



FIRST QUARTER UNAUDITED FINANCIAL REPORT JUNE 2022



TABLE OF CONTENTS

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

Report to the Shareholders

Three months ended June 30, 2022

The Board of Directors of Lasco Manufacturing is pleased to present the unaudited results for the three months ended June 30, 2022.

Sales revenue for the quarter was \$2.6 billion, an increase of 12 %, or \$284 million on the revenue for the corresponding period of the prior year.

Gross profit increased by 7% to \$898 million. Gross margin however decreased by 200 basis points to 34% due to the impact of extraordinary inflation in materials, logistics and energy costs that were only partially recovered through selling price increases.

Selling and administrative expenses inclusive of marketing investments for the brands were \$312 million, an increase of 2.6% with respect to the same period of the prior year. However, Marketing investments were 8 % higher than in the prior year as we continued to support the brands and maintained a high level of consumer engagement. The expense to sales ratio for the period was 12 % compared to 13 % in the prior year.

Operating profit at \$573 million was flat with the same period of the prior year.

Net Profit for the three months was \$414 million which was 3% above the corresponding period of the prior year.

Balance Sheet

Total Assets at the end of June 2022 were \$12.3 billion reflecting an increase of 9.3% on the prior year with Current Assets being \$7.13 billion or 17% higher than position at the end of June 2021. Current Liabilities at the end of the period were \$1.9 billion.

Inventory value was \$1.9 billion which was 48% above the prior year primarily reflecting temporary inventory increase to mitigate supply chain disruption. The extraordinary increase in material cost inflation also contributed.

Relative to the corresponding period of the prior year Trade Receivables went up by \$492 million or 17% to \$3.3 billion while payables were \$1.2 billion – a 8% increase on the prior year.

Cash and Bank Balance, inclusive of short- term investments were \$1.84 billion marginally down from \$1.9 billion as at June 2021.

Interim Dividend

An interim dividend of \$0.10 per share, totaling \$413 million, was paid to Shareholders on June 29, 2022.

Corporate Social Responsibility (CSR) Initiatives.

During the quarter the company partnered with the Nurses Association of Jamaica (NAJ), Lasco Distributors Limited and the Lasco Chin Foundation in activities to celebrate International Nurses Day on May 12, 2022. The ceremony was held at the Terra Nova All Suites Hotel with one hundred and fifty (150) Healthcare Champions in attendance and streamed live in order to include participation of Nurses island-wide. The theme for the day's celebration was Nurses: **A voice to lead – Invest in nursing and respect rights to secure global health.**

Outlook

The challenges of spiraling cost inflation coupled with supply chain disruptions and bottlenecks will undoubtedly continue for the foreseeable future, given the lingering effects of the pandemic and the impact of the current geo-political conflict. Margins will therefore continue to be under pressure. However, we will remain proactive, agile, and flexible and take the necessary actions to mitigate potential negative impacts on the business. Delivering top-line growth with progressive margin improvement remains our top priority.

We take this opportunity to thank all our team members for their hard work, on-going dedication and commitment and you our shareholders and other stakeholders for your continued confidence and support.

Yours sincerely,

LASCO MANUFACTURING LIMITED



James E. D. Rawle, CD
Managing Director

LASCO Manufacturing Limited

Statement of Comprehensive Income

For the three months ended June 30, 2022


Unaudited and expressed in J\$'000


	3 Months to June 30, 2022	3 Months to June 30, 2021
Revenue	2,604,343	2,319,827
Cost of Sales	<u>(1,706,170)</u>	<u>(1,479,268)</u>
Gross Profit	898,172	840,558
Gross Margins %	34%	36%
Other Operating Income / (Loss)	(13,749)	34,636
Operating Expenses	<u>(311,710)</u>	<u>(304,256)</u>
Operating profit	572,713	570,938
Finance Costs	<u>(7,623)</u>	<u>(15,600)</u>
Profit before Tax	565,091	555,339
Taxation	<u>(151,011)</u>	<u>(153,577)</u>
Net Profit	414,080	401,762
Unrealised Gains on Financial Instruments	112,213	-
Total Comprehensive Income	<u>526,293</u>	<u>401,762</u>
Number of Stock units in Issue	4,132,913	4,130,913
Earnings per Stock	0.10	0.10

LASCO Manufacturing Limited
Statement of Financial Position
as at June 30, 2022

	<i>JUN-22</i>	<i>JUN-21</i>	<i>MAR-22</i>
	<i>UnAudited</i>	<i>Unaudited</i>	<i>Audited</i>
	<i>J\$'000</i>	<i>J\$'000</i>	<i>J\$'000</i>
NON-CURRENT ASSETS			
Property, Plant & Equipment	4,543,585	4,769,119	4,583,689
Capital Work in Progress	131,254	139,715	142,369
Long Term Investment	463,297	221,029	352,195
Total Non-Current Assets	5,138,136	5,129,863	5,078,253
CURRENT ASSETS			
Inventories	1,931,066	1,306,101	1,746,839
Trade & Other Receivables	3,346,102	2,854,272	2,433,421
Taxation Recoverable	11,982	6,684	10,820
Directors Current Accounts	4,305	4,995	4,305
Short Term Investments	816,200	369,031	818,651
Cash and Bank Balances	1,022,199	1,554,535	1,968,730
	7,131,855	6,095,619	6,982,767
CURRENT LIABILITIES			
Trade Payables	1,219,315	1,132,634	1,149,574
Related companies	14,628	3,462	11,902
Current Portion of Long Term Loan	207,388	454,603	207,388
Taxation	437,030	285,275	369,053
	1,878,360	1,875,973	1,737,916
Net Current Assets	5,253,495	4,219,646	5,244,850
	10,391,631	9,349,509	10,323,103
Financed by:			
Share Capital	563,168	563,168	563,168
Other Reserve	171,487	171,487	171,487
Retained Earnings	8,285,073	7,290,929	6,990,879
Fair Value Reserve	27,459	(114,303)	(84,755)
Current Earnings	414,080	401,762	1,707,486
	9,461,267	8,313,042	9,348,266
Non-Current Liabilities			
Long Term Loan	102,707	239,408	157,180
Deferred Taxation	827,657	797,058	817,657
	10,391,631	9,349,509	10,323,103

