



UNAUDITED
Financial Statements
SECOND QUARTER
September 30, 2022



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Report to the Shareholders

Six months ended September 2022

The Board of Directors of LASCO Manufacturing Limited is pleased to present the unaudited results for second quarter ended September 2022.

Quarter Results:

Revenue for the second quarter ended September 30, 2022 was \$2.87 billion or a 22.6% increase on the revenue (\$2.3 billion) of the corresponding quarter of the prior year.

Gross margin for the period was 37% comparable to the same period of the previous year.

Operating profit for the three months was \$685 million, 20.8% above the \$567 million realised in the same quarter of the prior year.

Net Profit for the three months was \$468.7 million an increase of 23.2% on the net profit for the corresponding period of the previous year.

Six Months Results:

For the **six months** ended September 30, 2022, revenue was \$5.47 billion or 17% higher than the \$4.66 billion achieved in the corresponding period of the previous year. Gross margin was 36% - a 100 basis points decline on the year before (due to higher input costs that were not fully recovered).

Selling and Administrative expenses were contained at \$690 million, an increase of 11% on the prior year, resulting in an improved Expense to Sales ratio of 12.6% compared to 13.4% in the same period of the previous year - and reflecting gains in operational efficiencies.

Operating Profit grew to \$1.26 billion, a 11% increase over the prior year, while **Net Profit** was \$883 million or 13% higher than in the corresponding six months of the prior year.

Balance Sheet

The balance sheet remained healthy. Total Assets at the end of the six months were \$12.53 billion an increase of 12.5 % on the same period of the prior year with current assets being \$7.48 billion or 23% above the current assets at the end of September 2021.

Trade and other receivables were \$2.73 billion compared to \$2.96 at the end of September 2021 and \$2.44 billion at the end of the fiscal year March 2022.

Inventories were \$1.85 billion an increase of 43% above last year. This was due to temporary increases in safety stocks to mitigate on going supply chain disruptions and instability.

Trade payables were \$969 million up from \$905 million last year and \$1.1 billion at the end of the fiscal year.

Cash and Bank Balance, inclusive of short-term investments were \$2.873 billion up from \$1.813 billion at the end of September 2021.

Interim Dividend

An interim dividend totalling \$413 million was paid to shareholders on 29th June 2022.

Corporate Social Responsibility

In continuation of our Corporate Social Responsibility initiatives, we partnered with the Nurses Association of Jamaica (NAJ), The Lasco Chin Foundation and Lasco Distributors Limited in activities to celebrate Nurses' week, July 17 – July 22, 2022, which culminated with the Award of the Lasco/NAJ Nurse of the year held at the Jamaica Pegasus Hotel.

Nurse of the Year and Student Nurse of the Year went to Alicia Adamson and La-Daniel Campbell respectively at the Awards Ceremony on July 22, 2022.

Other aspects of our outreach programmes continued, including contribution of care packages to various Relief and Charitable institutions.

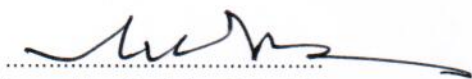
Outlook

We remain cautiously optimistic for continued growth in the forthcoming quarters as we have seen an easing of the supply chain bottlenecks and material cost inflation seems to have stabilised. With the on-going geopolitical conflict in Europe headwinds are however possible. Whatever may arise we will remain focussed and proactive in executing our business plans to deliver growth and margin progression.

We thank our hard-working team members for their on-going dedication and commitment and our customers, shareholders and other stakeholders for their continued confidence and support.

Yours sincerely,

LASCO MANUFACTURING LIMITED



Lascelles A Chin, O.J., C.D.

Executive Chairman

LASCO Manufacturing Limited

Statement of Comprehensive Income

For the six months ended September 30, 2022

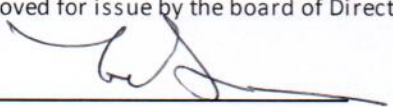
Unaudited and expressed in J\$'000

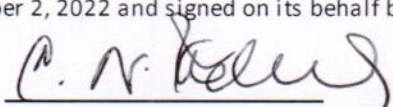
	3 Months to Sept. 30, 2022	3 Months to Sept. 30, 2021	6 Months to Sept. 30, 2022	6 Months to Sept. 30, 2021
Revenue	2,867,634	2,338,217	5,471,976	4,658,044
Cost of Sales	<u>(1,793,924)</u>	<u>(1,468,678)</u>	<u>(3,500,094)</u>	<u>(2,947,946)</u>
Gross Profit	1,073,710	869,539	1,971,882	1,710,098
Gross Margins %	37%	37%	36%	37%
Other Operating Income / (Loss)	(9,934)	16,338	(23,683)	50,974
Operating Expenses	<u>(378,328)</u>	<u>(318,632)</u>	<u>(690,038)</u>	<u>(622,888)</u>
Operating profit	685,449	567,245	1,258,162	1,138,185
Finance Costs	(7,177)	(13,474)	(14,799)	(29,074)
Profit before Tax	678,272	553,771	1,243,362	1,109,111
Taxation	<u>(209,568)</u>	<u>(173,443)</u>	<u>(360,579)</u>	<u>(327,020)</u>
Net Profit	468,704	380,328	882,784	782,091
Unrealised Gains on Financial Instruments	(35,730)	-	76,483	-
Total Comprehensive Income	432,974	380,328	959,267	782,091
Number of Stock units in Issue	4,132,913	4,132,913	4,132,913	4,132,913
Earnings per Stock	0.11	0.09	0.21	0.19

