

LASCELLES, deMERCADO & COMPANY LIMITED

AUDITED STATEMENT OF CONSOLIDATED REVENUE AND OPERATING RESULTS

FOR THE YEAR ENDED SEPTEMBER 30, 2002

Group Balance Sheet

September 30, 2002

	<u>2002</u> \$000s	<u>2001</u> \$000s
Current assets		
Cash and cash equivalents	2,903,802	1,839,399
Accounts receivable	1,644,014	1,592,851
Current portion of long term loan	142,250	194,383
Taxation recoverable	57,737	26,931
Inventories	<u>2,867,136</u>	<u>2,775,309</u>
	<u>7,614,939</u>	<u>6,428,873</u>
Current liabilities		
Bank loans and overdrafts	609,881	384,355
Other unsecured loans	610,007	432,604
Current maturities of long term liabilities	593,597	325,409
Accounts payable	1,320,851	1,396,885
Taxation	6,008	20,245
	<u>3,140,344</u>	<u>2,559,498</u>

Net current assets	4,474,595	3,869,375
Investments	697,478	683,389
Interests in associated companies	6,853	5,006
Other long term receivables	19,497	17,190
Trademarks	11,239	12,981
Fixed assets	<u>2,695,492</u>	<u>2,165,047</u>
	<u>7,905,154</u>	<u>6,752,988</u>
	=====	=====
Financed by:		
Stockholders' equity	7,044,278	5,685,533
Minority interests	12,162	13,054
Insurance funds	437,828	360,799
Long term liabilities	<u>410,886</u>	<u>693,602</u>
	<u>7,905,154</u>	<u>6,752,988</u>
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Group Income Statement

Year ended September 30, 2002

	<u>2002</u>	<u>2001</u>
	<u>\$000s</u>	<u>\$000s</u>
Operating revenue	<u>11,035,164</u>	<u>9,821,449</u>
Operating expenses:		
Cost of operating revenue	(7,660,965)	(6,567,747)
Administrative, marketing and selling expenses	(2,700,313)	(2,504,191)
	<u>(10,361,278)</u>	<u>(9,071,938)</u>
Operating profit	673,886	749,511
Associated companies, net	1,847	1,361
Other income	<u>351,806</u>	<u>354,445</u>
Profit before net finance costs, taxation and extraordinary item	1,027,539	1,105,317
Net finance costs	<u>(43,088)</u>	<u>(25,471)</u>

Profit before taxation and extraordinary item	984,451	1,079,846
Taxation	(34,340)	(113,961)
Profit after taxation and before extraordinary item	<u>950,111</u>	<u>965,885</u>
Extraordinary item	245,151	-
Profit after taxation and extraordinary item but before minority interests	1,195,262	965,885
Minority interests in results of subsidiaries	840	(580)
Net profit attributable to members	<u>1,196,102</u>	<u>965,305</u>
	=====	=====
Dealt with in the financial statements of.		
The company (including dividends received from subsidiaries)	565,952	201,389
The subsidiaries, net including associated companies (accounted for on the equity basis)	630,150	763,916
	<u>1,196,102</u>	<u>965,305</u>
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Earnings per ordinary stock unit:		
Before extraordinary item	\$9.90	\$10.05
	=====	=====
After extraordinary item	\$12.46	\$10.05
	=====	=====

