



UNAUDITED
Financial Statements
SECOND QUARTER
September 30, 2021



LASCO Manufacturing Limited

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Report to the Shareholders

Six months ended September 2021

The Board of Directors of LASCO Manufacturing Limited is pleased to present the unaudited results for second quarter ended September 2021.

Quarter Results:

Revenue for the second quarter ended September 30, 2021 was \$2.338 billion or a 2.7% increase on the revenue (\$2.276 billion) of the corresponding quarter of the prior year.

Gross margin for the period was 37% compared to 39% in the same period of the previous year. The margin decline (-200 basis points) was due to increased materials and logistics costs which were not fully recovered through selling price increases.

Operating profit for the three months was \$567.24 million, 11.7 % above the \$507.75 realised in the same quarter of the prior year.

Net Profit for the three months was \$380.32 million a decrease of 3.8 % on the net profit for the corresponding period of the previous year. The net profit decline reflects higher taxation charges as well the margin decline because of increased input costs (materials and logistics costs) which were not fully recovered in selling price increases.

Six Months Results:

For the **six months** ended September 30, 2021, revenue was \$4.65 billion or 13% higher than the \$4.12 billion achieved in the corresponding period of the previous year. Gross margin was 37% - a 200 basis points decline on the year before (due to higher input costs that were not fully recovered).

Selling and Administrative expenses were contained at \$622.8 million, a reduction of 7% on the prior year, resulting in an improved Expense to Sales ratio of 13% compared to 16% in the same period of the previous year - and reflecting gains in operational efficiencies.

Operating Profit grew to \$1.1 billion, a 24% increase over the prior year, while **Net Profit** was \$782 million or 6% higher than in the corresponding six months of the prior year.

Balance Sheet

Total Assets at the end of September 2021 were \$11.1 billion an increase of 10% over the prior year with current assets being \$6.1 billion or 22 % higher than the current assets at the end of September 2020. Trade and other receivables were \$3.0 billion up from \$2.2 billion or an increase of 33% on the prior year, while payables were \$1.33 billion or 16 % higher than in the same period last year. Inventories were \$1.3 billion versus \$1.1 billion for the prior year

Cash and Bank Balances, inclusive of short-term investments, were \$1.8 billion, up from \$1.62 billion in the previous year.

Interim Dividend

An interim dividend of \$0.0726 totaling \$300 million was paid to shareholders on July 26, 2021.

Corporate Social Responsibility

In continuation of our Corporate Social Responsibility initiatives, we partnered with the Nurses Association of Jamaica (NAJ), The Lasco Chin Foundation and Lasco Distributors Limited in activities to celebrate International Nurses' Day on May 12, 2021 via an online platform from the NAJ's headquarters. In July the collaboration and sponsorship continued with the commemoration and celebration of Nurses' week which culminated with the Award of the Lasco/NAJ Nurse of the year, Runners up, and the Lasco/NAJ Student Nurse of the year.

Other aspects of our outreach programmes continued, including contribution to care packages to various Relief and Charitable institutions and donations of our iCool water for hydration at the various vaccination sites across the Island.

Outlook

During the period the Covid -19 pandemic and the related containment measures continued to negatively impact the business. Significant input costs increases were experienced due to material price inflation and logistics costs increases (related to pandemic induced supply chain disruptions) and these are likely to continue. Margins will therefore be under pressure and while further price increases may become necessary, we are committed to mitigate the extent through our drive for improved efficiencies, cost control and internal economies.

We will also continue to be proactive, agile and prudent to ensure business continuity and take actions to mitigate potential negative impacts to the business.

We thank our hard-working team members for their on-going dedication and commitment and our customers, shareholder and other stakeholder for their continued confidence and support.

Yours sincerely,

LASCO MANUFACTURING LIMITED

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

James E. D. Rawle
Managing Director

LASCO Manufacturing Limited

Statement of Comprehensive Income

For the six months ended September 30, 2021


Unaudited and expressed in J\$'000

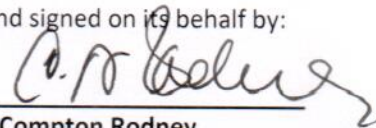
	Sept 30, 2021	Sept 30, 2020	6 Months to Sept 30, 2021	6 Months to Sept 30, 2020
Revenue	2,338,217	2,276,085	4,658,044	4,124,159
Cost of Sales	<u>(1,468,678)</u>	<u>(1,395,572)</u>	<u>(2,947,946)</u>	<u>(2,523,487)</u>
Gross Profit	869,539	880,513	1,710,098	1,600,672
Gross Margins %	37%	39%	37%	39%
Other Operating Income / (Loss)	16,338	(15,853)	50,974	(18,176)
Operating Expenses	<u>(318,632)</u>	<u>(356,905)</u>	<u>(622,888)</u>	<u>(667,840)</u>
Profit from Operations	567,245	507,755	1,138,184	914,656
Finance Costs	<u>(13,474)</u>	<u>(15,567)</u>	<u>(29,074)</u>	<u>(31,829)</u>
Profit before Taxation	553,771	492,188	1,109,110	882,827
Taxation	(173,443)	(96,524)	(327,020)	(145,353)
Total Comprehensive Income for the period	<u>380,328</u>	<u>395,664</u>	<u>782,090</u>	<u>737,474</u>
Number of Stock units in Issue	4,132,913	4,130,913	4,132,913	4,130,913
Earnings per Stock	0.09	0.10	0.19	0.18

