



UNAUDITED
Financial Statements
THIRD QUARTER
December 31, 2021



TABLE OF CONTENTS

- ❖ Report to the Shareholders
- ❖ Statement of Comprehensive Income
- ❖ Statement of Financial Position
- ❖ Statement of Cash Flows
- ❖ Statement of Shareholders Equity
- ❖ Notes to the Financial Statements

Report to the Shareholders

NINE MONTHS ENDED DECEMBER 31, 2021

The Board of Directors of LASCO Manufacturing Limited is pleased to present the unaudited results for the third quarter ended December 2021.

Quarter Results:

Revenue for the third quarter ended December 31, 2021 was \$2.395 billion or 15.9% above the revenue (\$2.066 billion) of the corresponding quarter of the prior year.

Gross margin for the period was 38% compared to 36% in the same period of the previous year.

Operating profit for the three months was \$609.94 million, 41.8% above the \$429.41 million achieved in the same period of the previous year, primarily reflecting the increased sales and gross margin improvement.

Net Profit for the period was \$403.29 million, an increase of 43.4% above the net profit for the corresponding period of the year before.

Selling and Administrative expenses were \$327.35 million which was 3.9% higher than in the comparative three months of the prior year - yielding an Expense to Sales ratio of 13.7%, down from 15.2% in the prior year.

Nine months Results:

For the nine months ended December 31, 2021, sales revenue was \$7.05 billion or 14% higher than the \$6.19 billion achieved in the corresponding period of the previous year. Gross margin for the period was 37% compared to 38% in the same period of the previous year. The margin decline was due to increased materials and logistics costs that were not fully recovered through selling price increases but were absorbed by the company.

Selling and administrative expenses were \$950.2 million, a reduction of 3% on the prior year (PY: \$982.8 billion) resulting in an expense to sales ratio of 13.5% compared to 16% in the same period of the previous year.

Operating Profit grew to \$1.74 billion, a 30 % increase over the prior year while **Net Profit** was \$1.18 billion or 16% above the net profit of the corresponding nine months of the prior year.

Balance Sheet

Total Assets as at December 31, 2021, were \$11.63 billion, an increase of 13% over the same period of the previous year with current assets being \$6.62 billion or 29% higher than the current assets at December 2020.

Inventories value stood at \$1.58 billion - an increase of 23% over the comparative value of last year due to the combined effect of increased value due to material cost, price inflation and higher stock levels of critical materials.

Trade and other receivables were \$2.47 billion, marginally up from the \$2.34 billion at December 2020, while payables were \$1.5 billion or 33 % above the prior year (reflecting increased materials cost and higher inventory levels).

Cash and Bank balances inclusive of short-term investments were \$2.56 billion up from \$1.51 billion as at December 2020.

Corporate Social Responsibility

The Company continued executing its corporate and social and various community outreach programmes throughout the period.

Annual Educators of the Year Awards

In collaboration with the Lasco Chin Foundation and the Ministry of Education Youth and Information/Jamaican Teaching Council Educators were recognized for outstanding work throughout the year. The recognition ceremony was held virtually on December 29th, 2021, and one hundred and ninety-nine (199) educators from all parishes comprising teachers and principals of primary and secondary schools were presented with plaques of appreciation.

In addition, four Awardees will be sponsored to attend the annual Association for Supervision and Development (ASCD) conference in Chicago during March 18 -21, 2022.

Our community outreach programmes included collaboration with various NGOs and community groups in providing care packages for distribution.

The company engaged with the Ministry of Health and Wellness in staging two Vaccination Blitzes during the quarter at the White Marl Complex, for employees and their immediate families. So far, four blitzes have been staged at the site since August 2021 with a fifth planned for January 24th, 2022.

Outlook

The evolution of the Covid-19 pandemic in terms of waves, variants, vaccination take up and potential containment measures that may have to be taken will undoubtedly continue to pose challenges for the business environment for the medium term, at least. Materials price inflation, increased logistics costs and supply chain disruptions (also related to the pandemic) will continue to add complexity. Margins will therefore continue to be under pressure and price

increases will become necessary. However, we remain committed to mitigate the extent of the increases through our continued focus and drive to improve operational efficiencies and cost control.

