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# Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the SEVENTY-SEVENTH ANNUAL GENERAL MEETING of the Company will be held at the Knutsford Court Hotel, 16 Chelsea Avenue, Kingston 5 on July 11, 2016, at 11:00am, for the purpose of transacting the following business:

1. To receive and consider the Directors' Report, the Auditors' Report and the Audited Accounts for the year ended December 31, 2015.
2. To elect the following retiring Directors:
  - P.B. Scott
  - Michael Subratie
  - Nicholas Scott
3. To fix the remuneration of Directors.
4. To authorize the Directors to fix the remuneration of the Auditors, PricewaterhouseCoopers, who have indicated their willingness to continue in office.
5. To transact any other business which may properly be transacted at an Annual General Meeting.

DATED this 2nd day of May, 2016

BY ORDER OF THE BOARD



MARILYN ANDERSON  
Secretary

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him/her. A proxy need not be a member. Proxy forms must be lodged at the Company's registered office, 3 Felix Fox Boulevard, Kingston, not less than 48 hours before time of meeting.

# Directors' Report

The Directors of Seprod Limited submit herewith their Annual Report and Audited Accounts for the year ended December 31, 2015.

## FINANCIAL RESULTS

The Group ended the year with a profit before tax of \$604 million and a net profit attributable to shareholders of \$577 million. Details of these results, along with a comparison with the previous year's performance and the state of affairs of the Company are set out in the Managing Director's Report and the Financial Statements which are included as part of the Report.

## DIVIDEND

A dividend of Sixty cents (\$0.60) per ordinary stock unit to stockholders on record as at 29th May, 2015 was paid on 3rd July, 2015. A further dividend of Thirty-five cents (\$0.35) per ordinary stock unit to stockholders on record as at 30th October, 2015 was paid on 13th November, 2015.

The Directors do not recommend any further payment of dividend for 2015.

## DIRECTORS

Mr. Aston Smith resigned from the Board of Directors effective 31st May, 2015. In accordance with Articles 89 and 91 of the Company's Articles of Association, the following directors are retiring from office and, being eligible, offer themselves for re-election:

- P.B. Scott
- Michael Subratie
- Nicholas Scott

Mrs. Shelley-Ann Gayle Morris was appointed to the Board of Directors effective 2nd November, 2015.

## AUDITORS

The Auditors, Messrs PricewaterhouseCoopers have indicated their willingness to continue in office. The Directors recommend their re-appointment.

## AUDIT COMMITTEE

The Board of Directors of Seprod Limited exercises its responsibilities for the Financial Statements included in this Report through its Audit Committee, which consists of non-management Board members: Mrs. Melanie Subratie, Chairperson and members: Mr. Granville Marsh, Dr. Nigel Clarke and Mr. Byron Thompson.

The independent accountants and internal auditors have full and free access to the Audit Committee. The Audit Committee meets quarterly with the independent accountants and the Internal Auditors, both privately and with management present, to discuss accounting, auditing and financial reporting matters.

## EMPLOYEES

The Directors wish to express their appreciation to the employees for their loyal services throughout the year.

Submitted on behalf of the Board of Directors.



P.B. SCOTT  
Chairman



Directors’  
Profile



**P. B. SCOTT**  
(Chairman)

Director since 2000; he was appointed Chairman in 2009. He is the Chairman and Chief Executive Officer of the Musson Group of Companies and the Chairman of all the subsidiaries in the Musson Group including Facey Commodity Company Limited, General Accident Insurance Company Limited, Productive Business Solutions Limited among others. He is also a Director of Scotia Jamaica Life Insurance Company and the Jamaica Chamber of Commerce. He was appointed the Honorary Consul General for Guatemala in Jamaica in 2009.

**PETER J. THWAITES**  
(Vice Chairman)

Director since 2001. He is a retired Insurance Executive, a past President of the Private Sector Organisation of Jamaica, a past Chairman of the Electoral Advisory Committee, now the Electoral Commission of Jamaica, Chairman of Crime Stop Jamaica, a Director of Thwaites Finson Sharp Insurance Brokers, Guardian General Insurance Jamaica, a subsidiary of Guardian Holdings of Trinidad and Tobago and Rototech International Limited.



