



SEPROD LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED

SEPTEMBER 30 2015



SEPROD LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION UNAUDITED
30 SEPTEMBER 2015

(expressed in Jamaican dollars unless otherwise indicated)

	Unaudited 30/09/2015 \$'000	Unaudited 30/09/2014 \$'000	Audited 31/12/2014 \$'000
NET ASSETS EMPLOYED			
Fixed assets	4,055,966	3,807,887	3,820,236
Intangible assets	6,073	13,413	7,975
Available-for-sale investments	2,845,028	2,619,146	2,752,296
Long term receivables	1,103,790	268,557	1,096,044
Biological asset	321,334	318,079	317,976
Deferred tax	77,571	41,595	74,989
	<u>8,409,761</u>	<u>7,068,677</u>	<u>8,069,516</u>
Current Assets			
Inventories	2,002,961	1,944,945	1,934,453
Biological assets	467,037	526,683	659,227
Receivables	3,791,377	3,306,105	1,957,832
Available-for-sale investments	21,859	263,016	9,627
Held-for-trading Investments	612,905	551,476	594,595
Current portion of long term receivables	48,380	38,058	65,370
Taxation Recoverable	-	-	27,042
Short Term Deposits	-	-	134,457
Cash and bank balances	709,737	503,012	583,787
	<u>7,654,255</u>	<u>7,133,295</u>	<u>5,966,390</u>
Current Liabilities			
Payables	1,595,925	1,273,745	1,247,604
Provisions	-	-	10,631
Bank Overdraft	-	47,713	33,693
Current portion of long term liabilities	2,401,599	1,692,421	916,268
Taxation	14,890	13,134	71,390
	<u>4,012,414</u>	<u>3,027,013</u>	<u>2,279,586</u>
Net Current Assets	<u>3,641,841</u>	<u>4,106,282</u>	<u>3,686,804</u>
	<u>12,051,602</u>	<u>11,174,959</u>	<u>11,756,320</u>
Equity Attributable to Stockholders of the Company			
Share Capital	560,388	560,389	560,388
Capital Reserves	1,489,227	1,294,303	1,417,863
Retained Earnings	8,327,373	8,273,212	8,099,377
	<u>10,376,988</u>	<u>10,127,904</u>	<u>10,077,628</u>
Non-controlling Interest	<u>(448,803)</u>	<u>(210,003)</u>	<u>(286,315)</u>
	<u>9,928,185</u>	<u>9,917,901</u>	<u>9,791,313</u>
Non-current Liabilities			
Long Term Liabilities	1,587,062	859,872	1,406,028
Deferred Tax	178,355	208,086	200,979
Retirement Benefit Obligations	358,000	189,100	358,000
	<u>2,123,417</u>	<u>1,257,058</u>	<u>1,965,007</u>
	<u>12,051,602</u>	<u>11,174,959</u>	<u>11,756,320</u>

Approved on behalf of the Board:

P. B. Scott
(Chairman)

R. R. Pandohie
(Chief Executive Officer)



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

	Three Months Ending September 30th		Nine Months Ending September 30th	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Revenue	3,167,928	3,444,694	11,206,462	11,262,127
Direct expenses	(2,586,500)	(2,759,959)	(9,100,755)	(8,787,488)
Gross Profit	581,428	684,735	2,105,707	2,474,639
Finance and other operating income	90,923	134,428	314,077	339,010
Selling expenses	(142,087)	(94,578)	(405,342)	(335,560)
Administration expenses	(495,828)	(452,222)	(1,286,675)	(1,290,792)
Operating Profit	34,436	272,363	747,767	1,187,297
Finance costs	(62,383)	(59,354)	(180,572)	(164,427)
Profit before taxation	(27,947)	213,009	567,195	1,022,871
Taxation	(38,480)	(51,857)	(191,850)	(171,771)
Net Profit	(66,426)	161,152	375,345	851,100
Other Comprehensive Income:				
Items that may be subsequently reclassified to profit & loss				
Fair value gains on available-for-sale investments	(11,649)	14,846	10,206	61,278
Foreign exchange (loss)/gains on investment in affiliated company	37,702	13,480	61,159	92,746
Total Comprehensive Income	(40,373)	189,478	446,710	1,005,124
Net Profit is Attributable to:				
Stockholders of the company	26,486	193,311	537,833	891,223
Non-controlling interest	(92,912)	(32,158)	(162,488)	(40,123)
	(66,426)	161,152	375,345	851,100
Total Comprehensive Income is Attributable to:				
Stockholders of the company	52,539	221,637	609,198	1,045,247
Non-controlling interest	(92,912)	(32,158)	(162,488)	(40,123)
	(40,373)	189,478	446,710	1,005,124
Number of Shares in issue ('000)	516,339	516,339	516,339	516,339
Earnings per share (\$)	\$0.05	\$0.37	\$1.04	\$1.73