Group Statement of Changes in Stockholders' Equity

Year ended September 30, 2002

	<u>Share capital</u> \$000s	<u>Capital reserve</u> \$000s	<u>Unappropriated profits</u> \$000s	<u>Total</u> \$000s
September 30, 2000	20,400	1,710,664	2,936,840	4,667,904
Net profit attributable to members	-	-	965,305	965,305*
Dividends and distributions paid	-	-	(2,082)	(2,082)
Transfers, net	-	1,361	(1,361)	-
Translation adjustment arising on consolidation of foreign subsidiaries	-	51,664	-	51,664*
Bonus share issues in subsidiaries	-	34,000	(34,000)	-
Revaluation surplus on fixed assets realised	-	(59,632)	59,632	-
Arising on acquisition of a subsidiary	-	8,736	(5,994)	2,742*
	<u>20,400</u>	<u>1,746,793</u>	<u>3,918,340</u>	<u>5,685,533</u>
September 30, 2001	20,400	1,746,793	3,918,340	5,685,533
Net profit attributable to members	-	-	1,196,102	1,196,102*
Dividends and distributions paid	-	-	(2,082)	(2,082)
Transfers, net	-	241,756	(241,756)	-
Translation adjustment arising on consolidation of foreign subsidiaries	-	164,725	-	164,725*
Bonus share issues in subsidiaries	-	38,000	(38,000)	-
September 30, 2002	<u>20,400</u>	<u>2,191,274</u>	<u>4,832,604</u>	<u>7,044,278</u>
Dealt with in the financial statements of:				
The company (including dividends received from subsidiaries)	20,400	569,761	937,839	1,528,000
The subsidiaries, net including associated companies (accounted for on the equity basis)	-	1,621,513	3,894,765	5,516,278
	<u>20,400</u>	<u>2,191,274</u>	<u>4,832,604</u>	<u>7,044,278</u>

*Total gains recognised during the year aggregated \$1,360,827,000 (2001: \$1,019,711,000).

Group Statement of Cash Flows

Year ended September 30, 2002

	<u>2002</u> \$000s	<u>2001</u> \$000s
Cash flows from operating activities		
Net profit attributable to members	1,196,102	965,305
Items not affecting cash	<u>167,593</u>	<u>286,842</u>
	1,363,695	1,252,147
Decrease in working capital	<u>(264,067)</u>	<u>(233,514)</u>
Cash provided by operating activities	1,099,628	1,018,633
Net cash used by investing activities	<u>(421,492)</u>	<u>(544,670)</u>
Net cash provided before financing activities	678,136	473,963
Net cash provided by financing activities	<u>388,349</u>	<u>118,415</u>
Net cash provided before dividend and distribution payments	1,066,485	592,378
Dividends and distributions paid	<u>(2,082)</u>	<u>(2,082)</u>
Net increase in cash and cash equivalents	1,064,403	590,296
Cash and cash equivalents at beginning of year	<u>1,839,399</u>	<u>1,249,103</u>
Cash and cash equivalents at end of year	<u>2,903,802</u>	<u>1,839,399</u>
	=====	=====

Notes to the Abridged Financial Statements (audited)

Year ended September 30, 2002

- 1 Lascelles, deMercado & Co. Limited is incorporated under the Laws of Jamaica. The activities of the company and its subsidiaries (collectively "the Group") include cane cultivation, sugar manufacturing, distillation, blending, bottling, distribution and export of alcohol, rums, wines and other liquor based products. The Group is also involved in the holding of investments, general insurance, distribution of food and consumer supplies, aircraft handling, manufacture and distribution of pharmaceutical preparations, tours in the hospitality industry and distribution of motor vehicles and spares, and servicing and repairing of motor vehicles.
- 2 The financial statements are prepared in accordance with generally accepted accounting principles, which are substantially codified in standards and recommendations issued by the Institute of Chartered Accountants of Jamaica.
- 3 There is no material change in the basis of accounting from the previous year.
- 4 Cash and cash equivalents comprise cash and bank balances, and include short-term deposits and monetary instruments with maturities ranging between one and twelve months from balance sheet date. For the purpose of the group statement of cash flows, short-term bank loans and overdrafts are presented as financing activities.
- 5 Operating revenue represents the price of goods and services sold to external customers after deducting returns and discounts and includes consumption taxes aggregating \$1,274,765,000 (2001: \$1,121,663,000).
- 6 Taxation, which is materially for the company and its Jamaican subsidiaries and is based on the profit for the year adjusted for tax purposes, reflects adjustments to the accounting profits for differences in financial statement and tax treatment, and is net of tax losses brought forward.

- 7 Extraordinary item represents the net gain realised on sale of 200,998,145 shares in Kingston Wharves Limited.
- 8 The earnings per ordinary stock unit is computed by dividing the net profit attributable to members before and after extraordinary item, less fixed preference dividends, by the 96,000,000 issued and fully paid ordinary stock units in both years.