LASCO FINANCIAL SERVICES LIMITED

FINANCIAL STATEMENTS

31 MARCH 2013

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Chartered Accountants
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INDEPENDENT AUDITORS' REPORT

To the Members of
Lasco Financial Services Limited

Report on the Financial Statements

We have audited the financial statements of Lasco Financial Services Limited set out on pages 3 to 38, which comprise the group and company's statement of financial position as at 31 March 2013, and the group and company's statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the Jamaican Companies Act. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and consistently applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal controls relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group and the company's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' REPORT (CONT'D)

To the Members of
Lasco Financial Services Limited

Opinion

In our opinion, the financial statements give a true and fair view of the group and the company's financial position as at 31 March 2013, and of the group and company's financial performance, changes in shareholders' equity and cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the provisions of the Jamaican Companies Act.

Report on Additional Requirements of the Jamaican Companies Act

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion, proper accounting records have been kept, and the financial statements are in agreement therewith, and give the information required by the Act, in the manner so required.

BDO

Chartered Accountants

30 May 2013

LASCO FINANCIAL SERVICES LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 MARCH 2013

	Note	2013 $'000	2012 $'000
REVENUE:			
Trading income	5	467,730	270,237
Other operating income	6	16,909	102,426
		484,639	372,663
EXPENSES:			
Administrative and other expenses		168,467	169,467
Selling and promotion expenses		151,897	99,152
	7	320,364	268,619
PROFIT FROM OPERATIONS		164,275	104,044
Finance cost	8	376	875
PROFIT BEFORE TAXATION	9	163,899	103,169
Taxation	10	-	(735)
NET PROFIT FOR THE YEAR, BEING TOTAL COMPREHENSIVE INCOME		163,899	102,434
Earnings per share	11	$1.33	$0.83

LASCO FINANCIAL SERVICES LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 MARCH 2013

	Note	2013 $'000	2012 $'000
ASSETS			
NON-CURRENT ASSETS:			
Property, plant and equipment	12	30,061	36,712
Investment property	13	99,956	99,956
		130,017	136,668
CURRENT ASSETS:			
Receivables	15	316,881	257,754
Taxation recoverable		1,262	715
Related companies	16	2,369	2,029
Cash and cash equivalents	17	189,096	114,318
		509,608	374,816
		639,625	511,484
EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY:			
Share capital	18	50,523	50,523
Retained earnings		424,062	312,971
		474,585	363,494
CURRENT LIABILITIES:			
Payables	19	165,040	147,990
		639,625	511,484

Approved for issue by the Board of Directors on 30 May 2013 and signed on its behalf by:

L A Chin Chairman

Jacinth Hall-Tracey Director

LASCO FINANCIAL SERVICES LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

YEAR ENDED 31 MARCH 2013

	Note	Share Capital $'000	Retained Earnings $'000	Total $'000
Balance at 1 April 2011		50,523	216,678	267,201
Dividends paid	21	-	(6,141)	(6,141)
Total comprehensive income for the year		-	102,434	102,434
Balance at 31 March 2012		50,523	312,971	363,494
Dividends paid	21	-	(52,808)	(52,808)
Total comprehensive income for the year		-	163,899	163,899
Balance at 31 March 2013		50,523	424,062	474,585

LASCO FINANCIAL SERVICES LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2013

	2013 $'000	2012 $'000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net profit	163,899	102,434
Adjustments for:		
Effects of exchange rate translation	(153)	(641)
Gain on disposal of property, plant and equipment	(1,568)	-
Fair value gain on investment property	-	(90,299)
Depreciation	3,375	2,130
Interest income	(5,051)	(3,550)
Deferred taxation	-	624
Taxation expenses	-	111
Operating cash flows before movements in working capital	160,502	10,809
Changes in operating assets and liabilities:		
Receivables	(59,127)	(184,469)
Related companies	(340)	1,420
Payables	17,050	107,846
	118,085	(64,394)
Taxation paid	(547)	(7,150)
Net cash provided by/(used in) operating activities	117,538	(71,544)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received	5,051	3,550
Additions to property, plant and equipment	(10,157)	(7,276)
Proceeds from disposal of property, plant and equipment	15,001	413
Net cash provided by/(used in) investing activities	9,895	(3,313)
CASH FLOWS FROM FINANCING ACTIVITY:		
Dividends paid	(52,808)	(6,141)
Net cash used in financing activity	(52,808)	(6,141)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	74,625	(80,998)
Effects of exchange rate translation on cash and cash equivalents	153	641
Cash and cash equivalents at beginning of year	114,318	194,675
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 17)	189,096	114,318

LASCO FINANCIAL SERVICES LIMITED

STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 MARCH 2013

	Note	2013 $'000	2012 $'000
REVENUE:			
Trading income	5	467,729	270,237
Other operating income	6	16,909	102,426
		484,638	372,663
EXPENSES:			
Administrative and other expenses		167,037	169,467
Selling and promotion expenses		151,897	99,152
	7	318,934	268,619
PROFIT FROM OPERATIONS		165,704	104,044
Finance cost	8	376	875
PROFIT BEFORE TAXATION	9	165,328	103,169
Taxation	10	-	(735)
NET PROFIT FOR THE YEAR, BEING TOTAL COMPREHENSIVE INCOME		165,328	102,434

