



**SECOND QUARTER  
UNAUDITED FINANCIAL  
REPORT  
SEPTEMBER 2014**

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The Board of Directors of LASCO Manufacturing is pleased to report the unaudited financial results of the second quarter for the financial year 2014-2015. Despite the harsh economic conditions under which the company operates, year to date revenue was \$2.08B compared to \$1.9B for the same period last year, an increase of 11%. This growth was driven mainly by increased volume in our export markets. Our International Division reported a growth of 40% during the quarter.

Gross profit for the six months rose from \$526.2 million to J\$601.8 million, an increase of \$14% or 75.6 million. The net profit for the six months was J\$268.02M, a decline of 15% over the comparative period last year. The net profit performance was in line with the expectations of the management and the board. This was due to temporary increase in manufacturing cost resulting from the effect of changes in staff complement, overhead costs associated with the new manufacturing plant, and increased finance cost.

During the quarter, LASCO Manufacturing introduced LASCO iCool water, iCool flavor water and iCool juice drinks an excellent line of ready to drink products. These products are already outperforming initial projections. During the period, the company made significant investments in marketing as well as promotional activities in collaboration with affiliated company LASCO Distributors. These activities should propel the iCool brand and we expect even better performance in the months to come.

The company is on target with its long-term plan to invest in innovation across all facets of the business - from new product development to powering a robust pipeline of new products, drive financial performance and fuel continued consumer passion for the LASCO brand.

LASCO Manufacturing and LASCO Distributors partnered with the Nursing Association of Jamaica to reward the best Nurse. Based on the selection criteria, Shashana Lawrence from Kingston Public Hospital, emerged as the LASCO/NAJ Nurse of the Year 2014-2015. Congratulations to our winner!

The Management of LASCO Manufacturing is encouraged by the company's performance as we position ourselves to meet expected performance at the end of the financial year. We anticipate enhancing our capability to secure future growth.

We applaud our shareholders, customers and consumers for their continued support to the LASCO philosophy of providing affordable products and building Jamaica. We look forward to you navigating with us into our future as we celebrate our 20th Anniversary this year.



Dr. Eileen Chin  
Managing Director

Lasco Manufacturing Limited  
Statement of Comprehensive Income

Six Months Ended 30 September 2014

(Unaudited)

	3 months to 30 Sept 2014 \$'000	3 months to 30 Sept 2013 \$'000	6 months to 30 Sept 2014 \$'000	6 months to 30 Sept 2013 \$'000
Revenue	1,004,614	1,033,284	2,082,195	1,876,025
Cost of Sales	718,085	757,423	1,480,397	1,349,778
Gross Profit	286,529	275,861	601,798	526,247
Other Income	16,368	773	17,362	642
Operating Expenses	(151,173)	(98,216)	(294,372)	(209,406)
Profit from Operations	151,724	178,418	324,788	317,483
Finance Cost	(24,937)	(2,008)	(56,765)	(2,322)
Profit Before Taxation	126,787	176,410	268,023	315,161
Taxation	-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	126,787	176,410	268,023	315,161
Number of stock units issued	3 4,087,130	4,087,130	4,087,130	4,087,130
Earnings per Stock Unit During the Period	0.03	0.04	0.07	0.08

Lasco Manufacturing Limited  
Statement of Financial Position  
30-Sep-2014  
(Unaudited)

