

Larry Udell, Sydney Levy and Robert Levy in discussion.



65

Years

ANNUAL
REPORT
2022 / 2023

CO-FOUNDERS



Sydney E. Levy



Byron H. Coombs



Larry G. Udell





OUR MISSION

With God's guidance, we shall efficiently manage the company to fulfil 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.





SYDNEY E. LEVY
CHAIRMAN, 1958 - 1976



RUDOLF T. COUSINS
CHAIRMAN, 1976 - 1989



DAVID M. WILDISH
CHAIRMAN, 1989 - 1997



ANDREW A. WILDISH
CHAIRMAN, 1998 - 2000



R. DANVERS WILLIAMS
CHAIRMAN, 2000 - 2009



ROBERT LEVY
CHAIRMAN, 2009 - current

CORE VALUES

At Jamaica Broilers Group, our core values are based on Judeo-Christian Principles. This is the foundation on which our business is built and on which we are encouraged to conduct our lives. It is how we determine what is expected of us in fulfilling our obligations to our customers, shareholders, employees, contractors and communities. Our policies and procedures reflect these principles and are the bedrock of our culture and therefore ours to own, protect and live without compromise.





A meeting of the Board of Directors in the 1970's.

PILLARS OF OUR CORE VALUES

ACCOUNTABILITY

At JBG, accountability is core to our culture. We take responsibility for what we do and how we do it. This applies in full measure to all members of the JBG family. Our leaders are tasked with the additional responsibility of ensuring that they are accessible to all team members and that they feel comfortable asking questions, voicing concerns or reporting misconduct and behavior that is in violation of our core values.

LUKE 12:48 • PROVERBS 27:23

RESPECT

At JBG, respect is core to our culture. We are committed to treating each other with the respect we desire for ourselves. We aim to provide a work environment that is free from intimidation and abuse of any nature. We are committed to fostering an atmosphere where everyone is encouraged to grow and to maximize their God-given potential. A lack of respect at the workplace in any shape or form is never tolerated.

MATTHEW 7:12 • ROMANS 12:10 • PHILIPPIANS 2:3

SERVICE EXCELLENCE

At JBG, customer care is core to our culture. We treat our customers as priority and are committed to responding to their needs with courtesy and respect in a timely and efficient manner. Our loyal customers choose our products because of our commitment to excellent service, our reputable brands and our proven track record in partnering with them to ensure the success of their business. Our dedicated team members are our greatest competitive advantage. We support each other selflessly and hold each other accountable for taking the care and making the timely decisions necessary to ensure that we deliver on our promise to our customers.

COLOSSIANS 3:23-24 • PHILIPPIANS 2:3-4 • MATTHEW 23:11 • 1 PETER 4:10

HONESTY

At JBG, honesty is core to our culture. Regardless of the circumstance, we are committed to being transparent and consistent in all our dealings. We compete ethically and lawfully. We ensure utmost honesty in all our reporting and transactions by following clear policies, procedures and the laws and regulations which govern our business. In our decision making, we strive to do the right thing because it is the right thing to do.

PROVERBS 11:1 • PROVERBS 16:13 • PROVERBS 10:9

COMMUNICATION

At JBG, communication is core to our culture. We see clear intentional and effective communication between each other and our stakeholders as the most effective way to ensure alignment with our values, mission, goals and strategic objectives. We believe that regularly “touching base” with each other, fosters a culture that reminds us that we are a part of a greater whole and keeps us cognizant of the impact of our actions and decisions on that greater whole.

ROMANS 14:19 • COLOSSIANS 4:6



65
Years

WITH GOD'S GUIDANCE



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TRUTH
FAIRNESS
GOODWILL

AGM REGISTRATION & SHAREHOLDER QUERIES

The Company's Annual General Meeting (AGM) will be held on **Wednesday, November 1, 2023** commencing at **1:00 p.m.** via livestream. We invite you to visit our website at www.jamaicabroilersgroup.com/investors/shareholders-info to register your interest in participating in the virtual AGM. Registration will close on October 30, 2023.

PARTICIPATING IN THE AGM

Once your registration has been processed, you will receive an email outlining a unique username and password to access the private livestream and facilitate voting on relevant matters. Shareholders who are unable to attend the virtual meeting are encouraged to vote by proxy online or using the Proxy Form herein. Should you have any questions on the financial statements, we encourage you to email those to information@jabgl.com by October 30, 2023 and we will do our best to respond during the meeting.

ANNUAL REPORT

You may also access the Annual Report (which includes the Notice of AGM, Financial Statements, Auditor's Report, Director's Report and Proxy Form) on the Company website www.jamaicabroilersgroup.com/investors or on the Jamaica Stock Exchange website at www.jamstockex.com. Should you prefer a printed copy of the Annual Report, kindly contact **The Registrar, Jamaica Central Securities Depository (JCSD)** at (876) 967-3271 or email www.jcsdrs@jamstockex.com.

SHAREHOLDER QUERIES

If you would like to review your JBG shareholdings and dividend payments, you can access the easy to use, **JCS D Client Portal** at www.jcsdportal.jamstockex.com. You will need your JCSD account number and TRN to sign up. If you don't have a JCSD account number, email your request to jcsdrs@jamstockex.com including your TRN and contact information. A JCSD representative stands ready to assist you.

Thank you for choosing to partner with Jamaica Broilers Group Limited. We look forward to your participation at this year's meeting.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the **Annual General Meeting** of Jamaica Broilers Group Limited will be held virtually, on **Wednesday, November 1, 2023 at 1:00 p.m.** and is accessible through an online registration portal available on the Company website at www.jamaicabroilersgroup.com/investors, to transact the following Business:

AUDITED ACCOUNTS

RESOLUTION NO. 1

“That the Audited Accounts for the year ended April 29, 2023, together with the reports of the Directors and Auditors thereon, be and are hereby adopted”.

ELECTION OF DIRECTORS

The Directors retiring by rotation in accordance with Regulation 89 of the Company’s Articles of Incorporation are Dr Claudette Cooke and Messrs. Syd Mogg, Edward Barber and Bruce Bowen, who, being eligible for re-election, offer themselves for re-election.

RESOLUTION NO. 2

“That the Directors, retiring by rotation, be re-elected by a Single Resolution.”

RESOLUTION NO. 3

“That Dr Claudette Cooke and Messrs. Syd Mogg, Edward Barber and Bruce Bowen 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”.

RESOLUTION NO. 4

“That Mr Ian Haynes who is retiring by rotation in accordance with Regulation 95 of the Articles of Incorporation be and is hereby re-elected as a Director of the Company”.

RATIFICATION OF INTERIM DIVIDENDS

RESOLUTION NO. 5

“That the interims dividend of 36 cents paid on November 10, 2022 and of 42 cents paid on April 14, 2023, be and are hereby ratified and declared final for the financial year ended April 29, 2023”.

REMUNERATION OF THE DIRECTORS

RESOLUTION NO. 6

“That the amount shown in the Audited Accounts of the Company for the year ended April 29, 2023 as fees of the Directors for their services as Directors, be and is hereby approved.”

APPOINTMENT AND REMUNERATION OF THE AUDITORS

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.”

ADOPTION OF NEW ARTICLES OF INCORPORATION

RESOLUTION NO. 8 – SPECIAL RESOLUTION

“That the Articles of Incorporation of the Company, a copy of which is attached hereto and marked “A” for identification, be and is hereby adopted by the Company in replacement and in substitution for the Articles of Incorporation now registered with the Companies Office of Jamaica, and that the Secretary be directed to register them immediately with the Companies Office of Jamaica.

Dated the 23rd day of August, 2023

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, 7th 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.

ARTICLES OF INCORPORATION PROPOSED FOR ADOPTION

"A"

SCHEDULE 1

1. In these Articles---

"the Act" means the Companies Act;

"the Company" means **JAMAICA BROILERS GROUP LIMITED**

"Director" means any person duly appointed or elected to serve on the Board of Directors of the Company and shall have the meaning assigned to it by the Act.

"Electronic Format" means any disc, tape, soundtrack or other device in which printed words, sounds or other data are embodied so as to be capable (with or without the aid of some other equipment) of being reproduced therefrom including but not limited to compact discs.

"Electronic Means" means any method of dispatch or communication of sounds, documents, maps, photography, graphs, plans or other data which involves the use of equipment or technology having electrical, digital, magnetic, wireless, optical, electromagnetic, photographic or similar capabilities including but not limited to facsimile machines, e-mail sent via computers, scanning devices, the use of electronic and/or telephonic facilities or platforms and a live streaming or broadcast which allows for the transmission and reception of live video and/or audio broadcasts. Where in these Articles it is provided that members may attend a meeting of the Company by electronic means or by way of live stream or broadcast, the relevant computer programme, software, webcasting, videoconferencing, teleconferencing, or a combination of those, and/or other electronic platforms must allow members access to see and/or hear the proceedings, ask questions, vote electronically (including before and during the meeting and by proxy), and in all respects fully participate and exercise such rights, subject to the Chairman's directions for the orderly conduct of the meeting.

"Extraordinary Resolution" and "Special Resolution" have the meanings assigned to them by the Act.

"the seal" means the common seal of the Company;

"Secretary" means any person appointed to perform the duties of the Secretary of the Company.

Expressions referring to writing shall, unless the contrary intention appears, be construed as including references to printing, lithography, photography, and other modes of representing or reproducing words in a visible form.

Words importing the singular number shall include the plural number and vice versa.

Words importing the masculine gender include the feminine.

Words incorporating individuals include corporations.

Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these Articles become binding on the Company.

Share Capital and Variation of Rights

- Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, any share in the Company may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise as the Company may from time to time by ordinary resolution determine. PREFERRED AND DEFERRED SHARES
- Subject to the provisions of section 56, 57, 58 and 62 or other similar provisions of the Act, any share and any preference share may, with the sanction of an ordinary resolution, be issued on the terms that they are, or at the option of the Company are liable to be redeemed on such terms and in such manner as the Company before the issue of the shares may by ordinary resolution determine. REDEEMABLE SHARES
- If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of the class. To every such separate general meeting the provisions of these Articles relating to general meetings shall apply, but so that the necessary VARIATION OF RIGHTS

- quorum shall be two persons at least holding or representing by proxy one-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll.
5. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall be deemed to be varied by the creation or issue of further shares ranking pari passu therewith. VARIATION OF SHARE RIGHTS BY FURTHER ISSUE
 6. The Company may exercise the powers of paying commissions conferred by section 53 or other similar provision of the Act, provided that the rate per centum or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and the rate of commission shall not exceed the rate of ten per centum (10%) of the price at which the shares in respect whereof the same is paid are issued or an amount equal to ten per centum (10%) of such price (as the case may be). Such commissions may be satisfied by the payment of cash or the allotment of fully paid shares or partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful. COMMISSIONS
 7. Except as required by law, no person shall be recognized by the Company as holding any share upon any trust, and the Company shall not be bound by or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share (except only as by these Articles or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder. NO TRUSTS RECOGNIZED
 8. Every person whose name is entered as a member in the register of members shall be entitled: - SHARE CERTIFICATES
 - a. without payment to receive within two months after allotment or lodgement of transfer (or within such other period as the conditions of issue shall provide) one certificate for all his shares or several certificates each for one or more of his shares and
 - b. upon payment of One Thousand Dollars, (or the actual cost incurred by the Company, whichever is greater) to receive following two (2) months after allotment or lodgement of transfer, one certificate for all his shares or for every certificate after the first such less sum as the Directors shall from time to time determine. Every certificate shall be under the seal and shall specify the shares to which it relates, and the amount paid up thereon. Provided that in respect of a share or shares held jointly by several persons the Company shall not be bound to issue more than

- one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
9. If a share certificate be defaced, lost or destroyed, it may be renewed on payment of a fee of the greater of One Thousand Dollars or the actual cost incurred by the Company (whichever is greater) and on such terms, if any, as to evidence and indemnity and the payment of out-of-pocket expenses of the Company of investigating such evidence as the Directors think fit. LOST ETC. CERTIFICATES
 10. The Company may in accordance with and subject to the Act and all other provisions (if any) in force for the time being therefor; PURCHASE / ACQUISITION OF OWN SHARES
 - a. purchase its own shares or give financial assistance for the purpose of any acquisition of shares in the Company or its holding Company but only as permitted by sections 57, 58, 59 and 60 or other similar provisions of the Act;
 - b. Where circumstances prejudicial to the Company do not exist pursuant to section 184 or other similar provision of the Act, the Company may give, whether directly or indirectly, and whether by means of a loan, guarantee, the provision of security or otherwise, financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any shares in the Company or in its holding company and the Company may make a loan for any purpose whatsoever on the security of its shares or those of its holding Company.
- Lien*
11. The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share, and the Company shall also have a first and paramount lien on all shares (other than fully paid shares) standing registered in the name of a single person for all moneys presently payable by him or his estate to the Company; but the Directors may at any time declare any share to be wholly or in part exempt from the provisions of this regulation. The Company's lien, if any, on a share shall extend to all dividends payable thereon. COMPANY'S LIEN
 12. The Company may sell, in such manner as the Directors think fit, any shares on which the Company has a lien, but no sale shall be made unless a sum in respect of which the lien exists is presently payable, nor until the expiration POWER OF SALE

of fourteen days after a notice in writing, stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share, or the person entitled thereto by reason of his death or bankruptcy.

13. To give effect to any such sale the Directors may authorize some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer, and he shall not be bound to see to the application of the purchase money, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the sale.

DIRECTORS' AUTHORIZATION OF EXECUTION OF TRANSFER

14. The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

APPLICATION OF PROCEEDS OF SALE

15. 1. The Company shall be entitled to sell at the best price reasonably obtainable any share of a member, or any share to which a person is entitled by transmission, if and provided that:

POWER OF SALE OF SHARES OF UNTRACED MEMBERS

- a. during the period of seven (7) years before the date of sending of the notice referred to in **Article 15.1.b** no cheque, order or warrant in respect of such share sent by the Company through the post in a pre-paid envelope addressed to the member or to the person entitled by transmission to the share, at their address on the Register or other last known address given by the member or person to which cheques, orders or warrants in respect of such share are to be sent has been cashed and the Company has received no communications in respect of such share from such member or person entitled, provided that during such period of seven (7) years the Company has paid at least three cash dividends (whether interim or final and whether or not such dividends were all sent to such member or retained by the Company as provided in **Article 132**) and no such dividend has been claimed by the person entitled to it.
- b. on or after expiry of the said period of seven (7) years, the Company has given notice of its intention to sell such share by sending a notice to the member or person entitled by transmission to the share at their address on the Register or other last known address given by the member or person

entitled by transmission to the share and before sending such a notice to the member or other person entitled by transmission, the Company must have used reasonable efforts to trace the member or other person entitled.

- c. the Company has given notice to the Jamaica Stock Exchange of its intention to make such sale.

2. To give effect to any sale of shares under this Article, the Company may authorize any person to transfer the shares in question and may enter the name of the transferee in respect of the transferred shares in the Register even if no share certificate has been lodged for such shares and may issue a new certificate to the transferee. An instrument of transfer executed by that person shall be as effective as if it had been executed by the holder of, or the person entitled by transmission to, the shares. The buyer shall not be bound to see to the application of the purchase monies, nor shall the buyer's title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale. If the shares are in uncertificated or dematerialized form, the Company may issue a written notification to the Registrar of the Company requiring the conversion of the share to certificated form.

3. If during the period of 7 years referred to in **Article 15.1**, or during any period ending on the date when all the requirements of **Articles 15.1.a** to **15.1.c** have been satisfied, any additional shares have been issued in respect of those held at the beginning of, or previously so issued during, any such period and all the requirements of **Articles 15.1.b** to **15.1.c** have been satisfied in regard to such additional shares, the Company shall also be entitled to sell the additional shares.

16. The Company shall account to the member or other person entitled to the share for the net proceeds of a sale under **Article 15** by carrying all monies relating to such sale to a separate account. The Company shall be deemed to be a debtor to, and not a trustee for, such member or other person in respect of such monies. Monies carried to such separate account may either be employed in the business of the Company or invested in such investments as the Company in its sole and absolute discretion may think fit. No interest shall be payable to such member or other person in respect of such monies and the Company does not have to account for any money earned on them. If no valid claim for the money has been received by the Company during a period of two years from the date on which the relevant shares were sold by the Company under this Article, the money will be forfeited and will belong to the Company.

APPLICATION OF PROCEEDS OF SALE OF SHARES OF UNTRACED MEMBERS

Calls on Shares

- | | | |
|-----|---|-----------------------------------|
| 17. | The Directors may from time to time make calls upon the members in respect of any moneys unpaid on their shares and not by the conditions of allotment thereof made payable at fixed times, provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call, and each member shall (subject to receiving at least fourteen days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the Directors may determine. | DIRECTORS MAY MAKE CALLS |
| 18. | A call shall be deemed to have been made at the time when the resolution of the Directors authorizing the call was passed and may be required to be paid by installments. | DEEMED MADE AT TIME OF RESOLUTION |
| 19. | The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof. | LIABILITY OF JOINT HOLDERS |
| 20. | If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate not exceeding twelve and one-half per centum per annum as the Directors may determine, but the Directors shall be at liberty to waive payment of such interest wholly or in part. | INTEREST |
| 21. | Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall for the purposes of these regulations be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable, and in case of non-payment all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified. | TERMS OF ISSUE |
| 22. | The Directors may, on the issue of shares, differentiate between the holders as to the amount of calls to be paid and the time of payment. | DIRECTORS MAY DIFFERENTIATE |
| 23. | The Directors may, if they think fit, receive from any member willing to advance the same, all or any part of the moneys uncalled and unpaid upon any shares held by him, and upon all or any of the moneys so advanced may (until the same would, but for such advance, become payable) pay interest at such rate not exceeding (unless the Company in general meeting shall | CALLS PAID IN ADVANCE |

otherwise direct) twelve and one-half per annum, as may be agreed upon between the Directors and the member paying such sum in advance.

Transfer of Shares

- | | | |
|-----|--|--|
| 24. | The instrument of transfer of any share shall be executed by or on behalf of the transferor and transferee, and the transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof. | TRANSFER OF SHARES |
| 25. | Subject to such of the restrictions of these regulations as may be applicable, any member may transfer all or any of his shares by instrument in writing in any usual or common form or any other form which the Directors may approve. | TRANSFERS TO BE IN COMMON FORM |
| 26. | The Directors may decline to register the transfer of a share (not being fully paid share) to a person of whom they shall not approve, and they may also decline to register the transfer of a share on which the register the transfer of a share on which the Company has a lien. | RESTRICTIONS |
| 27. | The Directors may also decline to recognize any instrument of transfer unless- <ul style="list-style-type: none"> a. a fee of One Thousand Dollars, or such other sum as the Directors may from time to time require, is paid to the Company in respect thereof; b. the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer; and c. the instrument of transfer is in respect of only one class of share. | CONDITIONS OF REGISTRATION OF TRANSFER |
| 28. | If the Directors refuse to register a transfer, they shall within sixty (60) days after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal. | NOTICE OF REFUSAL TO REGISTER |
| 29. | The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine, provided always that such registration shall not be suspended for more than thirty days in any year. | SUSPENSION OF TRANSFER |

30. The Company shall be entitled to charge a fee of One Thousand Dollars, or such other sum as the Directors may from time to time determine, on the registration of every probate, letters of administration, certificate of death or marriage, power of attorney, notice in lieu of distringas, or other instrument.

REGISTRATION FEE

Transmission of Shares

31. In the case of the death of a member the survivor or survivors where the deceased was a joint holder, and the legal personal representatives of the deceased where he was a sole holder, shall be the only persons recognized by the Company as having any title to his interest in the shares, but nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons

TRANSMISSION

32. Any person becoming entitled to a share in consequence of the death or bankruptcy of a member may, upon such evidence being produced as may from time to time properly be required by the Directors and subject as hereinafter provided, elect either to be registered himself as a holder of the share or to have some person nominated by him registered as the transferee thereof, but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by that member before his death or bankruptcy, as the case may be.

RESIGNATION OF PERSONAL REPRESENTATIVES

33. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered, he shall testify to his election by executing to that person a transfer of the share. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the member had not occurred and the notice or transfer were a transfer signed by that member.

PROCEDURES FOR RESIGNATION

34. A person becoming entitled to a share by reason of the death or bankruptcy of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company, provided always that the Directors may at any time give notice requiring any such person to elect

RIGHTS OF PERSONS ENTITLED TO SHARES BENEFICIALLY

either to be registered himself or to transfer the share, and if the notice is not complied with within ninety (90) days the Directors may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share until the requirements of the notice have been complied with.

Forfeiture of Shares

35. If a member fails to pay any call or installment of a call on the day appointed for payment thereof, the Directors may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.

FORFEITURE FOR NON-PAYMENT OF CALLS

36. The notice shall name a further day (not earlier than the expiration of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made and shall state that in the event of non-payment at or before the time appointed the shares in respect of which the call was made will be liable to be forfeited.

NOTICE REQUIRING PAYMENT

37. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Directors to that effect.

FORFEITURE AFTER NOTICE

38. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Directors think fit, and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the Directors think fit.

FORFEITED SHARES MAY BE SOLD

39. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding, remain liable to pay to the Company all moneys which, at the date of forfeiture were payable by him to the Company in respect of the shares, but his liability shall cease if and when the Company shall have received payment in full of all such moneys in respect of the shares.

LIABILITY TO PAY CALL CONTINUES

40. A statutory declaration in writing that the declarant is a Director or the Secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The Company may receive the consideration, if any, given for the share on any sale or disposition thereof and may execute a transfer of

PROOF OF FORFEITURE

the share in favour of the person to whom the share is sold or disposed of and he shall thereupon be registered as the holder of the share, and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

41. The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum, which, by the terms of issue of a share, becomes payable at a fixed time as if the same had been payable by virtue of a call duly made and notified.

TO APPLY TO SUMS OTHER THAN CALLS

Conversion of Shares into Stock

42. The Company may by ordinary resolution convert any paid-up shares into stock, and reconvert any stock into paid-up shares of any denomination.

CONVERSION OF SHARES

43. The holders of stock may transfer the same, or any part thereof, in the same manner, and subject to the same Articles, as and subject to which the shares from which the stock arose might previously to conversion have been transferred, or as near thereto as circumstances admit; and the Directors may from time to time fix the minimum amount of stock transferable but so that such minimum shall not exceed the value of the shares from which the stock arose.

HOLDERS MAY TRANSFER STOCK

44. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

RIGHTS AS REGARDS DIVIDENDS, VOTING, ETC.

45. Such of the Articles of the Company as are applicable to paid-up shares shall apply to stock, and the words “share” and “shareholder” therein shall include “stock” and “stockholder”.

ARTICLES TO APPLY TO STOCK

Alteration of Capital

46. The Company may from time to time by ordinary resolution increase the stated capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe.

INCREASE OF CAPITAL

47. The Company may by ordinary resolution—
- a. consolidate and divide all or any of its stated capital into shares of larger amount than its existing shares;
 - b. subdivide its existing shares, or any of them, into shares of smaller amount than is fixed by the Articles subject nevertheless to the provisions of section 65 (1) (d) or other similar provision of the Act.
 - c. cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

CONSOLIDATION AND DIVISION OF CAPITAL

48. The Company may by special resolution reduce its share capital, any capital redemption reserve fund, or any share premium account in any manner and with, and subject to, any incident authorized, and consent required, by law.

REDUCTION OF CAPITAL

General Meeting

49. The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year, and shall specify the meeting as such in the notices calling it; and not more than fifteen months shall elapse between the date of one annual general meeting of the Company and that of the next. Provided that so long as the Company holds its first annual general meeting within eighteen months of its incorporation it need not hold it in the year of its incorporation or in the following year. The annual general meeting shall be held at such time and place as the Directors shall appoint.

ANNUAL GENERAL MEETING

50. The Company may hold its annual general meeting or any extraordinary general meeting in any of the following manners:
- a. members present at the same physical venue; or
 - b. members present at a physical venue together with members in attendance by electronic means, or with a live stream or broadcast of the meeting; or
 - c. members in attendance entirely by electronic means or, with a live stream or broadcast of the meeting.

51. Any failure of technology or any failure or inability of a member to remain in any meeting convened in accordance with **Article 50** shall not invalidate any

resolutions passed or proceedings taken at such meeting provided that a quorum is present at all times.

52. All general meetings other than annual general meeting shall be called extraordinary general meetings.
53. The Directors may, whenever they think fit, convene an extraordinary general meeting; an extraordinary general meeting shall also be convened on such requisition, or, in default, may be convened by such requisitionists, as provided by section 128 or other similar provision of the Act. If at any time there are not sufficient Directors capable of acting to form a quorum, any Director or any two members of the Company may convene an extraordinary general meeting in the same manner as nearly as possible as that in which meetings may be convened by the Directors.

EXTRAORDINARY GENERAL MEETING

REQUISITION BY MEMBERS

Notice of General Meeting

54. An annual general meeting and a meeting called for the passing of a special resolution shall be called by twenty-one (21) days' notice in writing at the least, and a meeting of the Company other than an annual general meeting or a meeting for the passing of a special resolution shall be called by fourteen days' notice in writing at the least. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day and the hour of the meeting and, in case of special business, the general nature of that business, and shall be given in a manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company in general meeting, to such persons as are, under the regulations of the Company, entitled to receive such notices from the Company. Whenever any meeting is adjourned for twenty-one (21) days or more, at least five (5) days notice of the place, day and hour of such adjourned meeting shall be given to the members.

NOTICE OF GENERAL MEETINGS

Provided that a meeting of the Company shall, notwithstanding that it is called by shorter notice than that specified in this Article, be deemed to have been duly called if it is so agreed:

- a. in the case of a meeting called as the annual general meeting, by all the members entitled to attend and vote thereat; and
- b. in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than ninety-five per centum (95%) of the shares giving that right.

55. Notice of the meeting as well as copies of the documents referred to in **Article 138** may be sent by electronic mail, prepaid mail, posting links to access the documents via the Company's website and/or such other websites available to Public Companies from time to time for the dissemination of information.

56. The omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting, so long as the Company produces evidence that appropriate notice was sent to holders of a minimum of ninety-five per centum (95%) of the members of the Company entitled to receive such notice.

NON-RECEIPT OF NOTICE SHALL NOT INVALIDATE MEETINGS

Proceedings at General Meetings

57. All business shall be deemed special that is transacted at an extraordinary general meeting, and also all that is transacted at an annual general meeting, with the exception of declaring a dividend, the consideration of the accounts, balance sheets, and the reports of the Directors and auditors, the election of Directors and the appointment of, and the fixing of the remuneration of, the auditors.

BUSINESS AT GENERAL MEETINGS

58. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business; save as herein otherwise provided, three members present in person shall be a quorum.

QUORUM

59. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week, at the same time and place or to such other day and at such other time and place as the Directors may determine, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members present shall be a quorum.

PROCEDURE IF NO QUORUM

60. The Chairman, if any, of the Board of Directors shall preside as Chairman at every general meeting of the Company, or if there is no such Chairman, or if he shall not be present within fifteen minutes after the time appointed for the holding of the meeting or is unwilling to act the Directors present shall elect one of their number to be Chairman of the meeting.

CHAIRMAN

61. If at any meeting no Director is willing to act as Chairman or if no Director is present within fifteen minutes after the time appointed for holding the meeting the members present shall choose one of their number to be Chairman of the meeting.

PROCEDURE IF NO CHAIRMAN

62. The Chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

ADJOURNMENT

63. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded—

VOTING TO BE BY SHOW OF HANDS UNLESS POLL DEMANDED

- a. by the Chairman; or
- b. by at least one member present in person or by proxy.

Unless a poll be so demanded a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

DECLARATION BY CHAIRMAN OF VOTING RESULTS

The demand for a poll may be withdrawn.

64. Except as provided in **Article 66**, if a poll is duly demanded it shall be taken in such a manner as the Chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

POLL HOW TO BE TAKEN

65. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a second or casting vote.

CHAIRMAN TO HAVE A CASTING VOTE

66. A poll demanded on the election of a Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the Chairman of the meeting directs, and any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.

POLL ON ADJOURNMENT

Vote of Members

67. Subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands every member present in person shall have one vote, and on a poll every member shall have one vote for each share of which he is the holder.

NUMBER OF VOTES TO WHICH ENTITLED

68. All votes may be given either personally or by proxy or by the established electronic means (as communicated through the relevant notices to include e-mail instructions and any other electronic means of instructions for any such meeting) but no member shall be entitled to appoint more than one proxy to attend on the same occasion.

69. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders; and for this purpose, seniority shall be determined by the order in which the names stand in the register of members.

VOTE OF JOINT HOLDERS

70. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may not, whether on a show of hands or on a poll, by his committee, receiver, or other person in the nature of a committee or receiver appointed by that court, and any such committee, receiver or other person may on a poll vote by proxy.

VOTE OF LUNATIC MEMBER BY COMMITTEE

71. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.

DISQUALIFICATION

72. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which objected to is given or tendered, and any such objection made in due time shall be referred to the Chairman of the meeting, whose decision shall be final and conclusive.

OBJECTION AS TO VOTING

73. On a poll vote may be given either personally or by proxy.

PROXY

74. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorized in writing, or, if the appointer is a corporation, either under seal, or under the hand of an officer or attorney duly authorized. A proxy need not be a member of the Company.

APPOINTMENT BY PROXY

75. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy, of that power or authority shall be deposited at the registered office of the

DEPOSIT OF PROXY

Company or at such other place as is specified for that purpose in the notice convening the meeting, not less than 48 hours before the time for holding the meeting or adjourned meeting, at which the person named in the instrument proposes to vote, or in the case of a poll not less than 24 hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

76. An instrument appointing a proxy shall be in the following form or a form as near thereto as circumstances permit-

FORM OF PROXY

COMPANY LIMITED
PROXY FORM

I/We _____ of _____,
NAME OF SHAREHOLDER(S) ADDRESS
 being a member/members of the abovenamed company, hereby appoint _____
NAME OF PROXY OPTION 1
 of _____, or failing him,
PROXY OPTION 1 ADDRESS
 _____ of _____, as
NAME OF PROXY OPTION 2 PROXY OPTION 2 ADDRESS
 my/our proxy to vote for me/us on my/our behalf at the (annual or extraordinary, as the case may be) general meeting of the Company to be held on the _____ day of _____, _____ and at any adjournment thereof.
ORDINAL NUMBER MONTH YEAR

Signed this _____ day of _____, _____.
ORDINAL NUMBER MONTH YEAR

77. Where it is desired to afford members an opportunity of voting for or against a resolution the instrument appointing a proxy shall be in the following form or a form as near thereto as circumstances permit-

COMPANY LIMITED

PROXY FORM

I/We _____ of _____,
NAME OF SHAREHOLDER(S) ADDRESS
 being a member/members of the abovenamed company, hereby appoint _____
NAME OF PROXY OPTION 1
 of _____, or failing him,
PROXY OPTION 1 ADDRESS
 _____ of _____, as
NAME OF PROXY OPTION 2 PROXY OPTION 2 ADDRESS
 my/our proxy to vote for me/us on my/our behalf at the (annual or extraordinary, as the case may be) general meeting of the Company to be held on the _____ day of _____, _____ and at any adjournment thereof.
ORDINAL NUMBER MONTH YEAR

Signed this _____ day of _____, _____.
ORDINAL NUMBER MONTH YEAR

This form is to be used* in favour of / against the resolution. Unless otherwise instructed, the proxy will vote as he thinks fit.

*Select whichever is desired.

78. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

AUTHORITY OF PROXY TO DEMAND POLL

79. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the share in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Company at the office before the commencement of the meeting or adjourned meeting at which the proxy is used.

VALIDITY OF PROXY

Corporations acting by Representatives at Meetings

80. Any corporation which is a member of the Company may from time to time by instrument in writing under its seal or under the hand of an officer or attorney so authorized or by resolution of its Directors or other governing body authorize such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the Company, and the person so authorized shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company.