Directors’  
Profile



**RICHARD R. PANDOHIE, JP**  
(CEO/Managing Director)

Appointed in December, 2012. He was appointed Chief Executive Officer and Managing Director in January, 2015. Mr. Pandohie has held several senior executive positions in the Caribbean and Central America. He is a former Managing Director of Carreras Limited in Jamaica, a former President of the Rotary Club of New Kingston and a Director of the Jamaica Manufacturers’ Association. He holds a Masters of Business Administration degree in Corporate Finance and Operations from the McGill University and a Bachelor of Science degree in Chemical Engineering from The University of the West Indies.

**BYRON E. THOMPSON JP, MBA**

Director since 1995. He is a former Chief Executive Officer and Managing Director of the Seprod Group of Companies. He is a Director of Seprod Limited and its subsidiaries, Jamaica Manufacturers’ Association, Jamaica Dairy Development Board, Jamaica Cane Products Sales Limited and the Sugar Manufacturing Corporation of Jamaica Limited. He holds a Bachelor’s Degree in Chemistry and Geology from the University of the West Indies and an MBA from Barry University, Florida, USA.











# Shareholders' Profile

AS AT DECEMBER 31, 2015

TEN LARGEST SHAREHOLDERS		
1.	Musson (Jamaica) Limited*	233,747,988
2.	Coconut Industry Board	163,420,345
3.	GraceKennedy Limited Pension Scheme	21,955,904
4.	National Insurance Fund	15,443,045
5.	Scotia Jamaica Investment Management - A/C 3119	7,724,433
6.	NCB Insurance Company Limited – A/C 109	4,085,146
7.	JCSD Trustee Services – Sigma Optima	2,304,958
8.	NCB Insurance Co. Ltd. A/C WT161	2,079,210
9.	National Export-Import Bank Pension Fund	2,070,993
10.	Estate Richard G.S. Jackson	2,042,762
* - Connected Persons: P. B. Scott, Melanie M. Subratie		

# Shareholders' Profile

AS AT DECEMBER 31, 2015

SHAREHOLDINGS OF DIRECTORS ALONG WITH THEIR CONNECTED PERSONS		
1.	P. B. Scott	NIL
	Shareholding of connected persons	233,747,988
2.	Melanie M. Subratie	NIL
	Shareholding of connected persons	233,747,988
3.	Byron E. Thompson	1,220,668
4.	Granville E. Marsh	6,561
5.	Nigel A. Clarke	990
6.	Peter J. Thwaites	NIL
7.	Michael J. Subratie	NIL
8.	Nicholas A. Scott	NIL
9.	Richard R. Pandohie	NIL

# Shareholders' Profile

AS AT DECEMBER 31, 2015

SHAREHOLDINGS OF EXECUTIVES		
1.	Angela Cooper	18,854
2.	Marilyn Anderson	NIL
3.	Rupert Ashman	NIL
4.	Clement Burnett	NIL
5.	Evrol Dixon	NIL
6.	Milton Maragh	NIL
7.	Paul Watson	NIL
8.	Phillip Webster	NIL
9.	Patrick Sterling	NIL
10.	Marvin Cummings	NIL
11.	Roger Thompson	NIL
12.	Winston Harrison	NIL
13.	Carol Andrade	NIL
14.	Gavin Bellamy	NIL
15.	Roxiana Tyrell	NIL

# Directors' Attendance

Number of Board Meetings	11
P. B. Scott	11
Richard Pandohie	11
Byron Thompson	11
Granville Marsh	11
Melanie Subratie	10
Michael Subratie	10
Peter Thwaites	10
Nicholas Scott	10
Nigel Clarke	8
Leonard Green	8
Shelly-Ann Gayle-Morris (Appointed November 2015)	2

NOTE  
Leonard Green & Shelly-Ann Gayle-Morris  
Resigned April 6, 2016  
  
Christopher Gentles  
Appointed April 21, 2016







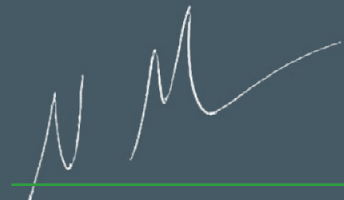
# Management Discussion and Analysis

- Productivity improvement program – aimed specifically at reducing our unit cost of production; allowing us to improve profitability while simultaneously offering great value to our consumers.
- We will also look for contract packing opportunities.
- Connecting with our consumers and building deep, mutually beneficial relationships. The insights from these relationships will be used to drive the innovation pipeline.

