



Everyday Family Values

# ENHANCING EVERYDAY FAMILY VALUES

THROUGH NUTRITION,  
HYGIENE AND HEALTHCARE



2023  
ANNUAL REPORT





## TRIBUTE TO THE HON. LASCELLES CHIN

The Honourable Lascelles Chin, OJ, CD, LLD (Hon. Causa) was an extraordinary child who became an extraordinary man. Born on December 5, 1937, he was raised by his wise grandmother Mary and kind uncle Dan in Kendal, Manchester. By age eight, he held two dreams close to his heart: to escape poverty and improve the lives of his fellow Jamaicans.

### BECOMING LASCELLES

To drive those dreams into reality, he worked harder than most children his age. Between the ages of 9 to 12, while attending school in Balaclava, in St. Elizabeth, he worked in a family shop after school and did his homework by candlelight at nights.

At age 12, he entered Wolmers' Boy School in Kingston as a second former (eighth grader), armed with his undaunted drive and resilience. Upon suffering complications from a hernia operation and feeling continuous physical discomfort at school, he went by himself to the Kingston Public Hospital for post-operative appointments and, though being able to complete his homework assignments only after working in a shop in the late afternoons, came top of his class in second, third and fourth forms.

As a young man, he learned how to sell successfully and build strong relationships with customers and suppliers, qualities which he took with him when he launched his own business with savings of £175. He worked long hours to sell several products, including Henkel products to customers in several parishes. Within a few years, he would write the letter that would change the trajectory of his life, proposing to the Germany-based multinational Henkel that he be appointed their national distributor.

At age 32, Lascelles Chin became the youngest chairman and CEO of a Henkel factory, then the globe's largest adhesives manufacturer, and achieved the goal of steering Henkel Jamaica to attain the highest sales per capita of any Henkel branch in the world.

Still in his thirties, he enjoyed two terms as the results-oriented President of the Jamaica Exporters Association in the 1970s. Though national exports underwent a decline during that decade, he significantly increased the exports of Henkel products to the Caribbean and Latin America.

Notwithstanding the demands of growing a business during the 1980s, Lascelles Chin threw himself enthusiastically into chairing the Jamaica Industrial Development Corporation (JIDC), becoming a major player in the team that helped 25,000 women gain employment in the garment industry.

Whilst chairing JIDC, he founded several businesses, two

of which were LASCO Distributors and LASCO Manufacturing. LASCO steadily expanded, as it produced high quality foods at low prices and offered anti-retroviral medication at reduced prices to allow poor persons living with HIV to get treatment.

### A MIND TO POSITIVITY

Together with LASCO Financial Services founded in 2004, these three companies not only rewarded shareholders but performed multiple acts of philanthropy through various community-inspired programmes. These included awarding high-performance teachers, nurses and policemen, supplying numerous scholarships, funding sports programmes, supporting environmental protection programmes and assisting the development of young entrepreneurs.

Despite his superb achievements, Lascelles Chin underwent disappointments and formidable challenges. Through birdsong, the vibrant colours of flowers and the bountiful shades of green on the Jamaican mountains, he recalibrated his mind to positivity. He experienced an enormous gratitude for life in his 80s, knowing he had attained critically important goals, including the thriving LASCO Affiliated Companies with the help of his team. Team LASCO meant a great deal to him. No one came around him without being positively impacted and Team LASCO remains grateful for the valuable lessons they learned from him, including great values like honesty, diligence, persistence and hard work.

### A LEGENDARY LIFE

Most of all, Lascelles Chin enjoyed the company of friends and family. He leaves behind family, close friends, and colleagues who are all inspired by his legendary life. His grandchildren provided him with hope, renewed purpose and bouts of laughter. His seven children - Karen, Marie, Wayne, Andrew (predeceased), Lisa, David and Richard – enjoy cherished memories of him as a warm, fun loving and involved father. He is also survived by his greatly beloved wife, Dr. Eileen Chin, who supplied the joys of a wonderful family life with wisdom, humour, humanity and an abiding love.

Lascelles Chin lived a life worthy of emulation in every respect, for his good works and service to his fellow Jamaicans.



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Everyday Family Values





# Festival

ENJOY  
FESTIVAL  
ENJOY THE  
FUN!



## VISION

To become a global corporate leader, through innovation and entrepreneurship. Driven by passion for excellence and compassion for our fellowman, we will make LASCO a world name, synonymous with integrity, value and service.

## MISSION

To provide quality products and services to our customers, ensure profitability and promote employee development.

**Being the best ... Always.**



## CORE VALUES

### CARE FOR OUR CUSTOMERS

We respect our customers time and privacy.

### COMMITMENT

We are committed to achieving success for our team, agents and shareholders.

### INTEGRITY

In dealing with our customers, agents, staff and shareholders.

**Continuous Improvement of our Processes.**



Everyday Family Values





SINCE 1916

# Dux

Enjoy their  
**DELICIOUS TASTE**  
anytime, anyplace!



Simply Delicious!

## NOTICE OF THIRTEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirteenth Annual General Meeting of LASCO DISTRIBUTORS LIMITED will be held on Wednesday, October 4, 2023, at 1:00 p.m., in the Montego Suite of the Jamaica Pegasus Hotel, 81 Knutsford Boulevard, Kingston 5 and via electronic means which can be accessed at [www.lascojamaica.com](http://www.lascojamaica.com). This meeting is called to consider and pass the resolutions set out hereunder.

### Ordinary Resolutions

#### 1. AUDITED ACCOUNTS

To receive the audited accounts for the year ended March 31, 2023, to consider and if thought fit, pass the following resolution:

**“THAT** the Audited Accounts for the year ended March 31, 2023, and the Reports of the Directors and Auditors, circulated with the notice convening the meeting, be and are hereby received and adopted.”

#### 2. RATIFICATION OF DIVIDEND

To consider and if thought fit, pass the following resolution:

**“THAT** the Interim Dividend of \$0.09 per stock unit paid on June 29, 2022, to stockholders on record at the close of business on June 10, 2022, be declared final for the year 2022.”

#### 3. ELECTION OF DIRECTORS

**Article 97** of the Company's Articles of Incorporation provides that one-third of the Directors, if their number is not three (3) or a multiple of three (3), the number nearest one-third (1/3), shall retire from office at each Annual General Meeting.

**Article 98** of the Company's Articles of Incorporation provides that the Directors to retire in every year shall be those who have been longest in office since their last election.

The Directors retiring under these Articles are Sir. Kenneth Hall and Dr. Eileen Chin and being eligible, offer themselves for re-election.

To consider and if thought fit pass the following resolution:

(i) **“THAT** retiring Director, Sir. Kenneth Hall, be and is hereby re-elected a Director of the Company.”

To consider and if thought fit pass the following resolution:

(ii) **“THAT** retiring Director, Dr. Eileen Chin, be and is hereby re-elected a Director of the Company.”

#### 4. DIRECTORS REMUNERATION

**Article 77** of the Articles of Incorporation empowers the Directors or any appropriate Committee of the Board of Directors to fix the remuneration of the Directors.

To consider and if thought fit, pass the following resolution:

**“THAT**, the remuneration of the Directors be fixed by the Compensation Committee of the Board”.

**Article 111** empowers the Directors, or any appropriate Committee of the Board of Directors, to determine, the remuneration of the Managing Director.

To consider and if thought fit, pass the following resolution:

**“THAT**, the remuneration of the Managing Director be fixed by the Compensation Committee of the Board”.

#### 5. REMUNERATION OF AUDITORS

To consider and if thought fit, pass the following ordinary resolution:

**“THAT** the remuneration of the Auditors, BDO, be fixed by the Directors of the Company.”

Dated this 28th day of June, 2023

BY ORDER OF THE BOARD

**Vincent A. Chen**  
Company Secretary

#### NOTES:

1. A member of the Company entitled to attend and vote at this meeting is entitled to appoint one or more persons as his/her Proxy to attend in person or remotely and vote in his/her stead, and a Proxy need not be a member of the Company.

2. All members are entitled to attend and vote at the meeting.

3. Enclosed is a form of Proxy which must be deposited with the Secretary at the registered office of the Company not less than 48 hours before the time appointed for holding the meeting or to the Registrar

and Transfer Agent, Jamaica Central Securities Depository, 40 Harbour Street, Kingston.

4. Further information on how to participate in this meeting is available on the Company's website at [www.lascojamaica.com](http://www.lascojamaica.com)





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## CORPORATE DATA

## REGISTERED OFFICE

## LASCO Distributors Limited

27 Red Hills Road  
Kingston 10  
Jamaica, W.I.  
Tel: (876) 968-3456-65  
Fax: (876) 929-7622  
Website: [www.lascojamaica.com](http://www.lascojamaica.com)

## SEGMENT LOCATION

## LASCO Pharmaceutical Division

27 Red Hills Road  
Kingston 10, Jamaica, W.I.  
Tel: (876) 968-3456-65;  
(876) 929-7633  
Fax: (876) 929-7622

## LASCO Consumer Division

White Marl, St. Catherine  
Tel: (876) 749-2967-9;  
(876) 749-5272  
Fax: (876) 749-2966

## BOARD OF DIRECTORS

## Executive Director and Chairman:

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

## Managing Director:

John De Silva

## Non-Executive Directors:

Colin Maxwell, FCA, FCCA  
Eileen Chin, MBA  
James Rawle, CD  
Kenneth Hall ON, GCMG, OJ  
Jacinth Hall-Tracey, MBA  
Gary Peart, MBA  
Vincent Chen

## Chief Financial Officer:

Mrs. Shellyann Jackson

## Company Secretary:

Mr. Vincent A. Chen



## ATTORNEYS-AT-LAW

## Chen, Green and Company

6 Haining Road  
Kingston 5  
Jamaica, West Indies

## BANKERS

## First Caribbean International Bank Jamaica Limited

23-27 Knutsford Boulevard  
Kingston 5  
Jamaica, West Indies

## Bank of Nova Scotia Jamaica Limited

Corner of Duke & Port  
Royal Streets  
Kingston  
Jamaica, West Indies

## National Commercial Bank Jamaica Limited

94 Half Way Tree  
Kingston 10  
Jamaica, West Indies

## AUDITORS

## BDO

26 -28 Beechwood Avenue  
Kingston 5  
Jamaica, West Indies

## REGISTRAR AND TRANSFER AGENTS

## Jamaica Central Securities Depository Limited

40 Harbour Street  
Kingston  
Jamaica, West Indies

## SHAREHOLDERS' INFORMATION



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## TOP TEN SHAREHOLDERS as at March 31, 2023