REPRESENTATIVES
ACTING FOR
CORPORATION

Directors

81. The number of Directors shall, unless otherwise determined by the Company in General Meeting, be not less than seven nor more than twelve.

NUMBER OF DIRECTORS

82. The Directors' fees for their services as Directors shall from time to time be fixed by the Directors, and shall be included in the Audited Accounts of the Company which is laid before the Annual General Meeting for approval by the shareholders. The Directors may also be paid all traveling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the Company or in connection with the business of the Company.

REMUNERATION

83. The shareholding qualification for Directors may be fixed by the Company in general meeting, and unless and until so fixed no qualification shall be required.

NO SHARE QUALIFICATION

84. A Director of the Company may be or become a Director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested as shareholder or otherwise, and no such Director shall be accountable to the Company for any remuneration or other benefits received by him as a Director or officer of, or from his interest in, such other company unless the Company otherwise direct.

DIRECTOR MAY HOLD
OFFICE IN ANY OTHER
COMPANY PROMOTED BY
COMPANY

Borrowing Powers

85. a. The Directors may raise or borrow for the purposes of the Company such sums of money as they think fit. The Directors may secure the repayment of or raise any such sum or sums as aforesaid and also

POWER OF DIRECTORS

secure the repayment of any sum or sums due or owing by the Company or by any other person by Bill of Sale, Mortgage or Charge upon the whole or any part of the property and assets of the Company, present and future including its uncalled capital, or by the issue, at such price as they may think fit, of bonds, debentures or debenture stock, either charged upon the whole or any part of the property and assets of the Company or not so charged, or by bonds, bills of exchange, promissory notes or in such other way as the Directors may think expedient.

b. Any bonds, debentures, debenture stock or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the Company.

Powers and Duties of Directors

86. The business of the Company shall be managed by the Directors, who may pay all expenses incurred in promoting and registering the Company, and may exercise all such powers of the Company as are not, by the Act or by these Articles, required to be exercised by the Company in general meeting, subject, nevertheless, to any of these Articles, to the provisions of the Act, and to such Articles, being not inconsistent with the aforesaid Articles or provisions, as may be prescribed by the Company in general meeting; but no articles made by the Company in general meeting shall invalidate any prior act of the Directors which would have been valid if that article had not been made.

BUSINESS OF COMPANY
TO BE MANAGED BY
DIRECTORS

87. The Directors may from time to time and at any time by power of attorney appoint any company, firm or person or body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit and any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney to delegate all or any of the powers, authorities and discretions vested in him.

APPOINTMENT BY POWER
OF ATTORNEY

88. The Company may exercise the powers conferred by section 32 or other similar provisions of the Act with regard to having an official seal for use abroad, and such powers shall be vested in the Directors.

USE OF SEAL ABROAD

89. The Company may exercise the powers conferred upon the Company by virtue of sections 118 and 119 or other similar provisions of the Act with regard to the keeping of branch registers of holders of debentures and members and the Directors may (subject to the provisions of those sections) make and vary such articles as they may think fit respecting the keeping of any such registers.

KEEPING OF BRANCH
REGISTERS

90. 1. A Director who is, in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare the nature and extent of his interest at a meeting of the Directors in accordance with section 193 or other similar provisions of the Act.

DIRECTOR'S CONTRACTS

2. A Director shall not vote in respect of any contract or arrangement in which he is interested, and if he shall do so his vote shall not be counted, nor shall he be counted in the quorum present at the meeting, but neither of these prohibitions shall apply to;

a. any arrangement for giving any Director any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the Company; or

b. any arrangement for the giving by the Company of any security to a third party in respect of debt or obligation of the company for which the Director himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the deposit of a security; or

c. any contract by a Director to subscribe for or underwrite shares or debentures of the Company; or

d. any contract or arrangement with any other company in which he is interested only as an officer of the Company or as holder of shares or other securities, and these prohibitions may at any time be suspended or relaxed to any extent, and either generally or in respect of any particular contract, arrangement or transaction, by the Company in general meeting.

3. A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director for such periods and on such terms (as to remuneration and otherwise) as the Directors may determine and no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or

place of profit as vendor, purchaser or otherwise, nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realized by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established.

4. A Director, notwithstanding his interest, may be counted in the quorum present at any meeting whereat he or any other Director is appointed to hold any such office or place of profit under the Company or whereat the terms of any such appointment are arranged, and he may vote on any such appointment or arrangement other than his own appointment or the arrangement of the terms thereof.

5. A Director may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director; providing that nothing herein contained shall authorize a Director or his firm to act as auditor to the Company.

91. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for moneys paid to the Company, shall be signed, drawn, accepted, indorsed, or otherwise executed, as the case may be, in such manner as the Directors shall from time to time by resolution determine.

CHEQUES ETC.

92. The Directors shall cause minutes to be made in books provided for the purpose-

MINUTE BOOK ENTRIES

a. of all appointments of officers made by the Directors;

b. of the names of the Directors present at each meeting of the Directors and of any committee of the Directors;

c. of all resolutions and proceedings of all meetings of the Company, and of the Directors, and of committees of Directors.

93. The Directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any Director who has held any other salaried office or place of profit with the Company or to his widow or dependents and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

GRATUITIES

Disqualification of Directors

94. The office of Director shall be vacated, if the Director:
- a. ceases to be a Director by virtue of section 177 or other similar provision of the Act
 - b. becomes bankrupt or makes any arrangement or composition with his creditors generally; or
 - c. becomes prohibited from being a Director by reason of any order made under sections 180 and 182 or other similar provisions of the Act; or
 - d. becomes of unsound mind; or
 - e. resigns his office by notice in writing to the Company; or
 - f. shall for more than six months have been absent without permission of the Directors from meetings of the Directors held during that period.

DISQUALIFICATION

Rotation of Directors

95. At each Annual General Meeting of the Company, not less than four nor more than six of the Directors shall retire from office, those serving longest being those retiring and they shall all be eligible for re-election.
96. The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became Directors on the same day those to retire shall (unless otherwise agree among themselves) be determined by lot.
97. A retiring director shall be eligible for re-election.
98. The Company at the meeting at which a director retires in a manner aforesaid may fill the vacated office by electing a person thereto, and in default the retiring Director shall if offering himself for re-election be deemed to have been re-elected, unless at such meeting it is expressly resolved not to fill such vacated office or unless a resolution for the re-election of such Director shall have been put to the meeting and lost.
99. No person other than a director retiring at the meeting shall unless recommended by the Directors be eligible for election to the office of director

ROTATION

at any general meeting unless not less than three nor more than twenty-one days before the date appointed for the meeting there shall have been left at the registered office of the Company notice in writing, signed by a member duly qualified to attend and vote at the meeting for which such notice is given, of his intention to propose such person for election, and also notice in writing signed by that person of his willingness to be elected.

100. The Company may by resolution, passed by a minimum of sixty per centum (60%) of the issued share capital of the Company represented in person or by proxy at a general meeting, increase or reduce the number of Directors, and may also determine in what rotation the increased or reduced number is to go out of office.
101. The Directors shall have power at any time, and from time to time, to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but so that the total number of Directors shall not at any time exceed the number fixed in accordance with these Articles. Any Director so appointed shall hold office only until the next following Annual General Meeting and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at such meeting.
102. The Company may by resolution, passed by a minimum of sixty per centum (60%) of the issued share capital of the Company represented in person or by proxy at a general meeting, remove any Director before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Company and such Director. Such removal shall be without prejudice to any claim such Director may have for damages for breach of any contract of service between him and the Company.
103. Notwithstanding anything to the contrary in these Articles, any Director may be removed before the expiration of his period of office upon a motion brought in a Board meeting by a Director which is approved by the affirmative vote of a minimum of ninety per centum (90%) of the then current members of the Company's Board of Directors, excluding such director to be removed.
104. Notwithstanding anything to the contrary in these Articles, during any twelve (12) month period, no more than forty per centum (40%) of the Directors may be replaced unless either:
- a. such excess is necessitated due to the retirement or death of Directors who are not otherwise eligible for re-election pursuant to ***Article 95*** or

INCREASE IN NUMBER OF DIRECTORS

DIRECTORS MAY APPOINT NEW DIRECTOR

REMOVAL OF DIRECTOR IN GENERAL MEETING

REMOVAL OF DIRECTOR IN BOARD MEETING

- b. such replacement is approved by the affirmative vote of a minimum of ninety per centum (90%) of the then current members of the Company's Board of Directors, including those to be replaced.

105. The Company may by resolution, passed by a minimum of sixty per centum (60%) of the issued share capital of the Company represented in person or by proxy at a general meeting, appoint another person in place of a Director removed from office under Article 102, and without prejudice to the powers of the Directors under Article 101 the company in general meeting may appoint any person to be a Director either to fill a casual vacancy or as an additional Director. A person appointed in place of a Director so removed or to fill such a vacancy shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director.

APPOINTMENT OF
DIRECTOR IN GENERAL
MEETING

Proceedings of Directors

106. The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings, as they think fit. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes, the Chairman shall have a second or casting vote. A Director may, and the Secretary on requisition of a Director shall, at any time summon a meeting of the Directors. A Director Emeritus shall be entitled to attend and vote at meetings of the Board of Directors. Notice of a Board Meeting shall be deemed to be duly given to a Director if sent to him in writing at his last known address or any other address, including an electronic mail address, given by him to the Company for this purpose. In this Article, references to 'in writing' include the use of electronic communications subject to such terms and conditions as the Directors may decide.

MEETING OF DIRECTORS

107. The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors, and unless so fixed shall be seven. If within twenty minutes of the time appointed for a meeting of the Directors a quorum is not present then, and in such event, the Chairman shall be entitled to call the meeting to order, note the lack of a quorum and terminate the meeting. In the event of termination of a meeting of the Directors for lack of a quorum as aforesaid, any three (3) directors shall be entitled thereafter, to call a new meeting of the Directors within seven (7) business days of the terminated meeting, by notifying the Directors of the date, time and place proposed for the new meeting. Any three (3) Directors present at the new meeting called thereafter shall constitute a quorum, and the business to be

QUORUM

transacted at such new meeting shall be that as outlined in the agenda for the meeting which was terminated due to the lack of a quorum. All or any of the Directors may participate in a meeting of the Directors or a committee of such Directors by means of any communication equipment which allows all persons participating in the meeting to speak and hear each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote and be counted in the quorum accordingly. No more than two (2) of the Directors meetings shall be held in any financial year of the Company where a majority of the quorum for the meeting is participating by electronic means and not in person. A majority of the Directors may approve exceptions to this limit.

108. The continuing Directors may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed by or pursuant to the Articles of the Company as the necessary quorum of Directors, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that number, or of summoning a general meeting of the Company, but for no other purpose.

DIRECTORS BELOW
QUORUM

109. The Directors may elect a Chairman of their meetings and determine the period for which he is to hold office, but if no such Chairman is elected, or if at any meeting the Chairman is not present within five minutes after the time appointed for holding the same, the Directors present may choose one of their number to be Chairman of the meeting.

ELECTION OF CHAIRMAN
OF DIRECTORS

110. a. The Directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit, and any committee so formed shall in the exercise of the powers so delegated conform to any Articles that may be imposed on it by the Directors.

DELEGATION TO
COMMITTEES

b. The Directors shall, at the time of appointing any committee of the Board, determine whether any decision taken by such committee shall be subject to ratification by the Board.

111. A committee may elect a chairman of its meetings, if no such chairman is elected, or if at any meeting the chairman is not present within five minutes after the time appointed for the holding of the same, the members present may choose one of their number to be chairman of the meeting.

ELECTION OF CHAIRMAN
OF COMMITTEES

112. A committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the members present, and in the case of an equality of votes the chairman shall have a second or casting vote.

PROCEEDINGS OF
COMMITTEES

113. All acts done by any meeting of the Directors or of a committee of Directors or by any person acting as Director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director.

ACTS DONE VALID
NOTWITHSTING DEFECTS
OF APPOINTMENT

114. A resolution in writing, signed by all the Directors for the time being entitled to receive notice of a meeting of the Directors, shall be as valid and effectual as if it had been passed at a meeting of the Directors duly convened and held.

ROUND ROBIN
RESOLUTION

Managing Director

115. The Directors may from time to time appoint one or more of their body to the office of Managing Director for such period and on such terms as they think fit, and, subject to the terms of any agreement entered into in any particular case, may revoke such appointment. A Director so appointed shall not, whilst holding that office, be subject to retirement by rotation or be taken into account in determining the rotation of retirement of Directors, but his appointment shall be automatically determined if he ceases from any cause to be a Director.

MANAGING DIRECTOR

116. A Managing Director shall receive such remuneration (whether by way of salary, commission or participation in profits, shares, stock options, or partly in one way and partly in another) as the Directors may determine.

REMUNERATION

117. The Directors may entrust to and confer upon a Managing Director any of the powers exercisable by them upon such terms and conditions and with such restrictions as they may think fit, and either collaterally with or to the exclusion of their own powers and may from time to time revoke, withdraw, alter or vary all or any such powers.

POWERS OF THE
MANAGING DIRECTOR

Secretary

118. The Secretary shall be appointed by the Directors for such term, at such remuneration and upon such conditions as they may think fit; and any Secretary so appointed may be removed by them.

APPOINTMENT OF
SECRETARY

119. No person shall be appointed or hold office as Secretary who is-

- a. the sole director of the Company; or
- b. a corporation the sole director of which is the sole director of the Company; or
- c. the sole director of a corporation which is the sole director of the Company.

120. A provision of the Act or these Articles requiring or authorizing a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, the Secretary.

DIRECTORS NOT TO ACT
AS SECRETARY IN THE
SAME TRANSACTION

The Seal

121. The Directors shall provide for the safe custody of the seal, which shall only be used by the authority of the Directors or of a committee of the Directors authorized by the Directors in that behalf, and every instrument to which the seal shall be affixed shall be signed by the Directors and shall be countersigned by the Secretary or by a second Director or by some other person appointed by the Directors for the purpose.

SEAL

Dividends and Reserve

122. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Directors.

DIVIDENDS

123. The Directors may from time to time pay to the members such interim dividends as appear to the Directors to be justified by the profits of the Company.

RIGHTS TO DEDUCT

124. No dividend shall be paid otherwise than out of profits.

RIGHT TO MAKE
ADJUSTMENT

125. The Directors may, before recommending any dividend, set aside out of the profits of the Company such sums as they think proper as a reserve or reserves which shall, at the discretion of the Directors, be applicable for any purpose to which the profits of the Company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the company) as the Directors may from time to time think fit. The Directors may also without placing the same to reserve carry forward any profits which they may think prudent not to divide.

RESERVE FUND

126. Subject to the rights of persons, if any, entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but no amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

BASIS OF PAYMENT

127. The Directors may deduct from any dividend payable to any member all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.

RIGHT TO DEDUCT

128. Any general meeting declaring a dividend or bonus may direct payment of such dividend or bonus wholly or partly by the distribution of specific assets and in particular of paid up shares, debentures or debenture stock of any other company or in any one or more of such ways and the Directors shall give effect to such resolution, and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient, and in particular may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the Directors.

RIGHT TO MAKE ADJUSTMENTS

129. Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members or to such person and to such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. Any one of two or more joint holders may give effectual receipts for any dividends, bonuses or other moneys payable in respect of the shares held by them as joint holders.

PAYMENT BY CHEQUE OR WARRANT

130. The Company shall be entitled to: -

- a. Pay any dividend due to a member by utilizing the least costly method of remitting such dividend; and

- b. Accumulate and hold for a member the dividend payable to that member in the event that the cost, including bank charges, of remitting such dividend exceeds the dividend payable to such member.

131. No dividend shall bear interest against the Company.

NO INTEREST ON DIVIDEND

132. If cheques, warrants or orders for dividends or other sums payable in respect of a share sent by the Company to the person entitled to them are returned to the Company or left uncashed on two consecutive occasions or, following one occasion, reasonable enquires have failed to establish any new address to be used for the purpose, the Company shall have no obligation to send any dividends or other monies payable in respect of that share due to that person until they notify the Company of an address to be used for the purpose.

UNCASHED DIVIDENDS

133. All dividends, or other sums payable and unclaimed for twelve (12) months after having become payable may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. The Company shall not be a trustee in respect of such unclaimed dividends, or other sums payable and will not be liable to pay interest on it. All dividends, or other sums payable that remain unclaimed for seven (7) years after they were first declared or became due for payment shall be forfeited and shall cease to remain owing by the Company.

UNCLAIMED DIVIDENDS

Accounts

134. The Directors shall cause proper books of account to be kept with respect to-

ACCOUNTS TO BE KEPT

- a. all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure takes place.
- b. all sales and purchases of goods by the Company; and
- c. the assets and liabilities of the Company

Proper books shall not be deemed to be kept if there are not kept such books of account as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions.

135. The books of account shall be kept at the registered office of the Company, or, subject to subsections (3) and (4) of section 144 or other similar provisions

BOOKS TO BE KEPT AT REGISTERED OFFICE

of the Act, at such other place or places as the Directors think fit, and shall always be open to inspection of the Directors.

136. The Directors shall from time to time determine whether and to what extent and at what time and place and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of members not being Directors, and no member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorized by the Directors or by the Company in general meeting.

INSPECTION OF BOOKS
AND ACCOUNTS

137. The Directors shall from time to time, in accordance with sections 145 and 147 or other similar provision of the Act, cause to be prepared and to be laid before the Company in general meeting such profit and loss accounts, balance sheets, group accounts (if any) and reports as are referred in those sections.

BALANCE SHEET
TO BE LAID BEFORE
GENERAL MEETING

138. A copy of every balance sheet (including every document required by law to be annexed thereto) which is to be laid before the Company in general meeting, together with a copy of the auditor's report, shall not less than twenty-one (21) days before the date of the meeting be sent to every member of, and every holder of debentures of, the Company and to every person registered under **Article 32**. Provided that this Article shall not require a copy of those documents to be sent to any person of whose address the Company is not aware or to more than one of the joint holders of any shares or debentures.

COPY TO BE SENT TO
MEMBERS

Capitalization of Profits

139. The Company in general meeting may upon the recommendation of the Directors resolve that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and accordingly that such sum be set free for distribution amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportions on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such members respectively or towards paying up in full unissued shares or debentures of the Company to be allotted and distributed credited as fully paid up to and amongst such members in the proportion aforesaid or partly in one way and partly in the other, and the Directors shall give effect to such resolution.

Provided that a share premium account and a capital redemption reserve fund may, for the purposes of this Article, only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid up bonus shares.

140. Whenever such a resolution as aforesaid shall have been passed the Directors shall make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid shares or debentures, if any, and generally shall do all acts and things required to give effect thereto, with full power to the Directors to make such provision by the issue of fractional certificates or by payment in cash or otherwise as they think fit for the case of shares or debentures becoming distributable in fractions, and also to authorize any person to enter on behalf of all the members entitled thereto into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalization or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective profits resolved to be capitalized, of the amounts as any part of the amounts remaining unpaid on their existing shares, and any agreement made under such authority shall be effective and binding on all such members.

ADJUSTMENTS ON
CAPITALIZATION OF
PROFITS OR CAPITAL
DISBURSEMENT

Audit

141. Auditors shall be appointed and their deputies regulated in accordance with sections 154 to 157 or other similar provisions of the Act.

APPOINTMENT OF
AUDITOR

Notices

142. Any notice to be given or document required to be sent by the Company to any member may be:

SERVICE OF NOTICE

1. a. sent to him personally in writing;
- b. sent by post to him or to his registered address or (if he has no registered address) to the address if any, supplied by him to the Company for the giving of notice to him in writing or electronic format; or

- c. sent to him by electronic means.

PROVIDED HOWEVER that where such notice or document is specifically required by law or these Articles to be sent in writing the Company will obtain the member's written consent prior to sending it to him in electronic format or by electronic means.

- 2. Where a Notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying, and posting a letter containing the notice, and to have been effected in the case of a notice of a meeting at the expiration of 48 hours after the letter containing the same is posted, and in any other case at the time at which the letter would be delivered in the ordinary course of post.
 - 3. Where a notice or document is sent by electronic means, service of the notice or document shall be deemed to be effected by properly dispatching the notice or document to the email address or facsimile number provided by the member, and is deemed to have been received by the intended recipient at the expiration of twenty-four (24) hours after the notice or document is so dispatched by the Company.
143. A notice may be served by the Company upon any member either personally or by electronic mail at the email address supplied by him for the purpose of sending notices or by sending it through the post addressed to such member at the registered address supplied by him to the Company for the giving of notice to him or by advertisement in a daily newspaper circulating in Jamaica or by publishing such notice on the Company's website.
144. A notice may be given by the Company to the joint holders of a share by respect of the share.
145. A notice may be given by the Company to the persons entitled to a share in consequence of the death or bankruptcy of a member by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt, or by any like description, at the address, if any, supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if the death or bankruptcy had not occurred.
146. Notice of every general meeting shall be given in any manner hereinbefore authorized to:

NOTICE OF JOINT HOLDER

NOTICE TO PERSONS
ENTITLED AS A
CONSEQUENCE OF DEATH
OR BANKRUPTCY OF
MEMBER

NOTICE OF GENERAL
MEETING

- a. every member except those members who (having no registered address have not supplied to the Company an address within the Island for the giving of notices to them.
- b. every person upon whom the ownership of a share devolves by reason of his being a legal personal representative or a trustee in bankruptcy of a member where the member but for his death or bankruptcy would be entitled to receive notice of the meeting; and
- c. the auditor for the time being of the Company.

No other person shall be entitled to receive notices of general meetings.

147. Any notice, if sent by email, shall be deemed to be received twenty-four hours after it has been sent by the Company. Any notice, if sent by post, shall be deemed to have been served at the expiration of forty-eight hours after same shall have been posted; and in proving such service it shall be sufficient to prove that the envelope containing the notice was properly addressed and stamped and put into the Post Office or into any post box subject to the control of the Postmaster General. Notice published in a daily newspaper shall be deemed to be served on the date of publication. In the case of publication on the Company's website or such other websites available to public companies from time to time for the dissemination of information, notice shall be deemed to be served on the date on which the notice is published on such website.

Winding Up

148. If the Company shall be wound up the liquidator may, with the sanction of an extraordinary resolution of the Company and any other sanctions required by the Act, divide amongst the members in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

Indemnity

149. Every Director, Managing Director, agent, auditor, Secretary and other officer of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under section 389 or other similar provision of the Act in which relief is granted to him by the Court or in respect of any civil, criminal or administrative act or proceeding provided for in section 201 or other similar provision of the Act.

Extraordinary Transactions

150. Notwithstanding anything to the contrary in these Articles, in addition to any vote of the holders of any class or series of shares of the Company required by law or these Articles:
1. acceptance by the Company of any offer, take-over, take-over bid or merger (within the meaning of the Securities (Take-Over and Mergers) Regulations, 1999, the Jamaica Stock Exchange Rules or any other law or regulations for the time being providing for any offers, take-overs, take-over bids or mergers of a public company), or
 2. acceptance by the Company of any offer to acquire all or in excess of fifty per centum (50%) of the issued shares of the Company (either (a) or (b), a "Proposed Transaction") shall require the affirmative vote of each of the following:
 - a. a minimum of seventy-five per centum (75%) of the members of the Company's Board of Directors (the "Board Approval"),
 - b. a minimum of at least fifty per centum (50%) plus one of the Company's shareholders present at a general meeting, in person or by proxy, on a head-count basis and
 - c. approval by a minimum of sixty per centum (60%) of the issued share capital of the Company represented in person or by proxy at a general meeting. In the event that the Board approval required under subsection (i) above is not received, the Company shall be under no obligation to present any such Proposed Transaction to the shareholders for consideration or vote unless otherwise required to do so by law.

Changes to The Articles

151. Notwithstanding anything to the contrary in the Act or these Articles, in addition to any vote of the holders of any class or series of shares of the Company required by law or these Articles; acceptance by the Company of any changes to these Articles, including this **Article 151**, shall require the affirmative vote of each of the following:
- a. a minimum of seventy-five per centum (75%) of the members of the Company's Board of Directors (the "Board Approval"),
 - b. a minimum of at least fifty per centum (50%) plus one of the Company's shareholders present at a general meeting, in person or by proxy, on a head-count basis, and
 - c. approval by a minimum of sixty per centum (60%) of the issued share capital of the Company, represented in person or by proxy at a general meeting. In the event that the approval required under subsection (a) above is not received, the Company shall be under no obligation to present any such proposed changes to the shareholders for consideration or vote unless otherwise required to do so by law.



WITH GOD'S GUIDANCE

ABOUT THE BUSINESS

HOW IT STARTED

In the 1950's, chicken was still a luxury item in Jamaica, but an ambitious Sydney Levy (then Managing Director of Levy Bros. Ltd – an import/export company) began exploring possibilities for establishing a sustainable poultry industry in his home country. He shared the vision for a contract farmer grow-out model with Byron Coombs, proprietor of a wholesale and retail meat operation and Larry Udell, distributor of chickens to Miami and the Caribbean. Convinced the model would work, the three pressed ahead to establish **Jamaica Broilers Limited** which was incorporated on May 5, 1958.

GROWTH STRATEGY

The Company expanded over the years with a consistent growth strategy of acquiring businesses that supported or paired well with poultry rearing and broiler meat sales. Eventually, the company name was expanded to Jamaica Broilers Group Limited, and the Group extended its borders through the establishment of significant operations in the United States and Haiti, along with smaller supporting businesses across the Caribbean

BUSINESS MODEL

Today, the Group is best described as a vertically integrated poultry business with operations spanning the full gamut of poultry rearing as a means for food production. This includes breeder flock operations, hatcheries, feed mills, grow out operations, processing facilities, shipping and logistics, and more. Vertical integration is key to our strategy for maintaining innovation and excellence across our operations.

Internally, this ensures that we can attest to the quality of every ingredient and the validity of each process under our watch. We're focused on harnessing the power of modern technology towards continual improvements that facilitate safe food, animal welfare, efficient processes, and sustainable production. This is the strength behind the brands that our consumers know and trust.

We also leverage this strategic advantage in service to the wider agriculture sector. Our high-volume production facilitates subsidies on products that we extend to small farmers and agricultural dealers

in order to secure every possible gain towards them successfully growing their businesses. Our veterinary, animal-nutrition and agronomy teams are focused on supporting these businesses through regular intervention and training opportunities for farmers. This is a demonstration of our commitment to growing local production towards supporting local needs –food independence.

CORE VALUES

Our mission statement and core values reference Judeo-Christian principles and govern the way we do business. We place great value on serving our community and commit to doing so with truth, fairness and the building of goodwill. Being a good corporate citizen is not just a duty; it's in our DNA –interwoven into the fabric of our Company and felt across our operations.

THE BOTTOM LINE

Yes, we're a chicken company; but ultimately, we're in the business of **impacting lives.**



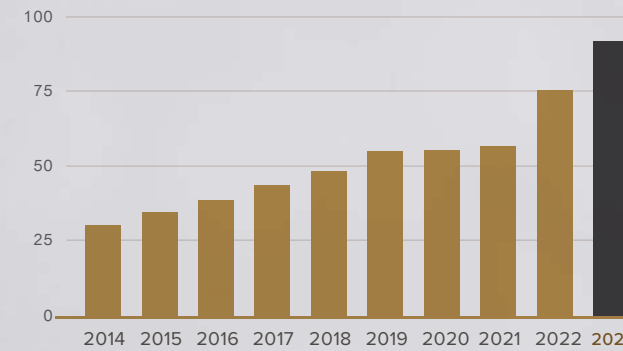


FINANCIAL HIGHLIGHTS

REVENUE

J\$91B

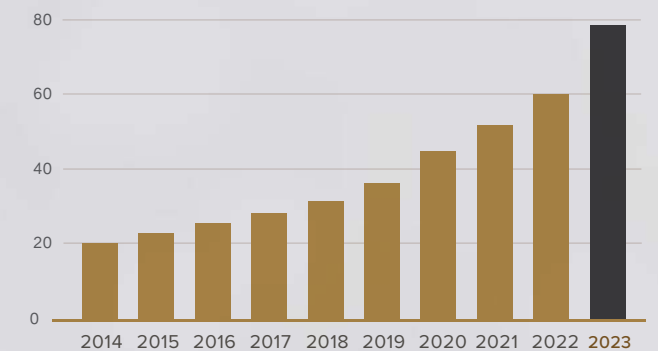
+23% YOY



TOTAL ASSETS

J\$77B

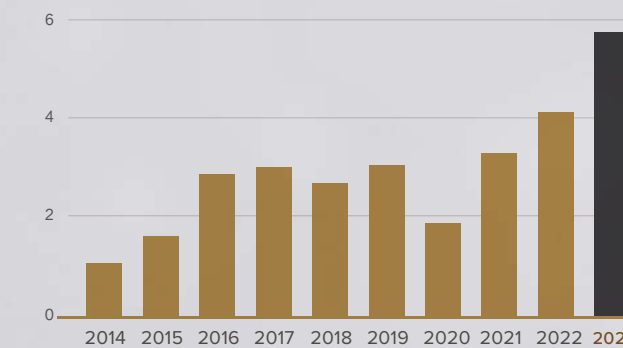
+29% YOY



PROFIT BEFORE TAXATION

J\$7B

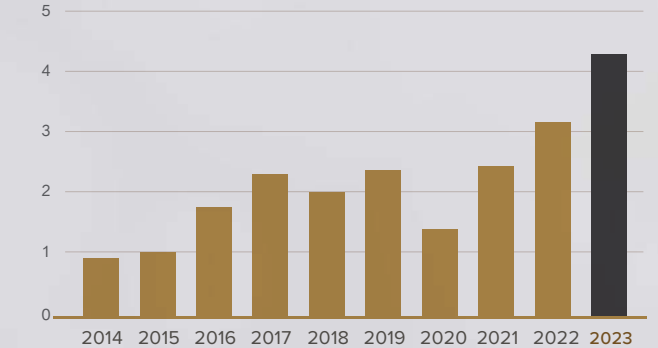
+51% YOY



NET PROFIT

J\$4B

+39% YOY



TEN YEAR FINANCIAL REVIEW

Figures are expressed in J\$'000 unless otherwise indicated.

