



# SECOND QUARTER UNAUDITED FINANCIAL REPORT SEPTEMBER 2013

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## Managing Director's Report

The Directors of LASCO Manufacturing Limited are pleased to present the second quarter unaudited results for the period ended 30 September 2013.

Revenue for the six months was \$1.88 billion, an increase of \$82.5m or 4.6% over prior year's \$1.79 billion. Revenue for the quarter rose from \$958m in 2012 to \$1.03 billion in 2013. Gross profit for the six months rose from \$502.4 million to \$526.2 million, an increase of \$23.8 million or 4.7%. For the quarter to date, gross profit rose by \$18.5 million or 7.2%. The company was able to mitigate the effects of foreign exchange volatility by making early payment to foreign suppliers.

Operating expenses for the six months to September 2013 rose by \$4.5 million or 2.2% over prior year, \$204.8 million in 2013 compared to \$200.3 million in 2012. Main contributors were insurance, security and advertising expenses. For the quarter to date, operating expenses was \$96.6 million compared to \$108 million in prior year.

Improved cash management has resulted in a reduction in the finance cost of \$7.2 million over prior year, \$13.8 million in 2012 compared to \$6.7 million in 2013.

Profit before tax for the six months to September 2013 was \$315.2 million compared to \$306.3 million for the same period last year, an increase of \$8.9 million or 2.9%. However, for the quarter ending September 2013 profit before tax improved by \$23.7 million or 15.5% over the same period last year, \$176.4 million versus \$152.7 million.

The Company's management team is working with all our stakeholders to unlock value, to execute with excellence and to keep winning volume and value share. We proudly continue to provide our consumers with the products they have grown to love.

Notwithstanding the challenges presented by the unprecedented economic conditions, we are confident we will reach our operational and financial targets. The fact that we have delivered good top and bottom line growth in a challenging environment once again is a testament to the strong strategic alignment and capabilities of our people.

Our focus each and every day is to meet the demand of our consumers both in the local market and the export market. We remain constructively discontent as we seek to make the most of the vast growth opportunities we continue to see around the world. We are convinced that our plans for our international division will bring the success projected.

On September 24, 2013, LASCO affiliated companies were honored to receive the American Chamber of Commerce (AMCHAM) Business and civic Leadership award for Corporate Social Responsibility. This award was presented to the Chairman, the Hon Lascelles Chin, in

recognition of the philanthropy and good corporate citizenry demonstrated by LASCO through its various corporate and social programs over the last 5 year.

A handwritten signature in black ink, appearing to read 'Eileen Chin', with a stylized flourish at the end.

Dr. Eileen Chin  
Managing Director

**Lasco Manufacturing Limited**

## Statement of Comprehensive Income

Six Months Ended 30 September 2013


(Unaudited)


	3 months to 30 Sept 2013 \$'000	3 months to 30 Sept 2012 \$'000	6 months to 30 Sept 2013 \$'000	6 months to 30 Sept 2012 \$'000
Revenue	1,033,284	958,046	1,876,025	1,793,459
Cost of Sales	757,429	700,692	1,349,783	1,291,054
Gross Profit	275,855	257,354	526,242	502,405
Other Income	433	11,287	434	18,063
Operating Expenses	(96,634)	(108,145)	(204,800)	(200,330)
Profit from Operations	179,654	160,496	321,876	320,138
Finance Cost	(3,249)	(7,764)	(6,719)	(13,871)
Profit Before Taxation	176,405	152,732	315,157	306,267
Taxation	-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>176,405</b>	<b>152,732</b>	<b>315,157</b>	<b>306,267</b>
Number of stock units issued	3 4,087,130	4,087,130	4,087,130	4,087,130
<b>Earnings per Stock Unit During the Period</b>	<b>0.04</b>	<b>0.04</b>	<b>0.08</b>	<b>0.07</b>

