



SEPROD LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED

MARCH 31, 2016



SEPROD LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION UNAUDITED
 31 MARCH 2016
 (expressed in Jamaican dollars unless otherwise indicated)

| | Unaudited 31/03/2016 \$'000 | Unaudited 31/03/2015 \$'000 | Audited 31/12/2015 \$'000 |
|---|-----------------------------------|-----------------------------------|---------------------------------|
| NET ASSETS EMPLOYED | | | |
| Fixed assets | 3,943,657 | 3,796,544 | 3,907,037 |
| Intangible assets | 3,599 | 7,343 | 4,234 |
| Available-for-sale investments | 1,864,017 | 2,769,730 | 1,837,860 |
| Investments in joint venture | 417,199 | - | 427,403 |
| Long term receivables | 3,054,771 | 1,136,833 | 2,584,476 |
| Biological asset | 246,019 | 317,537 | 250,759 |
| Deferred tax | 57,191 | 80,109 | 73,701 |
| | <u>9,586,452</u> | <u>8,108,097</u> | <u>9,085,470</u> |
| Current Assets | | | |
| Inventories | 1,757,573 | 1,882,679 | 1,746,461 |
| Biological assets | 371,848 | 447,733 | 510,516 |
| Receivables | 2,993,450 | 2,329,645 | 1,740,697 |
| Available-for-sale investments | - | 22,333 | - |
| Held-for-trading Investments | 783,882 | 592,482 | 807,069 |
| Current portion of long term receivables | 160,050 | 38,342 | 121,836 |
| Taxation Recoverable | - | - | 38,178 |
| Short Term Deposits | 144,061 | - | 142,824 |
| Cash and bank balances | 1,180,046 | 970,048 | 1,312,707 |
| | <u>7,390,911</u> | <u>6,283,262</u> | <u>6,420,288</u> |
| Current Liabilities | | | |
| Payables | 3,045,896 | 1,188,987 | 1,981,790 |
| Bank Overdraft | - | - | - |
| Current portion of long term liabilities | 1,658,795 | 1,249,976 | 1,447,781 |
| Taxation | 60,765 | 12,960 | 86,876 |
| | <u>4,765,456</u> | <u>2,451,923</u> | <u>3,516,447</u> |
| Net Current Assets | <u>2,625,455</u> | <u>3,831,339</u> | <u>2,903,841</u> |
| | <u>12,211,907</u> | <u>11,939,437</u> | <u>11,989,311</u> |
| Equity Attributable to Stockholders of the Company | | | |
| Share Capital | 561,287 | 561,287 | 561,287 |
| Treasury Shares | (899) | (899) | (899) |
| Capital Reserves | 1,438,328 | 1,435,144 | 1,412,170 |
| Retained Earnings | 8,807,440 | 8,327,348 | 8,546,526 |
| | <u>10,806,156</u> | <u>10,322,880</u> | <u>10,519,084</u> |
| Non-controlling Interest | <u>(614,497)</u> | <u>(324,949)</u> | <u>(575,368)</u> |
| | <u>10,191,659</u> | <u>9,997,931</u> | <u>9,943,716</u> |
| Non-current Liabilities | | | |
| Long Term Liabilities | 1,539,787 | 1,381,273 | 1,565,114 |
| Deferred Tax | 182,561 | 202,232 | 182,581 |
| Retirement Benefit Obligations | 297,900 | 358,000 | 297,900 |
| | <u>2,020,248</u> | <u>1,941,505</u> | <u>2,045,595</u> |
| | <u>12,211,907</u> | <u>11,939,437</u> | <u>11,989,311</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 THREE MONTHS ENDED MARCH 2016
(expressed in Jamaican dollars unless otherwise indicated)