Our plans are ambitious, our goal is growth; team Seprod is fully engaged and remain confident that we will unlock our full potential to deliver shareholder value and contribute to Jamaica being a place of choice to live and work.

On behalf of the Executive Committee, I wish to thank our employees for their dedicated efforts, our customers, our consumers, stakeholders, shareholders and Board of Directors for their continuing support.

Best Regards,



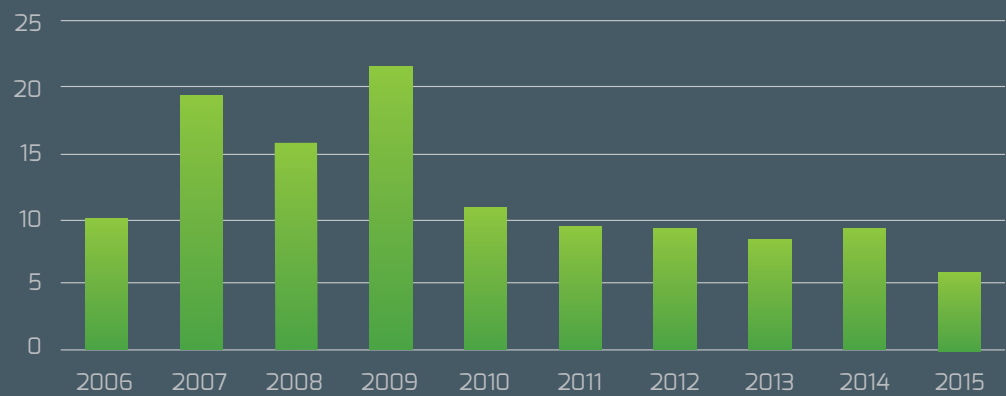
Richard R. Pandohie, JP  
(CEO/Managing Director)

### Statistical Highlights (\$000)

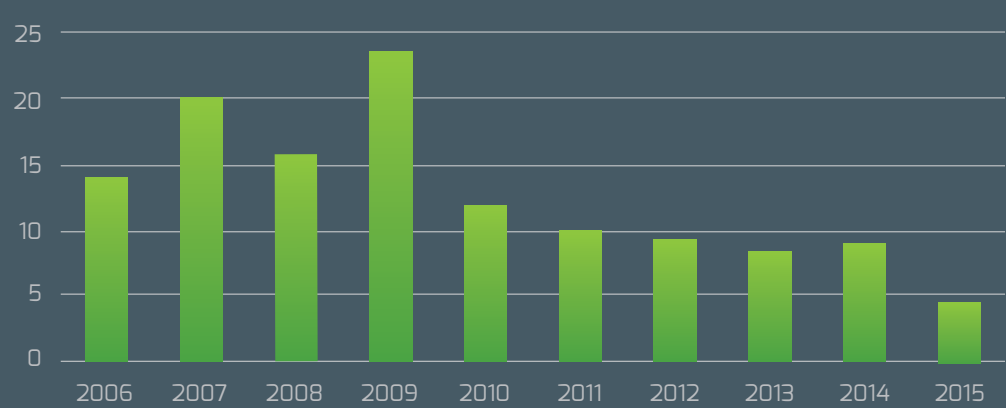
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenue	13,777,863	14,007,117	13,921,759	12,723,578	12,005,202	9,776,563	9,495,060	9,257,660	6,189,984	4,883,891
Operating Profit	900,823	1,460,478	1,419,318	1,305,328	1,256,314	1,206,866	2,210,782	1,464,258	933,005	654,212
Profit from Assoc. Comps	-	-	-	-	-	-	-	-	202,612	72,727
(Loss) from Joint Venture	(6,711)	-	-	-	-	-	-	-	-	-
Finance & Other Income	760,629	682,791	867,368	490,547	469,858	343,409	756,239	520,064	409,072	217,635
Pretax Profit	604,058	1,170,645	1,118,394	1,199,632	1,193,951	1,170,927	2,185,901</			

