

The Jamaica Livestock Association Limited
Consolidated Balance Sheet
Quarter ended May 31, 2007

	Unaudited as at May 31, <u>2007</u> \$'000	Derived from the audited as at November 30, <u>2006</u> \$'000	Unaudited as at May 31, <u>2006</u> \$'000
Assets			
Other assets	626	626	626 *
Investments	3,592	4,877	1,999
Property, plant and equipment	216,662	225,298	231,614
Pension asset	52,489	52,111	48,210
Total non-current assets	<u>273,369</u>	<u>282,912</u>	<u>282,449</u>
Cash	11,062	3,242	1,930
Accounts receivable	32,457	64,465	39,008 *
Taxation recoverable	2,368	1,916	3,043
Inventories	247,091	255,069	233,343
Total current assets	<u>292,978</u>	<u>324,692</u>	<u>277,324</u>
Total assets	<u><u>566,347</u></u>	<u><u>607,604</u></u>	<u><u>559,773</u></u>
Equity			
Share capital	115,877	115,877	115,877
Capital reserves	74,441	74,441	74,446
Investment revaluation reserve	1,247	2,175	1,474
Retained earnings	33,989	36,635	57,860
Total equity	<u>225,554</u>	<u>229,128</u>	<u>249,657</u>
Liabilities			
Deferred tax liability	24,978	25,200	30,933
Long-term liabilities	36,797	46,797	20,273
Post retirement obligation	536	512	486
Total non-current liabilities	<u>62,311</u>	<u>72,509</u>	<u>51,692</u>
Bank overdraft	25,929	36,730	59,510
Current portion of long-term liabilities	23,477	26,761	2,890
Accounts payable	227,106	240,506	191,059
Taxation payable	1,970	1,970	4,965
Total current liabilities	<u>278,482</u>	<u>305,967</u>	<u>258,424</u>
Total liabilities	<u>340,793</u>	<u>378,476</u>	<u>310,116</u>
Total equity and liabilities	<u><u>566,347</u></u>	<u><u>607,604</u></u>	<u><u>559,773</u></u>

* After reclassification to conform to 2006 presentation

The Jamaica Livestock Association Limited
Consolidated Profit and Loss Account
Quarter ended May 31, 2007

	Unaudited Three months to 31-May-07 \$'000	Unaudited Three months to 31-May-06 \$'000	Unaudited Six months to 31-May-07 \$'000	Unaudited Six months to 31-May-06 \$'000
Gross operating revenue	326,993	285,875	632,836	560,081
Cost of operating revenue	(238,056)	(178,608)	(447,568)	(359,384)
Gross profit	88,937	107,267	185,268	200,697
Other operating income	1,837	983	3,871	4,276
Administrative expenses	90,774	108,250	189,139	204,973
Depreciation	(59,447)	(62,086)	(118,595)	(113,767)
Other operating expenses	(5,462)	(5,263)	(10,933)	(10,074)
Profit from operations	(18,745)	(26,626)	(38,970)	(47,574)
Finance costs	7,120	14,275	20,641	33,558
Profit/(Loss) before taxation	(8,227)	(9,440)	(21,498)	(21,073)
Taxation	(1,107)	4,835	(857)	12,485
Profit/(Loss) for the period	(663)	(891)	222	(7,013)
Earnings per stock unit of \$1.00	(1,770)	3,944	(635)	5,472
	(3.08)¢	6.86¢	(1.10)¢	9.52¢

The Jamaica Livestock Association Limited
Group Statement of Changes in Equity
Quarter ended May 31, 2007
(Unaudited)

	<u>Share capital</u> \$'000	<u>Share premium</u> \$'000	<u>Capital reserves</u> \$'000	<u>Investment revaluation reserve</u> \$'000	<u>Unappropriated profits</u> \$'000	<u>Total</u> \$'000
<u>Unaudited</u>						
Balances at November 30, 2005	115,877	0	74,446	2,169	54,399	246,891
Profit for the period	0	0	0	0	5,472	5,472
Dividends paid (note 8)	0	0	0	0	(2,011)	(2,011)
Decrease in fair value of investments	0	0	0	(695)	0	(695)
	<hr/>					
Balances at May 31, 2006	<u>115,877</u>	<u>0</u>	<u>74,446</u>	<u>1,474</u>	<u>57,860</u>	<u>249,657</u>
<u>Unaudited</u>						
Balances at November 30, 2006	115,877	0	74,441	2,175	36,635	229,128
Net Loss for the period	0	0	0	0	(635)	(635)
Dividends paid (note 8)	0	0	0	0	(2,011)	(2,011)
Decrease in fair value of investments	0	0	0	(928)	0	(928)
	<hr/>					
Balances at May 31, 2007	<u>115,877</u>	<u>0</u>	<u>74,441</u>	<u>1,247</u>	<u>33,989</u>	<u>225,554</u>

The Jamaica Livestock Association Limited
Group Statement of Cash Flows
May 31, 2007
(Unaudited)

