



UNAUDITED
Financial Statements
THIRD QUARTER
December 31, 2022



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Report to the Shareholders

NINE MONTHS ENDED DECEMBER 31, 2022

The Board of LASCO Manufacturing Limited is pleased to present the unaudited financial results for the third quarter ended December 31, 2022.

Quarter Results (September-December):

Revenue for the third quarter ended December 31, 2022, was \$2.86 billion, an increase of 19% above the revenue (\$2.40 billion) of the corresponding quarter of the prior year.

Gross Profit of \$1.08 billion was 17% higher than \$920 million achieved in the comparative quarter of the previous year.

Gross margin for the period was 37.8% or 60 basis points lower than the gross margin realised in the same period of the last year. The margin decline was due to increased materials and logistics costs that were not fully recovered through selling price increases.

Operating profit was \$715 million, 17% above the \$609 million realised in the same quarter of the prior year.

Net Profit for the three months was \$488 million, an increase of 21% on the \$403 million recorded in the comparative period of the prior year.

Nine Months Results (April to December):

For the nine months ended December 31, 2022, **sales revenue** was \$8.33 billion or 18% higher than the \$7.05 billion achieved in the corresponding period of the prior year. **Gross margin** was 36.6% compared to 37.3% in the same period of the previous year. The margin decline (-70 basis points) was a consequence of increased materials and other input costs that were not fully recovered in selling price increases but were absorbed by the company.

Selling and administrative expenses were \$1.04 billion or 10% higher than in the same period of the previous year. The resulting expense to sales ratio was 12.5% compared to 13.5% in the same period of the prior year.

Operating Profit for the period grew to \$1.97 billion, a 13% increase over prior year while **Net Profit** was \$1.37 billion or 16% above the net profit for the comparative nine-month period of the prior year.

Balance Sheet

Total Assets as of December 31, 2022, were \$12.99 billion, an increase of 11.7% above the value for the same period of the previous year with **Current Assets** being \$7.7 billion or 16.7% higher than the current assets as at December 31, 2021. **Net Current Assets** were \$6.1 billion (prior year \$4.7 billion).

Inventories value was \$2.0 billion, 26% above the comparative value of the last year due to higher safety stocks of critical materials to mitigate continuing supply chain challenges.

Trade and other receivables were \$2.4 billion, the same level as in the corresponding period of the prior year and as at the end of the fiscal year (March 2022). Trade payables were \$829 million (prior year: \$949 million).

Cash and bank balances, inclusive of short -term investments were \$ 3.3 billion (prior year: \$2.6 billion).

Interim Dividend

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

Corporate Social Responsibility

We continued with our various community outreach and corporate engagement programmes during the period. Following on the Nurses week and recognition activities in July the partnership with the Nurses Association (NAJ), The Lasco Chin Foundation and Lasco Distributors Limited continued during the quarter with the promotion and sponsorship of various events across the Island, including the ‘Nurses Orange Day Walk’ which was held at the Percy Junor Hospital.

The outreach also extended to sponsorship and donations to various year end treats at basic schools and the distribution of care packages in several communities.

Activities continued in the schools’ environmental programme through the Releaf Environmental Awareness Programme (REAP). The programme focuses on environmental education, tree planting, school gardens and Pet bottles collection for recycling. Forty-one (41) primary schools across the Island are enlisted in the programme.

The company maintained its engagement with other industry players in funding Recycling Partners of Jamaica (RPJ) to recover plastic bottles (PET& HDPE) from the environment for recycling.

Recognition/Awards

Jamaica Stock Exchange Best Practice Awards and Corporate Governance Index Rating:

- The Company was declared the winner for the Best Annual Report – Junior Market (21/22).
- The Company received a CGI Rating of A (CGI Rating Score: 81.44) for the year 2021/22.

Outlook

We remain cautiously optimistic for continued growth in the final quarter of the year recognising the potential headwinds of continued high domestic inflation, the lingering supply chain instability and material price inflation – for which we will continue to take mitigatory measures.

We thank our hardworking teams 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



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

LASCO Manufacturing Limited

Statement of Comprehensive Income

For the nine months ended December 31, 2022

Unaudited and expressed in J\$'000

	3 Months to Dec 31, 2022	3 Months to Dec 31, 2021	9 Months to Dec 31, 2022	9 Months to Dec 31, 2021
Revenue	2,857,994	2,395,573	8,329,970	7,053,617
Cost of Sales	<u>(1,778,741)</u>	<u>(1,475,580)</u>	<u>(5,278,835)</u>	<u>(4,423,526)</u>
Gross Profit	1,079,253	919,993	3,051,135	2,630,091
Gross Margin %	38%	38%	37%	37%
Other Operating Income / (Loss)	(11,363)	16,401	(35,046)	67,375
Operating Expenses	<u>(352,773)</u>	<u>(327,349)</u>	<u>(1,042,811)</u>	<u>(950,237)</u>
Profit from Operations	715,117	609,045	1,973,278	1,747,229
Finance Costs	<u>(5,026)</u>	<u>(11,323)</u>	<u>(19,825)</u>	<u>(40,397)</u>
Profit before Taxation	710,091	597,722	1,953,453	1,706,832
Taxation	(222,523)	(194,430)	(583,101)	(521,450)
Net Profit	487,568	403,292	1,370,352	1,185,382
Unrealised Gains / (Loss) on Financial Instruments	17,195		93,678	
Total Comprehensive Income for the period	<u>504,763</u>	<u>403,292</u>	<u>1,464,030</u>	<u>1,185,382</u>
Number of Stock units in Issue	4,132,913	4,132,913	4,132,913	4,132,913
Earnings per Stock	0.12	0.10	0.33	0.29

