



**FIRST QUARTER
UNAUDITED FINANCIAL
REPORT
JUNE 2014**

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MANAGING DIRECTOR'S REPORT

The Board of Directors of LASCO Manufacturing is pleased to report the unaudited financial results of the first quarter of financial year 2014-2015. Whilst we continue operating under challenging economic conditions, the company's revenue grew by 28%, from \$842M in 2013 to \$1.1B for 2014. During this period there was volatility in the foreign exchange rate; however, the company was able to maintain and control its costs of sales, thus achieving gross profit of \$315M, up 26% over the same period in 2013.

Our management team is mindful of the challenging economic times, thus we continue to focus our efforts on achieving greater efficiency. Net Profit for the quarter increased by 2%; from \$138M as at June 2013 to \$141 in 2014. The Net Profit was impacted by temporary increase in manufacturing cost due to increased staff complement, increased overheads costs associated with the new manufacturing plant as well as increased finance and marketing cost. It was expected that these increases in operating costs would affect the bottom line. We are therefore pleased to report that the Net Profit for the quarter surpassed expectations.

The company made significant marketing investment during the period in preparation for the launch of new product lines. This venture involved sponsorship of the FIFA World Cup aired on CVM television.

We have completed the construction of the dry blend beverage plant and we are in the process of commissioning the machinery and equipment. LASCO Manufacturing Limited successfully completed construction and commissioning of the equipment for the liquid beverage plant. The plant has commenced production and we welcome our shareholders to look out for our new iCool drinks in the market.

We wish to express appreciation to our valued shareholders who have stood with the company, seeing it through challenging economic conditions and the significant expansion of the plant. We applaud your continued support to the LASCO philosophy of providing affordable products and building Jamaica. We look forward to you navigating with us into our future as we celebrate our 20th Anniversary this year.



Dr. Eileen Chin MBA

Managing Director

LASCO Manufacturing Limited

Statement of Comprehensive Income

Three Months Ended 30 June 2014


(Unaudited)

	3 months to June 30 2014 \$'000	3 months to June 30 2013 \$'000
Revenue	1,077,581	842,742
Cost of Sales	762,313	592,355
Gross Profit	315,268	250,387
Other Operating Income	994	1
Operating Expenses	(143,199)	(111,190)
Profit from Operations	173,063	139,198
Finance Cost	(31,828)	(447)
Profit Before Taxation	141,235	138,751
Taxation	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	141,235	138,751
Number of stock units issued	3 4,087,130	4,087,130
Earnings per Stock Unit During the Period	0.03	0.03

LASCO Manufacturing Limited
Statement of Financial Position
30-Jun-14
(Unaudited)

	Period ended <i>JUN-14</i> \$'000	Period ended <i>JUN-13</i> \$'000	Year ended <i>MAR-14</i> \$'000
NET ASSETS EMPLOYED			
Non-Current Assets			
Property, Plant & Equipment	968,487	194,008	980,399
Capital Work in Progress	2,069,584	2,045,257	1,961,779
Current Assets			
Inventories	432,966	452,438	753,444
Trade and other receivables	846,261	640,819	809,740
Director's current account	6,029	7,521	5,534
Taxation recoverable	0	12,618	10,494
Short term investment	79,198	69,214	77,871
Cash	47,794	41,333	59,352
	1,412,248	1,223,943	1,716,435
Current Liabilities			
Trade and Other Payables	234,927	333,838	645,424
Bank Overdraft	60,968	45,628	0
Current portion of long term loan	187,615	0	187,615
Corporation Tax Payable	0	0	0
	483,510	379,466	833,039
Net Current Assets	928,738	844,477	883,396
	3,966,809	3,083,742	3,825,574
Financed by:			
Share Capital	305,298	305,298	305,298
Capital Reserves	0	924	0
Retained Earnings	2,218,891	1,632,914	1,634,403
Current Earnings	141,235	138,751	584,488
	2,665,424	2,077,887	2,524,189
Non-Current Liabilities			
Long Term Debt	1,301,385	1,005,855	1,301,385
	3,966,809	3,083,742	3,825,574

Approved for issue by the Board of Directors on 29 July 2014 and signed on its behalf by:


 Lascelles Chin Chairman


 Eileen Chin Director

LASCO Manufacturing Limited
Statement of Cashflows
Three Months ended 30 June 2014
(Unaudited)

	30-Jun-14 \$'000	30-Jun-13 \$'000
SOURCES/(USES) OF CASH		
Operating Activities		
Profit for the period	141,235	138,751
Items not affecting cash	41,340	4,808
	<u>182,575</u>	<u>143,559</u>
Changes in non-cash working capital	(224,346)	(238,924)
Cash provided by Operating Activities	<u>(41,771)</u>	<u>(95,365)</u>
Cash used in Investing Activities	1,441	(485)
Cash used in Financing Activities	(30,868)	(446)
Increase in Cash	(71,198)	(96,296)
Cash at the beginning of the period	<u>137,222</u>	<u>161,215</u>
Cash at the end of the period	<u>66,024</u>	<u>64,919</u>
Comprised of:		
Fixed Deposit	115,714	101,408
Cash at Bank	11,278	9,139
Bank Overdraft	(60,968)	(45,628)
	<u>66,024</u>	<u>64,919</u>

LASCO Manufacturing Limited

Statement of Changes in Shareholders' Equity

Three Months ended 30 June 2014

(Unaudited)

2014				
	Share Capital	Capital Reserve	Retained Earnings	Total
	\$'000	\$'000	\$'000	\$'000
Balance at 1 April 2014	305,298	0	2,218,891	2,524,189
Total Comprehensive Income for the period	0	0	141,235	141,235
Balance at 30 June 2014	305,298	0	2,360,126	2,665,424

2013				
	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
Total Comprehensive Income for the period	0	0	138,751	138,751
Balance at 30 June 2013	305,298	924	1,771,665	2,077,887

LASCO MANUFACTURING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
THREE MONTHS ENDED 30 JUNE 2014

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 2014.

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

LASCO MANUFACTURING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
THREE MONTHS ENDED 30 JUNE 2014

3. SHARE CAPITAL:

	2014	2013
	<u>\$'000</u>	<u>\$'000</u>
Authorised -		
Number of Ordinary shares		
4,427,500,000 - 30 June 2014		
4,427,500,000 - 30 June 2013		
Issued -		
Number of Ordinary shares		
4,087,130,170 - 30 June 2014		
4,087,130,170 - 30 June 2013	<u>305,298</u>	<u>305,298</u>