PROFIT & LOSS	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
REVENUE	91,365,372	74,390,488	56,951,280	55,747,933	55,057,931	48,280,867	44,444,248	38,520,649	34,570,050	30,851,350
% CHANGE OVER PRIOR YEAR	23%	31%	2%	1%	14%	9%	15%	11%	12%	16%
PROFIT BEFORE TAXATION	6,751,574	4,460,893	3,205,126	1,853,383	3,012,927	2,666,773	2,965,144	2,766,658	1,561,852	1,073,096
% CHANGE OVER PRIOR YEAR	51%	39%	73%	-38%	13%	-10%	7%	77%	46%	-8%
NET PROFIT	4,289,982	3,078,336	2,398,363	1,360,116	2,373,718	2,025,516	2,268,473	1,726,616	1,009,654	919,109
% CHANGE OVER PRIOR YEAR	39%	28%	76%	-43%	17%	-11%	31%	71%	10%	-11%
NET PROFIT ATTRIBUTABLE TO STOCKHOLDERS	4,450,617	3,131,384	2,335,124	1,400,069	2,365,563	1,961,380	2,232,788	1,744,195	1,036,168	957,283
% CHANGE OVER PRIOR YEAR	42%	34%	67%	-41%	21%	-12%	28%	68%	8%	-12%
BALANCE SHEET	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
TOTAL ASSETS	77,413,585	60,044,654	51,111,451	44,233,006	35,807,446	31,012,061	27,465,652	24,379,261	22,568,048	20,358,751
TOTAL LIABILITIES	52,065,977	38,866,934	32,191,739	28,270,623	20,971,923	18,351,688	13,047,659	11,277,051	11,171,634	9,837,533
NET CURRENT ASSETS	16,519,710	13,193,800	11,270,074	8,982,449	8,295,238	6,965,898	9,426,046	6,774,388	4,733,906	4,276,915
BIOLOGICAL ASSETS	21,128,134	15,225,043	11,427,065	9,107,134	6,823,793	5,443,704	4,457,372	2,952,244	2,569,781	2,267,869
INVENTORIES	18,840,922	15,620,265	12,905,750	9,477,288	6,684,882	5,783,503	5,164,289	4,280,347	3,948,883	3,693,396
SHAREHOLDERS' EQUITY	25,347,608	21,177,720	18,919,712	15,962,383	14,835,523	12,660,373	14,417,993	13,102,210	11,396,414	10,521,218
BORROWINGS	34,165,304	22,861,860	19,911,742	17,222,914	12,624,356	10,023,430	7,702,075	7,079,801	6,354,931	6,203,920
PAYABLES	14,132,342	12,701,305	9,671,650	9,379,263	6,684,882	5,019,273	4,414,142	3,207,847	3,666,685	2,825,867
INVESTMENT IN PROPERTY PLANT & EQUIPMENT	8,345,939	2,913,974	2,643,775	3,091,434	1,622,260	1,962,190	749,302	800,835	1,060,948	1,131,891

TEN YEAR FINANCIAL REVIEW (continued)

RATIOS	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
RETURN ON ASSETS	5.54%	5.10%	4.70%	3.40%	7.10%	6.90%	8.80%	7.40%	4.70%	4.90%
RETURN ON EQUITY	16.92%	14.50%	12.70%	8.80%	17.30%	15.00%	16.50%	14.10%	9.20%	9.20%
PROFIT BEFORE TAXATION AS % OF REVENUE	6.20%	5.40%	5.60%	3.30%	5.50%	5.50%	6.70%	6.20%	4.50%	3.50%
EFFECTIVE TAX RATE	24.2%	24.6%	25.2%	26.6%	21.2%	24.0%	23.6%	24.3%	35.4%	14.3%
OVERHEADS AS A % OF REVENUE	16.49%	18.39%	20.03%	21.47%	20.32%	20.05%	20.13%	19.11%	17.57%	16.99%
CURRENT RATIO	1.48	1.49	1.53	1.46	1.59	1.56	2.33	2.19	1.69	1.74
SEGMENT INFORMATION	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
JAMAICA OPERATIONS	7,569,594	4,847,013	4,074,386	3,172,213	3,755,023	3,038,264	2,872,997	3,575,838	2,141,453	2,000,665
US OPERATIONS	3,794,830	2,447,670	1,595,816	1,486,644	1,558,949	1,427,978	1,291,764	1,023,127	1,001,403	299,488
HAITI OPERATIONS (DISCONTINUED)	(1,090,605)	(365,347)	(6,909)	57,019	170,983	247,889	160,785	57,440	(21,041)	(72,814)
OTHER CARIBBEAN OPERATIONS	1,888,155	345,731	1,054,735	(322,938)	1,902,306	604,459	943,657	254,039	148,506	186,460
KEY STOCKHOLDER INFORMATION	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
NUMBER OF SHARES	1,001,467	1,006,966	1,007,966	1,019,985	1,023,746	1,033,825	1,199,277	1,199,277	1,199,277	1,199,277
EARNINGS PER SHARE	\$4.43	\$3.11	\$2.30	\$1.37	\$2.30	\$1.64	\$1.86	\$1.44	\$0.86	\$0.80
STOCKHOLDERS EQUITY	25,347,608	21,177,720	18,919,712	15,962,383	14,835,523	12,660,373	14,417,993	13,102,210	11,396,414	10,521,218
% CHANGE OVER PRIOR YEAR	19.7%	11.9%	18.5%	7.6%	17.2%	-12.2%	10.0%	15.0%	8.3%	10.4%
MARKET CAPITALIZATION	36,683,736	28,577,695	29,200,775	25,356,827	32,340,136	21,203,751	20,351,731	17,221,618	5,696,566	5,876,457
% CHANGE OVER PRIOR YEAR	28.4%	-2.1%	15.2%	-21.6%	52.5%	4.2%	18.2%	202.3%	-3.1%	7.5%
DIVIDENDS PAID	783,122	463,353	415,038	378,785	414,298	419,746	407,754	311,812	203,877	191,884
% CHANGE OVER PRIOR YEAR	69%	12%	10%	-9%	-1%	3%	31%	53%	6%	14%
DIVIDEND PAYOUT RATIO	18.3%	14.8%	17.8%	27.1%	17.5%	21.4%	18.3%	17.9%	19.7%	20.0%
SHARE PRICE AT YEAR END	36.63	28.38	28.97	24.86	31.59	20.51	16.97	14.36	4.75	4.90
PRICE EARNINGS RATIO	\$8.27	\$9.13	\$12.60	\$18.15	\$13.73	\$12.51	\$9.12	\$9.97	\$5.52	\$6.13



CHAIRMAN & PRESIDENT'S OVERVIEW

In 1958, our little Company was a hopeful start-up and with God's guidance, we've found ourselves celebrating 65 years of success as a leading agri-entity in the region. We remain grateful to the Lord for a journey wrought with blessings and for the support of our customers, shareholders, and the community at large. We thank our Board of Directors for their many years at the helm of Jamaica Broilers Group Limited (JBG), serving with dedication, expertise, and vision and we thank our Management and Staff who have remained committed to the mission to serve with truth, fairness and building goodwill.

2022-2023 IN SHORT

We've had an amazing year. As we emerged from a period of global uncertainty, we began to see the fruit of strategic decisions taken during those difficult times. We began our financial year with the reality of geo-political tensions leading to rising input costs, supply chain disruptions and increasing inflationary pressures, but our teams were prepared and navigated these challenges well.

During the second quarter we took the difficult decision to discontinue our Haiti Operations as the business was severely impacted by the pressures of political tensions as well as the lingering effects of a series of natural disasters. We continue to pray for the people of Haiti and have maintained our affiliation with and support of the Global Orphan Project which works with local churches to educate and care for orphaned and vulnerable children in Haiti.

In December 2022 we welcomed Mr Ian Haynes to the Board of Directors. With international experience and a strong portfolio in finance and accounting, Ian brings a valuable perspective to the boardroom. It has been a pleasure to have him on board so far and we look forward to his insight as we continue to develop the Group.

THE ECONOMY

The Jamaican economy displayed signs of recovery and stability during the period May 2022 to April 2023, even amidst the lingering effects of the COVID-19 pandemic among other challenges. Gross Domestic Product (GDP) remained within the government's target range and expanded by an estimated 4.3% during the country's 2022/2023 fiscal year. This was driven primarily by increased domestic consumption and an increase in external demand, especially for Jamaica's Tourism product as Jamaica and many of its trading partners continued to experience economic recovery.

The Services Industry in Jamaica is estimated to have grown by 5.0%, and the Goods Producing Industry by 1.8% over the year, with Hotels & Restaurants (up 34.9%), Manufacturing (up 5.3%); and Agriculture (up 4.8%) being among the sectors recording the strongest levels of growth. Of note, is that this continued improvement in GDP represented full recovery in overall output levels from the impact of COVID-19, one year ahead of the government's projected recovery date of the 2023/2024 financial year.

Over the same period, the United States economy continued to experience growth, albeit at a slower rate. Real GDP moved from -0.6% in the second quarter of 2022 to 2.0% at the end March 2023. This was driven primarily by robust consumer spending, despite higher-than-normal inflation rates. As at April 2023, inflation was 4.9%, slightly lower than the March figure of 5.0%. We expect that inflation in the U.S. will continue to fall, but it is likely to remain above the Federal Reserve's target of 2.0 per cent for the remainder of 2023.

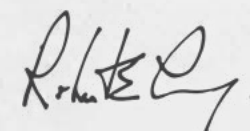
Similarly, though higher than the Bank of Jamaica's target throughout the year, Jamaica's point to point inflation rate at April 2023 was 5.8% which represented a return to the target range for the first time since July 2021.

Global commodity prices fell by 14% during the first quarter of 2023, and by the end of March 2023, were approximately 30% lower than the highs reached in June 2022. The major disruptions in prices due to the Russia - Ukraine conflict have settled for the most part, attributable to a restructuring of commodity trade flows, slowing economic activity and favourable weather. Notably, the prices of wheat and natural gas registered significant declines from their peaks in May and August 2022, respectively. Despite this, prices of all major commodity groups remain higher than their pre-pandemic average levels.

KEY INDICATORS

Within this economic context, the Company realized **revenues** of \$91.4 billion which reflects growth of 23% over the prior year. **Profit before taxation** was recorded at \$6.8 billion, a 51% increase year over year. The Company's continuing operations contributed \$5.4 billion to net profit (56% more than the year prior) despite the adverse impact of \$1.1 billion arising from discontinuing the operations in Haiti. As a result of these factors, **net profit** showed a 39% increase up from \$3.1 billion to \$4.3 billion.

Gross margin as a percentage of revenue for the year was 25.6% versus 24.4% in the prior year. **Total assets** (current and non-current) were recorded at \$77.4 billion indicating an increase of 29% over the year prior with a **return on assets** of 5.54% and **return on equity** of 16.92% compared to the prior year's 5.10% and 14.50% respectively.



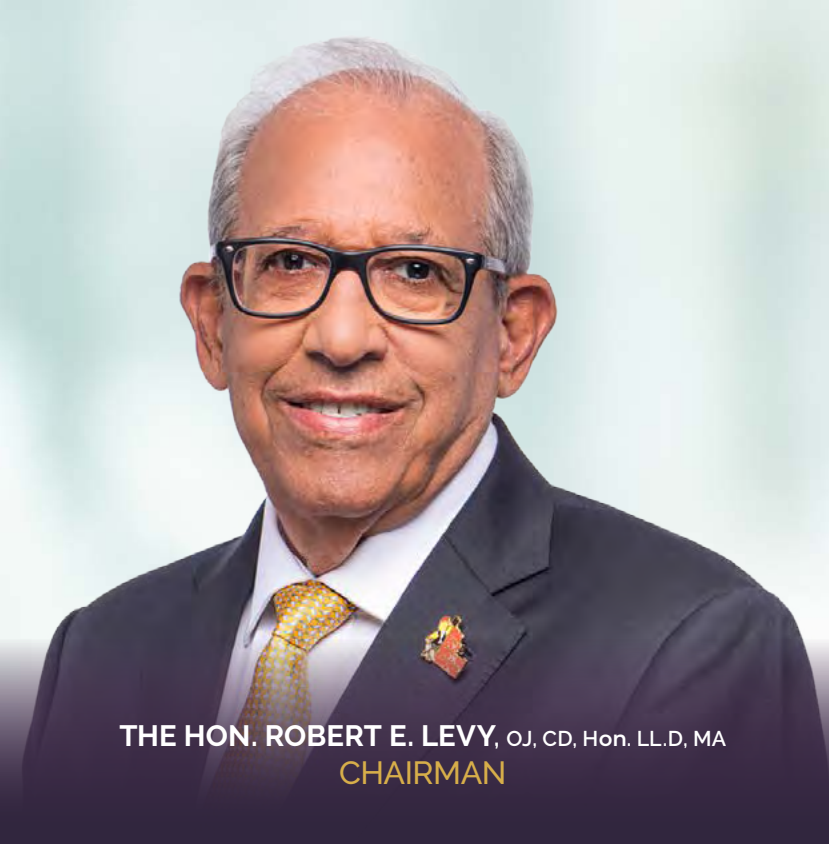
ROBERT E. LEVY
Chairman



CHRISTOPHER E. LEVY
Group President & CEO



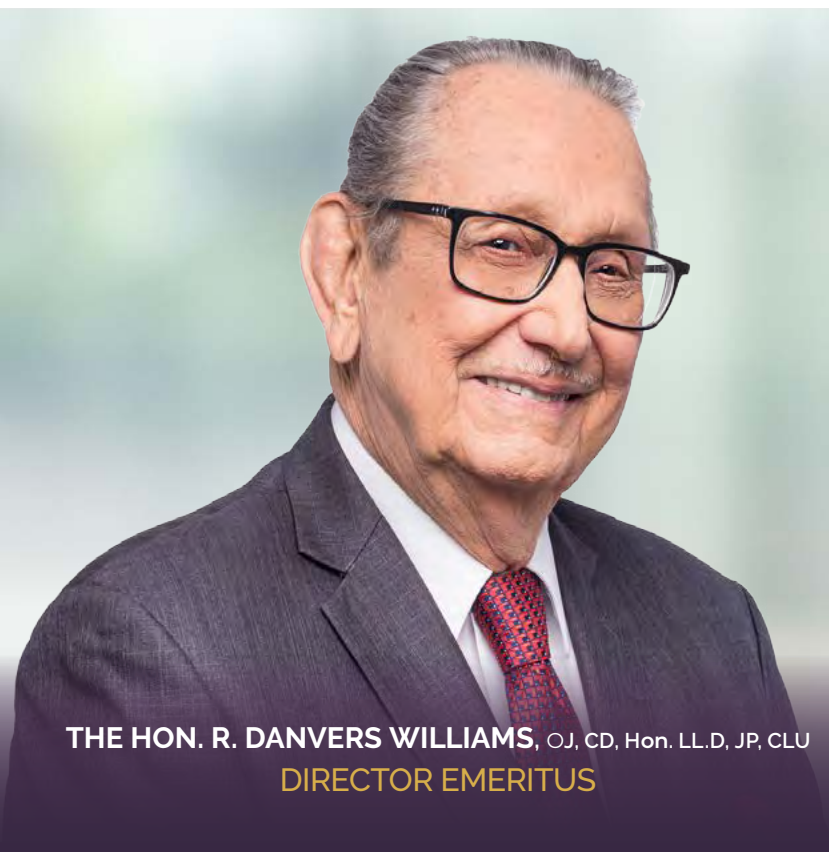
BOARD OF DIRECTORS



THE HON. ROBERT E. LEVY, OJ, CD, Hon. LL.D, MA
CHAIRMAN



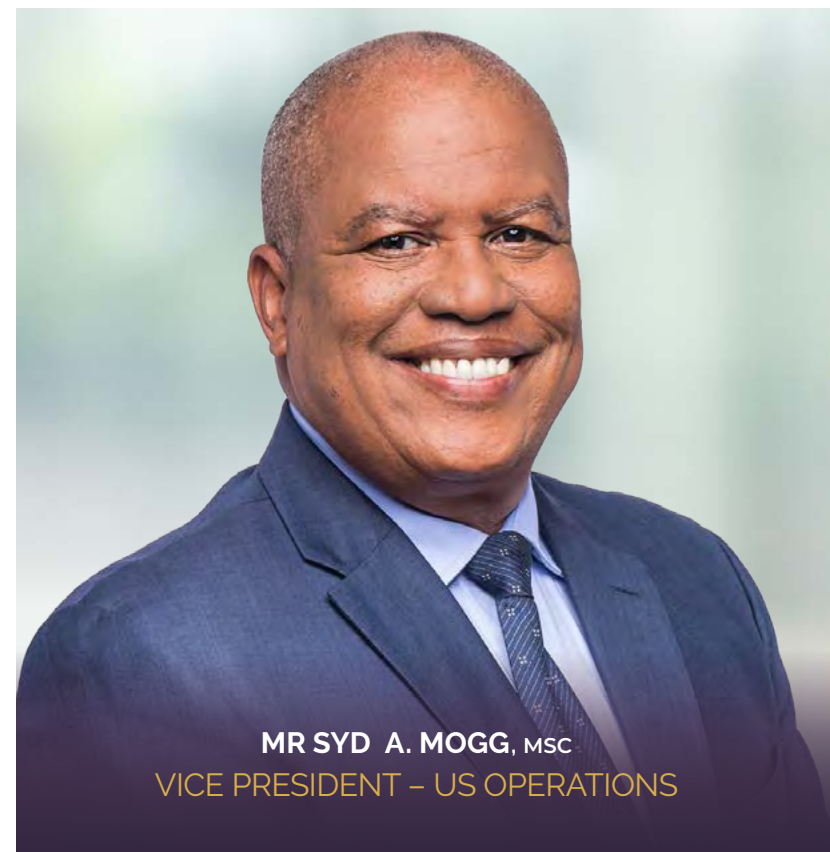
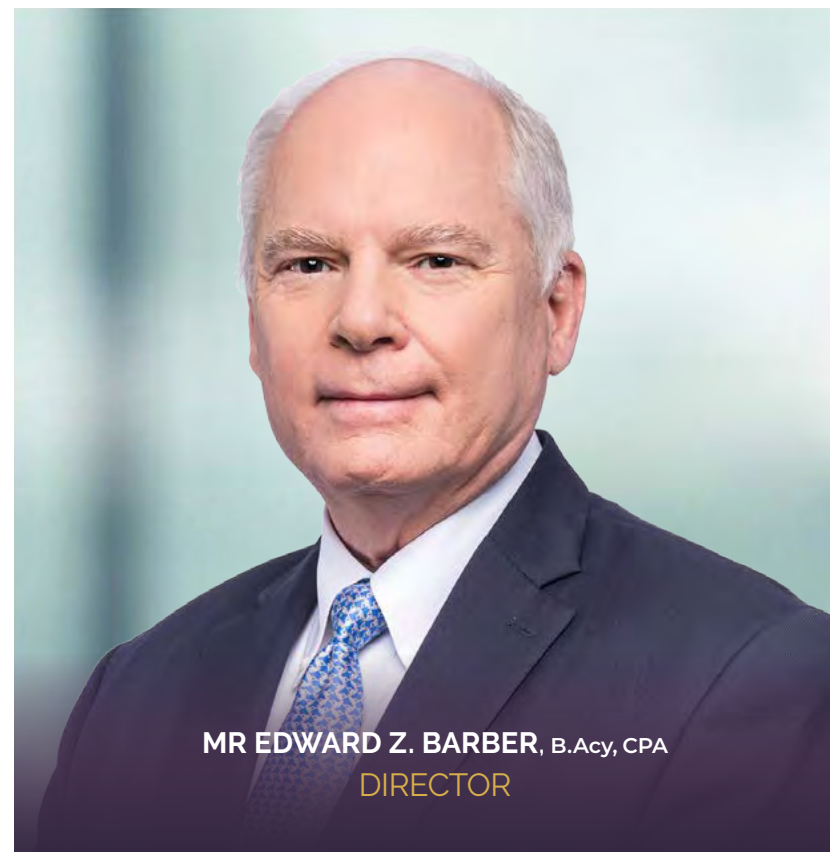
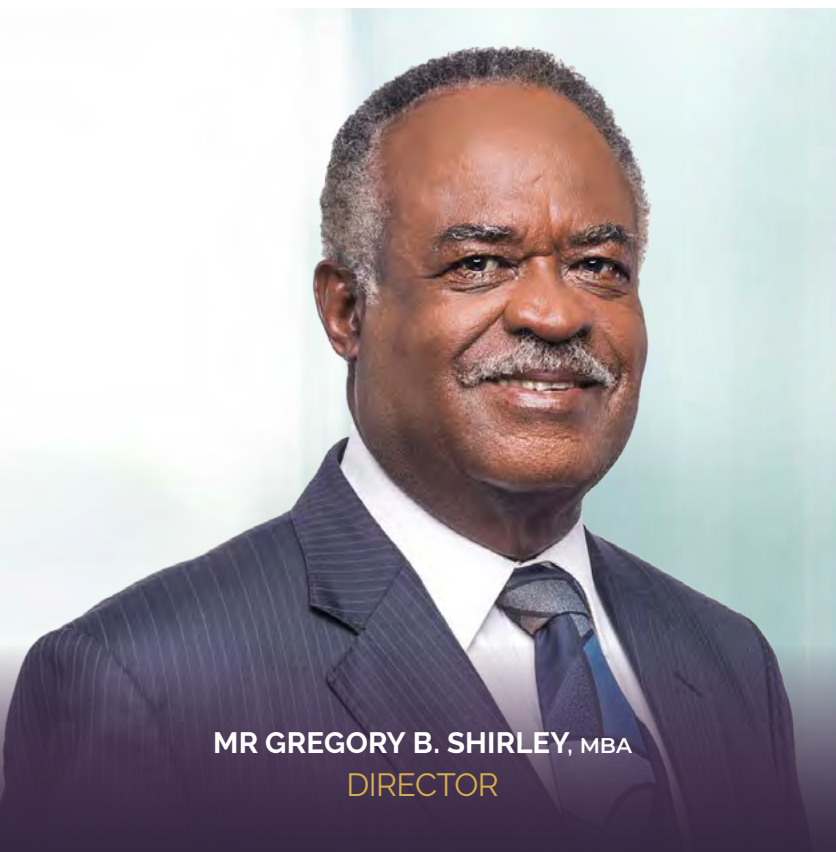
MR CHRISTOPHER E. LEVY, CD, MBA
GROUP PRESIDENT & CEO



THE HON. R. DANVERS WILLIAMS, OJ, CD, Hon. LL.D, JP, CLU
DIRECTOR EMERITUS



MR IAN S. PARSARD, MBA (Hons.), ACCA
GROUP SENIOR VICE PRESIDENT
FINANCE & CORPORATE PLANNING



DIRECTOR PROFILES

DIRECTORS	KEY STRENGTHS	STATUS	APPOINTED	TENURE (As At April 2023)
THE HON. ROBERT E. LEVY , OJ, CD, Hon. LL.D, MA Chairman	Agriculture Poultry Operations Philanthropy Mentorship	Non-Executive Chairman	1 Jan 1996	27 years, 4 months
THE HON. R. DANVERS WILLIAMS , OJ, CD, Hon. LL.D, JP, CLU Director Emeritus	Leadership Insurance Philanthropy Entrepreneurship	Non-Executive, Independent Director	19 Apr 2000	23 years
MR CHRISTOPHER E. LEVY , CD, MBA Group President & CEO	Poultry Operations Corporate Leadership Business Acquisitions Philanthropy	Executive Director	31 Jan 2001	22 years, 3 months
DR CLAUDETTE D. COOKE , ED.D, CMT, CPC, CCRC Executive Director Jamaica Broilers Group Foundation	Public Relations Human Resource Development Corporate Social Responsibility Coaching & Mentorship	Non-Executive Director	17 Sep 2003	19 years, 7 months
MR GREGORY B. SHIRLEY , MBA Director	Corporate Governance Human Resource Development Strategic Planning Change Management Performance Management	Non-Executive, Independent Director	2 Oct 2006	16 years, 6 months
MR IAN S. PARSARD , MBA (Hons.), ACCA Senior Vice President Finance & Corporate Planning	Finance Accounting Agriculture Strategic Planning Technology	Executive Director	28 Mar 2007	16 years, 1 month

DIRECTORS	KEY STRENGTHS	STATUS	APPOINTED	TENURE (As At April 2023)
MR OMAR L. F. AZAN , JP Director	Entrepreneurship Manufacturing Market Analysis Philanthropy Communication	Non-Executive, Independent Director	28 Nov 2012	10 years, 5 months
MR EDWARD Z. BARBER , B.Acy, CPA Director	Real Estate Business Acquisitions Capital Placement Asset Management	Non-Executive, Independent Director	05 Mar 2015	8 years, 1 month
MR STEPHEN E. LEVY , MBA President US Operations	Poultry Operations Business Acquisitions Corporate Leadership Philanthropy	Executive Director	02 Mar 2016	7 years, 1 month
MR BRUCE F. BOWEN , BBA (Hons.), Hon. LL.D Director	Corporate Leadership International Banking Corporate Governance Finance Philanthropy	Non-Executive, Independent Director	22 Aug 2016	6 years, 8 months
MR SYD A. MOGG , MSc Vice President US Operations	Agriculture Business Acquisitions Poultry Operations Mentorship	Executive Director	27 Feb 2019	4 years, 2 months
MR IAN J. HAYNES , CA (SA) Director	Accounting Finance Risk management Corporate Leadership Strategic Planning	Non-Executive, Independent Director	7 Dec 2022	4 months

DIRECTORS' REPORT



The Directors present their annual report with the Financial Statements for the year ended April 29, 2023.

TURNOVER

Turnover for operating year 2022/2023	\$91,365,372,000
Compared to turnover for the previous year	\$74,390,488,000

PROFIT, DIVIDENDS & APPROPRIATIONS

	\$'000
Net profit attributable to stockholders	4,450,617
Re-measurements of pension assets (obligations)	294,300
Profits brought forward from previous years	21,747,180
Thereby amounting to a total of	26,492,097
Interim dividends	(783,122)
Transfer of Realised reserves	1,058
Leaving profits carried forward as retained earnings of	\$25,710,033

DIRECTORS

The Directors are recommending that the interim dividends of 36 cents paid on November 10, 2022 and 42 cents paid on April 14, 2023, be ratified and declared final for the financial year ended April 29, 2023 by the shareholders in general meeting, as the Directors do not propose to declare any further dividend(s) from the audited profits realised during the financial year ended April 29, 2023.

The Directors retiring in accordance with Regulation 89 of the Articles of Incorporation are Dr Claudette Cooke and Messrs. Syd Mogg, Edward Barber, and Bruce Bowen all of whom are eligible for re-election.

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

AUDITORS

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

Dated the 23rd day of August, 2023

PETER A. DEPASS
Company Secretary

Registered Office
Content, McCook's Pen, St Catherine



CORPORATE GOVERNANCE

CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR ENDED APRIL 29, 2023

The Company, its Board and management are committed to delivering and demonstrating exemplary corporate governance practices consistent with international best practices. This is central to the achievement of 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 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 PSOJ Corporate Governance Code, 2021. 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, the Jamaica Stock Exchange Rules, the Jamaica Stock Exchange Governance Index Manual and the core values of the Group. The Group's Corporate Governance Manual was revised on the 11th day of January, 2023 and can be found on the Company's website at www.jamaicabroilersgroup.com/resources.

COMMITMENT TO SHAREHOLDERS AND STAKEHOLDERS

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

The Company's Annual General Meeting was held on October 26, 2022 by way of live stream. Shareholders were given the appropriate notice and were able to register and participate in the meeting electronically.

The Company ensures that all shareholders are provided with adequate and timely information on the Company's activities and performance. Shareholders are encouraged and able 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. Contact details are provided on the Company's website for investors seeking to obtain information on the Company at www.jamaicabroilersgroup.com/investors.

During the year, the Company, in an effort to provide its stakeholders with timely information on the Company's activities and performance, participated in an investor briefing hosted by Mayberry Investments Limited in March of 2023. In addition to the submission of its quarterly and annual results to the Jamaica Stock Exchange, the Company also published its unaudited quarterly results in a daily newspaper, during the Financial Year.

COMPOSITION OF THE BOARD

As at April 29, 2023, the Board comprised eight (8) non-executive directors (including the Chairman) and four (4) executive directors (the Group President & Chief Executive Officer, a Group Senior Vice President, the President, US Operations and a Vice President, US Operations). The names and summary biographies of the directors are on pages [8 – 10] of the Annual Report and on the Company's website at www.jamaicabroilersgroup.com/leadership. Executive and non-executive directors are required to seek the approval of the Board before accepting additional directorships and must confirm that no conflict of interest arises from the appointment. They are obliged to provide assurance to the Company 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.

INDEPENDENT DIRECTORS

Six (6) members of the Board are independent Directors. The Board has determined that these Independent Directors are free of any interest, position, association or relationship that might influence or reasonably be perceived to influence in a material respect his or her capacity to bring independent judgement to bear on issues coming before the Board of Directors or their ability to act in the best interest of the Company and its shareholders and other stakeholders generally.

DIRECTORS	BOARD MEETINGS	AUDIT COMMITTEE	COMPENSATION COMMITTEE	CORPORATE GOVERNANCE COMMITTEE
TOTAL MEETINGS HELD :	11	5	1	3
OMAR AZAN	11	5	1	2
EDWARD BARBER	11	-	-	-
BRUCE BOWEN	11	5 (Chairman)	0	-
CLAUDETTE COOKE	11	-	1	3
IAN HAYNES*	3	-	-	-
ROBERT LEVY	11	4	0 (ex officio)	2 (ex officio)
CHRISTOPHER LEVY	11	-	-	-
STEPHEN LEVY	11	-	-	1
SYD MOGG	11	-	-	-
IAN PARSARD	11	-	-	-
GREGORY SHIRLEY	11	4	1	3 (Chairman)
R. DANVERS WILLIAMS	11	-	-	-

*Mr Ian Haynes was appointed to the Board of Directors on December 7, 2022

The Independent Directors are the Hon. R. Danvers Williams, Mr Omar Azan, Mr Edward Barber, Mr Bruce Bowen, Mr Ian Haynes, and Mr Gregory Shirley.

BOARD OVERSIGHT

The Board is scheduled to meet once monthly with the exception of the month of August. However, special meetings are convened if urgent matters arise between scheduled meetings. The Board met in regular and special sessions 11 times during the year to consider matters relevant to the operation and performance of the Group. The Board members held a retreat between Thursday February 23 and Saturday February 25, 2023 in Fort Lauderdale, Florida, United States of America. Without exception, whenever needed during the year, directors have demonstrated their ability and willingness to provide any additional time required.

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

- Reviewing and approving the Company's 2022-2023 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
- Considering and approving 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 skill sets and knowledge in diverse areas relevant to the business of the Company and spans gender, industry, knowledge and age. These include banking, corporate finance, insurance, human resources, agro-industry, business acquisitions, 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.

During the year executive and non-executive Directors of the Company visited the Company's United States Operations. Directors toured the Best Dressed Chicken Processing Plant in Ward, South Carolina, U.S.A, on February 24, 2023.

TRAINING

During the year, the Directors of the Board received training in the following areas: -

- a. Anti-Money Laundering
- b. Cyber Security and the Handling of Sensitive Information/Cyber Security Risk and Prevention
- c. Data Protection and the Director's Responsibility
- d. Environmental, Social and Governance (ESG) Standards
- e. Corporate Governance

An Executive Director attended webinars on Vaccination Strategies, Poultry Supply Plans, and poultry mortality. Three (3) Directors also attended the International Production and Processing Expo 2023 in Atlanta, Georgia.

CODE OF ETHICS

The Company put in place a Code of Ethics for all its directors and employees which was approved by the Board of Directors in 2019. The Code is intended to govern the behaviour of directors, officers, agents and employees of the Company. The core values of Accountability, Respect, Service, Excellence, Honesty and Communication form the pillars of the Company's Code of Ethics. The Code can be found on the Company's website at www.jamaicabroilersgroup.com/about. From time to time the Company's Human Resources Department provides training to its employees in respect of the Company's Code of Ethics, general ethical business conduct and matters of compliance.

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. During the year, the Committee nominated Mr. Ian Haynes as a Director. His appointment was approved by the Board of Directors of the Company at its meeting held on the 7th day of December 2022.

ENVIRONMENTAL QUALITY & SAFETY POLICY

The Company adheres to upholding all laws, regulations concerning environmental safety and quality matters. The Company is committed to:

- a. preventing pollution and minimizing any negative environmental impact of its activities;
 - b. operating in a manner which is safe to prevent injury or ill health to its employees through participation, training and development; and
 - c. ensuring that food safety and quality is at the forefront of every area of its operations.
- The Company has in place an Environmental Quality and Safety Policy which may be found on the Company's website at www.jamaicabroilersgroup.com/resources.

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 30, 2022. This review involved consideration of the internal audit and risk management functions including operational risk, regulatory risk and compliance. The Chairman of the Audit Committee reports to the Board on all significant issues considered by the Committee.

INTERNAL AUDIT FUNCTION

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

- Reviewing and ensuring the annual internal audit plan is designed to assist in attaining the required objectives;
- Reviewing financial reporting and disclosure controls and advising management in their representations and assertions regarding these controls;
- Reviewing means of safeguarding the Group's assets;
- Coordinating 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
- Reviewing and making recommendations periodically concerning procedures for receipt, retention and treatment of complaints about accounting and auditing matters.