NAMES	UNITS	PERCENTAGES
East West (St. Lucia) Limited	1,649,551,260	46.98
Lascelles A. Chin	1,020,735,448	28.95
Mayberry Jamaican Equities Limited	77,222,225	2.19
JCSD Trustee Services Ltd. A/C #76579-02	33,524,965	0.95
Peter M. Chin	29,291,522	0.83
Sagicor Select Fund Ltd. – (Class C' Shares) Manufacturing & Distribution	27,753,880	0.79
Yuan Liao	24,374,727	0.69
Wayne M. Chin	24,017,860	0.68
Joel Izquierdo Gonzalez	21,003,000	0.59
Gerald W. Purdy	18,411,620	0.52

## SHAREHOLDINGS OF DIRECTORS AND CONNECTED PARTIES as at March 31, 2023

NAMES	POSITION	UNITS	PERCENTAGES
	<b>*CONNECTED PARTIES</b>		
Lascelles Chin		1,020,735,448	29.0749
	*Eileen Chin – Direct	{ 15,116,165}	0.4305
	*East West (St. Lucia) Ltd.	{1,649,551,260}	46.9863
Eileen Chin		15,116,165	0.4305
	*Lascelles Chin – Direct	{1,020,735,448}	29.0749
Colin Maxwell		0.000	0.0000
Kenneth Hall		2,753,000	0.0784
Gary Peart		1,397,000	0.0397
Vincent Chen		1,000,000	0.0284
James Rawle		10,000,000	0.2848
Jacynth Hall-Tracey		0.000	0.0000
John De Silva		5,000,000	0.1424

\*Connected Party

## SHAREHOLDINGS OF SENIOR MANAGERS AND CONNECTED PARTIES as at March 31, 2023

NAMES	POSITION	UNITS	PERCENTAGES
	<b>*CONNECTED PARTIES</b>		
Shelly-Ann Jackson		0.00	0.00
Peter Hylton		72,100	0.00
John De Silva		5,000,000	0.14
Hortense Edwards		183,100	0.01



## TEN YEAR FINANCIAL REVIEW

Year ended 31 March 2023



Everyday Family Values

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Number of Shares Issued ('000)	3,525,703	3,510,703	3,510,703	3,507,925	3,507,259	3,486,361	3,424,463	3,400,429	3,373,931	3,366,431
Stock Holders Equity	\$8,413,888	\$7,288,245	\$6,472,428	\$5,708,349	\$5,188,987	\$4,569,854	\$4,048,136	\$3,558,044	\$2,882,961	\$2,397,137
Percentage increase over prior year	15.4%	12.6%	13.4%	10.0%	13.5%	12.9%	13.8%	23.4%	20.3%	27.0%
Market Capitalisation	\$9,061,057	\$12,287,461	\$14,393,882	\$10,453,617	\$13,047,003	\$14,154,626	\$22,601,456	\$19,552,467	\$4,622,285	\$5,049,647
Total Borrowings	\$0	\$0	\$13,333	\$93,333	\$540,000	\$261,666	\$351,797	\$207,708	\$2,182	\$0

INCOME STATEMENT	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Turn Over</b>	<b>\$26,559,286</b>	<b>\$23,337,292</b>	<b>\$20,286,028</b>	<b>\$19,496,216</b>	<b>\$18,130,689</b>	<b>\$16,269,083</b>	<b>\$15,803,329</b>	<b>\$14,549,098</b>	<b>\$11,146,892</b>	<b>\$9,464,744</b>
Percentage increase/decrease over prior year	13.8%	15.0%	4.1%	7.5%	11.4%	2.9%	8.6%	30.5%	17.77%	14.65%
<b>Profit before Taxation</b>	<b>\$1,625,285</b>	<b>\$1,267,233</b>	<b>\$1,116,013</b>	<b>\$818,265</b>	<b>\$691,942</b>	<b>\$1,079,369</b>	<b>\$686,892</b>	<b>\$757,495</b>	<b>\$546,730</b>	<b>\$587,464</b>
Percentage increase/decrease over prior year	28.3%	13.6%	36.4%	18.3%	-35.9%	57.1%	-9.3%	38.6%	-6.9%	15.9%
<b>Profit after Taxation</b>	<b>\$1,353,576</b>	<b>\$1,016,428</b>	<b>\$909,480</b>	<b>\$725,756</b>	<b>\$597,781</b>	<b>\$1,003,879</b>	<b>\$609,678</b>	<b>\$716,751</b>	<b>\$546,730</b>	<b>\$587,464</b>
Percentage increase over prior year	33.2%	11.8%	25.3%	21.4%	-40.5%	64.7%	-14.9%	31.1%	-6.9%	15.9%
<b>Net Profit Attributable to Stockholders</b>	<b>\$1,353,576</b>	<b>\$1,016,428</b>	<b>\$909,480</b>	<b>\$725,756</b>	<b>\$597,781</b>	<b>\$1,003,879</b>	<b>\$609,678</b>	<b>\$716,751</b>	<b>\$546,730</b>	<b>\$587,464</b>
Percentage increase/decrease over prior year	33.2%	11.8%	25.3%	21.4%	-40.5%	64.7%	-14.9%	31.1%	-6.9%	15.9%
<b>Total Comprehensive Income</b>	<b>\$1,401,106</b>	<b>\$1,044,013</b>	<b>\$939,722</b>	<b>\$669,198</b>	<b>\$610,608</b>	<b>\$1,014,183</b>	<b>\$640,335</b>	<b>\$740,768</b>	<b>\$579,541</b>	<b>\$587,464</b>
Percentage increase/decrease over prior year	34.2%	11.1%	40.4%	9.6%	-39.8%	58.4%	-13.6%	27.8%	-1.3%	15.9%

### IMPORTANT RATIOS

Debt to Equity Ratio	0.0%	0.0%	0.2%	1.6%	10.4%	5.7%	8.7%	5.8%	0.1%	0.0%
Return on Equity	17.2%	14.8%	14.9%	13.3%	12.3%	23.3%	16.0%	22.3%	20.7%	27.4%
Profit before Taxation/Sales	6.1%	5.4%	5.5%	4.2%	3.8%	6.6%	4.3%	5.2%	4.9%	6.2%
Return on Assets	10.5%	8.7%	9.1%	8.2%	7.0%	12.6%	8.8%	12.1%	11.5%	16.3%
Quick Ratio	1.31	1.26	1.29	1.32	1.25	1.18	1.13	1.28	1.16	1.45
Current Ratio	2.22	2.00	1.97	2.03	1.99	1.84	1.89	1.96	1.94	2.19
Return on Sales	5.1%	4.4%	4.5%	3.7%	3.3%	6.2%	3.9%	4.9%	4.9%	6.2%
Shareholders Equity per Stock unit	\$2.39	\$2.08	\$1.84	\$1.63	\$1.48	\$1.31	\$1.18	\$1.05	\$0.85	\$0.71
Earning per Stock Unit- basic	\$0.38	\$0.29	\$0.26	\$0.21	\$0.17	\$0.29	\$0.18	\$0.21	\$0.16	\$0.17
Closing Stock Price - JSE	\$2.57	\$3.50	\$4.10	\$2.98	\$3.72	\$4.06	\$6.60	\$5.75	\$1.37	\$1.50
Price Earning ratio	6.69	12.09	15.83	14.40	21.83	14.10	37.07	27.28	8.45	8.60



## TEN YEAR FINANCIAL REVIEW (CONTINUED)

Year ended 31 March 2023



Everyday Family Values

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Inventory	4,469,208	3,787,487	2,913,619	2,375,149	2,467,632	2,483,422	2,406,735	1,936,386	1,896,784	1,312,923
Receivables	3,579,728	3,945,825	3,232,378	2,863,479	2,570,870	2,491,497	2,117,566	1,846,954	2,085,493	1,652,551
Non Current Assets	2,447,330	2,308,601	2,367,363	2,300,926	2,001,622	1,614,955	1,420,557	957,428	588,541	292,410
Total Assets	13,377,858	12,449,982	10,811,553	9,158,627	8,639,662	8,510,266	7,392,240	6,496,070	5,334,577	4,163,323
Payables	4,686,876	4,927,546	4,110,182	3,269,007	2,842,566	3,596,852	2,913,173	2,689,634	2,449,434	1,766,186
Non Current Assets	2,447,330	2,308,601	2,367,363	2,300,926	2,001,622	1,614,955	1,420,557	957,428	588,541	292,410
Current Assets	10,930,528	10,141,381	8,444,190	6,857,701	6,638,040	6,895,311	5,971,683	5,538,642	4,746,036	3,870,913
Current Liabilities	4,916,796	5,061,796	4,278,717	3,384,640	3,337,059	3,750,772	3,153,807	2,825,285	2,451,616	1,766,186
Net working Capital	6,013,732	5,079,585	4,165,473	3,473,061	3,300,981	3,144,539	2,817,876	2,713,357	2,294,420	2,104,727

RATIOS	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Quick Ratio	1.31	1.26	1.29	1.32	1.25	1.18	1.13	1.28	1.16	1.45
Current Ratio	2.22	2.00	1.97	2.03	1.99	1.84	1.89	1.96	1.94	2.19
Debt to Equity Ratio	0.0%	0.0%	0.2%	1.6%	10.4%	5.7%	8.7%	5.8%	0.1%	0.0%
<b>Earning per Stock Unit- basic</b>	<b>\$0.38</b>	<b>\$0.29</b>	<b>\$0.26</b>	<b>\$0.21</b>	<b>\$0.17</b>	<b>\$0.29</b>	<b>\$0.18</b>	<b>\$0.21</b>	<b>\$0.16</b>	<b>\$0.17</b>
Price Earning ratio	6.69	12.09	15.83	14.40	21.83	14.10	37.07	27.28	8.45	8.60
Return on Equity	17.2%	14.8%	14.9%	13.3%	12.3%	23.3%	16.0%	22.3%	20.7%	27.4%
<b>Gross Profit Margin</b>	<b>17.3%</b>	<b>16.6%</b>	<b>18.0%</b>	<b>19.4%</b>	<b>19.6%</b>	<b>19.5%</b>	<b>18.6%</b>	<b>18.3%</b>	<b>18.0%</b>	<b>19.4%</b>
Operating profit as a % of Sales	6.1%	5.4%	5.5%	4.3%	3.9%	6.6%	4.4%	5.2%	4.9%	6.2%
Net Profit Margin	5.1%	4.4%	4.5%	3.7%	3.3%	6.2%	3.9%	4.9%	4.9%	6.2%

