



**UNAUDITED**  
**Financial Statements**  
**THIRD QUARTER**  
**December 31, 2017**



LASCO Manufacturing Limited

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**REPORT TO THE SHAREHOLDERS**  
**For the nine months ended December 2017.**

The Board of Directors of LASCO Manufacturing Limited is pleased to present the unaudited results for the period ended December 31, 2017.

Revenue for the quarter ended December 31, 2017 was \$1.8 billion an increase of \$ 300 million or 22 % over the corresponding period of the prior year. Operating profit stood at \$ 257 million versus \$171 in the prior year with operating expenses at \$300 million or 10 % below the prior year reflecting the effects of improved controls.

Profit after tax was \$195 million versus \$113 million for the corresponding three months of 2016, an increase of 73%.

For the nine months ended December 2017 revenue was \$5.3 billion compared to \$5.4 billion in the prior year. Operating profit was \$708 million compared to \$925 million in the prior year. Operating expenses increased by 5 % over the prior year. Profit after tax for the nine months was \$533 million compared to \$700 million for the corresponding nine months of 2016.

Revenue and profits were impacted earlier in the year by a number of factors including the phasing down of production in the first two months (April – May), additional marketing and brand building investments to support the brands and distribution discounts to support sales. The phasing down of production allowed for critical plant upgrades necessary for sustained improvements in output, cost efficiencies and quality. The expected improvements have materialised and it is anticipated that this should continue.

**Financial Position**

Total assets at the end of the period were \$8 billion an increase of 8% over the prior year due to continued investments in plant and machinery. Trade and other receivables was \$2.3 billion compared to \$1.9 billion in the prior year, while payables increased by 9%. Cash and bank balances closed the period at \$148 million.

LASM introduced one new juice drink flavour – “Guava –Pine” in the third quarter adding to the existing portfolio and will launch a range of carbonated beverages and an energy drink in the next quarter.

During the quarter, the company also sponsored the LASCO Ministry of Education Teacher and Principal of the Year Awards for 2016/2017. The Awards ceremony was held on December 4, 2017. Mrs. Ingrid Peart – Wilmot, Teacher at Bishop Gibson High was selected Teacher of the year and Mr. Howard Salmon, Principal of Mandeville Primary and Junior High, Principal of the year.

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

Yours sincerely



**James E. D. Rawle**  
Managing Director.



**LASCO Manufacturing Limited**

## Statement of Comprehensive Income

For the nine months ended December 31, 2017

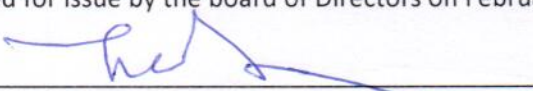
*Unaudited and expressed in J\$'000*


	3 Months to Dec 31, 2017	3 Months to Dec 31, 2016	9 Months to Dec 31, 2017	9 Months to Dec 31, 2016
Revenue	1,780,539	1,463,893	5,276,379	5,416,459
Cost of Sales	(1,219,416)	(960,842)	(3,612,972)	(3,589,806)
<b>Gross Profit</b>	<b>561,123</b>	<b>503,051</b>	<b>1,663,407</b>	<b>1,826,653</b>
<b>Gross Margin %</b>	<b>32%</b>	<b>34%</b>	<b>32%</b>	<b>34%</b>
Other Operating Income / (Loss)	(3,573)	3,455	14,758	18,675
Operating Expenses	(300,605)	(335,204)	(970,311)	(920,354)
Profit from Operations	<b>256,945</b>	<b>171,302</b>	<b>707,854</b>	<b>924,974</b>
Finance Costs	(33,759)	(41,956)	(99,262)	(126,481)
<b>Profit before Taxation</b>	<b>223,186</b>	<b>129,346</b>	<b>608,592</b>	<b>798,493</b>
Taxation	(27,898)	(16,169)	(76,074)	(98,243)
<b>Total Comprehensive Income for the period</b>	<b>195,288</b>	<b>113,177</b>	<b>532,518</b>	<b>700,250</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	0.03	0.13	0.17

