



Everyday Financial Value

2016
AUDITED

FINANCIAL REPORT

APRIL 2015 – MARCH 2016



Audited results for the period April 2015 – March 2016

The Board of Directors of LASCO Financial Services Limited (LFSL) is pleased to present the company's audited financial statements for the year ended 31 March 2016.

12 MONTHS PERFORMANCE HIGHLIGHTS

| | FY 2015/16 \$'000 | FY 2014/15 \$'000 | Percentage change |
|-------------------------|----------------------|----------------------|----------------------|
| REVENUES | 870,009 | 713,477 | 21.9% |
| PROFIT BEFORE TAX | 220,970 | 191,072 | 15.7% |
| TAXATION | 17,591 | - | |
| NET PROFIT FOR THE YEAR | 203,379 | 191,072 | 6.4% |
| EARNINGS PER SHARE | \$0.1654 | \$0.156 | 6.4% |

LFSL's consolidated profit before taxation for the Financial Year ended 31 March 2016 increased by 15.7% from \$191M to \$220.9M. Revenues increased by 21.9% from \$713.5M to \$870M. The company has also started to accrue for income taxation at 50% of the enacted tax rate amounting to \$17M, resulting in a profit after tax of \$203.3M.

During the financial year, we made significant investments to diversify our business lines. We added a cambio location in Port Antonio; in September our first business loans branch was launched and we closed the year with four (4) locations. We also launched our Telecoms Division with the distribution deal for Smart Phones and wearable devices. This investment impacted our expenses mainly due to a 77% increase (30) in staff complement to roll out the new locations and an aggressive marketing support to launch the telecoms business. Expenses grew by 24.2% over the previous year resulting in a lower profit during some quarters, as the revenue in the early periods were outpaced by the startup costs. However, in our final quarter, as the transactions increased in line with our expectations, we were able to close the year with a profit of \$203.3M.

The fast paced expansion in our business during the Financial Year resulted in a decrease in Cash and Short-term Deposits. We closed with \$464.9M in cash, a decrease of 9.3%. Total Assets grew, however, by 13% to close the year at \$1.1B. Stockholder's equity at \$995M, increased by 22.4% over the previous year and Return on Average Equity ended at 22.5%, down from 26.1% in the previous year.

LASCO FINANCIAL SERVICES LIMITED

Audited results for the period April 2015 – March 2016

OTHER FINANCIAL YEAR HIGHLIGHTS

- On September 22, 2015, a dividend of \$0.0311 cents per stock unit was paid to shareholders on record as at September 17, 2015 totaling **\$38.1M**.
- Staff benefitting from the company's share option plan exercised their option resulting in the issue of over 14 million shares
- LFSL was accredited by the Development Bank of Jamaica and was approved for a credit line of \$100M for onlending to Micro and Small businesses
- We continued our sponsorship and support of the Social Development's Commission (SDC) community cricket competition, which unites communities through Sports, Arts, and Civic Partnerships. We also expanded our partnership with the Jamaica Cultural Development Commission's Festival Queen Competition
- For the third consecutive year, LFSL was recognized for its financial performance at the Jamaica Stock Exchange's Best Practices Award. In December 2015 we were the awardee for 2nd place Best Performing Company (Junior Market) and the 2nd Runner Up for our Annual Report.

We faced several challenges throughout the year especially in the Cambio and Remittance Industry; de-banking was an ever present risk, one which we expect to continue into the immediate future. LFSL would like therefore to commend its agents for continuing to provide great service to our customers even as they are faced with operational challenges. As we plan the year ahead, we will continue to pursue our expansionary activities in our existing as well as new business lines as part of our strategy for growth.

We would like to thank all our stakeholders for their support during the year. It was fast paced and demanding on our staff, our agents and our Board of Directors. We thank you for your continued support and look forward to sharing more with you in our annual report.



JACINTH HALL-TRACEY
MANAGING DIRECTOR