

UNAUDITED

Financial Statements



SECOND QUARTER

September 30, 2018



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LASCO Manufacturing Limited

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Report to the Shareholders
SIX MONTHS ENDED SEPTEMBER 30, 2018

The Board of Directors of LASCO Manufacturing is pleased to present the unaudited results for the second quarter ended September 30, 2018.

Revenue for the second quarter ended September 30, 2018 was \$2.06B representing an increase of 4% on the revenue for the corresponding period of the prior year driven by growth in sales volume. **Gross Margin** for the period was 35% up from 31% in the same period of the previous year. The margin improvement is primarily the result of improvements in operational efficiencies.

Operating Profit for the period was \$364.3M or 36% above the \$267.3M recorded in the same period of the prior year.

Administrative Expenses were \$344M or 5% lower than in the previous year resulting in a much improved expense to sales ratio of 16.6% compared to 18.2% in the same quarter of the prior year.

Net Profit out-turn for the quarter was \$265.4M an increase of 31% on the net profit for the corresponding year's quarter.

For the **Six Months** ended September 2018 Revenue was \$3.80 billion compared to \$3.50 billion for the corresponding period of the previous year (a 9 % increase period on period). Operating profit was \$667 million versus \$451 million in the prior year with **Net Profit** in the current year being \$503 million or 49 % higher than the net profit realised in the corresponding six months of the prior year.

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 October 2018.

Interim Dividend

An interim dividend of \$0.038 per share totaling \$155.46M was paid on August 31, 2018 to shareholders on record at the close of business at August 15, 2018.

Balance Sheet

Total Assets at the end of September 30, 2018 stood at \$8.66B an increase of 13% over the same period of last year. Trade and other receivables were \$2.5B or 44 % over the prior year while trade payables were \$1.1M an increase of 10% when compared to the same period of the prior year.

We thank our loyal customers, shareholders and team members as we continue to strive for excellence.

Yours sincerely,

LASCO Manufacturing Limited



James E D Rawle

Managing Director

LASCO Manufacturing Limited

Statement of Comprehensive Income

For the six months ended September 30, 2018

Unaudited and expressed in J\$'000

	3 Months to Sept 30, 2018	3 Months to Sept 30, 2017	6 Months to Sept 30, 2018	6 Months to Sept 30, 2017
Revenue	2,065,566	1,986,228	3,797,847	3,495,840
Cost of Sales	<u>(1,349,485)</u>	<u>(1,362,162)</u>	<u>(2,474,339)</u>	<u>(2,393,556)</u>
Gross Profit	716,081	624,066	1,323,508	1,102,284
Gross Margins %	35%	31%	35%	32%
Other Operating Income / (Loss)	(7,442)	4,571	(4,469)	18,331
Operating Expenses	<u>(344,292)</u>	<u>(361,336)</u>	<u>(651,862)</u>	<u>(669,706)</u>
Profit from Operations	364,347	267,301	667,177	450,909
Finance Costs	<u>(32,457)</u>	<u>(35,426)</u>	<u>(63,676)</u>	<u>(65,503)</u>
Profit before Taxation	331,890	231,875	603,501	385,406
Taxation	(66,486)	(28,925)	(100,437)	(48,176)
Total Comprehensive Income for the period	<u>265,404</u>	<u>202,950</u>	<u>503,064</u>	<u>337,230</u>
Number of Stock units in Issue	4,091,163	4,087,130	4,091,163	4,087,130
Earnings per Stock	0.06	0.05	0.12	0.08

LASCO Manufacturing Limited			
Statement of Financial Position			
as at September 30, 2018			
	<i>Sep-18</i>	<i>Sep-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>
NON-CURRENT ASSETS			
Property, Plant & Equipment	4,142,201	4,348,702	4,066,974
Capital Work in Progress	829,717	424,941	654,960
Total Non-Current Assets	4,971,918	4,773,643	4,721,934
CURRENT ASSETS			
Inventories	978,809	718,798	911,605
Trade & Other Receivables	2,532,704	1,761,416	1,800,591
Taxation Recoverable	-	-	-
Directors Current Accounts	-	-	-
Short Term Investments	98,114	93,836	91,640
Cash and Bank Balances	77,276	303,330	194,722
	3,686,903	2,877,380	2,998,558
CURRENT LIABILITIES			
Trade Payables	1,123,946	1,019,624	627,386
Bank Overdraft	479,215	352,631	375,357
Current Portion of Long Term Loan	334,789	265,566	334,789
	1,937,950	1,637,821	1,337,532
Net Current Assets	1,748,953	1,239,559	1,661,026
	6,720,871	6,013,202	6,382,960
Financed by:			
Share Capital	325,090	317,347	324,890
Other Reserve	89,045	43,095	89,045
Retained Earnings	4,353,553	3,948,462	3,948,462
Current Earnings	503,064	337,230	560,553
	5,270,752	4,646,134	4,922,950
Non-Current Liabilities			
Long Term Loan	921,740	959,380	926,631
Deferred Taxation	528,379	407,688	533,379
	6,720,871	6,013,202	6,382,960

