



THIRD QUARTER UNAUDITED FINANCIAL REPORT DECEMBER 2015



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REPORT TO THE SHAREHOLDERS NINE MONTHS ENDED DECEMBER 31, 2015

The Board of Directors of LASCO Manufacturing Limited is pleased to present the third quarter unaudited results for the period ended 31 December 2015.

The Profit generated before tax for the nine months ended December 2015 was \$763.5 million compared to \$426.3 million for the same period last year, an increase of \$337.2 million or 79%. Profit for the quarter was \$267.1 million, an increase of 69% over the same period last year when profit earned was \$158.3 million.

Total revenue for the nine months was \$4.83 billion, an increase of \$1.5 billion or 45% over prior year's \$3.33 billion. Revenue for the quarter rose from \$1.25 billion in 2014 to \$1.74 billion in 2015 an increase of 39%. Gross profit for the nine months rose from \$892.1 million in 2014 to \$1.60 billion in 2015, an increase of \$702.9 million or 79%. For the quarter, gross profit rose by \$257.3 million or 89% from \$290.3 million in 2014 to \$547.6 million in 2015.

Operating expenses for the nine months to December 2015 rose by \$312.8 million or 82% over prior year's \$383.1 million to \$696.0 million. This is due to increases in staff compliment, marketing expenses and new products development costs. For the quarter to date, operating expenses were \$219.8 million compared to \$88.8 million in prior year.

Earnings per share for the nine months ended December 2015 rose from J\$0.10 for the same period prior year to J\$0.18 or 80%.

Comparisons with data for prior years have to be viewed against the background that significant expansion and the successful introduction of many new products into our manufacturing process has been achieved in keeping with our announced development plans.

LASCO Manufacturing Limited will continue to focus on delivering shareholder's value through the existing product portfolio, whilst also looking to the future of new products for additional business growth. We continue to be committed to the development of our country and the education of our children. During this quarter, the company sponsored the Lasco/Ministry of Education Teacher and Principal of the Year Awards. The ceremony celebrated on November 24, 2015 rewarded two of our most committed educators. The management of Lasco Manufacturing wishes to congratulate our Principal of the Year, Mrs. Kandi-Lee Crooks Smith of Allman Town Primary School and Teacher of the Year, Mrs. Nickashie Hardware of the York Castle High School in St. Ann.

While there is much more to do to realize our goal of doubling revenue in the future, the evidence shows we are heading in the right direction.

We would like to thank all our customers, consumers, shareholders and team members for their continuing support and loyalty.



Robert O. Parkins
MANAGING DIRECTOR

LASCO Manufacturing Limited

Statement of Comprehensive Income

For the nine months ended December 31, 2015

Unaudited and expressed in J\$'000

	3 Months to Dec 31, 2015	3 Months to Dec 31, 2014	9 Months to Dec 31, 2015	9 Months to Dec 31, 2014
Revenue	1,739,202	1,251,161	4,827,629	3,333,356
Cost of Sales	(1,191,567)	(960,815)	(3,232,603)	(2,441,212)
Gross Profit	547,635	290,346	1,595,026	892,144
Gross Margin %	31%	23%	33%	27%
Other Operating Income / (Loss)	(8,631)	1,851	(8,331)	19,213
Operating Expenses	(219,842)	(88,818)	(695,973)	(383,190)
Profit from Operations	319,162	203,379	890,722	528,167
Finance Costs	(52,711)	(45,106)	(127,193)	(101,871)
Profit before Taxation	266,451	158,273	763,529	426,296
Taxation	(34,734)	-	(34,794)	-
Total Comprehensive Income for the period	231,717	158,273	728,735	426,296
Number of Stock units in Issue	4,087,130	4,087,130	4,087,130	4,087,130
Earnings per Stock	0.06	0.04	0.18	0.10