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 September 30th		Nine Months Ending September 30th	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Profit before taxation	(27,947)	213,009	567,195	1,022,871
Tax calculated at a tax rate of 25%	(6,987)	53,252	141,799	255,718
Adjusted for the effect of:				
Investment income not subject to tax	(3,137)	(4,162)	(9,369)	(12,916)
Unrealised exchange gains not subject to tax	(2,553)	(544)	(10,309)	(21,927)
Subsidiaries not subjected to tax	87,884	22,105	139,771	22,799
	75,208	70,651	261,892	243,673
Employment Tax Credit	(13,164)	(16,412)	(44,836)	(59,634)
Deferred Taxation	(23,564)	(2,382)	(25,206)	(12,269)
	38,480	51,857	191,850	171,771

SEPROD LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
For the nine months ended September 30, 2015
(expresses in Jamaican dollars unless otherwise indicated)

(Nine Months Ending September 30th)

	2015 \$'000	2014 \$'000
CASH RESOURCES WERE PROVIDED BY/(USED IN):		
Operating Activities		
Net profit	446,710	1,005,123
Items not affecting cash resources:		
Amortisation of intangible assets	1,902	1,903
Depreciation	333,656	312,088
Taxation	191,850	171,771
	974,118	1,490,885
Changes in operating assets and liabilities:		
Inventories	(68,508)	307,689
Accounts receivable	(1,833,545)	(507,927)
Biological assets	188,832	57,741
Accounts payable	337,690	(450,285)
	(401,413)	898,103
Taxation paid	(246,514)	(238,641)
Cash provided by operating activities	(647,927)	659,462
Investing Activities		
Purchase of fixed assets	(569,385)	(332,802)
Investments in securities, net	11,183	(153,186)
Long term loan receivable	9,244	6,889
Cash used in investing activities	(548,958)	(479,099)
Financing Activities		
Dividends paid	(309,839)	(283,991)
Short term loan received	1,687,407	1,232,145
Short term loan repaid	(262,268)	(935,700)
Long term loan received	284,823	106,557
Long term loan repaid	(43,597)	(87,096)
Cash provided by/ (used in) financing activities	1,356,527	31,915
(Decrease)/Increase in cash and cash equivalents	159,643	212,278
Cash and cash equivalents at beginning of year	550,094	243,021
CASH AND CASH EQUIVALENT AT END OF PERIOD	709,737	455,299

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

	Equity Attributable to Stockholders of the Company				Total \$'000	Non- controlling Interest \$'000	Total Equity \$'000
	Number of Shares '000	Share Capital \$'000	Capital Reserve \$'000	Retained Earnings \$'000			
				Total \$'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	-	-	154,023	891,223	1,045,246	(40,123)	1,005,123
Transactions with owners:							
Dividend Payment				(283,991)	(283,991)		(283,991)
Balance at 30 September 2014	516,339	560,388	1,294,302	8,273,213	10,127,903	(210,003)	9,917,900

	Equity Attributable to Stockholders of the Company				Total \$'000	Non- controlling Interest \$'000	Total Equity \$'000
	Number of Shares '000	Share Capital \$'000	Capital Reserve \$'000	Retained Earnings \$'000			
				Total \$'000			
Balance as at 01 January 2015	516,339	560,388	1,417,863	8,099,377	10,077,628	(286,315)	9,791,313
Total comprehensive income	-	-	71,364	537,833	609,198	(162,488)	446,710
Dividend Payment				(309,839)	(309,839)		(309,839)
Balance at 30 September 2015	516,339	560,388	1,489,227	8,327,371	10,376,987	(448,803)	9,928,184

SEPROD LIMITED
UNAUDITED GROUP FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 2015
INFORMATION ABOUT BUSINESS SEGMENTS
(expressed in Jamaican dollars unless otherwise indicated)

(\$'000)

	Manufacturing	Distribution	Eliminations	Consolidated
	30-Sep-15	30-Sep-14	30-Sep-15	30-Sep-14
REVENUE				
External sales	7,509,289	7,405,503		11,206,462
Inter-segment sales	2,870,306	2,579,187	(2,870,306)	
Total revenue	<u>10,379,595</u>	<u>9,984,690</u>	<u>(2,870,306)</u>	<u>11,206,462</u>
RESULTS				
Segment result	955,671	1,235,411		982,267
Unallocated corporate expenses		91,014		(234,500)
Operating profit	955,671	1,235,411	-	747,767
Finance costs	-	-	-	(180,572)
Income taxes	955,671	1,235,411	-	(191,850)
Net Profit	<u>955,671</u>	<u>1,235,411</u>	<u>-</u>	<u>375,345</u>
OTHER INFORMATION				
Segment assets	8,270,451	8,086,447	-	9,344,763
Unallocated corporate assets		1,074,313	-	6,719,253
Total consolidated assets				<u>16,064,016</u>
Segment liabilities	(1,742,543)	(1,456,449)	-	(1,865,673)
Unallocated corporate liabilities		(123,131)	-	(4,270,158)
Total consolidated liabilities				<u>(6,135,831)</u>
Capital expenditure	481,092	327,982	6,167	487,259
Unallocated capital expenditure		2,037		82,126
Total capital expenditure				<u>569,385</u>
Depreciation	318,458	301,484	2,933	321,545
Unallocated depreciation		3,087		12,111
Total depreciation				<u>333,656</u>

**Seprod Limited – Top Ten Shareholders
As at September 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 September 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 September 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
Milton Maragh	Nil
Patrick Sterling	Nil
Marvin Cummings	Nil
Roger Thompson	Nil
Carol Andrade	Nil