LASCO FINANCIAL SERVICES

Everyday Financial Value

Q1

Unaudited Quarterly Financial Report

April - June 2013

LASCO FINANCIAL SERVICES LIMITED
1st Quarter April – June 2013

The Board of Directors of LASCO Financial Services Limited (LFSL) is pleased to present the First quarter unaudited financial results. We have achieved organic growth in all our divisions as a result of our well-developed strategies and marketing investments.

Highlights

144 million dollars Trading Income

Up 47 percent over 2012 corresponding period

+ 100% increase in Cambio Division
+ 28% increase in Remittance Division
+ 17% increase in Loans Division

39 million dollars Operating Profit

Up 50.6 percent over 2012 corresponding period
an increase of 13 million dollars

0.032 dollars Earnings per share (EPS)

earnings per share increased 52% from 0.021 dollars in corresponding period
(In June 2013, each share of no par value whether issued or un-issued was sub-divided into 10 shares of no par value; June 2012 adjusted for comparison)

9 percent Return on Average Shareholder's Equity

For the period under review (April – June)

LASCO FINANCIAL SERVICES LIMITED
1st Quarter April – June 2013

BALANCE SHEET HIGHLIGHTS

	Q1 2013 $'000	Q1 2012 $'000
CASH & CASH EQUIVALENTS	221,682	135, 479
TOTAL ASSETS	690,202	515,192
TOTAL STOCKHOLDER'S EQUITY	513,934	373,678

Our Balance Sheet indicates a strong financial position. Cash is up over 60% over the 2012 corresponding period and assets and shareholder's equity have increased 34% and 37% respectively. Liquidity is important to the nature of our business, our loans portfolio continues to grow and shareholders continue to benefit from strong retained earnings.

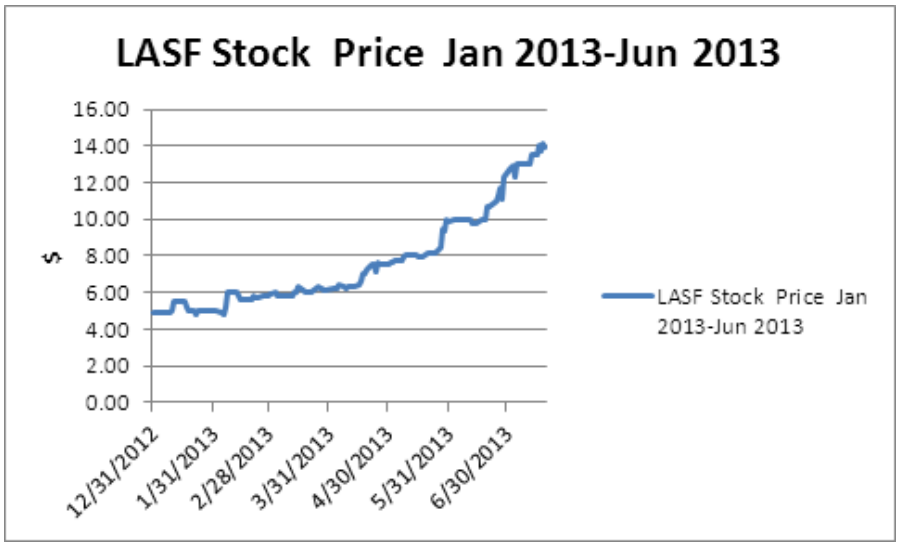
MAJOR EVENTS

- 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.
- LASCO Financial Services (Barbados) Limited signed Unicomer Barbados Limited (Courts) as its Agent, and received approval from MoneyGram International, during the last financial year. The company with it five branches across Barbados begun trading in May 2013. Transaction growth has been satisfactory so far.
- LFSL has begun some significant investments in marketing which is anticipated to bring an even more substantial market share for our remittance division; the outcome of which will also yield growth opportunities in the Currency Trading division. This is noticeable in our selling and promotion expenses which saw a 58% increase, up from $36.3 Million in the previous period to $57.6M.

LASCO FINANCIAL SERVICES LIMITED
1st Quarter April – June 2013

SHARE PERFORMANCE

LASF's performance since 2013 has been likened to the analogy of the Prince & the Pauper. Our stock trades and consequently its price have registered substantial gains since the beginning of the year.



LASF appreciated over 190% when compared with the June 2012 price of $4.25. It closed the Quarter (June 28) at a price of J$12.34.

OUR INDUSTRY

The Country's gross remittance inflows for the month of April were US$180.1 Million, reflecting no growth over the corresponding 2012 period. This was, however, above the average inflows for the previous five months. Inflows, however, from Remittance Companies for the month of April showed a minor decrease of 3%; but also performed higher than the average of the previous 5 months.