LASCO FINANCIAL SERVICES LIMITED

STATEMENT OF FINANCIAL POSITION

31 MARCH 2013

	Note	2013 $'000	2012 $'000
ASSETS			
NON-CURRENT ASSETS:			
Property, plant and equipment	12	30,061	36,712
Investment property	13	99,956	99,956
Investment in subsidiary	14	45	45
		130,062	136,713
CURRENT ASSETS:			
Receivables	15	316,881	257,254
Taxation recoverable		1,262	715
Related companies	16	3,812	2,567
Cash and cash equivalents	17	189,037	114,235
		510,992	374,771
		641,054	511,484
EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY:			
Share capital	18	50,523	50,523
Retained earnings		425,491	312,971
		476,014	363,494
CURRENT LIABILITIES:			
Payables	19	165,040	147,990
		641,054	511,484

Approved for issue by the Board of Directors on 30 May 2013 and signed on its behalf by:

L A Chin Chairman

Jacinth Hall-Tracey Director

LASCO FINANCIAL SERVICES LIMITED

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

YEAR ENDED 31 MARCH 2013

	Note	Share Capital $'000	Retained Earnings $'000	Total $'000
Balance at 1 April 2011		50,523	216,678	267,201
Dividends paid	21	-	(6,141)	(6,141)
Total comprehensive income for the year		-	102,434	102,434
Balance at 31 March 2012		50,523	312,971	363,494
Dividends paid	21	-	(52,808)	(52,808)
Total comprehensive income for the year		-	165,328	165,328
Balance at 31 March 2013		50,523	425,491	476,014

LASCO FINANCIAL SERVICES LIMITED

STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2013

	2013 $'000	2012 $'000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net profit	165,328	102,434
Adjustments for:		
Effects of exchange rate translation	(153)	(641)
Gain on disposal of property, plant and equipment	(1,568)	-
Fair value gain on investment property	-	(90,299)
Depreciation	3,375	2,130
Interest income	(5,051)	(3,550)
Deferred taxation	-	624
Taxation expenses	-	111
Operating cash flows before movements in working capital	161,931	10,809
Changes in operating assets and liabilities:		
Receivables	(59,627)	(183,969)
Related companies	(1,245)	837
Payables	17,050	107,846
	118,109	(64,477)
Taxation paid	(547)	(7,150)
Net cash provided by/(used in) operating activities	117,562	(71,627)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received	5,051	3,550
Additions to property, plant and equipment	(10,157)	(7,276)
Proceeds from disposal of property, plant and equipment	15,001	413
Net cash provided by/(used in) investing activities	9,895	(3,313)
CASH FLOWS FROM FINANCING ACTIVITY:		
Dividends paid	(52,808)	(6,141)
Net cash used in financing activity	(52,808)	(6,141)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	74,649	(81,081)
Effects of exchange rate translation on cash and cash equivalents	153	641
Cash and cash equivalents at beginning of year	114,235	194,675
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 17)	189,037	114,235

LASCO FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2013

1. **IDENTIFICATION AND PRINCIPAL ACTIVITIES**:

(a) Lasco Financial Services Limited ("the Company") is a limited liability company incorporated and domiciled in Jamaica. The registered office of the company is 27 Red Hills Road, Kingston 10. The company is listed on the Junior Market of the Jamaica Stock Exchange.

(b) The principal activities of the company are:

i. The operation of a Cambio. The company facilitates the sale and purchase of foreign exchange to and from its related companies as well as the general public. The operation of the Cambio is regulated by the Bank of Jamaica.

ii. The provision of services as an agent of MoneyGram International Money Transfer which is a remittance company facilitating person to person transfers for a fee, in accordance with licences issued by the Bank of Jamaica.

iii. The rental of properties.

iv. The granting of loans for personal purposes.

(c) Remission of income tax:

The company's shares were listed on the Jamaica Stock Exchange Junior Market, effective 12 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 15 years.

Years 1 to 5	100%
Years 6 to 10	50%

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

(d) Lasco Financial Services (Barbados) Limited is a 100% owned subsidiary of the company. Lasco Financial Services (Barbados) Limited is incorporated in Barbados under the Companies Act Cap. 308 of the Laws of Barbados.

Lasco Financial Services (Barbados) Limited commenced operations during the year under review. The company and its subsidiary are referred to as "the Group".

LASCO FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2013

2. **REPORTING CURRENCY:**

These financial statements are presented using Jamaican dollars which is considered the currency of the primary economic environment in which the group operates ("the functional currency").

3. **SIGNIFICANT ACCOUNTING POLICIES:**

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. The policies have been consistently applied to all the years presented. Where necessary, prior year comparatives have been restated and reclassified to conform to current year presentation.

(a) Basis of preparation –

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.

