



# THIRD QUARTER UNAUDITED FINANCIAL REPORT DECEMBER 2015



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## **Report to the Shareholders**

### **NINE MONTHS ENDED DECEMBER 31, 2015**

The Board of Directors of LASCO Manufacturing Limited is pleased to present the third quarter unaudited results for the period ended 31 December 2015.

The Profit generated before tax for the nine months ended December 2015 was \$763.5 million compared to \$426.3 million for the same period last year, an increase of \$337.2 million or 79%. Profit for the quarter was \$267.1 million, an increase of 69% over the same period last year when profit earned was \$158.3 million.

Total revenue for the nine months was \$4.83 billion, an increase of \$1.5 billion or 45% over prior year's \$3.33 billion. Revenue for the quarter rose from \$1.25 billion in 2014 to \$1.74 billion in 2015 an increase of 39%. Gross profit for the nine months rose from \$892.1 million in 2014 to \$1.60 billion in 2015, an increase of \$702.9 million or 79%. For the quarter, gross profit rose by \$257.3 million or 89% from \$290.3 million in 2014 to \$547.6 million in 2015.

Operating expenses for the nine months to December 2015 rose by \$312.8 million or 82% over prior year's \$383.1 million to \$696.0 million. This is due to increases in staff compliment, marketing expenses and new products development costs. For the quarter to date, operating expenses were \$219.8 million compared to \$88.8 million in prior year.

Earnings per share for the nine months ended December 2015 rose from J\$0.10 for the same period prior year to J\$0.18 or 80%.

Comparisons with data for prior years have to be viewed against the background that significant expansion and the successful introduction of many new products into our manufacturing process has been achieved in keeping with our announced development plans.

LASCO Manufacturing Limited will continue to focus on delivering shareholder's value through the existing product portfolio, whilst also looking to the future of new products for additional business growth. We continue 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 Awards. The ceremony celebrated on November 24, 2015 rewarded two of our most committed educators. The management of Lasco Manufacturing wishes to congratulate our Principal of the Year, Mrs. Kandi-Lee Crooks Smith of Allman Town Primary School and Teacher of the Year, Mrs. Nickashie Hardware of the York Castle High School in St. Ann.

While there is much more to do to realize our goal of doubling revenue in the future, the evidence shows we are heading in the right direction.

We would like to thank all our customers, consumers, shareholders and team members for their continuing support and loyalty.

A handwritten signature in blue ink, appearing to read "Robert O. Parkins".

Robert O. Parkins  
**MANAGING DIRECTOR**

**LASCO Manufacturing Limited**

## Statement of Comprehensive Income

For the nine months ended December 31, 2015

*Unaudited and expressed in J\$'000*

	3 Months to Dec 31, 2015	3 Months to Dec 31, 2014	9 Months to Dec 31, 2015	9 Months to Dec 31, 2014
Revenue	1,739,202	1,251,161	4,827,629	3,333,356
Cost of Sales	<u>(1,191,567)</u>	<u>(960,815)</u>	<u>(3,232,603)</u>	<u>(2,441,212)</u>
<b>Gross Profit</b>	<b>547,635</b>	<b>290,346</b>	<b>1,595,026</b>	<b>892,144</b>
<b>Gross Margin %</b>	<b>31%</b>	<b>23%</b>	<b>33%</b>	<b>27%</b>
Other Operating Income / (Loss)	(8,031)	1,851	(8,331)	19,213
Operating Expenses	<u>(219,842)</u>	<u>(88,818)</u>	<u>(695,973)</u>	<u>(383,190)</u>
Profit from Operations	<b>319,762</b>	<b>203,379</b>	<b>890,722</b>	<b>528,167</b>
Finance Costs	<u>(52,711)</u>	<u>(45,106)</u>	<u>(127,193)</u>	<u>(101,871)</u>
<b>Profit before Taxation</b>	267,051	158,273	763,529	426,296
Taxation	(34,734)	-	(34,794)	-
<b>Total Comprehensive Income for the period</b>	<b>232,317</b>	<b>158,273</b>	<b>728,735</b>	<b>426,296</b>
<b>Number of Stock units in Issue</b>	4,087,130	4,087,130	4,087,130	4,087,130
<b>Earnings per Stock</b>	0.06	0.04	0.18	0.10