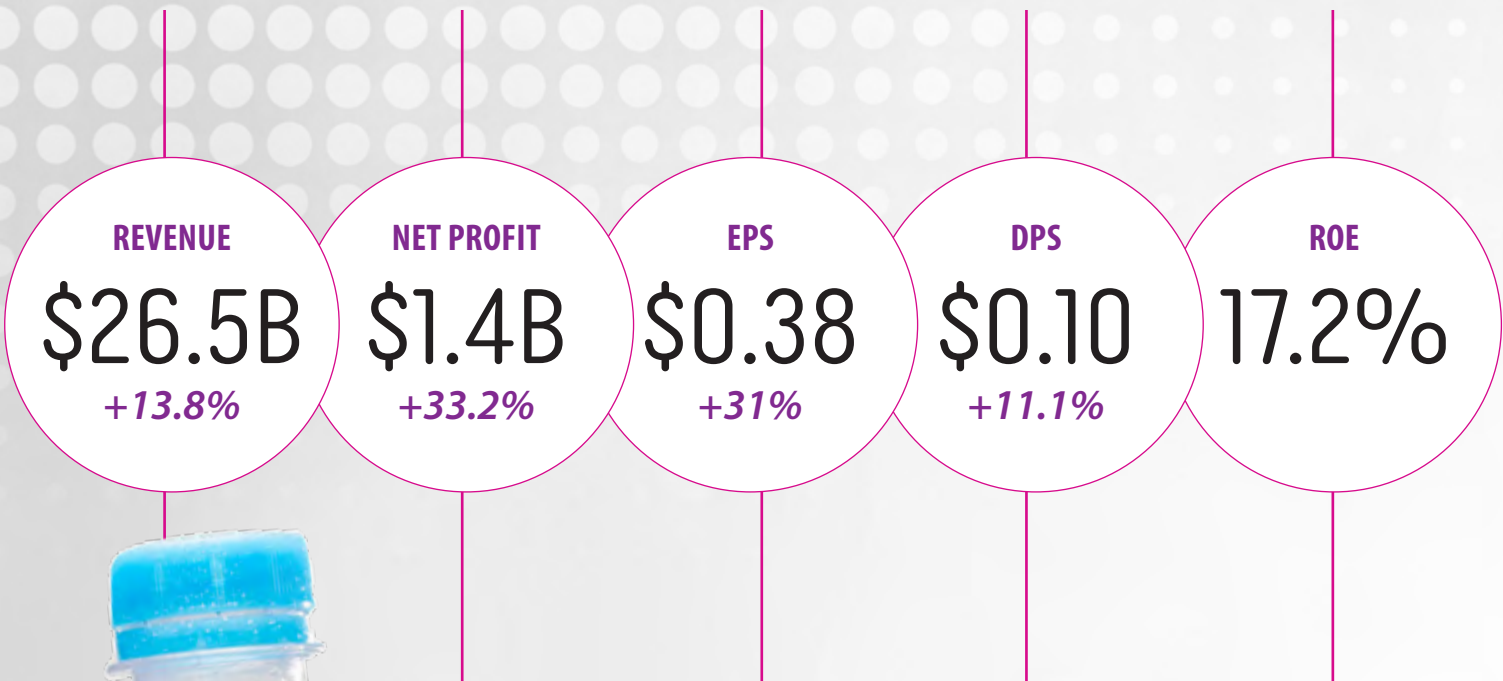


Enjoy the Chocolatey Crunchy Experience with every bite of Choco Craze!

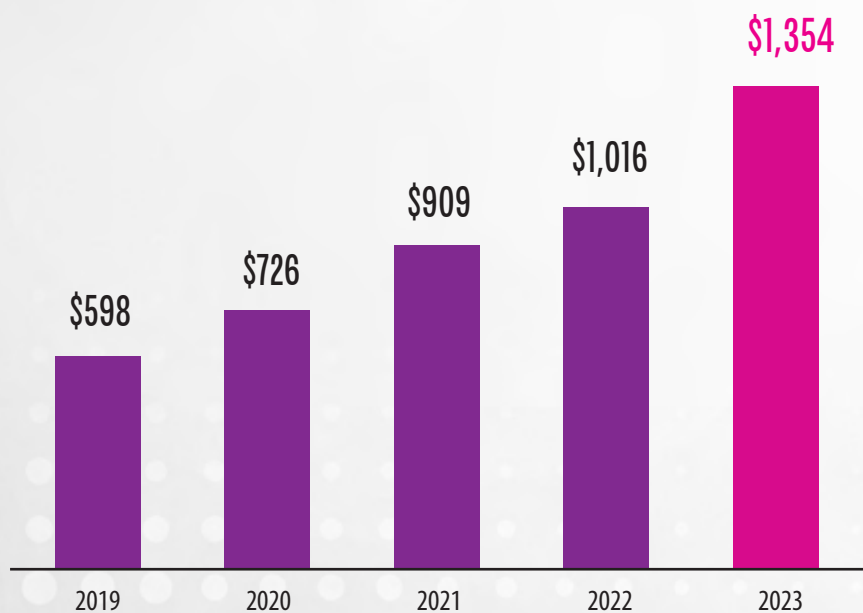




# FINANCIAL HIGHLIGHTS



5 YEAR TREND TOTAL COMPANY NET PROFIT (\$M)




**Get Hooked On  
The Tastiest  
Mackerel Around!**



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# OPERATING AND FINANCIAL REVIEW

Message from the Deputy Executive Chairman and Managing Director

Board of Directors' Profile

Directors' Report

Corporate Governance

Management Team

Management Discussion & Analysis

Company Overview

Business Performance

Analysis by Division

Risk Management

"We will make LASCO a world name, synonymous with integrity, value and service."





NEW



NUTRITION NEVER  
TASTED SO GOOD



**ALMOND**  
Great Taste,  
Reduced Sugar.

## MESSAGE FROM THE DEPUTY EXECUTIVE CHAIRMAN AND MANAGING DIRECTOR



**James E. D. Rawle, C.D.**  
*Deputy Executive Chairman*

**John De Silva**  
*Managing Director*

During the year ended 31st March, 2023, LASCO Distributors Limited faced the impact of increased geo-political instability, rising product costs and disruptions to its supply chain. Despite these challenges, the company delivered another year of top and bottom-line growth, in line with its objective of delivering sustainable, profitable, capital-efficient growth.

We remain focused on meeting consumers' needs for nutrition, hygiene and healthcare in Jamaica and in the international markets we serve. We have expanded the portfolio of brands we manage and entered new categories such as almond milks with BRIGHT SIDE FARMS, baby foods fruit purees with FREE JOY and granola cereals with VITALISIMO.

The reduced sugar offerings in our ICOOL and LASCO FOOD DRINK portfolio are performing well and enabling the company to meet the needs of a broader consumer base while meeting stringent regulatory requirements.

### Key Highlights from the year include the following:

- **Revenue** increased by 13.8% to \$26.56B (2022: \$23.34B) with Gross Profit increasing to \$4.58B, an increase of 18.2% over the previous year. Gross Profit Margin increased by 70 basis points as a result of strategic changes to product and channel mix and price increases where necessary.
- **Selling and Administrative Expenses** were \$3.17B, an

increase of 11.1% over the previous year, mainly driven by increases in staff costs, advertising and promotional investment. However, the expense to revenue ratio decreased to 11.9% from 12.2% in the prior year.

- **Net Profit** was \$1.35B, an increase of 33.2% over the previous year (2022: \$1.0B), with the Net Profit margin increasing to 5.1% from 4.4%, an increase of 70 basis points.
- An **interim dividend** of \$0.09 per share totalling \$316M was paid to shareholders on 29th June, 2022.

The Board of Directors fully discharged its responsibilities of providing the strategic direction and leadership required to navigate very dynamic market conditions, while ensuring the appropriate risk management, internal controls and corporate governance framework was implemented.

Global geo-political volatility will certainly continue to have an impact on the region, the markets we operate in and the global supply chain. Nonetheless, we are confident that our focus on our long-term objectives and consistent and disciplined execution of our strategic framework will enable the company to successfully navigate these challenges as we pursue our objectives.

We also thank you, our shareholders, for your continued support, confidence and trust.

*James E. D. Rawle, C.D. Deputy Executive Chairman*

*John De Silva Managing Director*

#WinningNutrition

f @ LASCOGOODNESS



## THE BOARD OF DIRECTORS

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

*Executive Chairman*

Recipient of the Order of Jamaica for his philanthropy and contribution to the development of commerce and business, Lascelles A. Chin is the Executive Chairman of LASCO Manufacturing Limited, LASCO Distributors Limited and LASCO Financial Services Limited.

This Jamaican born entrepreneur who ventured in to the field of business and commerce over 50 years ago, found opportunities in a variety of sectors; the import of spices and teas, sale of adhesives through his partnership with Henkel, furniture manufacturing, data processing, car rental, horticulture, insurance brokerage, hair products, soya oil refining and chicken processing. As a result of his wealth of knowledge, business experience and always being mindful of his humble beginnings, the Chairman has constantly sought to develop and distribute affordable products.

He shares his ideas and energy with business colleagues and has contributed to prominent Jamaican organization such as the Jamaica Industrial Development Corporation, The Jamaica Exporter's Association and the Jamaica Promotions Corporation (JAMPRO). He is a Director of the University of the West Indies' School of Nursing Advisory Board and the Kings House Foundation.

### SOME OF THE ACCOLADES / ACHIEVEMENTS GAINED BY HON. LASCELLES A. CHIN ARE:

#### 2016

- Recipient of Honorary Doctor of Humane Letters Degree (DHL) from Northern Caribbean University
- Recipient of Lifetime Achievement Award, American Chamber of Commerce
- Recipient of the International Achievement "Peacock Award" from the American Friends of Jamaica in Miami, Florida.
- Appointment as a Director of Bureau of Standards Jamaica

#### 2015

- Recipient of Honorary Doctor of Laws Degree (LLD) from the University of Technology Jamaica
- Recipient of the International Federation Association of Consuls (FICAC) Medal of Distinction Award



#### 2013

- Named MoneyGram Brand Ambassador for Jamaica

#### 2011

- Inducted in the Private Sector of Jamaica's Hall of Fame

#### 2009

- Recipient of Inaugural CVM People's Award

#### 2008

- Most Admired Business Leader

#### 2005

- Recipient of American Foundation for UWI Award for Outstanding Contribution to Business in the Caribbean & as a Caribbean Luminary

#### 2004

- Recipient of Florida International University (FIU) Business Leader Award

#### 2002

- Recipient of The Agri-Business Award from the American Soybean Association, for active involvement in the Soybean Industry. This award has only been won by multinational companies such as Dupont, Monsanto and Dow, Bayer, Ciba Geigy, Zeneca

#### 2001

- Received the 4th highest civilian Jamaican recognition, the Order of Jamaica, in 2001 for his philanthropy and his contribution to the development of commerce/business

#### 1986

- Conferred with the Honour of the Order of Distinction in the rank of Commander Class for outstanding services to Industry and Commerce



### James E. D. Rawle, CD

*Deputy Executive Chairman*

Mr. James E.D. Rawle is the Deputy Executive Chairman of LASCO Manufacturing Limited and LASCO Distributors Limited. He is also the Managing Director of LASCO Manufacturing Limited and sits on the Board of LASCO Financial Services Limited. He did undergraduate studies in Natural Sciences at the University of the West Indies, from which he also holds the Master of Science degree in Organic Chemistry. He brings to the Board a wealth of knowledge and experience, having served in various senior managerial positions, at one of the leading multinational food companies in the world for over 41 years. His extensive training in Organic Chemistry has been the base for his far-reaching work in manufacturing, new product research and development, as well as production and plant management. He also has extensive functional experience in brand management, sales, marketing, finance and strategy formulation and execution.

