2021 ANNUAL REPORT

#GROWSTRONG

WE RAISE CHICKENS...
BUT ULTIMATELY
WE'RE IN THIS TO
IMPACT LIVES.

TRUTH | FAIRNESS | GOODWILL

OUR MISSION

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

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.

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

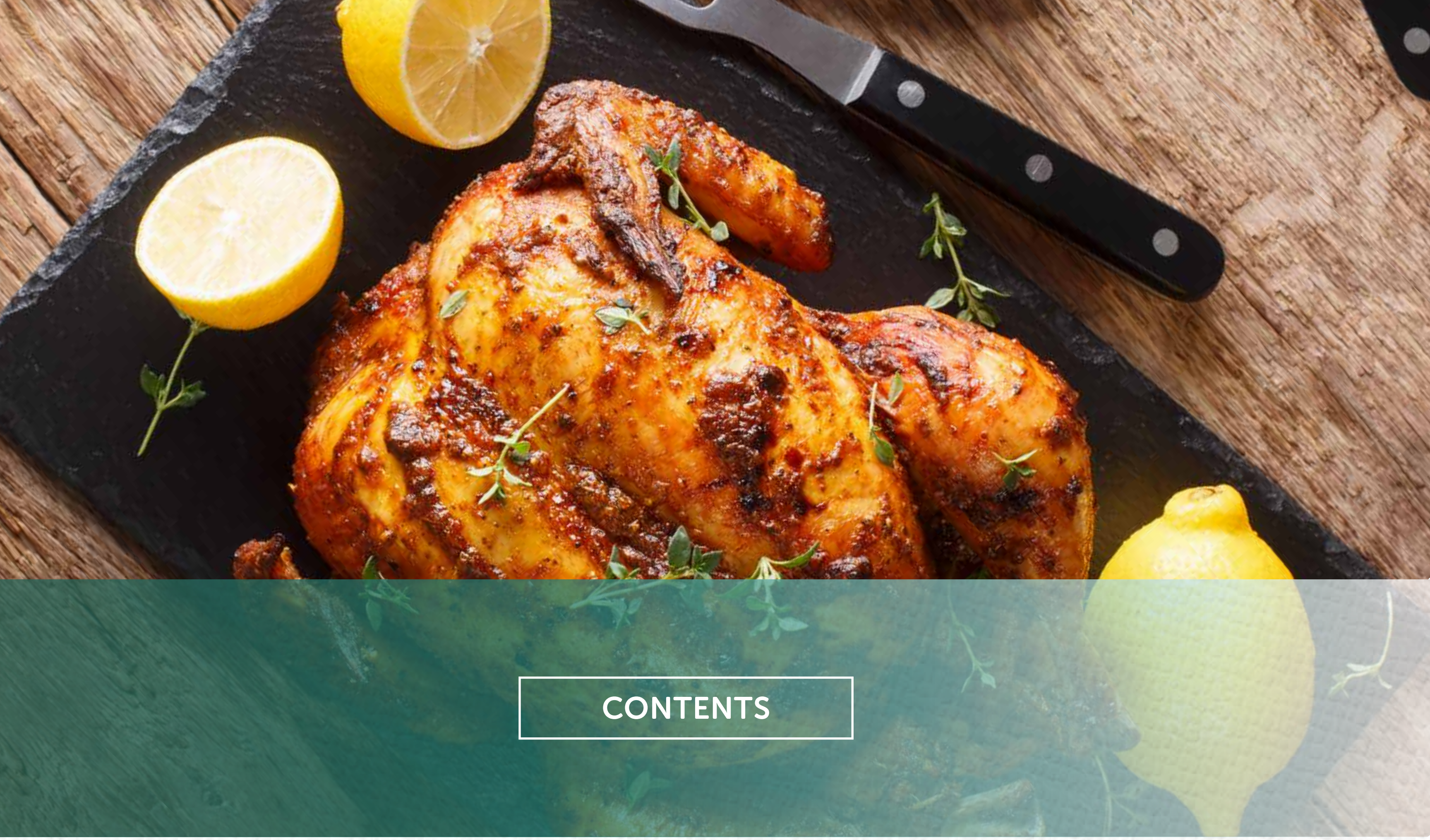
At JBG, honesty is core to our culture. Regardless of the circumstance, we are committed to being transparent and consistent in all our dealings. We compete ethically and lawfully. We ensure utmost honesty in all our reporting and transactions by following clear policies, procedures and the laws and 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



CONTENTS

July 27, 2021

Dear Shareholders,

The Company's Annual General Meeting (AGM) will be held on Wednesday, October 27, 2021 commencing at 2:00 p.m. We invite you to register your interest in participating in the live stream of our virtual AGM at https://us02web.zoom.us/webinar/register/WN_3viQlaMJRyin80skFw0oAw (also accessible via the Company website at www.jamaicabroilersgroup.com/investors/shareholders-info). Registration will close on October 25, 2021. This new format reflects our commitment to ensuring that our valued shareholders are able to participate in the business of the company safety amidst the COVID-19 pandemic.

Upon registration, you will receive an email outlining a unique username and password to access the private live stream which will allow you to see and hear the proceedings at the meeting and facilitate voting on relevant matters. We encourage you to email us your questions on the financial statements by October 25, 2021 to info@jabgl.com and we will do our best to respond to your questions during the meeting. Shareholders who are unable to attend the virtual meeting are encouraged to vote by proxy online or using the Proxy Form herein.

Electronic copies of the Notice of AGM, the Financial Statements and the Proxy Form may be accessed at the Company's website (indicated above). The Annual Report including the Financial Statements, Auditor's Report and Director's Report thereon will also be available on the Company's website as well as on the Jamaica Stock Exchange's website at www.jamstockex.com. We are aware that some of our shareholders will not be able to access the relevant documents electronically. Should you prefer a printed copy, kindly contact the Registrar, PWC Corporate Services Limited, at 876 922 6230 or 876 932 8337 or email info@jabgl.com.

Please note that we have enclosed in this booklet a detachable Mandadate Form. We ask that you complete and submit same to the Registrar, PWC Corporate Services Limited, Scotiabank Centre, Corner of Duke and Port Royal Streets, Kingston. The completed form will provide us, inter alia, with your email address, residential address, TRN and dividend bank mandate instructions. This form is also accessible via the Company's website at www.jamaicabroilersgroup.com/investors/shareholders-info.

We thank you for your understanding and look forward to sharing the achievements of our hardworking team and the details of our strategy, which aim to continue driving shareholder value in these ever-challenging times.

Yours sincerely,

CHRISTOPHER LEVY
Group President & CEO
Jamaica Broilers Group Limited
Content, McCook's Pen
St Catherine

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 63rd Annual General Meeting of Jamaica Broilers Group Limited will be held virtually on Wednesday, October 27, 2021 at 2:00 p.m. to consider, and if thought fit, pass the following resolutions:

AUDITED ACCOUNTS

RESOLUTION NO. 1

"That the Audited Accounts for the year ended May 1, 2021, 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 Mr Syd Mogg, Mr Edward Barber, Mr Bruce Bowen and Mr Omar Azan, 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 Mr Syd Mogg, Mr Edward Barber, Mr Bruce Bowen and Mr Omar Azan 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."

DECLARATION OF DIVIDENDS

RESOLUTION NO. 4

"That the interim dividend of 13 cents paid on October 29, 2020 and of 28 cents paid on April 16, 2021, be and are hereby ratified and declared final for the financial year ended May 1, 2021."

REMUNERATION OF THE DIRECTORS

RESOLUTION NO. 5

"That the amount shown in the Audited Accounts of the Company for the year ended May 1, 2021 as fees of the Directors for their services as Directors, be and is hereby approved."

APPOINTMENT & REMUNERATION OF AUDITORS

RESOLUTION NO. 6

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

Dated the 27th day of July, 2021 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 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, Duke Corporation 13th Floor, Scotiabank Centre, Cnr. Duke & Port Royal Streets, Kingston not less than 48 hours before the time of the meeting. The Form of Proxy should bear stamp duty of $100.00. The stamp duty may be paid by adhesive stamps which are to be cancelled by the person signing the Proxy. A Corporate shareholder may (instead of appointing a proxy) appoint a representative in accordance with Regulation 74 of the Company's Articles of Incorporation. A copy of Regulation 74 is set out on the enclosed detachable proxy form.

ABOUT THE BUSINESS

The Company was founded in Jamaica in 1958 and is publicly listed on the Jamaica Stock Exchange (JSE). Having solidified our operations at home, Jamaica Broilers Group Limited expanded its borders through the establishment of significant operations in the United States and Haiti, as well as supporting businesses in other Caribbean territories.

Now a multinational entity, 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 flocks, hatcheries, feed mills, grow out operations, processing facilities, shipping and logistics services, and more.

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 is interwoven into the fabric of our Company and can be felt across our operations.

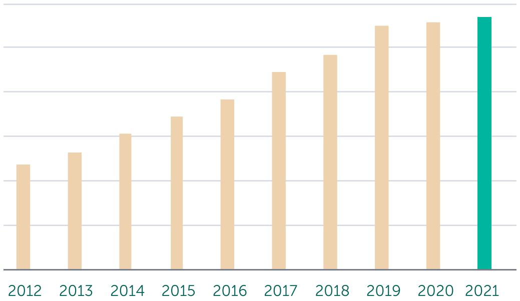
In an eggshell: We raise chickens, but ultimately, we're in this to impact lives.

We leverage our strategic advantage to help farmers and agricultural dealers to establish and grow their own businesses in the field. Basically, we're in the business of building businesses. Wherever we are planted, we aspire to see our community thrive.

FINANCIAL HIGHLIGHTS

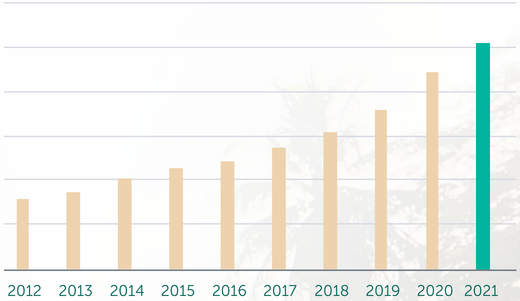
+2%
YOY

REVENUE **J$57B**



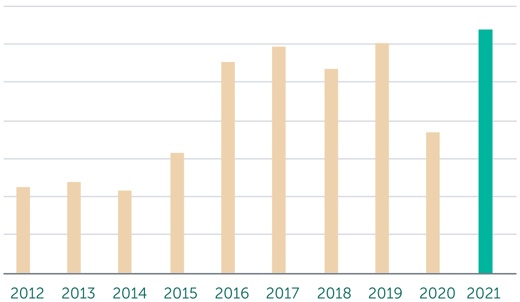
+16%
YOY

TOTAL ASSETS **J$3.2B**



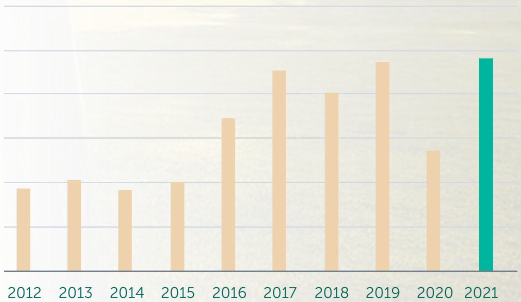
+73%
YOY

PROFIT BEFORE TAX **J$3.2B**



+76%
YOY

NET PROFIT **J$2.4B**



10 YEAR FINANCIAL REVIEW

PROFIT & LOSS ($'000)	2021	2020	2019
REVENUE	56,951,280	55,747,933	55,057,931
PROFIT BEFORE TAX	3,205,126	1,853,383	3,012,927
NET PROFIT	2,398,363	1,360,116	2,373,718

BALANCE SHEET ($'000)	2021	2020	2019
TOTAL ASSETS	51,111,451	44,233,006	35,807,446
INVESTMENT IN PROPERTY PLANT & EQUIPMENT	2,643,775	3,091,434	1,622,260
SHAREHOLDERS' EQUITY	18,919,712	15,962,383	14,835,523
EARNINGS PER SHARE	2.30	1.37	2.30

FINANCIAL RATIOS	2021	2020	2019
RETURN ON ASSETS	5.0%	3.4%	7.1%
RETURN ON EQUITY	13.8%	8.8%	17.3%
PRE-TAX PROFITS AS PERCENTAGE OF REVENUE	5.6%	3.3%	5.5%
CURRENT RATIO	1.53	1.46	1.59
DIVIDEND PAYOUT RATIO	17.3%	27.8%	17.5%

2018	2017	2016	2015	2014	2013	2012
48,280,867	44,444,248	38,520,649	34,570,050	30,851,350	26,522,970	23,672,341
2,666,773	2,965,144	2,766,658	1,561,852	1,073,096	1,190,884	1,114,757
2,025,516	2,268,473	1,726,616	1,009,654	919,109	1,030,477	936,206

2018	2017	2016	2015	2014	2013	2012
31,012,061	27,465,652	24,379,261	22,568,048	20,358,751	17,392,106	15,699,887
1,962,190	749,302	800,835	1,060,948	1,131,891	1,424,684	1,023,233
12,660,373	14,417,993	13,102,210	11,396,414	10,521,218	9,562,169	8,577,551
1.64	1.86	1.44	0.86	0.80	0.91	0.78

2018	2017	2016	2015	2014	2013	2012
6.9%	8.8%	7.4%	4.7%	4.9%	6.2%	6.3%
15.0%	16.5%	14.1%	9.2%	9.2%	11.4%	11.6%
5.5%	6.7%	6.2%	4.5%	3.5%	4.4%	4.7%
1.56	2.33	2.19	1.69	1.74	2.07	2.04
20.1%	5.1%	4.5%	2.9%	3.0%	3.9%	4.0%

CHAIRMAN & PRESIDENT'S OVERVIEW

This has been a year of tremendous difference for us globally and Jamaica Broilers Group (JBG) was not exempt. Yet, as we look back on the successes of the 2020/2021 financial year, we give thanks to the Lord for his goodness to us through this difficult season.

ECONOMIC CLIMATE

For the first time in seven years, the Jamaican economy recorded negative growth, contracting 10.2% year over year (YOY) in 2020 largely due to the fall-out in economic activity associated with the pandemic. The Goods Producing industry had an overall decline of 4.7% with the Manufacturing Industry and Agricultural, Forestry and Fishing Industries declining by 6% and 1.2% respectively. Jamaica's Service Industry also experienced a decline of 11.3% for the calendar year, most notably with the Hotel and Restaurant Industry seeing a 53.5% decreased when compared to 2019. During our Company's fiscal year, the Jamaican dollar also faced devaluation of 4.3% relative to the United States dollar, however inflation in Jamaica stayed within the government's target range of 4% - 6%.

In the United States, the economy contracted by 3.5% YOY in 2020 for the first time since 2009; however, it began showing signs of recovery in the latter part of the year with real GDP for the fourth quarter of 2020 increasing by 4.3% and by a further 6.4% for the first quarter of 2021.

We encountered a run up in the costs of soybean and corn, two of our major inputs. Prices for grain commodities have been at their highest in 7-8 years. In April 2021 Soyabean fetched a price of US$15.42 per bushel and corn, US$6.87 per bushel, reflecting increases of 85% and 117% YOY respectively. Major factors affecting price include global logistics challenges, weather conditions and unrest among workers in key producing territories, and in addition to this, global demand remains high. As 'price takers' in the equation, we have not been able to avoid the overall price impact though we continue to do our best to target lower price opportunities.

THE JBG RESPONSE

Many businesses, including our own were forced to make tough decisions in order to remain viable. The company underwent a major restructuring exercise, the costs of which were largely contained in the 2019-2020 fiscal year. We continued to be deliberate about minimising costs and increasing our efficiencies while ensuring that our products maintained the highest standards of quality and taste.

We developed a 3-pronged approach to address the impacts of the pandemic across the Group:

- Continued pursuit of God's Guidance;
- Safeguarding our community of stakeholders; and
- Securing business continuity.

We believed that these elements combined would see us and our community growing strong again and this has certainly been the case over the course of the operating year. We kept our community close and remained agile not just in terms of responding to our own business needs, but with a view to ensuring that our customers, farmers, dealers and other stakeholders were buoyed by the strength of our operations. We dubbed this our #GROWSTRONG movement, the effects of which were tangible.

FINANCIALS

Our revenues were $57 billion representing a 2.2% increase over the prior year with gross margin of 26.0% versus 26.2% for the prior year. Total assets of $51.1 billion, is 16% above the prior year while profit before taxation of $3.2 billion, is 73% above the prior year. We closed the year with net profits of $2.4 billion, which is 76% above the prior year. Earnings per share is $2.30 compared to $1.37 in the prior year. Stockholders' equity of $18.7 billion, is an 18% increase above prior year with return on assets of 4.7% and return on equity of 12.8%. The effective tax rate was 25.2% (26.6% -prior year).

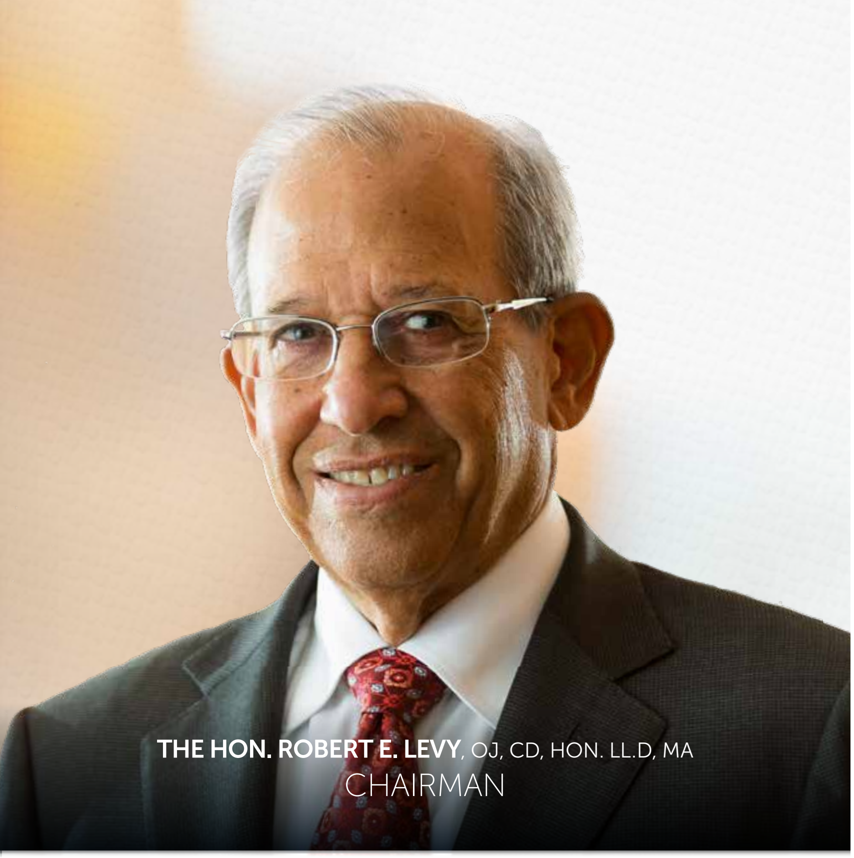
IN SUMMARY

The simultaneous challenges at play over the course of the year were beyond anything we have ever experienced. The Company has again fared well. For this we remain grateful to the Lord as we have seen his mercy and his goodness extended to us in very real ways. The commitment of our Board of Directors was again on display this year as they adjusted their posture to meet the emerging needs of the business. Our management and staff have worked diligently to stay ahead of the business in the face of constantly evolving information and heightening restrictions. We are proud of our teams for the sacrifices they have made to provide a measure of food security in service to the nations and continue to pray that our global community will #GROWSTRONG again.