Approved for issue by the board of Directors on August 3, 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
Managing Director

LML STATEMENT OF CASH FLOWS

Year-to-date June 30, 2022

Unaudited and expressed in JS'000

<i>STATEMENT OF CASH FLOWS</i>	<i>YTD JUN-22 JS'000</i>	<i>YTD JUN-21 JS'000</i>
Cash Flows from Operating Activities		
Operating Activities		
Profit /(Loss) for the period	414,080	401,762
Depreciation	67,836	76,711
Interest Income	(1,673)	(1,829)
Dividened Income	(4,963)	(2,000)
Effect of exchange rate translation	-	-
Stock options - value of services expensed	-	-
Loss on disposal of property, plant and equipment	711	-
Interest Expense	7,623	15,600
Taxation Expense	151,011	153,577
Items not affecting cash	220,545	242,058
(Increase) /Decrease in Current Assets		
Inventories	(184,227)	12,330
Trade & Other Receivables	(912,681)	(622,159)
Taxation paid	(73,034)	(28,024)
Payables	70,593	(37,287)
Cash provided by operating activities	(464,725)	(31,320)
Interest Received	1,673	1,829
Short Term Investments	2,450	(101,302)
Purchase of Investments	-	-
Acquisition of Property, Plant & Equipment	(16,617)	(34,736)
Proceeds from disposal of property, plant and equipmer	-	-
Cash used in Investing Activities	(12,494)	(134,210)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Interest Paid	(7,623)	(15,600)
Loan Repayment	(54,473)	(125,159)
Share Issue	-	-
Proceeds from Loan	-	-
Long term investment	1,111	-
Dividends Received	4,963	2,000
Dividends Paid	(413,291)	-
Cash provided by /(used in) Financing Activities	(469,313)	(138,759)
Net Change in Cash and Cash Equivalents	(946,531)	(304,289)
Exchagnge gain on foreign cash balances	-	-
Cash and cash equivalents at the beginning of the period	1,968,730	1,858,824
Cash and cash equivalents at the end of the period	1,022,199	1,554,535

Comprised of:

Cash and Bank balances	1,022,199	1,554,535
Bank Overdraft	-	-
	1,022,199	1,554,535

LASCO Manufacturing Limited

Statement of Changes in Shareholders' Equity

For the three months ended June 30, 2022

Unaudited and expressed in J\$'000

2021					
	Share Capital	Other	Fair Value	Retained	Total
	J\$'000	Reserve	Reserve	Earnings	J\$'000
	J\$'000	J\$'000	J\$'000	J\$'000	J\$'000
Balance at 1 April 2021	563,168	171,488	(114,303)	7,290,929	7,911,282
Other Comprehensive Income					-
Fair Value Reserve					-
Total Comprehensive Income for the period				401,762	401,762
Balance as at June 30, 2021	563,168	171,488	(114,303)	7,692,691	8,313,044

2022					
	Share Capital	Other	Fair Value	Retained	Total
	J\$'000	Reserve	Reserve	Earnings	J\$'000
	J\$'000	J\$'000	J\$'000	J\$'000	J\$'000
Balance at 1 April 2022	563,168	171,487	(84,755)	8,698,365	9,348,265
Other Comprehensive Income					-
Fair Value Reserve			112,213		112,213
Payment of Dividends				(413,291)	(413,291)
Total Comprehensive Income for the period				414,080	414,080
Balance as at June 30, 2022	563,168	171,487	27,458	8,699,154	9,461,267

LASCO Manufacturing Limited

Notes to the Financial Statements
June 30, 2022

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. The company is listed on the Junior Market of the Jamaica Stock Exchange.
- b. The principal activities of the company are the manufacturing of soy-based products, juice drinks, water, and packaging of milk-based products. Distribution of these products is done in the local market.

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 2022.
- 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. TRADE & OTHER RECEIVABLES

	<u>2022</u>	<u>2021</u>	
a. Trade Receivables	JA\$ '000	JA\$ '000	
1. Local	3,035,283	2,550,616	
2. Foreign	86,956	66,603	
b. Other Receivables	<u>223,863</u>	<u>248,733</u>	This comprises of prepayments made for capital goods & stock.
	3,346,102	2,865,952	

SHARE CAPITAL

	2022	2021
Authorized: -		
4,427,500,000 (2020 – 4,427, 500,000) ordinary shares of no-par value		
Stated capital –		
Issued and fully paid –		
Number of ordinary shares		
4,132,913,151 (2021 – 4,130,913,151) ordinary shares of no-par value	<u>563,168</u>	<u>563,168</u>