<b>LASCO Manufacturing Limited</b>				
<b>Statement of Financial Position</b>				
<b>as at December 31, 2015</b>				
		<i>DEC-15</i>	<i>DEC-14</i>	<i>MAR-15</i>
		<i>UnAudited</i>	<i>UnAudited</i>	<i>Audited</i>
	<i>Notes</i>	<i>J\$'000</i>	<i>J\$'000</i>	<i>J\$'000</i>
<b>NON-CURRENT ASSETS</b>				
Property, Plant & Equipment		3,100,844	1,092,097	2,055,938
Capital Work in Progress		401,534	2,262,069	1,340,412
<b>Total Non-Current Assets</b>		<b>3,502,378</b>	<b>3,354,166</b>	<b>3,396,350</b>
<b>CURRENT ASSETS</b>				
Inventories		688,015	696,360	759,421
Trade & Other Receivables	4	2,037,360	897,376	1,131,716
Taxation Recoverable				309
Directors Current Accounts				13,126
Short Term Investments		127,336		82,480
Cash and Bank Balances		245,028	49,774	108,127
		3,097,739	1,643,510	2,095,179
<b>CURRENT LIABILITIES</b>				
Trade Payables		631,399	664,009	656,363
Bank Overdraft		640,876		340,260
Current Portion of Long Term Loan		234,420	336,141	342,946
		1,506,695	1,000,150	1,339,569
<b>Net Current Assets</b>		<b>1,591,044</b>	<b>643,360</b>	<b>755,610</b>
		5,093,422	3,997,526	4,151,960
<b>Financed by:</b>				
Share Capital		305,298	305,298	305,298
Retained Earnings		2,786,044	2,218,855	2,218,855
Current Earnings		728,735	426,332	669,368
		3,820,077	2,950,485	3,193,521
<b>Non-Current Liabilities</b>				
Long Term Loan		1,273,345	1,047,041	958,439
		5,093,422	3,997,526	4,151,960

Approved for issue by the Board of Directors on February 2, 2016 and signed on its behalf by:



Robert Parkins  
Managing Director



Lascelles Chin  
CHAIRMAN

**LASCO Manufacturing Limited**

## Statement of Cash Flows

For the nine months ended December 31, 2015

*Unaudited and expressed in J\$'000*

	9 Months to December 31, 2015	9 Months to December 31, 2014
<b>Cash Flows from Operating Activities:</b>		
Profit/ Loss for the period	728,735	426,296
Items not affecting cash	265,470	83,429
Changes in non-cash working capital components	(498,226)	230,457
<b>Cash provided by Operating Activities</b>	<b>495,979</b>	<b>803,117</b>
Cash (used in) / provided by Investing Activities	(510,608)	(456,481)
Cash provided by / (used in) Financing Activities	21,750	(356,241)
<b>Net Change in Cash and Cash Equivalents</b>	<b>(36,379)</b>	<b>(9,578)</b>
Cash and cash equivalents at the beginning of the period	(232,133)	59,352
<b>Cash and Cash Equivalents at the end of the Period</b>	<b>(268,512)</b>	<b>49,774</b>
<b>Comprised of</b>		
Short Term Investments	127,336	-
Cash and Bank balances	245,028	49,774
Bank Overdraft	(640,876)	
	<b>(268,512)</b>	<b>49,774</b>

**LASCO Manufacturing Limited**

Statement of Changes in Shareholders' Equity

For the nine months ended December 31, 2015

*Unaudited and expressed in J\$'000*

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	<b>2014</b>		
Balance at 1 April 2014	305,298	2,218,891	2,524,189
Total Comprehensive Income for the period		426,296	426,296
Balance as at December 31, 2014		<u>2,645,187</u>	<u>2,950,485</u>

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	<b>2015</b>		
	Share Capital	Retained	Total
	J\$'000	Earnings	J\$'000
		J\$'000	J\$'000
Balance at 1 April 2015	305,298	2,888,221	3,193,519
Payment of Dividends		(102,179)	(102,179)
Total Comprehensive Income for the period		728,735	728,735
Balance as at December 31, 2015		<u>3,514,777</u>	<u>3,820,077</u>



# LASCO Manufacturing Limited

Notes to the Financial Statements

December 31, 2015

## 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 at 27 Red Hills Road, Kingston 10 and it currently operates from leased premises at 38 ½ Red Hills, Kingston 10 and from premises at White Marl.
- b. The principal activities of the company are the manufacturing of soy based products, juice drinks, water and export of various LASCO branded products.