The preparation of financial statements to conform to IFRS requires management to make estimates and assumptions that affect the reported amounts of 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 and underlying assumptions 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 areas involving a higher degree of judgement in complexity or areas where assumptions are significant to the financial statements are discussed below:

(i) Allowance for impairment losses on receivables

In determining amounts recorded for impairment losses on receivables in the financial statements, management makes judgements regarding indicators of impairment, that is, whether there are indicators that suggest there may be measurable decrease in estimated future cash flows from receivables, for example, through unfavourable economic conditions and default. Management will apply historical loss experience to individually significant receivables with similar characteristics such as credit risk where impairment indicators are not observable in their respect.

LASCO FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2013

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(a) Basis of preparation (cont'd) –

(ii) Income taxes

Estimates are required in determining the provision for income tax. There are some transactions and calculations for which the ultimate tax determination is uncertain. The company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(iii) Expected useful life and residual value of property, plant and equipment

The expected useful life and residual value of an asset are reviewed at least at each financial year end. Useful life of an asset is defined in terms of the asset's expected utility to the company.

(iv) Fair value of financial assets

The management uses its judgment in selecting appropriate valuation techniques to determine fair values of financial assets adopting valuation techniques commonly used by market practitioners supported by appropriate assumptions.

Standards, interpretations and amendments to published standards effective in the reporting period.

During the reporting period, new standards, interpretations and amendments were applied for the first time from 1 April 2012. None of these had a material effect on the financial statements.

Standards, interpretations and amendments to published standards that are not yet effective.

At the date of authorization of these financial statements, there were certain new standards, amendments and interpretations to existing standards which were in issue but which were not yet effective. Those which are considered relevant to the group are as follows:

IAS 1 (Amended)	Presentation of Financial Statements (effective for annual reporting periods beginning on or after 1 July 2012), amendments to revise the way other comprehensive income is presented.

LASCO FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2013

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(a) Basis of preparation (cont'd) –

Standards, interpretations and amendments to published standards that are not yet effective (cont'd).

IAS 32 (Amended)	Financial Instruments: Presentation (effective for annual reporting periods beginning on or after 1 January 2014), amendments to the application guidance on the off-setting of financial assets and financial liabilities.
IFRS 7 (Amended)	Financial Instruments: Disclosures (effective for annual reporting periods beginning on or after 1 January 2015), requires additional disclosures for transfers of financial assets. It lists transferred assets that are derecognised in their entirety and those not derecognised in their entirety.
IFRS 9	Financial Instruments (effective for annual reporting periods beginning on or after 1 January 2015), introduces new requirements for classifying and measuring financial assets. It also includes guidance on classification and measurement of financial liabilities designated as fair value through profit or loss. The standard also amends some of the requirements of IFRS 7 Financial Instruments: Disclosures, including added disclosures about investments in equity instruments designated as fair value through other comprehensive income.
IFRS 10	Consolidated Financial Statements: (effective for annual reporting periods beginning on or after 1 January 2013). This standard replaces IAS 27, 'Consolidated and Separate Financial Statements' and SIC–12, 'Consolidation – Special Purpose Entities'. The standard requires an entity that is a parent to present consolidated financial statements. A limited exemption is available to some entities. The Standard addresses certain instances of divergence in practice in applying IAS 27 and SIC-12, for example, entities varied in their application of the control concept in circumstances in which a reporting entity controls another entity but holds less than a majority of the voting rights of the entity, and in circumstances involving agency relationships. In addition, a perceived conflict of emphasis between IAS 27 and SIC-12 had led to inconsistent application of the concept of control. IAS 27 required the consolidation of entities that are controlled by a reporting entity, and it defined control as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. SIC-12, which interpreted the requirements of IAS 27 in the context of special purpose entities, placed greater emphasis on risks and rewards.

LASCO FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2013

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(a) Basis of preparation (cont'd) –

Standards, interpretations and amendments to published standards that are not yet effective (cont'd).

IFRS 12	Disclosure of Interests in Other Entities: (effective for annual reporting periods beginning on or after 1 January 2013). This standard applies to entities that have an interest in a subsidiary, a joint arrangement, an associate or an unconsolidated structured entity. The standard requires an entity to disclose information that enables users of financial statements to evaluate the nature of, and risk associated with, its interests in other entities; and the effects of those interests on its financial position, financial performance and cash flows.
IFRS 13	Fair Value Measurement (effective for annual reporting periods beginning on or after 1 January 2013), defines fair value, establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements.

The directors anticipate that the adoption of the standards, amendments and interpretations, which are relevant in future periods, is unlikely to have any material impact on the financial statements.

(b) Basis of consolidation –

Where the company has the power, either directly or indirectly, to govern the financial and operating policies of another entity or business so as to obtain benefits from its activities, it is classified as a subsidiary. The consolidated financial statements present the results of the company and its subsidiary ("the Group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

The group uses the audited financial statements of its subsidiary, Lasco Financial Services (Barbados) Limited, at 31 March 2013 for the purpose of consolidation.

LASCO FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2013

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(c) Segment reporting **-**

An operating segment is a component of the company that engages in business activities from which it may earn revenues and incur expenses; whose operating results are regularly reviewed by the entity's Chief Operation Decision Maker (CODM) to make decisions about resources to be allocated to the segment and assess its performance; and for which discrete financial information is available.

