounts included in the financial statements for receivables, cash and short term investments, payables 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 \$906,602,000 (2018 - \$1,018,902,000) for the Group. These investments represent units in investment funds which are stated at unit prices determined by the fund manager and corporate bonds.

There were no transfers between levels in the year.

Biological assets which are measured at fair value totalling \$575,196,000 (2018 – \$523,933,000) and \$524,237,000 (2018 - \$477,377,000) for the Group and the Company respectively are included in Level 2.

Jamaica Broilers Group Limited

Notes to the Financial Statements

27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

34. Business Combination

In September 2018, Wincorp Property Inc. acquired the operations of a feedmill operation from a company in the USA. The principal activity of Wincorp Property, Inc. is the production and distribution of feed for the poultry industry. As a result of this acquisition, the Group is expected to extend its reach in the poultry industry of North America.

The acquired assets contributed revenues of \$3,726,262,000 and profits of \$198,283,000 for the year ended 27 April 2019.

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	107,006
Property, plant and equipment	1,245,000
Inventories	164,341
	<u>1,516,347</u>
Negative goodwill on acquisition:	\$'000
Purchase consideration	1,291,379
Less: Fair value of net assets acquired	<u>(1,516,347)</u>
	<u>(224,968)</u>
Net cash outlay on acquisition:	
Purchase consideration paid in cash	1,291,379
Cash and cash equivalents acquired	-
	<u>1,291,379</u>

The purchase price allocation utilised is preliminary and will be finalised in the subsequent financial year.

Jamaica Broilers Group Limited

Notes to the Financial Statements

27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

35. Adoption of New Accounting Standards

New accounting standards have been applied from 29 April 2018 and the financial statement of the Group has been restated as of date to reflect the effect of the adoption of IFRS 9 'Financial instruments.

As noted in the accounting policies for the new standards, the transition provisions applied by the Group do not require comparative figures to be restated. The total impact of adoption is therefore recognised in the opening statement of financial position on 29 April 2018 as shown in tables below.

The following tables show the adjustments recognized for each individual line item. Line items that were not affected by the changes have shown in aggregate.

Impact of adopting IFRS 9 on Statement of Financial Position as at 29 April 2018

	Group		
	28 April 2018 as previously reported \$'000	Effects of IFRS 9 \$'000	29 April 2018 as restated \$'000
Non-Current Assets	11,580,737	-	11,580,737
Current Assets			
Receivables	3,945,121	(136,462)	3,808,659
Other assets unaffected by adoption of new standards	15,486,203	-	15,486,203
	19,431,324	(136,462)	19,294,862
Current Liabilities			
Current liabilities unaffected by adoption of new standards	12,465,426	-	12,465,426
Net Current Assets	6,965,898	(136,462)	6,829,436
	18,546,635	(136,462)	18,410,173
Stockholder's equity			
Share capital	765,137	-	765,137
Reserves	1,050,661	-	1,050,661
Retained earnings	13,815,849	(105,817)	13,710,032
Shares held by Trust	(3,010,231)	-	(3,010,231)
	12,621,416	(105,817)	12,515,599
	38,957	(2,587)	36,370
	12,660,373	(108,404)	12,551,969
Deferred tax liabilities	481,348	(28,058)	453,290
Long term liabilities unaffected by adoption of new standards	5,404,914	-	5,404,914
	18,546,635	(136,462)	18,410,173

Jamaica Broilers Group Limited

Notes to the Financial Statements

27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

35. Adoption of New Accounting Standards (Continued)

Impact of adopting IFRS 9 on Statement of Financial Position as at 29 April 2018

	Company		
	28 April 2018 as previously reported \$'000	Effects of IFRS 9 \$'000	29 April 2018 as restated \$'000
Non-Current Assets	9,028,688	-	9,028,688
Current Assets			
Receivables	3,356,251	(19,401)	3,336,850
Other assets unaffected by adoption of new standards	11,532,309	-	11,532,309
	14,888,560	(19,401)	14,869,159
Current Liabilities			
Current liabilities unaffected by adoption of new standards	7,796,368	-	7,796,368
Net Current Assets	7,092,192	(19,401)	7,072,791
	16,120,880	(19,401)	16,101,479
Stockholder's equity			
Share capital	765,137	-	765,137
Reserves	222,947	-	222,947
Retained earnings	11,111,521	(19,401)	11,092,120
	12,099,605	(19,401)	12,080,204
Long term liabilities unaffected by adoption of new standards	4,021,275	-	4,021,275
	16,120,880	(19,401)	16,101,479

Jamaica Broilers Group Limited

Notes to the Financial Statements

27 April 2019

(expressed in Jamaican dollars unless otherwise indicated)

35. Adoption of New Accounting Standards (Continued)

Impact on equity components as at 29 April 2018

	<u>Group</u>	<u>Company</u>	
	<u>Retained Earnings</u>	<u>Non-Controlling Interests</u>	<u>Retained Earnings</u>
Closing equity components 28 April 2018	13,815,849	38,957	11,111,521
IFRS 9 Impact			
Increase in provision for trade receivables	(133,875)	(2,587)	(19,401)
Decrease in deferred tax liabilities	28,058	-	-
	<u>(105,817)</u>	<u>(2,587)</u>	<u>(19,401)</u>
Opening equity components 29 April 2018	<u>13,710,032</u>	<u>36,370</u>	<u>11,092,120</u>

The investments owned by the Group were previously classified as fair value through profit or loss and will remain in that category after having examined which business model apply to these financial assets.

36. Subsequent Event

Subsequent to the year-end the loans receivable from West Indies Petroleum Limited (WIP) was liquidated via a debt purchase and novation agreement between the Company, WIP and Bank of Nova Scotia Jamaica Limited.

NOTES

NOTES

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