



UNAUDITED
Financial Statements
SECOND QUARTER
September 30, 2019



LASCO Manufacturing Limited

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Report to the Shareholders

SIX MONTHS ENDED SEPTEMBER 30, 2019

The Board of Directors of LASCO Manufacturing is pleased to present the unaudited results for the second quarter ended September 30, 2019.

Revenue for the second quarter ended September 30, 2019 was \$2.060B comparable to the revenue (\$2.065B) for the corresponding period of the prior year. **Gross margin** for the period was 37% up from 35% 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 \$359.2M compared to \$364.3M recorded in the same period of the prior year.

Administrative Expenses were \$391.8M or 13.8% higher than in the previous year resulting in an expense to sales ratio of 17% compared to 17.6% in the same quarter of the prior year.

Net Profit out-turn for the quarter was \$280M an increase of 5.5% on the net profit for the corresponding year's quarter.

For the **Six Months** ended September 2019 Revenue was \$3.84 billion compared to \$3.80 billion for the corresponding period of the previous year (1.3 % increase period on period). Operating profit was \$714 million versus \$667 million in the prior year with **Net Profit** in the current year being \$562.5 million or 12 % 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 the expansion of our Dry Blend Plant at White Marl.

Interim Dividend

An interim dividend of \$0.061 per share totaling \$249.9M was paid on June 28, 2019 to shareholders on record at the close of business at June 15, 2019.

Balance Sheet

Total Assets at the end of September 30, 2019 stood at \$8.94B an increase of 3.3% over the same period of last year with net current assets being \$2.245 billion or 28% above the same period in prior year. Trade and other receivables were \$2.1B or 14 % below the prior year while trade payables were \$877.6M a 22% decline when compared to the same period of the prior year. An equity investment of Two Hundred Seventy Five Million Dollars (\$275M) was made during the quarter.

Corporate Social Responsibility

On July 20, 2019 Lasco Manufacturing Limited in collaboration with The Lasco Chin Foundation, Lasco Distributors Limited and the Nurses' Association of Jamaica hosted the LASCO/NAJ Nurse and Student

Nurse of the Year Awards at the Jamaica Pegasus Hotel. The recipients were awarded cash prizes, trophies, gifts baskets and packages.

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

Yours sincerely,

LASCO Manufacturing Limited

A handwritten signature in blue ink, appearing to read 'James E D Rawle', written over a dotted line.

James E D Rawle
Managing Director

LASCO Manufacturing Limited

LASCO Manufacturing Limited

Statement of Comprehensive Income

For the six months ended September 30, 2019

Unaudited and expressed in J\$'000

	3 Months to Sept 30, 2019	3 Months to Sept 30, 2018	6 Months to Sept 30, 2019	6 Months to Sept 30, 2018
Revenue	2,060,829	2,065,566	3,848,144	3,797,847
Cost of Sales	<u>(1,306,611)</u>	<u>(1,349,485)</u>	<u>(2,426,035)</u>	<u>(2,474,339)</u>
Gross Profit	754,218	716,081	1,422,109	1,323,508
Gross Margins %	37%	35%	37%	35%
Other Operating Income / (Loss)	(3,204)	(7,442)	13,914	(4,469)
Operating Expenses	<u>(391,800)</u>	<u>(344,292)</u>	<u>(721,994)</u>	<u>(651,862)</u>
Profit from Operations	359,214	364,347	714,029	667,177
Finance Costs	<u>(21,905)</u>	<u>(32,457)</u>	<u>(53,960)</u>	<u>(63,676)</u>
Profit before Taxation	337,309	331,890	660,069	603,501
Taxation	(57,164)	(66,486)	(97,509)	(100,437)
Total Comprehensive Income for the period	<u>280,145</u>	<u>265,404</u>	<u>562,560</u>	<u>503,064</u>
Number of Stock units in Issue	4,105,263	4,091,163	4,105,263	4,091,163
Earnings per Stock	0.07	0.06	0.14	0.12

LASCO Manufacturing Limited
Statement of Financial Position
as at September 30, 2019

	<i>SEP-19</i> <i>UnAudited</i>	<i>SEP-18</i> <i>UnAudited</i>	<i>MAR-19</i> <i>Audited</i>
	<i>J\$'000</i>	<i>J\$'000</i>	<i>J\$'000</i>
NON-CURRENT ASSETS			
Property, Plant & Equipment	4,677,639	4,142,201	4,760,917
Capital Work in Progress	381,511	829,717	312,307
Long Term Investment	275,000	-	-
Total Non-Current Assets	5,334,150	4,971,918	5,073,224
CURRENT ASSETS			
Inventories	961,680	978,809	1,055,776
Trade & Other Receivables	2,145,842	2,532,704	1,513,024
Taxation Recoverable	-	-	-
Directors Current Accounts	-	-	-
Short Term Investments	98,124	98,114	91,083
Cash and Bank Balances	401,464	77,276	918,721
	3,607,110	3,686,903	3,578,604
CURRENT LIABILITIES			
Trade Payables	877,664	1,123,946	859,995
Bank Overdraft	-	479,215	-
Current Portion of Long Term Loan	484,176	334,789	463,927
	1,361,840	1,937,950	1,323,922
Net Current Assets	2,245,270	1,748,953	2,254,682
	7,579,420	6,720,871	7,327,906
Financed by:			
Share Capital	376,413	325,090	327,873
Other Reserve	87,607	89,045	87,607
Retained Earnings	5,180,362	4,353,553	4,353,553
Current Earnings	562,560	503,064	1,076,779
	6,206,942	5,270,752	5,845,812
Non-Current Liabilities			
Long Term Loan	807,142	921,740	931,758
Deferred Taxation	565,336	528,379	550,336
	7,579,420	6,720,871	7,327,906