Approved for issue by the board of Directors on November 2, 2018 and signed on its behalf by:

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

James E D Rawle
Managing Director

LML STATEMENT OF CASH FLOWS

For the period ended September 30, 2018

Unaudited and expressed in JS'000

<i>STATEMENT OF CASH FLOWS</i>	<i>YTD SEP-18 JS'000</i>	<i>YTD SEP-17 JS'000</i>
Cash Flows from Operating Activities		
Operating Activities		
Profit /(Loss) for the period	503,064	337,230
Depreciation	110,458	111,221
Interest Income	-	-
Effect of exchange rate translation	-	-
Stock options - value of services expensed	-	-
Loss on disposal of property, plant and equipment	7,648	-
Interest Expense	63,676	65,503
Taxation Expense	-	-
Items not affecting cash	181,782	176,724
(Increase) /Decrease in Current Assets		
Inventories	(67,204)	(53,294)
Trade & Other Receivables	(732,113)	(357,731)
Due from Directors	-	-
Current portion of Long-term loans	-	-
Taxation Recoverable	(5,000)	-
Payables	496,562	274,965
Cash provided by operating activities	377,091	377,894
Interest Received	-	-
Short Term Investments	(6,474)	(528)
Acquisition of Property, Plant & Equipment	(368,090)	(288,765)
Proceeds from disposal of property, plant and equipment	0	0
Cash used in Investing Activities	(374,564)	(289,293)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Interest Paid	(63,676)	(65,503)
Loan Repayment	(164,057)	(130,494)
Share Issue	200	12,049
Proceeds from Loan	159,166	88,663
Dividends Paid	(155,464)	(143,050)
Cash provided by /(used in) Financing Activities	(223,831)	(238,335)
Net Change in Cash and Cash Equivalents	(221,304)	(149,734)
Exchagnge gain on foreign cash balances		
Cash and cash equivalents at the beginning of the period	(180,635)	100,433
Cash and cash equivalents at the end of the period	(401,939)	(49,301)

Comprised of:

Cash and Bank balances	77,276	303,330
Bank Overdraft	(479,215)	(352,631)
	(401,939)	(49,301)

LASCO Manufacturing Limited

LASCO Manufacturing Limited

Statement of Changes in Shareholders' Equity

For the six months ended September 30, 2018

Unaudited and expressed in J\$'000

2017				
	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
Balance as at September 30, 2017	317,347	43,095	4,285,691	4,646,133
2018				
	Share Capital J\$'000	Other Reserve J\$'000	Retained Earnings J\$'000	Total J\$'000
Balance at 1 April 2018	325,090	89,045	4,509,017	4,923,152
Other Comprehensive Income				-
Payment of Dividends			(155,464)	(155,464)
Total Comprehensive Income for the period			503,064	503,064
Balance as at September 30, 2018	325,090	89,045	4,856,617	5,270,752

LASCO Manufacturing Limited

Notes to the Financial Statements
September 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 31st 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 2018 2017

a. Trade Receivables	JA\$ '000	JA\$ '000	
1. Local	2,090,111	1,401,337	
2. Foreign	257,465	140,200	
b. Other Receivables	<u>185,128</u>	<u>219,879</u>	This comprises of prepayments made for capital goods & stock.
	2,532,704	1,761,416	

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>317,347</u>



LASCO MANUFACTURING LIMITED

TOP TEN SHAREHOLDERS AS AT SEPTEMBER 30, 2018

NAMES	UNITS	PERCENTAGES
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	31,777,000	0.77
MANWEI INTERNATIONAL LTD.	30,101,827	0.73
MAYBERRY JAMAICAN EQUITIES LIMITED	24,158,141	0.59
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 SEPTEMBER 30, 2018**

NAME OF PRIMARY HOLDERS	POSITION *CONNECTED PARTIES	UNITS	PERCENTAGES
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
COMPTON RODNEY		0.00	0.0000



LASCO MANUFACTURING LIMITED

SENIOR MANAGERS AND CONNECTED PARTIES SHAREHOLDING

AS AT SEPTEMBER 30, 2018

Name			
Primary Holder	Units		Percentages
JAMES RAWLE	0.00		0.0000
ROBERT PARKINS	0.00		0.0000
SOPHIA GAYLE	0.00		0.0000
JEAN GRANT	0.00		0.0000