

# FIRST QUARTER UNAUDITED FINANCIAL REPORT JUNE 2018

**50% LESS SUGAR**  
Same Great Taste!

11g of Sugar Per Serving

**NEW**

**LASCO**  
Soy Food Drink  
BEBIDA ALIMENTICIA DE SOYA  
VANILLA VAINILLA

**50% LESS SUGAR**  
per serving

JUST ADD WATER!  
SÓLO AGREGA AGUA!

Enjoy your favourite  
**Food Drink**  
Hot or Cold.

Net Wt./Peso Neto 4.2 oz (90g)  
Makes / Rinde 23.6 oz (700mL)

**LASCO**  
FOOD DRINK

[www.lascojamaica.com](http://www.lascojamaica.com)

ALWAYS MAKING LIVING AFFORDABLE

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**Report to the Shareholders**  
**THREE MONTHS ENDED JUNE 30, 2018**

The Board of Directors of LASCO Manufacturing Limited is pleased to present the first quarter unaudited results for the period ended June 30, 2018.

Total sales revenue for the first quarter ended June 30, 2018 was \$1.7B an increase of 15% on the revenue for the same period of last year. The revenue growth reflects increased sales volumes over the corresponding quarter of the previous year.

Gross Profit Margin for the period was 35% up from 32 % for the same period of the prior year. The margin growth is attributable to volume growth and improved operational efficiencies.

Operating profit for the period was \$303M or 65% above the \$184M recorded in the prior year.

Net Profit out-turn was \$238M an increase of 77% on the net profit for the prior year's quarter.

The positive out-turn for the quarter reflects growth in volumes, improved operational efficiencies and streamlining and costs control.

The outlook for the year remains positive to deliver improvements in sustainable profitable growth.

Administrative Expenses at \$308M were at the same level as in the previous year resulting in an improved expense to sale ratio of 18% compared to 20% in the same quarter of the prior year.

Throughout the period we continued to invest heavily in marketing programmes and brand building activities to support all our brands and categories with special attention to recently launched new products.

Capital investments were primarily focused on the continued build out of our new 65,000 square feet warehousing facility, which is scheduled for completion in September 2018. This facility will help to simplify logistics and result in important cost savings.

**Balance Sheet**

Total Assets at the end of June 30, 2018 stood at \$8.3B an increase of 12% over the same period of last year. Trade and other receivables were \$2.1B or 30 % over the prior year while trade payables were \$937M an increase of 10% when compared to the same period of the prior year.

**Interim Dividend**

The Board of Directors resolved that an interim dividend of \$0.038 per share totaling \$155M be paid to shareholders on August 31, 2018 representing an increase of 8.7% over that paid in the prior year.

**Corporate Social Responsibility**

LASCO Releaf Environmental Awareness Program (R.E.A.P) is a recycling, conservation and tree planting initiative in over 300 schools in Jamaica. June 7, 2018 marked the sixth successful year that Lasco REAP has played an instrumental role in advancing and promoting environmental awareness and good environmental practices. This year over 500 schools participated in planting more than 27,000 trees across the country.

Top winners were;

Newstead Primary School in St. Mary got the coveted LASCO iCool Award for Most Plastic Bottles Collected, an outstanding total of 132,083 PET bottles and received \$100,000 in cash. They also received 10 new computers for their school.

Bath Primary and Junior High in St. Thomas was second again this year followed by last year's winner, Fort George Primary and Infant School from St. Ann. Both schools received smart TVs, DVD players, screens and projectors.

#### Anthric Primary School Meet

iDrade, iCool Water and Food Drink have sponsored this inter Primary School track and field meet for the second year at a value of \$425,000.

There were 45 Primary Schools that participated in this event and all were hydrated by iDrade and iCool Water throughout the meet and served Food Drink as their added nutritional value for the day.

Products were sold via vendors at the location to the 2,000 spectators who came out to cheer on the participants.

#### Fun Fest

Fun Fest is a family fun day held at Hope Gardens for the ninth year, this final staging attracted some 10,000 persons. iCool Juice Drink was the exclusive beverage sponsor selling products to all patrons while Food Drink was an associate sponsor offering affordable nutritional shakes to all that desired them.

