



SEPROD LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED

SEPTEMBER 30, 2016



SEPROD LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 2016
(expressed in Jamaican dollars unless otherwise indicated)

	Three Months Ending September		Nine Months Ending September	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Revenue	3,496,937	3,167,928	11,096,594	11,206,462
Direct expenses	(2,854,718)	(2,586,500)	(8,718,555)	(9,100,755)
Gross Profit	<u>642,219</u>	<u>581,428</u>	<u>2,378,039</u>	<u>2,105,707</u>
Finance and other operating income	237,981	90,923	874,759	314,077
Selling expenses	(149,072)	(142,087)	(488,104)	(405,342)
Administration expenses	(421,869)	(495,828)	(1,277,024)	(1,266,675)
Operating Profit	<u>309,259</u>	<u>34,436</u>	<u>1,487,670</u>	<u>747,767</u>
Share of results from associated company	(164)	-	(740)	-
Finance costs	(80,695)	(62,383)	(235,839)	(180,572)
Profit before taxation	<u>228,401</u>	<u>(27,947)</u>	<u>1,251,091</u>	<u>567,195</u>
Taxation	(101,550)	(38,480)	(308,372)	(191,850)
Net Profit	<u>126,851</u>	<u>(66,426)</u>	<u>942,719</u>	<u>375,345</u>
Other Comprehensive Income:				
Items that may be subsequently reclassified to profit & loss				
Fair value gains on available-for-sale investments	-	(11,649)	-	10,206
Foreign exchange gain on investment in affiliated company	30,822	37,702	122,083	61,159
Total Comprehensive Income	<u>157,673</u>	<u>(40,373)</u>	<u>1,064,802</u>	<u>446,710</u>
Net Profit is Attributable to:				
Stockholders of the company	185,637	26,486	1,078,512	537,833
Non-controlling interest	(58,787)	(92,912)	(135,793)	(162,488)
Total Comprehensive Income is Attributable to:	<u>126,851</u>	<u>(66,426)</u>	<u>942,719</u>	<u>375,345</u>
Number of Shares in issue ('000)	516,339	516,339	516,339	516,339
Earnings per share (\$)	\$0.36	\$0.05	\$2.09	\$1.04

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 September 30th		Nine Months Ending September 30th	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Profit before taxation	228,401	(27,947)	1,251,091	567,195
Tax calculated at a tax rate of 25%	57,100	(6,987)	312,773	141,799
Adjusted for the effect of:				
Investment income not subject to tax	-	(3,137)	-	(9,369)
Share of Results of Associated Company	41	-	185	-
Unrealised exchange gains not subject to tax	(5,292)	(2,553)	(23,587)	(10,309)
Subsidiaries not subjected to tax	37,474	87,884	17,740	139,771
	<u>89,323</u>	<u>75,208</u>	<u>307,110</u>	<u>261,892</u>
Employment Tax Credit	(13,029)	(13,164)	(43,073)	(44,836)
Deferred Taxation	25,256	(23,564)	44,334	(25,206)
	<u>101,550</u>	<u>38,480</u>	<u>308,372</u>	<u>191,850</u>



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

	Unaudited 30/09/2016 \$'000	Unaudited 30/09/2015 \$'000	Audited 31/12/2015 \$'000
NET ASSETS EMPLOYED			
Fixed assets	4,090,027	4,055,966	3,907,037
Intangible assets	2,329	6,073	4,234
Available-for-sale investments	1,959,941	2,845,028	1,837,860
Investments in joint venture	426,664	-	427,403
Long term receivables	3,196,570	1,103,790	2,584,476
Biological asset	227,128	321,334	250,759
Deferred tax	18,593	77,571	73,701
	<u>9,921,251</u>	<u>8,409,761</u>	<u>9,085,470</u>
Current Assets			
Inventories	2,113,850	2,002,961	1,746,461
Biological assets	402,619	467,037	510,516
Receivables	2,416,868	3,791,377	1,337,142
Receivable - Due from Affiliated Company	795,975	-	403,555
Available-for-sale investments	-	21,859	-
Held-for-trading Investments	-	612,905	807,069
Current portion of long term receivables	259,679	48,380	121,836
Taxation Recoverable	-	-	38,178
Short Term Deposits	1,320,392	-	142,824
Cash and bank balances	638,370	709,737	1,312,707
	<u>7,947,753</u>	<u>7,654,255</u>	<u>6,420,288</u>
Current Liabilities			
Payables	2,551,853	1,595,925	1,295,496
Payable - Due to Affiliated Company	681,719	-	686,294
Bank Overdraft	-	-	-
Current portion of long term liabilities	1,890,083	2,401,599	1,447,781
Taxation	65,004	14,890	86,876
	<u>5,188,659</u>	<u>4,012,414</u>	<u>3,516,447</u>
Net Current Assets	<u>2,759,093</u>	<u>3,641,841</u>	<u>2,903,841</u>
	<u>12,680,344</u>	<u>12,051,602</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	1,534,253	1,489,227	1,412,170
Retained Earnings	9,315,199	8,327,373	8,546,526
	<u>11,409,839</u>	<u>10,376,988</u>	<u>10,519,084</u>
Non-controlling Interest	<u>(711,161)</u>	<u>(448,803)</u>	<u>(575,368)</u>
	<u>10,698,679</u>	<u>9,928,185</u>	<u>9,943,716</u>
Non-current Liabilities			
Long Term Liabilities	1,511,955	1,587,062	1,565,114
Deferred Tax	171,810	178,355	182,581
Retirement Benefit Obligations	297,900	358,000	297,900
	<u>1,981,665</u>	<u>2,123,417</u>	<u>2,045,595</u>
	<u>12,680,344</u>	<u>12,051,602</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 nine months ended September 30, 2016
(expresses in Jamaican dollars unless otherwise indicated)

