



**UNAUDITED**  
**Financial Statements**  
**SECOND QUARTER**  
**September 30, 2017**



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## **REPORT TO THE SHAREHOLDERS – SIX MONTHS ENDED SEPTEMBER 30, 2017**

The Board of Directors of LASCO Manufacturing Limited is pleased to present the unaudited results for the second quarter ended September 30, 2017.

Revenue for the six months ended September 2017 was \$3.5B versus \$4.0B for the corresponding period of the previous year, representing a 12% decline period on period. However revenue for the second quarter was 32% higher than the first quarter reflecting the expected improvement on the first quarter outcome.

Profit before tax for the six months was \$385M while after tax profit was \$337. After tax profit for the three months July – September was 51% higher than in the first quarter of the year again reflecting the expected improvement following the adjustments made in the first quarter of the year.

Expenses for the period was \$670M, an overall increase of 14% when compared to the same period last year. The increase was primarily due to growth in marketing investments to support our brands in an increasingly competitive environment and a significant increase in depreciation charges.

While we continue to make the necessary investments in plant equipment and marketing we are confident in the outlook for positive growth in revenue and profits during the second half of the year.

### **Financial Position**

The Statement of Financial Position shows Property, Plant and Equipment moving from \$4.6B at the beginning of the financial year to \$4.8B at the close of the 2<sup>nd</sup> quarter. This is due to continuing investments in improving plant and machinery and warehouse space. Current Assets increased by 13% over prior year to \$1.2B at the end of the quarter.

### **Interim Dividend**

Interim dividend of \$0.035 per share totaling \$143M was paid on July 26, 2017.

The outlook for the full year remains positive as the evidence shows that we are heading in the right direction and measures are in place to deliver improved results. We thank all our customers, shareholders, team members and other stakeholders for their invaluable support as we continue to work to improve our brands and ultimately our operating profits.

Yours sincerely,

**LASCO Manufacturing Limited**



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James E D Rawle  
**Managing Director**

LASCO Manufacturing Limited

**LASCO Manufacturing Limited**

## Statement of Comprehensive Income

For the six months ended September 30, 2017

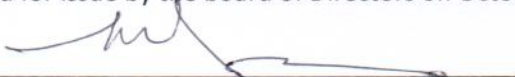
*Unaudited and expressed in J\$'000*

	3 Months to Sept 30, 2017	3 Months to Sept 30, 2016	6 Months to Sept 30, 2017	6 Months to Sept 30, 2016
Revenue	1,986,228	2,223,312	3,495,840	3,952,566
Cost of Sales	<u>(1,362,162)</u>	<u>(1,468,785)</u>	<u>(2,393,556)</u>	<u>(2,628,964)</u>
<b>Gross Profit</b>	<b>624,066</b>	<b>754,527</b>	<b>1,102,284</b>	<b>1,323,602</b>
<b>Gross Margins %</b>	<b>31%</b>	<b>34%</b>	<b>32%</b>	<b>33%</b>
Other Operating Income / (Loss)	4,571	17,273	18,331	15,220
Operating Expenses	<u>(361,336)</u>	<u>(315,317)</u>	<u>(669,706)</u>	<u>(585,150)</u>
Profit from Operations	<b>267,301</b>	<b>456,483</b>	<b>450,909</b>	<b>753,672</b>
Finance Costs	<u>(35,426)</u>	<u>(43,507)</u>	<u>(65,503)</u>	<u>(84,525)</u>
<b>Profit before Taxation</b>	<b>231,875</b>	<b>412,976</b>	<b>385,406</b>	<b>669,147</b>
Taxation	(28,925)	(49,993)	(48,176)	(82,074)
<b>Total Comprehensive Income for the period</b>	<b>202,950</b>	<b>362,983</b>	<b>337,230</b>	<b>587,073</b>
<b>Number of Stock units in Issue</b>	4,087,130	4,087,130	4,087,130	4,087,130
<b>Earnings per Stock</b>	0.05	0.09	0.08	0.14

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

	<i>Sep-17</i>	<i>Sep-16</i>	<i>MAR-17</i>
	<i>UnAudited</i>	<i>UnAudited</i>	<i>Audited</i>
	<i>J\$'000</i>	<i>J\$'000</i>	<i>J\$'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, Plant & Equipment	4,348,702	4,472,956	4,227,860
Capital Work in Progress	424,941	130,868	368,241
<b>Total Non-Current Assets</b>	<b>4,773,643</b>	<b>4,603,824</b>	<b>4,596,101</b>
<b>CURRENT ASSETS</b>			
Inventories	718,798	716,506	665,504
Trade & Other Receivables	1,761,416	1,655,253	1,403,685
Taxation Recoverable	0	-	-
Directors Current Accounts	0	-	-
Short Term Investments	93,836	92,776	93,308
Cash and Bank Balances	303,330	228,830	240,359
	2,877,380	2,693,365	2,402,856
<b>CURRENT LIABILITIES</b>			
Trade Payables	1,019,624	852,615	744,661
Bank Overdraft	352,631	512,372	139,926
Current Portion of Long Term Loan	265,566	235,832	265,566
	1,637,821	1,600,819	1,150,153
<b>Net Current Assets</b>	<b>1,239,559</b>	<b>1,092,546</b>	<b>1,252,703</b>
	6,013,202	5,696,370	5,848,804
<b>Financed by:</b>			
Share Capital	317,347	305,298	305,298
Other Reserve	43,095	43,095	43,095
Retained Earnings	3,948,462	3,384,258	3,384,258
Current Earnings	337,230	587,073	707,254
	4,646,134	4,319,724	4,439,905
<b>Non-Current Liabilities</b>			
Long Term Loan	959,380	1,137,605	1,001,211
Deferred Taxation	407,688	239,041	407,688
	6,013,202	5,696,370	5,848,804