Based on the information presented to and reviewed by the CODM, the entire operations of the group are considered as one operating segment.

(d) Foreign currency translation -

Transactions in foreign currencies are converted into the functional currency at the exchange rates prevailing at the dates of the transactions. At the end of the reporting period, monetary assets and liabilities denominated in foreign currency are translated using the exchange rates ruling at that date. Exchange differences arising from the settlement of transactions at rates different from those at the dates of the transactions and unrealized foreign exchange differences on unsettled foreign currency monetary assets and liabilities are recognised in the statement of comprehensive income.

(e) Property, plant and equipment -

All property, plant and equipment are stated at historical cost less depreciation and impairment losses.

Depreciation is calculated on the straight-line method to write off the cost of assets to their residual values over their estimated useful lives. Annual rates are as follows:

Leasehold improvement	2½%
Furniture, fixtures and equipment	10%
Computer hardware and software	20%
Water tanks and other equipment	10%
Motor vehicle	20%

Land is not depreciated as it is deemed to have indefinite life.

Property, plant and equipment are reviewed periodically for impairment. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains or losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating results.

LASCO FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2013

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(f) Investment property –

Investment property is comprised of office building which is held for long term rental yields and is not occupied by the company. Investment property has been revalued and is carried at fair value determined by an external valuator. Changes to the carrying value has been recorded in the statement of comprehensive income in accordance with IAS 40 and is included in other operating income.

(g) Provisions -

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

(h) Cash and cash equivalents -

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash at bank, in hand, deposits and short term highly liquid investments with original maturities of three months or less.

(i) Impairment -

The carrying amounts of the group's tangible and intangible assets are reviewed at the end of the reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income.

(j) Taxation -

Taxation expense in the statement of comprehensive income comprises current and deferred tax charges. Current and deferred taxes are recognised as income tax expense or benefit in the statement of comprehensive income except where they relate to items recorded in equity, in which case, they are also charged or credited to equity.

(i) Current income taxes

Current income tax is the expected taxation payable on the taxable income for the year, using tax rates enacted at the end of the reporting period, and any adjustment to tax payable and tax losses in respect of previous years.

LASCO FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2013

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(j) Taxation (cont'd) -

(ii) Deferred income taxes

Deferred tax liabilities are recognised for temporary differences between the carrying amounts of assets and liabilities and their amounts as measured for tax purposes, which will result in taxable amounts in future periods. Deferred tax assets are recognised for temporary differences which will result in deductible amounts in future periods, but only to the extent it is probable that sufficient taxable profits will be available against which these differences can be utilised.

Deferred income tax assets and liabilities are measured at tax rates that are expected to apply in the period in which the asset will be realised or the liability will be settled based on enacted rates.

(k) Employee benefits -

(i) Pension scheme costs

The company participates in a defined contribution plan, the assets of which are held separately from those of the company. Contributions to the plan, made on the basis provided for in the rules, are charged to the statement of income when due.

(ii) Profit sharing and bonus plan

The company recognises a liability and an expense for bonuses and profit-sharing based on a formula that takes into consideration the profit attributable to the company's stockholders after certain adjustments. The company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(l) Revenue recognition -

Trading income is recognized upon delivery of funds and customer acceptance. Interest earned on the provision of loans is recognized as it accrues unless it is impaired.

LASCO FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2013

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(l) Revenue recognition (cont'd) -

When a loan is classified as impaired, recognition of interest in accordance with the original terms and conditions of the loan ceases and interest is taken into account on the cash basis. IFRS requires that where loans become doubtful of collection, they are written down to their recoverable amounts and interest income on loans is thereafter recognized based on the rate of interest that was used to discount the future cash flows for the purpose of measuring the recoverable amount. However, such amounts as would have been determined under IFRS are considered to be immaterial.

Interest earned on investments is recognized as it accrues unless collectability is in doubt.

(m) Financial instruments -

A financial instrument is any contract that gives rise to both a financial asset for one entity and a financial liability or equity instrument of another entity.

Financial assets

The group classifies its financial assets in the following categories: at fair value through profit and loss, loans and receivables and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

Financial assets are fair value through comprehensive income

This category includes financial assets held for trading.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary assets. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

The group's loans and receivables comprise other receivables, related party balances and cash and cash equivalents in the statement of financial position.

LASCO FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2013

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(m) Financial instruments (cont'd) -

Financial liabilities

The group's financial liabilities are measured at fair value, and are subsequently measured at amortized cost using the effective interest method. These liabilities are classified as payables and are included in current liabilities on the statement of financial position.

(n) Trade receivables -

Trade receivables are carried at original invoice amounts less provision made for doubtful receivables and impairment of these receivables based on a review of all outstanding amounts at the year-end. Bad debts are written off when identified. A provision for doubtful debt is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of receivables.

In instances where it is determined that there will be significant delays in settlement of the recoverable amounts and the effect is material, an impairment general provision is also made, being the difference between the carrying amount and the recoverable amount. The recoverable amount is determined as the present value of expected cash flows discounted at the group's overdraft interest rate.

(o) Trade and other payables -

Trade and other payables are stated at amortised cost.