Mr. Rawle has been past Chairman of several Public entities, including The Board of the Bureau of Standards, The Scientific Research Council, The Natural Resources Conservation Authority, The Environmental Foundation of Jamaica, Nutrition Products Limited and The Cocoa Industry Board.



## THE BOARD OF DIRECTORS



### John De Silva

*Managing Director*

Mr. John De Silva, a Trinidadian national, was appointed Managing Director on 1st March 2021. Mr. De Silva has over 25 years' experience in the Food, Beverage, Nutrition, Homecare and Personal Care industries and has worked in Trinidad, Jamaica, Switzerland, The Dominican Republic, and Mexico. He has led Caribbean subsidiaries of two of the world's leading multinational companies as Managing Director. Namely, Unilever Caribbean Limited and Nestlé Caribbean Inc. as Country Manager.

He has delivered sustainable, profitable growth through competitive strategies focused on Innovation, Consumer Insights, Talent Development and Operational Excellence, all within a framework of sound Corporate Governance. He also has extensive experience in Finance and Supply Chain Management.

Mr. De Silva is a Fellow of the Association of Chartered Certified Accountants of the UK and an alumnus of the IMD Business School in Switzerland.



### Dr. Eileen A. Chin

*Non-Executive Director*

Dr. Eileen A. Chin is a Non-Executive Director of the Company. Born in Havana City, Cuba, Dr. Chin holds a post graduate degree in medicine from the Havana University School of Medicine.

Dr. Chin also holds an MBA in Global Management and has received knowledge and skills development training in Advanced Negotiation, Risk Management and Lean Six Sigma. She specialized in, and taught histology from 1993 to 1998 at the Girón School of Medicine, and migrated to Jamaica in 1998.

Dr. Chin joined the LASCO Group of Companies in 1999 serving in several positions such as marketing, product and label development and international business development for Central and South American markets. She was appointed General Manager of LASCO Foods, LASCO Food (Successors) Limited and LASCO Properties in 2008. Two years following, she was appointed Managing Director of LASCO Manufacturing Limited where she implemented US\$18M expansion of the Manufacturing facility. She held this position until 2015.

Dr. Chin currently serves as a member of the Board of Directors of LASCO Financial Services Limited and LASCO Manufacturing Limited. She is also a member of the Portia Simpson Miller Foundation.



### Vincent A. Chen

*Non-Executive Director and Company Secretary*

Mr. Vincent Anthony Chen holds the position of Director and Company Secretary for all the LASCO Affiliated Companies: LASCO Distributors Limited, LASCO Manufacturing Limited and LASCO Financial Services Limited. He serves as General Counsel/ Chief Legal Officer at all three companies. Mr. Chen's duties include ensuring that the Companies abides by the standard legal and financial practices along with maintaining Corporate Governance.

Mr. Chen has over 54 years of experience in the field of law having successfully passed the solicitors qualifying examinations set by the LAW Society in England and having passed the common law examinations administered by Osgoode Hall Law School in Canada. He is a partner at the law firm Chen, Green and Company as well as a Notary Public for Jamaica. He qualified as a Barrister and Solicitor in British Columbia, Canada and as a Solicitor of the Supreme Court in England. He appears regularly in the Supreme Court, The Court of Appeal and the Privy Council in civil litigation involving commercial matters.

Mr. Chen is a part of the Board of Directors for the Level Bottom Farms and Supplies Limited, and Vanda Limited. He formerly served as the Chairman of Salada Foods Jamaica Limited. His hobbies include boating and playing cricket, being a proud member of both the Kingston Cricket Club and The Royal Jamaica Yacht Club. He is a member of St. Luke's Church and serves as a member of the Diocesan Council - Diocese of Jamaica and the Cayman Islands and a member of that Council's Finance Board. He is married to Helen and has two daughters.



### Jacinth Hall-Tracey

*Non-Executive Director*

Mrs. Jacinth Hall-Tracey has led the growth, expansion and transformation of the LASCO Financial Services Group for over 18 years. The company is a key industry player in the Remittance, Cambio and Micro loans industries and is now embarking on making a significant mark in electronic retail payment services, providing access to more financial services for the Company's main customer base, the unbanked.

With over 31 years' experience in leading teams including over 21 years developing companies in the financial services sector, Mrs. Hall-Tracey has acquired the insight and expertise to guide the strategic direction of the LASCO Financial Services Group.

Her other Board positions include LASCO Manufacturing Limited, LASCO Distributors Limited and LASCO Microfinance Limited. She holds an MBA from Herriot Watt University, Edinburgh Business School, a certificate in Director's Strategic Guide to Corporate Governance and Leadership and in 2020 completed the Frankfurt Business School's Certified Expert in Microfinance course and the Digital Shift Compliance Course from the Platinum Network.



## THE BOARD OF DIRECTORS



### Gary Peart, MBA

*Independent Non-Executive Director*

Gary Peart joined Mayberry Investments Limited in May 2005 as Chief Executive Officer after developing his management techniques throughout the financial industry over the course of about 20 years. During this time, he gained experience in almost every business line, including Corporate Finance, Equity, Fixed Income and Treasury Management, all of which prepared him for his current role as CEO.

After being appointed to the Board of Directors a year later and has since served as Director at Mayberry Investments Limited and at several other well-known Jamaican entities. Currently, he sits on the Board of LASCO Distributors Limited; Ironrock Insurance Brokers Limited; Jamaica Stock Exchange; Cherry Hill Developments; Chalmers Commercial and Chalmers Oasis.

He was elected to the Supreme Ventures Limited Board in October 2017 and was made Chairman in June 2019. He then assumed the role of Executive Chairman in March 2020.

Mr. Peart has a B.Sc. in Economics from the University of the West Indies (Hons.) and an MBA from Florida International University.

Beyond the business world, Mr. Peart is a member of the Rotary Club of St. Andrew North. He is husband to Cheryl and is the proud father of son Aaron.



### Colin Maxwell, FCCA, FCA

*Independent Non-Executive Director*

Mr. Colin Maxwell was appointed Non-Executive Director to the Board of Directors of LASCO Distributors Limited effective from January 26, 2018 to present. He is also the Lead Independent Director and Chairs the Audit and Risk Committee as well as the Corporate Governance Committee.

Mr. Maxwell brings a wealth of knowledge to the Board with over 40 years' experience in Public Accounting. He is a graduate of the College of Arts, Science and Technology (now University of Technology) where he received a Diploma in Accounting (Hons.). Continuing his studies, he became a Fellow of the Association of Chartered Certified Accountants based in the United Kingdom, and the Institute of Chartered Accountant in Jamaica.

Mr. Maxwell was a pioneer in computer audit in Jamaica, having been trained as a computer audit specialist in Canada and the United Kingdom, early in his career. He had also done a short tour of duty in Canada. He is a former member of the Company's Law Reform Committee of the Institute of Chartered Accountants of Jamaica. He has presented papers at seminars on topics such as computer assisted auditing techniques and the

audit implications of new banking regulations. He has had extensive experience in leading audit engagements for a wide range of clients across varying industries.

Additionally, having joined the firm in 1978 he has worked with PricewaterhouseCoopers for an extended period of time and was admitted partnership in 1991. Mr. Maxwell served as the firm's Managing Partner, Assurance Leader, Risk Management Partner and Learning and Education Partner. On the 1st of July 2011, he became Jamaica's Territory Senior Partner until his retirement on June 30, 2015.

Mr. Maxwell currently serves as a Non-Executive Director of the following entities:

- LASCO Financial Services Limited
- CUNA Caribbean Insurance Jamaica Limited
- CUNA Caribbean Insurance Society Limited
- CUNA Caribbean Insurance OECS Limited
- Broadcasting Commission of Jamaica
- Public Accountancy Board (President)



### The Most Honourable, Professor Sir Kenneth O. Hall, O.N, GCMG, O.J.

*Independent Non-Executive Director*

His Excellency, the Most Honourable Professor Sir Kenneth O. Hall, ON, GCMG, OJ, and Knight of the Collar of the Order of Civil Merit (Spain), was Jamaica's fifth Governor-General from February 16, 2006 to February 26, 2009. Prior to serving as Governor General, he was Pro-Vice-Chancellor and Principal of the University of the West Indies (UWI), Mona Campus. His Excellency holds PhD and MA degrees in History from Queen's University, Ontario, Canada; and PG Diploma in International Relations and BA (Hons) in History from the UWI. Sir Kenneth still holds appointments as Professor Emeritus and Distinguished Fellow at the UWI.

His Excellency has had a distinguished career in education, international relations and public service that spans more than five decades. His tenure at CARICOM from 1975 to 1977, and from 1994 and 1996 buttressed his insight

into the challenges and opportunities for regional integration and international relations of the Commonwealth Caribbean. These experiences and his unique historical acuity formed the genesis for more than 50 published books and monographs on CARICOM and Caribbean Integration since 2001, including:

- Contending with Destiny: The Caribbean in the 21st Century
- Governance in the Age of Globalisation
- Tourism: The Driver of Change in the Jamaican Economy
- Economic Transformation and Job Creation: The Caribbean Experience
- Regional Integration: The Key to Caribbean Survival and Prosperity
- CARICOM Single Market and Economy: Genesis and Prognosis

His Excellency was conferred with the Order of Jamaica in recognition of his stellar contribution to education and regional development in 2004, and the Order of the Nation in 2006 on his appointment of Governor General.

Today, Sir Kenneth continues to lend his extensive leadership, corporate governance, philanthropy, and business development acumen to provide expert advice and advance transformative change within and without organisations. He has served as Chairman and in other Board appointments at numerous organisations including the Bank of Jamaica (BOJ); Bank of Nova Scotia, Jamaica (BNS); Caribbean Community of Retired Persons (CCRP); Caribbean Examination Council (CXC); Greater August Town Film Festival (GATFFEST); and University of the Commonwealth Caribbean (UCC).





Everyday Family Values

## DIRECTORS' REPORT

The Directors of LASCO Distributors Limited ("The Company") are pleased to present their report for the financial year ended March 31, 2023.

FINANCIAL RESULTS	\$'000
Profit before Taxation	1,621,016
Taxation	(267,440)
Net Profit	1,353,576
Earnings per ordinary stock unit (Cents per share)	38.53 cents

Details of the results for the year were approved by the Board on May 26, 2023 and a comparison with the previous year is set out in the Statement of Profit or Loss and other Comprehensive Income on Page 73.

