

UNAUDITED
Financial Statements
THIRD QUARTER
December 31, 2019



JSE's EXECUTIVE OFFICES

LASCO Manufacturing Limited

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Signature: T. ROSE

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Report to the Shareholders

NINE MONTHS ENDED DECEMBER 31, 2019

The Board of Directors of LASCO Manufacturing is pleased to present the unaudited results for the third quarter ended December 31, 2019.

Revenue for the third quarter ended December 31, 2019 was \$2B representing an increase of 10% on the revenue for the corresponding period of the prior year. **Gross margin** for the period was 36% up from 34% 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 \$310.4M or 23% above that recorded for the same period of the prior year.

Administrative Expenses were \$392.6M or 6.6% higher than in the previous year.

Net Profit out-turn for the quarter was \$218M an increase of 10.5% on the net profit for the corresponding year's quarter.

For the Nine Months ended December 2019 Revenue was \$5.8 billion compared to \$5.6 billion for the corresponding period of the previous year (a 4% increase period on period). Operating profit was \$1 billion versus \$919 million in the prior year with **Net Profit** in the current year being \$780.7 million or 11.4 % higher than the net profit realised in the corresponding nine months of the prior year.

Capital Investments were primarily focused on the expansion of the Dry Plant White Marl facility which is expected to be completed by the end of the financial year.

Balance Sheet

Total Assets at the end of December 31, 2019 stood at \$9.4B an increase of 10.8% over the same period of last year with net current assets being \$2.4 billion or 17.2% above the same period in prior year. Trade and other receivables were \$2.1 billion or 5.7% below prior year while trade payables increased by 35% when compared to the same period of the prior year.

Corporate Social Responsibility

Teacher of the Year Project

Lasco supported the Teacher of the Year 2018-2019, Amorkard Brown with his final project "TEACCH" Conference which focused on health and wealth at the Munro College Auditorium in St. Elizabeth on Thursday, October 24, 2019. The event saw over 30 teachers from across varying parishes turning out for the event.

Teacher/ Principal of the Year Awards

The awards ceremony was held on Monday December 2, 2019 at the Jamaica Pegasus Hotel where twelve finalists vied for the Lasco/Ministry of Education, Youth and Information Teacher and Principal of the Year title.

All finalists received plaques, gift certificates and baskets courtesy of LASCO. The top principal and teacher received champion trophies, cash prizes valued at \$250,000 each and the opportunity to attend the 2020 Association for Supervision and Curriculum Development (ASCD) Conference to be held in Los Angeles come March 2020.

Teacher of the Year: Mrs. Bhagya Malladi - Immaculate Conception High

Principal of the Year: Mr. Lynton Weir – Old Harbour High

REAP

Also during the quarter we were involved in the launching of the 2019-2020 LASCO ReLeaf Environmental Awareness Programme under the theme, 'Turning Over a New Leaf'. This was held on Thursday October 3, 2019 at the Bath Primary and Jnr. High School in St. Thomas.

Community Christmas Treat

We participated in the annual Christmas treat held for the residents of the White Marl and Central Village Communities held on Thursday December 19, 2019.

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

Yours sincerely,

LASCO Manufacturing Limited



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James E D Rawle
Managing Director

LASCO Manufacturing Limited

Statement of Comprehensive Income

For the nine months ended December 31, 2019

Unaudited and expressed in J\$'000

	3 Months to Dec 31, 2019	3 Months to Dec 31, 2018	9 Months to Dec 31, 2019	9 Months to Dec 31, 2018
Revenue	1,995,857	1,813,453	5,844,001	5,611,300
Cost of Sales	<u>(1,276,616)</u>	<u>(1,202,212)</u>	<u>(3,702,651)</u>	<u>(3,676,551)</u>
Gross Profit	719,241	611,241	2,141,350	1,934,749
Gross Margin %	36%	34%	37%	34%
Other Operating Income / (Loss)	(16,126)	9,075	(2,212)	4,606
Operating Expenses	<u>(392,660)</u>	<u>(368,308)</u>	<u>(1,114,654)</u>	<u>(1,020,170)</u>
Profit from Operations	310,455	252,008	1,024,484	919,185
Finance Costs	<u>(21,166)</u>	<u>(26,358)</u>	<u>(75,126)</u>	<u>(90,034)</u>
Profit before Taxation	289,289	225,650	949,358	829,151
Taxation	(71,161)	(28,206)	(168,670)	(128,643)
Total Comprehensive Income for the period	<u>218,128</u>	<u>197,444</u>	<u>780,688</u>	<u>700,508</u>
Number of Stock units in Issue	4,125,010	4,091,163	4,125,010	4,091,163
Earnings per Stock	0.05	0.05	0.19	0.17

LASCO Manufacturing Limited
Statement of Financial Position
as at December 31, 2019

	<i>DEC-19</i> <i>UnAudited</i>	<i>DEC-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	4,621,174	4,095,833	4,760,917
Capital Work in Progress	422,605	926,635	312,307
Long Term Investment	314,000	-	-
Total Non-Current Assets	5,357,779	5,022,468	5,073,224
CURRENT ASSETS			
Inventories	1,122,418	1,027,234	1,055,776
Trade & Other Receivables	2,126,227	2,254,383	1,513,024
Taxation Recoverable	-	-	-
Directors Current Accounts	-	-	-
Short Term Investments	95,910	92,794	91,083
Cash and Bank Balances	718,676	102,800	918,721
	4,063,231	3,477,211	3,578,604
CURRENT LIABILITIES			
Trade Payables	1,152,655	853,828	859,995
Bank Overdraft	-	218,613	-
Current Portion of Long Term Loan	484,176	334,789	463,927
	1,636,831	1,407,230	1,323,922
Net Current Assets	2,426,400	2,069,981	2,254,682
	7,784,179	7,092,449	7,327,906
Financed by:			
Share Capital	444,047	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	780,688	700,508	1,076,779
	6,492,704	5,468,196	5,845,812
Non-Current Liabilities			
Long Term Loan	691,139	1,065,874	931,758
Deferred Taxation	600,336	558,379	550,336
	7,784,179	7,092,449	7,327,906