(p) Share capital –

Ordinary shares are classified as equity. Incremental costs directly attributed to the issue of ordinary shares are recognised as a deduction from equity.

(q) Dividends –

Dividends are recognised when they become legally payable. In case of interim dividends to equity shareholders, this is when declared by the directors. In the case of final dividends, this is when approved by shareholders at the Annual General Meeting.

(r) Investment in subsidiary -

Investment by the company in subsidiary is stated at cost.

LASCO FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2013

4. **FINANCIAL RISK MANAGEMENT:**

(a) Financial risk factors -

The group's activities expose it to a variety of financial risks: market risk (including currency risk and price risk), credit risk, liquidity risk, interest rate risk and operational risk. The group's overall risk management policies are established to identify and analyze the risks faced by the group and to set appropriate risk limits and controls and to monitor risk and adherence to limits. The risk management framework is based on guidelines set by the Board of Directors together with management and seeks to minimize potential adverse effects on the group's financial performance.

(i) Market risk

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 security or its issuer or factors affecting all instruments traded in the market. At year end the group had no significant exposure to such risks.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. The group manages its foreign exchange risk by holding foreign currency balances.

Foreign exchange risk arises from transactions for purchases and sales of various currencies, primarily with respect to the US dollar, Canadian dollar and the UK pound.

LASCO FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2013

4. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(a) Financial risk factors (cont'd) -

(i) Market risk (cont'd)

Currency risk (cont'd)

The table below summarises the group's exposure to foreign exchange rate risk at 31 March 2013.

	The Group					
	US $'000	GBP £'000	Euro €'000	Cayman $'000	CAN $'000	Barbados $'000
At 31 March 2013 -						
Financial assets:						
Cash and cash equivalents	242	16	12	-	5	1
Accounts receivable	1,714	-	-	-	-	-
Total financial assets	1,956	16	12	-	5	1
Net financial position	1,956	16	12	-	5	1
At 31 March 2012 -						
Total financial assets	1,658	21	2	1	14	2
Net financial position	1,658	21	2	1	14	2

LASCO FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2013

4. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(a) Financial risk factors (cont'd) -

(i) Market risk (cont'd)

Currency risk (cont'd)

	The Company				
	US $'000	GBP £'000	Euro €'000	Cayman $'000	CAN $'000
At 31 March 2013 -					
Financial assets:					
Cash and cash equivalents	242	16	12	-	5
Accounts receivable	1,714	-	-	-	-
Total financial assets	1,956	16	12	-	5
Net financial position	1,956	16	12	-	5
At 31 March 2012 -					
Total financial assets	1,653	21	2	1	14
Net financial position	1,653	21	2	1	14

LASCO FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2013

4. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(a) Financial risk factors (cont'd) -

(i) Market risk (cont'd)

Currency risk (cont'd)

Sensitivity analysis

Changes in the exchange rates of the Jamaican dollar (JA$) to the listed currencies would have the effects as described below:

	The Group			
Currency	% Change in Currency Rate 2013 $'000	Effect on Profit before Taxation 2013 $'000	% Change in Currency Rate 2012 $'000	Effect on Profit before Taxation 2012 $'000
USD	+1	(1,915)	+1	(1,420)
GBP	+1	(24)	+1	(29)
CAN	+1	(5)	+1	(12)
Euro	+1	(15)	+1	(3)
Cayman	+1	(0.1)	+1	(1)
Barbados	+1	(1)	+1	(1)
USD	-10	19,150	-1	1,420
GBP	-10	235	-1	29
CAN	-10	52	-1	12
Euro	-10	150	-1	3
Cayman	-10	1	-1	1
Barbados	-10	6	-1	1

LASCO FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2013

4. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(a) Financial risk factors (cont'd) -

(i) Market risk (cont'd)

Currency risk (cont'd)

Sensitivity analysis (cont'd)

	The Company			
Currency	% Change in Currency Rate 2013 $'000	Effect on Profit before Taxation 2013 $'000	% Change in Currency Rate 2012 $'000	Effect on Profit before Taxation 2012 $'000
USD	+1	(1,915)	+1	(1,414)
GBP	+1	(24)	+1	(29)
CAN	+1	(5)	+1	(12)
Euro	+1	(15)	+1	(3)
Cayman	+1	(0.1)	+1	(1)
USD	-10	19,150	-1	1,414
GBP	-10	235	-1	29
CAN	-10	52	-1	12
Euro	-10	150	-1	12
Cayman	-10	1	-1	1

The analysis assumes that all other variables, in particular interest rates, remain constant. It is performed on the basis of a 1% strengthening and 10% weakening (2012 –1%) in exchange rates.

(ii) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The group has significant concentrations of credit risk with related companies. Cash at bank is placed with substantial financial institutions.

LASCO FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2013

4. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(a) Financial risk factors (cont'd) -

(ii) Credit risk (cont'd)

The maximum exposure to credit risk at the reporting date is represented by the carrying amount of each financial asset as follows:

	The **Group** Carrying Amount		The **Company** Carrying Amount	
	2013	**2012**	**2013**	**2012**
	$'000	**$'000**	**$'000**	**$'000**
Cash and cash equivalents	189,096	114,318	189,037	114,235
Receivables	316,881	257,754	316,881	257,254
Due from related companies	2,369	2,029	3,812	2,567
	508,346	374,101	509,730	374,056

There were no changes in the group's approach to managing credit risk during the year.