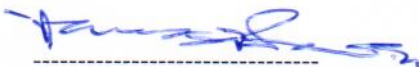
Food Drink had an additional treat for the children with a water park and there was an iCool Playzone that kept everyone happy with screams of delight running through the park.

Our brands received major coverage in the lead up to the event in the form of radio and television interviews, billboards and social media.

We thank our hard working team, loyal customers and all other stakeholders as we continue to bring to you quality products at affordable prices.

Yours sincerely,

**LASCO Manufacturing Limited**



James E D Rawle

**Managing Director**

**LASCO Manufacturing Limited**

## Statement of Comprehensive Income

For the three months ended June 30, 2018

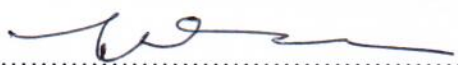
*Unaudited and expressed in J\$'000*

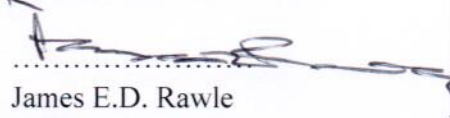
	3 Months to June 30, 2018	3 Months to June 30, 2017
Revenue	1,732,281	1,509,612
Cost of Sales	<u>(1,124,854)</u>	<u>(1,031,394)</u>
<b>Gross Profit</b>	<b>607,427</b>	<b>478,218</b>
<b>Gross Margins %</b>	<b>35%</b>	<b>32%</b>
Other Operating Income / (Loss)	2,973	13,760
Operating Expenses	<u>(307,570)</u>	<u>(308,370)</u>
Profit from Operations	<b>302,830</b>	<b>183,608</b>
Finance Costs	<u>(31,219)</u>	<u>(30,077)</u>
<b>Profit before Taxation</b>	271,611	153,531
Taxation	33,951	19,251
<b>Total Comprehensive Income for the period</b>	<b>237,660</b>	<b>134,280</b>
<b>Number of Stock units in Issue</b>	4,091,163	4,087,130
<b>Earnings per Stock</b>	0.06	0.03

**LASCO Manufacturing Limited**  
**Statement of Financial Position**  
as at June 30, 2018

	<i>Jun-18</i>	<i>Jun-17</i>	<i>MAR-18</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	4,196,124	4,177,120	4,066,974
Capital Work in Progress	731,219	475,495	654,960
<b>Total Non-Current Assets</b>	<b>4,927,343</b>	<b>4,652,615</b>	<b>4,721,934</b>
<b>CURRENT ASSETS</b>			
Inventories	948,983	891,659	911,605
Trade & Other Receivables	2,192,001	1,687,086	1,800,591
Taxation Recoverable	0	-	-
Directors Current Accounts	0	-	-
Short Term Investments	94,345	93,216	91,640
Cash and Bank Balances	166,961	125,586	194,722
	<b>3,402,290</b>	<b>2,797,547</b>	<b>2,998,558</b>
<b>CURRENT LIABILITIES</b>			
Trade Payables	937,406	851,060	627,386
Bank Overdraft	457,812	352,846	375,357
Current Portion of Long Term Loan	334,789	265,566	334,789
	<b>1,730,007</b>	<b>1,469,472</b>	<b>1,337,532</b>
<b>Net Current Assets</b>	<b>1,672,283</b>	<b>1,328,075</b>	<b>1,661,026</b>
	<b>6,599,626</b>	<b>5,980,690</b>	<b>6,382,960</b>
<b>Financed by:</b>			
Share Capital	325,090	305,298	324,890
Other Reserve	89,045	43,095	89,045
Retained Earnings	4,509,018	4,091,511	3,948,462
Current Earnings	237,660	134,280	560,553
	<b>5,160,813</b>	<b>4,574,184</b>	<b>4,922,950</b>
<b>Non-Current Liabilities</b>			
Long Term Loan	905,434	998,818	926,631
Deferred Taxation	533,379	407,688	533,379
	<b>6,599,626</b>	<b>5,980,690</b>	<b>6,382,960</b>

Approved for issue by the Board of Directors on July 17, 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 period ended June 30, 2018