### DIVIDENDS

On June 29, 2022, the Company paid an interim dividend of \$0.09 per stock unit to all Shareholders on record at June 10, 2022. No further dividend was paid in respect of the year under review.

### DIRECTORS

Articles 97 and 98 of the Articles of Incorporation of the Company provides for the rotation of directors at the Annual General Meeting. The Director retiring under these Articles are **Mr. Kenneth Hall** and **Dr. Eileen Chin** and being eligible offer themselves for re-election.

### NOTABLE EVENT

On May 27, 2023, our Executive Chairman Honourable Lascelles Chin OJ, CD, LLD (Hon Causa) passed away. His achievements which went beyond his entrepreneurship will long be etched in our memories. We are heartened by the fact that our former Chairman impacted so many lives, leaving a lasting and irreplaceable legacy.

### APPOINTMENT OF CHAIRMAN

On June 15, 2023, Mr. James E.D. Rawle, CD was elected Chairman of the Board of Directors of LASCO Distributors Limited.

Mr. Rawle will function in the position of Executive Chairman also, and has assumed the responsibilities of the late, Executive Chairman, Hon. Lascelles Chin.

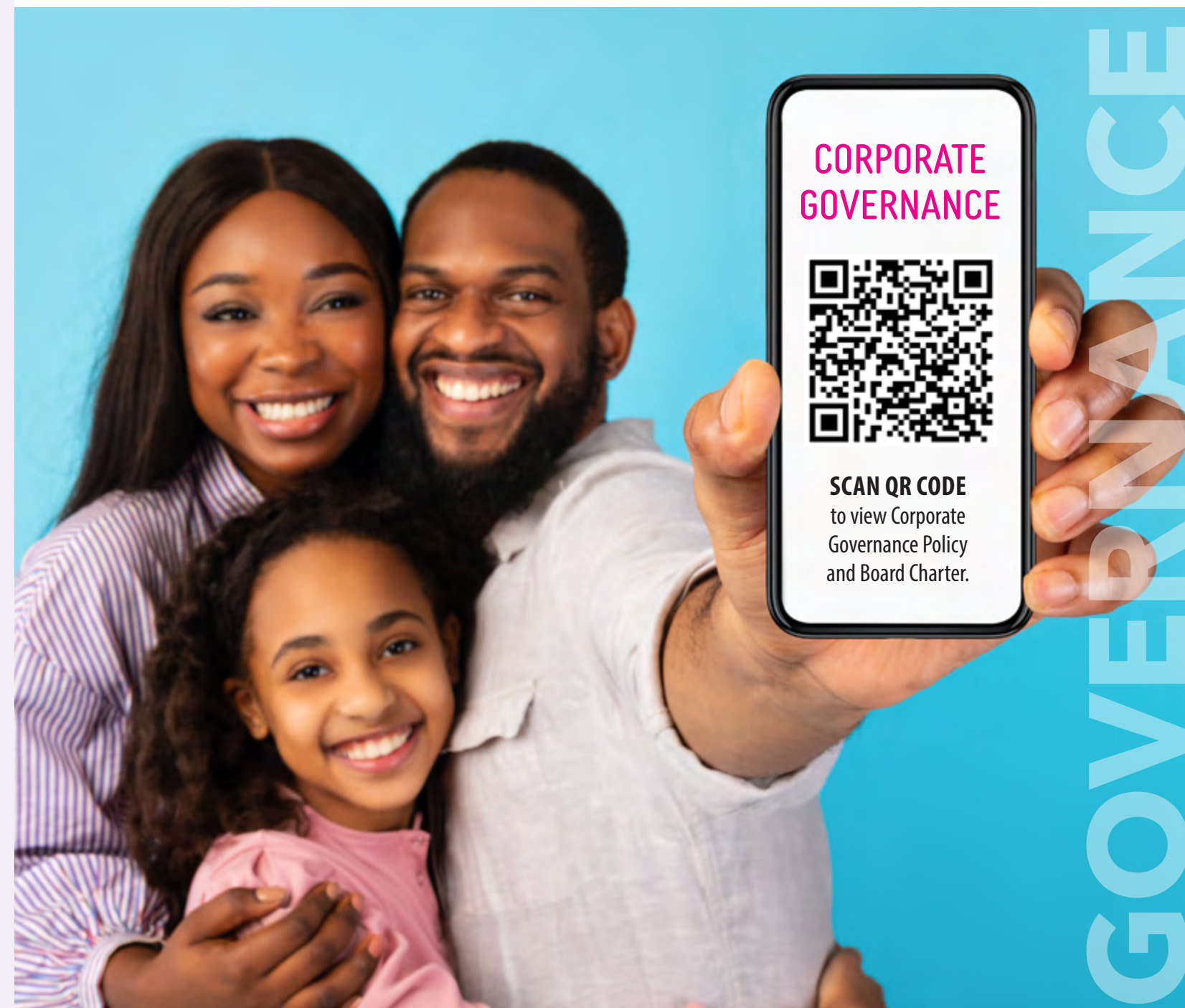
The Directors express thanks and appreciation to the Management and Staff for their commitment and loyalty to the Company, and to our loyal customers, distributors, suppliers, and stakeholders; we also express heartfelt thanks for your continued support throughout the year. To all our stockholders, we say thank you for the confidence you have placed in the management of this Company over the years as we look forward to another fruitful and productive year.

Dated this 28th day of June, 2023

BY ORDER OF THE BOARD

**Vincent A. Chen**

Company Secretary



The Board of Directors of LASCO Distributors Limited (LDL) ("The Board") is collectively responsible for the long-term success of the Company and the continuation of good governance in the interest of its shareholders. In addition, The Board's mission is to ensure that the Company continues to grow into a successful and profitable business. They ensure the highest standards of risk management is upheld to be best in class, driven by passion for excellence to make LASCO a world name synonymous with integrity, objectivity, professional competence, accountability, fairness, transparency, and commitment.

The governance structure of the Company incorporates guidelines and standards based on its Articles of Incorporation, its Policies, Charters, and Terms of Reference adopted by The Board of Directors and the Principles of the Jamaica Corporate Governance Code 2021. These Policies and Charters are updated periodically so as to remain current in a changing environment.



## CORPORATE GOVERNANCE

### FUNCTIONS AND RESPONSIBILITIES OF THE BOARD

The Board's roles and responsibilities are governed by the Board Charter. Its responsibilities are to ensure that Management is capable of executing its responsibilities and that there is a successful promotion and growth of the business.

The Board has delegated responsibility for overall management of LASCO Manufacturing Limited to the Managing Director.

The Board is responsible:

- (i) to set and approve policies,
- (ii) to make decisions to the strategies including annual operating plans and budgets,
- (iii) for business development initiatives
- (iv) for major acquisitions and disposal
- (v) for corporate financing, and related treasury activities
- (vi) for Risk management and internal controls
- (vii) to compliance with laws, regulations and code of ethical business conduct
- (viii) for shareholders and other internal and external communication
- (xi) to ensure that shareholders' value is protected.

The Board strives to balance the interests of the Company's diverse constituencies, including its shareholders, customers, suppliers, employees, creditors, and the communities in which it operates. The Company aims to be transparent in its activities, to increase shareholders' confidence and maximize value. In carrying out its functions, the Board also ensures that the Company, maintains its Corporate Social Responsibility (CSR) activities and Sustainable Environmental Practices. The Board relies on the advice and reports of its Executive Management and the Company Secretary.

### BOARD COMPOSITION

As at March 31, 2023, the composition of the Board of LDL was nine Directors. Two Executive Directors, five Non-Executive Directors and three Independent Non-Executive Directors – Sir Kenneth Hall, Mr. Colin Maxwell and Mr. Gary Peart.

Presently, the percentage of female directors on this board is 22%.

The Board of Directors meet on a quarterly basis, and as required, will hold special meetings to deal with pertinent matters.

### SELECTION AND APPOINTMENT OF DIRECTORS

The Corporate Governance Committee has been assigned the responsibility to build a cadre of qualified and suitable individuals from which selection could be made to appoint the potential individuals to the Board of LASCO. The Committee will arrange for interviews and make recommendations to the Board. The reference for this may be found in the Corporate Governance Policy and may be viewed on the Company's website at: [www.lascojamaica.com/distributors](http://www.lascojamaica.com/distributors)

Appointments are made on merit with due regard to the skills, competence and expertise required by the Board taking into consideration diversity. Members of the present Board are very experienced and respected individuals, with diverse skills and knowledge from different professions. Their level of talent and experience provide a good basis for sound judgement in decision making and guiding the Company into successful endeavours.

The profile of our Directors and details of their expertise, skills and academic qualifications may be viewed on pages of this Annual Report.

### Induction/orientation:

Following the appointment of a director to the board, the Secretary shall ensure that the Director participates in an induction programme that covers the vision and mission of the Company. The director shall be updated with past Board Meeting Minutes, meeting Board Members and Senior Management.

### Training Programmes:

The Board recognises the importance of continuous training for its Directors. Each Director is required to complete a minimum of 14 hours each year relating to his/her profession. This is usually done through seminars/workshops attended. All Directors fulfilled this requirement over and above the hours required in accordance with their profession and other external events during the year under review, including those mentioned below:

TOPIC	% attendance
Corporate Governance Training and Workshop inclusive of ESG Presenter: Faceylaw Consultancy	100%
Board Evaluation workshop Presenter: Faceylaw Consultancy	100%
ESG Workshop Presenter: Jamaica Stock Exchange	100%



### LEAD INDEPENDENT DIRECTOR'S ROLE AND RESPONSIBILITIES

The term independent director means (i) a director who is not related to the Company by virtue of not being an employee of any LASCO Affiliated Company within the last three years; (ii) is not an immediate family member of any director or senior officer of any LASCO Affiliated company; (iii) does not represent a Shareholder owning more than 10% of the voting shares of the Company.

The Lead Independent Director of LDL is Mr. Colin Maxwell. His responsibilities shall among other duties as outlined below; co-ordinate the activities of the Non-Executive Directors and perform other duties and responsibilities as the Board may direct.

The Lead Independent Director shall (i) ensure that Non-Executive Directors have adequate opportunities to meet and discuss issues in sessions of the Independent Directors without management of the Company present and serving as chair of such meetings; (ii) to meet with the external auditors, in camera, to discuss any findings/difficulties experienced during the audit and (iii) in conjunction with the Executive Chairman, ensures that resources and expertise are available to the Board so that it may function effectively and efficiently.

The Lead Independent Director, may as is necessary, be available to shareholders if they have concerns which have not been resolved through the normal channels of the Executive Chairman or other senior executives.