EXTERNAL AUDIT FUNCTION

The Audit Committee annually reviews the appointment of the Group's external auditors. Currently, the auditors are PricewaterhouseCoopers (PWC). The Board on the recommendation of the Audit Committee, is satisfied with the effectiveness of the external auditors and has agreed to recommend to the shareholders the re-appointment of PWC for a further period of one 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 to Committee meetings. 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 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 continue to be set at levels that attract and retain persons with the required skills 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 practices.

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

BOARD EVALUATION

During the course of the year the Company undertook its annual evaluation of the Board's performance. An external consultant was engaged to conduct the Board evaluation exercise. The report received was discussed by the Directors and feedback provided for improvements in 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 which are outlined in the Company's Corporate Governance Manual. The Board Committees are: the Audit Committee, the Corporate Governance Committee and the Compensation Committee. The aforementioned Terms of Reference, setting out the roles and responsibilities of each of the Board Committees are set out in the Company's Governance manual which can be found on the Company's website at www.jamaicabroilersgroup.com/resources.

The Committees assist the Board in its oversight role. Subsequent to each Committee meeting, a report is made to the Board on the matters considered by the Committee. Matters, if any, which are approved by the Committee are from time to time included in the Board papers.

AUDIT COMMITTEE

The Board has determined that each member of the Audit Committee is independent, and that the membership of the Committee meets the requirements of the Jamaica Stock Exchange and the recommendations of the PSOJ's Code on Corporate Governance. The President and Chief Executive Officer (Managing Director), the Group Vice President, Accounting and Administration, the Internal Auditors and the external auditors normally attend and report at Audit Committee meetings. The Chairman of the Group Board (who is an ex-officio member of the Committee) and other senior managers are invited from time to time to present reports and discuss issues of importance.

The Audit Committee met five (5) 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;
- reviewing 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.

COMPLIANCE

- reviewing the effectiveness of the systems for monitoring compliance with laws and regulations, and the results of management's investigations and follow up;
- reviewing auditor observations.

COMPENSATION COMMITTEE

The Committee met once during the year and considered, inter alia, the following matter: -

- Review of salary bands for Executive Management

Three (3) members of the Committee are Independent Directors.

CORPORATE GOVERNANCE COMMITTEE

The Committee met three (3) times during the year and considered the following matters: -

- Reviewed and analysed JBG's Corporate Governance Report;
- Reviewed and analysed the JSE Corporate Governance Index;
- Prepared, reviewed and made arrangements for the annual Board Evaluation Exercise and reviewed the report of the external consultant engaged for the Board Evaluation exercise; and
- The appointment of a director to fill the existing vacancy.

A majority of the members of the Committee, are Independent Directors. The Committee is chaired by an Independent Director.

GREGORY SHIRLEY

Chairman

Corporate Governance Committee





SENIOR
MANAGEMENT



MR CHRISTOPHER E. LEVY, CD, MBA
GROUP PRESIDENT & CEO



MR IAN S. PARSARD, MBA (Hons.), ACCA
GROUP SENIOR VICE PRESIDENT
FINANCE & CORPORATE PLANNING



MR LENNOX D. CHANNER (JR), FCCA, MSc
GROUP VICE PRESIDENT
ACCOUNTING & ADMINISTRATION



MR STEPHEN E. LEVY, MBA
PRESIDENT
US OPERATIONS



MR DAVE G. K. FAIRMAN, MSc
VICE PRESIDENT
BEST DRESSED CHICKEN DIVISION



COL. (RET'D) JAIMIE S. OGILVIE, OD, MSc, MMAS, MSS
VICE PRESIDENT
HI-PRO DIVISION



MANAGEMENT DISCUSSION & ANALYSIS

DISCLOSURES

The management of Jamaica Broilers Group Limited is pleased to present the Management Discussion and Analysis (MD&A) for the financial year 2022-2023. Management believes this information represents an objective review of the Group's past performance and prospects. The financial year began on May 1, 2022 and closed on April 29, 2023. Unless otherwise indicated, currency is expressed in Jamaican dollars (JMD).



OPERATIONAL HIGHLIGHTS

Jamaica Broilers Group Limited runs two vertically integrated poultry operations based in Jamaica and the United States. These operating segments continue to be the primary income earners of the Group with Jamaica Operations revenue totaling **\$59 billion**, a **30%** increase over the prior year's **\$45 billion** and US Operations revenue totaling **\$33 billion**, a movement of **11%** up from **\$29 billion** the year prior. The Jamaica Operations profit rose by **56%** from **\$4.8 billion** of **\$7.57 billion** while US Operations profit was up **55%** from **\$2.4 billion** to **\$3.8 billion**.

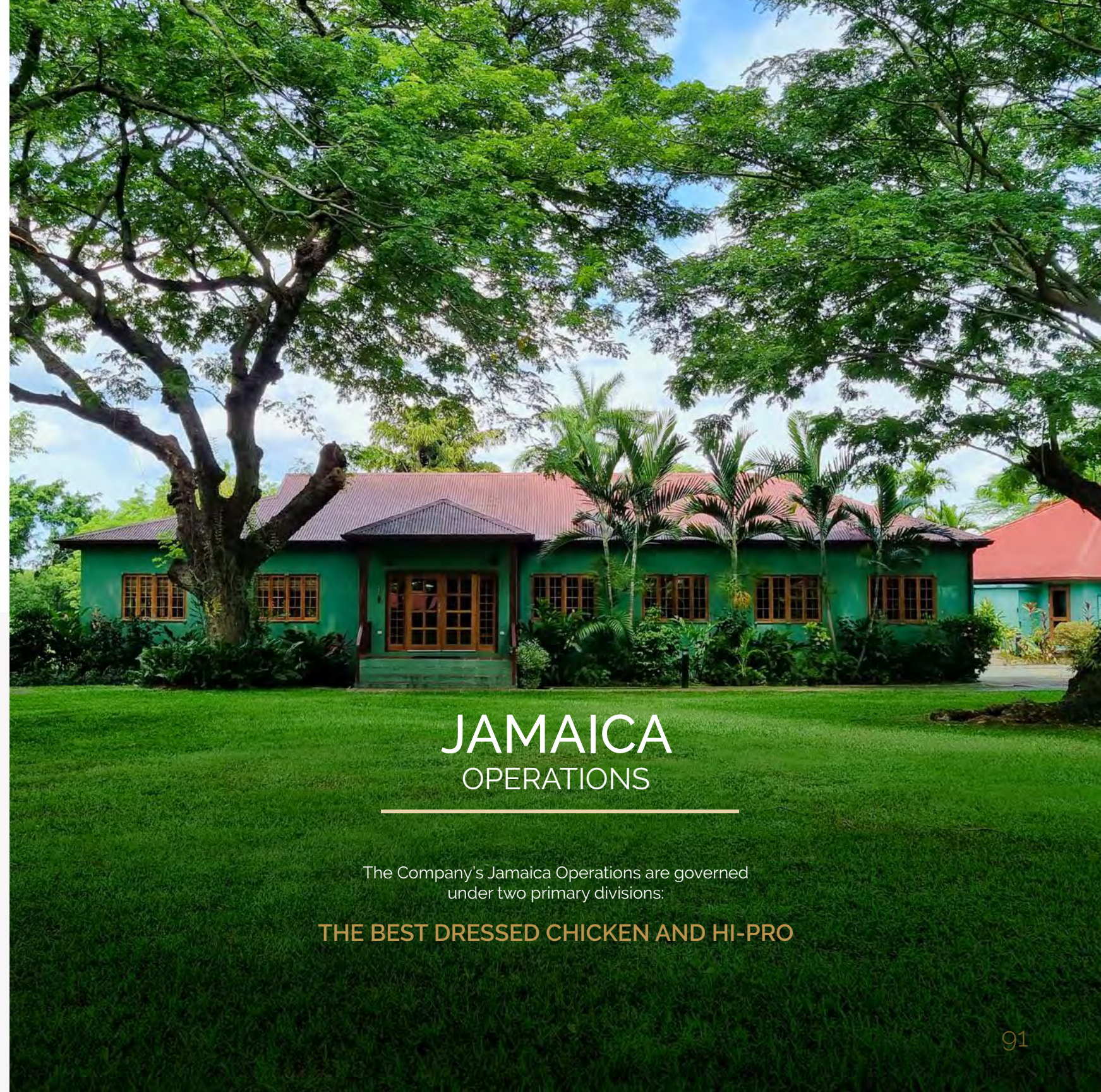
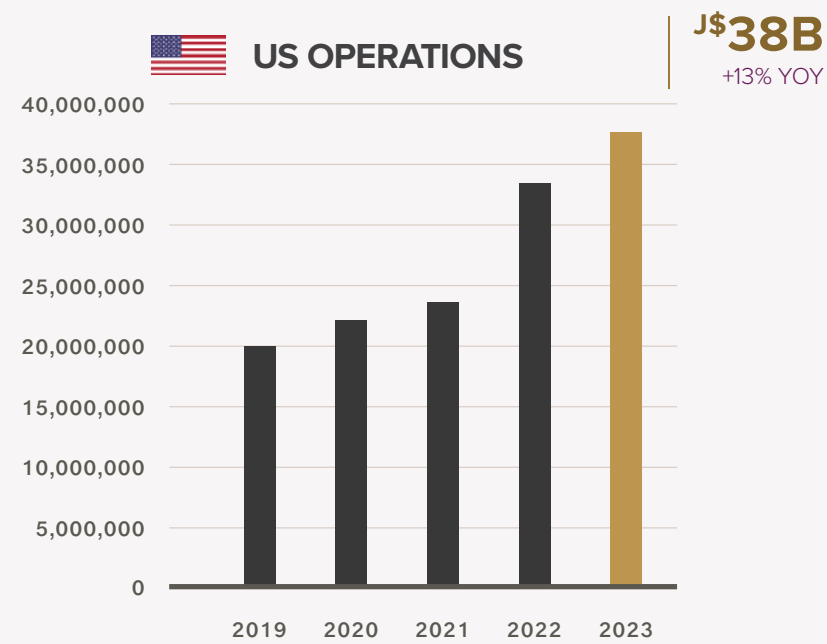
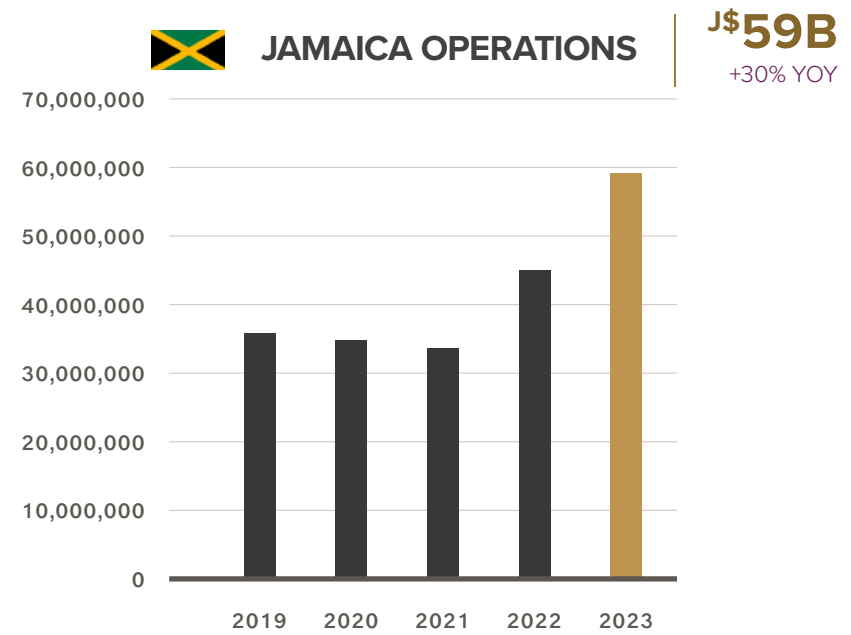
In summary, both operations saw significant revenue and profit growth over the course of the 2022-2023 fiscal year. The Jamaica Operations saw the largest increase in revenue, with growth driven primarily by increased demand for chicken products while the U.S. Operations saw the largest increase in profit propelled by increased demand for poultry products and fertile hatching eggs.

The decision was taken to discontinue the Haiti Operation, established in 2011, as the business grappled with losses due to rising social and political tensions which compounded the impacts of numerous natural disasters affecting Haiti. The exit resulted in a loss of **\$1.1 billion** which was absorbed during the second quarter of the financial year.

Supporting businesses exist under the label "Other Caribbean Operations" and saw revenue of **\$8 million**, a **3%** increase over the prior year.

Management is pleased to report that strategic decisions employed from the very onset of the pandemic continued to steer the operations ahead of oncoming obstacles while yielding great rewards. A five-year review of operational revenues demonstrates that all continuing operations have reported growth well above pre-pandemic levels, the United States being the most significant with revenues up by **89%** over the period. Within the same time span, our Jamaica Operations showed movement of **63%** and Other Caribbean Operations followed at **31%**.

5 YEAR OPERATIONAL REVENUE GRAPHS



JAMAICA OPERATIONS

The Company's Jamaica Operations are governed under two primary divisions:

THE BEST DRESSED CHICKEN AND HI-PRO



DIVISION

The Best Dressed Chicken Jamaica (BDC) experienced remarkable growth over the course of the financial year as the Jamaican economic landscape continued to rebound. Chicken meat sales increased by **21%** year over year, while our further processed product sales went up by **51%**.





We also saw substantial growth in the regional marketplace as our export sales increased by 15% with BDC now exporting to 6 countries within the Caribbean. We're excited about being given a space at the table of the Barbados market and have begun laying the groundwork for inlets to Trinidad and Tobago which appear very promising.

QUICK SERVICE WINS

We continued to work with our quick service restaurants (QSRs) to tailor products to the individual flavour profiles and menu requirements of our customers. Significant wins included successful negotiations to produce Wendy's chicken nuggets, as well as a special promotion with KFC wherein we provided a deboned chicken breast cut for their limited time offer of a Kentucky Chicken Sandwich.

BEST THING NEXT TO SLICED BREAD

In addition to our suite of new products, a key deliverable for the division for the reporting year was the modification of existing products to meet the demands of the market. Key input from our customers led us to select the Hamilton's Smokehouse line of deli slices for enhancement. The exercise resulted in us producing thinner slices while maintaining the same product weight, a movement from 7 slices to 10 slices per pack.

In an effort to boost awareness and product sales, our marketing team launched a campaign targeted at schools across the island to introduce the possibility of inclusion of deli slices to their menu offerings. The promotion was also launched to the wider Jamaican public with press ads, editorial pieces, in-store promotions and social media positioning of the slices as **"The Best Thing Next To Sliced Bread"** while pointing to its convenience and value. The team fulfilled their objective hitting 99% of their sales target for the fiscal year.



MATTERS OF THE HEART

Our teams focused on reaching the hearts of our consumer base this year and pushed a science-based, health and safety campaign into the domain of emotional connection. Choosing The Best Dressed Chicken's No Antibiotic Ever promise is after all, a decision to love your family by providing them with The Best option for health AND taste. The campaign showcased warm moments at home with various families preparing their BEST for their loved ones and was featured in traditional and social media spaces, point of sale executions and editorials.

IMPROVED EFFICIENCIES

The BDC Processing Plant focused on maximizing support to our customers through our **loading bay expansion project**. The expanded bay has increased our logistics and distribution capabilities, facilitating faster and more efficient loading times, ease of movement in and out of the facility. Ultimately, this reduces the amount of time that our products spend in transit resulting in improved delivery times, better temperature management and overall customer **satisfaction**.

JAMAICA'S ONLY CHICKEN
RAISED WITH
**NO ANTIBIOTICS
EVER!**



HATCHERY

Over the course of the year, we continued to improve our operational efficiencies at our BDC Hatcheries in White Marl and Cumberland, Saint Catherine. We are pleased to report that this led to a reduction in overhead costs as well as a reduction of culls. Areas of focus included incubation management and improved air handling in our multi-stage hatcher passage which resulted in an improved hatch window and overall chick quality.

FIELD OPERATIONS

Our BDC Field Operations continued to serve our farmers through elevated, consistent presence on the farms to maximize on flock performances. Together with our farmers, the team worked tirelessly to achieve a new standard of production built firmly on sound broiler welfare, biosecurity, and sanitation practices for all BDC contracted farms - broilers raised without antibiotics. This programme has allowed us to further improve the overall health and quality of our Best Dressed Chicken flocks.

Our capacity was expanded as our farmers continued to invest in new housing. The team worked with farmers to construct 7 new tunnel houses (40x500 sq.ft.) all equipped with variable speed fans to save energy.

Overall, our dedicated growers rallied and responded positively to the increasing demand, and we are truly grateful for their efforts in this regard. We also recognize the strong collaboration from our supporting BDC departments in ensuring that our operations provided the highest quality bird for the Jamaican market.





DIVISION

The 2022-2023 fiscal year was touted to be an unpredictable year for the Agricultural sector, however, despite the headwinds, Hi-Pro remained committed to driving the sector forward through the reliable supply of agricultural inputs and technical services for Jamaica's livestock and crop farmers.



ANIMAL FEEDS

In contrast to the first two years of the pandemic, the 2022-2023 financial year saw greater stability in the cost of raw materials. This resulted in fewer price movements for animal feeds in contrast to previous years during the pandemic. Farmers were better able to predict their cost of production, more accurately price their products and better project profitability. With input costs stabilizing and cost containment measures remaining in place during the course of the financial year, Hi-Pro Feeds realized a Net Margin increase of 40% over the previous year.

AGRI IMPACTS

The combination of positive impacts to the marketplace led to four consecutive quarters of growth for the Agricultural sector. At the end of 2022, national broiler meat and table egg annual production achieved all-time highs of 239 Million kilograms and 232 Million eggs respectively. Small farmers still account for over 35% of all the Broiler Meat produced in the Jamaica and 100% of all the table eggs consumed in Jamaica in 2022.

Strong performances were also seen in the pig and layer segments, with both industries poised for further growth as the hospitality sector continues to expand and local consumption of pork and table eggs remain on the rise.



BABY CHICKS

Small farmers increased placements of baby chicks year over year for the first 5 months of the fiscal year but were challenged across the remainder of the year due to an unforeseen over-supply of baby chicks in the market, leading to the over-supply of broiler meat and high inventories in storage for small farmers. This continued throughout the Christmas Peak Season, with the start of the 2023 heralding a new challenge to the small farmer with the return of imported chicken neck & back (from the USA) up by 541% between January and March 2023, from 781,000 KG to 4.2 million KG compared to the year prior. This unmeasured re-introduction directly affected the small farmers ability to supply fresh, locally produced broiler meat to local markets and directly affected the livelihood of some +150,000 small Broiler farmers.



HI-PRO ACE SUPERCENTRE

The Hi-Pro Supercentre benefited from the improved costs of goods and freight rates from North America, South America and China and remained focused on customer engagement, planning and executing 14 marketing activities throughout the year. This ranged from seasonal SALE activities to specialized events such as the highly anticipated Doggie Day at Hi-Pro Supercentre. With the competition for disposable income impacting consumer spending for Home & Garden upgrades, we focused on creating maximum value for our shoppers through unique product offerings and best-in-class technical support.

The result –twelve of twenty one store departments saw positive growth, with standout performances from Fertilizer (up 60%), Equipment (up 20%), Feed (up 16%), & Plumbing (up 14%).

The Fertilizer department realized significant growth due to the re-introduction of the industry leading Diamond R with Purkote™ Technology. This proprietary polymer coating technology is designed to release nutrients at a rate that is compatible with the requirements of the plant, is environmentally friendly, remains stable during significant rises in temperature and withstands significant rainfall events without leaching. Purkote™ Technology is exclusive to Diamond R Fertilizer in Jamaica and only available through Hi-Pro Supercentre.

Tim McKenna, Sales Manager, Diamond R; The Honourable Pearnel Charles Junior, Minister of Agriculture & Fisheries; Orlando Rojas - Sales Representative, Diamond R; Colonel (Ret'd) Jaimie Ogilvie, Vice President, Hi-Pro Division, Jamaica Broilers Group.



We also continue to see strong growth and expansion of our agricultural seed line, Pandia Seeds, which saw a further increase in sales of 22% year over year. Jamaica's crop farmers continue to produce high quality fruits and vegetables for our nation, and we aim to increase the distribution and availability of our Pandia line of vegetable seeds in the coming fiscal year. Farmers have shown particular interest in the production of the Nantes Tropical Carrot, Tesoro F1 Sweet Corn and the Coronation F1 Cabbage Seeds, all of which show improved yield per acre and increased tolerance to local pests, diseases and weather challenges

STRENGTHENING THE AGRI COMMUNITY

Hi-Pro Supercentre was selected as a key supplier for a number of Rural Agricultural Development Agency (RADA) and Jamaica Social Investment Fund programmes throughout the fiscal year, for which we supplied agricultural chemicals, fertilizers, vegetable seeds, animal feeds, baby chicks & pullets to Jamaica's farmers..





UNITED STATES OPERATIONS



JBG Directors, Company Secretary and employees of the Best Dressed Chicken U.S.A. at the opening of the expanded processing plant in South Carolina.

We're pleased to report that the success of The Best Dressed Chicken brand continues to climb within the U.S. marketplace. While we were able to get our product on the shelves of major supermarket chains last year, by all indications The Best Dressed Chicken is now the lead brand within those stores and is specifically requested by name among consumers.

In addition to building relationships with our retail customers, efficient processing plant operations have been a key strategy in support of our goal to establish the brand. Freshness, food safety and quality are imperative to preserving good taste and our customers rely on this to satisfy the demands of consumers.





As the business continued to expand, a new, state-of-the-art processing plant became essential to supporting the way forward for continued production of the Best chicken in the U.S.A.. In February 2023, we opened and began operating what is being described as the best single-line plant in the United States. Our team has worked tirelessly to build an amazing facility that will support projected growth with expanded capacity and increased efficiencies. The plant currently produces over 600,000 whole chickens per week with capacity to grow. We are in a good position to continue to take advantage of available opportunities within the market.

Our farmers, feed mill and breeder operations teams have also been remarkable, keeping pace with the business by responding to the growing demand for our product.



Due to the combined efforts of our teams, today, we are the preferred brand in three major retail chains in the USA that together, comprise of over 80 stores. The Best Dressed Chicken is now the only branded, chicken meat product¹ at these locations. We extend our thanks to **Doris's Market**, **Piggly Wiggly Midwest** and **KJ Food Market** for believing in us.

As stated last year, our goal is to become a national brand, and we are pleased to disclose that we are taking these steps in large strides.

¹Specifically raw chicken meat, not including value added or further processed goods.

TECHNOLOGY

Over the past year, our dedicated Information Systems Development (ISD) team has achieved remarkable milestones in advancing the digital transformation of our organization with projects geared towards digitizing the operations. At the close of the year, these projects were undergoing acceptance testing, however, once complete, they will lay a solid foundation for enhanced efficiency and productivity across the Group.

Enterprise resource planning (ERP) –upgrading the operations (Jamaica) to Microsoft's next-generation business platform Microsoft Dynamics 365, for Finance and Operations. The upgrade is still progress and will assist in accelerating our digital transformation to meet our customers' changing needs and capture tomorrow's new business opportunities.

Supporting the Group's sustainability initiatives was high on the priority list during the reporting year. The team sought to identify specific operation points that would benefit from digitization towards a more efficient and paperless future. The International Poultry Breeders (IPB) data collection process was among the areas selected and we were able to successfully streamline workflows, reduce errors, and improve data accessibility.

The Point of Sale for our retail management system was upgraded to make assist with management of back-office functions and shore up business continuity fail-safes. Our business teams continue to take advantage of the vast array of new features including inventory management which improves our ability to provide customers with a delightful experience as they interface with us.

Other projects in play include document management and digitization of Quality Assurance Forms, the ePayslip initiative towards eliminating the need for physical pay slips and upgrades to our Inventory Management System, all of which we expect to close out in the upcoming fiscal year.

INFORMATION SYSTEMS SECURITY

The Group continued to monitor the ever-increasing cybersecurity and data access risks to our operating environment. These threats have affected the regulatory environment as evidenced by steps being taken by governing factions to protect citizens from the misuse of personal information. The Company has responded in support of these efforts by initiating a data privacy readiness audit to identify any gaps in the management of personal data. In addition, data privacy training and certification was initiated for key members of staff as we prepare for the Jamaica Data Protection Act coming into effect later this year. This coupled with ongoing investments in technology and continuous cyber security training for all staff will significantly increase our resilience as we continue to operate in this high-risk environment.

Our investments to date, include Email Gateway protection, Endpoint protection, the implementation of Next Generation Firewall Technology, network segmentation and real time monitoring utilizing artificial intelligence.

In conclusion, the achievements of our ISD team over the course of the year have laid a solid foundation for our digital future. These accomplishments will continue to transform our organization, unlock operational efficiencies, and drive us to continue adapting to an increasingly digital marketplace.

ENVIRONMENT

QUALITY & SAFETY

The Environment, Quality and Safety (EQS) team was tasked with escalating the Company's sustainability portfolio while also making efforts to broaden our quality and safety initiatives. The team worked assiduously, firstly to improve awareness of these areas among the management and staff and to bolster our systems in support of these goals.

REDUCING OUR FOOTPRINT

Ever increasingly, standards are being adopted internationally as governments are sensitized to negative environmental impacts, and as consumers become more aware, buying habits have begun to revolve around whether a business is making smart "green" choices.

As we continued to focus on ensuring the sustainability of our operations, the team paid careful attention to water conservation efforts throughout the year and maintained a 25% reduction in water used per bird over the past 2 years. Our focus on efficient use of energy saw us installing a 1.1 megawatt Liquefied Natural Gas (LNG) Plant, which supplied 7% of our energy demand. LNG, boasts a higher energy yield paired with less sulphur content, and has resulted in a reduction of CO₂ emissions by 25% and Sulphur Dioxide emissions by 30%.

Reusable tote bags were utilised to distribute poultry and further processed products to our customer base in place of single use wax carton boxes, thereby reducing our consumption of natural resources. The replacement project saw a reduction of approximately 3,000 single use boxes weekly.

SAFETY

We are pleased to note that the Health Safety & Environment (HSE) team's initiatives resulted in a 20% reduction in down time year over year due to incidents within our facilities. This in turn means that workers were more productive during the reporting year, being able to focus during scheduled production times and spending less time away from work due to injuries or accidents.

The team also implemented approximately 2,000 safety training interventions, achieving 90% of its targeted training goals for the year, with increased use of online platforms and on-demand video formats utilised towards maximizing engagement. These efforts were further supported by weekly safety bulletins and quizzes to ensure that the information was regularly digested among workers across the business.

HEALTH & WELLNESS

Twelve health and wellness activities were conducted with the objective of maintaining awareness of COVID-19, increasing awareness of non-communicable diseases, and encouraging healthy life practices among workers.

Within the Jamaica Operations, the Company opened a 24-hour Health and Wellness Clinic available to staff and contractors workers across its locations. Through individual visits to the clinic, as well as the Company nurses travelling to various locations, our medical personnel were able to see over 2,100 persons over the course of the year providing regular health screenings and attending to concerns of illness and/or injury.

MAINTAINING CERTIFICATIONS

Compliance with local and international regulatory bodies remained a priority in the 2022-23 fiscal year and the following certifications, licences and standards were continued: ISO 14001 (environmental management systems certification), Jamaica Fire Brigade Certificates, National Environment and Planning (NEPA) licenses.



HUMAN RESOURCE DEVELOPMENT

The success of the Jamaica Broilers Group in the 2022/2023 financial year was heavily driven by the resilience, experience and efforts of our employees. As the business continues to evolve in response to a constantly changing environment, the workforce remained committed to maintaining consistently high levels of performance and productivity. In managing our business, we focus on a number of human capital initiatives, which are rooted in our Core Values and our team members have responded remarkably and with fortitude.

TRAINING AND DEVELOPMENT

The business was able to leverage the depth, agility, and bench strength of our human capital, as the Company continued to craft and innovate our development roadmap to success. We rely on an adequate number of skilled employees to serve in critical production roles and we continued to provide access to continuous education courses and seminars to facilitate recertification of professional/technical team members. Areas of focus during the year included data privacy and protection, cybersecurity threats, forklift safety training, occupational health and safety, information leadership development, as well as participation in executive training courses. We have found that enhancing our employees' development through training for continued advancement strengthens their performance and helps with our goals to achieve business results.

EMPLOYEE RETENTION

We remain committed to retaining talented employees at all levels by offering competitive compensation and benefits, as well as leadership training and development opportunities.

ETHICS AND COMPLIANCE

At Jamaica Broilers Group, ethics and compliance is built into who we are; they are a resounding facet of our culture echoed in our mission statement, core values and day-to-day interactions. We continue to strengthen the ethical foundation of our workforce through training programmes which

espouse accountability, respect, service excellence, honesty, and communication, which are the pillars of our core values. The process is on-going, beginning with our orientation training and onboarding exercise and is reinforced throughout each team member's work life cycle. To remain viable, the Group must be compliant in all required areas and to this end, during the financial year, team members at all levels participated in the appropriate compliance training programmes.



PUBLIC RELATIONS

Our Group Public Relations team continues to engage our internal and external publics towards maintaining healthy stakeholder relations, preserving the Company's positive corporate image and standing with local government officials in support of small farmers and farming associations towards ongoing improvements to agriculture policy.

INVESTORS, SHAREHOLDERS

To keep our investors and shareholders abreast of the Company's progress, Group President & CEO, Mr Christopher Levy made an appearance on the Mayberry Investor Forum. The forum, held virtually, was well attended, and remains available for viewing on the Mayberry Investments Limited YouTube channel. The Company also continues to publish and enhanced quarterly report featuring infographic highlights on significant figures achieved for the period. These were published in local newspapers and continue to be available for review on jamaicabroilersgroup.com/investors/financial-reports/ and jamstockex.com.



Dan Theoc, SVP- Investment Banking, Mayberry Investments Limited; Christopher Levy, Jamaica Broilers Group President & CEO; and Christopher Berry, Executive Chairman of Mayberry Investments Limited.

GOVERNMENT, POLICY MAKERS

Throughout the course of the year, Management attended meetings with the Ministry of Agriculture and Fisheries (MOAF), led by The Honourable Pearnel Charles Jr, to discuss sustainable solutions towards bolstering local agricultural production. Jamaica's poultry industry continues to meet 100% of local demand thanks to the efforts of over 100,000 small farmers who together comprise 30-35% of local poultry output. Efforts were made towards continued support of the poultry sector, along with the strengthening other agri-industries through the Ministry's Grow Smart, Eat Smart initiative which Management was pleased to support particularly through the Hi-Pro Division's Food Independence campaign. The joint vision afforded both the MOAF and the Company opportunities to support building the nation's capacity to meet local demand for food supply.

EMPLOYEE ENGAGEMENT

Engaged employees are our greatest ambassadors. Our people continue to be our most valuable asset, and in turn, significant efforts are made each year to ensure that team members are provided with opportunities to connect, to serve and to enhance their overall health and wellness.

We opened our financial year with a return to our in-person Thanksgiving Service on the lawns of our corporate office after a two-year online alternative due to the COVID-19 pandemic. Operations were put on hold for half the day allowing team members across our divisions to give thanks to the Lord for His goodness to the Company and enjoy a time of refreshing and fellowship. The event allowed our Group President and CEO a meaningful opportunity to address the entire organization. Sharing his vision for the year ahead, he highlighted the strength of community and underscored the thrust of our current internal campaign that truly #WeAreBestTogether.



Each division hosted their own team-building and moral boosting initiatives including staff retreats, after work lymes, awards ceremonies, and football and domino competitions. Our Best Dressed Chicken Health and Safety teams coordinated a health and wellness challenge focusing on healthy eating habits and a Health Series that provided workers with practical financial advice and tips for maintaining wholesome relationships and good health. We also celebrated significant moments with our team members across the Group throughout the year. Each celebration allowed us to reinforce our culture and show our people that they are valued members of this organization.

