



**SEPROD LIMITED**

**CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE SIX MONTHS ENDED**

**JUNE 30 2015**



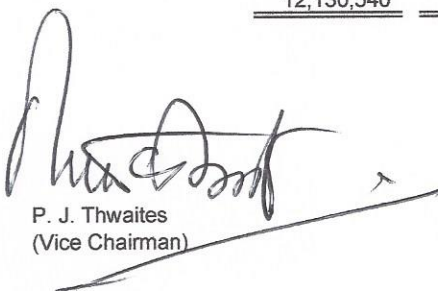
**SEPROD LIMITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION UNAUDITED**

30 JUNE 2015

(expressed in Jamaican dollars unless otherwise indicated)

	<b>Unaudited 30/06/2015 \$'000</b>	<b>Unaudited 30/06/2014 \$'000</b>	<b>Audited 31/12/2014 \$'000</b>
<b>NET ASSETS EMPLOYED</b>			
Fixed assets	4,054,128	3,772,433	3,820,236
Intangible assets	6,708	14,049	7,975
Available-for-sale investments	2,807,265	2,584,537	2,752,296
Long term receivables	1,093,295	275,986	1,096,044
Biological asset	325,617	313,868	317,976
Deferred tax	74,953	38,540	74,989
	<u>8,361,966</u>	<u>6,999,413</u>	<u>8,069,516</u>
<b>Current Assets</b>			
Inventories	2,038,997	2,240,177	1,934,453
Biological assets	375,691	433,200	659,227
Receivables	2,822,453	4,005,742	1,957,832
Available-for-sale investments	13,584	254,171	9,627
Held-for-trading Investments	610,220	515,931	594,595
Current portion of long term receivables	60,968	38,058	65,370
Taxation Recoverable	-	-	27,042
Short Term Deposits	-	-	134,457
Cash and bank balances	782,299	400,617	583,787
	<u>6,704,211</u>	<u>7,887,896</u>	<u>5,966,390</u>
<b>Current Liabilities</b>			
Payables	1,643,713	1,905,074	1,247,604
Provisions	-	-	10,631
Bank Overdraft	-	41,275	33,693
Current portion of long term liabilities	1,271,165	1,616,759	916,268
Taxation	20,759	21,849	71,390
	<u>2,935,637</u>	<u>3,584,957</u>	<u>2,279,586</u>
<b>Net Current Assets</b>	<u>3,768,575</u>	<u>4,302,939</u>	<u>3,686,804</u>
	<u>12,130,540</u>	<u>11,302,353</u>	<u>11,756,320</u>
<b>Equity Attributable to Stockholders of the Company</b>			
Share Capital	560,388	560,388	560,388
Capital Reserves	1,463,173	1,265,979	1,417,863
Retained Earnings	8,300,886	8,363,890	8,099,377
	<u>10,324,448</u>	<u>10,190,258</u>	<u>10,077,628</u>
<b>Non-controlling Interest</b>	<u>(355,891)</u>	<u>(177,845)</u>	<u>(286,315)</u>
	<u>9,968,557</u>	<u>10,012,413</u>	<u>9,791,313</u>
<b>Non-current Liabilities</b>			
Long Term Liabilities	1,604,682	893,427	1,406,028
Deferred Tax	199,301	207,413	200,979
Retirement Benefit Obligations	358,000	189,100	358,000
	<u>2,161,983</u>	<u>1,289,940</u>	<u>1,965,007</u>
	<u>12,130,540</u>	<u>11,302,353</u>	<u>11,756,320</u>

Approved on behalf of the Board:

  
 P. J. Thwaites  
 (Vice Chairman)

  
 R. R. Pandohie  
 (Chief Executive Officer)



**SEPROD LIMITED**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE SIX MONTHS ENDED JUNE 2015**  
(expressed in Jamaican dollars unless otherwise indicated)