# Management Discussion and Analysis

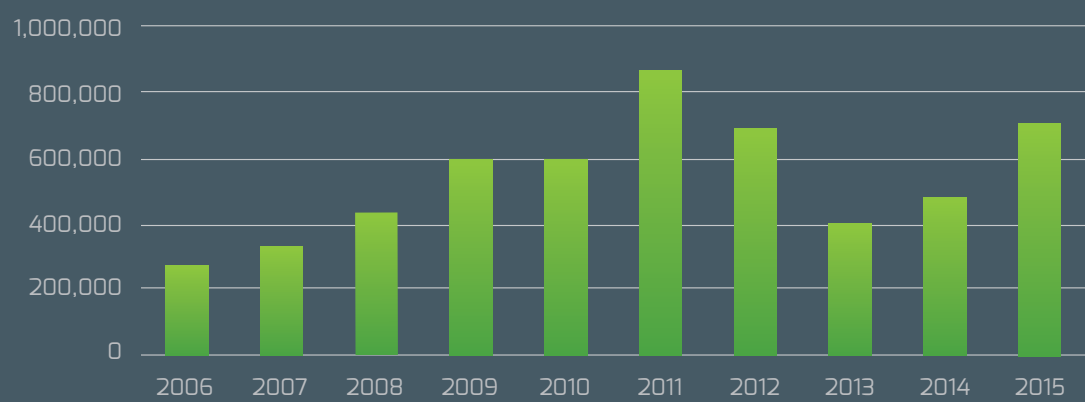
Return to Equity



Pre-tax Profit to Sales

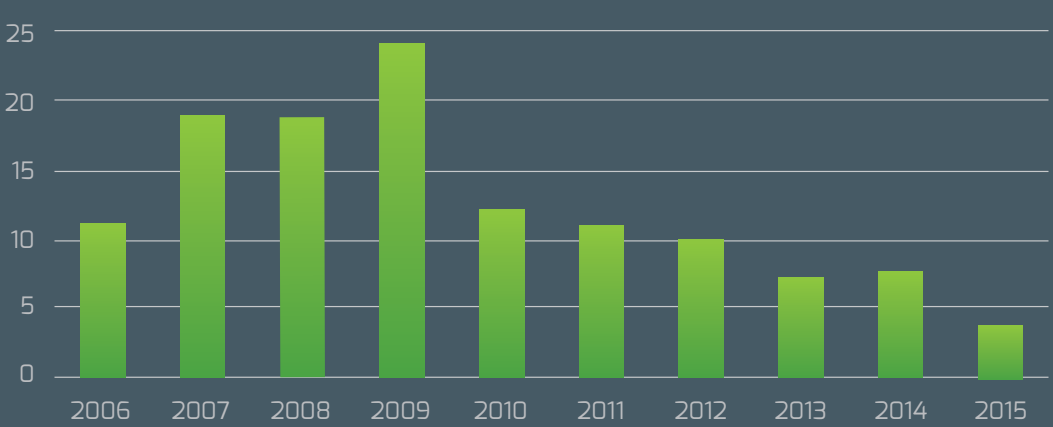


Capital Expenditure

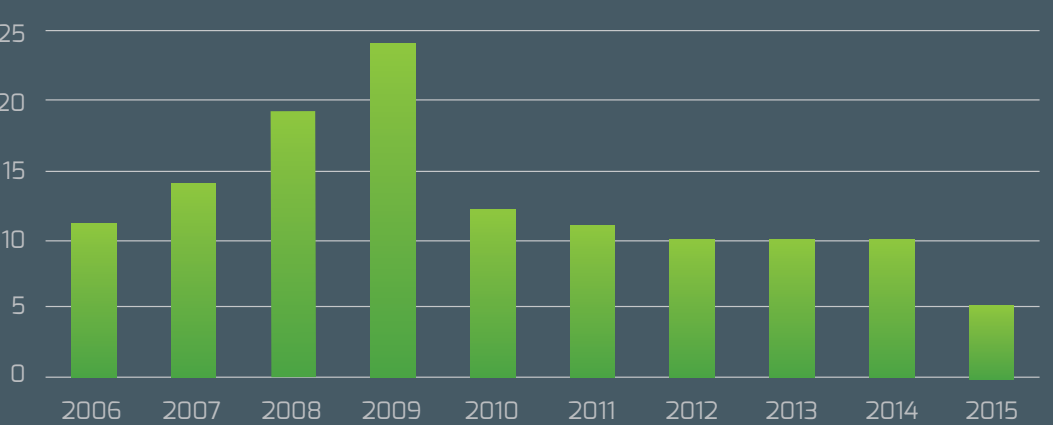


# Management Discussion and Analysis

Pre-tax Profit to Total Assets



Operating Profits to Total Assets























# Corporate Data

REGISTERED OFFICE:	3 Felix Fox Boulevard, Kingston Tel: (876) 922-1220 Fax: (876) 922-6948 or 922-7344 Email: corporate@seprod.com
AUDITORS:	PricewaterhouseCoopers Scotiabank Centre Corner of Duke & Port Royal Streets Kingston, Jamaica
ATTORNEYS:	DunnCox 48 Duke Street Kingston, Jamaica  Samuda & Johnson 2-6 Grenada Crescent Kingston 5, Jamaica
BANKERS:	CIBC First Caribbean International Bank 23-27 Knutsford Boulevard Kingston 5  First Global Bank 24-48 Barbados Avenue Kingston 5  National Commercial Bank Jamaica Limited 1-7 Knutsford Boulevard Kingston 5, Jamaica  Sagicor Bank 17 Dominica Drive Kingston 5, Jamaica  Citibank N.A. 19 Hillcrest Avenue Kingston 6, Jamaica
REGISTRAR AND TRANSFER AGENTS	Jamaica Central Securities Depository Limited 40 Harbour Street Kingston, Jamaica

# Contact Data

1. INDUSTRIAL SALES LIMITED	3 Felix Fox Boulevard, Kingston Tel: (876) 922-1220
DISTRIBUTION OUTLET	107 Marcus Garvey Drive, Kingston 11 Tel: (876) 923-8953 (876) 937-7084 Fax: (876) 757-9449 (876) 923-6722
2. SERGE ISLAND DAIRIES LIMITED SERGE ISLAND FARMS LIMITED	3 Felix Fox Boulevard, Kingston Tel: (876) 922-1220
MANUFACTURING PLANT	Seaforth, St. Thomas Tel: (876) 706-5844-6 Fax: (876) 706-5843
3. INTERNATIONAL BISCUITS LIMITED	3 Felix Fox Boulevard, Kingston Tel: (876) 922-1220
MANUFACTURING PLANT	2e Valentine Drive, P.O. Box 453, Kingston 19
4. CARIBBEAN PRODUCTS COMPANY LIMITED	3 Felix Fox Boulevard, Kingston Tel: (876) 922-1220