Team members also had opportunities to give to back to our communities throughout the year. Our team in Georgia made donations towards back-to-school initiatives and in Jamaica, the team undertook a special Valentine's Day project for the St. Monica's Home for the abandoned elderly, where staff members donated items and volunteered their time to give the home a well needed face lift.

CORPORATE SOCIAL RESPONSIBILITY

As the Lord continued to bless us, so we continued to support, foster relationships, and serve the people within our communities and stakeholder groups. This year, our commitment to service remained steadfast and the dedication to building goodwill within our community continued to be an integral part of the Group's mandate and people culture. Below are few of the initiatives and partnerships the Company furthered this year.

STANDING ORDER DONATIONS PROGRAMME

Each year we partner with various schools and non-profit institutions that need constant assistance to continue their service to the community. This year the company was able to list seven different institutions under its standing order donation programme to receive product and or monetary contribution according to its needs. The institutions included the McCook Primary & Infant School, Open Arms Drop-in Centre, Operation Restoration Christian School, Joy Town Community Development Foundation, Spring Garden Primary School, Swallowfield Chapel Soup Kitchen and Portland Arts & Vocational (PAVE) Centre.

IMPACTING EDUCATION

Teachers continued to be a key target group in our social responsibility efforts as we sought to impact their wellbeing and gain their input towards plugging gaps affecting schools in the vicinity of our operations. In recognition of Teachers' Day, the company gifted over 500 educators across the parish of St. Catherine with Best Dressed Chicken branded reusable



shopping bags filled a variety of our Best Dressed Chicken, Reggae Jammin' and Hamilton's Smokehouse products. Our efforts this year also saw us serving various needs of XX schools across Jamaica and the US throughout the fiscal year.

In addition to serving our educational institutions, the Group continued its efforts towards supporting the educational needs of the youth in our communities. The Company's annual back-to-school initiative saw us gifting over 400 book vouchers to students within the communities of each operation, with a special incentive added to the top performers emerging from the Primary Exit Profile (PEP) examinations.

LABOUR DAY

This year's Labour Day project was focused on retrofitting the poultry house at the Institute of Vocational and Professional Training (IVPT), the training arm of the Spring Village Development Foundation. Lead by our Hi-Pro Division, the school received a donation of two 250-gallon tanks, over 500 baby chicks and 20 bags of feed. Following the completion of the project, the school continued to receive technical and educational support from our Hi-Pro veterinarians in support of the school's new courses in crop and broiler production.

RISK ANALYSIS

The Company has considered carefully, the risks involved in operating a multinational entity. While this analysis may not cover every possible area of risk, consideration has been given to matters having the potential to materially, adversely impact our finances, operations and/or ability to conduct business.

GLOBAL PANDEMIC

The World Health Organisation (WHO) declared COVID-19 a global pandemic which has been described as an ‘economic tsunami’ having resulted in: the international halt of both shipping and airline travel — effectively a shut-down of the global tourism industry; closure of several schools and businesses world-wide, including the New York Stock Exchange; and disruptions in food security emerging from shocks to demand and supply protracted by sporadic panic buying followed by sudden fall offs as entire communities became subject to quarantine.

Cross Functional Teams convened across our operations continued to operate throughout the pandemic ensuring the free flow of information, the safety of our team members and the overall continuity of our business. COVID-19 protocols specifically designed to protect our entire community of stakeholders and ensure optimal food safety, continued to be reviewed throughout the year as information on the virus evolved. As an essential service provider, this was of utmost importance in ensuring that we were able to continue our efforts towards food security across the territories we serve.

Our management and staff remained agile and responsive to changing conditions throughout the year. Negative impacts were cauterized, and the Company was able to sustain its operations while maintaining a positive outlook for the future.

AVIAN INFLUENZA

Over the past few years we’ve focused on educating our farmers towards minimisation of risks associated with Avian Influenza (AI) and other diseases affecting poultry. While AI was not a

prevalent threat in the immediate vicinity of our Operations over the course of the fiscal year, we remained vigilant and have continued to monitor occurrences of the disease and have kept abreast of advances in best practices.

COMMODITY FUTURES

The business relies on grain and fuel as core inputs to our processes. These commodities tend to experience price fluctuations in response to various stimuli including weather conditions, natural disasters, political instability, among others. While the Company has no control over these factors, mechanisms are in place to maximise on opportunities to procure high volumes of grain inputs at the best available price point while investments in co-generation and LNG plants have allowed us to manage much of our energy costs off-grid.

DEBT MANAGEMENT

The Company continues to take advantage of favourable market conditions to structure its debt and align same to our strategic objectives. 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.



THE WAY FORWARD

We are grateful to the Lord for another successful year past and we are excited about the future and the opportunities that lie ahead.

The economy has been trending towards positive growth despite a few looming challenges, so we remain optimistic as we move into the new financial year. We anticipate that commodity prices will continue to decline for the remainder of 2023 and remain predominantly stable in 2024. We also foresee continued growth, globally; however, we do expect it to be slower paced as markets are likely to tighten amid supply pressures and as countries choose to implement policies aimed at containing high levels of inflation.

We will continue to focus on steadying our primary operations in this ever-changing environment by remaining agile, adapting to changes in the market place and sustaining a growth mindset.

Our Jamaica Operations remain our principal income earner with The Best Dressed Chicken Division well advanced and producing in excess of local demand. Building our regional brand presence will be key to continued growth and increased efficiencies remain crucial to ensuring that we serve our loyal customers excellently even as we expand our reach.

The Hi-Pro Division will stay the course with its national Food Independence campaign. We have positioned ourselves as an advocate for the development of the agricultural sector and will continue to stand with local farmers in both the agronomy and livestock sectors, offering technical advice towards ensuring the best quality inputs to Jamaica's food production industry. Jamaica is currently 100% self-sufficient in the production of chicken meat and eggs, and we are committed to maximising the growth potential in the dairy, chevron (goat meat) and pork sectors.

We are proud of what we have accomplished so far in our US Operations, and we are confident that even greater things lie on the horizon. Our focus there is on the build out of our flagship brand —The Best Dressed Chicken— and broadening our customer base across the United States. We continue to monitor market conditions closely to identify trends and potential risks, and adjusting our strategies accordingly. Managing our input costs is vital in this space as the market is highly competitive, but we remain enthusiastic and our customer-focused approach has served us well thus far. We continue to build relationships with key stakeholders, such as distributors, retailers, and farmers, to ensure that the business is well-positioned to respond to market changes.

Group-wide, we continue to invest in our information systems, our current focus being the upgrade of our Enterprise Resource Planning solution and Human Resources (HR) systems to further drive digitisation and efficiency. On the environmental side of things, we've placed greater emphasis on our sustainability programmes to further minimize any negative impacts of our operations on the environment.

As we start our sixty fifth (65th) year, we can truly remark that God has been good to us. We believe in our mission and we are determined to continually succeed through every season. We remain grateful to all our partners for standing with us through the years and we trust that you will continue to walk with us towards a most exciting future.



SHAREHOLDINGS & COMPANY LISTINGS

SHAREHOLDINGS OF DIRECTORS & CONNECTED PERSONS

DIRECTORS	VOLUME	RELEVANT HOLDERS	SUMMARY
ROBERT LEVY Chairman	116,000 128,734 670,000 49,000 100,412,389 197,810,899 52,769,054	Robert Levy Robert Levy / Judy Levy Phillip E. Levy Portland Corporation The Robert Levy Family Foundation JBGL Stockholders Nominee Limited REL Trust	Director's Holdings 244,734 Connected Party Holdings <u>100,412,389</u> Combined Holdings 351,956,076
R. DANNY WILLIAMS Director Emeritus	12,000,000 197,810,899	Ravers Limited JBGL Stockholders Nominee Limited	Director's Holdings - Connected Party Holdings <u>209,810,899</u> Combined Holdings 209,810,899
CHRISTOPHER LEVY * Executive Director	2,731,316 9,310,096	Christopher Levy Christopher Levy / Sarah Levy	Director's Holdings 12,041,412 Connected Party Holdings - Combined Holdings 12,041,412
CLAUDETTE COOKE Director	1,470,000 276,173 9,318 7,454 20 3,459	Claudette Cooke/ Richard Cooke/ Rachel King Claudette Cooke/ Richard Cooke Richard Cooke Richard Cooke/ Claudette Cooke Richard Cooke/ Claudette Cooke/ Ryan Cooke Ryan Cooke	Director's Holdings 1,746,173 Connected Party Holdings <u>20,251</u> Combined Holdings 1,766,424
GREGORY B. SHIRLEY Director	233,749 916,871 4,895,990	Gregory B. Shirley Gregory B. Shirley Gregory B. Shirley / Susan Shirley	Director's Holdings 6,046,610 Connected Party Holdings - Combined Holdings 6,046,610

DIRECTORS	VOLUME	RELEVANT HOLDERS	SUMMARY
IAN PARSARD * Executive Director	3,003,926 2,871,334 5,250	Ian Parsard/ Karen Parsard Karen Parsard/ Peter-John Parsard Karen Parsard/ Peter-John Parsard	Director's Holdings 5,875,260 Connected Party Holdings <u>5,250</u> Combined Holdings 5,880,510
OMAR AZAN Director	-	-	Director's Holdings - Connected Party Holdings - Combined Holdings -
EDWARD BARBER Director	-	-	Director's Holdings - Connected Party Holdings - Combined Holdings -
STEPHEN LEVY * Executive Director	3,382,600 197,810,899	Stephen Levy / Michka-Mae Levy JBGL Stockholders Nominee Limited	Director's Holdings 3,382,600 Connected Party Holdings <u>197,810,899</u> Combined Holdings 201,193,499
BRUCE F. BOWEN Director	28,000	Bruce Bowen	Director's Holdings 28,000 Connected Party Holdings - Combined Holdings 28,000
SYD MOGG * Executive Director	445,600	Syd Mogg/ Shirley Campbell Mogg	Director's Holdings 445,600 Connected Party Holdings - Combined Holdings 445,600
IAN HAYNES Director	-	-	Director's Holdings - Connected Party Holdings - Combined Holdings -

* Directors indicated also belong to the Company's Senior Management Team (SMT).

SHAREHOLDINGS OF SENIOR MANAGEMENT & CONNECTED PERSONS

SENIOR MANAGERS	VOLUME	RELEVANT HOLDERS	SUMMARY
LENNOX CHANNER Group Vice President Accounting & Administration	2,176,104	Lennox Channer/ Shelee Channer Lennox Channer/ Shelee Channer/ Maya-Paige Channer Lennox Channer/ Shelee Channer/ Kyra-Jade Channer Shelee Channer/ Lennox Channer	Senior Manager's Holdings 3,328,372
	576,134		Connected Party Holdings <u>15,532</u>
	576,134		Combined Holdings 3,343,904
	15,532		
DAVE FAIRMAN Vice President Best Dressed Chicken Division	2,036,365	Dave Fairman/Sophia Fairman	Senior Manager's Holdings 2,036,365
			Connected Party Holdings <u>-</u>
			Combined Holdings 2,036,365
JAIMIE OGILVIE Vice President Hi-Pro Division	73,000	Jaimie Ogilvie Jaimie Ogilvie/ Joanna Ogilvie	Senior Manager's Holdings 1,128,503
	1,055,503		Connected Party Holdings <u>-</u>
			Combined Holdings 1,128,503
JUDY BAUGH Operations Manager Best Dressed Chicken, USA	-	-	Senior Manager's Holdings -
			Connected Party Holdings <u>-</u>
			Combined Holdings -
PETER DEPASS Company Secretary	-	-	Senior Manager's Holdings -
			Connected Party Holdings <u>-</u>
			Combined Holdings -

10 LARGEST ORDINARY STOCKHOLDERS

SENIOR MANAGERS	SHAREHOLDING	PERCENTAGE OWNED
JBGL STOCKHOLDERS NOMINEE LIMITED	197,810,899	16%
THE ROBERT LEVY FAMILY FOUNDATION	100,412,389	8%
SJIML A/C 3119	73,920,672	6%
NATIONAL INSURANCE FUND	64,596,054	5%
THE REL TRUST	52,769,054	4%
MAYBERRY JAMAICAN EQUITIES LIMITED	52,425,362	4%
SAGICOR POOLED EQUITY FUND	30,176,356	3%
NCB INSURANCE CO. LTD. A/C WT 109	28,987,667	2%
GRACE KENNEDY PENSION FUND CUSTODIAN LTD.	21,072,236	2%
GUARDIAN LIFE LTD-BLUE CHIP	16,749,753	1%

COMPANY ADVISORS

AUDITORS

PRICEWATERHOUSECOOPERS	Scotiabank Centre, Duke Street, Kgn, Ja.
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BANKERS

BANK OF AMERICA
BANK UNITED
BANK OF NOVA SCOTIA JAMAICA LTD.
CITIBANK N.A
FIRST CARIBBEAN INTERNATIONAL BANK
INTER-AMERICAN INVESTMENT CORPORATION
NATIONAL COMMERCIAL BANK JAMAICA LTD.
SAGICOR BANK
SAGICOR INVESTMENTS JAMAICA LTD

ATTORNEYS-AT-LAW

DEPASS & CO, ATTORNEYS-AT-LAW	96 3/4 Old Hope Road, Kgn 6, Ja.
SYMONE MAYHEW	Unit 11, Seymour Park, 2 Seymour Avenue, Kgn 6, Ja.
MR ROBERT C. MEACHAM	One Financial Plaza, Suite 2602, Fort Lauderdale, FL, USA

CONSULTANTS

KPMG	The Victoria Mutual Building, 6 Duke Street, Kgn, Ja.
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OPERATING DIVISIONS & SUBSIDIARIES

JAMAICA BROILERS GROUP

GROUP HEAD OFFICE

Content, McCook's Pen, St. Catherine, CSO, JA. • 876-943-4376

JAMAICA OPERATIONS

THE BEST DRESSED CHICKEN DIVISION

THE BEST DRESSED CHICKEN PROCESSING PLANT

Spring Village, St. Catherine, JA. • 876-983-8001-4

THE BEST DRESSED FEED MILL

Old Harbour, St. Catherine, JA. • 876-983-2322

HI-PRO DIVISION

HI-PRO

PO Box 886, White Marl, St. Catherine, JA. • 876-984-7919-20

JAMAICA EGG SERVICES

PO Box 886, White Marl, St. Catherine, JA. • 876-749-5433

EAL/ERI CO-GENERATION PARTNERS, LP

Content, McCook's Pen, St. Catherine • 876-943-4376

INTERNATIONAL POULTRY BREEDERS (JAMAICA) LTD

Caentabert, P.O. Box 27, Claremont, St. Ann, JA. • 876-972-3609

US OPERATIONS

WINCORP INTERNATIONAL INC.

Florida, USA • 305-887-4000

INTERNATIONAL POULTRY BREEDERS LLC

Georgia, USA • 229-769-3410

INTERNATIONAL POULTRY BREEDERS INC.

Arkansas, USA • 870-325-6231

INTERNATIONAL POULTRY BREEDERS HATCHERIES INC.

Iowa, USA

CRYSTAL FEEDS

Georgia, USA

THE BEST DRESSED CHICKEN INC.

South Carolina, USA

OTHER CARIBBEAN OPERATIONS

ATLANTIC UNITED INSURANCE CO. LTD.

20 Micoud Street, Castries, St. Lucia

COMPANY DOCUMENTS

The Company website www.jamaicabroilersgroup.com, has been designed to keep all our stakeholders abreast of current information pertaining to the Group. We also maintain a space specifically for investors at www.jamaicabroilersgroup.com/investors that hosts documents and information that may be of particular interest, such as:

ANNUAL REPORTS www.jamaicabroilersgroup.com/investors/financial-reports

ARTICLES OF INCORPORATION www.jamaicabroilersgroup.com/resources

COVID-19 PROTOCOLS www.jamaicabroilersgroup.com/resources

CORE VALUES www.jamaicabroilersgroup.com/about/#corevalues

CORPORATE GOVERNANCE POLICY www.jamaicabroilersgroup.com/about/#governance

DIVIDEND POLICY www.jamaicabroilersgroup.com/investors/shareholders-info

DIRECTOR PROFILES www.jamaicabroilersgroup.com/about/leadership

ENVIRONMENT QUALITY & SAFETY (EQS) POLICY www.jamaicabroilersgroup.com/resources

MINUTES OF THE ANNUAL GENERAL MEETING www.jamaicabroilersgroup.com/investors/shareholders-info





JAMAICA BROILERS GROUP LIMITED

FINANCIAL STATEMENTS • 29 APRIL 2023

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Independent auditor's report

To the Members of Jamaica Broilers Group Limited

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

Our opinion

In our opinion, the consolidated financial statements and 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 29 April 2023, 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

The Group's consolidated and stand-alone financial statements comprise:

- the consolidated balance sheet as at 29 April 2023;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in stockholders' equity for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the company balance sheet as at 29 April 2023;
- 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 financial statements, which include significant accounting policies and other explanatory information.

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 Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.



Our audit approach

Audit scope

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

How we tailored our group audit scope

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

In addition to Jamaica, the entities of the Group are located in St. Lucia, Cayman Islands and the United States of America. These entities maintain their own accounting records and report to the Group through the completion of consolidation packages. During the year, the Group permanently closed all operations in Haiti. All companies located outside of Jamaica are audited by non-PwC firms. Based on the financial significance of the individual entities and our professional judgement, certain components were selected for full scope audit procedures to achieve appropriate coverage on the consolidated financial statements. In addition, we performed limited audit procedures over select classes of transactions and balances for non-significant components.

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. The Group engagement team held regular meetings with the component teams and reviewed the working papers of the auditors of select components. The Group engagement leader and the senior members of the Group engagement team reviewed all component reporting in detail including information related to the audit approach and findings of the component auditors.



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
<p>Goodwill impairment assessment (Group) Refer to notes 2(h)(i), 4(b) and 15 to the financial statements for disclosures of related accounting policies and balances.</p> <p>As at 29 April 2023, Goodwill accounted for \$783 million arising from several acquisitions spanning a number of years and representing approximately 1.01% of the Group's total assets at year end. Of this amount, \$730 million or 93.2% represents amounts arising from acquisitions in the US operations and therefore we focused our assessment on these amounts.</p> <p>On an annual basis, or when events or changes in circumstances indicate the carrying value may be impaired, management tests whether goodwill is subject to impairment. The recoverable amounts of cash generating units have been determined using value-in-use calculations. Management's impairment assessment resulted in no impairment provision being recorded.</p> <p>We focused on this area as the annual impairment assessment requires management's judgement, particularly in relation to the estimation of future cash flows from the businesses, taking into consideration the following key assumptions used in the Group's impairment model:</p> <ul style="list-style-type: none"> Revenue growth rate; EBITDA to revenue; Capital expenditure to revenue; and Discount rate. 	<p>With the assistance of our internal experts, we performed the following procedures, amongst others, over management's goodwill impairment assessment:</p> <ul style="list-style-type: none"> 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. Compared previous forecasts to actual results to assess the performance of the business and the accuracy of management's forecasting. Compared long term revenue growth rate to historical results and economic and industry forecasts. Evaluated the discount rate by recomputing the cost of capital of the Group. Compared the key assumptions to externally derived data where available, including market expectations of investment return, projected economic growth and interest rates. Applied sensitivities in evaluating management's assessment of the planned growth rate used in the estimation of future cash flows. Tested management's impairment model calculations for mathematical accuracy. <p>The results of our procedures indicated that the assumptions and judgements used by management for assessing goodwill impairment were not unreasonable.</p>



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, actions taken to eliminate threats or safeguards applied.



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 Tricia-Ann Smith DaSilva.

Chartered Accountants
Kingston, Jamaica
4 July 2023

JAMAICA BROILERS GROUP LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 29 APRIL 2023
(expressed in Jamaican dollars unless otherwise indicated)

	Note	29 April 2023 \$'000	Restated 30 April 2022 \$'000
Revenue		91,365,372	74,390,488
Cost of sales		(67,958,718)	(56,231,719)
Gross Profit		23,406,654	18,158,769
Other income	6	438,511	391,731
Distribution costs		(2,666,704)	(2,273,834)
Net impairment loss on trade receivables		(13,779)	(17,529)
Administration and other expenses		(12,389,252)	(11,302,071)
Operating Profit		8,775,430	4,957,066
Finance income	9	(176,759)	592,756
Finance costs	9	(1,847,097)	(1,088,929)
Profit before Taxation		6,751,574	4,460,893
Taxation	10	(1,370,987)	(1,017,210)
Net Profit from continuing operations		5,380,587	3,443,683
Loss from discontinued operations	35	(1,090,605)	(365,347)
Net Profit		4,289,982	3,078,336
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	10	294,300	(85,875)
Item that will be reclassified to profit or loss -			
Exchange differences on translating of foreign operations		(1,278)	68,021
Exchange differences on translating of discontinued operations		529,964	(309,632)
Total other comprehensive income		822,986	(327,486)
Total Comprehensive Income for Year		5,112,968	2,750,850
Net Profit Attributable to:			
Stockholders of the company		4,450,617	3,131,384
Non-controlling interests	19	(160,635)	(53,048)
		4,289,982	3,078,336
Total Comprehensive Income Attributable to:			
Stockholders of the company		5,212,840	2,848,857
Non-controlling interests		(99,872)	(98,007)
		5,112,968	2,750,850

JAMAICA BROILERS GROUP LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)
YEAR ENDED 29 APRIL 2023
(expressed in Jamaican dollars unless otherwise indicated)

	Note	29 April 2023 \$'000	Restated 30 April 2022 \$'000
Total Comprehensive Income Attributable to the Stockholders:			
Continuing operations		5,673,609	3,425,829
Discontinued operations		(460,769)	(576,972)
		5,212,840	2,848,857
		\$	\$
Earnings per stock unit	12	4.43	3.11

JAMAICA BROILERS GROUP LIMITED

CONSOLIDATED BALANCE SHEET

29 APRIL 2023

(expressed in Jamaican dollars unless otherwise indicated)

	Note	29 April 2023 \$'000	30 April 2022 \$'000
Non-Current Assets			
Property, plant and equipment	13	21,486,500	14,636,077
Right of use assets	14	937,820	1,031,035
Intangible assets	15	2,616,100	2,950,124
Investment property	16	5,481	5,648
Investments	17	348,353	307,105
Deferred income taxes	20	138,140	84,522
Post-employment benefit assets	21	1,163,300	818,500
		<u>26,695,694</u>	<u>19,833,011</u>
Current Assets			
Inventories	22	18,840,922	15,620,265
Biological assets	23	21,128,134	15,225,043
Receivables	24	5,881,340	5,380,105
Taxation recoverable		38,059	19,466
Deferred expenditure		-	18,210
Financial assets at fair value through profit or loss	25	165,075	170,003
Cash and short term investments	26	4,664,361	3,778,551
		<u>50,717,891</u>	<u>40,211,643</u>
Current Liabilities			
Payables	27	14,132,342	12,701,305
Taxation payable		1,351,110	782,860
Borrowings	29	18,339,769	13,235,115
Lease liabilities	14	374,960	298,563
		<u>34,198,181</u>	<u>27,017,843</u>
Net Current Assets		<u>16,519,710</u>	<u>13,193,800</u>
		<u>43,215,404</u>	<u>33,026,811</u>

JAMAICA BROILERS GROUP LIMITED

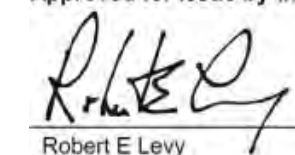
CONSOLIDATED BALANCE SHEET (continued)

29 APRIL 2023

(expressed in Jamaican dollars unless otherwise indicated)

	Note	29 April 2023 \$'000	30 April 2022 \$'000
Stockholders' Equity			
Share capital	30	765,137	765,137
Reserves	31	2,775,029	2,307,340
Retained earnings		25,710,033	21,747,180
Shares held by Trust	30	(3,902,591)	(3,742,633)
		<u>25,347,608</u>	<u>21,077,024</u>
Non-controlling interests	19	-	100,696
		<u>25,347,608</u>	<u>21,177,720</u>
Non-Current Liabilities			
Borrowings	29	15,825,535	9,626,745
Lease liabilities	14	545,431	716,926
Deferred income taxes	20	1,487,130	1,492,820
Post-employment benefit obligations	21	9,700	12,600
		<u>17,867,796</u>	<u>11,849,091</u>
		<u>43,215,404</u>	<u>33,026,811</u>

Approved for issue by the Board of Directors on 4 July 2023 and signed on its behalf by:



Robert E Levy

Chairman



Christopher E Levy

Director

JAMAICA BROILERS GROUP LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
YEAR ENDED 29 APRIL 2023
(expresses in Jamaican dollars unless otherwise indicated)

Note	Attributable to the Company's Stockholders						
	Number of Shares	Share Capital	Reserves	Retained Earnings	Shares held by Trust	Non-controlling Interests	Total Equity
	'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 May 2021	1,007,966	765,137	2,503,992	19,165,024	(3,713,144)	198,703	18,919,712
Remeasurements of pension asset/obligation, net of taxes	10	-	-	(85,875)	-	-	(85,875)
Exchange differences on translating foreign operations	31	-	(196,652)	-	-	(44,959)	(241,611)
Total other comprehensive income		-	(196,652)	(85,875)	-	(44,959)	(327,486)
Net profit		-	-	3,131,384	-	(53,048)	3,078,336
Total comprehensive income		-	(196,652)	3,045,509	-	(98,007)	2,750,850
Dividends	28	-	-	(463,353)	-	-	(463,353)
Purchase of shares by Trust	30	(1,000)	-	-	(29,489)	-	(29,489)
Total transactions with owners		(1,000)	-	(463,353)	(29,489)	-	(492,842)
Movement during the year		(1,000)	(196,652)	2,582,156	(29,489)	(98,007)	2,258,008
Balance at 30 April 2022	1,006,966	765,137	2,307,340	21,747,180	(3,742,633)	100,696	21,177,720
Remeasurements of pension asset/obligation, net of taxes	10	-	-	294,300	-	-	294,300
Exchange differences on translating foreign operations	31	-	467,923	-	-	60,763	528,686
Total other comprehensive income		-	467,923	294,300	-	60,763	822,986
Net profit		-	-	4,450,617	-	(160,635)	4,289,982
Total comprehensive income		-	467,923	4,744,917	-	(99,872)	5,112,968
Dividends	28	-	-	(783,122)	-	-	(783,122)
Purchase of shares by Trust	30	(5,499)	-	-	(159,958)	-	(159,958)
Transfer of realised reserves		-	(234)	1,058	-	(824)	-
Total transactions with owners		(5,499)	(234)	(782,064)	(159,958)	(824)	(943,080)
Movement during the year		(5,499)	467,689	3,962,853	(159,958)	(100,696)	4,169,888
Balance at 29 April 2023	1,001,467	765,137	2,775,029	25,710,033	(3,902,591)	-	25,347,608

JAMAICA BROILERS GROUP LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED 29 APRIL 2023
(expresses in Jamaican dollars unless otherwise indicated)

	Note	29 April 2023 \$'000	30 April 2022 \$'000
Cash Flows from Operating Activities			
Net profit		4,289,982	3,078,336
Adjustments for:			
Depreciation		1,754,503	1,800,050
Amortisation	15	265,633	311,465
Loss on disposal of subsidiaries		1,040,876	-
Gain on disposal of property, plant and equipment		(108,349)	(11,292)
Gain on termination of lease		(56)	(745)
Impairment of property, plant and equipment	34	-	140,663
Property, plant and equipment write off		3,345	-
Intangible assets write off		270,096	-
Deferred expenditure		56,949	44,871
Debt forgiveness		-	(579,411)
Fair value loss on financial assets at fair value through profit of loss		24,021	9,434
Fair value gains on biological assets		(24,383)	-
Changes in post-employment benefits		44,700	52,900
Taxation expense	10	1,370,987	1,002,918
Interest income		(40,671)	(35,795)
Unrealised foreign exchange losses		83,033	91,948
Interest expense - borrowings		1,780,075	1,011,152
Interest expense – other		42,763	62,116
		10,853,504	6,978,610
Changes in operating assets and liabilities:			
Inventories		(3,426,259)	(2,714,515)
Biological assets		(6,102,631)	(3,789,965)
Receivables		(610,091)	(847,338)
Payables		1,672,170	2,978,615
Financial assets at fair value through profit or loss		(2,742)	(3,019)
Translation gain on working capital of foreign subsidiaries		-	(97,510)
		2,383,951	2,504,878
Taxation paid		(968,233)	(282,742)
Cash provided by operating activities		1,415,718	2,222,136

JAMAICA BROILERS GROUP LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS (continued)
YEAR ENDED 29 APRIL 2023
(expressed in Jamaican dollars unless otherwise indicated)

	29 April 2023 \$'000	30 April 2022 \$'000
Note		
Cash Flows used in Operating Activities (Page 5)	1,415,718	2,222,136
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(8,345,939)	(2,913,974)
Proceeds from disposal of property, plant and equipment	204,960	84,009
Purchase of intangibles assets	(264,727)	(567,861)
Purchase of investments	(79,047)	(57,320)
Proceeds from sale of investment	14,150	235,053
Interest received	43,482	39,671
Cash used in investing activities	<u>(8,427,121)</u>	<u>(3,180,422)</u>
Cash Flows from Financing Activities		
Loans repaid	(16,344,421)	(6,241,905)
Loans received	27,333,599	9,660,608
Lease repayments	(331,803)	(370,273)
Purchase of the company's shares by the Trust	(159,958)	(29,489)
Interest paid – borrowings	(1,774,113)	(995,830)
Interest paid – other	(42,763)	(62,116)
Dividends paid	(783,122)	(463,353)
Cash provided by financing activities	<u>7,897,419</u>	<u>1,497,642</u>
Effect of changes in exchange rates on cash and cash equivalents	(31,544)	17,103
Increase in cash and cash equivalents	854,472	556,459
Cash and cash equivalents at beginning of year	3,778,119	3,221,660
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>26</u> <u>4,632,591</u>	<u>3,778,119</u>

Non-cash transactions during the year amounted to \$228,833,000 (2022 - \$354,722,000) in relation to additions of the right of use asset and finance lease liabilities and \$388,450,000 (2022 – \$216,645,000) in relation to additions to property, plant and equipment and borrowings.