	Period ended SEP-14 \$'000	Period ended SEP-13 \$'000	Year ended MAR-14 \$'000
<b>NET ASSETS EMPLOYED</b>			
Non-Current Assets			
Property, Plant & Equipment	1,045,932	189,274	980,399
Capital Work in Progress	2,140,334	2,243,792	1,961,779
<b>Current Assets</b>			
Inventories	664,118	663,527	753,444
Trade and other receivables	680,619	881,115	809,740
Director's current account	8,540	6,137	5,534
Taxation recoverable	3	12,637	10,494
Short term investment	80,064	69,214	77,871
Cash	73,198	257,079	59,352
	1,506,542	1,889,709	1,716,435
<b>Current Liabilities</b>			
Trade and Other Payables	412,215	698,212	645,424
Bank Overdraft	32,161	16	0
Current portion of long term loan	187,615		187,615
Corporation Tax Payable	-	-	-
	631,991	698,228	833,039
Net Current Assets	874,551	1,191,481	883,396
	4,060,817	3,624,547	3,825,574
<b>Financed by:</b>			
Share Capital	3	305,298	305,298
Capital Reserves	0	924	0
Retained Earnings	2,218,891	1,633,479	1,634,403
Current Earnings	268,023	315,161	584,488
	2,792,212	2,254,862	2,524,189
<b>Non-Current Liabilities</b>			
Long Term Debt	1,268,605	1,369,685	1,301,385
	4,060,817	3,624,547	3,825,574

Approved for issue by the Board of Directors on 28 October 2014 and signed on its behalf by:



Lascelles Chin Chairman



Eileen Chin Director

**Lasco Manufacturing Limited**  
Statement of Cash Flows  
Six Months ended 30 September 2014  
(Unaudited)

	Sep-14 \$'000	Sep-13 \$'000
<b>SOURCES/(USES) OF CASH</b>		
<b>Operating Activities</b>		
Profit for the period	268,023	315,161
Items not affecting cash	83,429	10,724
Changes in non-cash working capital	(185,830)	(522,539)
Items not affecting cash and changes in non-cash working capital components	(102,401)	(511,815)
Cash provided by Operating Activities	165,622	(196,654)
Cash used in Investing Activities	(93,930)	1
Cash used in Financing Activities	(87,813)	361,715
Increase in Cash	(16,121)	165,062
<b>Cash at the beginning of the period</b>	<b>137,222</b>	<b>161,215</b>
<b>Cash at the end of the period</b>	<b>121,101</b>	<b>326,277</b>
<b>Comprised of:</b>		
Short Term Investment	80,064	69,214
Cash at Bank	73,198	257,079
Bank Overdraft	(32,161)	(16)
	<b>121,101</b>	<b>326,277</b>

**Lasco Manufacturing Limited**  
**Statement of Changes in Shareholders' Equity**  
**Six Months ended 30 September 2014**  
**(Unaudited)**

	<b>2014</b>			
	Share Capital	Capital Reserve	Retained Earnings	Total
	\$'000	\$'000	\$'000	\$'000
Balance at 1 April 2014	305,298	0	2,218,891	2,524,189
Dividend	0	0	0	0
Total Comprehensive Income for the period	0	0	268,023	268,023
<b>Balance at 30 September 2014</b>	<b>305,298</b>	<b>0</b>	<b>2,486,914</b>	<b>2,792,212</b>

	<b>2013</b>			
	Share Capital	Capital Reserve	Retained Earnings	Total
	\$'000	\$'000	\$'000	\$'000
Balance at 1 April 2013	305,298	924	1,633,479	1,939,701
Dividend	0	0	0	0
Total Comprehensive Income for the period	0	0	315,161	315,161
<b>Balance at 30 September 2013</b>	<b>305,298</b>	<b>924</b>	<b>1,948,640</b>	<b>2,254,862</b>

**LASCO MANUFACTURING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SIX MONTHS ENDED 30 SEPTEMBER 2014**

**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 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.

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 2014.

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



**LASCO MANUFACTURING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**THREE MONTHS ENDED 30 SEPTEMBER 2014**

**3. SHARE CAPITAL:**

	2014	2013
	<u>\$'000</u>	<u>\$'000</u>
Authorised -		
Number of Ordinary shares		
4,427,500,000 - 30 September 2014		
4,427,500,000 - 30 September 2013		
Issued -		
Number of Ordinary shares		
4,087,130,170 - 30 September 2014		
4,087,130,170 - 30 September 2013	<u>305,298</u>	<u>305,298</u>