ROBERT E. LEVY
Chairman

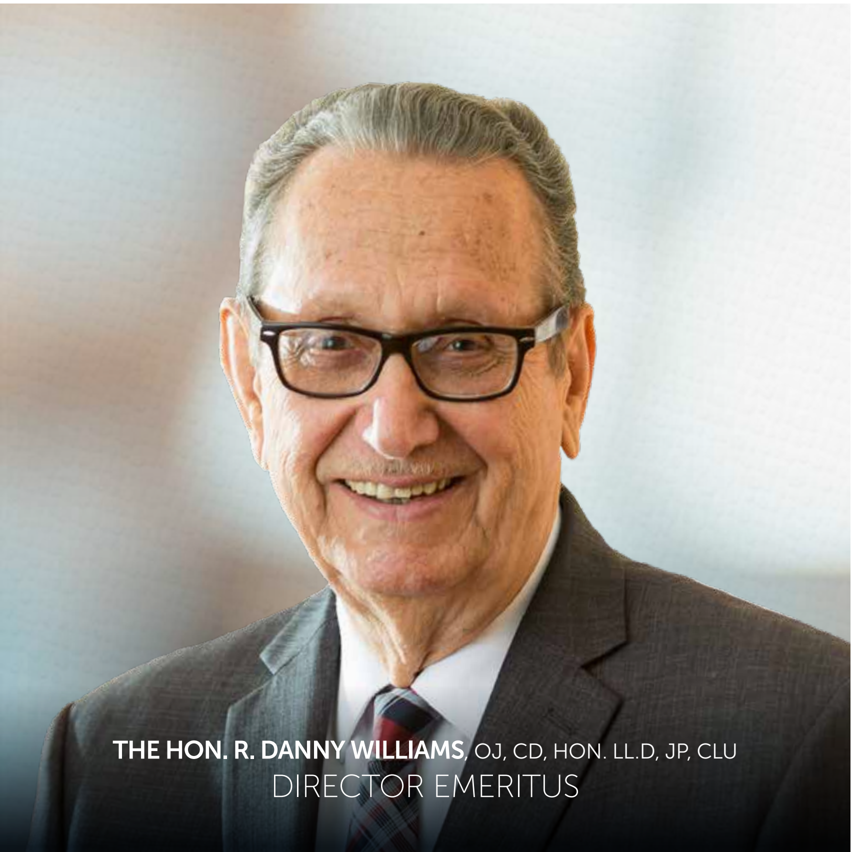
CHRISTOPHER E. LEVY
Group President & CEO

BOARD OF DIRECTORS



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

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



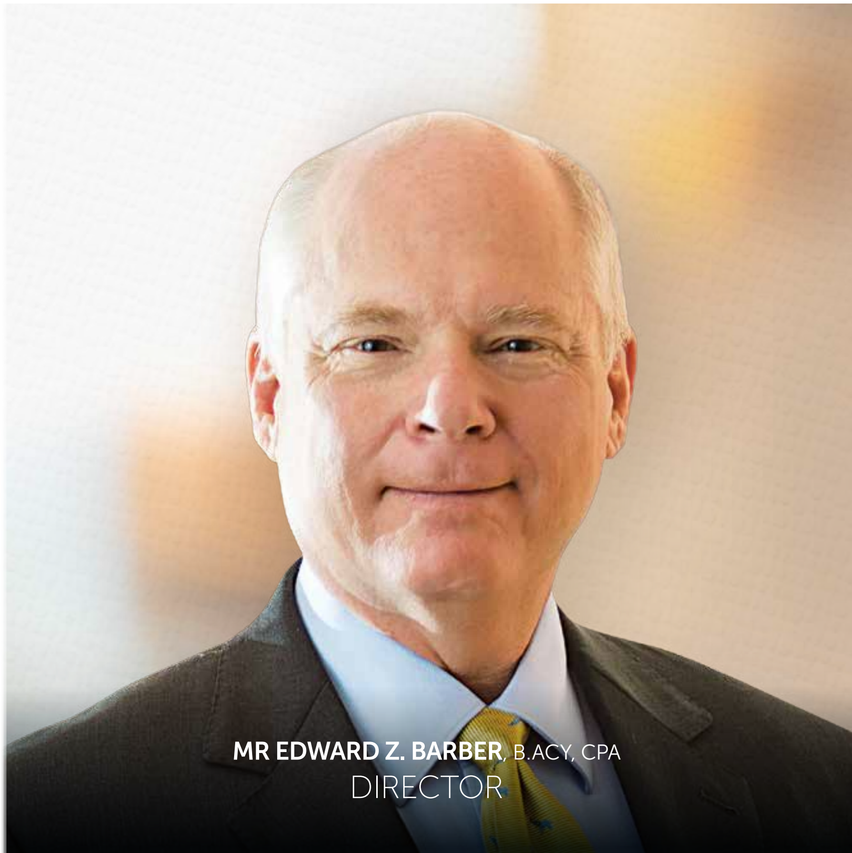
THE HON. R. DANNY WILLIAMS, OJ, CD, HON. LL.D, JP, CLU
DIRECTOR EMERITUS

DR CLAUDETTE D. COOKE, ED.D, CMT, CPC, CCRC
DIRECTOR

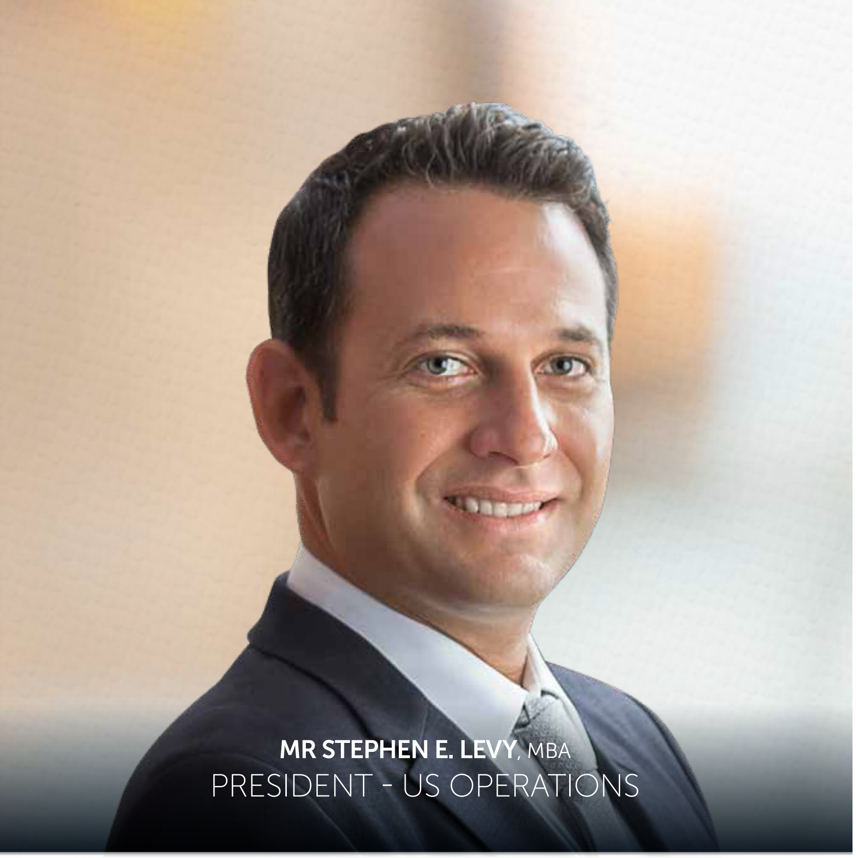
MR IAN S. PARSARD, MBA (HONS.), ACCA
GROUP SENIOR VICE PRESIDENT - FINANCE & CORPORATE PLANING

MR OMAR L. F. AZAN, JP
DIRECTOR

MR GREGORY B. SHIRLEY, MBA
DIRECTOR



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



MR STEPHEN E. LEVY, MBA
PRESIDENT - US OPERATIONS

MR BRUCE F. BOWEN, BBA (HONS.), HON. LL.D
DIRECTOR

MR SYD MOGG , MSC
VICE PRESIDENT - US OPERATIONS

DIRECTOR PROFILES

DIRECTORS	KEY STRENGTHS	DIRECTOR STATUS	APPOINTED	TENURE (AS AT MAY 2021)
THE HON. ROBERT LEVY, OJ, CD Chairman	Leadership Agriculture Poultry Operations Philanthropy Mentorship	Director	1 Jan 1996	25 years, 4 months
MR CHRISTOPHER LEVY, CD Group President & CEO	Poultry Operations Corporate Leadership Business Acquisitions Philanthropy	Executive Director	31 Jan 2001	30 years, 3 months
THE HON. R. DANVERS WILLIAMS, OJ, CD Director Emeritus	Leadership Insurance Philanthropy Entrepreneurship	Independent Director	19 Apr 2000	21 years
MR IAN S. PARSARD Group Senior Vice President – Finance & Corporate Planning	Finance Accounting Agriculture Strategic Planning Technology	Executive Director	28 Mar 2007	14 years, 1 month
DR CLAUDETTE D. COOKE Executive Director – Jamaica Broilers Group Foundation	Public Relations Human Resource Development Corporate Social Responsibility Coaching & Mentorship	Director	17 Sep 2003	17 years, 7 months

DIRECTORS	KEY STRENGTHS	DIRECTOR STATUS	APPOINTED	TENURE (AS AT MAY 2021)
MR OMAR L. F. AZAN, JP Director	Entrepreneurship Manufacturing Market Analysis Philanthropy Communication	Independent Director	28 Nov 2012	8 years, 5 months
MR GREGORY B. SHIRLEY Director	Corporate Governance Human Resource Development Strategic Planning Change Management Performance Management	Independent Director	2 Oct 2006	14 years, 6 months
MR EDWARD Z. BARBER Director	Real Estate Business Acquisitions Capital Placement Asset Management	Independent Director	05 Mar 2015	6 years, 1 month
MR STEPHEN E. LEVY President - US Operations	Poultry Operations Business Acquisitions Corporate Leadership Philanthropy	Executive Director	02 Mar 2016	5 years, 1 month
MR BRUCE F. BOWEN Director	Corporate Leadership International Banking Corporate Governance Finance Philanthropy	Independent Director	22 Aug 2016	4 years, 8 months
MR SYD MOGG Vice President – US Operations	Agriculture Business Acquisitions Poultry Operations Mentorship	Executive Director	27 Feb 2019	2 years, 2 months

DIRECTORS' REPORT

The Directors present their Annual Report along with the Financial Statements for the year ended May 1, 2021.

TURNOVER

TURNOVER FOR OPERATING YEAR 2020/2021	**56,951,280,000**
COMPARED TO TURNOVER FOR THE PREVIOUS YEAR	55,747,933,000

PROFIT, DIVIDENDS AND APPROPRIATIONS

	$'000
Net profit attributable to stockholders	2,335,124
Re-measurements of pension assets (obligations)	453,600
Profits brought forward from previous years	16,821,259
Thereby amounting to a total of	$ 19,609,983
Interim dividends	(415,038)
Purchase of shares from non-controlling interests	(29,921)
Leaving profits carried forward as retained earnings of	$ 19,165,024

DIRECTORS

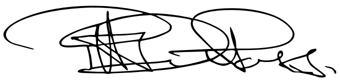
The Directors are recommending that the interim dividends of 13 cents paid on October 29, 2020 and 28 cents paid on April 16, 2021, be ratified and declared final for the financial year ended May 1, 2021 by the shareholders in general meeting, as the Directors do not propose to declare any further dividend(s) from the audited profits realised during the financial year ended May 1, 2021.

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

AUDITORS

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

Dated this 27th day of July, 2021



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

CORPORATE GOVERNANCE

Notwithstanding the onset of the Covid-19 pandemic during the financial year, the Company remained committed to maintaining high standards of corporate governance, recognising that it is a key contributor to its long-term success and that of its subsidiaries (the Group). The delivery of exemplary governance consistent with international best practices remains central to the Company's strategic objectives.

The members of the Board understand their duty of care to the Company and its stakeholders and exercise their fiduciary responsibilities with transparency and integrity and 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 Code of Corporate Governance 2nd Edition, published in 2016. The Board considers that its governance practices are generally consistent and compliant with all applicable legislation, regulations, standards and codes and aligns its corporate governance practices in keeping with the Group's Corporate Governance Manual and the core values of the Group.

COMMITMENT TO SHAREHOLDERS & 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.

Due to the COVID-19 Pandemic, the Company's Annual General Meeting, originally fixed for November 18, 2020 was adjourned for a date to be fixed. In keeping with an order of the Supreme Court, the Company's Annual General Meeting was held on February 3, 2021 by live streaming. Shareholders were given the appropriate notice and were able to register and participate in the meeting electronically. At the Company's Annual General Meeting, the Articles of Incorporation were amended so as to allow for the holding of general meeting by live stream, and to enable voting 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.

During the year, the Company, in an effort to provide its stakeholders with timely information on the Company's activities and performance, participated in Business Live Extra hosted by CVM TV, and Mayberry's Investor Forum held on August 31, 2020 and September 16, 2020 respectively.

COMPOSITION OF THE BOARD

As at May 1, 2021, the Board comprised seven (7) non-executive directors (including the Chairman) and four (4) executive directors (the Group President & Chief Executive Officer, the Group Senior Vice President, the President –US Operations and the Vice President –US Operations). The names and summary biographies of the directors are on pages [8 – 10] of the Report and the Company's website at www.jamaicabroilersgroup.com. Executive and non-executive directors are required to seek the approval of the Board before accepting additional directorships and must confirm that no conflict of interest arises from the appointment and provide assurance that any additional appointment will not affect their ability to perform their duties.

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

BOARD MEMBERS & ATTENDANCE AT MEETINGS

	BOARD MEETINGS	AUDIT COMMITEE	COMPENSATION COMMITTEE	CORPORATE GOVERNANCE COMMITTEE
TOTAL MEETINGS HELD:	10	4	2	2
MR OMAR AZAN, JP	10	4	2	2
MR EDWARD BARBER	10			
MR BRUCE BOWEN	10	2* *Committee Chairman*	2	
DR CLAUDETTE COOKE	10		0*	0*
SENATOR AUBYN HILL *	4	2		2
THE HON. ROBERT LEVY, OJ, CD	10	4**	2**	
MR CHRISTOPHER LEVY, CD	10			
MR STEPHEN LEVY	10			
MR SYD MOGG	10			
MR IAN PARSARD	10			
MR GREGORY SHIRLEY	10	4	2 *Committee Chairman*	2 *Committee Chairman*
THE HON. R. DANVERS WILLIAMS, OJ, CD	9			

ATTENDANCE NOTES

* Senator Aubyn Hill resigned on September 24, 2020, not due to any disagreement. Mr Bruce Bowen was appointed Chairman of the Audit Committee on the February 3, 2021 to fill the vacancy created by the resignation of Senator Aubyn Hill. Additionally, Dr Claudette Cooke was appointed as a member of the Corporate Governance Committee on March 24, 2021. Dr Cooke was also appointed to the Compensation Committee on March 24, 2021.

** Mr Robert Levy is an ex-officio member of the Audit and Compensation Committees.

BOARD OVERSIGHT

The Board is scheduled to meet once monthly. However, special meetings are convened if urgent matters arise between the scheduled meetings. The Board met in regular and special sessions 10 times during the year to consider matters relevant to the operation and performance of the Group. Without exception, whenever needed during the year, directors have demonstrated their ability and willingness to provide any additional time required.

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

- Reviewing and approving the Company's 2020-2021 operational plans and budgets;
- Approving capital expenditure;
- Reviewing and approving credit facilities;
- Monitoring executive management performance in the implementation and achievement of strategic and business objectives and financial performance of the Company and its shareholders;
- Consideration and approval of interim dividend payments to shareholders;

The Board is responsible for providing leadership through oversight and guidance whilst setting the strategic direction and delivering value to its shareholders and other stakeholders. The Board is also responsible for ensuring that, as a collective body, it has the appropriate skills, knowledge and experience to perform its role effectively. The Board considers that its members possess the requisite skill sets and knowledge in diverse areas relevant to the business of the Company. These include banking, corporate finance, insurance, human resources, agro-industry, animal health, marketing, corporate governance and general management. The Board is not involved in the Group's day-to-day operation but has delegated to management the power to make decisions on operational matters within an agreed framework. The Company has put in place directors' and officers' liability insurance in respect of legal actions against its directors; this insurance cover does not extend to fraudulent or dishonest behaviour.

TRAINING

During the year, the directors received training in the area of Data Protection. Key provisions and expected changes resulting from the introduction of Data Protection Legislation in Jamaica were examined and reviewed.

NOMINATION OF DIRECTORS

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

INTERNAL CONTROLS

The Board, through its Committees, has reviewed the effectiveness of the Group's risk management practices and systems of internal control for the year ended May 1, 2021. 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
- Periodically reviewing and making recommendations concerning procedures for receipt, retention and treatment of complaints about accounting and auditing matters.

Planned Internal Audit activities for the year under review were scaled back due to the COVID-19 Pandemic.

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. 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.

As a result of the pandemic most meetings of the Board and its Committees were either held virtually or in a hybrid manner – some directors attending virtually with others physically present.

REMUNERATION

Directors' remunerations continue to be set at levels that would attract and retain persons with the required skill and experience. For the executive directors, a significant portion of the compensation package is variable and dependent on the Group's performance during the year. During the year the Board's Compensation committee, comprising three nonexecutive directors met to review executive compensation. An executive director was invited to attend. The Committee, together with input from the Board, will focus on ensuring that the Company's compensation policies are competitive and remain aligned to best practice.

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

BOARD EVALUATION

The Board of Directors undertook its usual annual evaluation of the Board's performance during the 2020 - 2021 financial year. The results of the evaluation were discussed and analysed by the Board and suggestions made for improvements in Board performance.

BOARD COMMITTEES

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

The Committees assist the Board in its oversight role. Subsequent to each Committee meeting, the minutes are included in the Board papers for the review of all Board members and/or a report is made to the Board on the matters considered by the Committee. Resolutions, if any, which are approved by the Committees are also included in the Board papers.

Members' attendance at Board Committee meetings during the past year are outlined on page 24.

AUDIT COMMITTEE

Mr Bruce Bowen was appointed Chairman of the Audit Committee on February 3, 2021 to fill the vacancy created by the resignation of Senator Aubyn Hill.

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

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

FINANCIAL STATEMENTS

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

INTERNAL CONTROL

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

INTERNAL AUDIT

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

FRAUD PREVENTION

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

EXTERNAL AUDIT

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

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

Dr Claudette Cooke was appointed to this committee on March 24, 2021.

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

- The overall grading structure and the competitiveness of salaries paid to employees of the Company;

CORPORATE GOVERNANCE COMMITTEE

Dr Claudette Cooke was appointed as a member of this Committee on March 24, 2021.

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

- Review and Analysis of JBG's Corporate Governance Report
- Review and Analysis of the JSE Corporate Governance Index
- Preparation, Review and Analysis of the Board Evaluation Exercise
- The appointment of a director to fill the vacancy created by Mr. Aubyn Hill's resignation.

GREGORY B. SHIRLEY
Chairman
Corporate Governance Committee

SENIOR MANAGEMENT

MR CHRISTOPHER E. LEVY, CD, MBA
GROUP PRESIDENT &
CHIEF EXECUTIVE OFFICER

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 DAVE FAIRMAN, MBA
VICE PRESIDENT
BEST DRESSED CHICKEN DIVISION

COL (RETD) JAIMIE S. A. OGILVIE, CD, MSC, MMAS, MSS
VICE PRESIDENT
HI-PRO DIVISION

MR STEPHEN E. LEVY, MBA
PRESIDENT
US OPERATIONS

MR CARL-ERIC STACO, MBA
GENERAL MANAGER
HAITI OPERATIONS

MANAGEMENT DISCUSSION & ANALYSIS

The management of Jamaica Broilers Group Limited is pleased to present the Management Discussion and Analysis (MD&A) for the operating year 2020-2021. The year began on May 3, 2020 and closed on May 1, 2021. Unless otherwise indicated, currency is expressed in Jamaican dollars (JMD).

GROUP PERFORMANCE OVERVIEW

The Group experienced positive revenue growth as our teams crafted strategies towards addressing the unique challenges facing each operation as a result of the pandemic. Our Jamaica Operations saw a marginal decrease in revenue of -3% YOY partly due to dramatic shifts in demand and the temporary closure of the country's hotels and other institutions. The US Operations revenue increased by +6%, with remarkable breakthroughs in the market with The Best Dressed Chicken brand. Our Haiti Operations began an impressive rebound from the impacts of the political climate with revenues up +14%.

The Group's overall 2020-2021 performance results were commendable. Revenues were $57 billion representing a 2.2% increase over the prior year with a gross margin of 26% versus 26.2% for the prior year. Total assets of $51.1 billion is 15.6% above the prior year while profit before taxation of $3.2 billion, is 72.9% above the prior year. We closed the year with n¬et profits of $2.4 billion, which is 76.3% above the prior year.

SHAREHOLDER INTERESTS

Jamaica Boilers Group recorded an increase of 68% in its share price on the Jamaica Stock Exchange (JSE) over the course of the fiscal year, closing at $28.97 on April 30, 2021. Earnings per share settled at $2.30 compared to $1.37 in the prior year while stockholders' equity of $ 18.7 billion, reflects an 17.8% increase over the prior year with return on assets of 5.0% and return on equity of 13.8%, a 53% and 50% increase respectively. The effective tax rate was 25.2% (26.6% - prior year).

+68%
YOY

J$28.97

SHARE PRICE

+18%
YOY

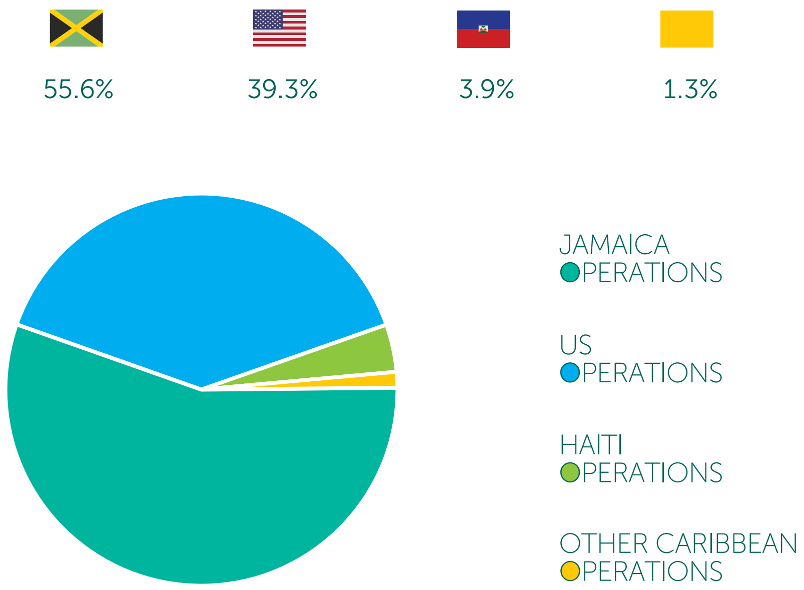
J$18.9B

SHAREHOLDERS' EQUITY

OPERATIONAL HIGHLIGHTS

The Jamaica Broilers Group continues to operate in a global marketplace with its key operations spread across three territories. Poultry continues to be the core business of the Company, with vertical integration being a strategic mechanism designed to ensure maintenance of the safety and quality of every step of the poultry process "from farm to fork".

OPERATIONAL REVENUES AS PERCENTAGE OF GROUP REVENUE



JAMAICA OPERATIONS

The Company's Jamaica Operations are governed under two primary Divisions: The Best Dressed Chicken and Hi-Pro. Throughout the operating year, the Jamaica Operations were strategic in curtailing expenditure to mitigate against losses arising from the closure of key sectors as well as changes in overall demand. Our management teams again maintained a culture of swift, responsive and decisive action, seizing opportunities arising and staying ahead of the business.

PREMIUM QUALITY
The Best Dressed Chicken
ALL NATURAL
FARM RAISED FRESH
NO ANTIBIOTICS EVER
NO HORMONES ADDED
RAISED CAGE FREE
*MINIMALLY PROCESSED
KEEP REFRIGERATED
ISO 14001
ISO 9001

THE BEST DRESSED CHICKEN DIVISION

The COVID-19 Pandemic created significant challenges for the poultry industry worldwide, but despite unprecedented difficulties, we give thanks to the Lord for His goodness to us across The Best Dressed Chicken Division.

While overall sales were down by approximately 19% year over year (YOY) due in part to the initial island wide lock downs and slow rebound of the hotel and quick service restaurant (QSR) sectors, we saw our wholesale segment grow by 10% through an expanded customer base.

SALES & MARKETING

With many of our major sales sectors closing their doors, including hotels, schools and most institutions, sales began to peak in the retail segment in the first quarter of the operating year.

The changes in the market were unpredictable at best and our sales and marketing teams had to make a substantial, strategic shift in order to align with the new reality. Decisions that were typically made months in advance were now being made on a day-to-day basis in order to keep pace with changing market conditions. Our ability to remain agile was key to business continuity. We were determined to #GROWSTRONG and along with our sister division, Hi-Pro, we together set out on a campaign to work with our community of stakeholders towards achieving this common goal.

VALUE ADDED SOARING

With consumers spending more time at home we experienced a significant shift in our value-added, convenience product lines with an overall growth of 15.8% year over year. Frankfurter sales increased by 4% while our breaded chicken products (Nuggets, Tenders, Wings and Breast Strips) jumped by 52.7%. We are greatly encouraged by the wide-spread acceptance of these products and in particular, our breaded chicken tenders and chicken breast strips.

In September 2020 we launched our Premium Chicken Franks in the retail space. The premium appeal of a frankfurter product made with 100% Best Dressed Chicken has proven to be a winner.

