



**THIRD QUARTER
UNAUDITED FINANCIAL
REPORT
DECEMBER 2014**

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Managing Director's Report

The Board of Directors of LASCO Manufacturing Limited is pleased to present the third quarter unaudited results for the period ended 31 December 2014.

Notwithstanding the vulnerable economic conditions and the IMF pressure over government to keep austere economic policies, LASCO Manufacturing Ltd. continues to perform well. The company's revenue for the nine months ended 31 December 2014 increased by 16% from \$2.8B in the 2013-2014 financial year to \$3.3B in 2014-2015. This performance was mainly due to increased sales volume in the export markets as well as the introduction of the iCool line of products. The export division revenue year to date shows a 53% growth over the same period in the 2013-2014 financial year.

The net profit for the nine month period was \$426.2 Million, a 5% reduction over the prior year. This was mainly due to an increase in finance cost incurred after the commencement of the operations of the liquid. There was also an increase in operating expenses during the period. This was due to a significant investment in marketing to support and promote the introduction of our new iCool line. The net profit performance was in line with the expectations of management and the board. Shareholders' equity stood at \$3B at 31 December 2014, an increase of 24% over the same period last year.

The company's financial performance for the quarter was also positive. Sales revenue for the quarter was \$1.2B, an increase of 24% over the same period ended 31 December 2013. Net profits increased by 19.5% from \$132.5M for the quarter ended 31 December 2013 to \$158.3Million for the quarter ended 31 December 2014. The earnings per share for the quarter was \$0.04, a 19% increase over the same period last year.

Operationally, we are meeting our growth milestones. Lasco Manufacturing is well positioned in the current environment to deliver increased growth. We have completed a significant transformation that provides us with a strong asset base. Importantly, we expect strong growth in the 2015-2016 financial year driven by ongoing success in our local and export markets. The integration of our business process and product extension portfolio has contributed positively to this quarter's results. This integration is also expected to have further positive impact on profitability during the 2015-2016 financial year. We are on target to deliver on the promise to improve efficiencies and productivity, reduce operational costs, and increase product portfolio, sales and profitability.

Lasco Manufacturing continues to be committed to the development of our country and the education of our children. During this quarter, the company sponsored the Lasco/Ministry of Education Teacher and Principal of the Year Programme. The ceremony celebrated on November 4, rewarded two of our most committed educators. The management of Lasco Manufacturing wishes to congratulate our Principal of the Year, Heather Murray from Hampton High School and Teacher of the Year, Anieta Bailey from Mary Mount High School. We wish to thank all our educators for their contribution to developing our children and focusing on building a better Jamaica, land we love. We wish all our winners a continued success.

The introduction of our new iCool line 'hit' the local market with such a success that we were unable to meet the unexpected high demand. We apologize to our customers and consumers and wish to thank you all for the support and commitment you have shown through the years. We want you to know that your favorite products are now on sale!

We want to thank our shareholders, customers and consumers for their continued support to our company and to the LASCO philosophy of providing affordable products and building Jamaica.

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

Dr. Eileen Chin, MBA

Managing Director

LASCO Manufacturing Limited

Statement of Comprehensive Income

For the Nine months ended December 31, 2014

Unaudited and expressed in J\$'000

	3 months to 31 Dec 2014	3 months to 31 Dec 2013	9 months to 31 Dec 2014	9 months to 31 Dec 2013
Revenue	1,251,161	1,007,806	3,333,356	2,883,831
Cost of Sales	960,815	763,319	2,441,212	2,113,097
Gross Profit	290,346	244,487	892,144	770,734
Other Income	1,851	(7,027)	19,213	(6,385)
Operating Expenses	(88,818)	(88,786)	(383,190)	(298,192)
Profit from Operations	203,379	148,674	528,167	466,157
Finance Costs	(45,106)	(16,138)	(101,871)	(18,460)
Profit before Taxation	158,273	132,537	426,296	447,698
Taxation	0	0	0	0
Total Comprehensive Income for the Period	158,273	132,537	426,296	447,698
Earnings per stock unit	0.04	0.03	0.10	0.11