**LASCO Manufacturing Limited**  
**Statement of Financial Position**  
as at December 31, 2017

	<i>DEC-17</i> <i>UnAudited</i>	<i>DEC-16</i> <i>UnAudited</i>	<i>MAR-17</i> <i>Audited</i>
	<i>J\$'000</i>	<i>J\$'000</i>	<i>J\$'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, Plant & Equipment	4,117,965	3,783,080	4,227,860
Capital Work in Progress	516,190	686,635	368,241
<b>Total Non-Current Assets</b>	4,634,155	4,469,715	4,596,101
<b>CURRENT ASSETS</b>			
Inventories	1,002,704	909,567	665,504
Trade & Other Receivables	2,262,688	1,934,382	1,403,685
Short Term Investments	90,870	93,743	93,308
Cash and Bank Balances	57,104	71,977	240,359
	3,413,366	3,009,669	2,402,856
<b>CURRENT LIABILITIES</b>			
Trade Payables	1,051,739	964,272	744,661
Bank Overdraft	575,585	529,434	139,926
Current Portion of Long Term Loan	265,566	235,832	265,566
	1,892,890	1,729,538	1,150,153
<b>Net Current Assets</b>	1,520,476	1,280,131	1,252,703
	6,154,631	5,749,846	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	532,518	700,252	707,254
	4,841,422	4,432,903	4,439,905
<b>Non-Current Liabilities</b>			
Long Term Loan	905,521	1,077,902	1,001,211
Deferred Taxation	407,688	239,041	407,688
	6,154,631	5,749,846	5,848,804

Approved for issue by the board of Directors on February 6, 2018 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 December 31, 2017

Unaudited and expressed in JS'000

<i>STATEMENT OF CASH FLOWS</i>	<i>YTD Dec-17 JS'000</i>	<i>YTD Dec-16 JS'000</i>
Cash Flows from Operating Activities		
Operating Activities		
Profit /(Loss) for the period	532,518	700,252
Depreciation	162,712	127,621
Interest Expense	99,262	126,481
Items not affecting cash	261,974	254,102
(Increase) /Decrease in Current Assets		
Inventories	(337,200)	(103,558)
Trade & Other Receivables	(859,003)	269,235
Payables	307,077	194,470
Cash provided by operating activities	(94,634)	1,314,501
Short Term Investments	2,438	(5,474)
Acquisition of Property, Plant & Equipment	(200,766)	(1,077,444)
Cash used in Investing Activities	(198,328)	(1,082,918)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Interest Paid	(99,262)	(126,481)
Loan Repayment	(195,582)	(175,207)
Share Issue	12,049	-
Proceeds from Loan	99,893	-
Dividends Paid	(143,050)	(122,614)
Cash provided by /(used in) Financing Activities	(325,952)	(424,302)
Net Change in Cash and Cash Equivalents	(618,914)	(192,719)
Cash and cash equivalents at the beginning of the period	100,433	(264,738)
Cash and cash equivalents at the end of the period	(518,481)	(457,457)

### Comprised of:

Cash and Bank balances	57,104	71,977
Bank Overdraft	(575,585)	(529,434)
	<u>(518,481)</u>	<u>(457,457)</u>

LASCO Manufacturing Limited

**LASCO Manufacturing Limited**

## Statement of Changes in Shareholders' Equity

For the nine months ended December 31, 2017

*Unaudited and expressed in J\$'000*

<b>2016</b>				
	Share Capital	Other	Retained	Total
	J\$'000	Reserves	Earnings	J\$'000
	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			700,252	700,252
<b>Balance as at December 31, 2016</b>	<b>305,298</b>	<b>43,095</b>	<b>4,084,509</b>	<b>4,432,903</b>
<b>2017</b>				
	Share Capital	Other	Retained	Total
	J\$'000	Reserves	Earnings	J\$'000
	J\$'000	J\$'000	J\$'000	J\$'000
Balance at 1 April 2017	305,298	43,095	4,091,511	4,439,904
Share Issue	12,049			12,049
Other Comprehensive Income				-
Payment of Dividends			(143,050)	(143,050)
Total Comprehensive Income for the period			532,518	532,518
<b>Balance as at December 31, 2017</b>	<b>317,347</b>	<b>43,095</b>	<b>4,480,979</b>	<b>4,841,422</b>



## LASCO Manufacturing Limited

Notes to the Financial Statements  
December 31, 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	1,696,365	1,319,592	
2. Foreign	106,184	171,399	
b. Other Receivables	<u>460,139</u>	<u>443,391</u>	This comprises of prepayments made for capital goods & stock.
	2,262,688	1,934,382	

**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>317,347</u>	<u>305,298</u>





**LASCO MANUFACTURING LIMITED**

**TOP TEN SHAREHOLDERS AS AT DECEMBER 31, 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	103,794,541	2.54
MANWEI INTERNATIONAL	30,101,827	0.74
MAYBERRY WEST INDIES LIMITED	24,230,314	0.59
PAM - POOLED EQUITY FUND	23,385,950	0.57
YUAN LIAO	20,391,220	0.50
LIUDMILA GONZALEZ DIAZ	20,000,000	0.49
HILDA GONZALEZ ROSALES	20,000,000	0.49
JOEL IZQUIERDO GONZALEZ	20,000,000	0.49



**LASCO MANUFACTURING LIMITED**

**DIRECTORS AND CONNECTED PARTIES SHAREHOLDINGS  
AS AT DECEMBER 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 DECEMBER 31, 2017

<b>Name</b>			
<b>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	