**Lasco Manufacturing Limited**  
Statement of Financial Position  
30-Sep-2013  
(Unaudited)

	Period ended SEP-13 \$'000	Period ended SEP-12 \$'000	Year ended MAR-13 \$'000
<b>NET ASSETS EMPLOYED</b>			
Non-Current Assets			
Property, Plant & Equipment	189,274	205,295	197,885
Capital Work in Progress	2,243,810	1,268,636	1,707,853
<b>Current Assets</b>			
Inventories	663,526	283,045	489,860
Trade and other receivables	881,115	709,548	628,938
Director's current account	6,137	10,792	6,069
Taxation recoverable	12,637	12,524	12,591
Short term investment	69,214		69,214
Cash	257,079	48,603	122,959
	1,889,708	1,064,512	1,329,631
<b>Current Liabilities</b>			
Trade and Other Payables	698,798	481,332	258,853
Bank Overdraft	16	101,363	30,958
Current portion of long term loan			201,707
Corporation Tax Payable	-	-	-
	698,814	582,695	491,518
Net Current Assets	1,190,894	481,817	838,113
	3,623,978	1,955,748	2,743,851
<b>Financed by:</b>			
Share Capital	3	305,298	305,298
Capital Reserves	924	924	0
Retained Earnings	1,632,914	993,259	994,185
Current Earnings	315,157	306,267	640,220
	2,254,293	1,605,748	1,939,703
<b>Non-Current Liabilities</b>			
Long Term Debt	1,369,685	350,000	804,148
	3,623,978	1,955,748	2,743,851

Approved for issue by the Board of Directors on 01 November 2013 and signed on its behalf by:

  
Lascelles Chin Chairman

  
Eileen Chin Director

**Lasco Manufacturing Limited**  
Statement of Cash Flows  
Six Months ended 30 September 2013  
(Unaudited)

	Sep-13 \$'000	Sep-12 \$'000
<b>SOURCES/(USES) OF CASH</b>		
<b>Operating Activities</b>		
Profit for the period	315,157	306,267
Items not affecting cash	10,724	14,232
Changes in non-cash working capital	(522,535)	(489,739)
Items not affecting cash and changes in non-cash working capital components	(511,811)	(475,507)
Cash provided by Operating Activities	(196,654)	(169,240)
Cash used in Investing Activities	1	165
Cash used in Financing Activities	361,715	286,078
Increase in Cash	165,062	117,003
Cash at the beginning of the period	161,215	(169,763)
Cash at the end of the period	326,277	(52,760)
<b>Comprised of:</b>		
Fixed Deposit	106,187	28,267
Cash at Bank	220,106	20,336
Bank Overdraft	(16)	(101,363)
	326,277	(52,760)

**Lasco Manufacturing Limited**

## Statement of Changes in Shareholders' Equity

Six Months ended 30 September 2013

(Unaudited)

<b>2013</b>				
	Share Capital	Capital Reserve	Retained Earnings	Total
	\$'000	\$'000	\$'000	\$'000
Balance at 1 April 2013	305,298	924	1,632,914	1,939,136
Dividend	0	0	0	0
Total Comprehensive Income for the period	0	0	315,157	315,157
<b>Balance at 30 September 2013</b>	<b>305,298</b>	<b>924</b>	<b>1,948,071</b>	<b>2,254,293</b>

<b>2012</b>				
	Share Capital	Capital Reserve	Retained Earnings	Total
	\$'000	\$'000	\$'000	\$'000
Balance at 1 April 2012	305,298	924	1,050,479	1,356,701
Dividend	0	0	(57,220)	(57,220)
Total Comprehensive Income for the period	0	0	306,267	306,267
<b>Balance at 30 September 2012</b>	<b>305,298</b>	<b>924</b>	<b>1,299,526</b>	<b>1,605,748</b>



**LASCO MANUFACTURING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SIX MONTHS ENDED 30 SEPTEMBER 2013**

**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 27 Red Hills Road, Kingston 10, and it currently operates from leased premises at 38½ Red Hills Road, Kingston 10.
  
- (b) The principal activities of the company are the manufacturing of soy based products and packaging of milk based products. Distribution of these products is done in the local and export markets.

**2. SIGNIFICANT ACCOUNTING POLICIES:**

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.

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 2013.

These financial statements are presented in Jamaican dollars unless otherwise indicated.

**LASCO MANUFACTURING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SIX MONTHS ENDED 30 SEPTEMBER 2013**

**3. SHARE CAPITAL:**

	2013	2012
	<u>\$'000</u>	<u>\$'000</u>
Authorised -		
Number of Ordinary shares		
4,427,500,000 - 30 September 2013		
442,750,000 - 30 September 2012		
Issued -		
Number of Ordinary shares		
4,087,130,170 - 30 September 2013		
408,713,017 - 30 September 2012	<u>305,298</u>	<u>305,298</u>

At an Extraordinary General Meeting held on 26 June 2013, it was agreed that each share be subdivided into ten (10) new shares.