+16%
YOY

VALUE-ADDED
PRODUCT SALES

+4%
YOY

FRANKFURTER
SALES

+53%
YOY

BREADED CHICKEN
PRODUCT SALES

VALUE PACKAGES

Our marketing team rose to the challenge, utilizing internal networks and supporting skillsets to facilitate ideation and creative output. The result was the creation of the Corporate Value Pack – a suite of affordable protein solutions for consumers packed, promoted and distributed solely by our internal teams with no added external costs.

The package included one pack each of mixed parts, chicken nuggets, bologna, frankfurters and an additional "brawta" inclusion of either two chicken breast slices or one pack of burgers, all reasonably priced for just $3500 each.

MEET YOUR FARMERS

Kadian Davis and her dad Mr Donald Davis are just a few of the generations of farmers dedicated to growing The Best Dressed Chicken.

CUSTOMER PARTNERSHIPS

The success of our Corporate Value Packs gave rise to partnerships with several of our customers who sought to reach out to their consumers with similar value pack solutions. We worked closely with our retailers to create the relevant product deals and availed the services of our internal creatives in generating the artwork necessary for promotion of the various specials. This afforded us the opportunity to spread our reach across the island while bolstering relationships with our customers.

BRAND VISIBILITY

Brand visibility remained an important priority during this difficult season. The team sought to complete installation of brand signage at our grow-out farms which has further connected us to the communities within which we operate. We also began rebranding our Best Dressed Chicken fleet of trucks to improve our presence as we travel across Jamaica.

MEET YOUR FARMERS

The Best Dressed Chicken launched the second phase of our Make Life Delicious campaign, dubbed “Meet Our Farmers” in June 2020. The campaign showcased our farmers as the silent heroes of our community, who often assist with food, school supplies and other amenities for their neighbours in need.

Ms. Ivy Thomas of Colbeck, St. Catherine was our first farmer to be featured taking the initiative to partner with The Best Dressed Chicken to provide food supplies for residents whom she identified as in need resulting from the impact of the pandemic. Over the next three weeks, the team travelled to Kelly’s Pen, Kitson Town and Riversdale where the charge was led by farmers Donald Davis, Alfredo Jennings and Adeeb Azan respectively.

This was a key aspect of our #GROWSTRONG commitment which saw us donating 170 food packages and forging stronger relationships with our farming communities.

DENHAM TOWN GOOD SAMARITAN

On the heels of our farmers' community initiative, a 'good Samaritan' in the form of Ms Ann-Marie Harvey Phillips reached out to us on behalf of the Denham Town community. Ann-Marie, moved by the number of persons within her community who are disabled and/ or unemployed, chose to utilize funds raised from her personal soup kitchen to provide at least one hot meal per day for those individuals. We did not hesitate to support and immediately formed a partnership through the provision of The Best Dressed Chicken products towards meals and care packages for the affected residents.

GOODWILL IN ACTION

Building goodwill has always been a part of our mission and this year there were ample opportunities to serve. In collaboration with our Group Head Office team, we presented care packages to teachers at the Hydel Group of Schools in Ferry, St Catherine. One hundred and five (105) packages filled with Best Dressed Chicken products were distributed by Group Public Relations Manager, Mrs Danah Cameron and Brand Manager, Ms Lorraine Kemble to the academic, administrative, and ancillary staff.

IMPROVING EFFICIENY

A major part of our focus for the year was on maximising operational efficiency. To this end we installed a new evisceration line to maximize on our processing time at the plant. The new line allowed us to provide a cleaner bird to the market with up to 98% of organs eliminated from our chickens. The line also allowed us to reduce water consumption by up to 60gpm and allowed us to allocate up to 50% of our human resource in this area, to other processing tasks.

We also installed a new packaging machine which has facilitated a better wrap and overall improved presentation of our product. We have seen a significant reduction in waste material and down time.

Overall, our Best Dressed Chicken Processing Plant has seen improved bird to plant management and process flows while our Further Processing Facility has adjusted the marination process to ensure that we consistently deliver the best flavour profiles. Both teams have hit the markers for improved efficiency and lifted our product quality to new standards.

FIELD OPERATIONS

With God's guidance and the support of our Contract Growers, the Best Dressed Chicken (BDC) Field Operations was able to successfully navigate significant challenges over the course of the year. The effects of the pandemic meant reduced placements and lower stocking densities, houses taken out of production and longer turn times among other trials. However, all players rose to the occasion as we spread placements in equal ratios so that every farmer was able to produce and continue to have a steady income stream. The field team continued to serve our farmers through elevated, consistent presence on the farms to maximize on flock performances. The Company was also able to assist our farmers financially through careful management of operational receivables.

Together with our farmers, we 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 stretched and expanded simultaneously as we continued to invest in new housing. We constructed 7 new tunnel houses (40x500 sq.ft.). These houses are equipped with variable speed fans to save energy.

As of January 2021, our farmer payment scheme was further incentivized to encourage and reward our farmers for good performance based on a Grower Efficacy Index (GEI) score which is calculated from four production factors.

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 Best Dressed Chicken departments in ensuring that our operations provided the highest quality bird for the Jamaican market.


Net
Manufactured by
Master Blend Feeds

HI-PRO DIVISION

As a major player in Jamaica's agri-industry, Hi-Pro stood shoulder to shoulder with our community of stakeholders through the difficulties of the pandemic. Our message to each one was simply that we would navigate this crisis together with a sharp focus on God and Growth.

$25M
INVESTMENT

78
TONNES OF FEED

20,000
BABY CHICKS

900
GROWSTRONG CROP KITS

We partnered with the Ministry of Agriculture and Fisheries through our #GROWSTRONG initiative to ensure the continuity of Jamaica's food-supply chain by investing significantly in the upliftment of Jamaica's small farmers. In December 2020, we committed to the disbursement of 78 tonnes of animal feeds, 20,000 baby chicks and more than 900 #GROWSTRONG crop kits (including seed packets, fungicide, herbicide, and pesticide to support up to a quarter-acre plot), an investment valued at over $25M. The items were distributed to affected farmers over the course of 5 months through partnerships with the Jamaica Agricultural Society (JAS), the Rural Agricultural Development Authority (RADA), the Jamaica Egg Farmers Association (JEFA), Jamaica Pig Farmers Association (JPFA), the Small Ruminants Association of Jamaica (SRAJ), the Jamaica Dairy Development Board (JDDB), and the Jamaica 4-H Clubs.

HI-PRO HER0ES

With our #GROWSTRONG focus, we launched our Hi-Pro Heroes campaign on Heroes' Day, October 2020, to celebrate and encourage the champions within our farming sector, working assiduously to keep Jamaica fed through one of the most difficult times in global history. The campaign featured an authentic cast of farmers, veterinarians, nutritionists, and other key players going about their day-to-day activities.

CHICK & FEED SALES

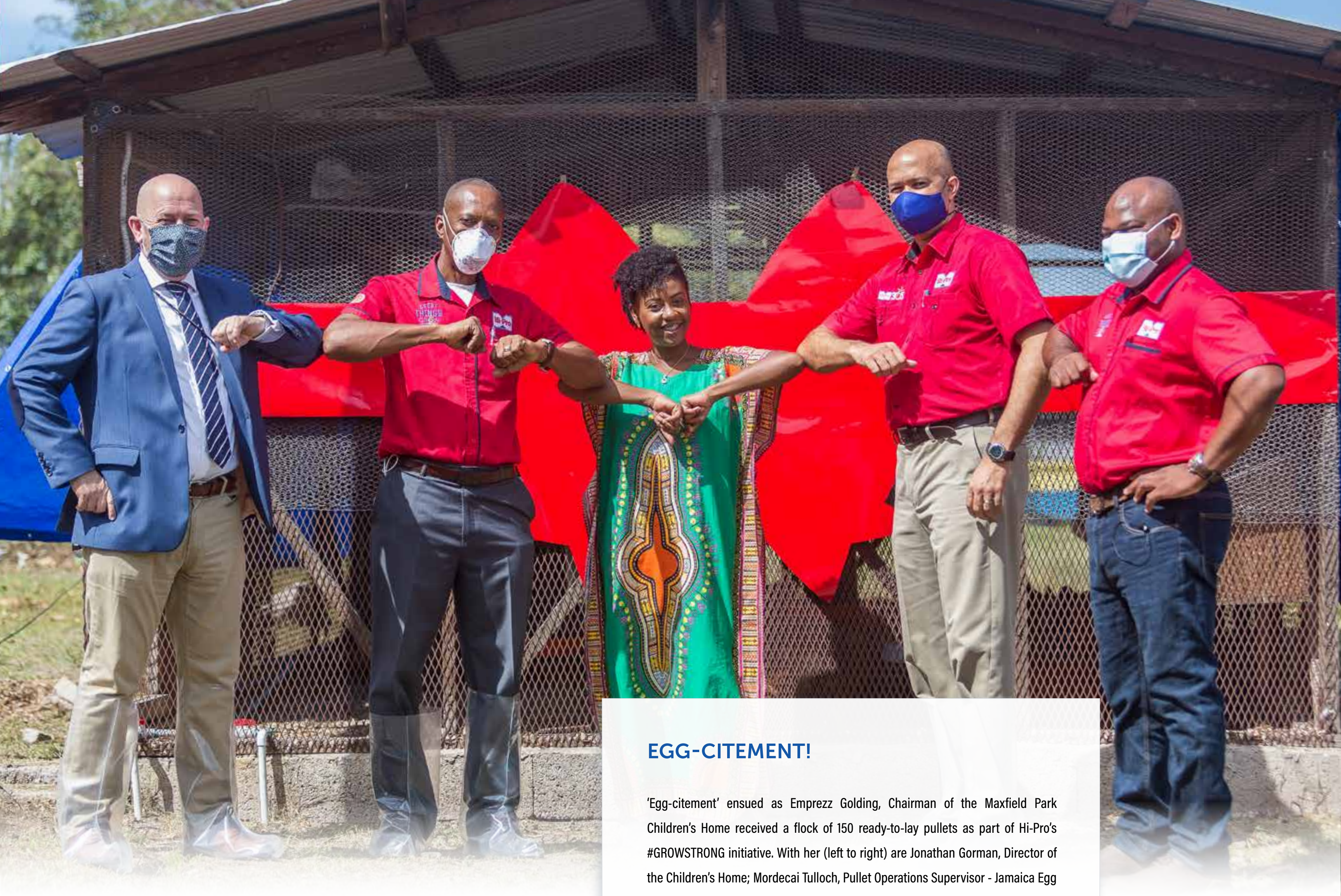
With the pandemic causing severe disruption to daily life, small farmers experienced reduced demand for their poultry and livestock products early in the pandemic. This resulted in a cumulative year over year decline in feed sales by the end of the first quarter. However, Jamaica's farmers demonstrated their resilience, restarting production at the first sign of opportunity. As a result, Hi-Pro Feeds rallied to end the fiscal year up, a significant achievement under COVID-19 conditions, and a testament to our farmers' ability to feed the nation.

Broiler feed in particular was propelled by the high demand for baby chicks as many persons facing unemployment as a result of the pandemic, opted for broiler farming as a new income earner. Following a similar trend as overall feed sales, Hi-Pro Chicks overall sales grew for the fiscal year. The broiler sector was further buoyed by the temporary suspension on importation of chicken neck and back which presented local broiler farmers with a real opportunity fill the gaps within the marketplace. Hi-Pro responded swiftly, supplying more baby chicks to the market.

There was consistently high demand for chicks in the first three quarters with a mild fall off in the 4th quarter. Nevertheless, we anticipate continued growth in the broiler sector, as farmers now recognize the true market potential for their poultry meat. With national broiler meat production falling during the pandemic and small farmer production growing during the same period, it re-enforces the significance of the small poultry farmers contribution to economic stability.

#GROWSTRONG

The Hon. Floyd Green, Minister of Agriculture & Fisheries receives a token baby chick from Col. (ret'd) Jaimie Ogilvie, Hi-Pro Vice President at the #GROWSTRONG presentation in December 2020.



EGG-CITEMENT!

'Egg-citement' ensued as Emprezz Golding, Chairman of the Maxfield Park Children's Home received a flock of 150 ready-to-lay pullets as part of Hi-Pro's #GROWSTRONG initiative. With her (left to right) are Jonathan Gorman, Director of the Children's Home; Mordecai Tulloch, Pullet Operations Supervisor - Jamaica Egg Services; Col. (ret'd) Jaimie Ogilvie, Vice President - Hi-Pro Division, Kirk Pennant, Technical Representative - Hi-Pro.

JAMAICA EGG SERVICES

With work and study from home orders in place, the Division benefitted from a shift in consumption habits, with families appreciating the economic and nutritional value of table eggs, an easy to prepare and affordable source of protein. With a record year for table egg production in Jamaica, domestic consumption of eggs increased to 1.5 eggs per person per week, up from 1.2 eggs. increase in layer sales as egg consumption grew with throughout the year as families appreciated the economic and nutritional value of this protein packed in a shell.

BOLSTERING JAMAICA'S LIVESTOCK SECTOR

In the pork sector, farmers who had reduced their herd size due to the fall out of the hotel sector early in the pandemic, once again began ramping up production by as much as 30% as the demand for pork rebounded.

The Dairy sector was buoyed by the expansion of existing dairy farms, and the establishment of new operations as the combined dynamics of high-priced powdered milk, and the availability of improved dairy breed genetics and breeding stock, put our farmers in a position to operate more competitively. These developments positively impacted sales of dairy ration.

Hi-Pro continues to work with the ruminant sector in an effort to increase the national herd and improve the standard of goat meat through use of high-quality genetic stock –an ongoing effort towards reducing imports. This was supported by the introduction of the General Maintenance ration for goat, sheep and cattle producers which although more affordable, sustains body condition and overall animal health.

The veterinary team remained extremely active throughout the year, supporting farms and private institutions with the provision of artificial insemination services along with the introduction of new genetics towards improving the local breed stock and overall productivity of animals in the sector. This trend is expected to continue with the Ministry of Agriculture and Fisheries (MOAF) identifying this as a growth area for the sector.

These positive developments within the livestock sector were however affected by consistent increases in the price of feed, resulting from a sharp escalation in the price of grain on the world market, with corn and soyabean meal prices increasing by over +129% and +41% (as at May 2021) respectively, throughout the fiscal year. Nevertheless, Hi-Pro's supply chain and the Group's vertically integrated operations played a major role in ensuring that our grain supply remained stable thus limiting the impact on farmers.

HI-PRO ACE SUPERCENTRE

Despite the challenges within the marketplace, the Hi-Pro Ace Supercentre saw sales increase by 8% YOY. Having launched our e-commerce platform in March 2020, the business was optimally positioned for the global thrust towards shopping online since the onset of the pandemic. We continue to expand the inventory available online and anticipate a significant increase in traction in the new financial year, as this platform allows us to leverage over 25,000 existing products, far beyond the geographic boundaries of the store.

+8%

SUPERCENTRE SALES

+25,000

PRODUCTS ON HIPROACE.COM

Interest in farm and garden inputs rose this year as consumer interest in sustainable food security peaked. Difficulties in accessing affordable, fresh produce spurred the establishment of small farms and backyard gardens which in turn drove the sales of seeds and seedlings and further stimulated sales for inputs such as fertilizers and garden tools. Similarly, increased activities around home improvement boosted sales in our power tools, home and paint departments over the previous year.

Through our continued partnership with major international suppliers, we provided a broad cross section of high performing and environmentally friendly inputs which was very well received –a move which has yielded significant reward.

HI-PRO IN SUMMARY

Overall, the Division fared well and our #GROWSTRONG mandate positioned us as a solid partner in Jamaica's sustainable food security initiative. The Hi-Pro team stayed close to our community of stakeholders and as a result, were able to respond quickly to issues mounting on the ground and leverage opportunities arising in times of crisis. We are grateful to the Lord for his guidance over a challenging year and continue to put our plans before him as we seek to grow our brand and strengthen Jamaica's agri-industry.


Hi-Pro

U.S. OPERATIONS

This operational year was one of the most demanding on both our personnel and business resources. We remain grateful to the Lord for His faithfulness in the midst of this very different season.

This strategic division was faced with very unique challenges throughout last year. The markets shifted very aggressively, and the distribution channels changed without notice. The team responded with quick decisions that allowed the Best Dressed Chicken (BDC) USA to actually gain new markets.

As a direct consequence of the pandemic world economies were destabilized, business models were modified, and marketing and distribution channels disrupted. Food services, the primary distribution channel for the poultry industry abruptly disappeared as businesses grappled with the crippling effects of COVID-19.

This, single event was pivotal, as it "opened the door" for The Best Dressed Chicken (BDC) to seize the opportunity of dealing directly with preferred supermarkets and offering fresh, succulent poultry meat from birds reared with no antibiotics ever and fed all vegetable diets. This extraordinary ability to seamlessly respond to the desperate demand with a quality product explains in part the significant growth and successful market entry of the BDC brand in the US. The product is offered for sale in supermarkets and is in high demand from South Carolina to California.

Our egg and trading businesses faced significant disruptions as challenges mounted in the food service and logistics sectors, however, the team stood strong and through quick and strategic action, we were able to successfully navigate the obstacles before us.

A HEALTHY GROWTH MINDSET

Having aquired the processing plant, our first major step was to increase production capacity. This meant doing some work on our infrastructure both to support the expansion and to enhance the quality of our products. We improved our logistics by relocating our scale and installed air conditioning units to support full cooling of the plant -an important step for us in maintaining temperature to preserve product quality as we expand. Finally, we added a new sanitation system to ensure we maintain microbial control. The health of our teams and the safety of our products are key to maintaining The Best Dressed quality.

NO ANTIBIOTICS EVER!

Our Best Dressed Chicken USA brand is on the cutting edge of industry best practices towards optimal health for our flocks. Healthy animals make healthy meals for your family. Our birds are raised on a fully vegetarian diet with No Antibiotics Ever (NAE).

ON SHELVES IN THE USA

The next time you visit the USA, look out for The Best Dressed Chicken! We're on the shelves in some of the USA's major food chain stores.

HAITI OPERATIONS

Our Haiti Operations continue in an uphill battle against the impacts being faced by Haiti's unstable economy fueled by a volatile foreign exchange rate and political instability. Even so, we have much to be thankful for as the Lord spared us the negative impact of COVID-19. Not a single illness or mortality was recorded among our team members. We are in fact most grateful to the Lord for His hand of protection and applaud our newly appointed General Manager, Mr Carl-Eric Staco and his team for their efforts in observing the relevant protocols.

THE COVID-19 IMPACT

With the border to our Dominican neighbours closed during the first half of our fiscal year, the demand for our products remained high. As the competition made its way back to the market around October 2020, we adjusted our sales strategy by allocating up to 85% of our production to our point of sales furthest away from the capital city to areas where demand remained high and prices remained competitive.

FOREIGN EXCHANGE

The foreign exchange rate had the biggest impact on our Haiti Operations. The US dollar exchange rate devalued by 17% from May to August 2020. During this period, our operating profits were overtaken by losses on foreign exchange.

In September 2020, the Haitian Government, through the Central Bank passed new regulations regarding the influx of foreign currency to the country and began to aggressively inject US Dollars into the banking system to force the exchange rate down. Over the months of September and October, as the Haitian gourde revalued by 50% against its US counterpart, we recorded significant profit.

With market prices doubled in US dollar value over the two-month period, neighbouring competition soon flooded the market. The government's manipulation of the ForEx however made US dollars difficult to come by which became a notable obstacle for importers. The Central Bank recognized Haiti Broilers S.A. as a registered company involved in the production of a 'first necessity' product and this allowed us priority access to US currency within the banking system –a steady advantage over competing elements.

IMPROVING EFFICIENCIES

With production being at maximum capacity at the layer farm in Thomazeau, we were strategic in focusing on improved efficiencies. We implemented training and capacity development programs and we were able to see marked improvement in the quality of work at the Farm as well as within our Hatchery and Feed Mill.

Our cost of production remained high as the prices of grains and other inputs increased. However, we remained agile, constantly adjusting to changes in the marketplace. We are grateful to our team members who adjusted quickly to changes in our internal structure and continue to show their dedication to the Company even amidst some of the most difficult circumstances being faced across the country.

We remain confident that the Haiti Operations will thrive and thank the wider Jamaica Broilers Group family and our loyal customers for their unwavering support.

HAITI BROILERS HB S.A.

TECHNOLOGY

Our major achievement was the successful upgrade and implementation of the Enterprise Resource Planning (ERP) application across our US Operations. The existing legacy system was replaced with an integrated cloud-based D365 ERP system. This transition from on-premises solution to cloud deployment will facilitate enterprise change capabilities that will scale for the future at a faster pace and agility.

Implementation of this cloud-based ERP solution is one of the first initiatives included in the Group IT roadmap, for aligning systems and applications with the way to achieving digital transformation. As we forge into cloud-based solutions, the risk management and business continuity plans will be managed through our Group IT Security & Governance framework.

Business continuity remained a key focus with successful testing of the ERP (AX2009) disaster recovery plan by planned fail-over to our offshore recovery site.

Other key business projects implemented for the Jamaican Operations were the upgrade of our direct store delivery solution HighJump and an E-Commerce platform for Hi-Pro retail operations.

The resilience and robustness of the IT network infrastructure remained strong for the group. This was demonstrated during the fourth quarter where we adapted work from home polices in response to the workforce disruption caused by the Covid-19 pandemic.

INFORMATION SYSTEMS SECURITY

The company's cybersecurity posture continued to improve over the period. We increased user awareness around security training in many pertinent areas such as Phishing, Ransomware, and Malware threats. Additionally, we extended our security monitoring capabilities for all critical business applications. This was done by strengthening coverage of log monitoring for the enablement of real-time alerts for malicious activities. Security assessments were also a key deliverable for all major ISD initiatives e.g. US ERP implementation and E-Commerce for our Hi-Pro store.

ENVIRONMENT, QUALITY & SAFETY

The Environment, Quality and Safety (EQS) team continued to work alongside the Group's management teams to drive both preventative and corrective initiatives towards decreasing the number of safety incidents over the course of the operating year. Management and supervisory level staff participated in workshops designed to cement an understanding of their pivotal roles in maintaining a safe and healthy work environment, while also equipping them in identifying and mitigating against potential safety risks. We also continued the training and development of our teams in best practices and first response techniques for various health and safety emergencies.

WATER CONSERVATION

Significant improvement in water conservation measures have resulted in reduction in overall water abstraction and Gallon per bird water use over the past 3 years. Improvement in water consumption are as a result of:

- The Evisceration Department's upgrade to new equipment;
- Reuse of water from the chiller to rinse drains;
- Improved management of leak repairs; and
- Greater awareness of the need for conservation of water among our team members.

