



# **LASCO MANUFACTURING LIMITED**

INTERIM REPORT

(THREE MONTHS)

30 JUNE 2011

## UNAUDITED RESULTS

Lasco Manufacturing had again achieved a strong quarter. The first quarter of 2011-12 reported a turnover increase of \$149.8M or 23.6%; from \$634.7M in 2010 to \$784.5M for 2011. Gross Profit increased by 33%, from \$185.5M in 2010 to \$246.9M in 2011. Net Profit increased by 91.6% over previous year, increasing from \$78.8M as at June 2010 to \$150.9M in 2011.

Our strong first quarter operating results were driven primarily by gross margin expansion which is a direct result of our continuing ability to control costs. The gross margin increased from 29.2% in 2010 to 31.5% in 2011. Our improved results demonstrate the positive operating momentum being created through the successful execution of our performance improvement plan.

We continue to focus our effort to achieve greater efficiency and performance, while continuing to ensure reward for our shareholders. Our goal is to build sustainable and profitable business by positioning ourselves to maintain revenue and profit growth. We will diversify our product portfolio and expand our market reach which will allow us to continue been consistent in our focus to deliver growth.

Lasco Manufacturing Ltd is undergoing an exciting phase as we move through the various steps in preparation for the implementation of our expansion plan.

The board of directors has approved the Expansion Plan. It is anticipated that the expenditure will be US\$13M (J\$1.12 B) with a payback period of four years.

The manufacturing expansion will focus on the relocation and upgrading of the dry blend beverage facility. The plan entails the relocation, modernization and expansion of the manufacturing facility to the 25 acres of land at our existing White Marl property, relocation of the bonded warehouse, grouping of raw material warehouses, which will imply building construction and acquisition of new machinery for plant modernization. The additional building capacity will be of around 100,000 square feet.

We intend to expand operations, to improve efficiencies, productivity and reduce operational costs; while expanding our product portfolio and consequently sales and profitability.

We at Lasco Manufacturing Ltd are committed to our Strategic Plan, competitive product and prices for our customers and strong financial performance for our shareholders.



**Dr. Eileen Chin MBA**

**Managing Director**

**Lasco Manufacturing Limited**

## Statement of Comprehensive Income

Three Months Ended 30 June 2011


(Unaudited)

	3 months to June 30 2011 \$'000	3 months to June 30 2010 \$'000
<b>Revenue</b>	784,554	634,715
Cost of Sales	537,638	449,150
Gross Profit	246,916	185,565
Other Income	6,710	6,949
Operating Expenses	(102,295)	(70,958)
Profit from Operations	151,331	121,556
Finance Cost	(344)	(5,354)
Profit Before Taxation	150,987	116,202
Taxation	-	(37,400)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	150,987	78,802
Number of stock units issued	5 408,713	326,344
<b>Earnings per Stock Unit During the Period</b>	0.37	0.24

**Lasco Manufacturing Limited**  
**Statement of Financial Position**  
**30-Jun-11**  
**(Unaudited)**

	Period ended <i>JUN-11</i> \$'000	Period ended <i>JUN-10</i> \$'000	Year ended <i>MAR-11</i> \$'000
<b>NET ASSETS EMPLOYED</b>			
<b>Non-Current Assets</b>			
Property, Plant & Equipment	180,432	132,023	192,055
Capital Work in Progress	149,506	0	9,195
<b>Current Assets</b>			
Inventories	219,493	188,517	503,649
Trade and other receivables	448,256	474,423	400,660
Director's current account	11,469	0	10,493
Cash	150,724	272,427	217,535
	829,942	935,367	1,132,337
<b>Current Liabilities</b>			
Trade and Other Payables	87,690	210,515	412,082
Director's current account	0	201,566	0
Corporation Tax Payable	59,359	61,554	59,661
	147,049	473,635	471,743
Net Current Assets	682,893	461,732	660,594
	1,012,831	593,755	861,844
<b>Financed by:</b>			
Share Capital	305,298	128,990	305,298
Capital Reserves	924	924	924
Retained Earnings	524,024	122,248	122,248
Current Earnings	150,987	78,802	401,776
	981,233	330,964	830,246
<b>Non-Current Liabilities</b>			
Deferred Taxation	31,598	15,586	31,598
Long Term Debt	0	247,205	0
	1,012,831	593,755	861,844