Approved for issue by the board of Directors on October 30, 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 September 30, 2017

Unaudited and expressed in JS'000

<i>STATEMENT OF CASH FLOWS</i>	<i>YTD Sep-17 JS'000</i>	<i>YTD Sep-16 JS'000</i>
Cash Flows from Operating Activities		
Operating Activities		
Profit /(Loss) for the period	<b>337,230</b>	<b>587,073</b>
Depreciation	111,221	83,049
Interest Income		-
Stock options - value of services expensed		-
Interest Expense	65,503	84,525
Taxation Expense		-
<b>Items not affecting cash</b>	<b>176,724</b>	<b>167,574</b>
(Increase) /Decrease in Current Assets		
Inventories	(53,294)	89,503
Trade & Other Receivables	(357,731)	548,364
Due from Directors	-	-
Current portion of Long-term loans	-	-
Taxation Recoverable	-	-
Payables	274,965	82,815
<b>Cash provided by operating activities</b>	<b>377,894</b>	<b>1,475,329</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest Received		-
Short Term Investments	(528)	(4,507)
Acquisition of Property, Plant & Equipment	(288,765)	(1,166,983)
<b>Cash used in Investing Activities</b>	<b>(289,293)</b>	<b>(1,171,490)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Interest Paid	(65,503)	(84,525)
Loan Repayment	(130,494)	(115,504)
Share Issue	12,049	
Proceeds from Loan	88,663	-
Dividends Paid	(143,050)	(122,614)
<b>Cash provided by /(used in) Financing Activities</b>	<b>(238,335)</b>	<b>(322,643)</b>
<b>Net Change in Cash and Cash Equivalents</b>	<b>(149,734)</b>	<b>(18,804)</b>
Cash and cash equivalents at the beginning of the period	100,433	(264,738)
<b>Cash and cash equivalents at the end of the period</b>	<b>(49,301)</b>	<b>(283,542)</b>
<b>Comprised of:</b>		
Cash and Bank balances	303,330	228,830
Bank Overdraft	(352,631)	(512,372)
	<b>(49,301)</b>	<b>(283,542)</b>

LASCO Manufacturing Limited

**LASCO Manufacturing Limited**  
Statement of Changes in Shareholders' Equity  
For the six months ended September 30, 2017  
Unaudited and expressed in J\$'000

<b>2016</b>				
	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			587,073	587,073
<b>Balance as at September 30, 2016</b>	<b>305,298</b>	<b>43,095</b>	<b>3,971,330</b>	<b>4,319,723</b>
<b>2017</b>				
	Share Capital J\$'000	Other Reserve J\$'000	Retained Earnings J\$'000	Total J\$'000
Balance at 1 April 2017	317,347	43,095	4,091,511	4,451,953
Other Comprehensive Income				-
Payment of Dividends			(143,050)	(143,050)
Total Comprehensive Income for the period			337,230	337,230
<b>Balance as at September 30, 2017</b>	<b>317,347</b>	<b>43,095</b>	<b>4,285,691</b>	<b>4,646,133</b>

# LASCO Manufacturing Limited

Notes to the Financial Statements  
September 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 31<sup>st</sup> 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. <u>TRADE &amp; OTHER RECEIVABLES</u>	<u>2017</u>	<u>2016</u>	
a. Trade Receivables	JA\$ '000	JA\$ '000	
1. Local	1,541,537	1,484,652	
2. Foreign		144,270	
b. Other Receivables	<u>219,879</u>	<u>26,331</u>	This comprises of prepayments made for capital goods & stock.
	1,761,416	1,655,253	



**SHARE CAPITAL**

	2017	2016
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>337,230</u>	<u>305,298</u>



**LASCO MANUFACTURING LIMITED**

**TOP TEN SHAREHOLDERS AS AT SEPTEMBER 30, 2017**

<b>NAMES</b>	<b>UNITS</b>	<b>PERCENTAGES</b>
EAST WEST (ST. LUCIA) LIMITED	2,002,693,780	49.00
LASCELLES A. CHIN	1,244,428,470	30.45
NATIONAL INSURANCE FUND	101,589,605	2.48
MANWEI INTERNATIONAL	30,101,827	0.72
MAYBERRY WEST INDIES LIMITED	24,194,864	0.59
PAM - POOLED EQUITY FUND	23,385,950	0.57
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 SEPTEMBER 30, 2017**

<b>NAME OF PRIMARY HOLDERS</b>	<b>POSITION *CONNECTED PARTIES</b>	<b>UNITS</b>	<b>PERCENTAGES</b>
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
JAMES RAWLE		0.00	0.0000



## LASCO MANUFACTURING LIMITED

### SENIOR MANAGERS AND CONNECTED PARTIES SHAREHOLDINGS

AS AT SEPTEMBER 30, 2017

<b>Name Primary Holder</b>	<b>Units</b>	<b>Percentages</b>
LASCELLES A. CHIN	1,244,428,470	30.45
ROBERT PARKINS	3,500,000	0.0855
JAMES RAWLE	0.00	0.0000
SOPHIA GAYLE	0.00	0.0000