ENERGY CONSERVATION

With the cold room being our greatest consumer of energy produced on the plant, there have been attempts to improve the room temperatures through better management of doors and more maintenance checks on room temperatures door operability. These checks have led to less hot air intrusion from outside and better holding of room temperatures. Planned loading bay expansions are also expected to reduce hot air intrusion even more significantly.

SOLID WASTE MANAGEMENT

The Group has improved its environmental sustainability with the addition of biodegradable bags to product distribution in addition to our resealable bags which encourages reuse. We continue to separate plastic bottles and metals for recycling and plans are in place to reduce the amount of poultry waste being disposed of through the introduction of dry conveyance of offal and similar waste.

SUPPLEMENTARY AUDITS

To satisfy our customer obligations, we opened our doors to several audits from our quick service restaurants (QSR) to verify the strength of our food safety and quality management systems, along with compliance with the requirements and guidelines of each QSR. There were also successful audits of our animal welfare programme as we continue to demonstrate humane treatment of animals while promoting the production of high-quality products.

The overall success of our EQS programmes bears testament to sound leadership, the constant oversight of our internal auditors and the consistent participation of the entire workforce. Our team has demonstrated a commitment to growing stronger together as we navigate the oncoming challenges and seize emerging opportunities.

COVID-19

We continued to work closely with representatives across the Group in responding to the unprecedented safety, health and business challenges brought on by the COVID-19 pandemic. Constant revision of our COVID-19 protocols ensured that we were ahead of the curve in terms of implementing measures based on the most current information available. The EQS team also continued to provide weekly updates to key decision makers across the Group to ensure that provisions were made towards maintaining the health and safety of all team members.

HUMAN RESOURCE DEVELOPMENT

Without question, this operational year tested the Group's human resource at many levels, however, our team members responded with resolve and determination, buoyed by our Mission Statement's opening line – With God's guidance! As the business evolved to respond to the changing environment, the workforce remained committed and dedicated in maintaining consistently high levels of performance and productivity. This was no easy feat, but the team was resolute and focused in their execution, vigilant in respecting and adhering to company and government protocols and adapted quickly to the new requirements of the work place. We are truly blessed with an amazing team!

TRAINING AND DEVELOPMENT

The business was able to leverage the depth, agility and bench strength of our human capital as the Company created its roadmap to success amidst a pandemic. With tightened operating budgets and cancellation of most face-to-face workshops/conferences, managers and team members found innovative, versatile and cost-effective ways to ensure that our workforce continued to benefit from training and development, with emphasis placed on 'operation critical' training programmes. Webinars, virtual classrooms and vendor support online training were some of the media utilized to deliver training. Areas of focus included tunnel ventilation, forklift safety training, occupational health and safety, leadership development, as well as participation in continuous education virtual seminars to facilitate recertification of professional/technical team members. Additionally, to facilitate the rollout of the trailblazing No Antibiotics Ever (NAE) campaign for The Best Dressed Chicken, several team members across the BDC Poultry Division were immersed in related comprehensive training programmes.

Team members previously enrolled in formal academic programmes were allowed to continue as globally, universities modified the execution and assessment of their programmes, to online platforms and classrooms. Of note is the accomplishment of Ms Kaydene Facey, Human Resources Representative at The Best Dressed Feed Mill who attained the internationally Certified Professional designation (SHRM-CP) from the Society of Human Resource Management.

ETHICS & COMPLIANCE

At Jamaica Broilers Group, ethics and compliance training is interwoven into who we are; it is part of our culture and how our business operates. In keeping with the **Pillars of Our Core Values**, we continue to strengthen the ethical foundation of our workforce through training programmes which espouse these values. This process is ongoing, beginning with our orientation training and onboarding exercise and is reinforced throughout the work life cycle. To remain viable, the Group must be compliant in all required areas and to this end, during the course of the financial year, team members at all levels participated in compliance training programmes.

EMPLOYEE ENGAGEMENT

The true strength of a corporate culture can be seen in how it manifests itself during times of crisis. With the challenges before us, we saw the entirety of our operations rallying together in support of one another. Our President & CEO led by calling for the establishment of spaces to pray and reflect at each of our business locations. Each team set up a room to their own taste and managers permitted workers time to step away as needed.

Our HR, PR and Health & Safety Teams worked closely together to keep employees abreast of COVID-19 information and protocols and established a safe system for employees to report any symptoms they may have had concerns about. Staff was also encouraged to consider counselling services available through our partners at Family Life Ministries, as a means of coping with the often overwhelming circumstances at play.

Despite gathering restrictions, our Employee Engagement Team was creative in providing opportunities for team members to stay connected. A particularly heartwarming moment for the Group was the display of our “What Christmas means to me” and JBG Christmas Song videos featuring clips submitted by team members across Jamaica, the USA and Haiti. We also continued to publish our internal staff magazine “GroupChat” which allowed all levels of staff a view of how the overall operations were coping and provided a sense of hope and optimism as we moved forward together.

All in all, our culture of seeking God’s guidance and living in service to our community, continued to be at the heart of our business and perhaps even more so this year than ever before.

CORPORATE SOCIAL RESPONSIBILITY

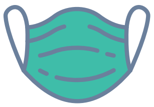
While significant restrictions reduced our activities this year, we sought to focus on the most vulnerable groups among our neighbours to ensure that our impact was felt among those who needed it most. We are most grateful to our partners at **Cargill Ocean Transportation** who joined us in assisting the youth in particular.

SERVING OUR SCHOOLS

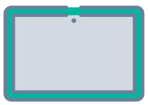
Our primary group of concern were the children. With stay-at-home orders in play, many students were completely disconnected from their schools. School administrators, teachers and students were rocked by the massive shift from traditional methodologies in education and with many parents facing job loss or reduced incomes, affording school materials and digital devices became a tremendous obstacle for many parents and guardians. The Best Dressed Chicken sought to serve the needs of our schools by partnering with principals to assess the immediate needs of their school populations.

The Company was able to provide book vouchers, masks, tablets and more to students in the schools and communities around our operations. We also assisted with refurbishing the computer lab at The Spring Gardens Primary School, a project for which our partners at Cargill were a strong support.

500
BOOK VOUCHERS



200
REUSABLE MASKS

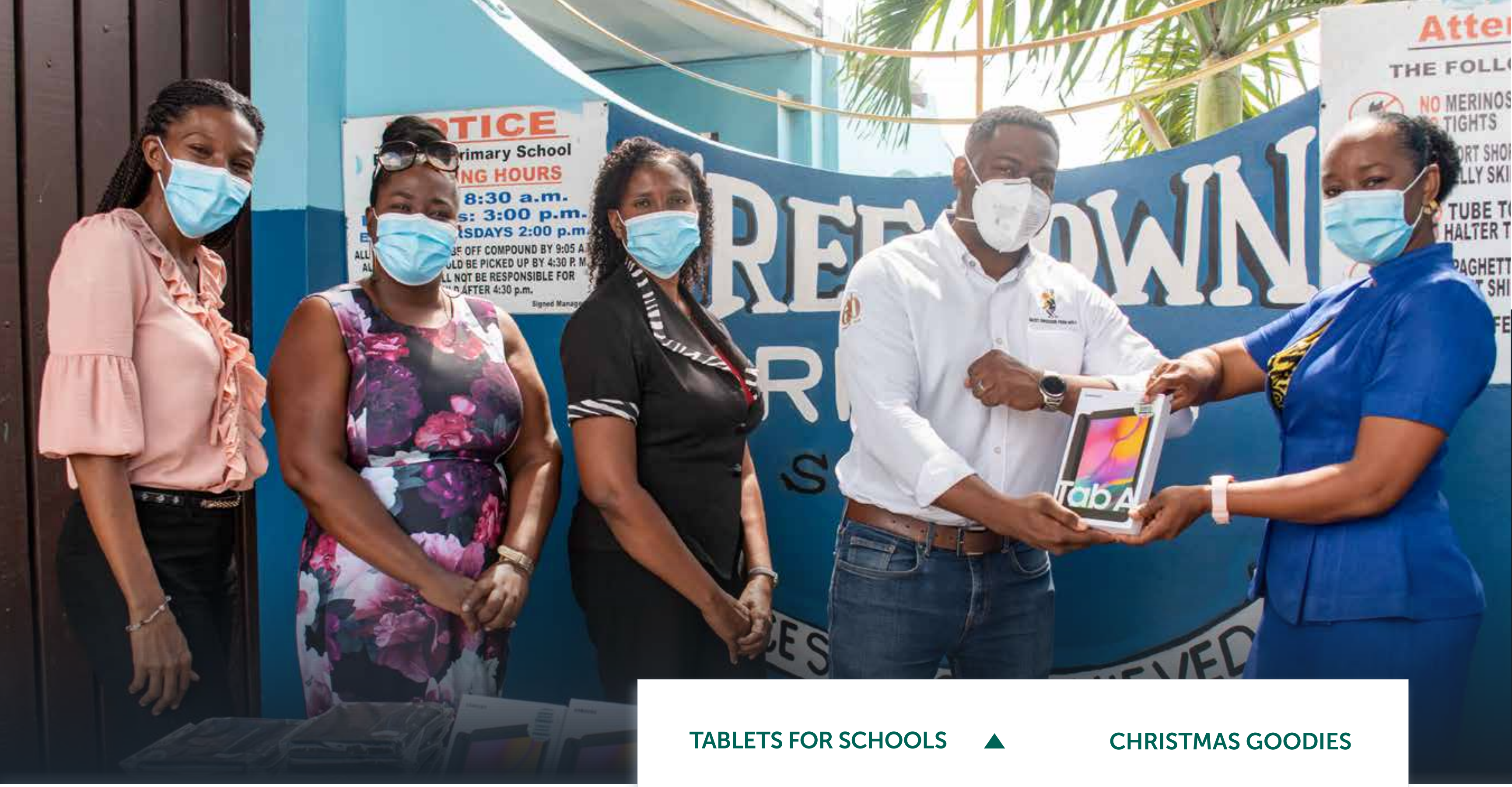


100
TABLETS

1
COMPUTER LAB

REMEMBERING THE ELDERLY

While we were unable to host our usual gatherings for the elderly in our neighbouring communities, we kept in touch with the various Citizen's Associations to keep abreast of how this vulnerable group of citizens were coping throughout the pandemic. Based on feedback received, we were able to distribute food items to over 300 of our seniors during the Christmas and Easter seasons.



TABLETS FOR SCHOOLS

Mr Sheldon Davis, Manager at the Best Dressed Feed Mill visited the Free Town Primary School to deliver 15 tablets to Principal Denise Moodie. Looking on are (left to right) Mrs Kay Haughton-Dawkins, teacher; Ms Jacqueline Hunter, vice principal; and Ms Maverny Miller, teacher.

CHRISTMAS GOODIES

Mrs Danah Cameron, Group Public Relations Manager reaches over the fence to hand Mrs Hermine Redman-Webb her Best Dressed Chicken Christmas package.

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 that having the potential to materially, adversely impact our finances, operations 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 near the close of the previous operating year, continued to operate over 2020-2021, 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.

POLITICAL CLIMATE

Our Haiti operation continues to face significant risk factors as the political climate of the country remains unsettled. Measures have been put in place towards maintaining the safety of our staff. The Board of Directors continues to monitor the situation closely.

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.

DEBT MANAGEMENT

The Company continues to take advantage of favourable market conditions to structure its debt and align same to our strategic objectives. We have maintained low interest rates given the debt restructuring executed in 2018. 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

While there is still much uncertainty about the year ahead, we remain trustful that the economy has reached a turning point and has begun to show signs of recovery. We know that full economic recovery will not happen overnight, nor will it be automatic; instead it will require a careful, deliberate and measured approach. The World Bank has projected growth in the Caribbean of 4.7% for 2021 supported by a general increase in demand and commodity prices. In Jamaica, the Planning Institute of Jamaica (PIOJ) has projected a real GDP to increase within the range of 7.0% to 9.0% during April–June 2021. There has also been a degree of recovery in the tourism sector as some COVID-19 containment measures have been relaxed, however; it has been slow. Global output is still below pre-pandemic projections and the PIOJ has projected that Jamaica will not return to its pre-COVID-19 output levels until the government's 2023/2024 financial year.

While conditions remain difficult in some countries, others such as the U.S. have shown strong signs of emerging from the crisis. As restrictions are eased and more people return to the labour force (unemployment rates decreased to 8.9% as at January 2021 in Jamaica and 5.8% as at May 2021 in the USA) we expect to see an increase in domestic demand and as further progress is made in vaccinations, we anticipate that there will be opportunities for growth.

We remain positive in our approach to the business and continue to focus on maximising efficiencies. Our loading bay expansion is a key target towards improved logistical management for the Jamaica Operations. We expect faster loading and dispatch times to improve delivery to our customers. while improved controls will see reduced product handling and and therefore greater preservation of the quality and integrity of our products.

Opportunities in the USA continue to be exciting. The US Operations has been and continues to be focused on growth and in particular, the growth of the meat business. The goal is to make Best Dressed Chicken a nationally recognized brand for the same qualities that have been established in Jamaica over six decades of history. The team has solidified relationships with some of the most prestigious, large retailers in the market and that will help with plans for expansion in this regard.

Haiti continues to be in a very difficult situation due to unrelenting pollical turmoil. We are, however, proud of the team there who have made good decisions towards maintaining the safety of all team members and who continue to be strategic with regards to keeping the business afloat. We will continue to employ what we consider to be a containment strategy in our Haiti Operations as we monitor activities in the country.

We are ever so grateful to the Lord for his guidance, mercy and grace to us throughout our Operations and our lives. We continue to submit our plans to him and remain in pursuit of truth, fairness and goodwill.

SHAREHOLDINGS & COMPANY LISTINGS

SHAREHOLDINGS

DIRECTORS & CONNECTED PARTIES

DIRECTORS	SHAREHOLDING	RELEVANT HOLDERS
THE HON. ROBERT E. LEVY, OJ, CD Chairman	616,000 2,428,734 49,000 100,412,389 670,000 191,311,518 52,769,054	Robert E. Levy Robert E. Levy / Judy Levy Portland Corporation Ltd The Robert Levy Family Foundation Phillip E. Levy JBGL Stockholders Nominee Limited REL Trust
MR CHRISTOPHER E. LEVY, CD * Executive Director	2,731,316 8,457,722	Christopher E. Levy Christopher Levy / Sarah Levy
THE HON. R. DANVERS WILLIAMS, OJ, CD, JP Director Emeritus	11,000,000 191,311,518	Ravers Limited JBGL Stockholders Nominee Limited
MR IAN S. PARSARD * Executive Director	4,219,125 5,250	Ian Parsard / Karen Parsard Karen Parsard / Peter-John Parsard
MR STEPHEN E. LEVY * Executive Director	2,916,763 191,311,518	Stephen Levy / Michka-Mae Levy JBGL Stockholders Nominee Limited
MR SYD MOGG * Executive Director	445,600	Syd Mogg/ Shirley Campbell Mogg
MR BRUCE F. BOWEN Director	28,000	Bruce Bowen
DR CLAUDETTE D. COOKE Director	276,173 1,470,000 9,318 7,454 20 3,459	Claudette Cooke/ Richard Cooke Claudette Cooke/ Richard Cooke/Rachel King Richard Cooke Richard Cooke/ Claudette Cooke Richard Cooke/ Claudette Cooke/ Ryan Cooke Ryan Cooke
MR EDWARD Z. BARBER Director	–	–
MR GREGORY B. SHIRLEY Director	1,150,620 4,895,990	Gregory B. Shirley Gregory B. Shirley / Susan Shirley
MR OMAR L. F. AZAN, JP Director	–	–

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

SHAREHOLDINGS

SENIOR MANAGEMENT & CONNECTED PARTIES

SENIOR MANAGERS	SHAREHOLDING	RELEVANT HOLDERS
MR LENNOX D. CHANNER (JR.) Group Vice President Accounting & Administration	846,417 576,134 576,134 15,532	Lennox Channer/ Shelee Channer Lennox Channer/ Shelee Channer/ Maya-Paige Channer Lennox Channer/ Shelee Channer/ Kyra-Jade Channer Shelee Channer/ Lennox Channer
MR DAVE FAIRMAN Vice President Best Dressed Chicken Division	1,230,922	Dave Fairman/Sophia Fairman
COL. (RET'D) JAIMIE S. A. OGILVIE, CD Vice President Hi-Pro Division	73,000	Jaimie Ogilvie
MRS JUDY BAUGH Operations Manager Best Dressed Chicken, USA	431,037	Dorothy Jaggan/ Eric Jaggan
MR PETER DEPASS Company Secretary	–	–

SHAREHOLDINGS

10 LARGEST ORDINARY STOCKHOLDERS

The Holdings of those persons owning the ten (10) largest blocks of stock units as at 1 May 2020:

SHAREHOLDER	SHAREHOLDING
JBGL STOCKHOLDERS NOMINEE LIMITED	191,311,518
THE ROBERT LEVY FAMILY FOUNDATION	100,412,389
SJIML A/C 3119	77,920,672
NATIONAL INSURANCE FUND	64,596,054
THE REL TRUST	52,769,054
SAGICOR POOLED EQUITY FUND	37,476,356
NCB INSURANCE CO. LTD. WT 109	28,987,667
GRACE KENNEDY PENSION FUND CUSTODIAN LTD.	23,804,151
JCSD TRUSTEES SERVICES LTD- SIGMA EQUITY	22,534,796
GRACE KENNEDY PENSION FUND CUSTODIAN LTD.	23,804,151
SJLIC FOR SCOTIABRIDGE RETIREMENT SCHEME	16,140,000

COMPANY ADVISORS

AUDITORS

PRICEWATERHOUSECOOPERS	Scotiabank Centre, Duke Street, Kingston, Jamaica

BANKERS
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

PETER A. DEPASS	96 3⁄4 Old Hope Road, Kingston 6, Jamaica
SIMONE MAYHEW	Unit 11, Seymour Park, 2 Seymour Avenue, Kingston 6, Jamaica
ROBERT C. MEACHAM	One Financial Plaza, Suite 2602, Fort Lauderdale, FL, USA

CONSULTANTS

KPMG	The Victoria Mutual Building, 6 Duke Street, Kingston

OPERATING DIVISIONS & SUBSIDIARIES

JAMAICA BROILERS GROUP

GROUP HEAD OFFICE	Content, McCook's Pen, St. Catherine, CSO, JAMAICA	876-943-4376

JAMAICA OPERATIONS

THE BEST DRESSED CHICKEN DIVISION		
THE BEST DRESSED CHICKEN PROCESSING PLANT	Spring Village, St. Catherine, JAMAICA	876-983-8001-4
THE BEST DRESSED FEED MILL	Old Harbour, St. Catherine, JAMAICA	876-983-2322
HI-PRO DIVISION		
HI-PRO ACE SUPERCENTRE	PO Box 886, White Marl, St. Catherine, JAMAICA	876-984-7919-20
JAMAICA EGG SERVICES	PO Box 886, White Marl, St. Catherine, JAMAICA	876-749-5433
OTHER		
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, JAMAICA	876-972-3609

US OPERATIONS

WINCORP INTERNATIONAL INC.	10050 NW 116th Way, Suite #9, Medley, FL 33178, USA	305-887-4000
INTERNATIONAL POULTRY BREEDERS LLC (GEORGIA)	1235 Perry Batts Road, Norman Park, GA 31771, USA	229-769-3410
INTERNATIONAL POULTRY BREEDERS INC. (ARKANSAS)	660 Niven Road, Rison, AR 71665, USA	870-325-6231
INTERNATIONAL POULTRY BREEDERS HATCHERIES INC. (IOWA)	113 North Long Street, IA 50517, USA	
INTERNATIONAL POULTRY BREEDERS HATCHERIES INC. (PENNSYLVANIA)	Pennsylvania, USA	
CRYSTAL FEEDS	Georgia, USA	
THE BEST DRESSED CHICKEN INC. (SOUTH CAROLINA)	South Carolina, USA	

HAITI OPERATIONS

HAITI BROILERS S.A. (LAFITEAU, PORT AU PRINCE)	Mailing Address: Building #47, Parc Industriel Sonapi, Port Au Prince, Haiti

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 of particular interest to this group, such as:

ANNUAL REPORTS	www.jamaicabroilersgroup.com/investors/financial-reports
ARTICLES OF INCORPORTATION	www.jamaicabroilersgroup.com/resources
COVID-19 PROTOCOLS	www.jamaicabroilersgroup.com/resources
CORE VALUES	www.jamaicabroilersgroup.com/about/core-values
CORPORATE GOVERNANCE POLICY	www.jamaicabroilersgroup.com/about/governance-policies
DIVIDEND POLICY	www.jamaicabroilersgroup.com/investors/shareholders-info
DIVIDEND MANDATE FORM	www.jamaicabroilersgroup.com/investors/shareholders-info
DIRECTOR PROFILES	www.jamaicabroilersgroup.com/about/leadership
ENVIRONMENT QUALITY & SAFETY POLICY	www.jamaicabroilersgroup.com/about/governance-policies
MANDATE FORM	www.jamaicabroilersgroup.com/investors/shareholders-info
MINUTES OF THE ANNUAL GENERAL MEETING	www.jamaicabroilersgroup.com/investors/shareholders-info

AUDITED FINANCIAL STATEMENTS

AUDIT CONTENTS

The following statements have been prepared by the Company's external auditors at Pricewaterhouse Coopers (PwC).

Jamaica Broilers Group Limited

Financial Statements
1 May 2021

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 1 May 2021, and of their consolidated and stand-alone financial performance and their consolidated and stand-alone cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and with the requirements of the Jamaican Companies Act.

What we have audited

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

- the Group balance sheet as at 1 May 2021;
- the Group statement of comprehensive income for the year then ended;
- the Group statement of changes in stockholders’ equity for the year then ended;
- the Group statement of cash flows for the year then ended;
- the Company balance sheet as at 1 May 2021;
- 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.

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

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

Key audit matters

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

Key audit matter	How our audit addressed the key audit matter
Goodwill impairment assessment (Group) *Refer to notes 2(h), 4(b) and 15 to the consolidated and stand-alone financial statements for disclosures of related accounting policies and balances.*	
The Group has recorded goodwill of $785.8 million arising from several acquisitions over the years and representing approximately 1.5% of the Group's total assets at year end. Of this amount, $732.9 million or 93% represents amounts arising from recent acquisitions in the US operations and therefore these amounts were subject to audit procedures. We focused on this area as the annual impairment assessment requires management's judgement and estimation, particularly in relation to the estimation of future cash flows from the businesses, taking into consideration the key assumptions including, in particular, revenue growth rates and the discount rate in the Group's impairment model.	With the assistance of internal experts, we performed the following procedures over management's goodwill impairment assessment: • 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 forecasting. • Compared long term revenue growth rates 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 in cash flows. The results of our procedures indicated that the assumptions used by management for assessing goodwill impairment were not unreasonable.