Approved for issue by the Board of Directors on

  
 Lascelles Chin Chairman

and signed on its behalf by:

  
 Eileen Chin Director

**Lasco Manufacturing Limited**  
Statement of Cashflows  
Three Months ended 30 June 2011  
(Unaudited)

	30-Jun-11 \$'000	30-Jun-10 \$'000
<b>SOURCES/(USES) OF CASH</b>		
<b>Operating Activities</b>		
Profit for the period	150,987	78,802
Items not affecting cash	11,318	53,617
Changes in non-cash working capital	(229,421)	(56,225)
Cash provided by Operating Activities	(67,116)	76,194
Cash used in Investing Activities	(505)	(1,154)
Cash used in Financing Activities	810	(20,368)
Increase in Cash	(66,811)	54,672
<b>Cash at the beginning of the period</b>	<b>217,535</b>	<b>217,755</b>
<b>Cash at the end of the period</b>	<b>150,724</b>	<b>272,427</b>
<b>Comprised of:</b>		
Fixed Deposit	107,588	249,329
Cash at Bank	43,136	54,116
Bank Overdraft	0	(31,018)
	<b>150,724</b>	<b>272,427</b>

**Lasco Manufacturing Limited**  
Statement of Changes in Stockholders' Equity  
Three Months ended 30 June 2011  
(Unaudited)

<b>2011</b>				
	Share Capital \$'000	Capital Reserve \$'000	Retained Earnings \$'000	Total \$'000
Balance at 1 April 2011	305,298	924	524,024	830,246
Total Comprehensive Income for the period	0	0	150,987	150,987
<b>Balance at 30 June 2011</b>	<b>305,298</b>	<b>924</b>	<b>675,011</b>	<b>981,233</b>

<b>2010</b>				
	Share Capital \$'000	Capital Reserve \$'000	Retained Earnings \$'000	Total \$'000
Balance at 1 April 2010	128,990	924	122,248	252,162
Total Comprehensive Income for the period	0	0	78,802	78,802
<b>Balance at 30 June 2010</b>	<b>128,990</b>	<b>924</b>	<b>201,050</b>	<b>330,964</b>

**LASCO MANUFACTURING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**THREE MONTHS ENDED 30 JUNE 2011**

**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 27 Red Hills Road, Kingston 10, and it currently operates from leased premises at 38½ Red Hills Road, Kingston 10.
  
- (b) The principal activities of the company are the manufacturing of soy based products and packaging of milk based products. Distribution of these products is done in the local and export markets.

**2. SIGNIFICANT ACCOUNTING POLICIES:**

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations adopted 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.

**3. AMALGAMATION OF THE BUSINESS OF LASCO FOODS:**

Lasco Manufacturing Limited formerly known as Lasco Foods (Successors) amalgamated the business of LASCO Foods Limited (“LASCO Foods”) with that of its own.

**LASCO MANUFACTURING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**THREE MONTHS ENDED 30 JUNE 2011**

**4. SHARE CAPITAL:**

	2011	2010
	<u>\$'000</u>	<u>\$'000</u>
Authorised -		
Number of Ordinary shares		
442,750,000 - 30 June 2011		
130,300,000 - 30 June 2010		
Issued -		
Number of Ordinary shares		
408,713,017 - 30 June 2011		
128,989,700 - 30 June 2010	<u>305,298</u>	<u>128,990</u>

**5. EARNINGS PER SHARE:**

The weighted average number of shares in issue for 2010 reflects the 2.53 split in the number of shares in issue up to 13 August 2010.