



SEPROD LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED

JUNE 30, 2016



SEPROD LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SIX MONTHS ENDED JUNE 2016

(expressed in Jamaican dollars unless otherwise indicated)

	Three Months Ending June 30th		Six Months Ending June 30th	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Revenue	3,917,381	3,946,476	7,599,658	8,038,534
Direct expenses	(3,104,213)	(3,166,737)	(5,863,838)	(6,514,255)
Gross Profit	813,168	779,739	1,735,820	1,524,279
Finance and other operating income	518,704	133,144	636,778	223,154
Selling expenses	(174,311)	(135,955)	(339,032)	(263,254)
Administration expenses	(403,807)	(380,503)	(855,155)	(770,847)
Operating Profit	753,754	396,425	1,178,410	713,332
Share of results from associated company	9,629	-	(576)	-
Finance costs	(78,802)	(65,277)	(155,144)	(118,189)
Profit before taxation	684,580	331,148	1,022,690	595,143
Taxation	(90,497)	(78,713)	(206,822)	(153,371)
Net Profit	594,084	252,434	815,869	441,772
Other Comprehensive Income:				
Items that may be subsequently reclassified to profit & loss				
Fair value gains on available-for-sale investments	-	1,245	-	21,855
Foreign exchange gain on investment in affiliated company	65,103	26,783	91,261	23,455
Total Comprehensive Income	659,187	280,462	907,130	487,082
Net Profit is Attributable to:				
Stockholders of the company	631,961	283,376	892,875	511,348
Non-controlling interest	(37,877)	(30,942)	(77,006)	(69,576)
	594,084	252,434	815,869	441,772
Total Comprehensive Income is Attributable to:				
Stockholders of the company	697,064	311,404	984,136	556,658
Non-controlling interest	(37,877)	(30,942)	(77,006)	(69,576)
	659,187	280,462	907,130	487,082
Number of Shares in issue ('000)	516,339	516,339	516,339	516,339
Earnings per share (\$)	\$1.22	\$0.55	\$1.73	\$0.99

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 June 30th		Six Months Ending June 30th	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Profit before taxation	684,580	331,148	1,022,690	595,143
Tax calculated at a tax rate of 25%	171,145	82,787	255,673	148,786
Adjusted for the effect of:				
Investment income not subject to tax	-	(3,125)	-	(6,233)
Share of Results of Associated Company	(2,407)	-	144	-
Unrealised exchange gains not subject to tax	(11,369)	(6,552)	(18,295)	(7,756)
Subsidiaries not subjected to tax	(56,745)	19,171	(19,734)	51,888
	100,624	92,282	217,787	186,684
Employment Tax Credit	(12,718)	(15,794)	(30,043)	(31,672)
Deferred Taxation	2,591	2,225	19,078	(1,642)
	90,497	78,713	206,822	153,371



SEPROD LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION UNAUDITED

30 JUNE 2016

(expressed in Jamaican dollars unless otherwise indicated)