	Three Months Ending June 30th		Six Months Ending June 30th	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
<b>Revenue</b>	3,946,476	4,065,503	8,038,534	7,817,433
Direct expenses	(3,166,737)	(3,192,382)	(6,514,255)	(6,027,529)
<b>Gross Profit</b>	779,739	873,121	1,524,279	1,789,904
Finance and other operating income	133,144	77,591	223,154	204,582
Selling expenses	(135,955)	(142,429)	(263,254)	(240,983)
Administration expenses	(380,503)	(428,209)	(770,848)	(838,569)
<b>Operating Profit</b>	396,425	380,074	713,331	914,934
Finance costs	(65,277)	(52,424)	(118,189)	(105,073)
<b>Profit before taxation</b>	331,148	327,650	595,142	809,861
Taxation	(78,713)	(33,312)	(153,371)	(119,914)
<b>Net Profit</b>	252,434	294,338	441,771	689,948
<b>Other Comprehensive Income:</b>				
Items that may be subsequently reclassified to profit & loss				
Fair value gains on available-for-sale investments	1,245	12,197	21,855	46,432
Foreign exchange (loss)/gains on investment in affiliated company	26,785	35,345	23,457	79,266
<b>Total Comprehensive Income</b>	280,464	341,881	487,083	815,646
<b>Net Profit is Attributable to:</b>				
Stockholders of the company	283,376	298,216	511,347	697,912
Non-controlling interest	(30,942)	(3,878)	(69,576)	(7,965)
	252,434	294,338	441,771	689,948
<b>Total Comprehensive Income is Attributable to:</b>				
Stockholders of the company	311,406	345,759	556,659	823,610
Non-controlling interest	(30,942)	(3,878)	(69,576)	(7,965)
	280,464	341,881	487,083	815,646
<b>Number of Shares in issue ('000)</b>	516,339	516,339	516,339	516,339
<b>Earnings per share (\$)</b>	\$0.55	\$0.58	\$0.99	\$1.35

**Basis of Preparation**

These consolidated financial statements have been prepared in accordance with the accounting policies set out in note 2 of the audited financial statements for the year ended 31 December 2014

**Taxation Expense**

The tax on the group's profit differs from the theoretical amount that would arise using the applicable tax rate of 25% as follows:

	Three Months Ending June 30th		Six Months Ending June 30th	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Profit before taxation	331,148	327,650	595,142	809,861
Tax calculated at a tax rate of 25%	82,787	81,912	148,785	202,465
Adjusted for the effect of:				
Investment income not subject to tax	(3,125)	(4,434)	(6,233)	(8,754)
Unrealised exchange gains not subject to tax	(6,552)	(8,119)	(7,756)	(21,383)
Subsidiaries not subjected to tax	19,171	6,010	51,888	694
	92,282	75,369	186,684	173,022
Employment Tax Credit	(15,794)	(26,398)	(31,672)	(43,221)
Deferred Taxation	2,225	(15,659)	(1,642)	(9,887)
	78,713	33,312	153,371	119,914



**SEPROD LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)**  
**For the six months ended June 30, 2015**  
(expressed in Jamaican dollars unless otherwise indicated)

(Six months ending 30th June)

	2015 \$'000	2014 \$'000
<b>CASH RESOURCES WERE PROVIDED BY/(USED IN):</b>		
<b>Operating Activities</b>		
Net profit	487,083	815,646
Items not affecting cash resources:		
Amortisation of intangible assets	1,267	1,267
Depreciation	219,333	206,629
Taxation	153,371	119,914
	861,054	1,143,455
Changes in operating assets and liabilities:		
Inventories	(104,544)	12,457
Accounts receivable	(864,621)	(1,207,565)
Biological assets	275,895	155,435
Accounts payable	385,478	181,044
	553,261	284,826
Taxation paid	(178,602)	(175,687)
Cash provided by operating activities	374,660	109,138
<b>Investing Activities</b>		
Purchase of fixed assets	(453,224)	(191,888)
Gain/(loss) on disposal of fixed assets	-	-
Investments in securities, net	59,906	(74,187)
Long term loan receivable	7,151	(540)
Cash used in investing activities	(386,167)	(266,616)
<b>Financing Activities</b>		
Dividends paid	(309,839)	-
Short term loan received	331,771	816,208
Short term loan repaid	(779)	(590,383)
Long term loan received	269,434	96,302
Long term loan repaid	(46,875)	(48,328)
Cash provided by/ (used in) financing activities	243,713	273,799
(Decrease)/Increase in cash and cash equivalents	232,205	116,322
Cash and cash equivalents at beginning of year	550,094	243,021
<b>CASH AND CASH EQUIVALENT AT END OF PERIOD</b>	<b>782,299</b>	<b>359,343</b>

**SEPROD LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
**FOR THE SIX MONTHS ENDED JUNE 2015**  
(expressed in Jamaican dollars unless otherwise indicated)

	Equity Attributable to Stockholders of the Company					Non-controlling Interest	Total Equity
	Number of Shares	Share Capital	Capital Reserve	Retained Earnings	Total		
	'000	\$'000	\$'000	\$'000	\$'000		
Balance as at 01 January 2014	516,339	560,388	1,140,279	7,665,981	9,366,648	(169,880)	9,196,768
Total comprehensive income	-	-	125,698	697,912	823,610	(7,965)	815,646
Transactions with owners:							
Dividend Payment					-	-	-
Balance at 30 June 2014	516,339	560,388	1,265,977	8,363,893	10,190,258	(177,845)	10,012,414