(iii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The group's interest bearing financial instruments include short term investments and bank overdraft.

(iv) Liquidity risk

Liquidity risk, also referred to as funding risk, is the risk that the group will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at, or close to, its fair value. Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents, and the availability of funding through an adequate amount of committed facilities. Due to the dynamic nature of the underlying business, the management of the group maintains an adequate amount of its financial assets in liquid form to meet contractual obligations and other recurring payments.

LASCO FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2013

4. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(a) Financial risk factors (cont'd) -

(iv) Liquidity risk (cont'd)

The following are the contractual maturities of financial liabilities measured at amortised cost, including interest payments. The tables show the undiscounted cash flows of non-derivative financial liabilities based on the earliest date on which the group can be required to settle:

	The Group and the Company 2013			
	Carrying Amount	Contractual Cash Flows	6 Months or less	6 - 12 Months
	$'000	$'000	$'000	$'000
Payables	165,040	165,040	165,040	-
Total financial liabilities	165,040	165,040	165,040	-

	The Group and the Company 2012			
	Carrying Amount	Contractual Cash Flows	6 Months or less	6 - 12 Months
	$'000	$'000	$'000	$'000
Payables	147,990	147,990	147,990	-
Total financial liabilities	147,990	147,990	147,990	-

(v) Cash flow risk

Cash flow risk is the risk that future cash flows associated with a monetary financial instrument will fluctuate in amount. The group manages this risk through budgetary measures, ensuring, as far as possible, that fluctuations in cash flows relating to monetary financial assets and liabilities are matched, to mitigate any significant adverse cash flows.

(vi) Operational risk

Operational risk is the risk of direct or indirect loss arising from a variety of causes associated with the group's processes, personnel, technology and external factors, other than financial risks, such as generally accepted standards of corporate behaviour. The group manages operational risk so as to avoid financial loss and damage to its reputation.

LASCO FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2013

4. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(b) Capital management –

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital which the group defines as the total shareholders' equity. The level of dividends to ordinary shareholders is also monitored. There was no other externally imposed capital requirement and no change in the group's capital management process during the year.

(c) Fair value estimation -

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The amounts included in the financial statements for cash and cash equivalents, receivables, payables and related party balances reflect their approximate fair values because of the short term maturity of these instruments.

5. **TRADING INCOME:**

Trading income represents the margin between the buying and selling rates of foreign currencies, commission received as a percentage of send fees from send and receive transactions, and interest earned on the granting of loans.

6. **OTHER OPERATING INCOME:**

	The Group and the Company	
	2013	2012
	$'000	$'000
Interest income	5,051	3,550
Management fees	1,738	1,658
Fair value gain on investment property	-	90,299
Rental income	4,683	3,947
Other	5,437	2,972
	16,909	102,426

LASCO FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2013

7. **EXPENSES BY NATURE:**

Total administrative, selling and other expenses:

	The Group		The Company	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Staff costs (note 20)	94,319	68,020	94,319	68,020
Building rental	8,003	8,871	8,003	8,871
Security services	5,156	5,809	5,156	5,809
Depreciation	3,375	2,130	3,375	2,130
Supreme Venture's MoneyGram business purchase (see below)	-	46,282	-	46,282
Agents' commission	130,147	88,041	130,147	88,041
Advertising and promotion	21,752	11,111	21,752	11,111
Other operating expenses	57,612	38,355	56,182	38,355
	320,364	268,619	318,934	268,619

The amount of $46.282M represents total purchase costs incurred by Lasco Financial Services Limited from the take over of Supreme Venture Financial Services Limited (SVSL) MoneyGram operations effective 1 December 2011.

8. **FINANCE COST:**

	The Group and the Company	
	2013 $'000	2012 $'000
Interest expense - Overdraft interest	376	875

9. **PROFIT BEFORE TAXATION:**

Profit before taxation is stated after charging:

	The Group and the Company	
	2013 $'000	2012 $'000
Directors' emoluments –		
Fees	3,598	2,950
Other	20,157	13,212
Auditors' remuneration	2,000	1,800
Depreciation	3,375	2,130

LASCO FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2013

10. **TAXATION:**

(a) Taxation is based on the operating results for the year, adjusted for taxation purposes, and comprises:

	The Group and the Company	
	2013	2012
	$'000	$'000
Income tax @ 33 1/3%	-	-
Prior year under provision	-	111
Deferred taxation	-	624
	-	735

(b) Reconciliation of theoretical tax charge that would arise on profit before taxation using the applicable tax rate to actual tax charge.

	The Group and the Company	
	2013	2012
	$'000	$'000
Profit before taxation	163,899	103,169
Tax calculated @ 33 1/3%	55,109	34,390
Tax calculated @ 25%	(357)	-
Adjusted for the effects of:		
Deferred taxation	-	624
Prior year under provision	-	111
Expenses not deducted for tax purposes	1,733	746
Net effect of other charges and allowances	14,054	(33,161)
	70,539	2,710
Adjustment for the effect of tax remission:		
Current tax	(70,539)	(1,975)
Taxation charge in income statement	-	735

(c) Subject to agreement with the Inland Revenue Department of Barbados, the subsidiary has tax losses of $1,428,544 available for offset against future taxable profits.