MANUFACTURING PLANT	228 Spanish Town Road, Kingston 11 Tel: (876) 923-0125-8 (876) 923-6516-8 (876) 937-3372 Fax: (876) 923-4043
5. GOLDEN GROVE SUGAR COMPANY LIMITED	3 Felix Fox Boulevard, Kingston Tel: (876) 922-1220
MANUFACTURING PLANT	Duckenfield, Golden Grove P.O., St. Thomas Tel: (876) 706-0522 Fax: (876) 706-0520
6. JAMAICA GRAIN & CEREALS LIMITED	3 Felix Fox Boulevard, Kingston Tel: (876) 922-1220 Fax: (876) 967-7479



# *Seprod Limited*

## Financial Statements 31 December 2015

### Seprod Limited

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31 December 2015

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## Seprod Limited

### Consolidated Statement of Changes in Equity

Year ended 31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

	Equity Attributable to Stockholders of the Company					Non-controlling Interest	Total Equity
	Number of Shares	Share Capital	Capital Reserve	Retained Earnings	Total		
	'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 January 2014</b>	516,339	560,388	1,140,279	7,665,980	9,366,647	(169,880)	9,196,767
Profit for the year	-	-	-	1,011,810	1,011,810	(116,435)	895,375
Remeasurements on pension and other retirement obligations	-	-	-	(113,700)	(113,700)	-	(113,700)
Fair value gains on investments	-	-	277,584	-	277,584	-	277,584
Total comprehensive income	-	-	277,584	898,110	1,175,694	(116,435)	1,059,259
Transactions with owners:							
Dividends paid (Note 13)	-	-	-	(464,713)	(464,713)	-	(464,713)
<b>Balance at 31 December 2014</b>	516,339	560,388	1,417,863	8,099,377	10,077,628	(286,315)	9,791,313
Profit for the year	-	-	-	865,953	865,953	(289,053)	576,900
Fair value gains on investments	-	-	(5,693)	-	(5,693)	-	(5,693)
Remeasurements on pension and other retirement obligations	-	-	-	71,775			



