



FIRST QUARTER UNAUDITED FINANCIAL REPORT JUNE 2016



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Report to the Shareholders
THREE MONTHS ENDED JUNE 30, 2016

The Board of Directors of LASCO Manufacturing Limited is pleased to present the first quarter unaudited results for the period ended 30 June 2016.

The Profit generated before tax for the three months ended 30 June 2016 was \$256 million compared to \$247 million for the same period last year, an increase of \$9 million or 4%. Profit after taxes for the quarter was \$224 million, a \$23 million or 9% reduction over the same period last year. Corporation tax is new compared to last year as we are now allowed 50% of the original tax waiver on the expiration of 5 of the original period of 10 years.

Total revenue for the three months was \$1.7 billion, an increase of \$289 million or 20% over prior year of \$1.4 billion. There were supply chain issues from our overseas partners which impacted negatively on production and our ability to fill demand. For the quarter, gross profit rose to \$569 million or 20% over the previous period. Gross margin was 33% for both periods.

Interim Dividend of \$122.6M (\$0.030cents per stock unit) was paid on June 30, 2016.

With the increase production capacity and anticipation for the seasonal growth in volumes there were increases in operating expenses, primarily for equipment maintenance, salaries, and new product development. There were also increased marketing costs associated with the launch of major summer promotional programs. These negatively impacted on net profit performance for the period. However resulting from the additional production capacity, we are now poised to achieve continued and improved sales volumes and profitability in the upcoming periods.

LASCO REAP along with 80 schools participated in the record collection of over 700,000 bottles, more than doubling the amount collected last year. Howard Cooke Primary School was the overall winner which received 10 computers and 2 tablets.

We would like to thank all our customers, shareholders and team members for their continued invaluable support during this period, and look forward to an exciting year ahead.



.....
Robert Parkins
Managing Director

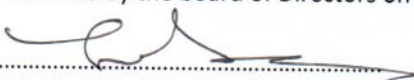
LASCO Manufacturing Limited
Statement of Comprehensive Income
For the three months ended June 30, 2016
Unaudited and expressed in J\$'000

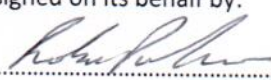
	3 Months to June 30, 2016	3 Months to June 30, 2015
Revenue	1,729,254	1,440,394
Cost of Sales	<u>(1,160,179)</u>	<u>(965,771)</u>
Gross Profit	569,075	474,623
Gross Margins %	33%	33%
Other Operating Income / (Loss)	(2,053)	(454)
Operating Expenses	<u>(269,833)</u>	<u>(185,182)</u>
Profit from Operations	297,189	288,987
Finance Costs	<u>(41,018)</u>	<u>(42,347)</u>
Profit before Taxation	256,171	246,639
Taxation	(32,081)	
Total Comprehensive Income for the period	<u>224,090</u>	<u>246,639</u>
Number of Stock units in Issue	4,087,130	4,087,130
Earnings per Stock	0.05	0.06

LASCO Manufacturing Limited
Statement of Financial Position
as at June 30, 2016

	<i>Jun-16</i> <i>UnAudited</i>	<i>Jun-15</i> <i>UnAudited</i>	<i>MAR-16</i> <i>Audited</i>
	<i>J\$'000</i>	<i>J\$'000</i>	<i>J\$'000</i>
NON-CURRENT ASSETS			
Property, Plant & Equipment	3,889,304	3,150,513	3,400,848
Capital Work in Progress	34,136	389,859	119,042
Total Non-Current Assets	3,923,440	3,540,372	3,519,890
CURRENT ASSETS			
Inventories	856,401	736,227	806,009
Trade & Other Receivables	1,712,748	1,276,329	2,203,616
Taxation Recoverable		-	-
Directors Current Accounts		-	-
Short Term Investments	91,454	83,893	88,269
Cash and Bank Balances	286,582	185,333	237,956
	2,947,185	2,281,782	3,335,850
CURRENT LIABILITIES			
Trade Payables	693,849	517,076	769,800
Bank Overdraft	549,456	601,895	502,694
Current Portion of Long Term Loan	235,832	160,443	235,832
	1,479,137	1,279,414	1,508,326
Net Current Assets	1,468,048	1,002,368	1,827,524
	5,391,488	4,542,740	5,347,414
Financed by:			
Share Capital	305,298	305,298	305,298
Other Reserve	43,095	-	43,095
Retained Earnings	3,384,257	2,888,222	2,680,673
Current Earnings	224,090	246,640	826,198
	3,956,740	3,440,160	3,855,264
Non-Current Liabilities			
Long Term Loan	1,195,707	1,102,580	1,253,109
Deferred Taxation	239,041	-	239,041
	5,391,488	4,542,740	5,347,414

Approved for issue by the board of Directors on 25 July 2016 and signed on its behalf by:


.....
Hon. Lascelles A. Chin, O.J., C.D, LLD (Hon. Causa)
Executive Chairman


.....
Robert Parkins
Managing Director

LML STATEMENT OF CASH FLOWS

For the year ended June 30, 2016

Unaudited and expressed in JS'000

<i>STATEMENT OF CASH FLOWS</i>	<i>YTD JUN-16 JS'000</i>	<i>YTD JUN-15 JS'000</i>
Cash Flows from Operating Activities		
Operating Activities		
Profit /(Loss) for the period	224,090	246,639
Depreciation	39,675	32,923
Interest Income		153
Interest Expense	41,018	42,347
Taxation Expense		
Items not affecting cash	80,693	75,423
(Increase) /Decrease in Current Assets		
Inventories	(50,392)	23,194
Trade & Other Receivables	490,868	(132,361)
Due from Directors	-	188
Current portion of Long-term loans	-	(182,503)
Taxation Recoverable	-	(25)
Payables	(75,951)	(139,411)
Cash provided by operating activities	669,308	(108,856)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest Received		(421)
Short Term Investments	(3,185)	
Acquisition of Property, Plant & Equipment	(443,225)	(176,945)
Cash used in Investing Activities	(446,410)	(177,366)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Interest Paid	(41,018)	(42,347)
Loan Repayment	(57,402)	144,141
Proceeds from Loan		-
Dividends Paid	(122,614)	
Cash provided by /(used in) Financing Activities	(221,034)	101,794
Net Change in Cash and Cash Equivalents	1,864	(184,428)
Cash and cash equivalents at the beginning of the period	(264,738)	(232,133)
Cash and cash equivalents at the end of the period	(262,874)	(416,561)