Approved for issue by the board of Directors on October 23, 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

LML STATEMENT OF CASH FLOWS

For the period ended September 30, 2019

Unaudited and expressed in JS'000

<i>STATEMENT OF CASH FLOWS</i>	<i>YTD SEP-19 JS'000</i>	<i>YTD SEP-18 JS'000</i>
Cash Flows from Operating Activities		
Operating Activities		
Profit /(Loss) for the period	562,560	503,064
Depreciation	130,508	110,458
Interest Income	(3,407)	
Effect of exchange rate translation		
Stock options - value of services expensed		
Loss on disposal of property, plant and equipment		7,648
Interest Expense	53,960	63,676
Taxation Expense	97,509	82,509
Items not affecting cash	278,570	264,291
(Increase) /Decrease in Current Assets		
Inventories	94,096	(67,204)
Trade & Other Receivables	(632,818)	(732,113)
Payables	(64,840)	409,054
Cash provided by operating activities	237,568	377,091
Interest Received	3,407	
Short Term Investments	(7,041)	(6,474)
Acquisition of Property, Plant & Equipment	(116,434)	(368,090)
Proceeds from disposal of property, plant and equipment	-	0
Cash used in Investing Activities	(120,068)	(374,564)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Interest Paid	(53,960)	(63,676)
Loan Repayment	(213,913)	(164,057)
Share Issue	48,540	200
Proceeds from Loan	109,546	159,166
Long term investment in Stocks	(275,000)	-
Dividends Paid	(249,970)	(155,464)
Cash provided by /(used in) Financing Activities	(634,757)	(223,831)
Net Change in Cash and Cash Equivalents	(517,257)	(221,304)
Exchange gain on foreign cash balances		
Cash and cash equivalents at the beginning of the period	918,721	(180,635)
Cash and cash equivalents at the end of the period	401,464	(401,939)
Comprised of:		
Cash and Bank balances	401,464	77,276
Bank Overdraft	-	(479,215)
	401,464	(401,939)

LASCO Manufacturing Limited

LASCO Manufacturing Limited

Statement of Changes in Shareholders' Equity

For the six months ended September 30, 2019

Unaudited and expressed in J\$'000

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
2019				
	Share Capital J\$'000	Other Reserve J\$'000	Retained Earnings J\$'000	Total J\$'000
Balance at 1 April 2019	376,413	87,607	5,430,332	5,894,352
Other Comprehensive Income				-
Payment of Dividends			(249,970)	(249,970)
Total Comprehensive Income for the period			562,560	562,560
Balance as at September 30, 2019	376,413	87,607	5,742,922	6,206,942

LASCO Manufacturing Limited

Notes to the Financial Statements

September 30, 2019

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 2019.
- 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 & OTHER RECEIVABLES</u>	<u>2019</u>	<u>2018</u>	
a. Trade Receivables	JA\$ '000	JA\$ '000	
1. Local	1,814,751	2,090,111	
2. Foreign	113,975	257,465	
b. Other Receivables	<u>217,116</u>	<u>185,128</u>	This comprises of prepayments made for capital goods & stock.
	2,145,842	2,532,704	

LASCO Manufacturing Limited

5. SHARE CAPITAL

	2019	2018
Authorized:-		
4,427,500,000 (2018 – 4,427, 500,000) ordinary shares of no par value		
Stated capital –		
Issued and fully paid –		
Number of ordinary shares		
4,105,263,151 (2018 – 4,087,130,170) ordinary shares of no par value	<u>376,413</u>	<u>325,090</u>



LASCO MANUFACTURING LIMITED

TOP TEN SHAREHOLDERS AS AT SEPTEMBER 30, 2019

NAMES	UNITS	PERCENTAGES
EAST WEST (ST. LUCIA) LIMITED	2,002,693,780	48.93
LASCELLES A. CHIN	1,244,428,470	30.40
NATIONAL INSURANCE FUND	103,794,541	2.53
SJIML A/C 3119	31,777,000	0.77
MAYBERRY JAMAICAN EQUITIES LIMITED	26,250,668	0.64
PAM - POOLED EQUITY FUND	23,385,950	0.57
JCSD TRUSTEE SERVICES LTD. A/C #76579-02	20,657,468	0.50
YUAN LIAO	20,391,220	0.49
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, 2019**

NAME OF PRIMARY HOLDERS	POSITION *CONNECTED PARTIES	UNITS	PERCENTAGES
LASCELLES CHIN		1,244,428,470.00	30.4040
	*EAST WEST (ST. LUCIA) LTD	2,002,693,780.00	49.0000
	*EILEEN CHIN - DIRECT	{16,000,000.00}	{0.3909}
EILEEN CHIN		16,000,000.00	0.3909
	*LASCELLES CHIN -DIRECT	{1,244,428,470.00}	{30.4040}
ROSALEA HAMILTON		110,000.00	0.0026
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
KENNETH SYLVESTER		0.00	0.0000



LASCO MANUFACTURING LIMITED

SENIOR MANAGERS AND CONNECTED PARTIES SHAREHOLDING

AS AT SEPTEMBER 30, 2019

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