LASCO Manufacturing Limited
Statement of Financial Position
as at 31 December 2014

	31 Dec 2014 Unaudited \$'000	31 Dec 2013 Unaudited \$'000	31 Mar 2014 Audited \$'000
ASSETS:			
Non-Current Assets			
Property, Plant & Equipment	1,092,097	185,112	980,399
Capital Work in Progress	2,262,069	2,503,081	1,961,779
Total Non-Current Assets	3,354,166	2,688,193	2,942,178
Current Assets			
Inventories	696,360	684,228	741,884
Trade and other receivables	893,617	827,970	811,932
Director's current account	0	2,471	2,377
Taxation recoverable	23	12,664	10,494
Due from Related Companies	3,736	6,799	3,157
Short term Investments	0	0	77,871
Cash	49,774	63,520	59,352
Total Current Assets	1,643,509	1,597,652	1,707,067
TOTAL ASSETS	4,997,676	4,285,844	4,649,245
EQUITY AND LIABILITIES:			
Current Liabilities			
Trade and Other Payables	524,616	419,344	636,092
Due to related Companies	40	40	0
Director's current account	139,352	0	0
Current portion of long term loan	336,141	0	187,615
Total Current Liabilities	1,000,149	419,384	823,707
Non-Current Liabilities			
Long Term Debt	1,047,041	1,479,062	1,301,385
Shareholders' Equity			
Share Capital	305,298	305,298	305,298
Retained Earnings	2,645,187	2,081,176	2,218,855
Capital Reserves	0	924	0
Total Shareholders' Equity	2,950,485	2,387,399	2,524,153
TOTAL EQUITY AND LIABILITIES	4,997,676	4,285,844	4,649,245

Lascelles Chin Chairman

Eileen Chin Director

LASCO Manufacturing Limited
Statement of Cashflows
For the Nine months ended December 31, 2014
(expressed in Thousands)

	Dec-14	Dec-13
	J\$'000	J\$'000
Cash Flows From Operating Activities:		
Profit /(Loss) for the period	426,296	447,698
Items not affecting cash	146,363	30,071
Changes in non-cash working capital components	230,457	(166,928)
Cash provided by Operating Activities	803,117	310,841
Cash (used in)/provided by Investing Activities	(456,481)	(794,067)
Cash provided by /(used in) Financing Activities	(356,214)	454,746
Net Change In Cash and Cash Equivalents	(9,578)	(28,480)
Cash and cash equivalents at the beginning of the period	59,352	92,001
Cash and Cash Equivalents at the end of The Period	49,774	63,520

LASCO Manufacturing Limited
Statement of Changes in Shareholders' Equity
For the Nine months ended December 31, 2014

2014				
	Share Capital \$'000	Capital Reserve \$'000	Retained Earnings \$'000	Total \$'000
Balance at 1 April 2014	305,298	0	2,218,891	2,524,189
Total Comprehensive Income for the period	0	0	426,296	426,296
as at 31 December 2014	305,298	0	2,645,187	2,950,485

2013				
	Share Capital \$'000	Capital Reserve \$'000	Retained Earnings \$'000	Total \$'000
Balance at 1 April 2013	305,298	924	1,633,479	1,939,701
Total Comprehensive Income for the period	0	0	447,698	447,698
as at 31 December 2013	305,298	924	2,081,177	2,387,399

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, juice drinks, water, packaging of milk based products and export of various LASCO branded products.

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.

3. DIRECTOR'S CURRENT ACCOUNTS

In December 2014, the Company received a short-term uncollateralized loan of \$141 Million Dollars from a connected party. The loan is repayable in three months at a rate of 3% per annum.

4. SHARE CAPITAL

	2014 \$'000	2013 \$'000
Authorised - 4,427,500,000 (2013 – 442,750,000) ordinary shares of no par value		
Stated capital – Issued and fully paid – Number of Ordinary shares 4,087,130,170 (2013 – 408,713,017) ordinary shares of no par value	<u>305,298</u>	<u>305,298</u>