









## LASCO DISTRIBUTORS LIMITED

UNAUDITED RESULTS

(SIX MONTHS – SECOND QUARTER RESULTS)

SEPTEMBER 30, 2011

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## REPORT TO THE SHAREHOLDERS

With the completion of the first six months of the financial year the Board of Directors is pleased to report the second quarter results ending September 30, 2011 for Lasco Distributors Limited. Revenue for the company grew to **\$3,563.6B** an increase of **11.5%** over the corresponding period last year. Gross profit margin improved to **21.4%** compared to **18.2%** over the same period last year and net profit before taxation was **\$253.6M** up from **\$118.4M**, an increase of **114.1%** over the same period in 2010.

Inventory value as at September 30, 2011 was **\$890.3M** compared to **\$538.7M** on September 30, 2010; this difference was primarily due to management's activity to fine tune and maintain optimum stock levels as well as a timing issue in the supply chain for that same period last year. Improved credit management resulted in trade and other receivables being reduced by **\$338.0M** and this allowed for earlier payments to our suppliers as indicated in trade and other payables which were reduce by **\$135.4M** for the same period.

This overall performance in revenue growth and profit increases were primarily due to continuing go-to-market strategies, improvement in operational efficiencies and expense management and control. Despite the challenging business environment the management and staff continue to undertake these challenges to meet the overall organisational objectives.

The company continues to play its role in corporate social responsibility with the involvement of the Lasco Nurse of the Year (NOY) program. It was another successful event which was held in July 2011 where Havagale Shorter took the LASCO/NAJ student nurse of the year award and Sophia Thomas-Daley from the Kingston Public Hospital took the crown of Lasco/NAJ nurse of the year for 2011-2012.

We wish to thank our consumers, customers, employees, shareholders, suppliers and other stakeholders for their continued support.

A handwritten signature in black ink, appearing to read "P. Chin", is positioned above the name and title of the signatory.

**Peter M. Chin**  
Managing Director (Acting)



**Lasco Distributors Ltd.**  
**Statement of Comprehensive Income**

Six Months Ended September 30,2011

(Unaudited)

	Note	3 months to Sept 30 2011 \$'000	3 months to Sept 30 2010 \$'000	6 months to Sept 30 2011 \$'000	6 months to Sept 30 2010 \$'000
Revenue		1,856,858	1,643,034	3,563,574	3,195,468
Cost of Sales		(1,470,279)	(1,352,862)	(2,799,908)	(2,612,311)
Gross Profit		386,579	290,172	763,666	583,157
Other Operating Income	6	3,384	1,676	5,159	4,440
Operating Expenses		(266,470)	(218,012)	(511,951)	(439,459)
Profit from Operations		123,493	73,836	256,874	148,138
Finance Cost		(473)	(13,851)	(3,283)	(29,697)
Profit Before Taxation		123,020	59,985	253,591	118,441
Taxation	5	-	(19,995)		(39,480)
Net Profit After Taxation		123,020	39,990	253,591	78,961
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>123,020</b>	<b>39,990</b>	<b>253,591</b>	<b>78,961</b>
Number of Stocks Issued		336,643	268,881	336,643	268,881
Earnings per Stock Unit During the Period	3	\$0.37	\$0.15	\$0.75	\$0.29



**Lasco Distributors Ltd.**

Statement of Financial Position

September 30, 2011

	(Unaudited)	(Unaudited)	(Audited)
	Period ended	Period ended	Year ended
Note	Sept 30 2011 \$'000	Sept 30 2010 \$'000	March 31 2011 \$'000
<b>NET ASSETS EMPLOYED</b>			
<b>Non-Current Assets</b>			
Property, Plant & Equipment	182,785	186,912	190,934
Investment Property	0	10,766	0
Deferred Tax Asset	1,037	15,916	1,037
	<u>183,822</u>	<u>213,594</u>	<u>191,971</u>
<b>Current Assets</b>			
Inventories	890,283	538,652	633,843
Trade and Other Receivables	836,768	1,174,788	790,505
Due from Directors	4,674	3,741	0
Related Companies	3,368	44,144	5,535
Taxation/GCT Recoverable	42,200	17,695	0
Cash and Bank Balances	157,369	138,366	229,413
	<u>1,934,662</u>	<u>1,917,386</u>	<u>1,659,296</u>
<b>Current Liabilities</b>			
Trade and Other Payables	913,203	1,048,624	808,845
Due to Directors	0	7,963	17,305
Related Companies	0	0	1,967
Bank Overdraft	0	0	2,812
Short Term Borrowings	8,333	11,748	0
Corporation Tax Payable	29,204	14,725	59,164
	<u>950,740</u>	<u>1,083,060</u>	<u>890,093</u>
<b>Net Current Assets</b>	<u>983,922</u>	<u>834,326</u>	<u>769,203</u>
	<u>1,167,744</u>	<u>1,047,920</u>	<u>961,174</u>
<b>Financed by:</b>			
Share Capital	219,191	218,221	219,191
Capital Reserves	83,068	83,068	83,068
Retained Earnings	611,792	352,517	658,915
Current Earnings	253,693	118,441	0
	<u>1,167,744</u>	<u>772,247</u>	<u>961,174</u>
<b>Non-Current Liabilities</b>			
Long Term Debt	4	275,673	0
	<u>1,167,744</u>	<u>1,047,920</u>	<u>961,174</u>