JAMAICA BROILERS GROUP LIMITED
COMPANY STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 29 APRIL 2023
(expressed in Jamaican dollars unless otherwise indicated)

	29 April 2023 \$'000	30 April 2022 \$'000
Note		
Revenue	59,609,267	45,725,978
Cost of sales	<u>(46,464,950)</u>	<u>(36,209,211)</u>
Gross Profit	13,144,317	9,516,767
Other income	6 193,772	593,969
Distribution costs	(1,668,223)	(1,300,945)
Net impairment loss on trade receivables	(28,131)	(43,186)
Administration and other expenses	<u>(7,111,663)</u>	<u>(6,808,483)</u>
Operating Profit	4,530,072	1,958,122
Finance income	9 136,507	54,832
Finance costs	9 <u>(989,546)</u>	<u>(694,329)</u>
Profit before Taxation	3,677,033	1,318,625
Taxation	10 <u>(781,039)</u>	<u>(374,476)</u>
Net Profit	2,895,994	944,149
Other Comprehensive Income, net of taxes - Item that will not be reclassified to profit or loss -		
Re-measurements of post-employment benefits, net of taxes	10 <u>295,350</u>	<u>(82,350)</u>
TOTAL COMPREHENSIVE INCOME	<u>3,191,344</u>	<u>861,799</u>

JAMAICA BROILERS GROUP LIMITED



COMPANY BALANCE SHEET

29 APRIL 2023

(expressed in Jamaican dollars unless otherwise indicated)

	Note	29 April 2023 \$'000	30 April 2022 \$'000
Non-Current Assets			
Property, plant and equipment	13	8,187,476	6,956,761
Right of use assets	14	2,542,771	544,311
Intangible asset	15	880,631	957,154
Investments	17	60,033	57,320
Interest in subsidiaries		5,707,723	5,396,936
Loans receivable	18	5,310,859	-
Post-employment benefit assets	21	1,144,600	798,300
		<u>23,834,093</u>	<u>14,710,782</u>
Current Assets			
Inventories	22	8,561,069	8,368,342
Biological assets	23	1,443,961	1,179,801
Receivables	24	3,730,314	3,283,249
Subsidiaries	32	2,546,481	9,072,297
Taxation recoverable		28,895	6,155
Cash and short term investments	26	4,223,742	3,011,213
		<u>20,534,462</u>	<u>24,921,057</u>
Current Liabilities			
Payables	27	8,475,958	9,015,467
Taxation payable		804,977	385,940
Subsidiaries	32	228,333	192,004
Lease liabilities	14	245,194	144,612
Borrowings	29	4,533,331	4,967,694
		<u>14,287,793</u>	<u>14,705,717</u>
Net Current Assets			
		<u>6,246,669</u>	<u>10,215,340</u>
		<u>30,080,762</u>	<u>24,926,122</u>
Stockholders' Equity			
Share capital	30	765,137	765,137
Reserves	31	222,947	222,947
Retained earnings		17,425,468	15,169,559
		<u>18,413,552</u>	<u>16,157,643</u>
Non-Current Liabilities			
Borrowings	29	8,512,809	7,477,355
Lease liabilities	14	2,330,311	419,223
Deferred income taxes	20	815,190	860,201
Post-employment benefit obligations	21	8,900	11,700
		<u>11,667,210</u>	<u>8,768,479</u>
		<u>30,080,762</u>	<u>24,926,122</u>

Approved for issue by the Board of Directors on 4 July 2023 and signed on its behalf by:

	
Robert E Levy	Christopher E Levy
Chairman	Director

JAMAICA BROILERS GROUP LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

YEAR ENDED 29 APRIL 2023

(expressed in Jamaican dollars unless otherwise indicated)

Note	Number of Shares '000	Share Capital \$'000	Capital Reserve \$'000	Retained Earnings \$'000	Total \$'000
Balance at 1 May 2021					
	1,199,277	765,137	222,947	14,859,427	15,847,511
Remeasurement of pension asset/obligation, net of taxes	10	-	-	(82,350)	(82,350)
Total other comprehensive income		-	-	(82,350)	(82,350)
Net profit		-	-	944,149	944,149
Total Comprehensive Income		-	-	861,799	861,799
Dividends	28	-	-	(551,667)	(551,667)
Movement during the year		-	-	310,132	310,132
Balance at 30 April 2022	1,199,277	765,137	222,947	15,169,559	16,157,643
Remeasurement of pension asset/obligation, net of taxes	10	-	-	295,350	295,350
Total other comprehensive income		-	-	295,350	295,350
Net profit		-	-	2,895,994	2,895,994
Total Comprehensive Income		-	-	3,191,344	3,191,344
Dividends	28	-	-	(935,435)	(935,435)
Movement during the year		-	-	2,255,909	2,255,909
Balance at 29 April 2023	<u>1,199,277</u>	<u>765,137</u>	<u>222,947</u>	<u>17,425,468</u>	<u>18,413,552</u>

JAMAICA BROILERS GROUP LIMITED
COMPANY STATEMENT OF CASH FLOWS

YEAR ENDED 29 APRIL 2023
(expressed in Jamaican dollars unless otherwise indicated)

JAMAICA BROILERS GROUP LIMITED
COMPANY STATEMENT OF CASH FLOWS (continued)

YEAR ENDED 29 APRIL 2023
(expressed in Jamaican dollars unless otherwise indicated)

	Note	29 April 2023 \$'000	30 April 2022 \$'000
Cash Flows from Operating Activities			
Net profit		2,895,994	944,149
Adjustments for:			
Depreciation		983,089	748,289
Amortisation	15	25,130	25,286
Gain on disposal of property, plant and equipment	6	(3,011)	(3,850)
Intangible asset write off		270,096	-
Gain on termination of lease		(56)	(745)
Impairment of investment in subsidiary	34	-	904,189
Loss on disposal of subsidiary		429,133	-
Write off		111,160	-
Deferred expenditure		38,549	26,471
Changes in post-employment benefits		44,700	52,500
Taxation expense	10	781,039	374,476
Interest income		(181,359)	(84,671)
Dividend income		(613,468)	(466,467)
Unrealised foreign exchange (gains)/losses		(67,140)	16,288
Interest expense – borrowings		921,508	632,999
Interest expense – other		122,656	27,833
		<u>5,758,020</u>	<u>3,196,747</u>
Changes in operating assets and liabilities:			
Inventories		(192,727)	(1,313,937)
Biological assets		(264,160)	(370,895)
Receivables		(452,095)	(752,228)
Subsidiaries		2,073,479	(115,576)
Intercompany loans receivable		(874,738)	(745,093)
Payables		(465,980)	2,729,763
		<u>5,581,799</u>	<u>2,628,781</u>
Taxation paid		(528,203)	(146,315)
Cash provided by operating activities		<u>5,053,596</u>	<u>2,482,466</u>

	Note	29 April 2023 \$'000	30 April 2022 \$'000
Cash Flows provided by Operating Activities (Page 10)			
		<u>5,053,596</u>	<u>2,482,466</u>
Cash Flows from Investing Activities			
Investments in subsidiaries		(851,080)	(660,040)
Purchase of property, plant and equipment		(1,460,876)	(1,492,635)
Proceeds from disposal of property, plant and equipment		6,289	6,608
Purchase of intangible asset		(264,727)	(541,367)
Purchase of investments		(2,713)	(57,320)
Interest received		193,034	38,309
Dividend received		613,468	466,467
Cash used in investing activities		<u>(1,766,605)</u>	<u>(2,239,978)</u>
Cash Flows from Financing Activities			
Loans repaid		(7,007,086)	(4,968,710)
Loans received		7,185,060	6,132,332
Lease repaid		(284,974)	(138,711)
Interest paid – borrowings		(915,388)	(617,512)
Interest paid – other		(122,656)	(27,833)
Dividends paid		(935,435)	(551,667)
Cash used in financing activities		<u>(2,080,479)</u>	<u>(172,101)</u>
Effect of changes in exchange rates on cash and cash equivalents		(25,331)	17,103
Increase in cash and cash equivalents		1,181,181	87,490
Cash and cash equivalents at beginning of year		3,010,944	2,923,454
CASH AND CASH EQUIVALENTS AT END OF YEAR	26	<u>4,192,125</u>	<u>3,010,944</u>

Non-cash transactions during the year amounted to \$2,306,870,000 (2022 - \$245,882,000) in relation to the additions of the right of use asset and finance lease liabilities and \$388,450,000 (2022 – 216,645,000) in relation to additions to property, plant and equipment and borrowings.

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. 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 accounting 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 adopted the following which are relevant to its operations. Unless stated otherwise, the adoption of these new standards, amendments to existing standards or interpretations to published standards did not have a material impact on the operations of the Group.

- **Amendments to IFRS 3, IAS 16, IAS 17 and some annual improvements on IFRS 1, IFRS 9, and IFRS 16, (effective for annual periods beginning on or after 1 January 2022).** Amendments to IFRS 3, 'Business combinations' update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations. Amendments to IAS 16, 'Property, plant and equipment' prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss. Amendments to IAS 37, 'Provisions, contingent liabilities and contingent assets' specify which costs a company includes when assessing whether a contract will be loss-making. Annual improvements make minor amendments to IFRS 1, 'First-time Adoption of IFRS', IFRS 9, 'Financial instruments', and the illustrative examples accompanying IFRS 16, 'Leases'.

2. 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

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.

- **Amendments to IAS 1, Non-current liabilities with covenants** (deferred until accounting periods starting not earlier than 1 January 2024). These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.
- **Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8**, (effective for annual periods beginning on or after 1 January 2023). The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.
- **Amendment to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction**, (effective for annual periods beginning on or after 1 January 2023). These amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.
- **Amendment to IFRS 16 – Leases on sale and leaseback**, (effective for annual periods beginning on or after 1 January 2024). These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

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

2. Significant Accounting Policies (Continued)

(b) Consolidation

(i) Subsidiaries

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

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

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

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 9 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Goodwill is recorded at cost and represents the excess of the value of consideration paid over the Group's interest in net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

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

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

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

2. Significant Accounting Policies (Continued)

(b) Consolidation (continued)

(i) Subsidiaries (continued)

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

Principal Activities	% Ownership by Company at 29 April 2023	% Ownership by Group at 29 April 2023
Resident in Jamaica:		
Operating divisions		
Best Dressed Chicken	100	100
Hi-Pro Ace	100	100
Subsidiaries		
Energy Associates Limited	100	100
and its subsidiary:		
CE Jamaica Inc.	-	100
JB Group Limited	100	100
EAL/ERI Co-generation Partners, LP	-	100
ERI Jam, LLC	100	100
Jabexco Limited	100	100
International Poultry Breeders (Jamaica) Limited	100	100
Levy Industries Limited	100	100
Trafalgar Agriculture Development Limited	100	100
S.G Developments Limited	100	100
Resident outside of Jamaica:		
Atlantic United Insurance Company Limited, St. Lucia	100	100
Best Dressed Chicken, Inc, The	100	100
International Poultry Breeders Inc., USA and its subsidiaries	100	100
England Packing Company Inc., USA	-	100
England Transport Company Inc., USA	-	100
England Farms Inc., USA	-	100
International Poultry Breeders Hatcheries Inc., USA	100	100
International Poultry Breeders LLC.,USA	100	100
Wincorp Properties Inc., USA	100	100
Haiti Broilers, S.A. and its subsidiary:		
T&S Rice S.A., Haiti	-	-
WI Trading (St. Lucia) Limited, St. Lucia	100	100
Jabexco Cayman Limited, Cayman Islands	40	40
Wincorp International, Inc., USA and its subsidiary:		
Consolidated Freight and Shipping, Inc., USA	100	100
	-	100

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

During the year the group disposed of its subsidiaries Haiti Broilers, S.A. and T&S Rice S.A.

2. 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.

(c) 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.

2. Significant Accounting Policies (Continued)

(d) 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.

(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 fair value through other comprehensive income (FVOCI) 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 FVOCI, are reported as part of the fair value gain or loss. Translation differences on non-monetary financial instruments, such as equities classified as FVOCI financial assets, are included in the capital reserve in stockholders' equity.

2. Significant Accounting Policies (Continued)

(e) Foreign currency translation (continued)

(iii) *Group companies*

The results and financial position of all the group entities (with the exception of the discontinued operations, none of the subsidiaries 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.

The results and financial position of subsidiaries whose functional currency is the Haitian Gourdes, a currency of a hyperinflationary economy, are translated into the company's functional currency using the year-end exchange rate. The results generated by the application of IAS 29 adjustment mechanism for hyperinflationary economies, on the opening equity measured in functional currency are recognised under "Other comprehensive income". The impact of the IAS 29 – "Financial reporting in Hyperinflationary Economies" adjustment mechanism for the Haitian subsidiaries was immaterial and no amount recognized 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.

2. Significant Accounting Policies (Continued)

(f) Income taxes (continued)

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

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

(g) Property, plant and equipment

Property, plant and equipment are stated at historical cost, less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of 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.

2. 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.

2. 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

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 of 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.

2. 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

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.

2. 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.

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.

2. Significant Accounting Policies (Continued)

(i) 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.

2. Significant Accounting Policies (Continued)

(i) 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.

(m) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. Net realisable value is the estimated selling price in the ordinary course of business, less the cost of selling expenses.

(n) Biological assets

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

There is an active market in Jamaica for beef cattle.

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

Breeder flocks and pullets in production are capitalised. Breeder flocks and pullets in production are not sold and no active market exists for these birds. Other references to market prices such as market prices for similar assets are also not available. Valuation based on a discounted cash flow method is considered to be unreliable given the uncertainty with respect to mortality rates and production. Consequently, breeder flocks and pullets in production are measured at cost, less depreciation and impairment losses.

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

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

2. Significant Accounting Policies (Continued)

(o) Trade receivables

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

(p) Cash and cash equivalents

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

(q) Trade payables

Trade payables are stated at cost.

(r) Borrowings and borrowing costs

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

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

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

(s) Provisions

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

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

2. Significant Accounting Policies (Continued)

(t) Leases

The group acting as lessee, recognises a right-of-use asset and a lease liability for all leases with a term of more than 12 months.

At the commencement date, lease liabilities are measured at an amount equal to the present value of the following lease payments for the underlying right-of-use assets during the lease term:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. To determine the incremental borrowing rate, the Group uses recent third-party financing received by the individual lessee as a starting point.

Each lease payment is allocated between the liability and finance cost. Lease liabilities are subsequently measured using the effective interest method. The carrying amount of liability is remeasured to reflect any reassessment, lease modification or revised in-substance fixed payments.

The lease term is a non-cancellable period of a lease; periods covered by options to extend and terminate the lease are only included in the lease term if it is reasonably certain that the lease will be extended or not terminated.

Right-of-use assets are measured initially at cost comprising the following:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Subsequently, the right-of-use assets, are measured at cost less accumulated depreciation and any accumulated impairment losses and adjusted for remeasurement of the lease liability due to reassessment or lease modifications.

The right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. The amortisation period for the right-of-use assets is 5 to 20 years for office building.

Payments associated with all short-term leases and certain leases of all low-value assets are recognised on a straight-line basis as an expense in profit or loss. The Group applies the exemption for low-value assets on a lease-by-lease basis i.e. for the leases where the asset is sub-leased, a right-of-use asset is recognised with corresponding lease liability; for all other leases of low value asset, the lease payments associated with those leases will be recognised as an expense on a straight-line basis over the lease term.

Short-term leases are leases with a lease term of 12 months or less.

Low-value assets comprise computers, tablets, mobile phones and small items of office furniture.

2. Significant Accounting Policies (Continued)

(t) Leases (continued)

The right-of-use assets is presented as a separate line item on the balance sheet. At the commencement date, lease liabilities are measured at an amount equal to the present value of the lease payments for the underlying right-of-use assets during the lease term.

The Group leases office buildings, storage space and vehicles to conduct aspects of its business. Leases are negotiated on an individual basis and contain a wide range of different terms and conditions (including termination and renewal rights). Extension and termination options are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by both the Group and the respective lessor.

Rental contracts are typically made for fixed periods of 1 to 5 years but may have extension options for an additional 1 to 5 years.

The lease payments are fixed and adjusted for inflation. The inflation increases are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Extension and termination options

Extension and termination options are included in property leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable by the respective lessor and not only by the Group.

2. Significant Accounting Policies (Continued)

(u) Dividends paid

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

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

(v) 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.

(w) Offsetting of financial assets and liabilities

Due from related parties and due to related parties are offset and the net amount is reported in the statement of financial position where the Group currently has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

A master Netting Agreement was made between the Group and a subsidiary whereby balances outstanding may be offsetted. The agreement also made provisions that all future sums owing by both parties may be settled on the net basis unless otherwise agreed by both parties. There is no restriction on when the offsetting event can occur.

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.

3. Financial Risk Management (Continued)

(ii) **Audit Committee**

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

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

(a) **Credit risk**

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

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.

3. Financial Risk Management (Continued)

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

Trade receivables

Loss allowance

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					
	29 April 2023			30 April 2022		
	Gross carrying amount \$'000	Loss allowance \$'000	Expected loss rate	Gross carrying amount	Loss allowance \$'000	Expected loss rate
Less than 1 month	3,981,096	8,160	0.2%	2,739,283	18,228	0.7%
Within 1 to 3 months	402,304	21,993	5.5%	1,462,870	59,672	4.1%
Over 3 months	414,933	393,836	94.9%	411,514	392,533	95.5%
	<u>4,798,333</u>	<u>423,989</u>		<u>4,613,667</u>	<u>470,433</u>	

	Company					
	29 April 2023			30 April 2022		
	Gross carrying amount \$'000	Loss allowance \$'000	Expected loss rate	Gross carrying amount	Loss allowance \$'000	Expected loss rate
Less than 1 month	2,531,766	1,854	0.1%	2,301,526	7,983	0.3%
Within 1 to 3 months	310,720	10,115	3.3%	358,966	32,124	8.9%
Over 3 months	386,028	383,933	99.5%	348,814	341,479	97.9%
	<u>3,228,514</u>	<u>395,902</u>		<u>3,009,306</u>	<u>381,586</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
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(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 29 April 2023 reconcile to the opening loss allowances as follows:

	The Group		The Company	
	29 April 2023 \$'000	30 April 2022 \$'000	29 April 2023 \$'000	30 April 2022 \$'000
Opening	470,433	469,722	381,586	346,560
Movement on loss allowance recognised in the profit or loss	54,810	96,674	69,162	77,057
Recoveries recognised in the profit or loss	(41,467)	(64,299)	(41,467)	(33,603)
Receivables written off during the year as uncollectible	(13,378)	(15,482)	(13,379)	(8,428)
Disposal of subsidiaries	(43,315)	-	-	-
Translation	(3,094)	(16,182)	-	-
At year end	<u>423,989</u>	<u>470,433</u>	<u>395,902</u>	<u>381,586</u>

JAMAICA BROILERS GROUP LIMITED
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(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(a) 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	
	29 April 2023 \$'000	30 April 2022 \$'000	29 April 2023 \$'000	30 April 2022 \$'000
Supermarket chains	546,556	608,943	369,808	372,796
Wholesalers and retail distributors	1,164,802	1,067,374	545,645	504,578
Hotels	332,762	275,558	332,762	274,130
Restaurants and confectionaries	995,253	858,712	995,253	858,712
Farmers/farm stores	1,362,939	1,442,033	650,264	682,007
Other	396,021	361,047	334,782	317,083
	<u>4,798,333</u>	<u>4,613,667</u>	<u>3,228,514</u>	<u>3,009,306</u>
Less: Provision for impairment	(423,989)	(470,433)	(395,902)	(381,586)
	<u>4,374,344</u>	<u>4,143,234</u>	<u>2,832,612</u>	<u>2,627,720</u>

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

	The Group		The Company	
	29 April 2023 \$'000	30 April 2022 \$'000	29 April 2023 \$'000	30 April 2022 \$'000
Loans receivable	-	-	5,310,859	-
Investments	348,353	307,105	60,033	57,320
Financial assets at fair value through profit or loss	165,075	170,003	-	-
Subsidiaries	-	-	2,546,481	9,072,297
Cash and short term investments	4,664,361	3,778,551	4,223,742	3,011,213
	<u>5,177,789</u>	<u>4,255,659</u>	<u>12,141,115</u>	<u>12,140,830</u>

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.

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 29 April 2023 and 30 April 2022 based on contractual undiscounted payments.

	The Group				
	Within 3 Months	4 to 12 Months	2 to 5 Years	Over 5 Years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 29 April 2023					
Payables	11,368,006	2,446,924	-	-	13,814,930
Lease liabilities	76,957	212,422	578,488	237,086	1,104,953
Borrowings	2,325,940	17,243,029	15,375,218	4,112,906	39,057,093
Total financial liabilities (contractual maturity dates)	13,770,903	19,902,375	15,953,706	4,349,992	53,976,976
Off balance sheet liabilities					
Guarantees	-	-	-	-	-

	The Group				
	Within 3 Months	4 to 12 Months	2 to 5 Years	Over 5 Years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 30 April 2022					
Payables	7,913,973	4,556,841	-	-	12,470,814
Lease liabilities	99,867	254,368	622,308	263,092	1,239,635
Borrowings	2,105,232	11,891,579	8,833,747	2,882,603	25,713,161
Total financial liabilities (contractual maturity dates)	10,119,072	16,702,788	9,456,055	3,145,695	39,423,610
Off balance sheet liabilities					
Guarantees	-	385,800	-	209,875	595,675

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(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(b) Liquidity risk (continued)

Financial liabilities cash flows (continued)

	The Company				
	Within 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 29 April 2023					
Payables	5,796,553	2,446,924	-	-	8,243,477
Subsidiaries	228,333	-	-	-	228,333
Lease liabilities	86,520	240,214	1,032,951	1,864,544	3,224,229
Borrowings	1,970,377	3,236,916	9,970,359	91,058	15,268,710
Total financial liabilities (contractual maturity dates)	8,081,783	5,924,054	11,003,310	1,955,602	26,964,749

Off balance sheet liabilities

Guarantees

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

As at 30 April 2022

Payables	4,437,151	4,427,167	-	-	8,864,318
Subsidiaries	192,004	-	-	-	192,004
Lease liabilities	47,995	129,553	307,594	239,919	725,061
Borrowings	1,857,333	3,742,470	7,274,115	1,830,200	14,704,118

**Total financial liabilities
(contractual maturity dates)**

	6,534,483	8,299,190	7,581,709	2,070,119	24,485,501
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Off balance sheet liabilities

Guarantees

	-	385,800	-	209,875	595,675
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Assets available to meet liabilities and to cover financial liabilities include cash and short term investments.

JAMAICA BROILERS GROUP LIMITED
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3. Financial Risk Management (Continued)

(b) Liquidity risk (continued)

Off-balance sheet items – Contingent liabilities and commitments

- (a) The company has guaranteed Nil (2022 - 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 (2022 - \$12,000,000).
- (c) The Group has capital commitments authorised US\$5,810,000 (2022 – US\$3,700,000).
- (d) 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.

(c) Market risk

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

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

(i) Currency risk

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

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

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

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

The Group's balance sheet at 29 April 2023 includes aggregate net foreign liabilities of approximately US\$23,242,000 (2022 – US\$38,552,000) in respect of transactions arising in the ordinary course of business.

The company's balance sheet at 29 April 2023 includes aggregate net foreign liabilities of approximately US\$24,189,000 (2022 – US\$13,391,000 net foreign liabilities), in respect of transactions arising in the ordinary course of business.

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3. Financial Risk Management (Continued)

(c) Market risk (continued)

(i) Currency risk (continued)

Foreign currency sensitivity

The following tables indicate the currencies to which the Group and company had significant exposure on its monetary assets and liabilities and its forecast cash flows. The change in currency rate below represents management's assessment of the possible change in foreign exchange rates with all variables held constant. The sensitivity analysis on pre-tax profit is based on outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for 1% (2022 – 2%) depreciation and a 4% (2022 – 8%) appreciation of the US dollar against the Jamaican dollar. There was no impact on other components of equity.

	The Group			Effect on Other Comprehensive Income 29 April 2023 \$'000
	% Change in Currency Rate	Effect on Pre-Tax Profit 29 April 2023 \$'000	% Change in Currency Rate 29 April 2023	
	Currency:			
USD	+4	(147,720)	+4	670,289
USD	-1	36,903	-1	(167,289)

	The Group			Effect on Other Comprehensive Income 30 April 2022 \$'000
	% Change in Currency Rate	Effect on Pre-Tax Profit 30 April 2022 \$'000	% Change in Currency Rate 30 April 2022	
	Currency:			
USD	+8	(475,943)	+8	1,116,044
USD	-2	118,986	-2	(279,011)

	The Company			Effect on Pre-Tax Profit 30 April 2022 \$'000
	% Change in Currency Rate	Effect on Pre-Tax Profit 29 April 2023 \$'000	% Change in Currency Rate 30 April 2022	
	Currency:			
USD	+4	(141,935)	+8	(165,318)
USD	-1	35,484	-2	41,329

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3. Financial Risk Management (Continued)

(c) Market risk (continued)

(ii) Interest rate risk

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

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

The Group's interest rate risk mainly arises from its long term investments, 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 29 April 2023 and 30 April 2022, 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/0.5% decrease (2022 – 3% increase and 0.5% decrease) for Jamaican dollar denominated loans and a 1% increase/0.5% decrease (2022 – 1.5% 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 financial assets for the effects of an assumed change in interest rates.

	The Group		The Company	
	Effect on Pre-tax Profit 30 April 2022 \$'000	Effect on Pre-tax Profit 30 April 2022 \$'000	Effect on Pre-tax Profit 30 April 2022 \$'000	Effect on Pre-tax Profit 30 April 2022 \$'000
	Change in basis points:			
Jamaican dollars				
- 50 (2022: -50)	-	6,049	-	6,049
+ 100 (2022: 300)	-	(36,292)	-	(36,292)
US dollars				
- 50 (2022: -50)	80,119	42,236	5,739	3,018
+ 100 (2022: 100)	(160,239)	(126,707)	(11,477)	(9,053)

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 2023, the Group's strategy, which was unchanged from 2022, was to maintain the gearing ratio below 1:1. The gearing ratios at 29 April 2023 and 30 April 2022 were as follows:

	The Group	
	29 April 2023 \$'000	30 April 2022 \$'000
Borrowings	34,165,304	22,861,860
Total capital	59,512,913	43,938,884
Gearing ratio	<u>0.57:1</u>	<u>0.52:1</u>

The Group has certain debt covenants requirements all of which have been met during the year and at year end.

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

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

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

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

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

(b) Key sources of estimation uncertainty

Income taxes

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

Post-employment benefits

Accounting for some post-employment benefits requires the use of actuarial techniques to make a reliable estimate of the amount of benefit that employees have earned in return for their service in the current and prior periods. These actuarial assumptions are based on management's best estimates of the variables that will determine the ultimate cost of providing post-employment benefits and comprise both demographic and financial assumptions. Variations in the financial assumptions can cause material adjustments in the next financial year, if it is determined that the actual experience differed from the estimate (Note 21).

Depreciable assets

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

Assessment of goodwill

The Group test annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2(h). 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 \$1,806,842,000 (2022 - \$1,236,671,000), which would not result in an impairment of carrying value of the goodwill of \$729,938,000 (2022 - \$737,826,000) (Note 15).

Value-in-use calculations for Interest in subsidiaries

The Company assesses whether there is objective evidence of impairment on its Interest in Subsidiaries. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount (Note 34).

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5. Segmental Financial Information

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

Segment information is provided for reportable segments as follows:

- Jamaica Operations
- US Operations
- Other Caribbean Operations

Haiti operations were discontinued during the year.

The business is considered primarily from a geographical perspective.

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

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5. Segmental Financial Information (Continued)

	2023				Group \$'000
	Jamaica Operations \$'000	US Operations \$'000	Other Caribbean Operations \$'000	Eliminations \$'000	
External revenues	58,816,377	32,548,995	-	-	91,365,372
Revenue from other segments	171,977	5,479,805	806,566	(6,458,348)	-
Total revenue	58,988,354	38,028,800	806,566	(6,458,348)	91,365,372
Segment result	7,569,594	3,794,830	1,888,155	(1,479,021)	11,773,558
Unallocated corporate expenses					(2,998,128)
Operating profit					8,775,430
Finance income					(176,759)
Finance costs					(1,847,097)
Profit before tax					6,751,574
Taxation					(1,370,987)
Net profit from continuing operations					5,380,587
Loss from discontinued operations					(1,090,605)
Net profit					4,289,982
Segment assets -					
Current assets	19,755,779	31,864,531	571,357	(1,473,776)	50,717,891
Non-current assets	24,267,633	13,841,576	8,602,612	(20,016,127)	26,695,694
Total assets	44,023,412	45,706,107	9,173,969	(21,489,903)	77,413,585
Segment liabilities -					
Current liabilities	14,313,124	20,836,070	521,914	(1,472,927)	34,198,181
Non-current liabilities	11,777,707	8,139,587	5,310,859	(7,360,357)	17,867,796
Total liabilities	26,090,831	28,975,657	5,832,773	(8,833,284)	52,065,977
Other segment items-					
Capital expenditure	1,917,659	6,699,023	-	117,707	8,734,389
Amortisation	26,169	239,464	-	-	265,633
Depreciation on property plant and equipment	712,023	580,869	-	119,552	1,412,444
Revenue					
Goods transferred at a point in time	58,816,377	32,441,471	-	-	91,257,848
Service transferred at a point in time	-	107,524	-	-	107,524
External revenues	58,816,377	32,548,995	-	-	91,365,372

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5. Segmental Financial Information (Continued)

	2022 Restated					Group \$'000
	Jamaica Operations \$'000	US Operations \$'000	Haiti Operations \$'000	Other Caribbean Operations \$'000	Eliminations \$'000	
	External revenues	45,093,888	29,296,600	-	-	
Revenue from other segments	117,920	4,400,124	-	783,366	(5,301,410)	-
Total revenue	45,211,808	33,696,724	-	783,366	(5,301,410)	74,390,488
Segment result	4,847,013	2,447,670	-	345,731	(39,794)	7,600,620
Unallocated corporate expenses						(2,643,554)
Operating profit						4,957,066
Finance income						592,756
Finance costs						(1,088,929)
Profit before tax						4,460,893
Taxation						(1,017,210)
Net profit from continuing operations						3,443,683
Loss from discontinued operations						(365,347)
Net profit						3,078,336
Segment assets -						
Current assets	24,120,954	22,981,276	398,893	765,580	(8,055,060)	40,211,643
Non-current assets	15,141,113	8,121,601	342,194	6,832,846	(10,604,743)	19,833,011
Total assets	39,262,067	31,102,877	741,087	7,598,426	(18,659,803)	60,044,654
Segment liabilities -						
Current liabilities	14,730,419	14,382,623	178,868	5,781,158	(8,055,225)	27,017,843
Non-current liabilities	8,902,732	2,946,359	-	-	-	11,849,091
Total liabilities	23,633,151	17,328,982	178,868	5,781,158	(8,055,225)	38,866,934
Other segment items-						
Capital expenditure	1,717,991	1,402,918	9,710	-	-	3,130,619
Amortisation	29,811	281,654	-	-	-	311,465
Depreciation on property plant and equipment	652,102	538,994	152,301	119,821	-	1,463,218
Revenue						
Goods transferred at a point in time	45,093,888	29,138,885	-	-	-	74,232,773
Service transferred at a point in time	-	157,715	-	-	-	157,715
External revenues	45,093,888	29,296,600	-	-	-	74,390,488

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6. Other Income

	The Group		The Company	
	29 April 2023 \$'000	Restated 30 April 2022 \$'000	29 April 2023 \$'000	30 April 2022 \$'000
	Dividend income from subsidiary	-	-	613,468
Fair value losses on financial assets at fair value through profit or loss (Note 25)	(24,021)	(9,433)	-	-
Foreign exchange (losses)/gains	(59,977)	40,064	(59,977)	42,481
Gain on sale of property, plant and equipment	108,349	10,797	3,011	3,850
Loss on disposal of subsidiaries	-	-	(429,133)	-
Interest income	46,240	35,693	23,033	12,858
Reinsurance commissions	71,813	81,483	-	-
Other	296,107	233,127	43,370	68,313
	438,511	391,731	193,772	593,969

Loss on disposal of subsidiaries represents the investment in the discontinued operations of Haiti Broilers S.A. and its subsidiary.