(Nine Months Ending September 30th)

	2016 \$'000	2015 \$'000
CASH RESOURCES WERE PROVIDED BY/(USED IN):		
Operating Activities		
Net profit	1,064,802	446,710
Items not affecting cash resources:		
Amortisation of intangible assets	1,905	1,902
Depreciation	365,027	333,656
Taxation	308,372	191,850
	1,740,106	974,118
Changes in operating assets and liabilities:		
Inventories	(367,389)	(68,508)
Accounts receivable	(1,472,146)	(1,833,545)
Biological assets	131,528	188,832
Accounts payable	1,251,783	337,690
	1,283,883	(401,413)
Taxation paid	(247,729)	(246,514)
Cash provided by operating activities	1,036,154	(647,927)
Investing Activities		
Purchase of fixed assets	(548,017)	(569,385)
Investments in securities, net	(491,841)	11,183
Long term loan receivable	(749,937)	9,244
Cash used in investing activities	(1,789,795)	(548,958)
Financing Activities		
Dividends paid	(309,839)	(309,839)
Short term loan received	377,232	1,687,407
Short term loan repaid	(103,563)	(262,268)
Long term loan received	243,548	284,823
Long term loan repaid	(128,074)	(43,597)
Cash provided by/ (used in) financing activities	79,304	1,356,527
(Decrease)/Increase in cash and cash equivalents	(674,337)	159,643
Cash and cash equivalents at beginning of year	1,312,707	550,094
CASH AND CASH EQUIVALENT AT END OF PERIOD	638,370	709,737

SEPROD LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 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	-	-	71,364	537,833	609,198	(162,488)	446,710
Transactions with owners:							
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

	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	-	-	122,083	1,078,512	1,200,595	(135,792)	1,064,802
Dividend Payment				(309,839)	(309,839)		(309,839)
Balance at 30 September 2016	516,339	560,388	1,534,253	9,315,199	11,409,840	(711,160)	10,698,679

SEPROD LIMITED
UNAUDITED GROUP FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 2016
INFORMATION ABOUT BUSINESS SEGMENTS

(expressed in Jamaican dollars unless otherwise indicated)

(\$000)

	Manufacturing		Distribution		Eliminations		Consolidated	
	30-Sep-16	30-Sep-15	30-Sep-16	30-Sep-15	30-Sep-16	30-Sep-15	30-Sep-16	30-Sep-15
REVENUE								
External sales	6,128,369	7,509,289	4,968,225	3,697,173			11,096,594	11,206,462
Inter-segment sales	4,104,448	2,870,306			(4,104,448)	(2,870,306)		
Total revenue	<u>10,232,817</u>	<u>10,379,595</u>	<u>4,968,225</u>	<u>3,697,173</u>	<u>(4,104,448)</u>	<u>(2,870,306)</u>	<u>11,096,594</u>	<u>11,206,462</u>
RESULTS								
Segment result	<u>1,212,978</u>	<u>955,671</u>	<u>107,473</u>	<u>26,596</u>			1,320,451	982,267
Unallocated corporate expenses							<u>167,219</u>	<u>(234,500)</u>
Operating profit	1,212,978	955,671	107,473	26,596	-	-	1,487,670	747,767
Share of results from associated company			-	-			(740)	-
Finance costs							(235,839)	(180,572)
Income taxes							<u>(308,372)</u>	<u>(191,850)</u>
Net Profit	<u>1,212,978</u>	<u>955,671</u>	<u>107,473</u>	<u>26,596</u>	<u>-</u>	<u>-</u>	<u>942,719</u>	<u>375,345</u>
OTHER INFORMATION								
Segment assets	8,149,927	8,270,451	1,205,625	1,074,313	-	-	9,355,552	9,344,763
Unallocated corporate assets							<u>8,513,452</u>	<u>6,719,253</u>
Total consolidated assets							<u>17,869,004</u>	<u>16,064,016</u>
Segment liabilities	(2,416,266)	(1,742,543)	(135,630)	(123,131)	-	-	(2,551,896)	(1,865,673)
Unallocated corporate liabilities							<u>(4,618,429)</u>	<u>(4,270,158)</u>
Total consolidated liabilities							<u>(7,170,325)</u>	<u>(6,135,831)</u>
Capital expenditure	312,623	481,092	9,008	6,167			321,631	487,259
Unallocated capital expenditure							<u>226,386</u>	<u>82,126</u>
Total capital expenditure							<u>548,017</u>	<u>569,385</u>
Depreciation	339,439	318,458	4,561	3,087			344,000	321,545
Unallocated depreciation							<u>21,027</u>	<u>12,111</u>
Total depreciation							<u>365,027</u>	<u>333,656</u>

Seprod Limited – Top Ten Shareholders
As at September 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 September 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 September 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