LASCO Manufacturing Limited
Statement of Financial Position
as at September 30, 2021

	<i>SEP-21</i> <i>UnAudited</i>	<i>SEP-20</i> <i>UnAudited</i>	<i>MAR-21</i> <i>Audited</i>
	<i>J\$'000</i>	<i>J\$'000</i>	<i>J\$'000</i>
NON-CURRENT ASSETS			
Property, Plant & Equipment	4,701,931	4,512,173	4,813,761
Capital Work in Progress	139,715	404,221	137,047
Long Term Investment	221,029	220,690	221,029
Total Non-Current Assets	5,062,676	5,137,084	5,171,837
CURRENT ASSETS			
Inventories	1,289,968	1,114,146	1,318,431
Trade & Other Receivables	2,975,275	2,242,320	2,243,793
Taxation Recoverable		-	-
Directors Current Accounts		-	-
Short Term Investments	369,415	214,227	267,729
Cash and Bank Balances	1,444,036	1,406,647	1,858,824
	6,078,694	4,977,339	5,688,776
CURRENT LIABILITIES			
Trade Payables	1,336,466	1,148,783	1,348,105
Bank Overdraft		-	-
Current Portion of Long Term Loan	454,603	496,230	454,603
	1,791,068	1,645,013	1,802,708
Net Current Assets	4,287,625	3,332,326	3,886,069
	9,350,301	8,469,409	9,057,906
Financed by:			
Share Capital	563,168	550,887	563,168
Other Reserve	171,487	186,828	171,487
Retained Earnings	6,990,879	5,911,293	5,911,293
Fair Value Reserve	(114,303)	(148,690)	(114,303)
Current Earnings	782,091	737,474	1,379,636
	8,393,322	7,237,791	7,911,280
Non-Current Liabilities			
Long Term Loan	124,921	545,273	364,568
Deferred Taxation	832,058	686,345	782,058
	9,350,301	8,469,409	9,057,906

Approved for issue by the board of Directors on October 27, 2021 and signed on its behalf by:


James E D Rawle, CD
 Deputy Executive Chairman


Compton Rodney
 Chair, Audit & Risk Management Committee

LML STATEMENT OF CASH FLOWS

Year-to-date September 30, 2021

Unaudited and expressed in JS'000

<i>STATEMENT OF CASH FLOWS</i>	<i>YTD SEP-21 JS'000</i>	<i>YTD SEP-20 JS'000</i>
Cash Flows from Operating Activities		
Operating Activities		
Profit /(Loss) for the period	782,091	737,469
Depreciation	144,580	134,397
Interest Income	(5,043)	(4,526)
Dividened Income	(2,000)	(5,256)
Effect of exchange rate translation	-	-
Stock options - value of services expensed	-	-
Loss on disposal of property, plant and equipment	-	26
Interest Expense	29,074	31,829
Taxation Expense	327,020	145,353
Items not affecting cash	493,631	301,822
(Increase) /Decrease in Current Assets		
Inventories	28,463	40,134
Trade & Other Receivables	(731,480)	(122,456)
Taxation paid	(64,728)	(30,235)
Payables	(223,932)	(351,983)
Cash provided by operating activities	284,044	574,751
Interest Received	5,043	4,526
Short Term Investments	(101,686)	(116,290)
Purchase of Investments	-	(50,000)
Acquisition of Property, Plant & Equipment	(35,418)	(79,749)
Proceeds from disposal of property, plant and equipmer	-	-
Cash used in Investing Activities	(132,062)	(241,512)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Interest Paid	(29,074)	(31,829)
Loan Repayment	(239,647)	(53,421)
Share Issue	-	-
Proceeds from Loan	-	50,000
Long term investment in Stocks	-	-
Dividends Received	2,000	5,256
Dividends Paid	(300,049)	(250,746)
Cash provided by /(used in) Financing Activities	(566,770)	(280,739)
Net Change in Cash and Cash Equivalents	(414,788)	52,499
Exchagnge gain on foreign cash balances	-	-
Cash and cash equivalents at the beginning of the period	1,858,824	1,354,148
Cash and cash equivalents at the end of the period	1,444,036	1,406,647
Comprised of:		
Cash and Bank balances	1,444,036	1,406,647
Bank Overdraft	-	-
	1,444,036	1,406,647