| | Three Months Ending March 31st | | Three Months Ending March 31st | |
|--|--------------------------------|-------------|--------------------------------|-------------|
| | 2016 | 2015 | 2016 | 2015 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Revenue | 3,682,276 | 4,092,058 | 3,682,276 | 4,092,058 |
| Direct expenses | (2,759,624) | (3,347,518) | (2,759,624) | (3,347,518) |
| Gross Profit | 922,652 | 744,540 | 922,652 | 744,540 |
| Finance and other operating income | 118,074 | 90,010 | 118,074 | 90,010 |
| Selling expenses | (164,721) | (127,300) | (164,721) | (127,300) |
| Administration expenses | (451,348) | (390,344) | (451,348) | (390,344) |
| Operating Profit | 424,657 | 316,906 | 424,657 | 316,906 |
| Share of results from associated company | (10,205) | - | (10,205) | - |
| Finance costs | (76,342) | (52,911) | (76,342) | (52,911) |
| Profit before taxation | 338,110 | 263,995 | 338,110 | 263,995 |
| Taxation | (116,325) | (74,657) | (116,325) | (74,657) |
| Net Profit | 221,785 | 189,337 | 221,785 | 189,337 |
| Other Comprehensive Income: | | | | |
| Items that may be subsequently reclassified to profit & loss | | | | |
| Fair value gains on available-for-sale investments | - | 20,610 | - | 20,610 |
| Foreign exchange gain/(loss) on investment in affiliated company | 26,158 | (3,328) | 26,158 | (3,328) |
| Total Comprehensive Income | 247,943 | 206,619 | 247,943 | 206,619 |
| Net Profit is Attributable to: | | | | |
| Stockholders of the company | 260,914 | 227,972 | 260,914 | 227,972 |
| Non-controlling interest | (39,129) | (38,634) | (39,129) | (38,634) |
| | 221,785 | 189,337 | 221,785 | 189,337 |
| Total Comprehensive Income is Attributable to: | | | | |
| Stockholders of the company | 287,072 | 245,254 | 287,072 | 245,254 |
| Non-controlling interest | (39,129) | (38,634) | (39,129) | (38,634) |
| | 247,943 | 206,619 | 247,943 | 206,619 |
| Number of Shares in issue ('000) | 516,339 | 516,339 | 516,339 | 516,339 |
| Earnings per share (\$) | \$0.51 | \$0.44 | \$0.51 | \$0.44 |

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 2015

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 March 31st | | Three Months Ending March 31st | |
|--|--------------------------------|----------|--------------------------------|----------|
| | 2016 | 2015 | 2016 | 2015 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Profit before taxation | 338,110 | 263,995 | 338,110 | 263,995 |
| Tax calculated at a tax rate of 25% | 84,528 | 65,999 | 84,528 | 65,999 |
| Adjusted for the effect of: | | | | |
| Investment income not subject to tax | - | (3,108) | - | (3,108) |
| Share of Results of Associated Company | 2,551 | - | 2,551 | - |
| Unrealised exchange gains not subject to tax | (6,926) | (1,205) | (6,926) | (1,205) |
| Subsidiaries not subjected to tax | 37,010 | 32,716 | 37,010 | 32,716 |
| | 117,163 | 94,402 | 117,163 | 94,402 |
| Employment Tax Credit | (17,325) | (15,878) | (17,325) | (15,878) |
| Deferred Taxation | 16,487 | (3,867) | 16,487 | (3,867) |
| | 116,325 | 74,657 | 116,325 | 74,657 |

SEPROD LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
For the three months ended March 31, 2016
(expressed in Jamaican dollars unless otherwise indicated)

(Three Months Ending March 31st)

| | 2016 \$'000 | 2015 \$'000 |
|---|------------------|----------------|
| CASH RESOURCES WERE PROVIDED BY/(USED IN): | | |
| Operating Activities | | |
| Net profit | 247,943 | 206,619 |
| Items not affecting cash resources: | | |
| Amortisation of intangible assets | 635 | 632 |
| Depreciation | 118,825 | 107,237 |
| Taxation | 116,325 | 74,657 |
| | 483,728 | 389,145 |
| Changes in operating assets and liabilities: | | |
| Inventories | (11,112) | 51,774 |
| Accounts receivable | (1,252,753) | (371,811) |
| Biological assets | 143,408 | 211,933 |
| Accounts payable | 1,064,106 | (69,249) |
| | 427,376 | 211,791 |
| Taxation paid | (87,768) | (109,913) |
| Cash provided by operating activities | 339,608 | 101,878 |
| Investing Activities | | |
| Purchase of fixed assets | (155,445) | (83,545) |
| Investments in securities, net | 5,998 | 106,430 |
| Long term loan receivable | (508,509) | (13,761) |
| Cash used in investing activities | (657,956) | 9,124 |
| Financing Activities | | |
| Dividends paid | - | - |
| Short term loan received | 326,313 | 318,636 |
| Short term loan repaid | (134,404) | (779) |
| Long term loan received | 16,216 | 15,490 |
| Long term loan repaid | (22,438) | (24,394) |
| Cash provided by/ (used in) financing activities | 185,687 | 308,953 |
| (Decrease)/Increase in cash and cash equivalents | (132,661) | 419,955 |
| Cash and cash equivalents at beginning of year | 1,312,707 | 550,094 |
| CASH AND CASH EQUIVALENT AT END OF PERIOD | 1,180,046 | 970,049 |

SEPROD LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE THREE MONTHS ENDED MARCH 2016
(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 | | | |
| 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 | - | - | 17,281 | 227,971 | 245,253 | (38,634) | 206,618 |
| Transactions with owners: | | | | | | | |
| Dividend Payment | | | | - | - | | - |
| Balance at 31 March 2015 | 516,339 | 560,388 | 1,435,144 | 8,327,348 | 10,322,881 | (324,949) | 9,997,931 |

| | 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 | | | |
| Balance as at 01 January 2016 | 516,339 | 560,388 | 1,412,170 | 8,546,526 | 10,519,084 | (575,368) | 9,943,716 |
| Total comprehensive income | - | - | 26,158 | 260,914 | 287,072 | (39,129) | 247,943 |
| Dividend Payment | | | | - | - | | - |
| Balance at 31 March 2016 | 516,339 | 560,388 | 1,438,328 | 8,807,440 | 10,806,156 | (614,497) | 10,191,659 |