## Seprod Limited

### Statement of Changes in Equity

Year ended 31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

	Number of Shares '000	Share Capital \$'000	Capital Reserve \$'000	Retained Earnings \$'000	Total \$'000
<b>Balance at 1 January 2014</b>	516,339	560,388	579,741	6,523,940	7,664,069
Loss for the year	-	-	-	(537,584)	(537,584)
Remeasurements on pension and other retirement obligations	-	-	-	(113,700)	(113,700)
Fair value gains on investments	-	-	277,584	-	277,584
Total comprehensive income	-	-	277,584	(651,284)	(373,700)
Transactions with owners:					
Dividends declared (Note 13)	-	-	-	(464,713)	(464,713)
<b>Balance at 31 December 2014</b>	516,339	560,388	857,325	5,407,943	6,825,656
Profit for the year	-	-	-	767,673	767,673
Remeasurements on pension and other retirement obligations	-	-	-	71,775	71,775
Fair value gains on investments	-	-	(5,693)	-	(5,693)
Total comprehensive income	-	-	(5,693)	839,448	833,755
Transactions with owners:					
Dividends declared (Note 13)	-	-	-	(490,579)	(490,579)
<b>Balance at 31 December 2015</b>	516,339	560,388	851,632	5,756,812	7,168,832

## Seprod Limited

### Statement of Cash Flows

Year

















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# Seprod Limited

3. Financial Risk Management (Continued)

(c) Market risk (continued)

Interest rate risk (continued)

	The Group						
	Within 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Non-Interest	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	2014						
<b>Financial assets</b>							
Available-for-sale investments	6,596	449	2,583	736,698	235,793	1,779,804	2,761,923
Fair value through profit or loss	-	-	-	-	-	594,595	594,595
Long term receivables	27,710	6,847	30,812	1,096,045	-	-	1,161,414
Trade and other receivables	-	56,049	142,057	-	-	1,475,156	1,673,262
Short term deposits	-	134,457	-	-	-	-	134,457
Cash and bank	572,215	-	-	-	-	11,572	583,787
	606,521	197,802	175,452	1,832,743	235,793	3,861,127	6,909,438
<b>Financial liabilities</b>							
Long term liabilities	7,400	785,415	123,453	1,428,946	-	-	2,345,214
Bank overdraft	33,693	-	-	-	-	-	

# Seprod Limited

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

## 3. Financial Risk Management (Continued)

### (c) Market risk (continued)

#### Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. The Group is exposed to equity price risk because of investments held by the Group classified on the statement of financial position either as available-for-sale or at fair value through profit or loss. The Group manages its price risk by trading these instruments when appropriate to reduce the impact of any adverse price fluctuations.

The impact on total stockholders' equity (before tax) of a 20% (2014 -10%) increase/decrease in equity prices is an increase/decrease of \$80,707,000 (2014 – \$59,460,000) for the Group.

### (d) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for stockholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Board of Directors monitors the return on capital, which the Group defines as net operating income, excluding non-recurring items, divided by total stockholders' equity. The Board of Directors also monitors the level of dividends to stockholders.

### (e) Fair value estimates

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

# Seprod Limited

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

## 3. Financial Risk Management (Continued)

### (e) Fair value estimates (continued)







# Seprod Limited

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

## 5. Business Segments

The Group is organised into two main business segments:

- (i) Manufacturing - This incorporates the operations for manufacturing and sale of oils and fats, corn products, cereals, milk products, juices, sugar and biscuits.
- (ii) Distribution - The merchandising of consumer goods.

	2015			
	Manufacturing	Distribution	Eliminations	Group
	\$'000	\$'000	\$'000	\$'000
External revenue	8,777,037	5,000,826	-	13,777,863
Inter-segment revenue	3,700,324	-	(3,700,324)	-
<b>Total revenue</b>	<b>12,477,361</b>	<b>5,000,826</b>	<b>(3,700,324)</b>	<b>13,777,863</b>
Segment result	419,190	(53,874)	-	365,316
Unallocated corporate income				535,507
<b>Operating profit</b>				<b>900,823</b>
Segment assets	7,919,316	1,147,971	-	9,067,287
Unallocated corporate assets				6,438,471
<b>Total consolidated assets</b>				<b>15,505,758</b>
Segment liabilities	2,925,177	172,464	-	3,097,555
Unallocated corporate liabilities				2,464,487
<b>Total consolidated liabilities</b>				<b>5,562,042</b>
Other segment items –				
Capital expenditure	619,299	11,328	-	630,627
Unallocated capital expenditure				87,804
<b>Total capital expenditure</b>				<b>718,</b>

