



## **LASCO Manufacturing Limited**

### **Report to the Shareholders**

The Board of Directors of LASCO Manufacturing Limited presents the Audited Financial Statements for the year ended March 31, 2018.

The year ended with growth in overall volume sales for the flagship iCool brand despite a competitive beverage market space and lower than expected demand for some beverage categories. Revenue for the year was \$6.66 billion, a decline of 4.0% below the prior year. Gross Profit was \$2.44 billion compared to \$2.56 billion in the previous year – a decline of 4.6%.

Excluding \$55 million due to employees exercising share option rights, administrative and other expenses were contained at 5% over prior year. During the year the company invested \$300 million in selling and promotional expenses which represents a reduction of 9% compared to prior year. With the implementation of additional internal controls throughout the year, management was able to contain overall expenses to \$1.58 billion or 6% over prior year despite 28% increase in utility costs and 22% increase in depreciation expense resulting from capital investments.

Operating Profit was \$861 million, a decrease of 19 % versus the prior year primarily as a result of lower revenue due to lower than expected volume growth in some product categories and the increase in administration and other expenses. Net Profit was \$561 million compared to \$707 million prior year. This was impacted by finance cost to support capital investments and a non-cash deferred tax charge of \$125 million.

Capital investments were tempered at \$342 million during the year (prior year: \$1.26 billion). This was for the continued build-out of a much needed warehousing facility and in acquiring additional machinery and equipment for the manufacturing lines. This is a part of the company's strategic direction to have a state of the art, efficient production and warehouse facility to compete effectively in the local and overseas markets.

Total Assets at year-end stood at \$7.7 billion an increase of 9 % over prior year with Non-Current assets increasing by 3% to \$4.7 billion. Current assets were \$3 billion or 21 % above the previous year while current liabilities were \$1.3 billion. Shareholder's equity at year-end was \$4.9 billion or 11 % above prior year.

LASCO Manufacturing Limited commitment is to deliver the highest quality standards and a trusted range of products so we can compete in the global market space. As such, the company completed training and certification for Good Manufacturing Practices (GMP) and Hazard Analysis Critical Control Points (HACCP) certifications.

During the last quarter of the year the company commenced commercial manufacture and sales of several new products including a range of carbonated soft drinks under the LYRIX brand and an energy drink under the KONKA brand and in the powder segment a low sugar variant of the flagship LASCO Food Drink (vanilla). This was in addition to the introduction of new flavours of iCool juice drinks earlier in the year. A strong research and development programme was maintained aimed at formulating new products, in both liquids and powders, with strong focus on low sugar variants and improved nutritional profiles

We thank all our customers, shareholders, suppliers, team members and other stakeholders for their invaluable support and continued loyalty.



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



**LASCO MANUFACTURING LIMITED**

**TOP TEN SHAREHOLDERS AS AT MARCH 31, 2018**

<b>NAMES</b>	<b>UNITS</b>	<b>PERCENTAGES</b>
EAST WEST (ST. LUCIA) LIMITED	2,002,693,780	48.95
LASCELLES A. CHIN	1,244,428,470	30.42
NATIONAL INSURANCE FUND	103,794,541	2.53
MANWEI INTERNATIONAL LTD.	30,101,827	0.73
MAYBERRY JAMAICAN EQUITIES LIMITED	24,391,572	0.59
PAM - POOLED EQUITY FUND	23,385,950	0.57
YUAN LIAO	20,391,220	0.49
JOEL IZQUIERDO GONZALEZ	20,000,000	0.48
LIUDMILA GONZALEZ DIAZ	20,000,000	0.48
HILDA GONZALEZ ROSALES	20,000,000	0.48



**LASCO MANUFACTURING LIMITED**

**DIRECTORS AND CONNECTED PARTIES SHAREHOLDINGS**

**AS AT MARCH 31, 2018**

<b>NAME OF PRIMARY HOLDERS</b>	<b>POSITION *CONNECTED PARTIES</b>	<b>UNITS</b>	<b>PERCENTAGES</b>
LASCELLES CHIN		1,244,428,470.00	30.4475
	*EAST WEST (ST. LUCIA) LTD	2,002,693,780.00	49.0000
	*EILEEN CHIN - DIRECT	{16,000,000.00}	{0.3915}
EILEEN CHIN		16,000,000.00	0.3915
	*LASCELLES CHIN -DIRECT	{1,244,428,470.00}	{30.4475}
PETER CHIN		5,585,980.00	0.1367
ROSALEA HAMILTON		110,000.00	0.0360
VINCENT ANTHONY CHEN		0.00	0.0000
JACINTH HALL-TRACEY		0.00	0.0000
JAMES RAWLE		0.00	0.0000
COLIN MAXWELL		0.00	0.0000



**LASCO MANUFACTURING LIMITED**

**SENIOR MANAGERS AND CONNECTED PARTIES SHAREHOLDING**

**AS AT MARCH 31, 2018**

<b>Name Primary Holder</b>	<b>Units</b>	<b>Percentages</b>
JAMES RAWLE	0.00	0.0000
ROBERT PARKINS	0.00	0.0000
SOPHIA GAYLE	0.00	0.0000