	Equity Attributable to Stockholders of the Company					Non-controlling Interest	Total Equity
	Number of Shares	Share Capital	Capital Reserve	Retained Earnings	Total		
	'000	\$'000	\$'000	\$'000	\$'000		
Balance as at 31 December 2014	516,339	560,388	1,417,863	8,099,377	10,077,628	(286,315)	9,791,313
Total comprehensive income	-	-	45,310	511,348	556,659	(69,576)	487,083
Dividend Payment				(309,839)	(309,839)		(309,839)
Balance at 30 June 2015	516,339	560,388	1,463,173	8,300,886	10,324,448	(355,891)	9,968,557

**SEPROD LIMITED**  
**UNAUDITED GROUP FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED JUNE 2015**  
**INFORMATION ABOUT BUSINESS SEGMENTS**

(expressed in Jamaican dollars unless otherwise indicated)

(\$000)

	Manufacturing		Distribution		Eliminations		Consolidated	
	30-Jun-15	30-Jun-14	30-Jun-15	30-Jun-14	30-Jun-15	30-Jun-14	30-Jun-15	30-Jun-14
<b>REVENUE</b>								
External sales	5,545,816	5,261,250	2,492,718	2,556,183			8,038,534	7,817,433
Inter-segment sales	1,906,745	1,758,166			(1,906,745)	(1,758,166)		
Total revenue	<u>7,452,561</u>	<u>7,019,416</u>	<u>2,492,718</u>	<u>2,556,183</u>	<u>(1,906,745)</u>	<u>(1,758,166)</u>	<u>8,038,534</u>	<u>7,817,433</u>
<b>RESULTS</b>								
Segment result	<u>834,512</u>	<u>961,443</u>	<u>34,759</u>	<u>68,432</u>			869,271	1,029,875
Unallocated corporate expenses							(155,940)	(114,941)
Operating profit	834,512	961,443	34,759	68,432	-	-	713,331	914,934
Finance costs	-	-	-	-			(118,189)	(105,073)
Income taxes							(153,371)	(119,914)
Net Profit	<u>834,512</u>	<u>961,443</u>	<u>34,759</u>	<u>68,432</u>	<u>-</u>	<u>-</u>	<u>441,771</u>	<u>689,948</u>
<b>OTHER INFORMATION</b>								
Segment assets	8,724,051	8,865,570	1,096,258	1,047,652	-	-	9,820,309	9,913,222
Unallocated corporate assets							5,245,868	4,974,088
Total consolidated assets							<u>15,066,177</u>	<u>14,887,310</u>
Segment liabilities	(2,029,062)	(2,293,882)	(149,515)	(175,385)	-	-	(2,178,577)	(2,469,268)
Unallocated corporate liabilities							(2,919,044)	(2,405,629)
Total consolidated liabilities							<u>(5,097,620)</u>	<u>(4,874,896)</u>
Capital expenditure	410,798	187,932	3,286	3,535			414,083	191,467
Unallocated capital expenditure							39,141	422
Total capital expenditure							<u>453,224</u>	<u>191,888</u>
Depreciation	209,497	199,644	2,234	1,936			211,731	201,580
Unallocated depreciation							7,602	5,049
Total depreciation							<u>219,333</u>	<u>206,629</u>

**Seprod Limited – Top Ten Shareholders**  
**As at June 30, 2015**

Shareholder	No. of Shares	% Holding
Musson (Jamaica) Limited	233,747,988	45.26
Coconut Industry Board	163,420,345	31.65
Grace Kennedy Limited Pension Scheme	21,955,904	4.25
National Insurance Fund	15,443,045	2.99
Scotia Jamaica Investment Management Ltd. A/C 3119	7,724,433	1.49
NCB Insurance Co. Ltd. A/C WT109	4,085,146	0.79
MF&G Trust & Finance A/C #528	2,304,958	0.45
NCB Insurance Co. Ltd. A/C WT161	2,079,210	0.40
National Export-Import Bank Pension Fund	2,070,993	0.40
Estate – Richard G.S. Jackson – Dec'd	2,042,762	0.40



**Seprod Limited - Directors Holdings**  
as at June 30, 2015

Director	No. of Shares
Byron Thompson Connected Person - Ivorine Thompson	1,220,668
Granville Marsh	6,561
Nigel A. Clarke	990
Michael Subratie	Nil
Paul B. Scott	Nil
Peter J. Thwaites	Nil
Melanie Subratie	Nil
Richard Pandohie	Nil
Nicholas Scott	Nil
Leonard Green	Nil



**Seprod Limited – Executive Holdings**  
**as at June 30, 2015**

Executive	No. of Shares
Angela Cooper	18,854
Clement Burnett	Nil
Marilyn Anderson	Nil
Phillip Webster	Nil
Rupert Ashman	Nil
Evrol Dixon	Nil
Paul Watson	Nil
Neville Ledgister	Nil
Milton Maragh	Nil
Patrick Sterling	Nil
Marvin Cummings	Nil
Roger Thompson	Nil