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 Recardo Nathan.

PricewaterhouseCoopers

Chartered Accountants
Kingston, Jamaica
8 July 2021

GROUP STATEMENT OF CONSOLIDATED INCOME

JAMAICA BROILERS GROUP LIMITED
YEAR ENDED 1 MAY 2021
(Expressed in Jamaican dollars unless otherwise indicated)

	Note	1 May 2021 $'000	2 May 2020 $'000
Revenue		56,951,280	55,747,933
Cost of sales		(42,328,591)	(41,143,805)
Gross Profit		14,622,689	14,604,128
Other income	6	847,827	366,534
Distribution costs		(2,035,599)	(1,971,211)
Net impairment change on trade receivables		63,181	(161,712)
Administration and other expenses		(9,434,032)	(9,837,015)
Operating Profit		4,064,066	3,000,724
Finance income	9	-	36,458
Finance costs	9	(858,940)	(1,183,799)
Profit before Taxation		3,205,126	1,853,383
Taxation	10	(806,763)	(493,267)
Net Profit		2,398,363	1,360,116
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	453,600	(237,325)
Item that will be reclassified to profit or loss -			
Exchange differences on translating foreign operations		840,478	487,588
Total other comprehensive income		1,294,078	250,263
Total Comprehensive Income for Year		3,692,441	1,610,379
Net Profit Attributable to:			
Stockholders of the company		2,335,124	1,400,069
Non-controlling interests	19	63,239	(39,953)
		2,398,363	1,360,116
Total Comprehensive Income Attributable to:			
Stockholders of the company		3,606,738	1,667,331
Non-controlling interests		85,703	(56,952)
		3,692,441	1,610,379
		$	$
Earnings per Stock Unit	12	2.30	1.37

GROUP BALANCE SHEET

JAMAICA BROILERS GROUP LIMITED
YEAR ENDED 1 MAY 2021
(Expressed in Jamaican dollars unless otherwise indicated)

	Note	1 May 2021 $'000	2 May 2020 $'000
Non-Current Assets			
Property, plant and equipment	13	13,653,259	12,454,524
Right of use assets	14	1,006,359	534,437
Intangible assets	15	2,382,124	1,941,399
Investment property	16	5,814	5,980
Investments	17	486,964	225,059
Deferred expenditure		18,210	36,420
Deferred income taxes	20	68,730	41,509
Post-employment benefit assets	21	993,500	379,900
		18,614,960	15,619,228
Current Assets			
Inventories	22	12,905,750	9,477,388
Biological assets	23	11,427,065	9,107,134
Receivables	24	4,521,295	3,880,063
Taxation recoverable		17,363	22,994
Deferred expenditure		18,210	18,210
Financial assets at fair value through profit or loss	25	182,144	233,545
Cash and short term investments	26	3,424,664	5,874,444
		32,496,491	28,613,778
Current Liabilities			
Payables	27	9,671,650	9,379,263
Taxation payable		285,903	364,428
Borrowings	29	10,958,383	9,650,736
Lease liabilities	14	310,481	236,902
		21,226,417	19,631,329
Net Current Assets		11,270,074	8,982,449
		29,885,034	24,601,677

GROUP BALANCE SHEET (CONT'D)

JAMAICA BROILERS GROUP LIMITED
YEAR ENDED 1 MAY 2021
(Expressed in Jamaican dollars unless otherwise indicated)

	Note	1 May 2021 $'000	2 May 2020 $'000
Stockholders' Equity			
Share capital	30	765,137	765,137
Reserves	31	2,503,992	1,685,978
Retained earnings		19,165,024	16,821,259
Shares held by Trust	30	(3,713,144)	(3,378,643)
		18,721,009	15,893,731
Non-controlling interests	19	198,703	68,652
		18,919,712	15,962,383
Non-Current Liabilities			
Borrowings	29	8,953,359	7,572,178
Lease liabilities	14	716,074	311,526
Deferred income taxes	20	1,275,689	735,590
Post-employment benefit obligations	21	20,200	20,000
		10,965,322	8,639,294
		29,885,034	24,601,677

Approved for issue by the Board of Directors on 8 July 2021 and signed on its behalf by:

Robert E. Levy Chairman

Christopher E. Levy Director

GROUP STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

JAMAICA BROILERS GROUP LIMITED
YEAR ENDED 1 MAY 2021
(Expressed in Jamaican dollars unless otherwise indicated)

		Attributable to the Company's Stockholders						
	Note	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 27 April 2019		1,023,746	765,137	1,181,391	16,037,300	(3,273,909)	125,604	14,835,523
Remeasurements of pension asset/obligation, net of taxes	10	-	-	-	(237,325)	-	-	(237,325)
Exchange differences on translating foreign operations	31	-	-	504,587	-	-	(16,999)	487,588
Total other comprehensive income		-	-	504,587	(237,325)	-	(16,999)	250,263
Net profit		-	-	-	1,400,069	-	(39,953)	1,360,116
Total comprehensive income		-	-	504,587	1,162,744	-	(56,952)	1,610,379
Dividends	28	-	-	-	(378,785)	-	-	(378,785)
Purchase of shares by Trust	30	(3,761)	-	-	-	(104,734)	-	(104,734)
Total transactions with owners		(3,761)	-	-	(378,785)	(104,734)	-	(483,519)
Movement during the year		(3,761)	-	504,587	783,959	(104,734)	(56,952)	1,126,860
Balance at 2 May 2020		1,019,985	765,137	1,685,978	16,821,259	(3,378,643)	68,652	15,962,383
Remeasurements of pension asset/obligation, net of taxes	10	-	-	-	453,600	-	-	453,600
Exchange differences on translating foreign operations	31	-	-	818,014	-	-	22,464	840,478
Total other comprehensive income		-	-	818,014	453,600	-	22,464	1,294,078
Net profit		-	-	-	2,335,124	-	63,239	2,398,363
Total comprehensive income			-	818,014	2,788,724	-	85,703	3,692,441
Dividends	28	-	-	-	(415,038)	-	-	(415,038)
Purchase of shares by Trust	30	(12,019)	-	-	-	(334,501)	-	(334,501)
Additional investment by non-controlling interest		-	-	-	-	-	14,427	14,427
Purchase of shares from non-controlling interest		-	-	-	(29,921)	-	29,921	-
Total transactions with owners		(12,019)	-	-	(444,959)	(334,501)	44,348	(735,112)
Movement during the year		(12,019)	-	818,014	2,343,765	(334,501)	130,051	2,957,329
Balance at 1 May 2021		1,007,966	765,137	2,503,992	19,165,024	(3,713,144)	198,703	18,919,712

GROUP STATEMENT OF CASH FLOWS

JAMAICA BROILERS GROUP LIMITED
YEAR ENDED 1 MAY 2021
(Expressed in Jamaican dollars unless otherwise indicated)

	Note	1 May 2021 $'000	2 May 2020 $'000
Cash Flows from Operating Activities			
Net profit		2,398,363	1,360,116
Adjustments for:			
Depreciation		1,652,340	1,313,113
Amortisation	15	269,834	176,360
Loss on disposal of property, plant and equipment		35,430	15,574
Impairment of property, plant and equipment		-	35,896
Deferred expenditure		18,210	18,210
Fair value gain on financial assets at fair value through profit of loss		(53,178)	(6,792)
Changes in post-employment benefits		(8,600)	103,700
Taxation expense	10	806,763	493,267
Interest income		(39,651)	(43,413)
Unrealised foreign exchange (gains)/losses		(82,290)	130,364
Interest expense - borrowings		889,351	879,311
Interest expense – lease liabilities		40,680	28,695
		5,927,252	4,504,401
Changes in operating assets and liabilities:			
Inventories		(3,428,362)	(2,672,913)
Biological assets		(1,510,728)	(1,738,618)
Receivables		(593,306)	241,391
Payables		150,338	2,745,587
Financial assets at fair value through profit or loss		111,708	408,121
Translation (loss)/gain on working capital of foreign subsidiaries		(192,959)	82,844
		463,943	3,570,813
Taxation paid		(533,862)	(331,793)
Cash (used in)/provided by operating activities		(69,919)	3,239,020
Cash Flows from Investing Activities			
Purchase of property, plant and equipment	13	(2,643,775)	(3,091,434)
Proceeds from disposal of property, plant and equipment		76,230	20,126
Purchase of investments		(236,857)	-
Proceeds from sale of investment		-	71,415
Cash outflow on business combinations	34	-	(1,498,066)
Purchase of intangible assets		-	(5,900)
Loans receivable repayments		-	1,444,374
Interest received		42,987	55,582
Cash used in investing activities		(2,761,415)	(3,003,903)
Cash Flows (used in)/provided by Operating and Investing Activities carried forward		(2,831,334)	235,117

GROUP STATEMENT OF CASH FLOWS (CONT'D)

JAMAICA BROILERS GROUP LIMITED
YEAR ENDED 1 MAY 2021
(Expressed in Jamaican dollars unless otherwise indicated)

	Note	1 May 2021 $'000	2 May 2020 $'000
Cash Flows (used in)/provided by Operating and Investing Activities (Page 5)		(2,831,334)	235,117
Cash Flows from Financing Activities			
Loans repaid		(4,858,602)	(3,561,843)
Loans received		6,996,201	7,932,405
Lease repayments		(318,690)	(233,623)
Other long term liabilities paid		-	(720,383)
Purchase of the company's shares by the Trust		(334,501)	(104,734)
Interest paid – borrowings		(882,934)	(885,519)
Interest paid – lease liabilities		(40,680)	(28,695)
Dividends paid		(415,038)	(591,117)
Cash provided by financing activities		145,756	1,806,491
Effect of changes in exchange rates on cash and cash equivalents		285,895	244,855
(Decrease)/increase in cash and cash equivalents		(2,399,683)	2,286,463
Cash and cash equivalents at beginning of year		5,621,343	3,334,880
CASH AND CASH EQUIVALENTS AT END OF YEAR	26	3,221,660	5,621,343

Non-cash transactions during the year amounted to $750,937,000 (2020 - $741,362,000) in relation to additions (2020 - the initial recognition) of the right of use asset and finance lease liabilities. Non-controlling interests includes $14,427,000 payables that were converted to equity.

GROUP STATEMENT OF CASH FLOWS (CONT'D)

JAMAICA BROILERS GROUP LIMITED
YEAR ENDED 1 MAY 2021
(Expressed in Jamaican dollars unless otherwise indicated)

	Note	1 May 2021 $'000	2 May 2020 $'000
Revenue		34,330,488	35,291,015
Cost of sales		(26,644,327)	(27,178,052)
Gross Profit		7,686,161	8,112,963
Other income	6	886,823	879,481
Distribution costs		(1,183,791)	(1,241,265)
Net impairment change on trade receivables		52,124	(134,135)
Administration and other expenses		(4,584,556)	(5,660,977)
Operating Profit		2,856,761	1,956,067
Finance income	9	232,188	25,070
Finance costs	9	(795,298)	(676,491)
Profit before Taxation		2,293,651	1,304,646
Taxation	10	(426,137)	(153,956)
Net Profit		1,867,514	1,150,690
Other Comprehensive Income, net of taxes -			
Item that will not be reclassified to profit or loss -			
Re-measurements of post-employment benefits	10	439,350	(230,775)
TOTAL COMPREHENSIVE INCOME		2,306,864	919,915

COMPANY BALANCE SHEET

JAMAICA BROILERS GROUP LIMITED
YEAR ENDED 1 MAY 2021
(Expressed in Jamaican dollars unless otherwise indicated)

	Note	1 May 2021 $'000	2 May 2020 $'000
Non-Current Assets			
Property, plant and equipment	13	6,150,036	5,455,811
Right of use assets	14	451,356	36,149
Intangible asset	15	141,707	167,633
Investments	17	8,567	8,567
Interest in subsidiaries		5,641,085	4,118,208
Loans receivable	18	3,983,846	3,654,949
Post-employment benefit assets	21	968,200	370,700
		17,344,797	13,812,017
Current Assets			
Inventories	22	7,054,405	6,440,207
Biological assets	23	808,906	482,447
Receivables	24	2,519,549	2,179,454
Subsidiaries	32	4,011,543	4,177,201
Taxation recoverable		3,915	9,725
Cash and short term investments	26	2,924,150	4,873,523
		17,322,468	18,162,557
Current Liabilities			
Payables	27	6,234,664	6,163,899
Taxation payable		111,383	116,704
Subsidiaries	32	49,145	417,134
Lease liabilities	14	89,744	26,070
Borrowings	29	4,065,998	5,204,378
		10,550,934	11,928,185
Net Current Assets		6,771,534	6,234,372
		24,116,331	20,046,389
Stockholders' Equity			
Share capital	30	765,137	765,137
Reserves	31	222,947	222,947
Retained earnings		14,859,427	13,044,266
		15,847,511	14,032,350
Non-Current Liabilities			
Borrowings	29	6,938,294	5,450,049
Lease liabilities	14	379,419	11,557
Deferred income taxes	20	931,807	534,233
Post-employment benefit obligations	21	19,300	18,200
		8,268,820	6,014,039
		24,116,331	20,046,389

Approved for issue by the Board of Directors on 8 July 2021 and signed on its behalf by:

Robert E. Levy — Chairman

Christopher E. Levy — Director

COMPANY STATEMENT OF STOCKHOLDERS' EQUITY

JAMAICA BROILERS GROUP LIMITED
YEAR ENDED 1 MAY 2021
(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 27 April 2019		1,199,277	765,137	222,947	12,568,083	13,556,167
Remeasurement of pension asset/obligation, net of taxes	10	-	-	-	(230,775)	(230,775)
Total other comprehensive income		-	-	-	(230,775)	(230,775)
Net profit		-	-	-	1,150,690	1,150,690
Total comprehensive income		-	-	-	919,915	919,915
Dividends	28	-	-	-	(443,732)	(443,732)
Movement during the year		-	-	-	476,183	476,183
Balance at 2 May 2020		1,199,277	765,137	222,947	13,044,266	14,032,350
Remeasurement of pension asset/obligation, net of taxes	10	-	-	-	439,350	439,350
Total other comprehensive income		-	-	-	439,350	439,350
Net profit		-	-	-	1,867,514	1,867,514
Total comprehensive income		-	-	-	2,306,864	2,306,864
Dividends	28	-	-	-	(491,703)	(491,703)
Movement during the year		-	-	-	1,815,161	1,815,161
Balance at 1 May 2021		1,199,277	765,137	222,947	14,859,427	15,847,511

COMPANY STATEMENT OF CASH FLOWS

JAMAICA BROILERS GROUP LIMITED
YEAR ENDED 1 MAY 2021
(Expressed in Jamaican dollars unless otherwise indicated)

	Note	1 May 2021 $'000	2 May 2020 $'000
Cash Flows from Operating Activities			
Net profit		1,867,514	1,150,690
Adjustments for:			
Depreciation		635,080	587,251
Amortisation	15	25,926	18,334
Loss on disposal of property, plant and equipment	6	9,294	15,574
Changes in post-employment benefits		(10,600)	102,700
Taxation expense	10	426,137	153,956
Interest income		(52,684)	(53,210)
Dividend income		(663,695)	(694,240)
Unrealised foreign exchange gains		(389,022)	(18,841)
Interest expense – borrowings		600,752	572,465
Interest expense – lease liabilities		13,096	2,461
		2,461,798	1,837,140
Changes in operating assets and liabilities:			
Inventories		(614,198)	(1,668,162)
Biological assets		(326,459)	248,437
Receivables		(292,169)	310,741
Subsidiaries		(742,549)	(682,561)
Intercompany loans receivable		(284,310)	(804,113)
Payables		(71,284)	1,577,330
		130,833	818,812
Taxation paid		(174,524)	(249,218)
Cash (used in)/provided by operating activities		(43,691)	569,594
Cash Flows from Investing Activities			
Investments in subsidiaries		(623,923)	(961,652)
Purchase of property, plant and equipment	13	(1,294,132)	(1,027,572)
Proceeds from disposal of property, plant and equipment		13,622	19,787
Purchase of intangible asset		-	(5,900)
Loans receivable repayments		-	1,444,374
Interest received		14,851	26,283
Dividend received		663,695	694,240
Cash (used in)/provided by investing activities		(1,225,887)	189,560
Cash Flows (used in)/provided by Operating and Investing Activities carried forward		(1,269,578)	759,154

JAMAICA BROILERS GROUP LIMITED
YEAR ENDED 1 MAY 2021
(Expressed in Jamaican dollars unless otherwise indicated)

	Note	1 May 2021 $'000	2 May 2020 $'000
Cash Flows (used in)/provided by Operating and Investing Activities (Page 10)		(1,269,578)	759,154
Cash Flows from Financing Activities			
Loans repaid		(4,540,285)	(2,718,851)
Loans received		4,879,097	4,961,116
Lease repaid		(57,779)	(32,360)
Interest paid borrowings		(607,229)	(578,716)
Interest paid – lease liabilities		(13,096)	(2,461)
Dividends paid		(491,703)	(683,587)
Cash (used in)/provided by financing activities		(830,995)	945,141
Effect of changes in exchange rates on cash and cash equivalents		285,895	244,855
(Decrease)/increase in cash and cash equivalents		(1,814,678)	1,949,150
Cash and cash equivalents at beginning of year		4,738,132	2,788,982
CASH AND CASH EQUIVALENTS AT END OF YEAR	26	2,923,454	4,738,132

Non-cash transaction during the year amounted to $473,296,000 (2020 - $67,522,000) in relation to the additions (2020 - initial recognition) of the right of use asset and finance lease liabilities. Amounts of $898,954,000 representing intercompany loan and receivables were converted to investment in subsidiaries.

JAMAICA BROILERS GROUP LIMITED
1 MAY 2021
(Expressed in Jamaican dollars unless otherwise indicated)

1. Identification

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

The principal activities of the company and its subsidiaries include the production and distribution of poultry products, animal feeds and agricultural items (Note 2(b)).

The company's subsidiaries together with the company are referred to as "the Group".

The company is listed on the Jamaica Stock Exchange.

2. 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 'Business Combinations',** (effective for annual periods beginning on or after 1 January 2020). The amended definition of a business requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term 'outputs' is amended to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits. The amendments will likely result in more acquisitions being accounted for as asset acquisitions.

- **Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors',** (effective for annual periods beginning on or after 1 January 2020). The amendments clarify that the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information, and that an entity assesses materiality in the context of the financial statements as a whole, and the meaning of 'primary users of general purpose financial statements' to whom those financial statements are directed, by defining them as 'existing and potential investors, lenders and other creditors' that must rely on general purpose financial statements for much of the financial information they need.

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.

- **Amendment to IFRS 16, 'Leases' – Covid-19 related rent concessions** (effective for annual periods beginning on or after 1 June 2020). As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. On 28 May 2020, the IASB published an amendment to IFRS 16 that provides an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs.

- **Amendments to IAS 1 'Presentation of Financial Statements' on classification of liabilities**, (effective for annual periods beginning on or after 1 January 2022). These narrow-scope amendments to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.

- **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.

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 (continued)

(i) Subsidiaries (continued)

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

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

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

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

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

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

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

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

(Expressed in Jamaican dollars unless otherwise indicated)

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 1 May 2021	% Ownership by Group at 1 May 2021
Resident in Jamaica:			
Operating divisions			
Best Dressed Chicken	Poultry and pullet production and feed milling, processing and sale of salted products/pickled products	100	100
Hi-Pro Ace	Feed sales, suppliers of farming equipment and supplies	100	100
Subsidiaries			
Energy Associates Limited and its subsidiary:	Holding and investment company	100	100
CE Jamaica Inc.	Non- trading	-	100
JB Group Limited	Non- trading	100	100
EAL/ERI Co-generation Partners, LP	Generation of electricity	-	100
ERI Jam, LLC	Non-trading	-	100
Jabexco Limited	Non-trading	100	100
International Poultry Breeders (Jamaica) Limited	Fertile egg production and cattle rearing for sale	100	100
Levy Industries Limited	Property rental	100	100
Trafalgar Agriculture Development Limited	Non-trading	100	100
S.G Developments Limited	Non-trading	100	100
Resident outside of Jamaica:			
Atlantic United Insurance Company Limited, St. Lucia	Captive insurance	100	100
Best Dressed Chicken, Inc, The	Poultry production	100	100
International Poultry Breeders Inc., USA and its subsidiaries	Holding company	100	100
England Packing Company Inc., USA	Packing company	-	100
England Transport Company Inc., USA	Transportation	-	100
England Farms Inc., USA	Fertile egg production	-	100
International Poultry Breeders Hatcheries Inc., USA	Hatching and distribution of baby chicks	100	100
International Poultry Breeders LLC.,USA	Fertile egg production	90	90
Wincorp Properties Inc., USA	Feed milling and sales	100	100
Haiti Broilers, S.A. and its subsidiary:	Production and sale of broilers, layer pullets, table eggs and animal feeds	85.48	85.48
T&S Rice S.A., Haiti	Lessee of production facilities in Haiti	-	85.48
WI Trading (St. Lucia) Limited, St. Lucia	Aircraft ownership	100	100
Jabexco Cayman Limited, Cayman Islands	Non-trading	40	40
Wincorp International, Inc., USA and its subsidiary:	Procurers and distributors of agricultural and industrial supplies	100	100
Consolidated Freight and Shipping, Inc., USA	Ocean freight consolidator	-	100

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

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 (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

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

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

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

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

(f) Income taxes
Taxation expense in profit or loss comprises current and deferred tax charges.

(i) Current taxation
Current tax charges are based on taxable profit for the year, which differs from the profit before tax reported because it excludes items that are taxable or deductible in other years, and items that are never taxable or deductible. The Group's liability for current tax is calculated at tax rates that have been enacted at balance sheet date.

(ii) Deferred taxation
Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability settled.

Deferred tax assets are recognised where it is probable that future taxable profit will be available against which the temporary differences can be utilised.

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

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

2. Significant Accounting Policies (Continued)

(g) Property, plant and equipment

Property, plant and equipment are stated at historical cost, less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Land is carried at cost and is not depreciated. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized.

Depreciation is calculated on the straight-line basis at such rates as will write off the carrying value of the assets over the period of their estimated useful lives. The expected useful lives are as follows:

Freehold buildings	11 – 100 years
Leasehold property	Life of lease
Plant, machinery and equipment	4 – 33 years
Furniture and fixtures	10 years
Motor vehicles	3 – 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

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

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

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)

(l) 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)

(l) 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 it 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.

3. Financial Risk Management

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

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

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

(i) Treasury Function

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

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

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

3. Financial Risk Management (Continued)

(a) Credit risk

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

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

(i) Trade and other receivables
The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Customers of the Group include wholesalers, farm store and feed customers, and chicken farmers. There is a credit policy in place under which each wholesaler and feed customer is analysed individually for creditworthiness prior to the Group offering them a credit facility. Customers are assigned credit limits, which represent the maximum credit allowable. The Group has procedures in place to restrict customer orders if the orders will exceed their credit limits. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group on a prepayment basis.