Approved for issue by the Board of Directors on October 24, 2011 and signed on its behalf by:

  
 Lascelles Chin Chairman

  
 Peter Chin Acting Managing Director



**Lasco Distributors Limited**  
 Statement of Cash Flows  
 Six Months ended September 30, 2011  
 (Unaudited)

	Sept 30 2011 \$'000	Sept 30 2010 \$'000
<b>SOURCES/(USES) OF CASH</b>		
<b>Operating Activities</b>		
Profit for the Period	253,951	118,441
Items not affecting cash and changes in non-cash working capital components	(285,998)	(227,794)
Cash used in Operating Activities	(32,047)	(109,353)
Cash provided by/ used in Investing Activities	2,793	(8,138)
Cash used in/ provided by Financing Activities	(15,962)	107,989
<b>Net Decrease in Cash and Cash Equivalents</b>	<b>(45,216)</b>	<b>(9,502)</b>
Cash and Cash Equivalents at the beginning of Period	202,585	147,868
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	<b>157,369</b>	<b>138,366</b>



## Lasco Distributors Limited

### Statement of Changes in Stockholders' Equity

Six Months ended September 30, 2011

(Unaudited)

	2011			
	Share Capital \$'000	Capital Reserve \$'000	Retained Earnings \$'000	Total \$'000
Balance at April 1, 2011	219,191	83,068	658,915	961,174
Dividends Paid			(47,123)	(47,123)
Total Comprehensive Income for the Period	0	0	253,693	253,693
Balance at September 30, 2011	219,191	83,068	865,485	1,167,744

	2010			
	Share Capital \$'000	Capital Reserve \$'000	Retained Earnings \$'000	Total \$'000
Balance at April 1, 2010	74,072	83,068	352,517	509,657
Shares Issued	145,119			145,119
Additional Transaction Costs	(970)			(970)
Total Comprehensive Income for the Period	0	0	118,441	118,441
Balance at September 30, 2010	218,221	83,068	470,958	772,247

# Notes To The Financial Statements

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SIX MONTHS ENDED SEPTEMBER 30, 2011

## 1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with and comply with International Financial Reporting Standards (IFRS), and have been prepared under the historical cost convention, as modified by the revaluation of certain fixed and financial assets. They are also prepared in accordance with the provisions of the Jamaican Companies Act.

The preparation of financial statements to conform to IFRS requires management to make estimates and assumptions that affect the reported amounts of the assets and liabilities, contingent assets and contingent liabilities at the end of the reporting period and the revenue and expenses during the reporting period. Actual results could differ from those estimates. The estimates are reviewed on an ongoing basis and any adjustments that may be necessary would be reflected in the year in which actual results are known.

The accounting policies followed in these interim financial statements are consistent with those used in the audited financial statements for the year ended 31<sup>st</sup> March 2011.

These financial statements are presented in Jamaican dollars unless otherwise indicated.

## 2. IDENTIFICATION AND PRINCIPAL ACTIVITIES:

- (a) Lasco Distributors Limited is a limited liability company incorporated and domiciled in Jamaica. The registered office of the company is 27 Red Hills Road, Kingston 10.
- (b) The principal activity of the company is the distribution of pharmaceuticals and consumable items.
- (c) The company's shares were listed on the Junior Stock Exchange on 12 October 2010.

# Notes To The Financial Statements

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SIX MONTHS ENDED SEPTEMBER 30, 2011

### 3. EARNINGS PER SHARE

The weighted number of shares was used to calculate the prior year earnings per share. Current year calculation of earnings per stock unit is based on total comprehensive income and 336,643,115 ordinary stock units in issue.

### 4. LOAN REPAYMENT

The Company repaid its entire long term loan in prior period.

	<u>2011</u>	<u>2010</u>
	\$'000	\$'000
Balance as at	<u>Nil</u>	275,673

### 5. TAXATION

Remission of income tax:

The company's shares were listed on the Junior Market of the Jamaica stock Exchange, effective 12<sup>th</sup> October 2010. Consequently, the company is entitled to a remission of taxes for ten (10) years in the proportions set out below, provided the shares remain listed for at least fifteen (15) years:

Years 1 to 5 100%  
Years 5 to 10 50%

The financial statements have been prepared on the basis that the company will have the full benefit of the tax remission.

### 6. OTHER INCOME

Other Income comprises of earned commission from a principal.