Approved for issue by the board of Directors on February 4, 2020 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 December 31, 2019

Unaudited and expressed in J\$'000

<i>STATEMENT OF CASH FLOWS</i>	<i>YTD DEC-19 J\$'000</i>	<i>YTD DEC-18 J\$'000</i>
Cash Flows from Operating Activities		
Operating Activities		
Profit /(Loss) for the period	780,688	700,508
Depreciation	195,584	165,730
Interest Income	(3,957)	
Effect of exchange rate translation		
Stock options - value of services expensed		7,648
Loss on disposal of property, plant and equipment		90,034
Interest Expense	75,126	103,643
Taxation Expense	168,670	
Items not affecting cash	435,423	367,055
(Increase) /Decrease in Current Assets		
Inventories	(66,642)	(115,629)
Trade & Other Receivables	(613,203)	(453,792)
Payables	173,990	147,801
Cash provided by operating activities	710,256	645,943
Interest Received	3,957	-
Short Term Investments	(4,827)	(1,154)
Acquisition of Property, Plant & Equipment	(166,139)	(473,912)
Proceeds from disposal of property, plant and equipment	-	0
Cash used in Investing Activities	(167,009)	(475,066)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Interest Paid	(75,126)	(90,034)
Loan Repayment	(329,916)	(249,098)
Share Issue	116,174	200
Proceeds from Loan	109,546	388,341
Long term investment in Stocks	(314,000)	-
Dividends Paid	(249,970)	(155,464)
Cash provided by /(used in) Financing Activities	(743,292)	(106,055)
Net Change in Cash and Cash Equivalents	(200,045)	64,822
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	718,676	(115,813)

Comprised of:

Cash and Bank balances	718,676	102,800
Bank Overdraft	-	(218,613)
	718,676	(115,813)

LASCO Manufacturing Limited

Statement of Changes in Shareholders' Equity

For the nine months ended December 31, 2019

Unaudited and expressed in J\$'000

2018				
	Share Capital J\$'000	Other Reserves J\$'000	Retained Earnings J\$'000	Total 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
Balance as at December 31, 2018	325,090	89,045	5,054,061	5,468,197
2019				
	Share Capital J\$'000	Other Reserves J\$'000	Retained Earnings J\$'000	Total J\$'000
Balance at 1 April 2019	444,047	87,607	5,430,332	5,961,986
Share Issue				
Other Comprehensive Income				
Payment of Dividends			(249,970)	(249,970)
Total Comprehensive Income for the period			780,688	780,688
Balance as at December 31, 2019	444,047	87,607	5,961,050	6,492,704

LASCO Manufacturing Limited

Notes to the Financial Statements
December 31, 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. TRADE & OTHER RECEIVABLES

	<u>2019</u>	<u>2018</u>	
a. Trade Receivables	JA\$ '000	JA\$ '000	
1. Local	1,774,394	1,903,066	
2. Foreign	201,608	126,601	
b. Other Receivables	<u>150,225</u>	<u>224,716</u>	This comprises of prepayments made for capital goods & stock.
	2,126,227	2,254,383	

SHARE CAPITAL

	2019	2018
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		
4,125,009,992 (2018 – 4,091,163,151) ordinary shares of no par value	<u>444,047</u>	<u>325,090</u>



LASCO MANUFACTURING LIMITED

TOP TEN SHAREHOLDERS AS AT DECEMBER 31, 2019

NAMES	UNITS	PERCENTAGES
EAST WEST (ST. LUCIA) LIMITED	2,002,693,780	48.55
LASCELLES A. CHIN	1,244,428,470	30.17
NATIONAL INSURANCE FUND	103,794,541	2.52
SAGICOR SELECT FUND LETTER – ('CLASS C' SHARES) MANUFACTURING & DISTRIBUTION	32,816,914	0.79
SJIML A/C 3119	31,777,000	0.77
MAYBERRY JAMAICAN EQUITIES LIMITED	26,839,949	0.65
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



LASCO MANUFACTURING LIMITED

**DIRECTORS AND CONNECTED PARTIES SHAREHOLDINGS
AS AT DECEMBER 31, 2019**

NAME OF PRIMARY HOLDERS	POSITION *CONNECTED PARTIES	UNITS	PERCENTAGES
LASCELLES CHIN		1,244,428,470.00	30.1678
	*EAST WEST (ST. LUCIA) LTD	2,002,693,780.00	48.5500
	*EILEEN CHIN - DIRECT	{16,000,000.00}	{0.3878}
EILEEN CHIN		16,000,000.00	0.3878
	*LASCELLES CHIN -DIRECT	{1,244,428,470.00}	{30.1678}
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 DECEMBER 31, 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
DANIEL STRACHAN		0.00	0.0000
CLEVERICK DOUGHORTY		0.00	0.0000
ERROL GRANT		0.00	0.0000