The credit quality of the customer is assessed, taking into account its financial position, past experience and other factors. The utilisation of credit limits is regularly monitored. Sales to farm store customers are settled in cash or by the use of major credit cards.

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

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

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

3. Financial Risk Management (Continued)

(b) 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					
	1 May 2021			2 May 2020		
	Gross carrying amount $'000	Loss allowance $'000	Expected loss rate	Gross carrying amount	Loss allowance $'000	Expected loss rate
Less than 1 month	1,853,686	34,623	1.9%	2,041,538	10,261	0.5%
Within 1 to 3 months	998,842	60,043	6.0%	979,924	117,279	12.0%
Over 3 months	494,687	375,056	75.8%	565,154	480,044	84.9%
	3,347,215	469,722		3,586,616	607,584	

	Company					
	1 May 2021			2 May 2020		
	Gross carrying amount $'000	Loss allowance $'000	Expected loss rate	Gross carrying amount	Loss allowance $'000	Expected loss rate
Less than 1 month	1,342,848	7,232	0.5%	1,165,147	7,103	0.5%
Within 1 to 3 months	265,400	30,713	11.6%	601,462	86,495	14.4%
Over 3 months	308,615	308,615	100%	424,879	392,180	92.3%
	1,916,863	346,560		2,191,488	485,778	

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.

3. Financial Risk Management (Continued)

(c) Credit risk (continued)

Trade receivables (continued)

Loss allowance (continued)

The closing loss allowances for trade receivable as at 1 May 2021 reconcile to the opening loss allowances as follows:

	The Group		**The Company**	
	1 May 2021 $'000	**2 May 2020 $'000**	**1 May 2021 $'000**	**2 May 2020 $'000**
Opening	607,584	547,667	485,778	351,308
Movement on loss allowance recognised in the profit or loss	(3,634)	196,133	(1,097)	167,062
Recoveries recognised in the profit or loss	(59,330)	(34,703)	(51,027)	(32,592)
Receivables written off during the year as uncollectible	(87,094)	(102,119)	(87,094)	-
Translation	12,196	606	-	-
At year end	469,722	607,584	346,560	485,778

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.

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	
	1 May 2021 $'000	2 May 2020 $'000	1 May 2021 $'000	2 May 2020 $'000
Supermarket chains	674,979	416,644	213,170	269,374
Wholesalers and retail distributors	903,997	903,002	783,191	758,413
Hotels	125,271	151,487	121,947	149,164
Farmers/farm stores	1,355,072	1,800,533	565,344	735,204
Other	287,896	314,950	233,211	279,333
	3,347,215	3,586,616	1,916,863	2,191,488
Less: Provision for impairment	(469,722)	(607,584)	(346,560)	(485,778)
	2,877,493	2,979,032	1,570,303	1,705,710

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

	The Group		The Company	
	1 May 2021 $'000	2 May 2020 $'000	1 May 2021 $'000	2 May 2020 $'000
Loans receivable	-	-	4,172,561	4,040,349
Investments	486,964	225,059	8,567	8,567
Financial assets at fair value through profit or loss	182,144	233,545	-	-
Subsidiaries	-	-	3,822,828	3,791,801
Cash and short term investments	3,434,664	5,874,444	2,924,150	4,873,523
	4,103,772	6,333,048	10,928,106	12,714,240

3. Financial Risk Management (Continued)

(b) Liquidity risk

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

Liquidity risk management process

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

(i) Monitoring future cash flows and liquidity periodically. This incorporates an assessment of expected cash flows;

(ii) Maintaining a portfolio of highly marketable assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;

(iii) Maintaining committed lines of credit;

(iv) Managing the concentration and profile of debt maturities.

The matching and controlled mismatching of the maturities and interest rates of assets and liabilities are fundamental to the management of the Group. It is unusual for companies ever to be completely matched since business transacted is often of uncertain term and of different types. An unmatched position potentially enhances profitability, but can also increase the risk of loss.

The maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities as they mature, are important factors in assessing the liquidity of the Group and its exposure to changes in interest rates and exchange rates.

JAMAICA BROILERS GROUP LIMITED
1 MAY 2021
(Expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(b) Liquidity risk (continued)

Financial liabilities cash flows

The tables below summarise the maturity profile of the Group's and company's financial liabilities at 1 May 2021 and 2 May 2020 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 1 May 2021					
Payables	7,215,091	2,240,921	-	-	9,456,012
Lease liabilities	88,298	199,184	393,963	136,598	818,043
Borrowings	2,592,035	3,633,293	14,211,983	1,866,305	22,303,616
Total financial liabilities (contractual maturity dates)	9,895,424	6,073,398	14,605,946	2,002,903	32,577,671

	The Group				
	Within 3 Months	**4 to 12 Months**	**2 to 5 Years**	**Over 5 Years**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
As at 2 May 2020					
Payables	6,599,909	2,511,212	-	-	9,111,121
Lease liabilities	101,652	187,791	336,448	14,113	640,004
Borrowings	2,719,849	6,525,770	7,955,862	1,653,097	18,854,578
Total financial liabilities (contractual maturity dates)	9,421,410	9,224,773	8,292,310	1,667,210	28,605,703

JAMAICA BROILERS GROUP LIMITED
1 MAY 2021
(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 $'000	3 to 12 Months $'000	1 to 5 Years $'000	Over 5 Years $'000	Total $'000
As at 1 May 2021					
Payables	3,883,083	2,224,034	-	-	6,107,117
Subsidiaries	49,145	-	-	-	49,145
Lease liabilities	25,883	77,483	226,076	128,944	458,386
Borrowings	1,692,910	2,828,881	6,563,461	1,710,545	12,795,797
Total financial liabilities (contractual maturity dates)	5,651,021	5,130,398	6,789,537	1,839,489	19,410,445

	The Company				
	Within 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Over 5 Years $'000	Total $'000
As at 2 May 2020					
Payables	3,458,813	2,478,980	-	-	5,937,793
Subsidiaries	417,134	-	-	-	417,134
Lease liabilities	15,103	22,309	3,482	-	40,894
Borrowings	2,447,816	2,333,768	6,458,253	456,408	11,696,245
Total financial liabilities (contractual maturity dates)	6,338,866	4,835,057	6,461,735	456,408	18,092,066

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

3. Financial Risk Management (Continued)

(b) Liquidity risk (continued)

Off-balance sheet items – Contingent liabilities and commitments

(a) The company has guaranteed US$3,860,000 (2020 - 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 Nil (2020 - US$1,430,000) and $12,000,000 (2020 - $12,000,000).

(c) The Group has capital commitments authorised US$10,420,000 (2020 – US$5,241,000).

(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 1 May 2021 includes aggregate net foreign liabilities of approximately US$27,138,000 (2020 – US$18,933,000) in respect of transactions arising in the ordinary course of business.

The company's balance sheet at 1 May 2021 includes aggregate net foreign liabilities of approximately US$7,694,000 (2020 – US$2,508,000 net foreign liabilities), in respect of transactions arising in the ordinary course of business.

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 2% (2020 – 2%) depreciation and a 6% (2020 – 6%) appreciation of the US dollar against the Jamaican dollar. There was no impact on other components of equity.

	The Group			
	% Change in Currency Rate	Effect on Pre-Tax Profit	% Change in Currency Rate	Effect on Other Comprehensive Income
	1 May 2021	1 May 2021 $'000	1 May 2021	1 May 2021 $'000
Currency:				
USD	+6	(249,585)	+6	(163,457)
USD	-2	83,195	-2	54,486

	The Group			
	% Change in Currency Rate	Effect on Pre-Tax Profit	% Change in Currency Rate	Effect on Other Comprehensive Income
	2 May 2020	2 May 2020 $'000	2 May 2020	2 May 2020 $'000
Currency:				
USD	+6	682,201	+6	21,042
USD	-2	(227,400)	-2	(14,028)

	The Company			
	% Change in Currency Rate	Effect on Pre-Tax Profit	% Change in Currency Rate	Effect on Pre-Tax Profit
	1 May 2021	1 May 2021 $'000	2 May 2020	2 May 2020 $'000
Currency:				
USD	+6	(70,762)	+6	(21,654)
USD	-2	23,587	-2	7,218

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 1 May 2021 and 2 May 2020, the Group's investments were fixed rate instruments.

Interest rate sensitivity

The following tables indicate the sensitivity to a reasonable possible change in interest rates, with all other variables held constant, on the Group's and company's profit or loss and stockholders' equity.

The sensitivity of the profit or loss is the effect of 1% increase/1% decrease (2020 – 1% increase and 1% decrease) for Jamaican dollar denominated loans and a 1% increase/1% decrease (2020 – 1% increase and 1% decrease) for US dollar denominated loans on pre-tax profit based on the floating rate borrowings. The sensitivity of other components of stockholders' equity is calculated by revaluing fixed rate available-for-sale financial assets for the effects of an assumed change in interest rates. There were no available-for-sale financial assets at the current or prior year end.

	The Group		The Company	
	Effect on Pre-tax Profit 1 May 2021 $'000	Effect on Pre-tax Profit 2 May 2020 $'000	Effect on Pre-tax Profit 1 May 2021 $'000	Effect on Pre-tax Profit 2 May 2020 $'000
Change in basis points:				
Jamaican dollars				
- 100 (2020: -100)	15,000	15,000	15,000	15,000
+ 100 (2020: 100)	(15,000)	(15,000)	(15,000)	(15,000)
US dollars				
- 100 (2020: -100)	71,831	58,315	17,405	23,356
+ 100 (2020: 100)	(71,831)	(58,315)	(17,405)	(23,356)

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 2021, the Group's strategy, which was unchanged from 2020, was to maintain the gearing ratio below 1:1. The gearing ratios at 1 May 2021 and 2 May 2020 were as follows:

	The Group	
	1 May 2021 $'000	2 May 2020 $'000
Borrowings	19,911,742	17,222,914
Total capital	38,632,753	33,116,645
Gearing ratio	0.52:1	0.52:1

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 $797,994,000, which would not result in an impairment of carrying value of the goodwill of $785,884,000 (Note 15).

Purchase Price Allocation of a business combination

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

5. Segmental Financial Information

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

Segment information is provided for reportable segments as follows:

- Jamaica Operations
- US Operations
- Haiti Operations
- Other Caribbean Operations

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

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

5. Segmental Financial Information (Continued)

	2021					
	Jamaica Operations	US Operations	Haiti Operations	Other Caribbean Operations	Eliminations	Group
	$'000	$'000	$'000	$'000	$'000	$'000
External revenues	33,830,926	20,754,813	2,365,541	-	-	56,951,280
Revenue from other segments	139,831	3,219,888	-	769,861	(4,129,580)	-
Total revenue	33,970,757	23,974,701	2,365,541	769,861	(4,129,580)	56,951,280
Segment result	4,466,476	1,595,816	(6,909)	1,054,735	(1,131,338)	5,978,780
Unallocated corporate expenses						(1,914,714)
Operating profit						4,064,066
Finance income						-
Finance costs						(858,940)
Profit before tax						3,205,126
Taxation						(806,763)
Net profit						2,398,363
Segment assets -						
Current assets	16,752,951	17,032,906	1,470,871	484,994	(3,245,231)	32,496,491
Non-current assets	17,773,637	7,608,077	859,013	7,165,864	(14,791,631)	18,614,960
Total assets	34,526,588	24,640,983	2,329,884	7,650,858	(18,036,862)	51,111,451
Segment liabilities -						
Current liabilities	10,598,775	11,014,084	1,092,685	1,766,269	(3,245,396)	21,226,417
Non-current liabilities	8,422,793	2,542,529	-	3,983,846	(3,983,846)	10,965,322
Total liabilities	19,021,568	13,556,613	1,092,685	5,750,115	(7,229,242)	32,191,739
Other segment items-						
Capital expenditure	1,300,686	1,320,960	22,129	-	-	2,643,775
Amortisation	33,290	236,544	-	-	-	269,834
Depreciation	630,032	476,068	119,804	114,393	-	1,340,297
Revenue						
Goods transferred at a point in time	33,830,926	20,658,296	2,365,541	-	-	56,854,763
Service transferred at a point in time	-	96,517	-	-	-	96,517
External revenues	33,830,926	20,754,813	2,365,541	-	-	56,951,280

JAMAICA BROILERS GROUP LIMITED
1 MAY 2021
(Expressed in Jamaican dollars unless otherwise indicated)

5. Segmental Financial Information (Continued)

	2020					
	Jamaica Operations	US Operations	Haiti Operations	Other Caribbean Operations	Eliminations	Group
	$'000	$'000	$'000	$'000	$'000	$'000
External revenues	34,764,365	18,917,202	2,066,366	-	-	55,747,933
Revenue from other segments	215,606	3,559,646	-	697,420	(4,472,672)	-
Total revenue	34,979,971	22,476,848	2,066,366	697,420	(4,472,672)	55,747,933
Segment result	3,172,213	1,486,644	57,019	(322,938)	269,606	4,662,544
Unallocated corporate expenses						(1,661,820)
Operating profit						3,000,724
Finance income						36,458
Finance costs						(1,183,799)
Profit before tax						1,853,383
Taxation						(493,267)
Net profit						1,360,116
Segment assets -						
Current assets	17,567,038	12,822,710	1,179,417	901,037	(3,856,424)	28,613,778
Non-current assets	14,274,196	6,556,991	748,960	5,897,748	(11,858,667)	15,619,228
Total assets	31,841,234	19,379,701	1,928,377	6,798,785	(15,715,091)	44,233,006
Segment liabilities -						
Current liabilities	11,941,921	8,165,181	1,689,811	1,691,008	(3,856,592)	19,631,329
Non-current liabilities	6,193,592	2,428,132	12,132	3,651,387	(3,645,949)	8,639,294
Total liabilities	18,135,513	10,593,313	1,701,943	5,342,395	(7,502,541)	28,270,623
Other segment items-						
Capital expenditure	1,040,310	1,081,834	75,571	893,719	-	3,091,434
Amortisation	25,698	150,662	-	-	-	176,360
Depreciation	609,896	346,798	81,750	45,698	-	1,084,142
Revenue						
Goods transferred at a point in time	34,764,365	18,819,035	2,066,366	-	-	55,649,766
Service transferred at a point in time	-	98,167	-	-	-	98,167
External revenues	34,764,365	18,917,202	2,066,366	-	-	55,747,933

JAMAICA BROILERS GROUP LIMITED
1 MAY 2021
(Expressed in Jamaican dollars unless otherwise indicated)

6. Other Income

	The Group		The Company	
	1 May 2021 $'000	2 May 2020 $'000	1 May 2021 $'000	2 May 2020 $'000
Dividend income from subsidiary	-	-	663,695	694,240
Fair value gains/(losses) on financial assets at fair value through profit or loss (Note 25)	53,178	(6,792)	-	-
Foreign exchange gains	140,008	134,030	140,080	134,155
Loss on sale of property, plant and equipment	(35,430)	(15,233)	(9,294)	(15,574)
Interest income	39,651	40,261	14,851	14,659
Management fees	-	-	9,616	21,773
Reinsurance commissions	70,674	63,523	-	-
Insurance claim	236,265	-	-	-
Other	343,481	150,745	67,875	30,228
	847,827	366,534	886,823	879,481

7. Expenses by Nature

	The Group		The Company	
	1 May 2021 $'000	2 May 2020 $'000	1 May 2021 $'000	2 May 2020 $'000
Auditors' remuneration	71,252	86,069	19,451	19,347
Advertising and promotions	324,755	821,619	296,353	713,095
Amortisation of intangible assets	269,063	176,358	25,926	18,334
Net impairment change on trade receivables	(63,826)	161,712	(52,770)	134,135
Cost of inventories recognised as expense	30,509,599	28,583,376	19,289,693	18,653,812
Depreciation	1,651,985	1,313,113	635,080	587,251
Fuel	696,156	711,899	478,466	534,823
Legal and professional fees	198,619	246,909	82,099	118,403
Impairment	-	35,896	-	-
Insurance	656,559	534,161	738,403	672,231
Occupancy – rent and utilities	1,185,509	1,077,983	768,521	668,073
Repairs and maintenance	1,590,362	1,654,393	1,190,193	1,364,736
Staff costs (Note 8)	11,853,385	12,435,684	5,250,676	6,501,959
Trucking	1,294,002	1,501,466	1,083,076	1,160,177
Other expenses	3,497,621	3,773,105	2,555,383	3,068,053
	53,735,041	53,113,743	32,360,550	34,214,429

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

JAMAICA BROILERS GROUP LIMITED
1 MAY 2021
(Expressed in Jamaican dollars unless otherwise indicated)

8. Staff Costs

	The Group		The Company	
	1 May 2021 $'000	2 May 2020 $'000	1 May 2021 $'000	2 May 2020 $'000
Wages, salaries and contractors' costs	10,337,312	10,431,465	4,466,964	5,157,005
Payroll taxes - Employer's portion	521,542	548,608	277,501	352,975
Pension costs - defined contribution plan	90,850	77,839	9,993	7,613
Pension costs - defined benefit plan (Note 21)	17,000	134,000	14,500	132,400
Post-employment medical benefits (Note 21)	1,200	1,900	1,100	1,300
Termination costs	46,764	253,177	46,764	253,177
Other - benefits and welfare	838,717	988,695	433,854	597,489
	11,853,385	12,435,684	5,250,676	6,501,959

9. Finance Income and Costs

	The Group		The Company	
	1 May 2021 $'000	2 May 2020 $'000	1 May 2021 $'000	2 May 2020 $'000
Finance income -				
Foreign exchange gains/(losses)	-	33,306	194,355	(13,483)
Interest income	-	3,152	37,833	38,553
	-	36,458	232,188	25,070
Finance costs -				
Foreign exchange (gains)/losses	(102,686)	257,583	168,255	101,565
Finance leases	31,697	28,695	4,113	2,461
Interest expense	889,351	863,520	600,752	556,864
Amortisation of debt financing fees and other expenses	40,578	34,001	22,178	15,601
	858,940	1,183,799	795,298	676,491

10. Taxation

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

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

	The Group		The Company	
	1 May 2021 $'000	2 May 2020 $'000	1 May 2021 $'000	2 May 2020 $'000
Current taxation	432,012	545,914	177,920	268,048
Prior year under/(over) provision	28,956	(12,272)	(2,907)	(32,203)
Deferred taxation (Note 20)	345,795	(40,375)	251,124	(81,889)
	806,763	493,267	426,137	153,956

JAMAICA BROILERS GROUP LIMITED
1 MAY 2021
(Expressed in Jamaican dollars unless otherwise indicated)

10. Taxation (Continued)

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

	The Group		The Company	
	1 May 2021 $'000	2 May 2020 $'000	1 May 2021 $'000	2 May 2020 $'000
Profit before taxation for taxable entities	3,248,205	1,913,958	2,293,651	1,304,646
Loss before taxation for non-taxable entities	(43,079)	(60,575)	-	-
	3,205,126	1,853,383	2,293,651	1,304,646
Tax calculated at applicable tax rates	812,051	478,489	573,413	326,162
Adjusted for:				
Income not subject to tax	(9,353)	(152,070)	(183,642)	(173,560)
Employment tax credit	(84,428)	(57,367)	(84,428)	(57,367)
Adjustment to deferred tax	(5,492)	5,234	-	-
Prior year under/(over) provision - current tax	28,956	(12,272)	(2,907)	(32,203)
Different tax rate in other countries	(67,278)	88,256	-	-
Expenses not deductible for tax purposes	122,918	115,383	112,947	84,921
Tax losses for which no deferred tax recognised	638	1,017	-	-
Other allowances	8,751	26,597	10,754	6,003
Income tax expense	806,763	493,267	426,137	153,956

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

	The Group		The Company	
	1 May 2021 $'000	2 May 2020 $'000	1 May 2021 $'000	2 May 2020 $'000
Other comprehensive income -				
Remeasurements on retirement benefits (Note 21)	(604,800)	316,600	(585,800)	307,700
Tax charge/(credit) (Note 20)	151,200	(79,275)	146,450	(76,925)
	(453,600)	237,325	(439,350)	230,775

11. Net Profit/Retained Earnings Attributable to the Stockholders

	1 May 2021 $'000	2 May 2020 $'000
Net profit attributable to:		
Holding company	1,867,514	1,150,690
Intercompany dividend and management fees	(673,311)	(716,013)
Adjusted Holding company profits	1,194,203	434,677
Subsidiaries	1,140,921	965,392
	2,335,124	1,400,069
Retained earnings attributable to:		
Holding company	14,859,427	13,044,266
Subsidiaries	4,305,597	3,776,993
	19,165,024	16,821,259

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).