## Seprod Limited

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

### 6. Finance and Other Operating Income

	The Group		The Company	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Fair value gains on financial assets at fair value through profit or loss	212,474	58,900	-	-
Gain on sale of available-for-sale investments	43,315	-	43,315	-
Gain on disposal of property, plant and equipment	11,108	1,400	1,075	1,400
Gain on sale of shares in subsidiary	-	-	421,954	-
Interest income from subsidiaries	-	-	248,977	180,064
Manufacturing fees and contribution	8,836	9,976	-	-
Net foreign exchange gains	68,967	116,240	67,857	116,087
Other	140,801	133,175	12,532	6,556
Other dividend income on available-for-sale investments	314	56,622	314	56,622
Other dividend income on financial assets at fair value through profit or loss	24,709	23,181	-	-
Other interest income	233,025	236,808	221,812	227,351
Recoveries from managed farms	7,728	26,186	-	-
Rental income	9,352	20,303	9,352	11,077
	<u>760,629</u>	<u>682,791</u>	<u>1,027,188</u>	<u>599,157</u>

## Seprod Limited

Notes to the Financial Statements

31 December 2015

# Seprod Limited

## Seprod Limited

Notes to the Financial Statements

**31 December 2015**

(expressed in Jamaican dollars unless otherwise indicated)

### 10. Taxation Expense (Continued)

	The Group & The Company		
	2014		
	Before Tax	Tax Effect	After Tax
	\$'000	\$'000	\$'000
Fair value gains - Available-for-sale financial assets	277,584	-	277,584
Remeasurements of post-employment benefit liabilities	(151,600)	37,900	(113,700)
Other comprehensive income	(125,984)	37,900	163,884

### 11. Net Profit Attributable to Stockholders of the Company

Dealt with as follows in the financial statements:

	2015 \$'000	2014 \$'000
The Company	767,673	(537,584)
Impairment loss on intercompany receivable reversed on consolidation	-	876,443
	767,673	338,859
Subsidiaries	104,991	672,951
Joint Venture	(6,711)	-
	865,953	1,011,810

## Seprod Limited

Notes to the Financial Statements

**31 December 2015**

(expressed in Jamaican dollars unless otherwise indicated)

### 12. Earnings per Stock Unit Attributable to Stockholders of the Company

Earnings per stock unit is calculated by dividing the net profit attributable to stockholders by the weighted average number of ordinary stock units in issue.





## Seprod Limited

Notes to the Financial Statements

**31 December 2015**

(expressed in Jamaican dollars unless otherwise indicated)

### 17. Available-for-Sale Investments (Continued)

Available-for-sale financial statements are denominated in the following currencies.

	<b>The Group and Company</b>	
	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
JA dollar	40	373,229
US dollar	1,837,820	2,388,694
	<u>1,837,860</u>	<u>2,761,923</u>

None of these financial assets is either past due or impaired.

### 18. Investment in Subsidiaries and Joint Venture

#### Investment in subsidiaries

	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
Balance at 1 January	1,410,267	1,410,267
Disposal of subsidiary (Note 35)	(12,160)	-
Balance at 31 December	<u>1,398,107</u>	<u>1,410,267</u>

All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the parent Company do not differ from the proportion of ordinary shares held. During the year the Group disposed of a 50% interest in its wholly owned subsidiary Jamaica Grain & Cereals Limited. Consequent on the disposal the shareholder agreement signed with the other shareholder called for joint decision making thus causing the Group to lose control of the subsidiary and hence accounting for its remaining interest as a joint venture.