No deferred tax asset has been recognised in respect of these losses as the amount is deemed immaterial.

LASCO FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2013

11. **EARNINGS PER SHARE:**

This is computed by dividing the profit for the year by the number of shares in issue for the year of 122,810,299 (2012 – 122,810,299).

12. **PROPERTY, PLANT AND EQUIPMENT:**

	The Group and the Company					
	Land & Building $'000	Leasehold Improvement $'000	Furniture, Fixtures & Equipment $'000	Computer $'000	Motor Vehicle $'000	Total $'000
At cost:						
1 April 2011	14,243	10,232	25,014	4,795	-	54,284
Additions	-	3,164	3,361	751	-	7,276
Disposals	(817)	-	(16,950)	-	-	(17,767)
At 31 March 2012	13,426	13,396	11,425	5,546	-	43,793
Additions	-	1,700	2,931	1,320	4,206	10,157
Disposals	(13,426)	-	(32)	-	-	(13,458)
At 31 March 2013	-	15,096	14,324	6,866	4,206	40,492
At cost:						
1 April 2011	797	520	18,899	2,090	-	22,306
Elimination on disposal	(797)	-	(16,558)	-	-	(17,355)
Charge for the year	-	287	974	869	-	2,130
At 31 March 2012	-	807	3,315	2,959		7,081
Elimination on disposal	-	-	(25)	-	-	(25)
Charge for the year	-	480	1,276	1,058	561	3,375
At 31 March 2013	-	1,287	4,566	4,017	561	10,431
Net Book Value:						
31 March 2013	-	13,809	9,758	2,849	3,645	30,061
31 March 2012	13,426	12,589	8,110	2,587	-	36,712

LASCO FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2013

13. **INVESTMENT PROPERTY:**

	The Group and the Company 2013 $'000
Fair Value:	
At 31 March 2013	99,956
At 31 March 2012	99,956

(a) The fair value of investment property as at the reporting date is based on estimates of open market value, which may be defined as the best price at which an interest in a property might reasonably be expected to be sold by private treaty at the date of valuation, assuming:

- a willing seller;
- a willing buyer;
- a reasonable period in which to negotiate a sale, taking into account the nature of the property and state of the market;
- values are expected to remain stable throughout the period of market exposure and disposal by way of sale;
- the property will be freely exposed to the market;
- that no account has been taken of any possible additional bid(s) reflecting any premium in price which might be forth-coming from a potential purchaser with a special interest in acquiring the premises; and
- that the subject premises, in its current zoned use class, can be sold, exchanged, transferred, let mortgaged or used for any other economic activity, within its land use class, in the open market.

(b) The property was valued at current market value on 14 February 2012 by David Delisser & Associates, qualified Property Appraisers and Valuers. The directors intend to value the property every two (2) years. The legal transfer of the ownership of the property arising out of the amalgamation of the operations of Lasco Financial Services Limited with Lasco Properties Limited, effective 1 April 2010, is still in process and expected to be completed during the financial year ending 31 March 2014.

(c) Rental income and direct operating expenses in relation to the investment property are as follows:

	The Group and the Company 2013 $'000	2012 $'000
Rental income	4,683	3,947
Direct operating expenses	(1,778)	(3,160)

LASCO FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2013

14. **INVESTMENT IN SUBSIDIARY:**

	2013 $'000	2012 $'000
Investment of the company in the shares of subsidiary:		
Lasco Financial Services (Barbados) Limited	45	45

15. **RECEIVABLES:**

	The Group		The Company	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Trade receivables –				
MoneyGram International receivables	167,821	133,287	167,821	133,287
Loans	91,881	56,627	91,881	56,627
Other	20,917	32,279	20,917	32,279
Prepayments	1,621	6,905	1,621	6,905
Other receivables	1,943	1,212	1,943	712
GCT recoverable	32,698	27,444	32,698	27,444
	316,881	257,754	316,881	257,254

The aging of trade receivables is as follows:

		The Group and the Company	
		2013 $'000	2012 $'000
(a)	MoneyGram International Receivables & Other:		
	0-30 days	184,714	146,765
	Over 30 days	4,024	18,801
		188,738	165,566

LASCO FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2013

15. **RECEIVABLES (CONT'D):**

(b) Loans:

(i) Loans are comprised of and mature as follows:

	The Group and the Company	
	2013	**2012**
	$'000	**$'000**
Due within 1 month	2,973	2,209
1 to 3 months	5,753	8,078
3 to 12 months	17,953	14,245
Over 12 months	67,679	33,366
Gross loans	94,358	57,898
Less: allowance for loan losses	(2,477)	(1,271)
	91,881	56,627

(ii) Impairment losses on loans:

The ageing of loans and related allowances at the reporting date were as follows:

	The Group and the Company			
	2013		2012	
	$'000		$'000	
	Gross	Impairment	Gross	Impairment
Current	87,700	-	53,211	-
1 to 3 months past due	3,178	108	2,191	-
3 to 12 months past due	1,715	604	2,434	1,209
Over 12 months past due	1,765	1,765	62	62
	94,358	2,477	57,898	1,271

(iii) Specific allowances for loan losses:

	The Group and the Company	
	2013	**2012**
	$'000	**$'000**
Balance at beginning of year	1,271	159
Allowances made during the year	1,206	1,112
Balance at end of year	2,477	1,271

The fair values of trade and other receivables approximate carrying values.

