



**SEPROD LIMITED**

**CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE NINE MONTHS ENDED**

**SEPTEMBER 30, 2017**



**SEPROD LIMITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION UNAUDITED**  
 30 SEPTEMBER 2017

(expressed in Jamaican dollars unless otherwise indicated)

	Unaudited 9/30/2017 \$'000	Unaudited 9/30/2016 \$'000	Audited 12/31/2016 \$'000
<b>NET ASSETS EMPLOYED</b>			
Fixed assets	3,996,788	4,090,027	4,116,287
Intangible assets	-	2,329	1,694
Available-for-sale investments	1,719,249	1,959,941	1,705,475
Investments in joint venture	332,173	426,664	399,242
Long term receivables	3,561,835	3,196,570	3,543,922
Retirement benefit asset	40,300	-	40,300
Biological asset	243,434	227,128	236,343
Deferred tax	27,604	18,593	20,063
	<u>9,921,383</u>	<u>9,921,252</u>	<u>10,063,326</u>
<b>Current Assets</b>			
Inventories	2,084,059	2,113,850	1,930,268
Biological assets	449,415	402,619	513,198
Receivables	4,872,937	3,212,843	3,991,910
Held-for-trading Investments	-	-	-
Current portion of long term receivables	220,232	259,679	76,439
Taxation Recoverable	-	-	29,754
Short Term Deposits	-	1,320,392	153,906
Cash and bank balances	686,874	638,370	667,505
	<u>8,313,517</u>	<u>7,947,753</u>	<u>7,362,980</u>
<b>Current Liabilities</b>			
Payables	5,075,319	3,233,572	4,468,479
Bank Overdraft	-	-	-
Current portion of long term liabilities	2,194,730	1,890,083	2,182,838
Taxation	161,670	65,004	9,198
	<u>7,431,719</u>	<u>5,188,659</u>	<u>6,660,515</u>
<b>Net Current Assets</b>	<u>881,798</u>	<u>2,759,094</u>	<u>702,465</u>
	<u>10,803,181</u>	<u>12,680,346</u>	<u>10,765,791</u>
<b>Equity Attributable to Stockholders of the Company</b>			
Share Capital	561,287	561,287	561,287
Treasury Shares	(899)	(899)	(899)
Capital Reserves	1,293,560	1,534,253	1,279,785
Retained Earnings	8,552,641	9,315,199	8,137,327
	<u>10,406,589</u>	<u>11,409,840</u>	<u>9,977,500</u>
<b>Non-controlling Interest</b>	<u>(934,562)</u>	<u>(711,161)</u>	<u>(792,202)</u>
	<u>9,472,027</u>	<u>10,698,679</u>	<u>9,185,298</u>
<b>Non-current Liabilities</b>			
Long Term Liabilities	969,389	1,511,955	1,245,659
Deferred Tax	218,765	171,810	191,834
Retirement Benefit Obligations	143,000	297,900	143,000
	<u>1,331,154</u>	<u>1,981,665</u>	<u>1,580,493</u>
	<u>10,803,181</u>	<u>12,680,344</u>	<u>10,765,791</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 2017**  
(expressed in Jamaican dollars unless otherwise indicated)

	Three Months Ending September		Nine Months Ending September	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
<b>Revenue</b>	3,772,099	3,496,937	12,137,309	11,096,594
Direct expenses	(2,876,620)	(2,854,718)	(9,189,855)	(8,718,555)
<b>Gross Profit</b>	895,479	642,219	2,947,454	2,378,039
Finance and other operating income	255,037	237,981	639,585	874,759
Selling expenses	(197,234)	(149,072)	(558,227)	(488,104)
Administration expenses	(588,801)	(421,869)	(1,817,036)	(1,277,024)
<b>Operating Profit</b>	364,482	309,259	1,211,776	1,487,670
Share of results from associated company	(25,638)	(164)	(67,069)	(740)
Finance costs	(82,446)	(80,695)	(252,462)	(235,839)
<b>Profit before taxation</b>	256,398	228,401	892,245	1,251,092
Taxation	(135,445)	(101,550)	(309,452)	(308,372)
<b>Net Profit</b>	120,953	126,851	582,793	942,720
<b>Other Comprehensive Income:</b>				
Foreign exchange gain on investment in affiliated company	11,664	30,822	13,775	122,083
<b>Total Comprehensive Income</b>	132,617	157,672	596,567	1,064,803
<b>Net Profit is Attributable to:</b>				
Stockholders of the company	194,158	185,637	725,153	1,078,512
Non-controlling interest	(73,205)	(58,787)	(142,360)	(135,793)
	120,953	126,851	582,793	942,720
<b>Total Comprehensive Income is Attributable to:</b>				
Stockholders of the company	205,821	216,458	738,927	1,200,595
Non-controlling interest	(73,205)	(58,787)	(142,360)	(135,793)
	132,617	157,672	596,567	1,064,803
<b>Number of Shares in issue ('000)</b>	516,339	516,339	516,339	516,339
<b>Earnings per share (\$)</b>	\$0.38	\$0.36	\$1.40	\$2.09