	<u>2007</u> \$'000	<u>2006</u> \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit /(loss)	(635)	5,472
Adjustments to reconcile net profit/(loss) to net cash provided by operating activities:		
Depreciation	10,933	10,074
Gain on sale of investment	(329)	0
Deferred taxation (net)	(222)	7,013
Post retirement obligation	24	22
Pension asset	(378)	(1,341)
	<hr/> 9,393	<hr/> 21,240
(Increase)/decrease in current assets		
Accounts receivable	32,008	22,562
Taxation recoverable	(452)	(1,255)
Inventories	7,978	20,428
Increase/(decrease) in current liability		
Accounts payable	(13,400)	(69,027)
Taxation payable	0	(1,413)
Net cash provided/(used) by operating activities	<hr/> 35,527	<hr/> (7,465)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of investments	(1,820)	0
Additions to fixed assets	(2,294)	(11,136)
Proceeds from disposal of investments	2,503	0
Net cash used by operating activities	<hr/> (1,611)	<hr/> (11,136)
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank overdraft	(10,801)	11,640
Loan (net)	(13,284)	7,075
Dividends paid	(2,011)	(2,011)
Net cash (used)/provided by financing activities	<hr/> (26,096)	<hr/> 16,704
Net (decrease)/increase in cash	7,820	(1,897)
Cash at beginning of the period	<hr/> 3,242	<hr/> 3,827
Cash at end of period	<hr/> <hr/> 11,062	<hr/> <hr/> 1,930

The Jamaica Livestock Association Limited
Notes to the Interim Consolidated Financial Statements
Quarter ended May 31, 2007

1. Group' operations

The principal activities of the group are the sale of animal health products, hardware, lumber, farm equipment and supplies and day-old chicks, transportation and the manufacture and sale of animal feed, the operation of a wharf and grain off-loading facilities.

The operations of JLA Feeds Limited and JLA Hatchery Limited are carried out by the company with effect from September 1, 2005. All of the property, assets and rights of JLA Feeds Limited and JLA Hatchery Limited have been transferred and vested in The Jamaica Livestock Association Limited by virtue of a court order dated November 9, 2006. The Company and its subsidiary are incorporated and domiciled in Jamaica.

2. Basis of preparation

These financial statements have been prepared in accordance, and comply with, International Financial Reporting Standards (IFRS) and their interpretations adopted by the International Accounting Standards Board, and have been prepared on the historical cost basis modified for the inclusion of certain available-for-sale investments at fair value.

The accounting policies used in the preparation of the interim consolidated financial statements are consistent with those used in the year-end audited consolidated financial statements.

3. Gross operating revenue

Gross operating revenue represents the invoiced value of sales by the Group net of returns and General Consumption Tax.

4. Accounting policies

The following new accounting policies have been reflected in these financial statements in compliance with IFRS.

(a) Deferred taxation

Deferred income tax is provided in full, using the liability method, on temporary differences between the tax bases of assets and liabilities and their carrying amounts. A tax asset is reflected for unutilised tax losses only to the extent that reversal can reasonably be expected.

(b) Investments

The Group's investments are initially recognized at cost and classified at the time of purchase in accordance with IFRS. Available for sale investments are subsequently remeasured at fair value. Unrealised gains or losses arising from changes in fair value are taken to investment revaluation reserve.

(c) Property, plant and equipment :

Property, plant and equipment are stated at cost or deemed cost less accumulated depreciation and impairment losses.

The Jamaica Livestock Association Limited
Notes to the Interim Consolidated Financial Statements
Quarter ended May 31, 2007

4. Accounting policies (cont'd)

(d) Employee benefits

Employee benefits comprise pension and post-retirement life insurance benefits. The group's net obligation in respect of defined benefit pension plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and future periods; that value is discounted to determine the present value, and the fair value of the plan assets deducted.

Where the fair value of plan assets exceed the present value of the obligation, a pension asset is recorded to the extent of economic benefits which can be obtained in the form of reduction in future contributions to the plan. The obligation is calculated using the projected unit credit method.

The obligation in respect of post retirement benefit is computed on a basis similar to that for the defined benefit pension plan.

(e) Segment reporting

The Group is organised into three business segments which provide products that are subject to risks and returns dissimilar to each other:

- a. *Animal feed* – milling, manufacture and sale of animal feeds;
- b. *Poultry* – production and sale of day old chicks.
- c. *Merchandise* – sale of animal health products, hardware, lumber, and farm equipment.

5. Segment results

	\$'000
Sales	
Animal feeds	370,569
Poultry	112,283
Merchandise	149,984
	<u>632,836</u>
Profit before tax	
Animal feeds	(697)
Poultry	(441)
Merchandise	281
	<u>(857)</u>

6. Taxation

Taxation on the consolidated profit and loss account comprises deferred tax charge for the period.

7. Earnings/(loss) per stock unit

The calculation of earnings/(loss) per stock unit is based on the group's net profit/(loss) for the period and 57,452,517 preference stock units in issue.

The Jamaica Livestock Association Limited
Notes to the Interim Consolidated Financial Statements
Quarter ended May 31, 2007

8. Dividends

These represent amounts paid on 7 ½% preference stock units of the company. These dividends are an allowable charge for taxation purposes in accordance with the provisions of the Income Tax Act.

On behalf of the Board

John Masterton
Director

Henry Rainford
Director

13-Jul-07