7. Expenses by Nature

	The Group		The Company	
	29 April 2023 \$'000	30 April 2022 \$'000	29 April 2023 \$'000	30 April 2022 \$'000
	Auditors' remuneration	91,412	96,470	26,740
Advertising and promotions	556,481	381,963	479,164	314,918
Amortisation of intangible assets	265,633	311,465	25,130	25,286
Net impairment loss on trade receivables	13,779	32,107	28,131	43,186
Cost of inventories recognised as expense	48,172,303	42,092,612	33,691,961	26,499,603
Depreciation	1,754,503	1,800,050	983,089	748,289
Fuel	1,270,890	1,051,847	867,139	767,887
Impairment (Note 34)	-	140,663	-	904,189
Insurance	712,008	717,987	863,081	815,511
Legal and professional fees	246,995	275,312	160,211	204,095
Occupancy – rent and utilities	1,534,315	1,339,867	996,670	884,359
Repairs and maintenance	2,928,779	2,257,091	2,174,946	1,595,366
Staff costs (Note 8)	17,680,432	14,680,458	8,320,267	6,790,110
Trucking	1,683,927	1,705,885	1,567,335	1,254,639
Other expenses	6,283,857	4,694,092	5,089,103	3,492,276
	83,195,314	71,577,869	55,272,967	44,361,825

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7. Expenses by Nature (Continued)

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

	The Group		The Company	
	29 April 2023 \$'000	30 April 2022 \$'000	29 April 2023 \$'000	30 April 2022 \$'000
Continuing operations	83,028,453	69,825,153	55,272,967	44,361,825
Discontinued operations	166,861	1,752,716	-	-
	<u>83,195,314</u>	<u>71,577,869</u>	<u>55,272,967</u>	<u>44,361,825</u>

8. Staff Costs

	The Group		The Company	
	29 April 2023 \$'000	30 April 2022 \$'000	29 April 2023 \$'000	30 April 2022 \$'000
Wages, salaries and contractors' costs	15,599,227	12,783,776	6,925,910	5,707,020
Payroll taxes - Employer's portion	740,361	647,848	440,953	357,526
Pension costs - defined contribution plan	134,950	123,920	24,406	14,168
Pension costs - defined benefit plan (Note 21)	114,800	79,700	113,400	78,800
Post-employment medical benefits (Note 21)	1,000	1,700	900	1,600
Termination costs	48,592	57,045	46,775	57,045
Other - benefits and welfare	1,041,502	986,469	767,923	573,951
	<u>17,680,432</u>	<u>14,680,458</u>	<u>8,320,267</u>	<u>6,790,110</u>

9. Finance Income and Costs

	The Group		The Company	
	29 April 2023 \$'000	30 April 2022 \$'000	29 April 2023 \$'000	30 April 2022 \$'000
Finance income -				
Foreign exchange (losses)/gains	(176,759)	13,345	(21,819)	(15,671)
Interest income	-	-	158,326	70,503
Debt forgiveness (Note 29)	-	579,411	-	-
	<u>(176,759)</u>	<u>592,756</u>	<u>136,507</u>	<u>54,832</u>
Finance costs -				
Foreign exchange (gains)/losses	(41,009)	12,330	(64,841)	12,330
Interest expense – borrowings	1,780,075	976,241	921,508	632,999
Interest expense – other	42,763	49,262	86,012	16,304
Amortisation of debt financing fees and other expenses	65,268	51,096	46,867	32,696
	<u>1,847,097</u>	<u>1,088,929</u>	<u>989,546</u>	<u>694,329</u>

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10. Taxation

Subsidiaries incorporated and domiciled in Jamaica, United States of America, are taxable at a rate of 25% & 33 1/3%, 25% - 30%, on their income, respectively for both years. In the previous year the Haiti's tax rate was 30%. The St. Lucian entities were taxable at Nil (2022 – 1%).

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

	The Group		The Company	
	29 April 2023 \$'000	30 April 2022 \$'000	29 April 2023 \$'000	30 April 2022 \$'000
Current taxation	1,507,630	791,033	914,943	430,464
Prior year under/(over) provision	14,450	(13,437)	9,557	(11,832)
Deferred taxation (Note 20)	(151,093)	225,322	(143,461)	(44,156)
	<u>1,370,987</u>	<u>1,002,918</u>	<u>781,039</u>	<u>374,476</u>

Taxation expenses represented above relate to:

	The Group		The Company	
	29 April 2023 \$'000	30 April 2022 \$'000	29 April 2023 \$'000	30 April 2022 \$'000
Continuing operations	1,370,987	1,017,210	781,039	374,476
Discontinued operations (Note 35)	-	(14,292)	-	-
	<u>1,370,987</u>	<u>1,002,918</u>	<u>781,039</u>	<u>374,476</u>

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10. Taxation (Continued)

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

	The Group		The Company	
	29 April 2023 \$'000	Restated 30 April 2022 \$'000	29 April 2023 \$'000	30 April 2022 \$'000
Profit before taxation for continuing operations taxable entities	6,229,692	4,487,303	3,677,033	1,318,625
Profit/(loss) before taxation for continuing operations non-taxable entities	521,882	(26,410)	-	-
Loss before taxation for discontinued operations taxable entities	-	(321,673)	-	-
Loss before taxation for discontinued operations non-taxable entities	(1,090,605)	(57,966)	-	-
	<u>5,660,969</u>	<u>4,081,254</u>	<u>3,677,033</u>	<u>1,318,625</u>
Tax calculated at applicable tax rates of 25%	1,557,423	1,041,408	919,258	329,656
Adjusted for:				
Income not subject to tax	(116,659)	(51,991)	(153,367)	(162,225)
Employment tax credit	(267,382)	(127,313)	(263,296)	(127,313)
Adjustment to deferred tax	(2,994)	-	-	-
Prior year (over)/under provision - current tax	14,450	(13,437)	9,557	(11,832)
Different tax rate in other countries	8,172	(93,774)	-	-
Expenses not deductible for tax purposes	174,812	139,127	263,929	350,006
Tax losses for which no deferred tax recognised	-	115,454	-	-
Other allowances	3,165	(6,556)	4,958	(3,816)
Income tax expense	<u>1,370,987</u>	<u>1,002,918</u>	<u>781,039</u>	<u>374,476</u>

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

	The Group		The Company	
	29 April 2023 \$'000	30 April 2022 \$'000	29 April 2023 \$'000	30 April 2022 \$'000
Other comprehensive income -				
Remeasurements on retirement benefits (Note 21)	(392,400)	114,500	(393,800)	109,800
Tax charge/(credit) (Note 20)	98,100	(28,625)	98,450	(27,450)
	<u>(294,300)</u>	<u>85,875</u>	<u>(295,350)</u>	<u>82,350</u>

There are no taxes on other components of other comprehensive income.

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11. Net Profit/Retained Earnings Attributable to the Stockholders

	29 April 2023 \$'000	30 April 2022 \$'000
Net profit attributable to stockholders:		
Holding company	2,895,994	944,149
Intercompany eliminations and other adjustments	(231,501)	395,391
Adjusted Holding company profits	2,664,493	1,339,540
Subsidiaries	1,786,124	1,791,844
	<u>4,450,617</u>	<u>3,131,384</u>
Retained earnings attributable to:		
Holding company	17,425,468	15,169,559
Subsidiaries	8,284,565	6,577,621
	<u>25,710,033</u>	<u>21,747,180</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).

	29 April 2023	30 April 2022
Net profit attributable to stockholders (\$'000)		
From continuing operations	5,380,587	3,443,683
From discontinued operations	(929,970)	(312,299)
	<u>4,450,617</u>	<u>3,131,384</u>
Weighted average number of ordinary stock units in issue ('000)	<u>1,004,943</u>	<u>1,007,653</u>
Basic earnings per stock unit (\$)		
From continuing operations	5.35	3.42
From discontinued operations	(0.92)	(0.31)
	<u>4.43</u>	<u>3.11</u>

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

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13. Property, Plant and Equipment

	The Group							
	Freehold Land	Freehold Buildings	Leasehold Property	Plant, Machinery & Equipment	Furniture & Fixtures	Motor Vehicles	Capital Work in Progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2023								
At Cost -								
At 30 April 2022	553,983	5,056,092	716,934	14,102,864	1,001,512	1,765,880	1,438,427	24,635,692
Additions	243,978	683,414	-	77,581	44,644	442,164	7,242,608	8,734,389
Disposals	-	(95,047)	-	-	-	(95,532)	-	(190,579)
Transfer from CWIP	-	55,741	15,577	2,652,181	1,617	50,617	(2,775,733)	-
Transfer to/(from) Intangible assets from CWIP	-	-	-	46,024	-	-	(3,695)	42,329
Write off	-	-	-	-	-	-	(3,345)	(3,345)
Disposal of subsidiaries	(34,149)	-	(466,316)	(375,574)	(14,137)	(63,418)	(14)	(953,608)
Translation	(4,900)	(20,489)	(30,674)	(82,160)	(2,038)	(11,981)	(9,706)	(161,948)
At 29 April 2023	758,912	5,679,711	235,521	16,420,916	1,031,598	2,087,730	5,888,542	32,102,930
Depreciation -								
At 30 April 2022	-	1,791,097	585,099	5,655,472	797,847	1,170,100	-	9,999,615
Charge for the year	-	160,108	27,866	956,549	51,687	227,830	-	1,424,040
Relieved on disposals	-	(28,521)	-	-	-	(65,447)	-	(93,968)
Disposal of subsidiaries	-	-	(374,336)	(204,108)	(11,796)	(52,443)	-	(642,683)
Translation	-	(6,185)	(24,483)	(30,112)	(1,618)	(8,176)	-	(70,574)
At 29 April 2023	-	1,916,499	214,146	6,377,801	836,120	1,271,864	-	10,616,430
Net Book Value -								
At 29 April 2023	758,912	3,763,212	21,375	10,043,115	195,478	815,866	5,888,542	21,486,500

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13. Property, Plant and Equipment (Continued)

	The Group							
	Freehold Land	Freehold Buildings	Leasehold Property	Plant, Machinery & Equipment	Furniture & Fixtures	Motor Vehicles	Capital Work in Progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2022								
At Cost -								
At 1 May 2021	560,322	4,211,326	899,271	12,701,023	970,632	1,608,349	1,371,798	22,322,721
Additions	6,921	42,461	-	244,574	22,152	220,686	2,593,825	3,130,619
Disposals	-	(50,925)	-	(41,452)	-	(41,961)	(13,636)	(147,974)
Transfer from CWIP	-	841,311	18,812	1,342,426	14,191	1,714	(2,218,454)	-
Transfer to Intangible assets from CWIP	-	-	-	-	-	-	(299,366)	(299,366)
Translation	(13,260)	11,919	(201,149)	(143,707)	(5,463)	(22,908)	4,260	(370,308)
At 30 April 2022	553,983	5,056,092	716,934	14,102,864	1,001,512	1,765,880	1,438,427	24,635,692
Depreciation -								
At 1 May 2021	-	1,642,729	412,892	4,842,778	740,235	1,030,828	-	8,669,462
Charge for the year	-	145,829	145,791	918,608	60,396	192,594	-	1,463,218
Relieved on disposals	-	(1,530)	-	(34,626)	-	(39,102)	-	(75,258)
Impairment	-	-	136,791	-	939	2,933	-	140,663
Translation	-	4,069	(110,375)	(71,288)	(3,723)	(17,153)	-	(198,470)
At 30 April 2022	-	1,791,097	585,099	5,655,472	797,847	1,170,100	-	9,999,615
Net Book Value -								
At 30 April 2022	553,983	3,264,995	131,835	8,447,392	203,665	595,780	1,438,427	14,636,077

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13. Property, Plant and Equipment (Continued)

	The Company						Total
	Freehold Land	Freehold Buildings	Machinery & Equipment	Furniture & Fixtures	Motor Vehicles	Capital Work in Progress	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
At Cost -							
At 1 May 2021	35,504	1,998,889	6,758,357	730,486	763,022	672,473	10,958,731
Additions	-	-	231,500	21,788	164,275	1,291,717	1,709,280
Disposals	-	-	-	-	(30,468)	-	(30,468)
Transfer to intangible assets	-	-	-	-	-	(299,366)	(299,366)
Transfers from CWIP	-	683,760	428,156	14,191	-	(1,126,107)	-
At 30 April 2022	35,504	2,682,649	7,418,013	766,465	896,829	538,717	12,338,177
Additions	201,994	238,346	22,307	44,644	177,975	1,164,060	1,849,326
Disposals	-	-	-	-	(49,266)	-	(49,266)
Transfer from intangible assets	-	-	46,024	-	-	-	46,024
Transfers from CWIP	-	37,232	414,177	-	-	(451,409)	-
At 29 April 2023	237,498	2,958,227	7,900,521	811,109	1,025,538	1,251,368	14,184,261
Depreciation -							
At 1 May 2021	-	873,740	2,818,612	569,825	546,518	-	4,808,695
Charge for the year	-	51,039	416,899	42,444	90,049	-	600,431
Disposal	-	-	-	-	(27,710)	-	(27,710)
At 30 April 2022	-	924,779	3,235,511	612,269	608,857	-	5,381,416
Charge for the year	-	65,640	442,412	39,166	114,139	-	661,357
Disposals	-	-	-	-	(45,988)	-	(45,988)
At 29 April 2023	-	990,419	3,677,923	651,435	677,008	-	5,996,785
Net Book Value -							
At 29 April 2023	237,498	1,967,808	4,222,598	159,674	348,530	1,251,368	8,187,476
At 30 April 2022	35,504	1,757,870	4,182,502	154,196	287,972	538,717	6,956,761

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

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14. Right of Use Assets and Lease Liabilities

This note provides information for leases where the Group is a lessee. The Group is not a lessor.

	The Group		
	Land and Building	Vehicles	Total
	\$'000	\$'000	\$'000
Cost -			
At 1 May 2021	958,310	594,337	1,552,647
Additions	140,043	214,679	354,722
Disposals	(31,387)	-	(31,387)
Modifications	12,974	-	12,974
Translation	(51,010)	2,771	(48,239)
At 30 April 2022	1,028,930	811,787	1,840,717
Additions	181,047	47,786	228,833
Disposals	(30,209)	(77,801)	(108,010)
Modifications	15,408	-	15,408
Disposal of subsidiaries	(124,069)	-	(124,069)
Translation	(13,573)	(4,393)	(17,966)
At 29 April 2023	1,057,534	777,379	1,834,913
Depreciation -			
At 1 May 2021	335,004	211,284	546,288
Charge for the year	161,557	175,109	336,666
Disposals	(26,318)	-	(26,318)
Translation	(49,032)	2,078	(46,954)
At 30 April 2022	421,211	388,471	809,682
Charge for the year	146,880	183,416	330,296
Disposals	(30,209)	(75,715)	(105,924)
Disposal of subsidiaries	(124,069)	-	(124,069)
Translation	(9,884)	(3,008)	(12,892)
At 29 April 2023	403,929	493,164	897,093
Net Book Value -			
29 April 2023	653,605	284,215	937,820
30 April 2022	607,719	423,316	1,031,035

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14. Right of Use Assets and Lease Liabilities (Continued)

	<u>The Company</u>		
	<u>Land and Building</u>	<u>Vehicles</u>	<u>Total</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Cost -			
At 1 May 2021	313,902	186,175	500,077
Additions	31,203	214,679	245,882
Disposals	(31,387)	-	(31,387)
At 30 April 2022	313,718	400,854	714,572
Additions	72,164	2,234,706	2,306,870
Disposals	(30,209)	(77,801)	(108,010)
Modifications	15,408	-	15,408
At 29 April 2023	371,081	2,557,759	2,928,840
Depreciation -			
At 1 May 2021	38,655	10,066	48,721
Charge for the year	52,876	94,982	147,858
Disposals	(26,318)	-	(26,318)
At 30 April 2022	65,213	105,048	170,261
Charge for the year	56,797	264,935	321,732
Disposal	(30,209)	(75,715)	(105,924)
At 29 April 2023	91,801	294,268	386,069
Net Book Value -			
29 April 2023	279,280	2,263,491	2,542,771
30 April 2022	248,505	295,806	544,311

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14. Right of Use Assets and Lease Liabilities (Continued)

The related lease obligation recognised in the balance sheet is as follows:

	<u>The Group</u>		<u>The Company</u>	
	<u>29 April 2023</u>	<u>30 April 2022</u>	<u>29 April 2023</u>	<u>30 April 2022</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Current liabilities	374,960	298,563	245,194	144,612
Non-current liabilities	545,431	716,926	2,330,311	419,223
	<u>920,391</u>	<u>1,015,489</u>	<u>2,575,505</u>	<u>563,835</u>

The movement in the lease liabilities is as follows:

	<u>The Group</u>		<u>The Company</u>	
	<u>29 April 2023</u>	<u>30 April 2022</u>	<u>29 April 2023</u>	<u>30 April 2022</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Balance at beginning of year	1,015,489	1,026,555	563,835	469,163
Additions	228,833	354,717	2,306,870	245,882
Repayments	(331,803)	(370,268)	(284,974)	(138,711)
Lease modifications	15,408	12,974	15,408	-
Terminations	(2,142)	(5,814)	(2,142)	(5,814)
Foreign exchange gains or losses	(759)	5,737	(23,492)	(6,685)
Translation	(4,635)	(8,412)	-	-
Balance at end of year	<u>920,391</u>	<u>1,015,489</u>	<u>2,575,505</u>	<u>563,835</u>

Interest expense and paid amounted to \$75,537,000 (2022 - \$59,233,000) and \$118,786,000 (2022 - \$24,950,000) for the Group and company respectively. Lease interest is charged to finance cost, cost of sales and administrative expenses.

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15. Intangible Assets

	The Group						Total
	Goodwill	Brands and Customer Relationships	Non-Compete Agreement	Product Formulation	Computer Software	Capital Work in Progress	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Cost -							
At 1 May 2021	785,884	1,575,183	311,616	20,780	1,012,107	-	3,705,570
Additions	-	-	-	-	26,494	541,367	567,861
Transfer from property, plant and equipment CWIP	-	-	-	-	-	299,366	299,366
Translation	4,975	10,345	2,072	-	4,260	-	21,652
At 30 April 2022	790,859	1,585,528	313,688	20,780	1,042,861	840,733	4,594,449
Additions	-	-	-	-	-	264,727	264,727
Transfer to property, plant and equipment CWIP	-	-	-	-	-	(42,329)	(42,329)
Write off	-	-	-	-	-	(270,096)	(270,096)
Translation	(7,888)	(16,400)	(3,285)	-	(7,038)	-	(34,611)
At 29 April 2023	782,971	1,569,128	310,403	20,780	1,035,823	793,035	4,512,140
Amortisation -							
At 1 May 2021	-	763,440	251,463	7,879	300,664	-	1,323,446
Charge for the year	-	179,935	42,510	1,039	87,981	-	311,465
Translation	-	6,424	2,041	-	949	-	9,414
At 30 April 2022	-	949,799	296,014	8,918	389,594	-	1,644,325
Charge for the year	-	157,908	17,480	1,039	89,206	-	265,633
Translation	-	(9,550)	(3,091)	-	(1,277)	-	(13,918)
At 29 April 2023	-	1,098,157	310,403	9,957	477,523	-	1,896,040
Net Book Value -							
29 April 2023	782,971	470,971	-	10,823	558,300	793,035	2,616,100
30 April 2022	790,859	635,729	17,674	11,862	653,267	840,733	2,950,124

The amounts written off during the year represents costs incurred in the development of computer software that will not be utilised in the future.

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15. Intangible Assets (Continued)

	The Company		
	Computer Software	Capital Work in Progress	Total
	\$'000	\$'000	\$'000
Cost -			
At 1 May 2021	384,551	-	384,551
Additions	-	541,367	541,367
Transfer from property, plant and equipment CWIP	-	299,366	299,366
At 30 April 2022	384,551	840,733	1,225,284
Additions	-	264,727	264,727
Transfer to property, plant and equipment	-	(46,024)	(46,024)
Write off	-	(270,096)	(270,096)
At 29 April 2023	384,551	789,340	1,173,891
Amortisation -			
At 1 May 2021	242,844	-	242,844
Charge for the year	25,286	-	25,286
At 30 April 2022	268,130	-	268,130
Charge for the year	25,130	-	25,130
At 29 April 2023	293,260	-	293,260
Net Book Value -			
29 April 2023	91,291	789,340	880,631
30 April 2022	116,421	840,733	957,154

The amounts written off during the year represents costs incurred in the development of computer software that will not be utilised in the future.

Impairment tests for goodwill

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

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

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15. Intangible Assets (Continued)

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

	29 April 2023 \$'000	30 April 2022 \$'000
US operations	729,938	737,826
Jamaica operations	53,033	53,033
	<u>782,971</u>	<u>790,859</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:

	2023			
	Revenue Growth Rate	EBITDA to Revenue	Capital Expenditure to Revenue	Discount Rate
US operations	6.3% - 10.5%	7.9% - 11.9%	0.1% - 0.4%	11.5% - 13.2%
	2022			
	Revenue Growth Rate	EBITDA to Revenue	Capital Expenditure to Revenue	Discount Rate
US operations	5.0% - 7.0%	6.9% - 12.3%	0.1% - 1.3%	14.3% - 16.0%

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16. Investment Property

	The Group Land and Buildings \$'000
Cost -	
At 1 May 2021, At 30 April 2022 and at 29 April 2023	9,976
Depreciation -	
At 1 May 2021	4,162
Charge for the year	166
At 30 April 2022	4,328
Charge for the year	167
At 29 April 2023	4,495
Net Book Value -	
At 29 April 2023	5,481
At 30 April 2022	5,648

The investment property was valued by the directors as at April 2023, based on directors' estimate. The market value of the property is estimated to be \$75,000,000.

Rental income earned on the property amounted to \$1,845,000 (2022 - \$1,846,000). There was no repairs and maintenance on the property.

17. Investments

	The Group		The Company	
	29 April 2023 \$'000	30 April 2022 \$'000	29 April 2023 \$'000	30 April 2022 \$'000
Fair value through profit or loss -				
Corporate bonds	286,320	246,052	-	-
Repurchase agreements	60,033	57,320	60,033	57,320
Interest receivable	2,000	3,733	-	-
	<u>348,353</u>	<u>307,105</u>	<u>60,033</u>	<u>57,320</u>

The repurchase agreements are hypothecated towards interest payments on certain loans.

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18. Loans Receivable

	The Group		The Company	
	29 April 2023 \$'000	30 April 2022 \$'000	29 April 2023 \$'000	30 April 2022 \$'000
	Related party (Note 32)			
Non-Current	-	-	5,310,859	-
Current	-	-	516,220	4,964,016
	<u>-</u>	<u>-</u>	<u>5,827,079</u>	<u>4,964,016</u>

Included in the current portion for the Company is interest receivable of \$34,859,000 (2022 - \$46,534,000).

19. Non-Controlling Interests

	The Group	
	29 April 2023 \$'000	30 April 2022 \$'000
Beginning of year	100,696	198,703
Share of total comprehensive income:		
Share of net loss of subsidiaries	(160,635)	(53,048)
Revaluation gains/(losses)	60,763	(44,959)
Reserves	(824)	-
End of year	<u>-</u>	<u>100,696</u>

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19. Non-Controlling Interests (Continued)

Summarised financial information on subsidiaries with material non-controlling interests

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

Summarised balance sheet

	The Group	
	29 April 2023 \$'000	30 April 2022 \$'000
	Current	
Assets	-	539,437
Liabilities	-	(319,413)
Total current net assets	<u>-</u>	<u>220,024</u>
Non-current		
Assets	-	342,194
Total non-current net assets	<u>-</u>	<u>342,194</u>
Net assets	<u>-</u>	<u>562,218</u>

Summarised income statement

	The Group	
	29 April 2023 \$'000	30 April 2022 \$'000
Revenue	83,973	1,327,993
Loss before income tax	(71,127)	(379,639)
Taxation credit	-	14,291
Loss after tax/Total comprehensive income	<u>(71,127)</u>	<u>(365,348)</u>
Total comprehensive income allocated to non-controlling interest	<u>(99,872)</u>	<u>(98,007)</u>
Total net loss allocated to non-controlling interest	<u>(160,635)</u>	<u>(53,048)</u>

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19. Non-Controlling Interests (Continued)

Summarised cash flows

	The Group	
	29 April 2023 \$'000	30 April 2022 \$'000
Cash flows from operating activities		
Cash generated from operations	34,263	220,188
Interest paid	-	(34,911)
Net cash generated from operating activities	34,263	185,277
Net cash used in investing activities	-	(2,492)
Net cash used in financing activities	(118,080)	(120,827)
Net (decrease)/increase in cash and cash equivalents	(83,817)	61,958
Cash and cash equivalents at the beginning of year	83,817	21,859
Cash and cash equivalents at end of year	-	83,817

The information above represents amounts before intercompany eliminations.

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20. Deferred Income Taxes

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

	The Group		The Company	
	29 April 2023 \$'000	30 April 2022 \$'000	29 April 2023 \$'000	30 April 2022 \$'000
The balance sheet comprises:				
Deferred tax assets	(138,140)	(84,522)	-	-
Deferred tax liabilities	1,487,130	1,492,820	815,190	860,201
	<u>1,348,990</u>	<u>1,408,298</u>	<u>815,190</u>	<u>860,201</u>

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

	The Group		The Company	
	29 April 2023 \$'000	1 May 2022 \$'000	29 April 2023 \$'000	30 April 2022 \$'000
Balance as at start of year	1,408,298	1,206,959	860,201	931,807
Charged/(credited) to profit or loss (Note 10)	(151,093)	225,322	(143,461)	(44,156)
(Credited)/charged to other comprehensive income (Note 10)	98,100	(28,625)	98,450	(27,450)
Translation	(6,315)	4,642	-	-
Balance as at end of year	<u>1,348,990</u>	<u>1,408,298</u>	<u>815,190</u>	<u>860,201</u>

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

	The Group		The Company	
	29 April 2023 \$'000	30 April 2022 \$'000	29 April 2023 \$'000	30 April 2022 \$'000
Deferred income tax assets -				
Other post-employment benefits	2,425	3,150	2,225	2,925
Property, plant and equipment	19,129	-	-	-
Accrued vacation	28,707	23,732	27,607	22,916
Tax losses unused	599,986	164,872	-	-
Interest payable	26,300	15,603	16,930	15,400
Intangible assets	108,074	128,532	-	-
Unrealised foreign exchange losses	146,974	-	146,974	-
Other	10,803	22,407	3,092	11,804
	<u>942,398</u>	<u>358,296</u>	<u>196,828</u>	<u>53,045</u>
Deferred income tax liabilities -				
Pension benefits	290,825	204,625	286,150	199,575
Property, plant and equipment	1,931,145	1,527,645	717,032	679,696
Unrealised foreign exchange gains	308	22,438	-	22,089
Intangible assets	60,274	-	-	-
Other	8,836	11,886	8,836	11,886
	<u>2,291,388</u>	<u>1,766,594</u>	<u>1,012,018</u>	<u>913,246</u>
Net deferred tax liabilities	<u>1,348,990</u>	<u>1,408,298</u>	<u>815,190</u>	<u>860,201</u>

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20. Deferred Income Taxes (Continued)

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

	<u>The Group</u>		<u>The Company</u>	
	<u>29 April 2023 \$'000</u>	<u>30 April 2022 \$'000</u>	<u>29 April 2023 \$'000</u>	<u>30 April 2022 \$'000</u>
Profit or loss				
Property, plant and equipment	393,054	377,125	37,336	49,941
Accrued vacation and general provisions	(4,975)	(3,459)	(4,690)	(3,309)
Post-employment benefits	(11,175)	(13,225)	(11,175)	(13,125)
Tax losses	(435,969)	(50,167)	-	-
Unrealised foreign exchange (gains)/losses	(169,104)	(83,613)	(169,063)	(84,006)
Intangible assets	79,330	(17,942)	-	-
Interest payable	(10,693)	(3,830)	(1,530)	(3,872)
Other temporary differences	8,439	20,433	5,661	10,215
	<u>(151,093)</u>	<u>225,322</u>	<u>(143,461)</u>	<u>(44,156)</u>
Other comprehensive income				
Post-employment benefits	<u>98,100</u>	<u>(28,625)</u>	<u>98,450</u>	<u>(27,450)</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 \$9,292,523,000 (2022 - \$7,182,779,000). These undistributed earnings are in foreign subsidiaries.

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20. Deferred Income Taxes (Continued)

These balances include the following:

	<u>The Group</u>		<u>The Company</u>	
	<u>29 April 2023 \$'000</u>	<u>30 April 2022 \$'000</u>	<u>29 April 2023 \$'000</u>	<u>30 April 2022 \$'000</u>
Deferred tax assets -				
Deferred tax assets to be recovered after more than 12 months	710,485	296,554	2,225	2,925
Deferred tax assets to be recovered within 12 months	<u>231,913</u>	<u>61,742</u>	<u>194,603</u>	<u>50,120</u>
	<u>942,398</u>	<u>358,296</u>	<u>196,828</u>	<u>53,045</u>
Deferred tax liabilities -				
Deferred tax liabilities to be recovered after more than 12 months	2,221,970	1,732,270	1,003,182	879,271
Deferred tax liabilities to be recovered within 12 months	<u>69,418</u>	<u>34,324</u>	<u>8,836</u>	<u>33,975</u>
	<u>2,291,388</u>	<u>1,766,594</u>	<u>1,012,018</u>	<u>913,246</u>
Net deferred tax liabilities	<u>1,348,990</u>	<u>1,408,298</u>	<u>815,190</u>	<u>860,201</u>

21. Post-Employment Benefits

Amounts recognised in the balance sheet are as follows:

	<u>The Group</u>		<u>The Company</u>	
	<u>29 April 2023 \$'000</u>	<u>30 April 2022 \$'000</u>	<u>29 April 2023 \$'000</u>	<u>30 April 2022 \$'000</u>
Pension scheme benefit assets	1,163,300	818,500	1,144,600	798,300
Post-employment benefit obligations	<u>(9,700)</u>	<u>(12,600)</u>	<u>(8,900)</u>	<u>(11,700)</u>
Amounts recognised in the profit or loss (Note 8) -				
Pension scheme benefit assets	114,800	79,700	113,400	78,800
Post-employment benefit obligations	<u>1,000</u>	<u>1,700</u>	<u>900</u>	<u>1,600</u>
	<u>115,800</u>	<u>81,400</u>	<u>114,300</u>	<u>80,400</u>
Amounts recognised in other comprehensive income				
Pension scheme benefit assets	(390,100)	122,200	(391,500)	117,500
Post-employment benefit obligations	<u>(2,300)</u>	<u>(7,700)</u>	<u>(2,300)</u>	<u>(7,700)</u>
	<u>(392,400)</u>	<u>114,500</u>	<u>(393,800)</u>	<u>109,800</u>

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21. 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 \$134,950,000 (2022 - \$123,920,000) and \$24,406,000 (2022 - \$14,168,000)

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 5%, 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 29 April 2023. 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:

	The Group		The Company	
	29 April 2023 \$'000	30 April 2022 \$'000	29 April 2023 \$'000	30 April 2022 \$'000
Fair value of plan assets	6,740,000	7,051,800	6,558,900	6,877,800
Present value of obligations	(4,525,900)	(6,233,300)	(4,404,400)	(6,079,500)
	<u>2,214,100</u>	<u>818,500</u>	<u>2,154,500</u>	<u>798,300</u>
Limitation of asset due to uncertainty of obtaining future economic benefits	(1,050,800)	-	(1,009,900)	-
	<u>1,163,300</u>	<u>818,500</u>	<u>1,144,600</u>	<u>798,300</u>

Pension plan assets include investment in ordinary stock units of the company with a fair value of \$407,788,000 (2022 - \$349,962,000).

Limitation of asset due to uncertainty of obtaining future economic benefits

The benefit that the company derives from the surplus of the pension plan is limited to the extent of the reduction in future contribution that it will make to the pension fund.