## Seprod Limited

Notes to the Financial Statements

**31 December 2015**

(expressed in Jamaican dollars unless otherwise indicated)

### 18. Investment in Subsidiaries and Joint Venture (Continued)

## Seprod Limited

Notes to the Financial Statements

**31 December 2015**

(expressed in Jamaican dollars unless otherwise indicated)

### 18. Investment in Subsidiaries and Joint Venture (Continued)

#### Investment in subsidiaries (continued)

##### Summarised cash flows

	2015 \$'000	2014 \$'000
Cash provided by operations	694,303	619,296
Interest paid	(322,008)	(258,730)
Income tax paid	(60)	(60)
Net cash provided by operating activities	703,138	628,734
Net cash used in investing activities	(141,999)	(171,600)
Net cash used in financing activities	(563,601)	(453,991)
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(2,462)</b>	<b>3,143</b>
Cash and cash equivalents at beginning of year	11,547	7,852
Cash and cash equivalents at end of year	<u>9,444</u>	<u>11,547</u>

#### Investment in joint venture

On 5 October, the group owns 50% of Jamaica Grain & Cereals Limited, a former subsidiary that manufactures and sells corn products and cereals.

There are no contingent liabilities relating to the Group's interest in joint venture.

The Company's investment in joint venture is as follows:

	The Group		The Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Shareholding at cost	434,114	-	434,114	-
Share of loss	(6,711)	-	-	-
	<u>427,403</u>	<u>-</u>	<u>434,114</u>	<u>-</u>





## Seprod Limited

Notes to the Financial Statements

**31 December 2015**

(expressed in Jamaican dollars unless otherwise indicated)

### 20. Post-employment Benefits (Continued)

#### (a) Pension schemes (continued)

The movement in the defined benefit asset during the year is as follows:

	<b>2015 \$'000</b>	<b>2014 \$'000</b>
Balance at beginning of year	724,800	707,000
Interest income	66,100	65,300
Re-measurement -		
Return on plan assets, excluding amounts included in interest income	118,700	(8,500)
Employer's contributions	2,800	2,800
Members' contributions	4,700	4,600
Benefits paid	(66,000)	(46,400)
Balance at end of year	<u>851,100</u>	<u>724,800</u>

The amounts recognised in profit or loss in the statement of comprehensive income is as follows:

	<b>2015 \$'000</b>	<b>2014 \$'000</b>
Current service cost	13,400	11,200
Interest costs	87,100	71,900
Interest income	(66,100)	(65,300)
Total, included in staff costs (Note 8)	<u>34,400</u>	<u>17,800</u>

As at the last valuation date, the present value of the defined benefit obligation was comprised of approximately \$373,900,000 relating to active employees, \$620,000,000 relating to members in retirement.

## Seprod Limited

Notes to the Financial Statements

**31 December 2015**

(expressed in Jamaican dollars unless otherwise indicated)

### 20



# Seprod Limited

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

## 20. Post-employment Benefits (Continued)

(b) Other post-employment benefits (continued)

The amounts recognised in the statement of financial position are determined as follows:

	2015 \$'000	2014 \$'000
Present value of unfunded obligations	155,100	150,300
The movement in the defined benefit obligation over the year is as follows:		
	2015 \$'000	2014 \$'000
Balance at beginning of year	(150,300)	(130,900)
Current service cost	(300)	(200)
Interest expense	(13,800)	(12,000)
	(164,400)	(143,100)
Re-measurements -		
Experience gains	(800)	(17,100)
Benefits paid	10,100	9,900
Balance at end of year	(155,100)	(150,300)

The amounts recognised in the profit or loss in the statement of comprehensive income are as follows:

	2014 \$'000	2014 \$'000
Current service cost	300	200
Interest cost	13,800	12,000
Total, included in team member costs (Note 8)	14,100	12,200

# Seprod Limited

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

## 20. Post-employment Benefits (Continued)

(b) Other post-employment benefits (continued)

Movement in the amounts recognised in the statement of financial position:

	2015 \$'000	2014 \$'000
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# Form of Proxy

I \_\_\_\_\_ of \_\_\_\_\_ being a  
member of Seprod Limited, hereby appoint \_\_\_\_\_ of  
\_\_\_\_\_ or failing him \_\_\_\_\_ of  
\_\_\_\_\_ as my proxy to vote for me on my behalf at the Annual  
General Meeting of the Company to be held on the 11th day of July, 2016, and at any  
adjournment thereof.

\_\_\_\_\_  
Signature

- Note:
- 1) If the appointer is a corporation, this form must be under its common seal and under the hand of an officer or attorney duly authorised.
  - 2) To be valid, this proxy must be lodged with the Secretary of the Company, 3 Felix Fox Boulevard, Kingston, not less than 48 hours before the time appointed for holding the meeting. A proxy need not be a member of the Company.

\$100  
stamp  
to be  
affixed

# Notes