LASCO Manufacturing Limited

LASCO Manufacturing Limited

Statement of Changes in Shareholders' Equity

For the six months ended September 30, 2021

Unaudited and expressed in J\$'000

2020					
	Share Capital	Other	Fair Value	Retained	Total
	J\$'000	Reserve	Reserve	Earnings	J\$'000
	J\$'000	J\$'000	J\$'000	J\$'000	J\$'000
Balance at 1 April 2020	550,887	186,828	(148,690)	6,162,040	6,751,065
Other Comprehensive Income					-
Payment of Dividends				(250,746)	(250,746)
Total Comprehensive Income for the period				737,474	737,474
					-
Balance as at September 30, 2020	550,887	186,828	(148,690)	6,648,768	7,237,793
2021					
	Share Capital	Other	Fair Value	Retained	Total
	J\$'000	Reserve	Reserve	Earnings	J\$'000
	J\$'000	J\$'000	J\$'000	J\$'000	J\$'000
Balance at 1 April 2021	563,168	171,487	(114,303)	7,290,929	7,911,281
Other Comprehensive Income					-
Payment of Dividends				(300,049)	(300,049)
Total Comprehensive Income for the period				782,091	782,091
Balance as at September 30, 2021	563,168	171,487	(114,303)	7,772,971	8,393,322

LASCO Manufacturing Limited

Notes to the Financial Statements
September 30, 2021

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 premises at White Marl in the parish of St. Catherine. The Company is listed on the Junior Market of the Jamaica Stock Exchange.
- 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 2021.
- 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>2021</u>	<u>2020</u>	
a. Trade Receivables	JA\$ '000	JA\$ '000	
1. Local	2,554,371	1,769,515	
2. Foreign	53,983	104,929	
b. Other Receivables	<u>366,921</u>	<u>367,876</u>	This comprises of prepayments made for capital goods & stock.
	2,975,275	2,242,320	

5. SHARE CAPITAL

	2021	2020
Authorized:-		
4,427,500,000 (2020 – 4,427, 500,000) ordinary shares of no par value		
Stated capital –		
Issued and fully paid –		
Number of ordinary shares		
4,132,913,151 (2020 – 4,130,913,151) ordinary shares of no par value	<u>563,168</u>	<u>550,887</u>



LASCO MANUFACTURING LIMITED

TOP TEN SHAREHOLDERS AS AT SEPTEMBER 30, 2021

NAMES	UNITS	PERCENTAGES
EAST WEST (ST. LUCIA) LIMITED	2,002,693,780	48.4572
LASCELLES A. CHIN	1,244,428,470	30.1102
NATIONAL INSURANCE FUND	103,794,541	2.5114
MAYBERRY JAMAICAN EQUITIES LIMITED	35,628,892	0.8621
SAGICOR SELECT FUND LIMITED – ('CLASS C' SHARES) MANUFACTURING & DISTRIBUTION	32,816,914	0.7940
SJIML A/C 3119	31,777,000	0.7689
JCSD TRUSTEE SERVICES LTD. A/C #76579-02	20,657,468	0.4998
YUAN LIAO	20,391,220	0.4933
LIUDMILA GONZALEZ DIAZ	20,000,000	0.4839
WAYNE M. CHIN	19,867,160	0.4807



LASCO MANUFACTURING LIMITED

SENIOR MANAGERS AND CONNECTED PARTIES SHAREHOLDING

AS AT SEPTEMBER 30, 2021

Name Primary Holder	Units	Percentages
JAMES RAWLE	0.00	0.0000
ROBERT PARKINS	601,262	0.0145
SOPHIA GAYLE	0.00	0.0000
JEAN GRANT	0.00	0.0000
CLEVERICK DOUGHORTY	0.00	0.0000
ERROL GRANT	0.00	0.0000
DANIEL STRACHAN	0.00	0.0000
LISA WATTS	194,100	0.0047



LASCO MANUFACTURING LIMITED

DIRECTORS AND CONNECTED PARTIES SHAREHOLDINGS

AS AT SEPTEMBER 30, 2021

NAME OF PRIMARY HOLDERS	POSITION *CONNECTED PARTIES	UNITS	PERCENTAGES
LASCELLES CHIN		1,244,428,470.00	30.11020
	*EAST WEST (ST. LUCIA) LTD	2,002,693,780.00	48.45719
	*EILEEN CHIN - DIRECT	{16,000,000.00}	{0.38732}
EILEEN CHIN		16,000,000.00	0.38713
	*LASCELLES CHIN -DIRECT	{1,244,428,470.00}	{30.11020}
ROSALEA HAMILTON		110,000.00	0.00266
VINCENT ANTHONY CHEN		0.00	0.00000
JACINTH HALL-TRACEY		0.00	0.00000
JAMES RAWLE		0.00	0.00000
COMPTON RODNEY		0.00	0.00000
NOEL DACOSTA		0.00	0.00000