### APPOINTMENT OF COMPANY SECRETARY

The Company Secretary is appointed by the Board and is a key advisor to the board and management on compliance, corporate governance and shareholders matters. The Company Secretary provides new directors with information about the Company to assist them in their orientation. All directors have access to the Company Secretary's advice and services in respect of the administration of the functions of the Board.

During the year the Company Secretary briefed the Board on the Jamaica Stock Exchange (JSE) Corporate Governance Index which has been established to supplement the legal and regulatory Corporate Governance framework and raise the overall standard of Corporate Governance for companies listed on the JSE.

The Company has since reviewed the areas that need improvement and have commenced addressing those to improve its rating scores, some of which may be seen in this report.



## CORPORATE GOVERNANCE

### COMMITTEES OF THE BOARD

The Board has three committees: Corporate Governance, Audit and Risk Management and Compensation and Human Resources Committees. The members of these Committees are appointed by the Board of Directors and are chaired by independent Directors, where applicable. The Executive Chairman, other independent Directors, the Managing Director, and Chief Financial Officer are invited to these meetings. Other staff may be invited to attend Committee meeting if so required.

The decisions of the Board are made through its established Committees. Each Committee has its Charter/Terms of Reference which are approved by the Board. The committees have the responsibility to review and revise Policies/Charters annually/biennially, which are approved by the Board. The key responsibilities of each committee are outlined in its Charter/Policy and Terms of Reference, which may be viewed on the Company's website at: [www.lascojamaica.com/distributors](http://www.lascojamaica.com/distributors)

### AUDIT AND RISK MANAGEMENT COMMITTEE

This composition of this Committee is three members and is chaired by Mr. Colin Maxwell, Lead Independent Director. The other appointed Independent Non-Executive Directors are Sir Kenneth Hall and Mr. Gary Peart. Hon. Lascelles Chin, Executive Chairman, Mr. John De Silva, Managing Director and the Chief Financial Officer are invited to this meeting. The Committee meets quarterly and is guided by its established Charter to provide oversight of:

- The effectiveness of the Company's risk management and internal control systems.
- The internal audit activities and reports
- The external auditor's appointment, remuneration, evaluation, and reappointment.
- The financial reporting by the Company including quarterly and annual financial statements.
- To monitor related party transactions of the Company

and make the necessary proposals to the Board in accordance with the Board's Charter.

For the financial period under review, Ernst & Young, Internal Auditors, provided internal audit services to the Company. The Committee reviewed and approved the audit plan for the financial year. The Internal Auditors worked closely with the management team to establish, review, and improve processes for effective risk management. The Internal Auditors report to the Audit Committee at its quarterly meetings.

During these meetings members of the Committee analysed the quarterly audited and unaudited financial statements to ensure that they are prepared in accordance with the International Financial Reporting Standards and the Junior Market rules of the Jamaica Stock Exchange. These financial statements were approved by the Board of Directors for publication and may be viewed on the Company's website: [www.lascojamaica.com/distributors](http://www.lascojamaica.com/distributors)

### COMPENSATION & HUMAN RESOURCES COMMITTEE

This Committee is comprised of three (3) directors and has the responsibility to advise the Board on all matters relating to the compensation of the Executive Chairman, the Managing Director, and the Non-Executive Directors. The Chairman of this Committee is Sir Kenneth Hall. Other appointed members are Mr. Vincent Chen and Mr. Colin Maxwell. Hon Lascelles Chin, Executive Chairman is invited to this meeting.

The Compensation Committee's Charter mandates that the Committee meets at least once per year. The Committee met and made its recommendations to the Board of Directors.

To ensure that Directors are reasonably compensated, the Board employed the services of a consultant to conduct an industry survey to use as a benchmark in determining directors compensation.

Directors are paid a retainer and travelling to meetings attended. The fees paid for the year ended March 31, 2023, were \$14.562M.

### CORPORATE GOVERNANCE COMMITTEE

The composition of this committee is three members: Mr. Colin Maxwell Chairman, Sir Kenneth Hall, and Mr. Vincent Chen. The Committee meets twice per year to give oversight in respect of the structure, composition and functioning of the Board and its Committees.

The list below are some key functions of the committee:

- To recommend and monitor the implementation of a governance structure.
- To oversee the selection, induction, training, and succession planning process for Directors.
- To assist the Board to determine, understand and work within the legal cultural and institutional framework that affect the goals and direction of the Company.
- To advise the board and management on matters of Corporate Governance.

- To develop Policies as are required for the effective governance of the Company.
- To monitor trends and best practices in Corporate Governance and update the Board on governance issues.
- To consider possible conflict of interest of Directors.

The Corporate Governance Policy and Terms of Reference may be viewed on the Company's website: [www.lascojamaica.com/distributors](http://www.lascojamaica.com/distributors)

### BOARD PERFORMANCE EVALUATION

The Company completed its annual Board performance evaluation facilitated by an external Corporate Governance Consultant. Areas covered were: Directors' self-evaluation, Board Committees, Board Chairman and Committee Chairman.

From the assessment, recommendations on how to improve board performance with emphasis on good governance were given. This evaluation was also designed to give insight into how the Directors perceived the Board on a whole, and how they are currently performing in key areas. A Board improvement plan was submitted to the Company based on the outcomes.





### ATTENDANCE REGISTER

Below is a summary of the attendance register in respect of the meetings for the financial year ended March 31, 2023.

Meetings	LDL AGM	LDL BOD	LDL Compensation Committee	LDL Audit Committee	Corporate Governance
<b>No. of Meetings</b>	<b>1</b>	<b>5</b>	<b>1</b>	<b>4</b>	<b>1</b>
Lascelles Chin	1	5	-	-	-
Eileen Chin	1	4	-	-	-
Vincent Chen	1	5	1	-	1
Colin Maxwell	1	5	1	4	1
Sir Kenneth Hall	1	5	1	4	1
James Rawle	1	5	-	-	-
Jacinth Hall-Tracey	1	4	-	-	-
Gary Peart	1	4	-	-	-
John De Silva	1	5	-	-	-

The following table outlines the Composition of each Committee:

Meetings	Compensation Committee	Audit Committee	Corporate Governance
Sir Kenneth Hall	√	√	√
Vincent Chen	√	-	√
Gary Peart	-	√	-
Colin Maxwell	√	√	√

### RELATIONSHIP WITH SHAREHOLDERS

It is important that our stakeholders understand our vision and thereby continue to support our programmes. Equally important is the opportunity to receive feedback.

One of the key channels used to disseminate information to our Shareholders is the Annual General Meeting (AGM). A session for questions and answers is made available to shareholders at the AGM where their comments/questions are clarified and plans explained.

Another channel used is the “Management Discussion and Analysis” section in the Annual Report. This report provides detailed information on the Company’s plans and opportunities.

During the year the company made press releases relating to marketing activities and corporate social responsibility activities.

These various activities will keep shareholders informed of the programmes that the Company is involved in.

### MINUTES OF AGM

Shareholders may request a copy of the AGM minutes from the Company Secretary’s Office by contacting us via telephone at 876-749-5272.

### CORPORATE SOCIAL RESPONSIBILITY

LASCO Distributors Limited continues its commitment to Corporate Social Responsibility (CSR) through Education, Health, National Security, Community Development, Environment and Sports.

The past 24 years have seen LASCO and the Jamaica Constabulary Force stage the Police Officer of the year Programme, which recognises the exemplary efforts of Police Officers. LASCO also acknowledges the Nurses Association of Jamaica where it recognises the unfailing contribution of the Nurses to healthcare in Jamaica. The Company is also an active partner of the Recycling Partners of Jamaica.

During the year, these programmes among others are highlighted and may be viewed in this Annual Report.

### LASCO CHIN FOUNDATION

LDL is a contributor and supporter in the activities/programmes of the LASCO Chin Foundation.

During the year, these programmes among others are highlighted and can be viewed in this Annual Report.

### HUMAN RESOURCES

During the year, staff training and meetings continued. Additional activities of Human Resources are highlighted in this Annual report.



Strong • Confident • Resilient



COTTON SOFT



UNSCENTED



WITH WINGS



**SUPER-ABSORBENT & BREATHABLE**  
for ULTIMATE COMFORT & PROTECTION





## MANAGEMENT TEAM



**John De Silva**  
Managing Director



**Shellyann Jackson**  
Chief Financial Officer



**Kerri Dunn**  
Human Resources Manager



**Hortense Edwards**  
General Manager -  
Pharmaceutical Division



**Mikhael Newman**  
International Business  
Development Manager



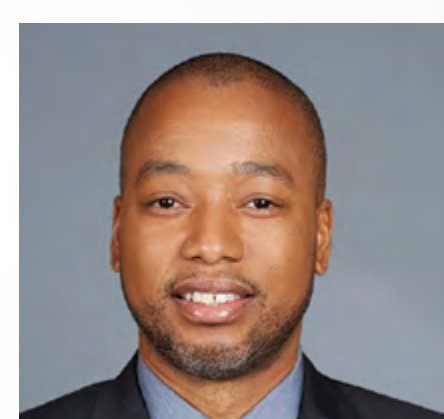
**John Steele**  
Sales Manager - Consumer Division



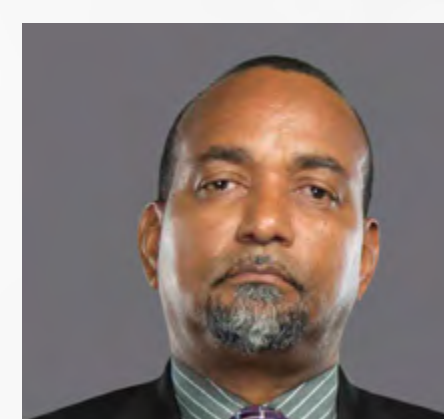
**Linton Johnson**  
Customer Service & Distribution Manager  
- Consumer Division



**Carrolyn Llewellyn**  
Key Account Manager  
- Consumer Division



**Peter Hylton**  
Information Technology Manager



**Ruel Thompson**  
Safety/Security & Community  
Relations Manager



**Joel Gonzalez**  
Property Manager



**Omar Palmer**  
Food & Beverage  
Marketing Manager



**Danielle Cunningham**  
Nutrition Marketing Manager and  
Corporate Communications Manager



**Althea Pandohie**  
Marketing Manager  
Home and Personal Care



## MANAGEMENT DISCUSSION & ANALYSIS

### COMPANY OVERVIEW

LASCO Distributors Limited (LDL) markets, sells and distributes branded consumer goods in the Nutrition, Hygiene and Healthcare Categories in Jamaica and across several international markets.

The business was established over 30 years ago by the Honourable Lascelles Chin. In a relatively short time, the company rapidly increased its market presence by offering quality products to market at competitive prices. This market positioning and the focus on satisfying consumer needs, has led LASCO to become the market leader in several major categories in the industry.