We thank our hard-working team members for their dedication, application and response to the challenges and our customers, shareholders and other stakeholders for their continued confidence and support.

Yours sincerely,

LASCO Manufacturing Limited



.....
James E D Rawle
Managing Director

LASCO Manufacturing Limited

Statement of Comprehensive Income

For the nine months ended December 31, 2021


Unaudited and expressed in J\$'000

	3 Months to Dec 31, 2021	3 Months to Dec 31, 2020	9 Months to Dec 31, 2021	9 Months to Dec 31, 2020
Revenue	2,395,573	2,066,391	7,053,617	6,190,550
Cost of Sales	<u>(1,475,580)</u>	<u>(1,312,188)</u>	<u>(4,423,526)</u>	<u>(3,835,675)</u>
Gross Profit	919,993	754,203	2,630,091	2,354,875
Gross Margin %	38%	36%	37%	38%
Other Operating Income / (Loss)	16,401	(9,828)	67,375	(28,004)
Operating Expenses	<u>(327,349)</u>	<u>(314,969)</u>	<u>(950,237)</u>	<u>(982,809)</u>
Profit from Operations	609,045	429,406	1,747,229	1,344,062
Finance Costs	<u>(11,323)</u>	<u>(14,550)</u>	<u>(40,397)</u>	<u>(46,379)</u>
Profit before Taxation	597,722	414,856	1,706,832	1,297,683
Taxation	(194,430)	(133,713)	(521,450)	(279,066)
Total Comprehensive Income for the period	<u>403,292</u>	<u>281,143</u>	<u>1,185,382</u>	<u>1,018,617</u>
Number of Stock units in Issue	4,132,913	4,125,010	4,132,913	4,125,010
Earnings per Stock	0.10	0.07	0.29	0.25

LASCO Manufacturing Limited
Statement of Financial Position
as at December 31, 2021

	<i>DEC-21</i> <i>UnAudited</i>	<i>DEC-20</i> <i>UnAudited</i>	<i>MAR-21</i> <i>Audited</i>
	<i>J\$'000</i>	<i>J\$'000</i>	<i>J\$'000</i>
NON-CURRENT ASSETS			
Property, Plant & Equipment	4,645,286	4,471,927	4,813,761
Capital Work in Progress	142,369	480,926	137,047
Long Term Investment	221,029	220,690	221,029
Total Non-Current Assets	5,008,684	5,173,544	5,171,837
CURRENT ASSETS			
Inventories	1,583,157	1,285,154	1,318,431
Trade & Other Receivables	2,478,201	2,341,157	2,243,793
Taxation Recoverable	-	-	-
Directors Current Accounts	-	-	-
Short Term Investments	376,481	215,946	267,729
Cash and Bank Balances	2,189,612	1,300,535	1,858,824
	6,627,450	5,142,792	5,688,776
CURRENT LIABILITIES			
Trade Payables	1,499,657	1,131,164	1,348,105
Bank Overdraft	-	-	-
Current Portion of Long Term Loan	454,603	496,230	454,603
	1,954,259	1,627,395	1,802,708
Net Current Assets	4,673,191	3,515,397	3,886,069
	9,681,874	8,688,941	9,057,906
Financed by:			
Share Capital	563,168	550,887	563,168
Other Reserve	171,487	186,828	171,487
Retained Earnings	6,990,879	5,911,293	5,911,293
Fair Value Reserve	(114,303)	(148,690)	(114,303)
Current Earnings	1,185,381	1,018,617	1,379,636
	8,796,612	7,518,934	7,911,280
Non-Current Liabilities			
Long Term Loan	8,204	453,661	364,568
Deferred Taxation	877,058	716,345	782,058
	9,681,874	8,688,941	9,057,906

Approved for issue by the board of Directors on February 8, 2022 and signed on its behalf by:



Hon. Lascelles A Chin, O.J., C.D., LLD (Hon. Causa)
 Executive Chairman



James E D Rawle, CD
 Deputy Executive Chairman

LML STATEMENT OF CASH FLOWS

Year-to-date December 31, 2021

Unaudited and expressed in JS'000

<i>STATEMENT OF CASH FLOWS</i>	<i>YTD DEC-21 JS'000</i>	<i>YTD DEC-20 JS'000</i>
Cash Flows from Operating Activities		
Operating Activities		
Profit/(Loss) for the period	1,185,381	1,018,617
Depreciation	213,970	203,051
Interest Income	(11,574)	(8,665)
Dividened Income	(6,328)	(6,956)
Effect of exchange rate translation	-	-
Stock options - value of services expensed	-	-
Loss on disposal of property, plant and equipment	-	26
Interest Expense	40,397	46,379
Taxation Expense	521,450	279,066
Items not affecting cash	757,915	512,901
(Increase) /Decrease in Current Assets		
Inventories	(264,726)	(130,874)
Trade & Other Receivables	(234,408)	(221,293)
Taxation paid	(64,728)	(45,353)
Payables	(210,169)	(458,203)
Cash provided by operating activities	1,169,265	675,796
Interest Received	11,574	8,665
Short Term Investments	(108,752)	(118,009)
Purchase of Investments	-	(50,000)
Acquisition of Property, Plant & Equipment	(50,817)	(184,862)
Proceeds from disposal of property, plant and equipmer	-	-
Cash used in Investing Activities	(147,995)	(344,207)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Interest Paid	(40,397)	(46,379)
Loan Repayment	(356,363)	(145,033)
Share Issue	-	-
Proceeds from Loan	-	50,000
Long term investment in Stocks	-	-
Dividends Received	6,328	6,956
Dividends Paid	(300,049)	(250,746)
Cash provided by /(used in) Financing Activities	(690,482)	(385,202)
Net Change in Cash and Cash Equivalents	330,788	(53,613)
Exchagnge gain on foreign cash balances	-	-
Cash and cash equivalents at the beginning of the period	1,858,824	1,354,148
Cash and cash equivalents at the end of the period	2,189,612	1,300,535

Comprised of:

Cash and Bank balances	2,189,612	1,300,535
Bank Overdraft	-	-
	<u>2,189,612</u>	<u>1,300,535</u>

LASCO Manufacturing Limited

Statement of Changes in Shareholders' Equity

For the nine months ended December 31, 2021

Unaudited and expressed in J\$'000

2020					
	Share Capital J\$'000	Other Reserve J\$'000	Fair Value Reserve J\$'000	Retained Earnings J\$'000	Total J\$'000
Balance at 1 April 2020	550,888	186,828	(148,690)	6,162,039	6,751,065
Share Issue					
Other Comprehensive Income					-
Payment of Dividends				(250,746)	(250,746)
Total Comprehensive Income for the period				1,018,617	1,018,617
Balance as at December 31, 2020	550,888	186,828	(148,690)	6,929,910	7,518,934
2021					
	Share Capital J\$'000	Other Reserve J\$'000	Fair Value Reserve J\$'000	Retained Earnings J\$'000	Total J\$'000
Balance at 1 April 2021	563,168	171,487	(114,303)	7,290,929	7,911,281
Other Comprehensive Income					-
Payment of Dividends				(300,049)	(300,049)
Total Comprehensive Income for the period				1,185,381	1,185,381
Balance as at December 31, 2021	563,168	171,487	(114,303)	8,176,261	8,796,612

LASCO Manufacturing Limited

Notes to the Financial Statements

December 31, 2021

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 premises at White Marl in the parish of St. Catherine.
- 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 31st March 2021.
- 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 & OTHER RECEIVABLES</u>	<u>2021</u>	<u>2020</u>	
a. Trade Receivables	JA\$ '000	JA\$ '000	
1. Local	2,151,538	1,975,791	
2. Foreign	53,259	90,614	
b. Other Receivables	<u>273,404</u>	<u>274,752</u>	This comprises of prepayments made for capital goods & stock.
	2,478,201	2,341,157	

SHARE CAPITAL

	2021	2020
Authorized:-		
4,427,500,000 (2017 – 4,427, 500,000) ordinary shares of no par value		
Stated capital –		
Issued and fully paid –		
Number of ordinary shares		
4,132,913,151 (2020 – 4,130,913,151) ordinary shares of no par value	<u>563.168</u>	<u>550.887</u>