LASCO FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2013

16. **RELATED PARTY TRANSACTIONS AND BALANCES**:

Parties are considered to be related if one party has the ability to control or exercise significant influence over the other party in making financial or operational decisions. The following transactions were carried out with related parties during the year.

	The Group and the Company	
	2013 $'000	2012 $'000
Transactions		
Sale of foreign currency to:		
Lasco Distributors Limited	1,591,934	817,351
Lasco Manufacturing Limited	2,585,198	1,713,489
Management fees:		
Lasco Distributors Limited	1,194	1,274
Lasco Manufacturing Limited	512	362
Sale of property	15,001	-
Key management compensation:		
Key management includes senior managers –		
Salaries and other short-term employee benefits	36,791	25,669

Year end balances

With related parties:

	The **Group**		The **Company**	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Due from –				
Lasco Distributors Limited	1,518	1,263	1,518	1,263
Lasco Manufacturing Limited	851	766	851	766
Lasco Financial Services (Barbados) Limited	-	-	1,443	538
	2,369	2,029	3,812	2,567

LASCO FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2013

17. **CASH AND CASH EQUIVALENTS:**

	The Group		The Company	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Foreign currency accounts	14,410	3,225	14,351	3,142
Jamaican currency current accounts	61,978	34,373	61,978	34,373
Certificates of deposit	90,792	56,070	90,792	56,070
Cash in hand	21,916	20,650	21,916	20,650
	189,096	114,318	189,037	114,235

18. **SHARE CAPITAL:**

	2013 $'000	2012 $'000
Authorised -		
196,120,000 Ordinary shares of no par value		
Stated capital –		
Issued and fully paid –		
122,810,299 Ordinary shares of no par value	50,523	50,523

19. **PAYABLES:**

	The Group and the Company	
	2013 $'000	2012 $'000
Trade payables –		
Sub-agents payables	141,161	117,416
Other	13,520	9,346
	154,681	126,762
Accruals	10,359	6,523
Mayberry Investments Limited	-	10,037
Supreme Venture Financial Services Limited	-	4,668
	165,040	147,990

The credit period on transactions with the company's trading partners ranges from 0 to 30 days. The company has financial risk management procedures in place to ensure that all payables are paid within the credit period.

The aging of trade payables is as follows:

	The Group and the Company	
	2013 $'000	2012 $'000
0-30 days	154,681	126,762

LASCO FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2013

20. **STAFF COSTS:**

	The Group and the Company	
	2013 $'000	2012 $'000
Salaries and wages	84,785	60,837
Statutory deductions	6,471	4,539
Pension costs	2,567	1,562
Accommodation	178	272
Other	318	810
	94,319	68,020

The average number of persons employed by the group during the year was thirty-eight (38), (2012 – thirty-two (32)).

21. **DIVIDENDS:**

	2013 $'000	2012 $'000
In respect of 31 March 2011 (5¢ per share)	-	6,141
In respect of 31 March 2012 (13¢ per share)	15,965	-
In respect of 31 March 2013 (30¢ per share)	36,843	-
	52,808	6,141

22. **SEGMENT INFORMATION:**

The group operates Cambio, Money Transfer and Bill Payments Services. The property division earns rental income from a property it owns. The company also grants loans for personal purposes.

Based on the information presented to and reviewed by the CODM, the entire operation of the group is considered as one operating segment.

Financial information related to the group as a whole can be found in the consolidated statement of comprehensive income, in the consolidated statement of financial position and related notes. There are no differences in the measurement of the reportable segment results and the group's results.

LASCO FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2013

23. **LEASE COMMITMENTS:**

Operating lease commitments, which are subject to formally agreed terms at year end expire as follows:

	The Group and the Company	
	2013	**2012**
	$000	**$'000**
Within 1 year	1,115	290
Subsequent years (2-5)	2,160	3,853
Subsequent years (6-10)	4,728	4,728
	8,003	8,871

24. **NET PROFIT/(LOSS):**

	2013	**2012**
	$'000	**$'000**
Reflected in the financial statements of:		
The company	165,328	102,434
Subsidiary	(1,429)	-
	163,899	102,434

25. **RETAINED EARNINGS:**

	2013	**2012**
	$'000	**$'000**
Reflected in the financial statements of:		
The company	425,491	312,971
Subsidiary	(1,429)	-
	424,062	312,971

26. **EVENTS AFTER THE REPORTING PERIOD:**

An Extraordinary General Meeting is scheduled to be held on 26 June 2013. The directors have convened a meeting on the date stated for members of the company to consider the recommendation to split the shares of the company by subdividing each share into ten (10) new shares.