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

	SEP-22	SEP-21	MAR-22
	UnAudited	Unaudited	Audited
	J\$'000	J\$'000	J\$'000
NON-CURRENT ASSETS			
Property, Plant & Equipment	4,499,508	4,701,931	4,583,689
Capital Work in Progress	130,812	139,715	142,369
Long Term Investment	428,141	221,029	352,195
Total Non-Current Assets	5,058,462	5,062,676	5,078,253
CURRENT ASSETS			
Inventories	1,856,254	1,289,968	1,746,839
Trade & Other Receivables	2,731,214	2,963,169	2,433,421
Taxation Recoverable	12,587	7,663	10,820
Directors Current Accounts	4,305	4,443	4,305
Short Term Investments	1,217,454	369,415	818,651
Cash and Bank Balances	1,656,369	1,444,036	1,968,730
	7,478,183	6,078,694	6,982,767
CURRENT LIABILITIES			
Trade Payables	968,822	905,067	1,149,574
Related companies	17,164	5,227	11,902
Current Portion of Long Term Loan	207,388	454,603	207,388
Taxation	533,564	426,172	369,053
	1,726,936	1,791,068	1,737,916
Net Current Assets	5,751,246	4,287,625	5,244,850
	10,809,708	9,350,301	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	6,990,879	6,990,879
Fair Value Reserve	(8,271)	(114,303)	(84,755)
Current Earnings	882,783	782,091	1,707,486
	9,894,240	8,393,322	9,348,266
Non-Current Liabilities			
Long Term Loan	47,810	124,921	157,180
Deferred Taxation	867,657	832,058	817,657
	10,809,708	9,350,301	10,323,103

Approved for issue by the board of Directors on November 2, 2022 and signed on its behalf by:


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


 Compton Rodney
 Chair, Audit & Risk Mangment Committee

LASCO Manufacturing Limited

LML STATEMENT OF CASH FLOWS

Year-to-date September 30, 2022

Unaudited and expressed in JS'000

<i>STATEMENT OF CASH FLOWS</i>	<i>YTD SEP-22 JS'000</i>	<i>YTD SEP-21 JS'000</i>
Cash Flows from Operating Activities		
Operating Activities		
Profit /(Loss) for the period	882,783	782,091
Depreciation	135,938	144,580
Interest Income	(2,988)	(5,043)
Dividened Income	(6,803)	(2,000)
Effect of exchange rate translation	-	-
Stock options - value of services expensed	-	-
Loss on disposal of property, plant and equipment	701	-
Interest Expense	14,799	29,074
Taxation Expense	360,579	327,020
Items not affecting cash	502,226	493,631
(Increase) /Decrease in Current Assets		
Inventories	(109,414)	28,463
Trade & Other Receivables	(299,560)	(731,482)
Taxation paid	(146,068)	(64,728)
Payables	(99,709)	(223,930)
Cash provided by operating activities	730,259	284,044
Interest Received	2,988	5,043
Short Term Investments	(398,803)	(101,686)
Purchase of Investments	-	-
Acquisition of Property, Plant & Equipment	(40,200)	(35,418)
Proceeds from disposal of property, plant and equipmer	-	-
Cash used in Investing Activities	(436,016)	(132,062)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Interest Paid	(14,799)	(29,074)
Loan Repayment	(109,370)	(239,647)
Share Issue	-	-
Proceeds from Loan	-	-
Long term Investment	(75,946)	-
Dividends Received	6,803	2,000
Dividends Paid	(413,291)	(300,049)
Cash provided by /(used in) Financing Activities	(606,604)	(566,770)
Net Change in Cash and Cash Equivalents	(312,361)	(414,788)
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	1,656,370	1,444,036

Comprised of:

Cash and Bank balances	1,656,370	1,444,036
	<u>1,656,370</u>	<u>1,444,036</u>

LASCO Manufacturing Limited

LASCO Manufacturing Limited

Statement of Changes in Shareholders' Equity

For the six months ended September 30, 2022

Unaudited and expressed in J\$'000

2021					
	Share Capital	Other Reserve	Fair Value Reserve	Retained Earnings	Total
	J\$'000	J\$'000	J\$'000	J\$'000	J\$'000
Balance at 1 April 2021	563,168	171,487	(114,303)	7,290,929	7,911,281
Other Comprehensive Income					-
Fair Value Reserve					-
				(300,049)	(300,049)
Total Comprehensive Income for the period				782,091	782,091
Balance as at September 30, 2021	563,168	171,487	(114,303)	7,772,971	8,393,323

2022					
	Share Capital	Other Reserve	Fair Value Reserve	Retained Earnings	Total
	J\$'000	J\$'000	J\$'000	J\$'000	J\$'000
Balance at 1 April 2022	563,168	171,487	(84,755)	8,698,365	9,348,266
Other Comprehensive Income					-
Fair Value Reserve			76,483		76,483
Payment of Dividends				(413,291)	(413,291)
Total Comprehensive Income for the period				882,784	882,784
Balance as at September 30, 2022	563,168	171,487	(8,271)	9,167,856	9,894,240

LASCO Manufacturing Limited

Notes to the Financial Statements
September 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 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 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. <u>TRADE & OTHER RECEIVABLES</u>	<u>2022</u>	<u>2021</u>	
a. Trade Receivables	JA\$ '000	JA\$ '000	
1. Local	2,427,841	2,554,371	
2. Foreign	94,823	53,983	
b. Other Receivables	<u>208,549</u>	<u>366,921</u>	This comprises prepayments
	2,731,213	2,975,275	made for capital goods & stock.

5. SHARE CAPITAL

2022 2021

Authorized:-

4,427,500,000 (2021 – 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 – 4,132,913,151) ordinary

563,168

563,168

shares of no par value