	1 May 2021	2 May 2020
Net profit attributable to stockholders ($'000)	2,335,124	1,400,069
Weighted average number of ordinary stock units in issue ('000)	1,014,775	1,023,507
Basic earnings per stock unit ($)	2.30	1.37

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

13. Property, Plant and Equipment

	The Group							
	Freehold Land	Freehold Buildings	Leasehold Property	Plant, Machinery & Equipment	Furniture & Fixtures	Motor Vehicles	Capital Work in Progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At Cost -				2021				
At 2 May 2020	568,814	3,932,404	704,866	10,901,920	883,850	1,545,958	1,092,720	19,630,532
Additions	-	170,574	-	642,100	47,011	161,737	1,622,353	2,643,775
Disposals	(41,076)	-	-	-	-	(171,224)	-	(212,300)
Transfer from CWIP	-	480	15,878	804,923	27,835	3,467	(852,583)	-
Transfer to Intangible assets from CWIP	-	-	-	-	-	-	(562,950)	(562,950)
Transfer to Intangible assets	-	-	-	(57,454)	-	-	-	(57,454)
Translation	32,584	107,868	178,527	409,534	11,936	68,411	72,258	881,118
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
Depreciation -								
At 2 May 2020	-	1,488,703	248,874	3,884,905	665,947	887,579	-	7,176,008
Charge for the year	-	121,304	104,135	842,829	66,692	205,337	-	1,340,297
Relieved on disposals	-	-	-	-	-	(100,640)	-	(100,640)
Transfer to Intangible assets	-	-	-	(21,253)	-	-	-	(21,253)
Translation	-	32,722	59,883	136,297	7,596	38,552	-	275,050
At 1 May 2021	-	1,642,729	412,892	4,842,778	740,235	1,030,828	-	8,669,462
Net Book Value -								
At 1 May 2021	560,322	2,568,597	486,379	7,858,245	230,397	577,521	1,371,798	13,653,259

JAMAICA BROILERS GROUP LIMITED
1 MAY 2021
(Expressed in Jamaican dollars unless otherwise indicated)

13. Property, Plant and Equipment (Continued)

	The Group							
	Freehold Land	Freehold Buildings	Leasehold Property	Plant, Machinery & Equipment	Furniture & Fixtures	Motor Vehicles	Capital Work in Progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At Cost -	2020							
At 27 April 2019	539,625	3,599,844	724,433	9,048,130	814,688	1,294,995	175,100	16,196,815
Acquisition of business (Note 35)	16,343	157,297	-	141,962	-	6,387	-	321,989
Additions	-	-	3,089	1,086,469	49,113	270,601	1,682,162	3,091,434
Disposals	-	-	-	(25,697)	-	(59,088)	(8,038)	(92,823)
Transfer from CWIP	129	81,026	1,883	570,472	16,215	8,209	(677,934)	-
Transfer to Intangible assets	-	-	-	-	-	-	(74,307)	(74,307)
Impairment	-	-	-	(35,896)	-	-	-	(35,896)
Translation	12,717	94,237	(24,539)	116,480	3,834	24,854	(4,263)	223,320
At 2 May 2020	568,814	3,932,404	704,866	10,901,920	883,850	1,545,958	1,092,720	19,630,532
Depreciation -								
At 27 April 2019	-	1,348,726	185,985	3,209,774	598,452	747,184	-	6,090,121
Charge for the year	-	114,422	73,613	654,870	65,024	176,213	-	1,084,142
Relieved on disposals	-	-	-	(9,737)	-	(47,386)	-	(57,123)
Translation	-	25,555	(10,724)	29,998	2,471	11,568	-	58,868
At 2 May 2020	-	1,488,703	248,874	3,884,905	665,947	887,579	-	7,176,008
Net Book Value -								
At 2 May 2020	568,814	2,443,701	455,992	7,017,015	217,903	658,379	1,092,720	12,454,524

JAMAICA BROILERS GROUP LIMITED
1 MAY 2021
(Expressed in Jamaican dollars unless otherwise indicated)

13. Property, Plant and Equipment (Continued)

	The Company						
	Freehold Land	Freehold Buildings	Machinery & Equipment	Furniture & Fixtures	Motor Vehicles	Capital Work in Progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At Cost -							
At 27 April 2019	35,504	1,910,973	5,490,754	604,123	722,043	134,912	8,898,309
Additions	-	-	99,306	45,502	126,714	756,050	1,027,572
Disposals	-	-	(33,735)	-	(51,611)	-	(85,346)
Transfers from CWIP	-	81,154	523,779	15,677	-	(620,610)	-
Transfer to Intangible assets	-	-	-	-	-	(74,307)	(74,307)
At 2 May 2020	35,504	1,992,127	6,080,104	665,302	797,146	196,045	9,766,228
Additions	-	6,282	6,758	37,349	67,505	1,176,238	1,294,132
Disposals	-	-	-	-	(101,629)	-	(101,629)
Transfers from CWIP	-	480	671,495	27,835	-	(699,810)	-
At 1 May 2021	35,504	1,998,889	6,758,357	730,486	763,022	672,473	10,958,731
Depreciation -							
At 27 April 2019	-	772,039	2,069,652	472,851	489,982	-	3,804,524
Charge for the year	-	52,157	363,987	48,154	91,580	-	555,878
Disposal	-	-	(9,737)	-	(40,248)	-	(49,985)
At 2 May 2020	-	824,196	2,423,902	521,005	541,314	-	4,310,417
Charge for the year	-	49,544	394,710	48,820	83,917	-	576,991
Disposals	-	-	-	-	(78,713)	-	(78,713)
At 1 May 2021	-	873,740	2,818,612	569,825	546,518	-	4,808,695
Net Book Value -							
At 1 May 2021	35,504	1,125,149	3,939,745	160,661	216,504	672,473	6,150,036
At 2 May 2020	35,504	1,167,931	3,656,202	144,297	255,832	196,045	5,455,811

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

14. Right of Use Assets/Lease Liabilities

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

(a) Amounts recognised in the balance sheet

	The Group		The Company	
	1 May 2021 $'000	**2 May 2020 $'000**	**1 May 2021 $'000**	**2 May 2020 $'000**
Right-of-Use Asset/ Lease Liabilities				
Land and buildings	623,306	244,734	275,247	36,149
Vehicles	383,053	289,703	176,109	-
	1,006,359	534,437	451,356	36,149
Lease liabilities				
Current	310,481	236,902	89,744	26,070
Non-current	716,074	311,526	379,419	11,557
	1,026,555	548,428	469,163	37,627

(b) Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to right-of-use assets:

	The Group		The Company	
	1 May 2021 $'000	**2 May 2020 $'000**	**1 May 2021 $'000**	**2 May 2020 $'000**
Depreciation charge of right-of-use assets				
Land and buildings	202,895	143,144	48,022	31,373
Vehicles	108,982	86,670	10,066	-
	311,877	229,814	58,088	31,373
Interest expense	40,680	28,695	13,095	2,461
Total expenses related to leases	352,557	258,509	71,183	33,834

Interest expense is included in cost of sales and finance costs

The total cash outflow for leases was $330,194,000 (2020 - $339,515,000) and $57,779,000 (2020 - $100,300,000) for the Group and company respectively.

JAMAICA BROILERS GROUP LIMITED
1 MAY 2021
(Expressed in Jamaican dollars unless otherwise indicated)

15. Intangible Assets

	The Group						The Company
	Goodwill	Brands and Customer Relationships	Non-Compete Agreement	Product Formulation	Computer Software	Total	Computer Software
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Cost -							
At 27 April 2019	435,981	842,121	170,663	20,780	310,574	1,780,119	304,344
Acquisition of business	260,525	547,339	103,639	-	-	911,503	-
Addition	-	-	-	-	5,900	5,900	5,900
Transfer from CWIP	-	-	-	-	74,307	74,307	74,307
Translation	39,702	82,438	16,628	-	437	139,205	-
At 2 May 2020	736,208	1,471,898	290,930	20,780	391,218	2,911,034	384,551
Transfer from property, plant and equipment	-	-	-	-	57,454	57,454	-
Transfer from CWIP	-	-	-	-	562,950	562,950	-
Translation	49,676	103,285	20,686	-	485	174,132	-
At 1 May 2021	785,884	1,575,183	311,616	20,780	1,012,107	3,705,570	384,551
Amortisation -							
At 27 April 2019	-	380,205	159,871	5,801	204,813	750,690	198,584
Charge for the year	-	133,495	23,492	1,039	18,334	176,360	18,334
Translation	-	30,260	11,889	-	436	42,585	-
At 2 May 2020	-	543,960	195,252	6,840	223,583	969,635	216,918
Charge for the year	-	174,604	40,474	1,039	53,717	269,834	25,926
Transfer from property, plant and equipment	-	-	-	-	21,253	21,253	-
Translation	-	44,876	15,737	-	2,111	62,724	-
At 1 May 2021	-	763,440	251,463	7,879	300,664	1,323,446	242,844
Net Book Value -							
1 May 2021	785,884	811,743	60,153	12,901	711,443	2,382,124	141,707
2 May 2020	736,208	927,938	95,678	13,940	167,635	1,941,399	167,633

15. Intangible Assets (Continued)

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

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

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

	1 May 2021 $'000	**2 May 2020 $'000**
US operations	732,851	683,175
Jamaica operations	53,033	53,033
	785,884	736,208

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

Key assumptions used for value in use calculations:

	Revenue Growth Rate	**EBITDA to Revenue**	**Capital Expenditure to Revenue**	**Discount Rate**
US operations	3.0% - 5.5%	6.1% - 16.6%	0.2% - 2.7%	10.4% - 12%

JAMAICA BROILERS GROUP LIMITED
1 MAY 2021
(Expressed in Jamaican dollars unless otherwise indicated)

16. Investment Property

	The Group
	Land and Buildings
	$'000
Cost -	
At 27 April 2019, At 2 May 2020 and at 1 May 2021	9,976
Depreciation -	
At 27 April 2019	3,830
Charge for the year	166
At 2 May 2020	3,996
Charge for the year	166
At 1 May 2021	4,162
Net Book Value -	
At 1 May 2021	5,814
At 2 May 2020	5,980

The investment property was valued by the directors as at April 2021, based on directors' estimate. The market value of the property is estimated to be $59,000,000.

Rental income earned on the property amounted to $1,839,000 (2020 - $Nil). There was no repairs and maintenance on the property.

17. Investments

	The Group		The Company	
	1 May 2021	2 May 2020	1 May 2021	2 May 2020
	$'000	$'000	$'000	$'000
Fair value through profit or loss -				
Unquoted equities	8,567	8,567	8,567	8,567
Corporate bonds	472,398	214,331	-	-
Interest receivable	5,999	2,161	-	-
	486,964	225,059	8,567	8,567

JAMAICA BROILERS GROUP LIMITED
1 MAY 2021
(Expressed in Jamaican dollars unless otherwise indicated)

18. Loans Receivable

	The Group		The Company	
	1 May 2021 $'000	2 May 2020 $'000	1 May 2021 $'000	2 May 2020 $'000
Related party (Note 32)				
Non-Current	-	-	3,983,846	3,654,949
Current	-	-	188,715	385,400
	-	-	4,172,561	4,040,349

Included in the current portion for the Company is interest receivable of $172,000 (2020 - $6,926,000).

19. Non-Controlling Interests

	The Group	
	1 May 2021 $'000	2 May 2020 $'000
Beginning of year	68,652	125,604
Share of total comprehensive income:		
Share of net profit/(loss) of subsidiaries	63,239	(39,953)
Revaluation gains/(losses)	22,464	(16,999)
Acquisition of shares by parent company	29,921	-
Capital injection	14,427	-
End of year	198,703	68,652

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	
	1 May 2021 $'000	2 May 2020 $'000
Current		
Assets	1,470,871	1,179,417
Liabilities	(1,092,685)	(1,689,811)
Total current net liabilities	378,186	(510,394)
Non-current		
Assets	859,013	748,960
Total non-current net assets	859,013	748,960
Net assets	1,237,199	238,566

Summarised income statement

	The Group	
	1 May 2021 $'000	2 May 2020 $'000
Revenue	2,365,541	2,066,366
Profit/(loss) before income tax	196,301	(142,689)
Taxation expense	-	-
Profit/(loss) after tax/Total comprehensive income	196,301	(142,689)
Total comprehensive income allocated to non-controlling interest	85,703	(56,952)

19. Non-Controlling Interests (Continued)

Summarised cash flows

	The Group	
	1 May 2021 $'000	2 May 2020 $'000
Cash flows from operating activities		
Cash generated from operations	193,189	142,077
Interest paid	(55,410)	(49,620)
Net cash generated from operating activities	137,779	92,457
Net cash used in investing activities	(22,129)	(75,571)
Net cash (used in)/provided by financing activities	(137,453)	72,603
Net (decrease)/increase in cash and cash equivalents	(21,803)	89,489
Cash and cash equivalents at the beginning of year	43,662	(45,827)
Cash and cash equivalents at end of year	21,859	43,662

The information above represents amounts before intercompany eliminations.

20. Deferred Income Taxes

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

	The Group		The Company	
	1 May 2021 $'000	2 May 2020 $'000	1 May 2021 $'000	2 May 2020 $'000
The balance sheet comprises:				
Deferred tax assets	(68,730)	(41,509)	-	-
Deferred tax liabilities	1,275,689	735,590	931,807	534,233
	1,206,959	694,081	931,807	534,233

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

	The Group		The Company	
	1 May 2021 $'000	2 May 2020 $'000	1 May 2021 $'000	2 May 2020 $'000
Balance at 2 May 2020	694,081	805,149	534,233	693,047
Charged/(credited) to profit or loss (Note 10)	345,795	(40,375)	251,124	(81,889)
Charged/(credited) to other comprehensive income (Note 10)	151,200	(79,275)	146,450	(76,925)
Translation	15,883	8,582	-	-
Balance as at end of year	1,206,959	694,081	931,807	534,233

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

	The Group		The Company	
	1 May 2021 $'000	2 May 2020 $'000	1 May 2021 $'000	2 May 2020 $'000
Deferred income tax assets -				
Other post-employment benefits	5,050	5,000	4,825	4,550
Accrued vacation	20,273	21,407	19,607	20,937
Tax losses unused	114,066	261,782	-	-
Interest payable	11,773	11,773	11,529	11,495
Intangible assets	109,287	97,335	-	-
Unrealised foreign exchange losses	45	30,928	-	30,928
Other	31,215	47,966	10,445	29,347
	291,709	476,191	46,406	97,257
Deferred income tax liabilities -				
Pension benefits	248,375	94,975	242,050	92,675
Property, plant and equipment	1,144,284	1,070,155	629,755	536,086
Unrealised foreign exchange gains	106,095	165	106,095	-
Intangible assets	(398)	2,248	-	-
Other	312	2,729	313	2,729
	1,498,668	1,170,272	978,213	631,490
Net deferred tax liabilities	1,206,959	694,081	931,807	534,233

20. Deferred Income Taxes (Continued)

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

	The Group		The Company	
	1 May 2021 $'000	2 May 2020 $'000	1 May 2021 $'000	2 May 2020 $'000
Profit or loss				
Property, plant and equipment	39,897	271,327	93,669	73,009
Accrued vacation and general provisions	1,133	(3,481)	1,330	(3,511)
Post-employment benefits	2,150	(25,925)	2,650	(25,675)
Tax losses	157,365	(169,249)	-	-
Unrealised foreign exchange losses/(gains)	136,813	(96,178)	137,023	(96,026)
Intangible assets	(7,290)	(10,407)	-	-
Interest payable	1	(479)	(34)	(516)
Other temporary differences	15,726	(5,983)	16,486	(29,170)
	345,795	(40,375)	251,124	(81,889)
Other comprehensive income				
Post-employment benefits	151,200	(79,275)	146,450	(76,925)

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 $5,207,168,000 (2020 - $4,446,149,000). These undistributed earnings are in foreign subsidiaries.

20. Deferred Income Taxes (Continued)

These balances include the following:

	The Group		The Company	
	1 May 2021 $'000	2 May 2020 $'000	1 May 2021 $'000	2 May 2020 $'000
Deferred tax assets -				
Deferred tax assets to be recovered after more than 12 months	119,116	102,335	4,825	4,550
Deferred tax assets to be recovered within 12 months	172,593	373,856	41,581	92,707
	291,709	476,191	46,406	97,257
Deferred tax liabilities -				
Deferred tax liabilities to be recovered after more than 12 months	1,392,659	1,165,130	871,805	628,761
Deferred tax liabilities to be recovered within 12 months	106,009	5,142	106,408	2,729
	1,498,668	1,170,272	978,213	631,490
Net deferred tax liability	1,206,959	694,081	931,807	534,233

21. Post-Employment Benefits

Amounts recognised in the balance sheet are as follows:

	The Group		The Company	
	1 May 2021 $'000	2 May 2020 $'000	1 May 2021 $'000	2 May 2020 $'000
Pension scheme benefit assets	993,500	379,900	968,200	370,700
Post-employment benefit obligations	(20,200)	(20,000)	(19,300)	(18,200)
Amounts recognised in the profit or loss (Note 8) -				
Pension scheme benefit liabilities	17,000	134,000	14,500	132,400
Post-employment benefit obligations	1,200	1,900	1,100	1,300
	18,200	135,900	15,600	133,700
Amounts recognised in other comprehensive income				
Pension scheme benefit assets	(606,100)	319,100	(587,900)	309,900
Post-employment benefit obligations	1,300	(2,500)	2,100	(2,200)
	(604,800)	316,600	(585,800)	307,700

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 $90,850,000 (2020 - $77,839,000) and $9,993,000 (2020 – $7,613,000)

Defined benefit plan
The Group participates in a defined benefit scheme, which is open to all permanent employees based in Jamaica and administered by an external agency. The plan is funded by employee contributions of 5% pensionable earning with the option to contribute an additional voluntary contribution of 5%, and employer contributes 2%, as recommended by independent actuaries. The plan provides benefits to members based on average earnings for the final two years of service or the two years in which the highest salaries of the employee have been earned. The defined benefit scheme is valued by independent actuaries annually using the Projected Unit Credit Method. The latest actuarial valuation was carried out as at 1 May 2021. 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**	
	1 May 2021 $'000	**2 May 2020 $'000**	**1 May 2021 $'000**	**2 May 2020 $'000**
Fair value of plan assets	6,548,000	6,213,000	6,381,300	6,062,600
Present value of obligations	(5,554,500)	(5,833,100)	(5,413,100)	(5,691,900)
	993,500	379,900	968,200	370,700

Pension plan assets include investment in ordinary stock units of the company with a fair value of $349,082,000 (2020 - $300,813,000).

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	
	1 May 2021 $'000	**2 May 2020 $'000**	**1 May 2021 $'000**	**2 May 2020 $'000**
At start of year	379,900	803,600	370,700	784,000
Amounts recognised in profit or loss (Note 8)	(17,000)	(134,000)	(14,500)	(132,400)
Amounts recognised in other comprehensive income	606,100	(319,100)	587,900	(309,900)
Contributions paid	24,500	29,400	24,100	29,000
At end of year	993,500	379,900	968,200	370,700

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

	The Group		The Company	
	1 May 2021 $'000	**2 May 2020 $'000**	**1 May 2021 $'000**	**2 May 2020 $'000**
At start of year	5,833,100	5,391,600	5,691,900	5,260,000
Transfer in fund – new employee	-	1,900	-	1,900
Current service cost	175,500	163,100	172,900	160,700
Interest cost	373,500	362,700	364,200	354,000
Curtailment	(151,200)	(2,600)	(151,200)	(2,600)
	6,230,900	5,916,700	6,077,800	5,774,000
Remeasurement gain on obligations:-				
Changes in financial assumptions	(316,800)	-	(309,900)	-
Experience adjustment	(76,000)	(57,400)	(72,700)	(57,400)
Members contribution	125,600	141,800	122,400	138,600
Benefits paid	(409,200)	(168,000)	(404,500)	(163,300)
At end of year	5,554,500	5,833,100	5,413,100	5,691,900

JAMAICA BROILERS GROUP LIMITED
1 MAY 2021
(Expressed in Jamaican dollars unless otherwise indicated)

21. Post-Employment Benefits (Continued)

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

	The Group		The Company	
	1 May 2021 $'000	2 May 2020 $'000	1 May 2021 $'000	2 May 2020 $'000
At start of year	6,213,000	6,195,200	6,062,600	6,044,000
Transfer in fund – new employee	-	1,900	-	1,900
Members' contribution	125,600	141,800	122,400	138,600
Employer's contribution	24,500	29,400	24,100	29,000
Interest income on plan assets	394,900	402,400	385,200	392,600
Benefits paid	(409,200)	(168,000)	(404,500)	(163,300)
Administrative expenses	(14,100)	(13,200)	(13,800)	(12,900)
Remeasurement gain/(loss) on plan assets	213,300	(376,500)	205,300	(367,300)
At end of year	6,548,000	6,213,000	6,381,300	6,062,600

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

	The Group		The Company	
	1 May 2021 $'000	2 May 2020 $'000	1 May 2021 $'000	2 May 2020 $'000
Current service cost	175,500	163,100	172,900	160,700
Interest cost	373,500	362,700	364,200	354,000
Interest income on plan assets	(394,900)	(402,400)	(385,200)	(392,600)
Administrative expenses	14,100	13,200	13,800	12,900
Curtailment	(151,200)	(2,600)	(151,200)	(2,600)
Total included in staff costs (Note 8)	17,000	134,000	14,500	132,400

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

	The Group		The Company	
	1 May 2021 $'000	2 May 2020 $'000	1 May 2021 $'000	2 May 2020 $'000
Remeasurements of the defined benefit obligation	(392,800)	(57,400)	(382,600)	(57,400)
Remeasurements of the plan assets	(213,300)	376,500	(205,300)	367,300
Total	(606,100)	319,100	(587,900)	309,900

JAMAICA BROILERS GROUP LIMITED
1 MAY 2021
(Expressed in Jamaican dollars unless otherwise indicated)

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 $4,071,300,000 and $4,004,700,000 relating to active members, $357,700,000 and $356,100,000 relating to deferred members, $949,000,000 and $885,600,000 relating to the members in retirement and $13,600,000 and $13,600,000 relating to other liabilities.

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

Expected employer contributions to the plan for the year ended 1 May 2021 amount to $26,500,000 for the group and $26,100,000 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:

	1 May 2021	2 May 2020
Discount rate	8.5%	6.5%
Future salary increases	6.5%	4.0%
Future pension increases	2.25%	1.25%

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

	The Group				
	Impact on post-employment obligations				
		1 May 2021		2 May 2020	
	Change in assumption	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
		$'000	$'000	$'000	$'000
Discount rate	0.5%	(406,100)	463,200	(442,300)	506,800
Future salary increases	0.5%	179,500	(165,900)	1,096,700	(178,500)
Pension increases	0.5%	242,200	(222,200)	266,700	(243,900)

	The Company				
	Impact on post-employment obligations				
		1 May 2021		2 May 2020	
	Change in assumption	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
		$'000	$'000	$'000	$'000
Discount rate	0.5%	(398,200)	454,300	(433,800)	497,300
Future salary increases	0.5%	176,800	(163,400)	193,800	(175,800)
Pension increases	0.5%	236,500	(217,000)	260,500	(238,200)

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			
	1 May 2021		2 May 2020	
	Increase Assumption by One Year	Decrease Assumption by One Year	Increase Assumption by One Year	Decrease Assumption by One Year
	$'000	$'000	$'000	$'000
Life expectancy	68,200	(70,400)	76,200	(78,200)

	The Company			
	1 May 2021		2 May 2020	
	Increase Assumption by One Year	Decrease Assumption by One Year	Increase Assumption by One Year	Decrease Assumption by One Year
	$'000	$'000	$'000	$'000
Life expectancy	66,200	(68,400)	74,100	(76,100)

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.

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 7.5% per year (2020 – 5% per year).