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21. Post-Employment Benefits (Continued)

(b) Pension scheme benefits

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

	The Group		The Company	
	29 April 2023 \$'000	30 April 2022 \$'000	29 April 2023 \$'000	30 April 2022 \$'000
At start of year	818,500	993,500	798,300	968,200
Amounts recognised in profit or loss (Note 8)	(114,800)	(79,700)	(113,400)	(78,800)
Amounts recognised in other comprehensive income	390,100	(122,200)	391,500	(117,500)
Contributions paid	69,500	26,900	68,200	26,400
At end of year	<u>1,163,300</u>	<u>818,500</u>	<u>1,144,600</u>	<u>798,300</u>

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

	The Group		The Company	
	29 April 2023 \$'000	30 April 2022 \$'000	29 April 2023 \$'000	30 April 2022 \$'000
At start of year	6,233,300	5,554,500	6,079,500	5,413,100
Transfer in fund – new employee	-	200	-	200
Current service cost	166,900	135,900	164,100	133,500
Interest cost	510,700	485,500	498,200	473,300
	<u>6,910,900</u>	<u>6,176,100</u>	<u>6,741,800</u>	<u>6,020,100</u>
Remeasurement (gain)/loss on obligations:-				
Changes in financial assumptions	(2,364,700)	42,400	(2,314,600)	41,900
Experience adjustment	81,800	39,900	78,100	41,500
Members contribution	141,400	139,800	137,900	136,200
Benefits paid	(243,500)	(164,900)	(238,800)	(160,200)
At end of year	<u>4,525,900</u>	<u>6,233,300</u>	<u>4,404,400</u>	<u>6,079,500</u>

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21. Post-Employment Benefits (Continued)

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

	The Group		The Company	
	29 April 2023 \$'000	30 April 2022 \$'000	29 April 2023 \$'000	30 April 2022 \$'000
At start of year	7,051,800	6,548,000	6,877,800	6,381,300
Transfer in fund – new employee	-	200	-	200
Members' contribution	141,400	139,800	137,900	136,200
Employer's contribution	69,500	26,900	68,200	26,400
Interest income on plan assets	562,800	556,000	548,900	541,900
Benefits paid	(243,500)	(164,900)	(238,800)	(160,200)
Administrative expenses	-	(14,300)	-	(13,900)
Remeasurement loss on plan assets	(842,000)	(39,900)	(835,100)	(34,100)
At end of year	<u>6,740,000</u>	<u>7,051,800</u>	<u>6,558,900</u>	<u>6,877,800</u>

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

	The Group		The Company	
	29 April 2023 \$'000	30 April 2022 \$'000	29 April 2023 \$'000	30 April 2022 \$'000
Current service cost	166,900	135,900	164,100	133,500
Interest cost	510,700	485,500	498,200	473,300
Interest income on plan assets	(562,800)	(556,000)	(548,900)	(541,900)
Administrative expenses	-	14,300	-	13,900
Total included in staff costs (Note 8)	<u>114,800</u>	<u>79,700</u>	<u>113,400</u>	<u>78,800</u>

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

	The Group		The Company	
	29 April 2023 \$'000	30 April 2022 \$'000	29 April 2023 \$'000	30 April 2022 \$'000
Remeasurements of the defined benefit obligation	(2,282,900)	82,300	(2,236,500)	83,400
Remeasurements of the plan assets	1,892,800	39,900	1,845,000	34,100
Total	<u>(390,100)</u>	<u>122,200</u>	<u>(391,500)</u>	<u>117,500</u>

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21. Post-Employment Benefits (Continued)

(b) 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 \$4,525,900,000 and \$4,404,400,000 relating to active members, \$329,900,000 and \$329,900,000 relating to deferred members, \$1,052,000,000 and \$1,009,800,000 relating to the members in retirement and \$16,900,000 and \$16,900,000 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 30 April 2023 amount to \$74,400,000 for the group and \$72,800,000 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:

	29 April 2023	30 April 2022
Discount rate	13.00%	8.00%
Future salary increases	9.00%	6.00%
Future pension increases	<u>2.25%</u>	<u>2.00%</u>

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

	The Group					
	Impact on post-employment obligations					
	29 April 2023			30 April 2022		
	Change in assumption	Increase in assumption	Decrease in assumption	Change in assumption	Increase in assumption	Decrease in assumption
	\$'000	\$'000		\$'000	\$'000	
Discount rate	1%	489,400	(400,300)	0.5%	(447,200)	508,800
Future salary increases	1%	(186,900)	218,000	0.5%	179,600	(170,200)
Pension increases	1%	(193,700)	222,500	0.5%	271,600	(249,400)

	The Company					
	Impact on post-employment obligations					
	29 April 2023			30 April 2022		
	Change in assumption	Increase in assumption	Decrease in assumption	Change in assumption	Increase in assumption	Decrease in assumption
	\$'000	\$'000		\$'000	\$'000	
Discount rate	1%	479,200	(391,900)	0.5%	(438,500)	499,100
Future salary increases	1%	(183,700)	214,300	0.5%	176,700	(167,400)
Pension increases	1%	(188,800)	216,800	0.5%	265,600	(243,700)

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21. Post-Employment Benefits (Continued)

(b) Pension scheme benefits (continued)

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

	The Group			
	29 April 2023		30 April 2022	
	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	(25,800)	24,300	78,200	(79,900)

	The Company			
	29 April 2023		30 April 2022	
	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	(25,000)	23,400	76,100	(77,800)

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

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21. Post-Employment Benefits (Continued)

(c) Post-employment medical benefits

In addition to pension benefits, the Group offers qualifying retirees medical and life insurance benefits. Funds are not built up to cover the obligations under these retirement benefit schemes. The method of accounting and frequency of valuations are similar to those used for the defined benefit pension scheme. In addition to the assumptions used for the pension scheme, the main actuarial assumption is a long term increase in health costs of 8% per year (2022 – 8.5% per year).

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

	The Group		The Company	
	29 April 2023 \$'000	30 April 2022 \$'000	29 April 2023 \$'000	30 April 2022 \$'000
	Present value of funded obligations	9,700	12,600	8,900

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

	The Group		The Company	
	29 April 2023 \$'000	30 April 2022 \$'000	29 April 2023 \$'000	30 April 2022 \$'000
	At start of year	12,600	20,200	11,700
Amounts recognised in profit or loss (Note 8)	1,000	1,700	900	1,600
Amounts recognised in other comprehensive income	(2,300)	(7,700)	(2,300)	(7,700)
Contributions paid	(1,600)	(1,600)	(1,400)	(1,500)
At end of year	9,700	12,600	8,900	11,700

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21. Post-employment Benefits (Continued)

(c) Post-employment medical benefits (continued)

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

	The Group		The Company	
	29 April 2023 \$'000	30 April 2022 \$'000	29 April 2023 \$'000	30 April 2022 \$'000
At start of year	12,600	20,200	11,700	19,300
Interest cost	1,000	1,700	900	1,600
Benefits paid	(1,600)	(1,600)	(1,400)	(1,500)
Remeasurement gain on obligation:-				
Experience adjustment	(2,300)	(7,700)	(2,300)	(7,700)
At end of year	9,700	12,600	8,900	11,700

The amount recognised in profit or loss is as follows:

	The Group		The Company	
	29 April 2023 \$'000	30 April 2022 \$'000	29 April 2023 \$'000	30 April 2022 \$'000
Interest cost	1,000	1,700	900	1,600
Total included in staff costs (Note 8)	1,000	1,700	900	1,600

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

	The Group		The Company	
	29 April 2023 \$'000	30 April 2022 \$'000	29 April 2023 \$'000	30 April 2022 \$'000
Remeasurements of the defined benefit obligation	(2,300)	(7,700)	(2,300)	(7,700)

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21. Post-Employment Benefits (Continued)

(c) Post-employment medical benefits (continued)

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

	The Group					
	Impact on post-employment obligations					
	29 April 2023			30 April 2022		
Change in assumption	Increase in assumption \$'000	Decrease in assumption \$'000	Change in assumption	Increase in assumption \$'000	Decrease in assumption \$'000	
Discount rate	1%	568	(466)	0.5%	(300)	600
Medical cost	1%	(366)	468	0.5%	(1,600)	(2,400)

	The Company					
	Impact on post-employment obligations					
	29 April 2023			30 April 2022		
Change in assumption	Increase in assumption \$'000	Decrease in assumption \$'000	Change in assumption	Increase in assumption \$'000	Decrease in assumption \$'000	
Discount rate	1%	600	(500)	0.5%	(300)	500
Medical cost	1%	(400)	500	0.5%	(1,700)	(2,400)

	The Group			
	29 April 2023		30 April 2022	
	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	(45)	46	700	(500)

	The Company			
	29 April 2023		30 April 2022	
	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	-	-	600	(500)

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21. Post-Employment Benefits (Continued)

(d) Distribution of pension plan assets -

	The Group			
	29 April 2023 \$'000	29 April 2023 %	30 April 2022 \$'000	30 April 2022 %
Equities - quoted	2,951,279	44	3,580,045	52
Equities - unquoted	298,221	4	75,455	1
Property	1,077,810	16	981,100	12
Fixed income investments	1,632,913	24	1,575,200	24
Pooled funds – real estate	438,554	7	502,300	6
Leased assets	39,500	1	46,700	1
Other	301,723	4	291,000	4
	<u>6,740,000</u>	<u>100</u>	<u>7,051,800</u>	<u>100</u>

	The Company			
	29 April 2023 \$'000	29 April 2023 %	30 April 2022 \$'000	30 April 2022 %
Equities - quoted	2,871,980	44	3,491,709	52
Equities - unquoted	290,208	4	73,593	1
Property	1,048,850	16	956,892	12
Fixed income investments	1,589,038	24	1,536,333	24
Pooled funds – real estate	426,770	7	489,906	6
Leased assets	38,439	1	45,548	1
Other	293,615	4	283,819	4
	<u>6,558,900</u>	<u>100</u>	<u>6,877,800</u>	<u>100</u>

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21. Post-Employment Benefits (Continued)

(e) 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 2023 consists of fixed income investments and equities.

Funding levels are monitored on an annual basis and the agreed employer contribution rate was 5% of pensionable salaries. The next triennial valuation is due to be completed as at 30 April 2023.

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22. Inventories

	The Group		The Company	
	29 April 2023 \$'000	30 April 2022 \$'000	29 April 2023 \$'000	30 April 2022 \$'000
Grain and feed ingredients	7,077,585	4,452,874	2,794,116	1,745,415
Inventories for resale	6,294,196	4,597,387	2,405,142	1,636,279
Goods in transit	1,156,939	3,145,969	867,260	2,846,795
General supplies	4,556,235	3,529,076	2,738,584	2,244,894
	<u>19,084,955</u>	<u>15,725,306</u>	<u>8,805,102</u>	<u>8,473,383</u>
Less: Provision for obsolescence	<u>(244,033)</u>	<u>(105,041)</u>	<u>(244,033)</u>	<u>(105,041)</u>
	<u><u>18,840,922</u></u>	<u><u>15,620,265</u></u>	<u><u>8,561,069</u></u>	<u><u>8,368,342</u></u>

Inventory write-downs for the current year amounted to \$279,970,000 (2022 – \$127,268,000).

23. Biological Assets

	The Group		The Company	
	29 April 2023 \$'000	30 April 2022 \$'000	29 April 2023 \$'000	30 April 2022 \$'000
Cattle	112,166	65,066	25,800	-
Poultry	21,015,968	15,159,977	1,418,161	1,179,801
	<u>21,128,134</u>	<u>15,225,043</u>	<u>1,443,961</u>	<u>1,179,801</u>

Biological assets comprise of:

	The Group		The Company	
	29 April 2023 \$'000	30 April 2022 \$'000	29 April 2023 \$'000	30 April 2022 \$'000
Biological assets at fair value	1,190,267	953,510	1,103,901	888,443
Biological assets at cost	19,937,867	14,271,533	340,060	291,358
	<u>21,128,134</u>	<u>15,225,043</u>	<u>1,443,961</u>	<u>1,179,801</u>

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23. Biological Assets (Continued)

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

	The Group		The Company	
	29 April 2023 \$'000	30 April 2022 \$'000	29 April 2023 \$'000	30 April 2022 \$'000
At start of year	953,510	669,610	888,443	610,205
Fair value gain	24,383	8,464	-	-
Increase due to purchases and transfers	17,024,061	11,580,968	17,024,061	11,580,739
Decrease due to sales	<u>(16,811,687)</u>	<u>(11,305,532)</u>	<u>(16,808,603)</u>	<u>(11,302,501)</u>
At end of year	<u>1,190,267</u>	<u>953,510</u>	<u>1,103,901</u>	<u>888,443</u>

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

	The Group		The Company	
	29 April 2023 \$'000	30 April 2022 \$'000	29 April 2023 \$'000	30 April 2022 \$'000
At start of year	14,271,533	10,757,455	291,358	198,701
Increase due to purchases and acquisition	31,737,221	24,132,242	5,314,554	3,883,983
Decrease due to sales and depreciation	(25,846,964)	(20,626,177)	(5,265,852)	(3,791,326)
Disposal of subsidiaries	(74,651)	-	-	-
Translation	<u>(149,272)</u>	<u>8,013</u>	<u>-</u>	<u>-</u>
At end of year	<u>19,937,867</u>	<u>14,271,533</u>	<u>340,060</u>	<u>291,358</u>

Biological assets written off during the year are included in cost of sales.

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 867 (2022 – 693).

The number of cattle harvested during the year was 200 (2022 – 224).
- (ii) Poultry
The number of birds in the field, including broilers, breeders, and layer pullets at year end was 13,463,000 (2022 – 11,624,000) and the number of eggs at year end was 7,987,000 (2022 – 8,150,000).

The total number of birds produced during the year was 83,444,000 (2022 – 72,033,000).

The total number of eggs produced during the year was 31,370,000 (2022 – 31,378,000) dozens.

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24. Receivables

	The Group		The Company	
	29 April 2023 \$'000	30 April 2022 \$'000	29 April 2023 \$'000	30 April 2022 \$'000
Trade receivables	4,798,333	4,613,667	3,228,514	3,009,306
Less: Provision for impairment	(423,989)	(470,433)	(395,902)	(381,586)
	4,374,344	4,143,234	2,832,612	2,627,720
Contract farmers' receivables	208,725	92,981	204,561	88,058
Deposits	54,621	58,409	45,212	47,534
G.C.T recoverable	14,452	22,678	14,362	22,498
Insurance claims	11,004	6,997	11,004	6,997
Prepayments	753,075	703,346	387,790	327,340
Staff receivables	168,578	50,701	113,371	9,734
Other	296,859	302,077	121,720	153,686
	5,881,658	5,380,423	3,730,632	3,283,567
Less: Provision for impairment	(318)	(318)	(318)	(318)
	<u>5,881,340</u>	<u>5,380,105</u>	<u>3,730,314</u>	<u>3,283,249</u>

25. Financial Assets at Fair Value through Profit or Loss

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

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

26. Cash and Short Term Investments

	The Group		The Company	
	29 April 2023 \$'000	30 April 2022 \$'000	29 April 2023 \$'000	30 April 2022 \$'000
Cash at bank and in hand	4,511,744	3,657,362	4,169,838	2,952,220
Short term investments	151,907	120,127	53,418	57,982
	4,663,651	3,777,489	4,223,256	3,010,202
Interest receivable	710	1,062	486	1,011
	<u>4,664,361</u>	<u>3,778,551</u>	<u>4,223,742</u>	<u>3,011,213</u>

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26. Cash and Short Term Investments (Continued)

The weighted average effective interest rate on Jamaica dollar short term deposits was 5.40% (2022 – 5.79%). These represent call deposits which are repayable on demand.

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

	The Group		The Company	
	29 April 2023 \$'000	30 April 2022 \$'000	29 April 2023 \$'000	30 April 2022 \$'000
Cash and short term investments	4,664,361	3,778,551	4,223,742	3,011,213
Bank overdrafts	(31,770)	(432)	(31,617)	(269)
	<u>4,632,591</u>	<u>3,778,119</u>	<u>4,192,125</u>	<u>3,010,944</u>

27. Payables

	The Group		The Company	
	29 April 2023 \$'000	30 April 2022 \$'000	29 April 2023 \$'000	30 April 2022 \$'000
Trade payables	11,501,718	10,432,965	6,202,830	7,193,533
Accrued charges	1,315,302	1,154,309	1,210,134	1,020,317
GCT payable	591	741	-	-
Payroll taxes payable	122,054	60,369	122,054	59,484
Staff related payables	248,383	289,976	2,276	2,588
Unclaimed cheques	183,682	161,362	183,682	161,362
Other	760,612	601,583	754,982	578,183
	<u>14,132,342</u>	<u>12,701,305</u>	<u>8,475,958</u>	<u>9,015,467</u>

28. Dividends

	The Group		The Company	
	29 April 2023 \$'000	30 April 2022 \$'000	29 April 2023 \$'000	30 April 2022 \$'000
Dividends declared				
First interim – 36 cents per stock unit (2022 – 15 cents)	431,739	179,891	431,739	179,891
Second interim – 42 cents per stock unit (2022 – 31 cents)	503,696	371,776	503,696	371,776
	935,435	551,667	935,435	551,667
Elimination of dividends attributable to the Trust	(152,313)	(88,314)	-	-
	<u>783,122</u>	<u>463,353</u>	<u>935,435</u>	<u>551,667</u>

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29. Borrowings

	The Group		The Company	
	29 April 2023 \$'000	30 April 2022 \$'000	29 April 2023 \$'000	30 April 2022 \$'000
Non-Current -				
Borrowings	15,825,535	9,626,745	8,512,809	7,477,355
Current -				
Short term borrowings and bank overdraft	15,692,348	11,378,003	2,806,970	3,544,393
Current portion of non-current borrowings	2,579,047	1,794,700	1,658,641	1,361,700
Interest payable	68,374	62,412	67,720	61,601
	<u>18,339,769</u>	<u>13,235,115</u>	<u>4,533,331</u>	<u>4,967,694</u>
	<u>34,165,304</u>	<u>22,861,860</u>	<u>13,046,140</u>	<u>12,445,049</u>

In the previous year borrowings included certain loans totalling US\$3.7 million which the Group could apply for forgiveness if the funds were used for qualifying expenses. The loans were forgiven during the year having met the qualifying conditions and are included in finance income.

Interest rates on these loans range between 5% to 7% on Jamaican currency loans and 3% to 5% 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.

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

The fair value of current borrowings approximates their carrying amount.

Included in non-current borrowings are banking fees of \$57,698,000 (2022 - \$79,138,000) and \$57,350,000 (2022 - \$78,600,000) for the Group and Company respectively.

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29. Borrowings (Continued)

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

Amounts represent borrowings, excluding bank overdrafts:

	The Group		The Company	
	29 April 2023 \$'000	30 April 2022 \$'000	29 April 2023 \$'000	30 April 2022 \$'000
Opening	22,861,428	19,708,738	12,444,780	11,003,596
Loans received	27,333,599	9,660,608	7,185,060	6,132,332
Loans repaid	(16,327,123)	(6,189,008)	(6,989,788)	(4,915,813)
Debt forgiveness	-	(579,411)	-	-
Non-cash loans	388,450	216,645	388,450	216,645
Foreign exchange adjustments	(150,223)	54,770	(41,349)	18,958
Net movement in deferred fees	21,441	(26,236)	21,251	(26,426)
Net interest movements	5,962	15,322	6,119	15,488
	<u>34,133,534</u>	<u>22,861,428</u>	<u>13,014,523</u>	<u>12,444,780</u>

The table below summaries the Group and Company's contractual maturity dates for its borrowings based on the principal balance:

	The Group		The Company	
	29 April 2023 \$'000	30 April 2022 \$'000	29 April 2023 \$'000	30 April 2022 \$'000
Within 1 year	14,387,572	4,103,758	1,487,332	3,775,604
1 to 5 years	12,091,146	15,820,705	11,334,391	6,984,258
Over 5 years	7,644,140	2,953,691	182,429	1,701,917
	<u>34,122,858</u>	<u>22,878,154</u>	<u>13,004,152</u>	<u>12,461,779</u>

The table below summaries the Group and Company's currency profile for its borrowings based on the principal balance :

	The Group		The Company	
	29 April 2023 \$'000	30 April 2022 \$'000	29 April 2023 \$'000	30 April 2022 \$'000
Jamaican dollars	11,759,965	10,898,245	11,643,777	10,758,818
United States dollars	22,362,893	11,979,909	1,360,375	1,702,961
	<u>34,122,858</u>	<u>22,878,154</u>	<u>13,004,152</u>	<u>12,461,779</u>

The contractual maturity and currency composition tables above do not include deferred financing charges and interest payable.

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30. Share Capital

	Group			
	29 April 2023	30 April 2022	29 April 2023	30 April 2022
	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	(197,811)	(192,311)	-	-
	<u>1,001,466</u>	<u>1,006,966</u>	<u>765,137</u>	<u>765,137</u>
	Company			
	29 April 2023	30 April 2022	29 April 2023	30 April 2022
	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 2023 and 2022 are stated in these financial statements without a nominal or par value.

The cost of the shares held by the Trust is \$3,902,591,000 (2022 - \$3,742,633,000). During the year the Trust purchased 5,499,000 (2022 - 1,000,000) additional shares.

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31. Reserves

	The Group		The Company	
	29 April 2023	30 April 2022	29 April 2023	30 April 2022
	\$'000	\$'000	\$'000	\$'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 securities	-	-	(538)	(538)
Translation loss on subsidiary assumed	-	-	(8,686)	(8,686)
Gains on translation of financial statements of foreign subsidiaries	1,960,800	2,157,452	-	-
	<u>2,307,107</u>	<u>2,503,759</u>	<u>222,947</u>	<u>222,947</u>
Movements during the year -				
Translation gains/(losses)	467,922	(196,652)	-	-
	<u>2,775,029</u>	<u>2,307,107</u>	<u>222,947</u>	<u>222,947</u>
At end of year				
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 securities	-	-	(538)	(538)
Translation loss on subsidiary assumed	-	-	(8,686)	(8,686)
Gains on translation of financial statements of foreign subsidiaries	2,428,722	1,960,800	-	-
	<u>2,775,029</u>	<u>2,307,107</u>	<u>222,947</u>	<u>222,947</u>
(b) Legal Reserve	-	233	-	-
	<u>2,775,029</u>	<u>2,307,340</u>	<u>222,947</u>	<u>222,947</u>

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

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32. Related Party Transactions and Balances

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

Related parties include fellow subsidiaries, directors and key management.

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

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

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

	29 April 2023 \$'000	30 April 2022 \$'000
Sale of goods	820,557	668,615
Purchases of goods	6,499,136	5,064,259
Purchase of services	502,113	388,885
Interest income earned	158,326	70,503
Insurance premiums expense	804,063	794,479
Dividend received	613,468	466,467
Dividend paid	152,313	88,313
Lease interest expense	68,538	-

(ii) Key management compensation

	The Group		The Company	
	29 April 2023 \$'000	30 April 2022 \$'000	29 April 2023 \$'000	30 April 2022 \$'000
With directors and key management -				
Salaries, profit sharing and other short-term employee benefits	870,945	719,297	661,802	541,883
Payroll taxes - Employer's portion	70,063	58,357	62,797	51,585
Pension benefits	12,349	7,908	8,756	4,197
Professional fees paid	12,720	14,149	12,720	14,149
	<u>966,077</u>	<u>799,711</u>	<u>746,075</u>	<u>611,814</u>
Directors' emoluments -				
Fees	57,459	49,697	53,979	46,697
Management remuneration (included above)	<u>638,712</u>	<u>525,217</u>	<u>415,231</u>	<u>334,320</u>

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32. Related Party Transactions and Balances (Continued)

(iii) Year end balances with related parties

	The Group		The Company	
	29 April 2023 \$'000	30 April 2022 \$'000	29 April 2023 \$'000	30 April 2022 \$'000
Directors and key management -				
Receivables	137,068	39,245	116,076	39,326
Receivable from subsidiaries -				
Trade and other receivables	-	-	2,030,261	4,108,281
Current portion of loans receivable (Note 18)	-	-	516,220	4,964,016
	<u>-</u>	<u>-</u>	<u>2,546,481</u>	<u>9,072,297</u>
Payable to subsidiaries	-	-	228,333	192,004
Loans receivable long term portion:				
Loan to JBGL Stockholders Nominee Limited (a) (Note 18)	-	-	4,043,698	-
Loan to WI Trading (St. Lucia) Limited (b)	-	-	1,267,161	-
Loan to Wincorp International Inc (c)	-	-	-	-
	<u>-</u>	<u>-</u>	<u>5,310,859</u>	<u>-</u>

(a) The balance represents the outstanding amounts on a loan at a rate of 1% per annum and matures in 2023. Principal will be repaid on maturity. Included in receivable from subsidiaries is the interest receivable of \$20,076,000 (2022 - \$39,902,000). The deferred expenditure of Nil (2022 - \$18,210,000) relates to transactions costs incurred by the Trust in obtaining the loan and is being amortised over the life of the loan.

(b) During the year certain receivable balances were to a loan at a rate of 2% per annum and matures in 2034. Principal will be repaid on a monthly basis. There was no interest receivable at year end.

(c) The balance represents the outstanding amounts on a loan at a rate of 5% per annum and matures in 2023. Principal will be repaid on maturity. Included in receivable from subsidiaries is the interest receivable of \$14,783,000 (2022 - 6,633,000).

33. Fair Value of Financial Instruments

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

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

- (i) Financial assets at fair value through profit or loss are measured at fair value by reference to quoted prices when available. If quoted market prices are not available, then fair values are estimated on the basis of pricing models, or discounted cash flows. Fair value is equal to the carrying amount of these items;
- (ii) 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 \$453,395,000 (2022 - \$419,788,000) 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 \$1,190,267,000 (2022 – \$953,510,000) and \$1,103,901,000 (2022 - \$888,443,000) for the Group and the Company respectively are included in Level 2.

34. Impairment

(a) Impairment of interest in subsidiaries

At the end of the previous year, the recoverable amount related to the Interest in Haiti Broilers amounted (307,884,000) based on value-in-use calculation resulting in an impairment of \$904,189,000. The value-in-use calculation considered the terminal revenue growth rate of 2% and a discount rate of 24.8%. The impairment was recognised in Administration and other expenses in the Company Statement of Comprehensive Income.

Interest in subsidiaries was reported in the Balance Sheet of the Jamaica Operations segment.

The impairment was required as a result of the current economic and political conditions in Haiti.

The sensitivity of the recoverable amount to changes in the key assumptions used in the value-in-use calculation is shown below:

	2022		
	Impact on Recoverable amount		
	Change in assumption	Increase in assumption \$'000	Decrease in assumption \$'000
Terminal revenue growth rate	0.5%	3,097	(2,964)
Discount rate	1%	(14,723)	16,049

(b) Impairment of property, plant and equipment

In 2022 certain property, plant and equipment with carrying value of \$140,663,000 in the Haiti Operations were deemed impaired as they could no longer be used in the operations. The impairment was recognised in cost of sales and administration and other expenses in the statement of comprehensive income of the Group.

JAMAICA BROILERS GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
29 APRIL 2023

(expressed in Jamaican dollars unless otherwise indicated)

35. Discontinued Operations

Haiti's heightened social and political instability resulted in our operations in the country becoming unsustainable, as we were unable to access markets and our locations. The Jamaica Broilers Group Limited's Board of Directors accepted the management's recommendation to permanently close all operations of Haiti Broilers S.A and its subsidiary T & S Rice S.A. effective 29 October 2022.

	Six months ended 29 October 2022 \$'000	Twelve months ended 30 April 2022 \$'000
Revenue	83,973	1,327,993
Cost of sales	(119,810)	(1,465,761)
Gross Loss	<u>(35,837)</u>	<u>(137,768)</u>
Other income	1,476	88,386
Distribution costs	(399)	(12,755)
Net impairment loss on trade receivables	-	(14,578)
Administration and other expenses	(46,652)	(259,622)
Operating Loss	<u>(81,412)</u>	<u>(336,337)</u>
Finance costs	31,683	(43,302)
Loss before Taxation	<u>(49,729)</u>	<u>(379,639)</u>
Taxation	-	14,292
Net Loss of discontinued operations	<u>(49,729)</u>	<u>(365,347)</u>
Disposal of subsidiaries		
Loss on disposal of subsidiaries	(1,040,876)	-
Loss from discontinued operations	<u>(1,090,605)</u>	<u>(365,347)</u>

JAMAICA BROILERS GROUP LIMITED
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(expressed in Jamaican dollars unless otherwise indicated)

35. Discontinued Operations (Continued)

The financial performance is presented below:

	29 October 2022 \$'000
The carrying amounts of the assets and liabilities as at the date of the disposal were:	
Property plant and equipment	310,925
Receivables	82,471
Inventory	131,288
Biological assets	74,651
Total assets	<u>599,335</u>
Payables	(120,617)
Net assets	<u>478,718</u>
Net assets (Note 19)	478,718
Reclassification of foreign currency translation reserves	562,158
Loss on disposal of subsidiary	<u>1,040,876</u>

The net assets were written off to the statement of comprehensive income and are included in discontinued operations.

36. Restatement

A restatement was made to the Group's financial statements for the year ended 29 April 2023. The effect of the restatement is as follows:

- (a) Haiti Broilers S.A. and its subsidiary ceased operations during 2023. The entities were not discontinued operations at 30 April 2022 and the statement of comprehensive income for the year ended 30 April 2022 has been re-presented to show the discontinued operation separately from continuing operations in accordance with IFRS 5.

The above restatement has no impact on net profit for the period ended 30 April 2022 and the statement of financial position for 30 April 2022.

The table below reflects the effect of the above restatement on the statement of comprehensive income for the year ended 30 April 2022.

JAMAICA BROILERS GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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(expressed in Jamaican dollars unless otherwise indicated)

36. Restatement (Continued)

The Consolidated Statement of Comprehensive Income for the prior year ended 30 April 2022 was restated to reflect the presentation of the discontinued operations of Haiti Broilers S.A and its subsidiary, as follows:

	Discontinued Operations	Restated
	30 April 2022 \$'000	30 April 2022 \$'000
Revenue	75,718,481	74,390,488
Cost of sales	(57,697,480)	(56,231,719)
Gross Profit	18,021,001	18,158,769
Other income	480,117	391,731
Distribution costs	(2,286,589)	(2,273,834)
Net impairment loss on trade receivables	(32,107)	(17,529)
Administration and other expenses	(11,561,693)	(11,302,071)
Operating Profit	4,620,729	4,957,066
Finance income	592,756	592,756
Finance costs	(1,132,231)	(1,088,929)
Profit before Taxation	4,081,254	4,460,893
Taxation	(1,002,918)	(1,017,210)
Net Profit from continuing operations	3,078,336	3,443,683
Loss from discontinued operations	-	(365,347)
Net Profit	3,078,336	3,078,336
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	(85,875)	(85,875)
Item that will be reclassified to profit or loss -		
Exchange differences on translating foreign operations	(241,611)	68,021
Exchange differences on translating discontinued operations	-	(309,632)
Total other comprehensive income	(327,486)	(327,486)
Total Comprehensive Income for Year	2,750,850	2,750,850
Net Profit Attributable to:		
Stockholders of the company	3,131,384	3,131,384
Non-controlling interests	(53,048)	(53,048)
	3,078,336	3,078,336
Total Comprehensive Income Attributable to:		
Stockholders of the company	2,848,857	2,848,857
Non-controlling interests	(98,007)	(98,007)
	2,750,850	2,750,850

PROXY FORM

PLACE J\$100
ADHESIVE STAMP
HERE

I/we _____
NAME OF SHAREHOLDER(S)

of _____
ADDRESS

being a Member/Members of the Company, **JAMAICA BROILERS GROUP LIMITED**, hereby appoint

_____ of _____
NAME OF PROXY ADDRESS OF PROXY

or failing him/her _____ of _____
NAME OF ALTERNATE ADDRESS OF ALTERNATE

as my/our Proxy to vote on my/our behalf at the **Annual General Meeting** of the Company to be held virtually on **the 1st day of November, 2023 at 1:00 p.m.** and any adjournment thereof.

Dated the _____ day of _____, 2023

Signed: _____

Please indicate how you wish your proxy to vote in relation to each resolution by inserting an 'X' in the appropriate column.

RESOLUTION	FOR	AGAINST
Resolution 1		
Resolution 2		
Resolution 3		
Resolution 4		
Resolution 5		
Resolution 6		
Resolution 7		
Resolution 8		

NOTES:

- This Form of Proxy must be lodged at the registered office of the Company at Content McCook's Pen, St. Catherine or with the Registrar of the Company, PWC Corporate Services Limited, 13th Floor Scotiabank Centre, Cnr Duke and Port Royal Streets, Kingston, Jamaica not later than forty-eight (48) hours before the meeting.
- This Form of Proxy should bear stamp duty of J\$100.00 or its equivalent. Adhesive stamps are to be cancelled by the person signing the Proxy.
- If the person appointing a Proxy is a Corporation, this Form of Proxy must be executed under the Common Seal or under the hand of an officer or attorney duly authorized in writing.



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Years