LASCO Manufacturing Limited				
Statement of Financial Position				
as at December 31, 2015				
		DEC-15	DEC-14	MAR-15
		UnAudited	UnAudited	Audited
	Notes	J\$'000	J\$'000	J\$'000
NON-CURRENT ASSETS				
Property, Plant & Equipment		3,100,844	1,092,097	2,055,938
Capital Work in Progress		401,534	2,262,069	1,340,412
Total Non-Current Assets		3,502,378	3,354,166	3,396,350
CURRENT ASSETS				
Inventories		688,015	696,360	759,421
Trade & Other Receivables	4	2,037,360	897,376	1,131,716
Taxation Recoverable				309
Directors Current Accounts				13,126
Short Term Investments		127,336		82,480
Cash and Bank Balances		245,028	49,774	108,127
		3,097,739	1,643,510	2,095,179
CURRENT LIABILITIES				
Trade Payables		631,399	664,009	656,363
Bank Overdraft		640,876		340,260
Current Portion of Long Term Loan		234,420	336,141	342,946
		1,506,695	1,000,150	1,339,569
Net Current Assets		1,591,044	643,360	755,610
		5,093,422	3,997,526	4,151,960
Financed by:				
Share Capital		305,298	305,298	305,298
Retained Earnings		2,786,044	2,218,855	2,218,855
Current Earnings		728,735	426,332	669,368
		3,820,077	2,950,485	3,193,521
Non-Current Liabilities				
Long Term Loan		1,273,345	1,047,041	958,439
		5,093,422	3,997,526	4,151,960

Approved for issue by the Board of Directors on February 2, 2016 and signed on its behalf by:



Robert Parkins
Managing Director



Lascelles Chin
CHAIRMAN

LML STATEMENT OF CASH FLOWS**For the nine months ended December 31, 2015***Unaudited and expressed in J\$'000*

<i>STATEMENT OF CASH FLOWS</i>	<i>YTD DEC-15 J\$'000</i>	<i>YTD DEC-14 J\$'000</i>
Cash Flows from Operating Activities		
Operating Activities		
Profit /(Loss) for the period	728,735	426,296
Depreciation	104,725	46,830
Interest Income	(1,242)	(2,338)
Interest Expense	127,193	101,871
Taxation Expense	34,794	-
Items not affecting cash	265,470	146,363
	994,205	572,659
(Increase) /Decrease in Current Assets		
Inventories	71,406	57,084
Trade Receivables	(905,644)	(6,545)
Due from Directors	13,126	141,728
Taxation Recoverable	309	10,472
Payables	(24,964)	27,719
Cash provided by operating activities	148,438	803,117
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest Received	1,242	2,338
Short Term Investments	(44,856)	
Acquisition of Property, Plant & Equipment	(246,789)	(458,818)
Cash used in Investing Activities	(290,403)	(456,480)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Interest Paid	(125,951)	(101,871)
Loan Repayment	(122,249)	(254,344)
Proceeds from Loan	328,629	
Dividends Paid	(102,179)	
Cash provided by /(used in) Financing Activities	(21,750)	(356,215)
Net Change in Cash and Cash Equivalents	(163,715)	(9,578)
Cash and cash equivalents at the beginning of the period	(232,133)	59,352
Cash and cash equivalents at the end of the period	(395,848)	49,774

Comprised of:

Cash and Bank balances	245,028	49,774
Bank Overdraft	(640,876)	
	<u>(395,848)</u>	<u>49,774</u>

LASCO Manufacturing Limited

Statement of Changes in Shareholders' Equity
For the nine months ended December 31, 2015
Unaudited and expressed in J\$'000

2014			
Balance at 1 April 2014	305,298	2,218,891	2,524,189
Total Comprehensive Income for the period		426,296	426,296
Balance as at December 31, 2014		<u>2,645,187</u>	<u>2,950,485</u>

2015			
	Share Capital	Retained	Total
	J\$'000	Earnings	J\$'000
	J\$'000	J\$'000	J\$'000
Balance at 1 April 2015	305,298	2,888,221	3,193,519
Payment of Dividends		(102,179)	(102,179)
Total Comprehensive Income for the period		728,735	728,735
Balance as at December 31, 2015		<u>3,514,777</u>	<u>3,820,077</u>

LASCO Manufacturing Limited

Notes to the Financial Statements

December 31, 2015

1. IDENTIFICATION AND PRINCIPAL ACTIVITIES

- a. LASCO Manufacturing Limited is a limited liability company incorporated and domiciled in Jamaica. The registered office of the company is at 27 Red Hills Road, Kingston 10 and it currently operates from leased premises at 38 ½ Red Hills, Kingston 10 and from premises at White Marl.
- b. The principal activities of the company are the manufacturing of soy based products, juice drinks, water and export of various LASCO branded products.