The company is well known for several innovations and product introductions, namely our flagship product LASCO Food Drink and LaSoy range of beverage products, Curves Sanitary Napkins and the iCool range of waters, flavoured waters, and drinks.

The company was listed on the Jamaica Stock Exchange in October 2010 and is comprised of two divisions — the Consumer Division and the Pharmaceutical Division. This segmentation is based on product specialisation

which allows for greater focus to meet our customers' needs.

The company distributes one of the widest ranges of fast-moving consumer goods under its own LASCO label and other brands such as Curves and iCool. The Consumer Division's core segments are food, beverage, personal care, infant care, adult incontinence, and home care products. LASCO also distributes Unilever's home and personal care portfolio, with brands such as Breeze, Cif, Dove, St. Ives, and Axe. Another core supplier partner is Salada, with their brands of high-quality Jamaican coffees; Jamaica Mountain Peak and Mountain Bliss 876 as well as their range of teas.

The Pharmaceutical Division distributes major international brands in categories such as prescription, over the counter (OTC) medication, diagnostics, veterinary supplies as well as its own private brand of generics under the LASMED brand name.

LASCO's route to market covers all core channels including Supermarkets, Wholesalers, Small Shops, Schools, Pharmacies, Government Institutions, and Health Care Facilities across Jamaica.





## MANAGEMENT DISCUSSION & ANALYSIS

### Strategic Framework – Crafted to Perform and to Transform

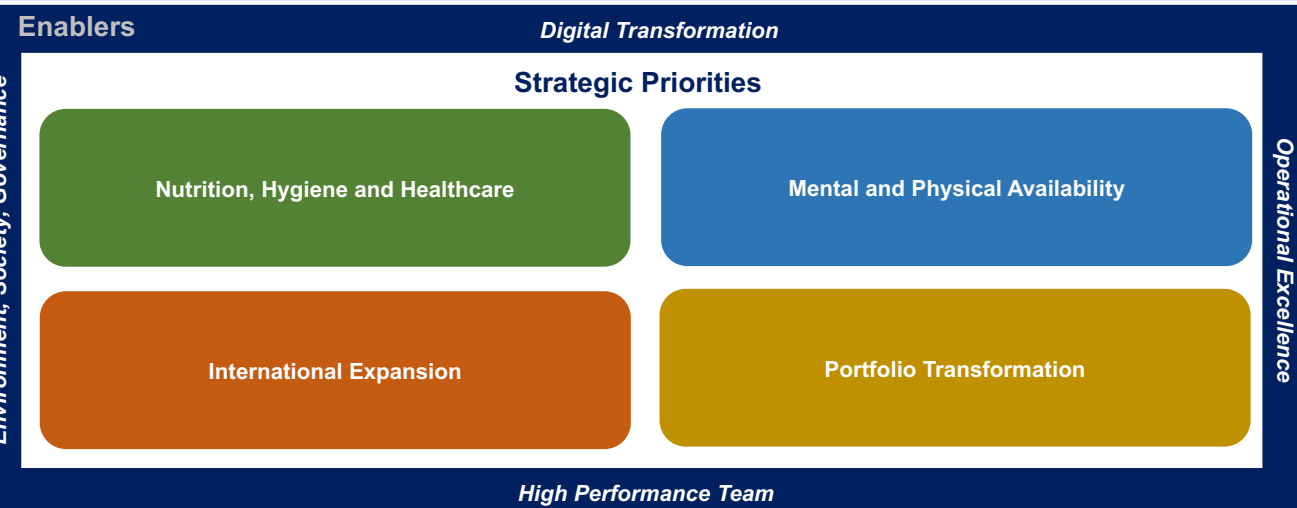
LASCO Distributors Limited’s solid performance for the year ended 31st March, 2023 was the result of disciplined and consistent execution of the company’s Strategic Framework crafted to perform in the short-term and to transform for the future. Executing this strategy while maintaining a sharp focus on satisfying consumer needs steered the company towards achieving its strategic objective of delivering sustainable profitable, capital-efficient growth, with Net Profit rising 33.2% to \$1.35B and Return on Equity increasing to 17.2%.

The main driver of performance has been our team’s consistent execution of the Strategic Framework. The team is fully aligned to the company’s objectives and everyone is empowered to take fast decisions on the frontlines.



Our Purpose is to Enhance Everyday Family Values through Nutrition, Hygiene and Healthcare

Our Strategic Objective is to deliver sustainable, capital-efficient, profitable growth, creating value for all stakeholders



## BUSINESS PERFORMANCE

### REVENUE

Total Revenue for the year ended 31st March 2023, was \$26.56B, an increase of 13.8% over the previous year. This entirely organic growth was driven by consistent and disciplined execution across the company. Additionally, significant changes to the marketing strategy, structure and focus, encompassing content, media mix and distribution served to increase mental and physical availability of LDL’s portfolio across all countries, categories, channels and brands.

### GROSS PROFIT

Gross Profit increased by 18.2%, or \$707M, to \$4.59B, driven by volume growth in line with the company’s objectives. Notably, gross margins increased from 16.6% to 17.3%, driven by strategic changes to product and channel mix. Price increases, where necessary, also played a role in improving margin performance.

### TOTAL ADMINISTRATIVE, SELLING AND OTHER EXPENSES

Total Administrative, Selling and Other Expenses were \$3.17B, an increase of 11.1%. Increased marketing investment and consumer communication contributed significantly to this as the company continues to support its brands and commercial expansion plans.

The operating expense ratio was 11.9% of revenue, compared to 12.2% the year before.

### NET PROFIT

The Company delivered Profit Before Tax of \$1.62B, an increase of 27.9%, or \$354M. The Net Profit figure of \$1.35B, was a healthy increase of 33.2% compared to the previous year (2022: \$1.0B), with the Net Profit margin rising to 5.1% from 4.4%, an increase of 70 basis points.

### FINANCIAL POSITION

The Company ended the year with \$13.38B in **Total Assets**, an increase of 7.5% over the prior year. Non-Current Assets ended at \$2.45B, up from \$2.31B the prior year.

The value of **Inventories** rose by \$682M to \$4.47B, an increase of 18%. The increase was driven primarily by sales growth and there was a tactical decision taken to ensure product supply during the short-term disruption in global supply chains.

**Receivables** declined by 9.3%, closing the year at \$3.58B thanks to disciplined management and excellent relationships with the trade. LASCO Distributors continues to benefit from historically sound relationships built and nurtured over the last three and a half decades. There were also continued investments in building team capabilities and in sales and finance.

**Payables** closed the year at \$4.69B, a reduction of 5% over last year.

The combined **Cash and Short-term investments** position ended the year at \$2.8B compared to \$2.35B, a 19.3% increase over the previous year.

The company delivered a strong **Return on Equity** of 17.2%, up from 14.8% in the previous financial year, while **Shareholders’ Equity** rose to \$8.41B, an increase of 15.4%.

An **interim dividend** of \$0.09 per share, totalling \$316M, was paid on June 29, 2022, to shareholders on record at the close of business on June 10, 2022.





## MANAGEMENT DISCUSSION & ANALYSIS



**CONSUMER**  
DIVISION REVENUE

**\$21.78B**

The Consumer Division's Revenue was \$21.78B, an 18.9% improvement over the prior year. The Nutrition, Food, and Beverage Categories continued to deliver solid growth, led by core brands and recently launched, margin-accretive categories.

The Hygiene (Home and personal care) business delivered strong growth, with both the LASCO-owned and the Unilever portfolios performing well. This performance was driven by accelerated innovation, increased marketing investment, and a strong trade presence.



**PHARMACEUTICALS**  
DIVISION REVENUE

**\$4.8B**

The Pharmaceutical Division's revenue declined by 4.6% to \$4.8B, from \$5.01B. This was a result of a reshaping of this Division's product mix and channel focus to adapt to evolving market conditions, while strengthening its collaboration with global industry leaders.

This was supported by the team's external focus, to optimise supply chain operations to bring greater agility, efficiency, and superior customer service.



## INNOVATION

LASCO has earned a reputation for continuous innovation designed to meet evolving consumer needs. Given the strategic intent to play in categories adjacent to existing core products, the company has continually introduced new consumer products that offer growth potential. The 2022 financial year was no exception, as LASCO successfully entered several margin-accretive categories. Portfolio innovation included BRIGHT SIDE FARMS almond milk, FREEJOY baby food fruit purees, TUNNOCK'S wafers, FESTIVAL cookies, TOSH and DUX crackers, and VITALISIMO cereals. The company also introduced SLIMFAST health shakes and DILMAH, a premium Ceylon tea, along with DIY home repair segment with FLEXSEAL.

Innovation will also continue to come from the development of the LASCO-owned portfolio, including LASCO FOOD DRINK, ICOOL, LASOY, LASURE and JACK AND JILL Diapers, CURVES and several partner brands.





## MANAGEMENT DISCUSSION & ANALYSIS

### Outlook

The Company is grateful to its dedicated team for having delivered another year of sustainable profitability. Looking ahead, the company anticipates that future growth will be driven by new categories, innovation, and international expansion. In line with the company's strategic objectives, it will continue to advance pragmatically and ensure that it invests disproportionately in new brands and opportunities to deliver sustainable, profitable, and capital-efficient growth.

Most importantly, enhancing Everyday Family Values through Nutrition, Hygiene and Healthcare remain the overarching purpose of the company and will continue to guide all it does to meet the needs of its consumers, their families and communities. The company is especially committed to continuing its corporate social work across Jamaica.

LASCO Distributors also thanks its staff, customers, consumers and business partners who have played a role in its continued growth and success. The company is committed to achieving its purpose and strategic objectives, and ultimately creating value for all stakeholders.



### Risk Management

The Company operates in a very dynamic environment and is exposed to different risks. Therefore, it continuously aligns its risk management strategies with the company's goals and objectives; to ensure its sustainability.

Building on the Enterprise Risk Management Framework being carried out, the company has continued to embed processes and redefine how it manages its risks. Pursuing this framework enables it to effectively mitigate and combat the potential impact of risks on the business. The company's risk management activities are embedded in the key tenets of good governance and best practices within the distribution industry, which enables it to take a more proactive approach to curtail its risks, which include:

- Greater transparency and accountability in terms of the delegation of roles and responsibilities
- Taking a collaborative approach to manage and monitor the different risk categories
- Placing more emphasis on risk consideration in the decision-making process of performance management

#### The Board of Directors has an overarching responsibility to:

- Work actively with management to promote a cohesive risk management culture
- Provide sound advice on risk management decisions
- Assess and review the risk management policies and procedures designed to ensure coherence with its strategy and risk appetite
- Play an active role in reviewing key risk management areas and provide feedback







## DIGITAL TRANSFORMATION

LASCO Distributors Limited continues to invest in technology, improving its Information Systems and Information Technology (IS/IT) infrastructure, systems and security to improve operations across the company. The company recently upgraded its ERP system and continuously improves and updates its cybersecurity systems.