**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 2016

**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	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Profit before taxation	256,398	228,401	892,245	1,251,092
Tax calculated at a tax rate of 25%	64,099	57,100	223,061	312,773
Adjusted for the effect of:				
Investment income not subject to tax	(9,124)	(23,587)	(9,124)	(23,587)
Share of Results of Associated Company	6,409	41	16,767	185
Unrealised exchange gains not subject to tax	1,058	18,295	-	-
Subsidiaries not subjected to tax	63,326	37,474	120,528	17,740
	125,768	89,323	351,233	307,110
Employment Tax Credit	(18,739)	(13,029)	(61,169)	(43,073)
Deferred Taxation	28,416	25,256	19,388	44,334
	135,445	101,550	309,452	308,372



**SEPROD LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)**  
**For the nine months ended September 30, 2017**  
(expressed in Jamaican dollars unless otherwise indicated)

(Nine Months Ending September 30th)

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>CASH RESOURCES WERE PROVIDED BY/(USED IN):</b>		
<b>Operating Activities</b>		
Net profit	596,568	1,064,802
Items not affecting cash resources:		
Amortisation of intangible assets	1,694	1,905
Depreciation	361,368	365,027
Taxation	309,452	308,372
	1,269,082	1,740,106
Changes in operating assets and liabilities:		
Inventories	(153,791)	(367,389)
Accounts receivable	(881,028)	(1,472,146)
Biological assets	56,692	131,528
Accounts payable	606,840	1,251,783
	897,796	1,283,883
Taxation paid	(107,836)	(247,729)
Cash provided by operating activities	789,960	1,036,154
<b>Investing Activities</b>		
Purchase of fixed assets	(241,869)	(548,017)
Investments in securities, net	207,201	(491,841)
Investment in associates	-	-
Long term loan receivable	(161,706)	(749,937)
Cash used in investing activities	(196,374)	(1,789,795)
<b>Financing Activities</b>		
Dividends paid	(309,839)	(309,839)
Short term loan received	166,057	377,232
Short term loan repaid	(115,353)	(103,563)
Long term loan received	284,628	243,548
Long term loan repaid	(599,709)	(128,074)
Cash (used in)/ provided by financing activities	(574,216)	79,304
Increase /(Decrease) in cash and cash equivalents	19,369	(674,337)
Cash and cash equivalents at beginning of year	667,505	1,312,707
<b>CASH AND CASH EQUIVALENT AT END OF PERIOD</b>	<b>686,874</b>	<b>638,370</b>

**SEPROD LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 2017**  
(expressed in Jamaican dollars unless otherwise indicated)

	Equity Attributable to Stockholders of the Company					Non-	Total
	Number	Share	Capital	Retained	Total	controlling	Equity
	of Shares	Capital	Reserve	Earnings		Interest	
	'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'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

	Equity Attributable to Stockholders of the Company					Non-	Total
	Number	Share	Capital	Retained	Total	controlling	Equity
	of Shares	Capital	Reserve	Earnings		Interest	
	'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 01 January 2017	516,339	560,388	1,279,785	8,137,327	9,977,500	(792,202)	9,185,298
Total comprehensive income	-	-	13,775	725,153	738,928	(142,360)	596,568
Dividend Payment	-	-	-	(309,839)	(309,839)	-	(309,839)
Balance at 30 September 2017	516,339	560,388	1,293,560	8,552,641	10,406,589	(934,562)	9,472,027