	Unaudited 30/06/2016 \$'000	Unaudited 30/06/2015 \$'000	Audited 31/12/2015 \$'000
NET ASSETS EMPLOYED			
Fixed assets	3,951,227	4,054,128	3,907,037
Intangible assets	2,964	6,708	4,234
Available-for-sale investments	1,929,120	2,807,265	1,837,860
Investments in joint venture	426,827	-	427,403
Long term receivables	3,153,728	1,093,295	2,584,476
Biological asset	230,035	325,617	250,759
Deferred tax	37,686	74,953	73,701
	<u>9,731,587</u>	<u>8,361,966</u>	<u>9,085,470</u>
Current Assets			
Inventories	1,645,227	2,038,997	1,746,461
Biological assets	305,095	375,691	510,516
Receivables	3,958,424	2,822,453	1,740,697
Available-for-sale investments	-	13,584	-
Held-for-trading Investments	1,119,030	610,220	807,069
Current portion of long term receivables	198,111	60,968	121,836
Taxation Recoverable	-	-	38,178
Short Term Deposits	149,506	-	142,824
Cash and bank balances	963,809	782,299	1,312,707
	<u>8,339,202</u>	<u>6,704,211</u>	<u>6,420,288</u>
Current Liabilities			
Payables	3,528,628	1,643,713	1,981,790
Bank Overdraft	-	-	-
Current portion of long term liabilities	1,633,410	1,271,165	1,447,781
Taxation	64,240	20,759	86,876
	<u>5,226,277</u>	<u>2,935,637</u>	<u>3,516,447</u>
Net Current Assets	<u>3,112,925</u>	<u>3,768,574</u>	<u>2,903,841</u>
	<u>12,844,512</u>	<u>12,130,540</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	1,503,431	1,463,173	1,412,170
Retained Earnings	9,439,401	8,300,886	8,546,526
	<u>11,503,220</u>	<u>10,324,447</u>	<u>10,519,084</u>
Non-controlling Interest	<u>(652,374)</u>	<u>(355,891)</u>	<u>(575,368)</u>
	<u>10,850,846</u>	<u>9,968,556</u>	<u>9,943,716</u>
Non-current Liabilities			
Long Term Liabilities	1,530,119	1,604,682	1,565,114
Deferred Tax	165,647	199,301	182,581
Retirement Benefit Obligations	297,900	358,000	297,900
	<u>1,993,666</u>	<u>2,161,983</u>	<u>2,045,595</u>
	<u>12,844,512</u>	<u>12,130,540</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 CASH FLOWS (UNAUDITED)
For the six months ended June 30, 2016
(expressed in Jamaican dollars unless otherwise indicated)

(Six Months Ending June 30th)

	2016	2015
	\$'000	\$'000
CASH RESOURCES WERE PROVIDED BY/(USED IN):		
Operating Activities		
Net profit	907,130	487,083
Items not affecting cash resources:		
Amortisation of intangible assets	1,270	1,267
Depreciation	241,534	219,333
Taxation	206,822	153,371
	1,356,756	861,054
Changes in operating assets and liabilities:		
Inventories	101,234	(104,544)
Accounts receivable	(2,217,727)	(864,621)
Biological assets	226,145	275,895
Accounts payable	1,546,840	385,478
	1,013,247	553,261
Taxation paid	(172,199)	(178,602)
Cash provided by operating activities	841,047	374,660
Investing Activities		
Purchase of fixed assets	(285,725)	(453,224)
Investments in securities, net	(409,327)	59,906
Long term loan receivable	(645,527)	7,151
Cash used in investing activities	(1,340,578)	(386,167)
Financing Activities		
Dividends paid	-	(309,839)
Short term loan received	358,366	331,771
Short term loan repaid	(175,742)	(779)
Long term loan received	16,262	269,434
Long term loan repaid	(48,253)	(46,875)
Cash provided by/ (used in) financing activities	150,633	243,713
(Decrease)/Increase in cash and cash equivalents	(348,897)	232,205
Cash and cash equivalents at beginning of year	1,312,707	550,094
CASH AND CASH EQUIVALENT AT END OF PERIOD	963,810	782,299

SEPROD LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE SIX MONTHS ENDED JUNE 2016
(expresses in Jamaican dollars unless otherwise indicated)

	Equity Attributable to Stockholders of the Company				Non-controlling Interest	Total Equity	
	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	-	-	45,310	511,348	556,659	(69,576)	487,083
Transactions with owners:							
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

	Equity Attributable to Stockholders of the Company				Non-controlling Interest	Total Equity	
	Number of Shares '000	Share Capital \$'000	Capital Reserve \$'000	Retained Earnings \$'000			Total \$'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	-	-	91,261	892,875	984,136	(77,006)	907,130
Dividend Payment				-	-		-
Balance at 30 June 2016	516,339	560,388	1,503,431	9,439,401	11,503,220	(652,374)	10,850,846

