LASCO FINANCIAL SERVICES

Everyday Financial Value

Q3 Unaudited Quarterly Financial Report

October 2013 - December 2013

LASCO FINANCIAL SERVICES LIMITED
3rd Quarter October – December 2013

The Board of Directors of LASCO Financial Services Limited (LFSL) is pleased to present the Third quarter unaudited financial results.

NINE MONTHS PERFORMANCE HIGHLIGHTS

483.8 million dollars Trading Income

Up 42 percent over 2012 corresponding period
An increase of 142 million dollars

135.7 million dollars Operating Profit

Up 22 percent over 2012 corresponding period

0.11 dollars Earnings per share (EPS)

25 percent Return on Average Shareholder's Equity

For the period under review (April 2013– December 2013)

3rd QUARTER HIGHLIGHTS

	3rd Q 2013 $'000	3rd Q 2012 $'000
TRADING INCOME	180,534	132,303
NET PROFIT	46,073	54,798

LASCO Financial Services Limited recorded earnings of $180.5 Million for the Quarter ended December 31, 2013, a 36% improvement on the 2012 corresponding period. Net profit, however, declined to $46 Million from the previous year's $54.8 Million; a decrease of 16%.

In pursuit of our strategic objective to increase our market share in the remittance industry, towards the end of the 2nd Quarter, we launched our Brazil 2014 promotion which lasted until December 31, 2013. This investment contributed to the more than 100% increase in selling and promotional expenses. We anticipate that the resulting rise in transactions from this awareness campaign will continue into the future periods.

LASCO FINANCIAL SERVICES LIMITED
3rd Quarter October – December 2013

BALANCE SHEET

The company's net assets increased 33% over the 2012 corresponding period. This increase in net assets was funded mainly by growth in all revenue divisions, resulting in an increase in cash and cash equivalents and loans and other receivables.

LASCO FINANCIAL SERVICES (BARBADOS) LIMITED

Our subsidiary LASCO Financial Services Barbados Limited, after eight months, continues to make inroads in the Barbados remittance market, but has not yet earned enough to cover initial start up expenses. We are currently embarking on a programme to increase transactions and expect to see a more significant contribution by first quarter of 2014.

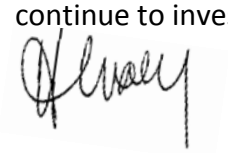
HIGHLIGHTS FROM OUR INDUSTRY

Bank of Jamaica Balance of Payments Remittance report for October 2013 indicates that for the period April to October 2013, there has been a 1.5% rise in inflows through Remittance Companies; an increase of US$14.9 Million. LASCO Financial Services has put the necessary strategies in place to ensure that we continue to grow ahead of the Industry.

OUR COMMUNITY

We would like to again congratulate all those winners of the Brazil 2014 promotion. A total of 1,920 prizes were issued. Congratulations especially to our Grand Prize winners who will be going to Brazil. We hope they will have a fabulous time.

To our staff who ensured the promotion's success, to our agents who gave us support and feedback and indeed MoneyGram International and our Marketing companies, thank you! We also take the opportunity to wish you our Shareholders a prosperous new year. May you continue to invest in our company and be accordingly rewarded.



JACINTH HALL-TRACEY
MANAGING DIRECTOR

LASCO FINANCIAL SERVICES LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 9 MONTHS ENDED 31 DECEMBER 2013

	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
	3 MONTHS ENDED 31 DECEMBER 2013 $'000	3 MONTHS ENDED 31 DECEMBER 2012 $'000	9 MONTHS ENDED 31 DECEMBER 2013 $'000	9 MONTHS ENDED 31 DECEMBER 2012 $'000	12 MONTHS ENDED 31 MARCH 2013 $'000
Trading income	174,870	125,686	468,573	328,382	467,730
Other operating income	5,664	6,617	15,242	12,638	16,909
	180,534	132,303	483,815	341,020	484,639
EXPENSES:					
Administrative and other expenses	47,492	41,221	143,648	117,501	168,467
Selling and promotion expenses	86,879	36,142	204,265	110,871	151,897
	134,371	77,363	347,913	228,372	320,364
PROFIT FROM OPERATIONS	46,163	54,940	135,902	112,648	164,275
Finance cost	90	142	161	1,045	376
NET PROFIT FOR THE PERIOD, BEING TOTAL COMPREHENSIVE	46,073	54,798	135,741	111,603	163,899
Number of shares in issue	1,228,102,990	1,228,102,990	1,228,102,990	1,228,102,990	1,228,102,990
Earnings per share	$0.038	$0.045	$0.111	$0.091	$0.133