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

	The Group		The Company	
	1 May 2021 $'000	**2 May 2020 $'000**	**1 May 2021 $'000**	**2 May 2020 $'000**
Present value of funded obligations	20,200	20,000	19,300	18,200

The movement in the liability during the year was as follows:	The Group		The Company	
	1 May 2021 $'000	**2 May 2020 $'000**	**1 May 2021 $'000**	**2 May 2020 $'000**
At start of year	20,000	22,900	18,200	21,100
Amounts recognised in profit or loss (Note 8)	1,200	1,900	1,100	1,300
Amounts recognised in other comprehensive income	1,300	(2,500)	2,100	(2,200)
Contributions paid	(2,300)	(2,300)	(2,100)	(2,000)
At end of year	20,200	20,000	19,300	18,200

JAMAICA BROILERS GROUP LIMITED
1 MAY 2021
(Expressed in Jamaican dollars unless otherwise indicated)

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	
	1 May 2021 $'000	**2 May 2020 $'000**	**1 May 2021 $'000**	**2 May 2020 $'000**
At start of year	20,000	22,900	18,200	21,100
Interest cost	1,200	1,900	1,100	1,300
Benefits paid	(2,300)	(2,300)	(2,100)	(2,000)
Remeasurement loss/(gain) on obligation:-				
Changes in financial assumptions	200	-	200	-
Experience adjustment	1,100	(2,500)	1,900	(2,200)
At end of year	20,200	20,000	19,300	18,200

The amount recognised in profit or loss is as follows:

	The Group		The Company	
	1 May 2021 $'000	**2 May 2020 $'000**	**1 May 2021 $'000**	**2 May 2020 $'000**
Interest cost	1,200	1,900	1,100	1,300
Total included in staff costs (Note 8)	1,200	1,900	1,100	1,300

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

	The Group		The Company	
	1 May 2021 $'000	**2 May 2020 $'000**	**1 May 2021 $'000**	**2 May 2020 $'000**
Remeasurements of the defined benefit obligation	2,300	(2,500)	2,100	(2,200)

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				
		1 May 2021		2 May 2020	
	Change in assumption	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
		$'000	$'000	$'000	$'000
Discount rate	0.5%	(600)	600	(700)	700
Medical cost	0.5%	(2,600)	(3,700)	(3,200)	(4,400)

	The Company				
	Impact on post-employment obligations				
		1 May 2021		2 May 2020	
	Change in assumption	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
		$'000	$'000	$'000	$'000
Discount rate	0.5%	(600)	600	(600)	700
Medical cost	0.5%	(2,600)	(3,100)	(3,100)	(4,200)

	The Group			
	1 May 2021		2 May 2020	
	Increase Assumption by One Year	Decrease Assumption by One Year	Increase Assumption by One Year	Decrease Assumption by One Year
	$'000	$'000	$'000	$'000
Life expectancy	1,000	(1,000)	1,000	(900)

	The Company			
	1 May 2021		2 May 2020	
	Increase Assumption by One Year	Decrease Assumption by One Year	Increase Assumption by One Year	Decrease Assumption by One Year
	$'000	$'000	$'000	$'000
Life expectancy	1,000	(900)	900	(800)

JAMAICA BROILERS GROUP LIMITED
1 MAY 2021
(Expressed in Jamaican dollars unless otherwise indicated)

21. Post-Employment Benefits (Continued)

(d) Distribution of pension plan assets -

	The Group			
	1 May 2021 $'000	**1 May 2021 %**	**2 May 2020 $'000**	**2 May 2020 %**
Equities - quoted	3,418,846	52	3,268,500	53
Equities - unquoted	50,654	1	46,600	1
Property	824,800	13	729,700	12
Fixed income investments	1,793,400	27	1,982,000	32
Pooled funds – real estate	321,800	5	-	-
Leased assets	68,900	1	89,600	1
Other	69,600	1	96,600	1
	6,548,000	100	6,213,000	100

	The Company			
	1 May 2021 $'000	**1 May 2021 %**	**2 May 2020 $'000**	**2 May 2020 %**
Equities - quoted	3,331,808	52	3,189,378	53
Equities - unquoted	49,364	1	45,472	1
Property	803,802	13	712,036	12
Fixed income investments	1,747,743	27	1,934,021	32
Pooled funds – real estate	313,608	5	-	-
Leased assets	67,146	1	87,431	1
Other	67,829	1	94,262	1
	6,381,300	100	6,062,600	100

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 2020 consists of bonds and equities.

Funding levels are monitored on an annual basis and the agreed employer contribution rate was 2% of pensionable salaries. The next triennial valuation is due to be completed as at 30 April 2023.

JAMAICA BROILERS GROUP LIMITED
1 MAY 2021
(Expressed in Jamaican dollars unless otherwise indicated)

22. Inventories

	The Group		The Company	
	1 May 2021 $'000	2 May 2020 $'000	1 May 2021 $'000	2 May 2020 $'000
Grain and feed ingredients	3,695,832	3,118,386	1,606,914	2,112,497
Inventories for resale	4,018,989	3,658,955	1,999,575	2,553,972
Goods in transit	2,185,139	344,405	1,785,563	258,815
General supplies	3,259,017	2,496,052	1,915,580	1,655,333
	13,158,977	9,617,798	7,307,632	6,580,617
Less: Provision for obsolescence	(253,227)	(140,410)	(253,227)	(140,410)
	12,905,750	9,477,388	7,054,405	6,440,207

Inventory write-downs for the current year amounted to $134,108,000 (2020 – $134,790,000).

23. Biological Assets

	The Group		The Company	
	1 May 2021 $'000	2 May 2020 $'000	1 May 2021 $'000	2 May 2020 $'000
Cattle	59,405	56,303	-	-
Poultry	11,367,660	9,050,831	808,906	482,447
	11,427,065	9,107,134	808,906	482,447

Biological assets comprise of:

	The Group		The Company	
	1 May 2021 $'000	2 May 2020 $'000	1 May 2021 $'000	2 May 2020 $'000
Biological assets at fair value	669,610	437,290	610,205	380,987
Biological assets at cost	10,757,455	8,669,844	198,701	101,460
	11,427,065	9,107,134	808,906	482,447

23. Biological Assets (Continued)

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

	The Group		The Company	
	1 May 2021 $'000	**2 May 2020 $'000**	**1 May 2021 $'000**	**2 May 2020 $'000**
At start of year	437,290	575,196	380,987	524,237
Fair value gain	6,879	6,837	-	-
Increase due to purchases and transfers	7,831,882	9,250,018	7,831,398	9,249,199
Decrease due to sales	(7,606,441)	(9,394,761)	(7,602,180)	(9,392,449)
At end of year	669,610	437,290	610,205	380,987

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

	The Group		The Company	
	1 May 2021 $'000	**2 May 2020 $'000**	**1 May 2021 $'000**	**2 May 2020 $'000**
At start of year	8,669,844	6,248,597	101,460	206,647
Increase due to purchases and acquisition	15,201,345	12,231,062	2,891,615	2,908,337
Decrease due to sales and depreciation	(13,625,721)	(10,208,547)	(2,794,374)	(3,013,524)
Written off	(296,861)	-	-	-
Translation	808,848	398,732	-	-
At end of year	10,757,455	8,669,844	198,701	101,460

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 693 (2020 – 694).

The number of cattle harvested during the year was 237 (2020 – 274).

(ii) Poultry
The number of birds in the field, including broilers, breeders, and layer pullets at year end was 7,040,000 (2020 – 6,151,000) and the number of eggs at year end was 6,957,000 (2020 – 5,141,000).

The total number of birds produced during the year was 47,275,000 (2020 – 54,060,000).

The total number of eggs produced during the year was 31,214,000 (2020 – 30,705,000) dozens.

JAMAICA BROILERS GROUP LIMITED
1 MAY 2021
(Expressed in Jamaican dollars unless otherwise indicated)

24. Receivables

	The Group		The Company	
	1 May 2021 $'000	2 May 2020 $'000	1 May 2021 $'000	2 May 2020 $'000
Trade receivables	3,347,215	3,586,616	1,916,863	2,191,488
Less: Provision for impairment	(469,722)	(607,584)	(346,560)	(485,778)
	2,877,493	2,979,032	1,570,303	1,705,710
Contract farmers' receivables	191,817	167,601	182,253	153,276
Deposits	75,441	49,958	41,642	19,896
G.C.T recoverable	32,791	57,557	32,720	57,504
Insurance claims	249,958	3,244	3,417	3,244
Prepayments	656,357	332,942	401,745	153,519
Staff receivables	81,248	42,767	50,359	23,915
Other	356,508	249,785	237,428	62,708
	4,521,613	3,882,886	2,519,867	2,179,772
Less: Provision for impairment	(318)	(2,823)	(318)	(318)
	4,521,295	3,880,063	2,519,549	2,179,454

25. Financial Assets at Fair Value through Profit or Loss

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

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

26. Cash and Short Term Investments

	The Group		The Company	
	1 May 2021 $'000	2 May 2020 $'000	1 May 2021 $'000	2 May 2020 $'000
Cash at bank and in hand	2,912,440	3,838,108	2,449,395	2,856,125
Short term investments	511,098	2,032,339	473,678	2,013,408
	3,423,538	5,870,447	2,923,073	4,869,533
Interest receivable	1,126	3,997	1,077	3,990
	3,424,664	5,874,444	2,924,150	4,873,523

26. Cash and Short Term Investments (Continued)

The weighted average effective interest rate on Jamaica dollar and US dollar short term deposits was 0.95% (2020 – 2.5%) and 2% (2020 – 0.5%) respectively. These represent call deposits which are repayable on demand.

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

	The Group		The Company	
	1 May 2021 $'000	2 May 2020 $'000	1 May 2021 $'000	2 May 2020 $'000
Cash and short term investments	3,424,664	5,874,444	2,924,150	4,873,523
Bank overdrafts	(203,004)	(253,101)	(696)	(135,391)
	3,221,660	5,621,343	2,923,454	4,738,132

27. Payables

	The Group		The Company	
	1 May 2021 $'000	2 May 2020 $'000	1 May 2021 $'000	2 May 2020 $'000
Trade payables	7,727,978	7,490,733	4,774,525	4,544,642
Accrued charges	936,174	1,011,840	805,982	876,503
Contractors retention payable	4,118	7,956	656	22
GCT payable	445	444	-	-
Payroll taxes payable	51,427	59,280	49,119	57,743
Staff related payables	311,869	116,888	-	-
Unclaimed cheques	150,155	150,253	150,155	150,253
Other	489,484	541,869	454,227	534,736
	9,671,650	9,379,263	6,234,664	6,163,899

28. Dividends

	The Group		The Company	
	1 May 2021 $'000	2 May 2020 $'000	1 May 2021 $'000	2 May 2020 $'000
Dividends declared				
First interim –13 cents per stock unit (2020 – 19 cents)	155,906	227,862	155,906	227,862
Second interim – 28 cents per stock unit (2020 – 18 cents)	335,797	215,870	335,797	215,870
	491,703	443,732	491,703	443,732
Elimination of dividends attributable to the Trust	(76,665)	(64,947)	-	-
	415,038	378,785	491,703	443,732

29. Borrowings

	The Group		The Company	
	1 May 2021 $'000	**2 May 2020 $'000**	**1 May 2021 $'000**	**2 May 2020 $'000**
Non-Current -				
Borrowings	8,953,359	7,572,178	6,938,294	5,450,049
Current -				
Short term borrowings and bank overdraft	9,360,769	8,605,814	2,763,321	4,425,291
Current portion of non-current borrowings	1,550,524	997,829	1,256,564	733,107
Interest payable	47,090	47,093	46,113	45,980
	10,958,383	9,650,736	4,065,998	5,204,378
	19,911,742	17,222,914	11,004,292	10,654,427

The borrowings include certain loans totalling US$3.7 million which the Group could apply for forgiveness if the funds are used for qualifying expenses. If all or a portion of the loans are ultimately forgiven, the Group will record income from the extinguishment of the obligations when, and if, they are legally released.

Interest rates on these loans range between 5% to 7% on Jamaican currency loans and 4% 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.

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

Amounts represent bank loans, excluding bank overdrafts

	The Group		The Company	
	1 May 2021 $'000	**2 May 2020 $'000**	**1 May 2021 $'000**	**2 May 2020 $'000**
Opening	16,969,813	12,228,514	10,519,036	8,183,930
Loans received	6,996,201	7,932,405	4,879,097	4,961,116
Loans repaid	(4,858,602)	(3,561,843)	(4,540,285)	(2,718,851)
Foreign exchange adjustments	607,749	376,945	152,225	99,092
Net movement in deferred fees	(6,420)	(8,126)	(6,610)	(8,316)
Net interest movements	(3)	1,918	134	2,065
	19,708,738	16,969,813	11,003,597	10,519,036

30. Share Capital

	Group			
	1 May 2021 Units '000	**2 May 2020 Units '000**	**1 May 2021 $'000**	**2 May 2020 $'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	(191,311)	(179,292)	-	-
	1,007,966	1,019,985	765,137	765,137

	Company			
	1 May 2021 Units '000	**2 May 2020 Units '000**	**1 May 2021 $'000**	**2 May 2020 $'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 2021 and 2020 are stated in these financial statements without a nominal or par value.

The cost of the shares held by the Trust is $3,713,144,000 (2020 - $3,378,643,000). During the year the Trust purchased 12,019,000 (2020 – 3,761,000) additional shares.

JAMAICA BROILERS GROUP LIMITED
1 MAY 2021
(Expressed in Jamaican dollars unless otherwise indicated)

31. Reserves

	The Group		The Company	
	1 May 2021 $'000	**2 May 2020 $'000**	**1 May 2021 $'000**	**2 May 2020 $'000**
(a) Capital Reserve				
At start of year -				
Realised capital gains	24,500	24,500	3,227	3,227
Unrealised surplus on revaluations	321,807	321,807	228,944	228,944
Fair value loss on available-for-sale securities	-	-	(538)	(538)
Translation loss on subsidiary assumed	-	-	(8,686)	(8,686)
Gains on translation of financial statements of foreign subsidiaries	1,339,438	834,851	-	-
	1,685,745	1,181,158	222,947	222,947
Movements during the year -				
Translation gain	818,014	504,587	-	-
At end of year	2,503,759	1,685,745	222,947	222,947
Consisting of -				
Realised capital gains	24,500	24,500	3,227	3,227
Unrealised surplus on revaluations	321,807	321,807	228,944	228,944
Fair value loss on available-for-sale securities	-	-	(538)	(538)
Translation loss on subsidiary assumed	-	-	(8,686)	(8,686)
Gains on translation of financial statements of foreign subsidiaries	2,157,452	1,339,438	-	-
	2,503,759	1,685,745	222,947	222,947
(b) Legal Reserve	233	233	-	-
	2,503,992	1,685,978	222,947	222,947

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

32. Related Party Transactions and Balances

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

Related parties include fellow subsidiaries, directors and key management.

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

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

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

	1 May 2021 $'000	2 May 2020 $'000
Sale of goods	582,521	586,571
Purchases of goods	2,707,058	3,814,068
Purchase of services	232,736	237,822
Interest income earned	37,833	35,400
Management fees earned	9,616	21,773
Insurance premiums expense	748,882	671,983
Dividend received	663,695	694,240
Other expenses	-	308

(ii) Key management compensation

	The Group		The Company	
	1 May 2021 $'000	2 May 2020 $'000	1 May 2021 $'000	2 May 2020 $'000
With directors and key management -				
Salaries, profit sharing and other short-term employee benefits	515,056	695,359	386,211	544,947
Payroll taxes - Employer's portion	40,503	47,686	36,652	43,137
Pension benefits	6,712	6,707	3,693	3,628
Professional fees paid	12,561	8,680	12,561	8,680
	574,832	758,432	439,117	600,392
Directors' emoluments -				
Fees	46,498	46,333	43,858	44,053
Management remuneration (included above)	395,624	549,530	254,630	386,689

JAMAICA BROILERS GROUP LIMITED
1 MAY 2021
(Expressed in Jamaican dollars unless otherwise indicated)

32. Related Party Transactions and Balances (Continued)

(iii) Year end balances with related parties:

	The Group		The Company	
	1 May 2021 $'000	**2 May 2020 $'000**	**1 May 2021 $'000**	**2 May 2020 $'000**
Directors and key management -				
Receivables	59,104	13,876	35,729	13,839
Receivable from subsidiaries -				
Trade and other receivables	-	-	3,822,828	3,791,801
Current portion of loans receivable (Note 18)	-	-	188,715	385,400
	-	-	4,011,543	4,177,201
Payable to subsidiaries	-	-	49,145	417,134
Loans receivable:				
Loan to JBGL Stockholders Nominee Limited (b) (Note 18)	-	-	3,983,846	3,654,949

(a) Included in current portion of loans receivable is the outstanding amounts on a loan of HTG 104,554,441 (2020 -HTG 275,523,990). The loan is interest free and matures in 2022 included in current portion.

(b) The balance represents the outstanding amounts on a loan at a rate of 1% per annum and matures in 2024. Principal will be repaid on maturity. Included in receivable from subsidiaries is the interest receivable of $172,000 (2020 - $6,926,000). The deferred expenditure of $36,420,000 (2020 - $54,630,000) relates to transactions costs incurred by the Trust in obtaining the loan and is being amortised over the life of the loan.

33. Fair Value of Financial Instruments

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

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

(i) Financial assets at fair value through profit or loss are measured at fair value by reference to quoted prices when available. If quoted market prices are not available, then fair values are estimated on the basis of pricing models, or discounted cash flows. Fair value is equal to the carrying amount of these items;

(ii) Investment securities classified as available-for-sale are measured at cost. Fair value cannot be reliably determined as no active market for these securities exist as they relate to investment in private entities.

(iii) The fair value of long term receivables, borrowings and other long term liabilities approximates carrying value as the contractual cash flows are at current market interest rates that are available to the Group for similar financial instruments; and

(iv) The amounts included in the financial statements for receivables, cash and short term investments, payables short term borrowings and bank overdraft reflect their fair values due to the short term maturity of these instruments.

Financial instruments that are measured in the balance sheet at fair value are grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

(i) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

(ii) Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

(iii) Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial assets measured at fair value are all categorised as level 2 and comprise financial assets at fair value through profit or loss amounting to $660,541,000 (2020 - $450,037,000) 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 $669,610,000 (2020 – $437,290,000) and $610,205,000 (2020 - $380,987,000) for the Group and the Company respectively are included in Level 2.

34. Business Combination

In the prior year, The Best Dressed Chicken Inc. acquired the operations of a poultry operation from a company in the USA. The principal activity of The Best Dressed Chicken Inc. is the production and distribution of poultry meat for the poultry industry. As a result of this acquisition, the Group is expected to extend its reach in the poultry industry of North America.

The acquired assets contributed revenues of $1,973,037,000 and profits of $25,175,000 for the year ended 2 May 2020.

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

	Total Fair Values
	$'000
Net assets arising on the acquisition –	
Intangible assets	650,978
Property, plant and equipment	321,989
Inventories	119,592
Biological assets	144,982
	1,237,541
Goodwill on acquisition:	
Purchase consideration	1,498,066
Less: Fair value of net assets acquired	1,237,541
	260,525
Net cash outlay on acquisition:	
Purchase consideration paid in cash	1,498,066
Cash and cash equivalents acquired	-
	1,498,066

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

35. Impact of the COVID-19 Pandemic

The COVID-19 pandemic developed rapidly in 2020, with a significant number of infections. Measures taken by various governments to contain the virus have affected economic activity. We have taken several measures to monitor and mitigate the effects of the COVID-19 virus, such as safety and health measures for our people (such as social distancing and working from home) and securing the supply of materials that are essential to our production process. One of the measures taken was the formation of a cross-functional team with senior managers from various areas of the business, reporting to the Group Executives, to develop actions to mitigate the impact of the pandemic; including communication of safety and health protocols for employees, securing the supply chain, liquidity risk assessment and monitoring of the Group's receivables. These on-going management meetings fostered a solution driven environment and improved communication between the departments.

We will continue to follow the various government policies and advice and, in parallel, we will do our utmost to continue our operations in the best and safest way possible without jeopardizing the health of our people.

NOTES

INFORMATION MANDATE FORM

The personal information that you provide on this form will be used to update the register(s) of members in order to send out any required notices and to facilitate any necessary payments to the Company's shareholders; or to perform any necessary services related to these purposes. Any questions regarding the storage or retention of your personal data may be directed to PwC Corporate Services (Jamaica) Limited (PwC).

PERSONAL DATA:

Name of Shareholder(s): ______________________________

Shareholder Account Number(s): ______________________________

Current Mailing Address: ______________________________

Tax Registration Number (TRN): ______________________________

Telephone Number(s): ______________________________

Email Address: ______________________________

BANK DATA:

Bank / Financial Institution: ______________________________

Branch: ______________________________

Transit Code: ______________________________

Address: ______________________________

Account Number: ______________________________

Account Type: ______________________________

Name of Account Holders(s): ______________________________

By signing this form I certify that the information submitted herein is true and correct to the best of my knowledge and I give consent and authorisation to PwC to obtain, collect, use, store, process and disclose this information - subject to any relevant laws and regulations – for the purposes stated above. I acknowledge that in the course of carrying out its services, PwC may share my information with third parties in order to facilitate the updates and payments being achieved; as well as to fulfil any legal obligations of PwC and/or their Clients. I also understand that if the information I have given herein is found false or incorrect I will indemnify PwC for any losses or claims incurred as a result. ***Dividend cheques which are held on behalf of the shareholder for pickup will be mailed out to the last address on register if the shareholder does not collect said cheque within 4 (four) weeks of payment date.**

NAME	SIGNATURE	DATE

NAME	SIGNATURE	DATE

Kindly submit your completed form to PwC Corporate Services along with a copy of a valid ID and TRN card for all shareholders on the account.

An electronic version of this form is available at: www.jamaicabroilersgroup.com/investors/shareholders-info

PwC Corporate Services (Jamaica) Limited
Scotiabank Centre, Duke Street, P.O. Box 372, Kingston, Jamaica
EMAIL: JM_jbgl@pwc.com | PHONE: +1 (876) 932-8337 or +1 (876) 932 8401

Postage Stamp
$100

PwC Corporate Services (Jamaica) Limited
13th Floor, Scotiabank Centre
Cnr. Duke & Port Royal Streets
Kingston, JAMAICA

PROXY FORM

I/we ____
NAME(S) OF SHAREHOLDER(S)

of ____
ADDRESS OF PRIMARY SHAREHOLDER

and bearing the share account number(s) of ______________________________
SHARE ACCOUNT NUMBER(S)

being a member(s) 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** (**AGM**) of the Company to be held virtually on the **27th day of October, 2021 at 2:00 p.m.** and at any adjournment thereof. Below is an indication of how I/we wish the selected proxy to vote in relation to each resolution:

(Please indicate how you wish your proxy to vote iby inserting an 'X' in the appropriate column.)

RESOLUTION	FOR	AGAINST
Resolution No. 1		
Resolution No. 2		
Resolution No. 3		
Resolution No. 4		
Resolution No. 5		
Resolution No. 6		

NOTES:

1. This Proxy Form 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 at least 48 hours ahead of the AGM.
2. This Proxy Form should bear stamp duty of J$100.00 or its equivalent. Adhesive stamps are to be cancelled by the person signing the Proxy.
3. 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.

Signed: ______________________ Dated the ______ day of ______________________ 2021

CORPORATIONS ACTING BY REPRESENTATIVES AT MEETING
REGULATION 74 OF THE ARTICLES OF INCORPORATION

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 authorised or by resolution of its directors or other governing body authorise 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 authorised 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.

Postage Stamp

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