LASCO Manufacturing Limited
Statement of Financial Position
as at December 31, 2022

	<i>DEC-22</i>	<i>DEC-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	4,483,414	4,645,286	4,583,689
Capital Work in Progress	130,812	142,369	142,369
Long Term Investment	644,916	221,029	352,195
Total Non-Current Assets	5,259,142	5,008,684	5,078,253
CURRENT ASSETS			
Inventories	1,994,972	1,583,157	1,746,839
Trade & Other Receivables	2,411,895	2,462,318	2,433,421
Taxation Recoverable	13,504	9,353	10,820
Directors Current Accounts	-	6,530	4,305
Short Term Investments	1,616,638	376,481	818,651
Cash and Bank Balances	1,697,400	2,189,612	1,968,730
	7,734,408	6,627,451	6,982,767
CURRENT LIABILITIES			
Trade Payables	828,659	948,617	1,149,574
Related Companies	15,307	3,462	11,902
Current Portion of Long Term Loan	199,870	454,603	207,388
Taxation	638,052	547,579	369,053
	1,681,888	1,954,259	1,737,916
Net Current Assets	6,052,520	4,673,190	5,244,851
	11,311,662	9,681,874	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	8,924	(114,303)	(84,755)
Current Earnings	1,370,352	1,185,381	1,707,486
	10,399,004	8,796,612	9,348,266
Non-Current Liabilities			
Long Term Loan		8,204	157,180
Deferred Taxation	912,658	877,058	817,657
	11,311,662	9,681,874	10,323,103

Approved for issue by the board of Directors on February 7, 2023 and signed on its behalf by:

Hon. Lascelles A Chin, OJ, CD, LLD (Hon. Causa)
 Executive Chairman

Compton Rodney
 Chair, Audit & Risk Management Committee

LML STATEMENT OF CASH FLOWS

Year-to-date December 31, 2022

Unaudited and expressed in J\$'000

<i>STATEMENT OF CASH FLOWS</i>	<i>YTD DEC-22 J\$'000</i>	<i>YTD DEC-21 J\$'000</i>
Cash Flows from Operating Activities		
Operating Activities		
Profit /(Loss) for the period	1,370,352	1,185,381
Depreciation	202,708	213,970
Interest Income	(5,714)	(11,574)
Dividened Income	(8,257)	(6,328)
Effect of exchange rate translation	-	-
Stock options - value of services expensed	-	-
Loss on disposal of property, plant and equipment	701	-
Interest Expense	19,825	40,397
Taxation Expense	583,102	521,450
Items not affecting cash	792,365	757,915
(Increase) /Decrease in Current Assets		
Inventories	(248,132)	(264,726)
Trade & Other Receivables	18,843	(234,408)
Taxation paid	(219,102)	(64,728)
Payables	(220,691)	(210,169)
Cash provided by operating activities	1,493,634	1,169,265
Interest Received	5,714	11,574
Short Term Investments	(797,987)	(108,752)
Purchase of Investments	-	-
Acquisition of Property, Plant & Equipment	(90,876)	(50,817)
Proceeds from disposal of property, plant and equipmer	-	-
Cash used in Investing Activities	(883,150)	(147,995)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Interest Paid	(19,825)	(40,397)
Loan Repayment	(164,234)	(356,363)
Share Issue	-	-
Proceeds from Loan	-	-
Long term Investment	(292,721)	-
Dividends Received	8,257	6,328
Dividends Paid	(413,291)	(300,049)
Cash provided by /(used in) Financing Activities	(881,814)	(690,482)
Net Change in Cash and Cash Equivalents	(271,330)	330,788
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	1,697,401	2,189,612

Comprised of:

Cash and Bank balances	1,697,400	2,189,612
	<u>1,697,400</u>	<u>2,189,612</u>

LASCO Manufacturing Limited

Statement of Changes in Shareholders' Equity

For the nine months ended December 31, 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	171,487	(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	8,796,611
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	9,348,266
Fair Value Reserve			93,678		93,678
Payment of Dividends				(413,291)	(413,291)
Total Comprehensive Income for the period				1,370,352	1,370,352
Balance as at December 31, 2022	563,168	171,487	8,924	9,655,426	10,399,004

LASCO Manufacturing Limited

Notes to the Financial Statements
December 31, 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.
- 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	2,156,742	2,151,538	
2. Foreign	83,424	53,259	
b. Other Receivables	<u>171,729</u>	<u>273,404</u>	This comprises of prepayments made for capital goods & stock.
	2,411,895	2,478,201	

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 shares of no par value	<u>563.168</u>	<u>563,168</u>