

**UNAUDITED**  
**Financial Statements**  
**THIRD QUARTER**  
**December 31, 2018**



LASCO Manufacturing Limited

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## Report to the Shareholders

NINE MONTHS ENDED DECEMBER 31, 2018

The Board of Directors of LASCO Manufacturing is pleased to present the unaudited results for the third quarter ended December 31, 2018.

**Revenue** for the third quarter ended December 31, 2018 was \$1.8B representing an increase of 2% on the revenue for the corresponding period of the prior year. **Gross margin** for the period was 34% up from 32% 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 \$252M or 2% below that recorded for the same period of the prior year.

**Administrative Expenses** were \$368M or 22.5% higher than in the previous year.

**Net Profit** out-turn for the quarter was \$197M an increase of 1% on the net profit for the corresponding year's quarter.

**For the Nine Months ended December 2018** Revenue was \$5.6 billion compared to \$5.27 billion for the corresponding period of the previous year (a 6.3% increase period on period). Operating profit was \$919 million versus \$707.8 million in the prior year with **Net Profit** in the current year being \$700.5 million or 31.5 % higher than the net profit realised in the corresponding nine 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 was completed in the period.

### Balance Sheet

Total Assets at the end of December 31, 2018 stood at \$8.5B an increase of 5.6% over the same period of last year. Trade and other receivables were \$2.2B in line with prior year while trade payables decreased by 21% when compared to the same period of the prior year.

### New Products

During the quarter, we introduced:-

- 1). Two (2) new flavours of iCool juice drinks – Strawberry Banana and Pom-Passion in 2 sizes.
- 2). iCool water in 1.5 litres and 330mls
- 3). A low sugar variant of LASCO Food Drink – Creamy Malt

### Corporate Social Responsibility

During the quarter also the company sponsored the LASCO/Ministry of Education Teacher and Principal of the Year Awards as we continue to be committed to the development of our children through education. The Awards ceremony was held on December 11, 2018 at the Jamaica Pegasus Hotel. The winners won champion trophies and along with the 1<sup>st</sup> runners up will have the opportunity to attend the 2019 ASCD conference, to be held in March in Chicago .

LASCO Manufacturing Limited

**Teacher of the Year:**

Winner - Amorkard Brown (Munro College – Region 5)

**Principal of the Year:**

Winner - Mrs. Margaret Campbell (St. Georges College – Region 1)

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 nine months ended December 31, 2018

*Unaudited and expressed in J\$'000*

	3 Months to Dec 31, 2018	3 Months to Dec 31, 2017	9 Months to Dec 31, 2018	9 Months to Dec 31, 2017
Revenue	1,813,453	1,780,539	5,611,300	5,276,379
Cost of Sales	<u>(1,202,212)</u>	<u>(1,219,416)</u>	<u>(3,676,551)</u>	<u>(3,612,972)</u>
<b>Gross Profit</b>	<b>611,241</b>	<b>561,123</b>	<b>1,934,749</b>	<b>1,663,407</b>
<b>Gross Margin %</b>	<b>34%</b>	<b>32%</b>	<b>34%</b>	<b>32%</b>
Other Operating Income / (Loss)	9,075	(3,573)	4,606	14,758
Operating Expenses	<u>(368,308)</u>	<u>(300,605)</u>	<u>(1,020,170)</u>	<u>(970,311)</u>
Profit from Operations	<b>252,008</b>	<b>256,945</b>	<b>919,185</b>	<b>707,854</b>
Finance Costs	<u>(26,358)</u>	<u>(33,759)</u>	<u>(90,034)</u>	<u>(99,262)</u>
<b>Profit before Taxation</b>	225,650	223,186	829,151	608,592
Taxation	(28,206)	(27,898)	(128,643)	(76,074)
<b>Total Comprehensive Income for the period</b>	<b>197,444</b>	<b>195,288</b>	<b>700,508</b>	<b>532,518</b>
<b>Number of Stock units in Issue</b>	4,091,163	4,087,130	4,091,163	4,087,130
<b>Earnings per Stock</b>	0.05	0.05	0.17	0.13