## 2. SIGNIFICANT ACCOUNTING POLICIES:

- a. 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.
- b. The accounting policies followed in these interim financial statements are consistent with those used in the audited financial statements for the year ended 31<sup>st</sup> March 2015.
- c. These financial statements are presented in Jamaican dollars unless otherwise indicated.

## 3. FINANCE COSTS

Finance costs are stated net of foreign exchange gains / losses

4. <u>TRADE &amp; OTHER RECEIVABLES</u>	<u>2015</u>	<u>2014</u>	
a. Trade Receivables	JA\$ '000	JA\$ '000	
1. Local	1,353,535	706,832	
2. Foreign	116,876	122,378	
b. Other Receivables	<u>566,949</u>	<u>68,166</u>	This comprises of prepayments made for capital goods & stock.
	2,037,360	897,376	

5. **SHARE CAPITAL**

	2015	2014
Authorized:-		
4,427,500,000 (2014 – 4,427, 500,000) ordinary shares of no par value		
Stated capital –		
Issued and fully paid –		
Number of ordinary shares		
4,087,130,170 (2014 – 4,087,130,170) ordinary shares of no par value	<u>305,298</u>	<u>305,298</u>



**LASCO MANUFACTURING LIMITED**

**TOP TEN SHAREHOLDERS AS AT DECEMBER 31, 2015**

<b>NAMES</b>	<b>UNITS</b>	<b>PERCENTAGES</b>
EAST WEST (ST. LUCIA) LIMITED	2,002,693,780.00	49.00
LASCELLES A. CHIN	1,244,428,470.00	30.45
MAYBERRY WEST INDIES BANK LIMITED	138,036,382.00	3.38
MANWEI INTERNATIONAL	29,290,311.00	0.72
BAMBOO GROUP HOLDINGS LIMITED	23,610,840.00	0.58
CATHERINE ADELLA PEART	21,859,750.00	0.53
YUAN LIAO	20,391,220.00	0.50
JOEL IZQUIERDO GONZALEZ	20,000,000.00	0.49
LIUDMILA GONZALEZ DIAZ	20,000,000.00	0.49
HILDA GONZALEZ ROSALES	20,000,000.00	0.49



**LASCO MANUFACTURING LIMITED**  
**DIRECTORS AND CONNECTED PARTIES SHAREHOLDINGS**  
**AS AT DECEMBER 31, 2015**

NAME OF PRIMARY HOLDERS	POSITION *CONNECTED PARTIES	UNITS	PERCENTAGES
LASCELLES CHIN		1,244,428,470.00	30.4475
	*EAST WEST (ST. LUCIA) LTD	2,002,693,780.00	49.0000
	*EILEEN CHIN - DIRECT	{16,000,000.00}	{0.3915}
EILEEN CHIN		16,000,000.00	0.3915
	*LASCELLES CHIN -DIRECT	{1,244,428,470.00}	{30.4475}
PETER CHIN		13,585,980.00	0.3308
J. A. LESTER SPAULDING		1,503,000.00	0.0368
ROSALEA HAMILTON		110,000.00	0.0360
VINCENT ANTHONY CHEN		0.00	0.0000
JACINTH HALL-TRACEY		0.00	0.0000



**LASCO MANUFACTURING LIMITED**

**SENIOR MANAGERS AND CONNECTED PARTIES SHAREHOLDING**

**AS AT DECEMBER 31, 2015**

<b>Name</b>			
<b>Primary Holder</b>		<b>Units</b>	<b>Percentages</b>
ROBERT PARKINS		0.00	0.0000
SOPHIA GAYLE		0.00	0.0000