SEPROD LIMITED
UNAUDITED GROUP FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 2016
INFORMATION ABOUT BUSINESS SEGMENTS

(expressed in Jamaican dollars unless otherwise indicated)

(\$000)

	Manufacturing		Distribution		Eliminations		Consolidated	
	30-Jun-16	30-Jun-15	30-Jun-16	30-Jun-15	30-Jun-16	30-Jun-15	30-Jun-16	30-Jun-15
REVENUE								
External sales	4,147,995	5,545,816	3,451,663	2,492,718			7,599,658	8,038,534
Inter-segment sales	<u>2,813,659</u>	<u>1,906,745</u>			<u>(2,813,659)</u>	<u>(1,906,745)</u>		
Total revenue	<u>6,961,654</u>	<u>7,452,561</u>	<u>3,451,663</u>	<u>2,492,718</u>	<u>(2,813,659)</u>	<u>(1,906,745)</u>	<u>7,599,658</u>	<u>8,038,534</u>
RESULTS								
Segment result	<u>928,597</u>	<u>834,512</u>	<u>64,666</u>	<u>34,759</u>			993,263	869,271
Unallocated corporate expenses							185,148	(155,940)
Operating profit	928,597	834,512	64,666	34,759	-	-	1,178,410	713,331
Share of results from associated company			-	-			(576)	-
Finance costs	-	-	-	-			(155,144)	(118,189)
Income taxes							<u>(206,822)</u>	<u>(153,371)</u>
Net Profit	<u>928,597</u>	<u>834,512</u>	<u>64,666</u>	<u>34,759</u>	<u>-</u>	<u>-</u>	<u>815,869</u>	<u>441,771</u>
OTHER INFORMATION								
Segment assets	7,839,964	8,724,051	1,259,051	1,096,258	-	-	9,099,015	9,820,309
Unallocated corporate assets							<u>8,971,774</u>	<u>5,245,868</u>
Total consolidated assets							<u>18,070,789</u>	<u>15,066,177</u>
Segment liabilities	(1,956,645)	(2,029,062)	(622,088)	(149,515)	-	-	(2,578,733)	(2,178,577)
Unallocated corporate liabilities							<u>(4,641,212)</u>	<u>(2,919,044)</u>
Total consolidated liabilities							<u>(7,219,945)</u>	<u>(5,097,620)</u>
Capital expenditure	233,181	410,798	8,403	3,286			241,584	414,083
Unallocated capital expenditure							<u>44,140</u>	<u>39,141</u>
Total capital expenditure							<u>285,725</u>	<u>453,224</u>
Depreciation	225,361	209,497	3,020	2,234			228,381	211,731
Unallocated depreciation							<u>13,153</u>	<u>7,602</u>
Total depreciation							<u>241,534</u>	<u>219,333</u>

Seprod Limited – Top Ten Shareholders
As at June 30, 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
Guardian Life – Guardian Equity Fund	3,055,730	0.59
Guardian Life Limited – Pension Fund	2,332,085	0.45
JCSD Trustee Services – Sigma Optima	2,304,958	0.45
NCB Insurance Co. Ltd. A/C WT161	2,079,210	0.40

Seprod Limited - Directors Holdings
as at June 30, 2016

Director	No. of Shares
Byron Thompson Connected Person - Ivorine Thompson	1,220,668
Richard Pandohie	200,000
Hugh Gentles	123,218
Granville Marsh	6,561
Nigel A. Clarke	990
Michael Subratie	Nil
Paul B. Scott	Nil
Peter J. Thwaites	Nil
Melanie Subratie	Nil
Nicholas Scott	Nil
Christopher Gentles	Nil

Seprod Limited – Executive Holdings
as at June 30, 2016

Executive	No. of Shares
Angela Cooper	18,854
Winston Harrison	15,000
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
Gavin Bellamy	Nil
Jeffrey Moss-Solomon	Nil
Roxiana Tyrell	Nil