LFSL's inflows have grown significantly faster than the market for the review periods; over 15% in April and over 27% for the quarter.

LASCO FINANCIAL SERVICES LIMITED
1st Quarter April – June 2013

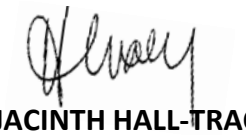
OUTLOOK

The trend in the remittance industry indicates to us a rebound, after having shown a decline in the second half of 2012. This, in addition to our impending aggressive marketing initiatives is expected to increase our market presence and bring the expected financial results in future periods.

OUR COMMUNITY

We continued our annual sponsoring of the Social Development Commission (SDC) community cricket competition. Development through sports is a significant contribution to nation building and LFSL has committed its continuous support to this endeavor.

Special thanks to our agents and their staff, our Board of Directors, our own staff and customers who have been supporting us and driving our success over the last nine (9) years. Thanks also to you our shareholders, for your feedback and continued interest in our company.



JACINTH HALL-TRACEY
MANAGING DIRECTOR

LASCO FINANCIAL SERVICES LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 3 MONTHS ENDED 30 JUNE 2013

	Note	UNAUDITED	UNAUDITED	AUDITED
		3 MONTHS ENDED 30 JUNE 2013	3 MONTHS ENDED 30 JUNE 2012	12 MONTHS ENDED 31 MARCH 2013
		$'000	$'000	$'000
Trading gain		139,359	94,555	467,730
Other income		5,335	3,586	16,909
		144,694	98,141	484,639
EXPENSES:				
Administrative and other expenses		47,683	35,567	168,467
Selling and promotion expenses		57,616	36,304	151,897
		105,299	71,871	320,364
PROFIT FROM OPERATIONS		39,395	26,270	164,275
Finance cost		46	121	376
PROFIT BEFORE TAXATION		39,349	26,149	163,899
Taxation		-	-	-
NET PROFIT FOR THE PERIOD, BEING TOTAL COMPREHENSIVE		39,349	26,149	163,899
Number of shares in issue	3	1,228,102,990	1,228,102,990	1,228,102,990
Earnings per share		$0.032	$0.021	$0.133

LASCO FINANCIAL SERVICES LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013

	Note	UNAUDITED JUNE 2013 $'000	UNAUDITED JUNE 2012 $'000	AUDITED MARCH 2013 $'000
ASSETS				
Property, plant and equipment		29,119	37,324	30,061
Investment property		99,956	99,956	99,956
Loans and other receivables		334,531	237,371	318,143
Due from related parties		4,914	5,062	2,369
Cash and cash equivalents		221,682	135,479	189,096
		690,202	515,192	639,625
EQUITY AND LIABILITIES				
SHAREHOLDER'S EQUITY:				
Share capital	3	50,523	50,523	50,523
Retained earnings		463,411	323,155	424,062
		513,934	373,678	474,585
LIABILITIES:				
Payables and accruals		175,547	140,799	165,040
Due to related parties		721	715	
		176,268	141,514	165,040
		690,202	515,192	639,625

Approved for issue by the Board of Directors on 26 July 2013 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 3 MONTHS ENDED 30 JUNE 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		26,149	26,149
Balance at 30 June 2012	50,523	323,155	373,678
Balance at 1 April 2013	50,523	424,062	474,585
Total comprehensive income	-	39,349	39,349
Balance at 30 June 2013	50,523	463,411	513,934

LASCO FINANCIAL SERVICES LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
AS AT 30 JUNE 2013

	UNAUDITED 3 MONTHS ENDED 30 JUNE 2013 $'000	UNAUDITED 3 MONTHS ENDED 30 JUNE 2012 $'000	AUDITED 12 MONTHS ENDED 31 MARCH 2013 $'000
Net profit for the period	39,349	26,149	163,899
Adjustment to reconcile profit for the period to net cash used in operating activites.	(7,490)	(3,314)	(46,361)
Net cash provided by operating activities	31,859	22,835	117,538
Net (cash used in)/provided by in investing activities	(156)	(1,262)	9,895
Net cash used in financing activities	-	-	(52,808)
NET DECREASE IN CASH AND CASH EQUIVALENTS	31,703	21,573	74,625
Effects of exchange rate translation on cash and cash equivalent	883	(329)	153
Cash and cash equivalents at beginning of period	189,096	114,235	114,318
CASH AND CASH EQUIVALENTS AT END OF PERIOD	221,682	135,479	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 exchange 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 reflects the stock split approved by the shareholders.

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