**SEPROD LIMITED**  
**UNAUDITED GROUP FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 2017**  
**INFORMATION ABOUT BUSINESS SEGMENTS**

(expressed in Jamaican dollars unless otherwise indicated)

(\$000)

	Manufacturing		Distribution		Eliminations		Consolidated	
	30-Sep-17	30-Sep-16	30-Sep-17	30-Sep-16	30-Sep-17	30-Sep-16	30-Sep-17	30-Sep-16
<b>REVENUE</b>								
External sales	6,934,618	6,128,369	5,202,691	4,968,225			12,137,309	11,096,594
Inter-segment sales	4,003,747	4,104,448			(4,003,747)	(4,104,448)		
Total revenue	<u>10,938,365</u>	<u>10,232,817</u>	<u>5,202,691</u>	<u>4,968,225</u>	<u>(4,003,747)</u>	<u>(2,813,659)</u>	<u>12,137,309</u>	<u>11,096,594</u>
<b>RESULTS</b>								
Segment result	<u>1,249,108</u>	<u>1,212,978</u>	<u>186,304</u>	<u>107,473</u>			1,435,412	1,320,451
Unallocated corporate expenses							(223,636)	167,219
Operating profit	1,249,108	1,212,978	186,304	107,473	-	-	1,211,776	1,487,670
Share of results from associated company			-	-			(67,069)	(740)
Finance costs	-	-	-	-			(252,462)	(235,839)
Income taxes							(309,452)	(308,372)
Net Profit	<u>1,249,108</u>	<u>1,212,978</u>	<u>186,304</u>	<u>107,473</u>	<u>-</u>	<u>-</u>	<u>582,793</u>	<u>942,719</u>
<b>OTHER INFORMATION</b>								
Segment assets	8,260,758	8,149,927	1,234,343	1,205,625	-	-	9,495,101	9,355,552
Unallocated corporate assets							8,819,910	8,513,452
Total consolidated assets							<u>18,315,011</u>	<u>17,869,004</u>
Segment liabilities	(2,537,382)	(2,416,266)	(1,408,690)	(135,630)	-	-	(3,946,072)	(2,551,896)
Unallocated corporate liabilities							(4,896,913)	(4,618,429)
Total consolidated liabilities							<u>(8,842,985)</u>	<u>(7,170,325)</u>
Capital expenditure	157,392	312,623	3,987	9,008			161,380	321,631
Unallocated capital expenditure							80,490	226,386
Total capital expenditure							<u>241,869</u>	<u>548,017</u>
Depreciation	332,454	339,439	4,648	4,561			337,102	344,000
Unallocated depreciation							24,266	21,027
Total depreciation							<u>361,368</u>	<u>365,027</u>

**Seprod Limited – Top Ten Shareholders**  
**As at September 30, 2017**

Shareholder	No. of Shares	% Holding
Musson (Jamaica) Limited	233,747,988	45.27
Coconut Industry Board	163,420,345	31.65
Grace Kennedy Limited Pension Scheme	21,955,904	4.25
National Insurance Fund Trading A/C	15,443,045	2.99
Scotia Jamaica Investment Management Ltd. A/C 3119	7,724,433	1.50
NCB Insurance Co. Ltd. A/C WT109	4,085,146	0.79
Guardian Life – Guardian Equity Fund	3,055,730	0.59
JCSD Trustee Services Limited – Sigma Optima	2,540,097	0.49
Guardian Life Limited – Pension Fund	2,332,085	0.45
NCB Insurance Co. Ltd. A/C WT161	2,079,210	0.40



**Seprod Limited - Directors Holdings  
as at September 30, 2017**

Director	No. of Shares
Byron Thompson Connected Person - Ivorine Thompson	1,220,668
Richard Pandohie	400,000
Hugh Gentles Connected Person- Carol Gentles	49,933 45,534
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, 2017**

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
Carol Andrade	Nil
Gavin Bellamy	Nil
Jeffrey Moss-Solomon	Nil
Dalton Brown	Nil
Devon Francis	Nil
Roger Lewis	Nil
Glenise Freckleton	Nil