SEPROD LIMITED
UNAUDITED GROUP FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 2016
INFORMATION ABOUT BUSINESS SEGMENTS

(expressed in Jamaican dollars unless otherwise indicated)

(\$'000)

| | Manufacturing | | Distribution | | Eliminations | | Consolidated | |
|--|------------------|------------------|------------------|------------------|--------------------|------------------|--------------------|--------------------|
| | 31-Mar-16 | 31-Mar-15 | 31-Mar-16 | 31-Mar-15 | 31-Mar-16 | 31-Mar-15 | 31-Mar-16 | 31-Mar-15 |
| REVENUE | | | | | | | | |
| External sales | 1,930,736 | 2,767,611 | 1,751,540 | 1,324,447 | | | 3,682,276 | 4,092,058 |
| Inter-segment sales | <u>1,296,432</u> | <u>908,123</u> | | | <u>(1,296,432)</u> | <u>(908,123)</u> | | |
| Total revenue | <u>3,227,168</u> | <u>3,675,734</u> | <u>1,751,540</u> | <u>1,324,447</u> | <u>(1,296,432)</u> | <u>(908,123)</u> | <u>3,682,276</u> | <u>4,092,058</u> |
| RESULTS | | | | | | | | |
| Segment result | <u>470,108</u> | <u>394,169</u> | <u>53,394</u> | <u>16,102</u> | | | 523,502 | 410,271 |
| Unallocated corporate expenses | | | | | | | <u>(98,845)</u> | <u>(93,366)</u> |
| Operating profit | 470,108 | 394,169 | 53,394 | 16,102 | - | - | 424,657 | 316,905 |
| Share of results from associated company | | | - | | | | (10,205) | - |
| Finance costs | - | - | - | - | | | (76,342) | (52,911) |
| Income taxes | | | | | | | <u>(116,325)</u> | <u>(74,657)</u> |
| Net Profit | <u>470,108</u> | <u>394,169</u> | <u>53,394</u> | <u>16,102</u> | <u>-</u> | <u>-</u> | <u>221,785</u> | <u>189,337</u> |
| OTHER INFORMATION | | | | | | | | |
| Segment assets | 7,597,515 | 7,885,363 | 1,304,718 | 1,164,957 | - | - | 8,902,233 | 9,050,320 |
| Unallocated corporate assets | | | | | | | <u>8,075,130</u> | <u>5,341,040</u> |
| Total consolidated assets | | | | | | | <u>16,977,363</u> | <u>14,391,360</u> |
| Segment liabilities | (1,844,313) | (1,628,500) | (280,798) | (82,352) | - | - | (2,125,111) | (1,710,852) |
| Unallocated corporate liabilities | | | | | | | <u>(4,660,593)</u> | <u>(2,682,575)</u> |
| Total consolidated liabilities | | | | | | | <u>(6,785,704)</u> | <u>(4,393,427)</u> |
| Capital expenditure | 136,318 | 60,026 | 7,151 | 3,673 | | | 143,470 | 63,700 |
| Unallocated capital expenditure | | | | | | | <u>11,975</u> | <u>19,845</u> |
| Total capital expenditure | | | | | | | <u>155,445</u> | <u>83,545</u> |
| Depreciation | 111,144 | 102,411 | 1,491 | 1,111 | | | 112,635 | 103,522 |
| Unallocated depreciation | | | | | | | <u>6,190</u> | <u>3,715</u> |
| Total depreciation | | | | | | | <u>118,825</u> | <u>107,237</u> |

Seprod Limited – Executive Holdings
as at March 31, 2016

| Executive | No. of Shares |
|------------------|---------------|
| Angela Cooper | 18,854 |
| Clement Burnett | Nil |
| Marilyn Anderson | Nil |
| Rupert Ashman | Nil |
| Evrol Dixon | Nil |
| Milton Maragh | Nil |
| Patrick Sterling | Nil |
| Marvin Cummings | Nil |
| Roger Thompson | Nil |
| Carol Andrade | Nil |
| Winston Harrison | Nil |
| Gavin Bellamy | Nil |

Seprod Limited – Top Ten Shareholders
As at March 31, 2016

| 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 |
| JCSD Trustee Services – Sigma Optima | 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 | 2,037,341 | 0.39 |

Seprod Limited - Directors Holdings
as at March 31, 2016

| 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 |
| Shelley-Ann Gayle Morris | Nil |