

FIRST QUARTER UNAUDITED FINANCIAL REPORT JUNE 2017



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Report to the Shareholders

THREE MONTHS ENDED JUNE 30, 2017

The Board of Directors of LASCO Manufacturing Limited is pleased to present the first quarter unaudited results for the period ended 30 June 2017.

Total Sales Revenue for the first quarter ended June 30, 2017 was \$1.5B versus \$1.7B for the corresponding period of the previous year. Revenue was impacted by the phasing down of production during periods of the first two months of the quarter to allow for plant upgrading (towards greater efficiency and improved quality). It should be noted that the market was adequately supplied as stocks for distribution were built up and sold in the prior period.

Profit was also impacted by additional marketing and brand building investments to support the brands and distribution discounts to support sales. Profit before tax for the quarter was \$154M, while after tax profit was \$134M.

We continue to invest heavily in marketing programmes and brand building activities during the period; with these investments along with the expected positive volume development of the recently launched new products we expect to see positive growth in revenue and profits during the next quarter and throughout the year.

Balance Sheet

Investments in Non-Current Assets at the end of the period stood at \$4.6B an increase of \$56M during the period due to investments in plant & machinery. Trade and other receivables were \$1.7B down \$283M for the period April to June, while trade payables increased by \$106M or 14% to close at \$851M.

Interim Dividend

At a Board of Directors meeting held on June 30, 2017 it was resolved that an interim dividend of \$0.035 per share totaling \$143M be paid to shareholders on July 26, 2017, representing an increase of 17% over that paid in the prior year.

LASCO Repeat Environmental Awareness Program (R.E.A.P) is a recycling, conservation and tree planting initiative in over 300 schools in Jamaica. A total of 124 (80 last year) schools participated in this year's tree planting and bottle drive where over 3,700 trees were planted and 700,000 bottles collected. The 1st place winner, Fort George Primary & Infant School received 10 computers and a round trip for two for the teachers. In second place was Bath Primary & Junior High which also came 2nd in the "Best Garden" category won for themselves a smart TV and DVD, also a water tank.

Report to shareholders continues..

Special thanks to all our customers, shareholders and team members for their invaluable support as we continue to provide quality and affordable for the whole family.



.....
James E D Rawle
Managing Director

LASCO Manufacturing Limited**Statement of Comprehensive Income**

For the three months ended June 30, 2017

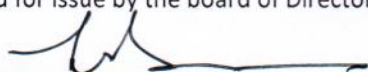
Unaudited and expressed in J\$'000

	3 Months to June 30, 2017	3 Months to June 30, 2016
Revenue	1,509,612	1,729,254
Cost of Sales	<u>(1,031,394)</u>	<u>(1,160,179)</u>
Gross Profit	478,218	569,075
 Gross Margins %	 32%	 33%
Other Operating Income / (Loss)	13,760	(2,053)
Operating Expenses	<u>(308,370)</u>	<u>(269,833)</u>
Profit from Operations	183,608	297,189
Finance Costs	<u>(30,077)</u>	<u>(41,018)</u>
Profit before Taxation	153,531	256,171
Taxation	19,251	32,081
Total Comprehensive Income for the period	134,280	224,090
 Number of Stock units in Issue	4,087,130	4,087,130
Earnings per Stock	0.03	0.05

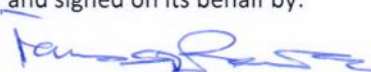
LASCO Manufacturing Limited
Statement of Financial Position
as at June 30, 2017

	<i>Jun-17</i> <i>UnAudited</i>	<i>MAR-17</i> <i>Audited</i>
	<i>J\$'000</i>	<i>J\$'000</i>
NON-CURRENT ASSETS		
Property, Plant & Equipment	4,177,120	4,227,860
Capital Work in Progress	475,495	368,241
Total Non-Current Assets	4,652,615	4,596,101
CURRENT ASSETS		
Inventories	891,659	665,504
Trade & Other Receivables	1,687,086	1,403,685
Taxation Recoverable		-
Directors Current Accounts		-
Short Term Investments	93,216	93,308
Cash and Bank Balances	125,586	240,359
	2,797,547	2,402,856
CURRENT LIABILITIES		
Trade Payables	851,060	744,661
Bank Overdraft	352,846	139,926
Current Portion of Long Term Loan	265,566	265,566
	1,469,472	1,150,153
Net Current Assets	1,328,075	1,252,703
	5,980,690	5,848,804
Financed by:		
Share Capital	305,298	305,298
Other Reserve	43,095	43,095
Retained Earnings	4,091,511	3,384,258
Current Earnings	134,280	707,254
	4,574,184	4,439,905
Non-Current Liabilities		
Long Term Loan	998,818	1,001,211
Deferred Taxation	407,688	407,688
	5,980,690	5,848,804

Approved for issue by the board of Directors on August 4, 2017 and signed on its behalf by:



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



James E D Rawle
Managing Director

LML STATEMENT OF CASH FLOWS

For the year ended June 30, 2017

Unaudited and expressed in JS'000

STATEMENT OF CASH FLOWS	YTD Jun-17 JS'000	YTD Jun-16 JS'000
Cash Flows from Operating Activities		
Operating Activities		
Profit /(Loss) for the period	134,280	224,090
Depreciation	52,560	39,675
Interest Income	-	-
Stock options - value of services expensed	-	-
Interest Expense	30,077	41,018
Taxation Expense		
Items not affecting cash	82,637	80,693
(Increase) /Decrease in Current Assets		
Inventories	(226,155)	(50,392)
Trade & Other Receivables	(283,401)	490,868
Due from Directors	-	-
Current portion of Long-term loans	-	-
Taxation Recoverable	-	-
Payables	106,399	(75,951)
Cash provided by operating activities	(186,240)	669,308
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest Received		-
Short Term Investments	92	(3,185)
Acquisition of Property, Plant & Equipment	(109,074)	(443,225)
Cash used in Investing Activities	(108,982)	(446,410)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Interest Paid	(30,077)	(41,018)
Loan Repayment	(67,066)	(57,402)
Proceeds from Loan	64,672	-
Dividends Paid	-	(122,614)
Cash provided by /(used in) Financing Activities	(32,471)	(221,034)
Net Change in Cash and Cash Equivalents	(327,693)	1,864
Cash and cash equivalents at the beginning of the period	100,433	(264,738)
Cash and cash equivalents at the end of the period	(227,260)	(262,874)

Comprised of:

Cash and Bank balances	125,586	286,582
Bank Overdraft	(352,846)	(549,456)
	(227,260)	(262,874)

LASCO Manufacturing Limited**Statement of Changes in Shareholders' Equity**

For the three months ended June 30, 2017

Unaudited and expressed in J\$'000

2016				
	Share Capital	Other Reserve	Retained Earnings	Total
	J\$'000	J\$'000	J\$'000	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

2017				
	Share Capital	Other Reserve	Retained Earnings	Total
	J\$'000	J\$'000	J\$'000	J\$'000
Balance at 1 April 2017	305,298		4,091,511	4,396,809
Other Comprehensive Income		43,095		43,095
Total Comprehensive Income for the period			134,280	134,280
Balance as at June 30, 2017	305,298	43,095	4,225,791	4,574,184

LASCO Manufacturing Limited

Notes to the Financial Statements

June 30, 2017

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 2017.
- 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. TRADE & OTHER RECEIVABLES

	<u>2017</u>	<u>2016</u>	
a. Trade Receivables	JA\$ '000	JA\$ '000	
1. Local	1,200,804	1,040,172	
2. Foreign	196,477	168,662	
b. Other Receivables	<u>289,805</u> 1,687,086	<u>503,941</u> 1,712,748	This comprises of prepayments made for capital goods & stock.

SHARE CAPITAL

	2017	2016
Authorized:-		
4,427,500,000 (2016 – 4,427, 500,000) ordinary shares of no par value		
Stated capital –		
Issued and fully paid –		
Number of ordinary shares		
4,087,130,170 (2016 – 4,087,130,170) ordinary shares of no par value	<u>305,298</u>	<u>305,298</u>



LASCO MANUFACTURING LIMITED

TOP TEN SHAREHOLDERS AS AT JUNE 30, 2017

NAMES	UNITS	PERCENTAGES
EAST WEST (ST. LUCIA) LIMITED	2,002,693,780	49.00
LASCELLES A. CHIN	1,244,428,470	30.45
NATIONAL INSURANCE FUND	103,794,541	2.54
MANWEI INTERNATIONAL	32,637,403	0.79
PAM - POOLED EQUITY FUND	23,385,950	0.57
MAYBERRY WEST INDIES LIMITED	22,714,103	0.55
HILDA GONZALEZ ROSALES	21,000,000	0.51
YUAN LIAO	20,391,220	0.50
JOEL IZQUIERDO GONZALEZ	20,000,000	0.49
LIUDMILA GONZALEZ DIAZ	20,000,000	0.49



LASCO MANUFACTURING LIMITED

DIRECTORS AND CONNECTED PARTIES SHAREHOLDINGS

AS AT JUNE 30, 2017

NAME OF PRIMARY HOLDERS	POSITION *CONNECTED PARTIES	UNITS	PERCENTAGES
LASCELLES CHIN		1,244,428,470	30.4475
	*EAST WEST (ST. LUCIA) LTD	2,002,693,780	49.0000
	*EILEEN CHIN - DIRECT	{16,000,000}	{0.3915}
EILEEN CHIN		16,000,000	0.3915
	*LASCELLES CHIN -DIRECT	{1,244,428,470}	{30.4475}
PETER CHIN		5,585,980	0.1367
J. A. LESTER SPAULDING		1,503,000	0.0368
ROSALEA HAMILTON		110,000	0.0360
VINCENT ANTHONY CHEN		0.00	0.0000
JACINTH HALL-TRACEY		0.00	0.0000
ROBERT PARKINS		0.00	0.0000
JAMES RAWLE		0.00	0.0000



LASCO MANUFACTURING LIMITED

SENIOR MANAGERS AND CONNECTED PARTIES SHAREHOLDINGS

AS AT JUNE 30, 2017

Name Primary Holder	Units	Percentages
LASCELLES A. CHIN	1,244,428,470	30.45
ROBERT PARKINS	0.00	0.0000
JAMES RAWLE	0.00	0.0000
SOPHIA GAYLE	0.00	0.0000