LASCO FINANCIAL SERVICES LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

	UNAUDITED DECEMBER 2013 $'000	UNAUDITED DECEMBER 2012 $'000	AUDITED MARCH 2013 $'000
ASSETS			
Property, plant and equipment	27,747	41,800	30,061
Investment property	99,956	99,956	99,956
Loans and other receivables	274,818	243,164	318,143
Due from related parties	376	6,597	2,369
Cash and cash equivalents	302,448	150,933	189,096
	705,345	542,450	639,625
EQUITY AND LIABILITIES			
SHAREHOLDER'S EQUITY:			
Share capital	50,523	50,523	50,523
Retained earnings	559,803	408,609	424,062
	610,326	459,132	474,585
LIABILITIES:			
Payables and accruals	93,342	81,934	165,040
Due to related parties	1,677	1,384	-
	95,019	83,318	165,040
	705,345	542,450	639,625

Approved for issue by the Board of Directors on 24 January 2014 and signed on its behalf by:

L A Chin Chairman

Jacinth Hall-Tracey Managing Director

LASCO FINANCIAL SERVICES LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 9 MONTHS ENDED 31 DECEMBER 2013

	Share Capital $'000	Retained Earnings $'000	Total $'000
Balance at 1 April 2012	50,523	312,971	363,494
Dividends paid		(15,965)	(15,965)
Total comprehensive income		111,603	111,603
Balance at 31 December 2012	50,523	408,609	459,132
Balance at 1 April 2013	50,523	424,062	474,585
Total comprehensive income	-	135,741	135,741
Balance at 31 December 2013	50,523	559,803	610,326

LASCO FINANCIAL SERVICES LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
AS AT 31 DECEMBER 2013

	UNAUDITED 9 MONTHS ENDED 31 DECEMBER 2013 $'000	UNAUDITED 9 MONTHS ENDED 31 DECEMBER 2012 $'000	AUDITED 12 MONTHS ENDED 31 MARCH 2013 $'000
Net profit for the period	135,741	111,603	163,899
Adjustment to reconcile profit for the period to net cash used in operating activites.	(22,585)	(51,499)	(46,361)
Net cash provided by operating activities	113,156	60,104	117,538
Net cash (used in)/provided by investing activities	(1,019)	(7,464)	9,895
Net cash used in financing activities	0	(15,965)	(52,808)
NET INCREASE IN CASH AND CASH EQUIVALENTS	112,137	36,675	74,625
Effects of exchange rate translation on cash and cash equivalent	1,215	23	153
Cash and cash equivalents at beginning of period	189,096	114,235	114,318
CASH AND CASH EQUIVALENTS AT END OF PERIOD	302,448	150,933	189,096

1. IDENTIFICATION AND PRINCIPAL ACTIVITY:

(a) LASCO Financial Services Limited is a limited liability company incorporated and domiciled in Jamaica. The registered office of the company is 27 Red Hills Road, Kingston 10. The company is listed on the Junior Market of the Jamaica Stock Exchange.

(b) The principal activities of the company are:

- The operation of a Cambio. The company facilitates the sale and purchase of foreign currency to and from its related companies as well as the general public. The operation of the Cambio is regulated by the Bank of Jamaica.

- The provision of services as an agent of MoneyGram International Money Transfer which is a Remittance company facilitating person to person transfers for a fee, in accordance with licenses issued by the Bank of Jamaica.

- The rental of properties.

- The granting of loans for personal purposes.

(c) LASCO Financial Services (Barbados) Limited is a 100% owned subsidiary of the company. LASCO Financial Services (Barbados) Limited is incorporated in Barbados under the Companies Act Cap.308 of the Laws of Barbados.

The company and its subsidiary are referred to as “the Group.

2. BASIS OF PREPARATION:

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations adopted 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 and as set out in note 3 of the audited financial statements as at 31 March 2013.

3. SHARE CAPITAL:

Authorised –
1,961,200,000 (2012 – 1,961,200,000) Ordinary shares of no par value

	2013 $'000	2012 $'000
Stated capital, issued and fully paid -		
1,228,102,990 Ordinary shares of no par value	50,523	50,523

At an Extraordinary General Meeting held June 26, 2013, the Shareholders of LFSL approved a resolution allowing each share of no par value whether issued or un-issued to be sub-divided into 10 shares of no par value. The Ex-Date was July 5 and the Record date July 9 at which time the shares began trading at $1.30.

The Authorised and issued shares indicated above reflect the stock split approved by the shareholders.

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