**LASCO Manufacturing Limited**  
**Statement of Financial Position**  
as at December 31, 2018

	<i>DEC-18</i> <i>UnAudited</i> <i>J\$'000</i>	<i>DEC-17</i> <i>UnAudited</i> <i>J\$'000</i>	<i>MAR-18</i> <i>Audited</i> <i>J\$'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, Plant & Equipment	4,095,833	4,117,965	4,066,974
Capital Work in Progress	926,635	516,190	654,960
<b>Total Non-Current Assets</b>	<b>5,022,468</b>	<b>4,634,155</b>	<b>4,721,934</b>
<b>CURRENT ASSETS</b>			
Inventories	1,027,234	1,002,704	911,605
Trade & Other Receivables	2,254,383	2,262,688	1,800,591
Taxation Recoverable	-	-	-
Directors Current Accounts	-	-	-
Short Term Investments	92,794	90,870	91,640
Cash and Bank Balances	102,800	57,104	194,722
	<b>3,477,211</b>	<b>3,413,366</b>	<b>2,998,558</b>
<b>CURRENT LIABILITIES</b>			
Trade Payables	853,828	1,051,739	627,386
Bank Overdraft	218,613	575,585	375,357
Current Portion of Long Term Loan	334,789	265,566	334,789
	<b>1,407,230</b>	<b>1,892,890</b>	<b>1,337,532</b>
<b>Net Current Assets</b>	<b>2,069,981</b>	<b>1,520,476</b>	<b>1,661,026</b>
	<b>7,092,449</b>	<b>6,154,631</b>	<b>6,382,960</b>
<b>Financed by:</b>			
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	700,508	532,518	560,553
	<b>5,468,196</b>	<b>4,841,422</b>	<b>4,922,950</b>
<b>Non-Current Liabilities</b>			
Long Term Loan	1,065,874	905,521	926,631
Deferred Taxation	558,379	407,688	533,379
	<b>7,092,449</b>	<b>6,154,631</b>	<b>6,382,960</b>

Approved for issue by the board of Directors on February 4, 2019 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

LASCO Manufacturing Limited

**LML STATEMENT OF CASH FLOWS**

For the period ended December 31, 2018

Unaudited and expressed in JS'000

<i>STATEMENT OF CASH FLOWS</i>	<i>YTD DEC-18 JS'000</i>	<i>YTD DEC-17 JS'000</i>
Cash Flows from Operating Activities		
Operating Activities		
Profit /(Loss) for the period	<b>700,508</b>	<b>532,518</b>
Depreciation	165,730	162,712
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	90,034	99,262
Taxation Expense	103,643	76,074
<b>Items not affecting cash</b>	<b>367,055</b>	<b>338,048</b>
(Increase) /Decrease in Current Assets		
Inventories	(115,629)	(337,200)
Trade & Other Receivables	(453,792)	(859,003)
Due from Directors	-	-
Current portion of Long-term loans	-	-
Taxation Recoverable	25,000	-
Payables	122,801	231,003
<b>Cash provided by operating activities</b>	<b>645,943</b>	<b>(94,634)</b>
Interest Received		-
Short Term Investments	(1,154)	2,438
Acquisition of Property, Plant & Equipment	(473,912)	(200,766)
Proceeds from disposal of property, plant and equipment	0	
<b>Cash used in Investing Activities</b>	<b>(475,066)</b>	<b>(198,328)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Interest Paid	(90,034)	(99,262)
Loan Repayment	(249,098)	(195,582)
Share Issue	200	12,049
Proceeds from Loan	388,341	99,893
Dividends Paid	(155,464)	(143,050)
<b>Cash provided by /(used in) Financing Activities</b>	<b>(106,055)</b>	<b>(325,952)</b>
<b>Net Change in Cash and Cash Equivalents</b>	<b>64,822</b>	<b>(618,914)</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>(115,813)</b>	<b>(518,481)</b>

**Comprised of:**

Cash and Bank balances	102,800	57,104
Bank Overdraft	(218,613)	(575,585)
	<b>(115,813)</b>	<b>(518,481)</b>

LASCO Manufacturing Limited

**LASCO Manufacturing Limited**

## Statement of Changes in Shareholders' Equity

For the nine months ended December 31, 2018

*Unaudited and expressed in J\$'000*

<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>
<b>2018</b>				
	Share Capital	Other	Retained	Total
	J\$'000	Reserves	Earnings	J\$'000
	J\$'000	J\$'000	J\$'000	J\$'000
Balance at 1 April 2018	325,090	89,045	4,509,017	4,923,152
Share Issue				
Other Comprehensive Income				
Payment of Dividends			(155,464)	(155,464)
Total Comprehensive Income for the period			700,508	700,508
<b>Balance as at December 31, 2018</b>	<b>325,090</b>	<b>89,045</b>	<b>5,054,061</b>	<b>5,468,196</b>



## LASCO Manufacturing Limited

Notes to the Financial Statements  
December 31, 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. <u>TRADE &amp; OTHER RECEIVABLES</u>	<u>2018</u>	<u>2017</u>	
a. Trade Receivables	JA\$ '000	JA\$ '000	
1. Local	1,903,066	2,090,111	
2. Foreign	126,601	257,465	
b. Other Receivables	<u>224,716</u>	<u>185,128</u>	This comprises of prepayments made for capital goods & stock.
	2,254,383	2,532,704	

**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 DECEMBER 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
SJIML A/C 3119	31,777,000	0.77
MANWEI INTERNATIONAL LTD.	30,101,827	0.73
MAYBERRY JAMAICAN EQUITIES LIMITED	24,169,343	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 DECEMBER 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
COMPTON RODNEY		0.00	0.0000



**LASCO MANUFACTURING LIMITED**

**SENIOR MANAGERS AND CONNECTED PARTIES SHAREHOLDING  
AS AT DECEMBER 31, 2018**

<b>Name</b>			
<b>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
JEAN GRANT		0.00	0.0000