Unaudited and expressed in JS'000

<i>STATEMENT OF CASH FLOWS</i>	<i>YTD JUN-18 JS'000</i>	<i>YTD JUN-17 JS'000</i>
Cash Flows from Operating Activities		
Operating Activities		
Profit /(Loss) for the period	237,660	134,280
Depreciation	55,333	52,560
Interest Income	-	-
Effect of exchange rate translation	-	-
Stock options - value of services expensed	-	-
Loss on disposal of property, plant and equipment	7,640	-
Interest Expense	31,219	30,077
Taxation Expense	-	-
<b>Items not affecting cash</b>	<b>94,192</b>	<b>82,637</b>
(Increase) /Decrease in Current Assets		
Inventories	(37,378)	(226,155)
Trade & Other Receivables	(391,410)	(283,401)
Due from Directors	-	-
Current portion of Long-term loans	-	-
Taxation Recoverable	-	-
Payables	310,022	106,399
<b>Cash provided by operating activities</b>	<b>213,087</b>	<b>(186,240)</b>
Interest Received	-	-
Short Term Investments	(2,705)	92
Acquisition of Property, Plant & Equipment	(268,382)	(109,074)
Proceeds from disposal of property, plant and equipment	0	0
<b>Cash used in Investing Activities</b>	<b>(271,087)</b>	<b>(108,982)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Interest Paid	(31,219)	(30,077)
Loan Repayment	(81,277)	(67,066)
Share Issue	200	-
Proceeds from Loan	60,080	64,672
Dividends Paid	-	-
Cash provided by /(used in) Financing Activities	(52,216)	(32,471)
<b>Net Change in Cash and Cash Equivalents</b>	<b>(110,216)</b>	<b>(327,693)</b>
Exchange gain on foreign cash balances		
Cash and cash equivalents at the beginning of the period	(180,635)	100,433
<b>Cash and cash equivalents at the end of the period</b>	<b>(290,851)</b>	<b>(227,260)</b>
<b>Comprised of:</b>		
Cash and Bank balances	166,961	125,586
Bank Overdraft	(457,812)	(352,846)
	<b>(290,851)</b>	<b>(227,260)</b>

**LASCO Manufacturing Limited**

## Statement of Changes in Shareholders' Equity

For the three months ended June 30, 2018

*Unaudited and expressed in J\$'000*

<b>2017</b>				
	Share Capital	Other	Retained	Total
	J\$'000	Reserve	Earnings	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	<u>305,298</u>	<u>43,095</u>	<u>4,225,791</u>	<u>4,574,184</u>

<b>2018</b>				
	Share Capital	Other	Retained	Total
	J\$'000	Reserve	Earnings	J\$'000
		J\$'000	J\$'000	
Balance at 1 April 2018	325,090		4,509,018	4,834,108
Other Comprehensive Income		89,045		89,045
Total Comprehensive Income for the period			237,660	237,660
Balance as at June 30, 2018	<u>325,090</u>	<u>89,045</u>	<u>4,746,678</u>	<u>5,160,813</u>



# LASCO Manufacturing Limited

Notes to the Financial Statements  
June 30, 2018

## 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 2018.
- 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>2018</u>	<u>2017</u>	
a. Trade Receivables	JA\$ '000	JA\$ '000	
1. Local	1,839,263	1,200,804	
2. Foreign	209,992	196,477	
b. Other Receivables	<u>142,746</u>	<u>289,805</u>	This comprises of prepayments made for capital goods & stock.
	2,192,001	1,687,086	

**SHARE CAPITAL**

	2018	2017
Authorized:-		
4,427,500,000 (2017 – 4,427, 500,000) ordinary shares of no par value		
Stated capital –		
Issued and fully paid –		
Number of ordinary shares		
4,091,163,151 (2017 – 4,087,130,170) ordinary shares of no par value	<u>325,090</u>	<u>305,298</u>



## LASCO MANUFACTURING LIMITED

### TOP TEN SHAREHOLDERS AS AT JUNE 30, 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
SJIML A/C 3119	30,928,200	0.75
MANWEI INTERNATIONAL LTD.	30,101,827	0.73
MAYBERRY JAMAICAN EQUITES LIMITED	24,576,614	0.60
PAM - POOLED EQUITY FUND	23,385,950	0.57
JCSD TRUSTEE SERVICES LTD. A/C #76579-02	20,596,985	0.50
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 JUNE 30, 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



**LASCO MANUFACTURING LIMITED**

**SENIOR MANAGERS AND CONNECTED PARTIES SHAREHOLDING**

**AS AT JUNE 30, 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