2. SIGNIFICANT ACCOUNTING POLICIES:

- a. These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the adopted interpretation of those standards by the International Accounting Standards Board and have been prepared under the historical cost convention. They are also prepared in accordance with provisions of the Jamaican Companies Act.
- b. The accounting policies followed in these interim financial statements are consistent with those used in the audited financial statements for the year ended 31st March 2015.
- c. These financial statements are presented in Jamaican dollars unless otherwise indicated.

3. FINANCE COSTS

Finance costs are stated net of foreign exchange gains / losses

4. <u>TRADE & OTHER RECEIVABLES</u>	<u>2015</u>	<u>2014</u>	
a. Trade Receivables	JA\$ '000	JA\$ '000	
1. Local	1,353,535	706,832	
2. Foreign	116,876	122,378	
b. Other Receivables	<u>566,949</u>	<u>68,166</u>	This comprises of prepayments made for capital goods & stock.
	2,037,360	897,376	

SHARE CAPITAL

	2015	2014
Authorized:-		
4,427,500,000 (2014 – 4,427, 500,000) ordinary shares of no par value		
Stated capital –		
Issued and fully paid –		
Number of ordinary shares		
4,087,130,170 (2014 – 4,087,130,170) ordinary shares of no par value	<u>305,298</u>	<u>305,298</u>



LASCO MANUFACTURING LIMITED
TOP TEN SHAREHOLDERS
AS AT DECEMBER 31, 2015

NAMES	UNITS	PERCENTAGES
EAST WEST (ST. LUCIA) LIMITED	2,002,693,780.00	49.00
LASCELLES A. CHIN	1,244,428,470.00	30.45
MAYBERRY WEST INDIES BANK LIMITED	138,036,382.00	3.38
MANWEI INTERNATIONAL	29,290,311.00	0.72
BAMBOO GROUP HOLDINGS LIMITED	23,610,840.00	0.58
CATHERINE ADELLA PEART	21,859,750.00	0.53
YUAN LIAO	20,391,220.00	0.50
JOEL IZQUIERDO GONZALEZ	20,000,000.00	0.49
LIUDMILA GONZALEZ DIAZ	20,000,000.00	0.49
HILDA GONZALEZ ROSALES	20,000,000.00	0.49



LASCO MANUFACTURING LIMITED
DIRECTORS AND CONNECTED PARTIES SHAREHOLDINGS
AS AT DECEMBER 31, 2015

NAME OF PRIMARY HOLDERS	POSITION *CONNECTED PARTIES	UNITS	PERCENTAGES
LASCELLES CHIN		1,244,428,470.00	30.4475
	*EAST WEST (ST. LUCIA) LTD	2,002,693,780.00	49.0000
	*EILEEN CHIN - DIRECT	{16,000,000.00}	{0.3915}
EILEEN CHIN		16,000,000.00	0.3915
	*LASCELLES CHIN -DIRECT	{1,244,428,470.00}	{30.4475}
PETER CHIN		13,585,980.00	0.3308
J. A. LESTER SPAULDING		1,503,000.00	0.0368
ROSALEA HAMILTON		110,000.00	0.0360
VINCENT ANTHONY CHEN		0.00	0.0000
JACINTH HALL-TRACEY		0.00	0.0000



LASCO MANUFACTURING LIMITED
SENIOR MANAGERS AND CONNECTED PARTIES SHAREHOLDING
AS AT DECEMBER 31, 2015

Name		Units	Percentages
Primary Holder			
ROBERT PARKINS		0.00	0.0000
SOPHIA GAYLE		0.00	0.0000