Comprised of:

Cash and Bank balances	286,582	185,333
Bank Overdraft	(549,456)	(601,894)
	<u>(262,874)</u>	<u>(416,561)</u>

LASCO Manufacturing Limited
Statement of Changes in Shareholders' Equity
For the three months ended June 30, 2016
Unaudited and expressed in J\$'000

2015				
	Share Capital J\$'000	Other Reserve J\$'000	Retained Earnings J\$'000	Total J\$'000
Balance at 1 April 2015	305,298		2,888,221	3,193,519
Total Comprehensive Income for the period			246,640	246,640
Balance as at June 30, 2015	305,298	-	3,134,861	3,440,159

2016				
	Share Capital J\$'000	Other Reserve J\$'000	Retained Earnings J\$'000	Total J\$'000
Balance at 1 April 2016	305,298		3,506,871	3,812,169
Other Comprehensive Income		43,095		43,095
Payment of Dividends			(122,614)	(122,614)
Total Comprehensive Income for the period			224,090	224,090
Balance as at June 30, 2016	305,298	43,095	3,608,347	3,956,740

LASCO Manufacturing Limited

Notes to the Financial Statements

June 30, 2016

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 at 27 Red Hills Road, Kingston 10 and it currently operates from leased premises at 38 ½ Red Hills, Kingston 10 and from premises at White Marl.
- b. The principal activities of the company are the manufacturing of soy based products, juice drinks, water and export of various LASCO branded products.

2. SIGNIFICANT ACCOUNTING POLICIES:

- a. 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.
- b. 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 2016.
- c. These financial statements are presented in Jamaican dollars unless otherwise indicated.

3. FINANCE COSTS

Finance costs are stated net of foreign exchange gains / losses

4. <u>TRADE & OTHER RECEIVABLES</u>	<u>2016</u>	<u>2015</u>	
a. Trade Receivables	JA\$ '000	JA\$ '000	
1. Local	1,040,172	1,007,016	
2. Foreign	168,662	121,800	
b. Other Receivables	<u>503,941</u>	<u>147,513</u>	This comprises of prepayments made for capital goods & stock.
	1,712,748	1,276,329	

SHARE CAPITAL

	2016	2015
Authorized:-		
4,427,500,000 (2015 – 4,427, 500,000) ordinary shares of no par value		
Stated capital –		
Issued and fully paid –		
Number of ordinary shares		
4,087,130,170 (2015 – 4,087,130,170) ordinary shares of no par value	<u>305,298</u>	<u>305,298</u>



LASCO MANUFACTURING LIMITED

**SENIOR MANAGERS AND CONNECTED PARTIES SHAREHOLDING
AS AT JUNE 30, 2016**

NAME PRIMARY HOLDER	UNITS	PERCENTAGE
LASCELLES A. CHIN	1,244,428,470.00	30.45
ROBERT PARKINS	0.00	0.0000
SOPHIA GAYLE	0.00	0.0000
JORGE VEGA	0.00	0.0000



LASCO MANUFACTURING LIMITED

TOP TEN SHAREHOLDERS AS AT JUNE 30, 2016

NAMES	UNITS	PERCENTAGE
EAST WEST (ST. LUCIA) LIMITED	2,002,693,780.00	49.00
LASCELLES A. CHIN	1,244,428,470.00	30.45
MAYBERRY WEST INDIES BANK LIMITED	130,972,129.00	3.20
MANWEI INTERNATIONAL	35,390,311.00	0.87
JOEL IZQUIERDO GONZALEZ	30,083,400.00	0.74
BAMBOO GROUP HOLDINGS LIMITED	23,690,256.00	0.58
LIUDMILA GONZALEZ DIAZ	21,647,331.00	0.53
HILDA GONZALEZ ROSALES	21,000,000.00	0.51
YUAN LIAO	20,391,220.00	0.50
MAYBERRY MANAGED CLIENTS ACCOUNT	18,598,091.00	0.53



LASCO MANUFACTURING LIMITED

DIRECTORS AND CONNECTED PARTIES SHAREHOLDINGS AS AT JUNE 30, 2016

NAME	POSITION	UNITS	PERCENTAGE
PRIMARY HOLDER	*JOINT HOLDERS		
LASCELLES CHIN		1,244,428,470.00	30.4475
	East West (St. Lucia Ltd.)	2,002,693,780.00	49.0000
	Eileen Chin	{ 16,000,000.00}	0.3915
EILEEN CHIN		16,000,000.00	0.3915
	Lascelles Chin	{1,244,428,470.00}	30.4475
J. A. LESTER SPAULDING		1,503,000.00	0.0368
ROSALEA HAMILTON		110,000.00	0.0360
PETER CHIN		5,585,980.00	0.1367
JACINTH HALL-TRACEY		0.00	0.0000
VINCENT ANTHONY CHEN		0.00	0.0000
ROBERT PARKINS		0.00	0.0000