A state-of-the art Warehouse Management System (WMS) is being implemented on a phased basis with the objective of improving logistics capabilities to meet business growth needs while improving controls and compliance.

These significant investments represent the company's commitment to continuous improvement, operating efficiencies and developing new capabilities as a competitive advantage.

## COMPANY ACTIVITIES

[Digital Transformation](#)

[Corporate Social Responsibility](#)

[Human Resources Highlights](#)

[Marketing Highlights](#)

[LASCO Chin Foundation](#)

[Portfolio Innovation and Transformation](#)



## HUMAN RESOURCES HIGHLIGHTS

LASCO Distributors Limited recognises that its greatest asset is its dedicated employees, who supported the business through the difficulties of the pandemic and continue to steer the company forward. They are proof that delivering sustained performance over time is a team effort.

Throughout the 2023 financial year, LASCO continued to benefit from the ability to retain employees who embrace the values of the organisation and perform at a high level. At all levels of the business, the company ensured employee roles were aligned with the strategic objective to deliver sustainable, capital-efficient, profitable growth, creating value for all stakeholders.

Investment in talent and capability building was also a high priority for the year, and employees benefited from a wide range of training programs, such as technical fundamentals and emotional intelligence. Equally important was employee engagement, and several activities were held during the year to build team spirit and deepen connection. Additionally, to support staff, the HR Department launched a series of retirement planning seminars covering a range of pertinent topics.

Recruitment and onboarding of new team members were also key activities as staffing needs expanded.



## LASCO CHIN FOUNDATION

The LASCO Chin Foundation (LCF) remains unwavering in its commitment to elevate the youth, support those in need and honour those providing dedicated service on the country's behalf. Now in its fourth year of impact, the Foundation with the support of its partners expanded its reach and focused its efforts on nation-building and the upliftment of the country's citizens through Sustainable Socio-Economic Intervention (SSI) Initiatives including the SSI Entrepreneurship and the SSI Schooling Support programmes, amongst other efforts.

## ENTREPRENEURSHIP

### SSI ENTREPRENEURSHIP PROGRAMME PHASE II:



Participant, Lorraine Williams, stands proudly in front of the establishment during the LCF team's first business site visit/assessment.

The Foundation resumed its SSI Entrepreneurship Programme in 2022 after a two-year hiatus following to the COVID-19 pandemic. LCF re-engaged eighteen (18) entrepreneurs from Kingston and Clarendon who benefitted from the first phase of support and remained active in their business through to Phase II. Participants received training over six months focused on their business development plans. The sessions addressed business registration, business development training, the process for obtaining additional equipment, financial literacy, budgeting, accessing LASCO's Down the Trade and Microfinance services, and digital media platform training and development. Refresher sessions were also held on topics taught in Phase I to ensure the entrepreneurs were equipped to realize their 6-month plans and grow their businesses. Going further, LASCO beverages were provided as a form of capital injection to mitigate some of the economic hardship endured during the pandemic.

### WE CARE SWIFT E-SKILLS TRAINING



Jamaican participants pose with Prof. Rosalea Hamilton, LCF CEO, Danielle Cunningham LASCO Corporate Communications Manager, Tahirah Fraser, LCF Operations and Programmes Manager and Project Coordinator Diana Walton following the successful completion of the Skills Training programme.

The Foundation partnered with the Caribbean Philanthropic Alliance, Zen Studio, Environmental Health Foundation, Trees That Feed Foundation, Bridge Foundation, Operation Save Jamaica, and the Institute of Law and Economics to roll out a Women's Empowerment initiative. Entitled "Women Entrepreneurs in the Caribbean...Active, Resilient & Empowered" (WE CARE) Swift E-Skills Training, this was aimed at building resilience and empowering women by providing entrepreneurial support.

A total of 31 entrepreneurs from Jamaica and Trinidad & Tobago successfully completed the programme and were introduced to 21st Century skills necessary to better market themselves and their businesses. Participants received online and in-person training in audiovisual production, e-marketing, social media campaign development, entrepreneurship training, as well as in designing and implementing e-marketing campaigns for a corporate product "LASCO" and a new product "breadfruit bulla". By the end of the training there was a 23% increase in self-employment and a 29% increase in positive business performance. Two entrepreneurs registered their business, seven entrepreneurs created business plans, and five entrepreneurs reported gaining access to credit.



# SOCIAL INTERVENTION

## ECONOMIC EMPOWERMENT PROGRAMME:



Family Asset Training for parents and caregivers of Salt Spring, St. James on November 28-29, 2022

LCF partnered with USAID's Positive Pathways Activity in Jamaica (PPAJ) under their 'Enhancing Economic Opportunities' cluster to provide a diverse set of economic services to parents, caregivers, youth and community members from twelve vulnerable communities:

- Kingston & St. Andrew - Jones Town, Hannah Town, Denham Town
- St. James - Flankers, Norwood, Salt Spring
- St. Catherine - Naggo Head, Gregory Park, New Land

- Clarendon - May Pen, Effortville, Palmers Cross

To date the programme has trained 603 parents and caregivers of at-risk youths in "building family-assets" as well as financial resource management. It has also trained 24 youth trainers employed within civil society organisations and training centres targeting at-risk youth, to deliver guidance regarding building family assets, self-employment, and workforce development for the youth.



Peer to Peer Training held with 24 youths from Kingston & St. Andrew, St. James, Clarendon and St. Catherine from November 28-30, 2022

## CRIME PREVENTION PROJECT



From L to R: Paul Irving, Project Manager; Ella Ghartey, MNS, Natalie Wheatle; Local Partner Development; Danielle Cunningham, Corporate Communications Manager; LASCO, Jonah Williams, Entrepreneur; Prof. Rosalea Hamilton, CEO LCF; Tahirah Fraser, Operations and Programme Manager, LCF and Pastor Bruce Fletcher, Operations Save Jamaica.

On September 2022, LCF wrapped up its SSI Youth Crime Prevention project, a partnership with USAID Local Partner Development programme. The project provided 51 at-risk youth from Central Village, Trench Town, Kingston Central and August Town with the business knowledge and life skills required to sustain a livelihood, obtain income-generating opportunities, and become empowered, productive citizens. Through this effort: 50 at-risk youth successfully completed entrepreneurship skills training, 48 youth received LASCO support in the form of barrels and/or beverages as part of their start-up kits for micro-scale businesses, 27 youth reported receiving alternative livelihood through employment, and 22 youth were exposed to Cognitive Behavioural Therapy (CBT) aimed at reducing the levels of depression, anxiety and other mental challenges identified among them.

## SCHOOLING SUPPORT PROGRAMME

LCF's SSI Schooling Support Programme successfully completed its third year of operation with 21 students enrolled in Grade 9 at Clan Carthy High School. At the beginning of the school year students are assessed and support is provided for each youth according to their specific needs including: their vulnerability, their academic levels, their unresolved psychological and social issues, their parents' levels of involvement, and the functionality of their homes.

To date, students enrolled in the programme have seen improvements in reading, comprehension, and spelling, with the "ability to recognize words", and spelling demonstrating the sharpest increases in achievement, from 6 to 10, and from 4 to 7, respectively. Numeracy skills exhibited gradual improvement, moving from an achievement level of 5 to 6. The students' intellectual capacities have also steadily improved throughout the year, indicating that the average student functioned at or around their age-appropriate level.

Social work and case management services were rendered to the most vulnerable students. The Foundation completed 78 home visits which yielded 67% achievement of the social plan objectives of the home and six households were assisted in re-registering for PATH.

The students also benefitted from psychological interventions, gender mentorship sessions, monthly care package sup-



Students enrolled in our SSI Schooling Support Programme receiving certificates for completing the Youth Community Outreach Programme Music Summer Camp.

port for the household, life skills session focusing on self-concept, and exposure to music. Their parents participated in sessions that provided guidance regarding parenting styles.



# CIVIL SERVICE

## OUR NURSES



The Nurses Association of Jamaica (NAJ) celebrated 75 years of service with the return of in-person activities to commemorate International Nurses Day on May 12th, Nurses' Week from July 17th to 22nd and host the much-anticipated LASCO Nurse of the Year (NOY) and Student Nurse of the Year (SNOY) Awards Ceremony. All celebratory activities commenced under the theme, 'Nurses: A Voice to Lead - Invest in Nursing and Respect Rights to Secure Global Health'.

The coveted award of Nurse of the Year 2022-2023 went to Alicia Adamson, Nurses Manager at Victoria Jubilee Hospital, and the Student Nurse of the Year 2022-2023 to La-Daniel Campbell, nursing student at Brown's Town Community College. Their dedication emulates the Company's mission to bring "Everyday Family Values" into Jamaican homes and lives. Nurse Adamson was awarded the LASCO NOY trophy and a \$200,000 cash prize in addition to other gifts, while Student

Nurse Campbell received \$100,000 in prize money along with a trophy and gift basket.

To ensure that the well-deserving awardees make their mark in community service, the Foundation supported their selected projects throughout the year. These included the annual Orange Day Walk, which brings people together to walk in support of ending violence against women and children. Held on November 26, 2022, at the Percy Junor Hospital, participants and volunteers were hydrated with iCool Water as they walked in solidarity. The LASCO NOY also leads the annual Easter Bunny Treat at a selected school which the NAJ supports and on April 9th over 100 students of the Bull Bay Primary and Infant School were treated to a fun experience and goodies. A combined team of over 25 persons supported face-painting activities, motivational talks, games and special treats courtesy of LASCO.

## OUR POLICE



Chairman of the LASCO Affiliated Companies, the Honourable Lascelles Chin (centre) stands proudly with the six finalists for the LASCO/Jamaica Constabulary Force (JCF) Saluting Our Heroes and Chairman's Awards (from left): Detective Constable Camoy Stewart (Area 3); Woman Sergeant Winsome Higgins (Area 5); Corporal Rohan Smith (Area 2); District Constable Alfred Palmer (Area 4); Woman Constable Georgina Sterling (Non Geo) and Woman Sergeant Alsian Grant (Area 1).

The 'LASCO/Jamaica Constabulary Force (JCF) Police Officer of the Year Award Programme' ushered in 22 years of recognising some of the finest in law enforcement Jamaica has to offer. While paused due to the global pandemic, a special recognition, Saluting Our Heroes, was created to honour those best-in-class within the Constabulary.

The awards ceremony was launched with LASCO's participation in the annual Police Week activities, which included a luncheon for the children of fallen officers, who were each presented with gift bags filled with LASCO products from the nutrition, hygiene, and healthcare categories. It also included the celebration of the JCF Long Service Awards, at which over 100 well-deserving members of the JCF were bestowed with prestigious awards for extended service.

In special recognition of the JCF's 155th Anniversary, 155 top-performing servicemen and women were selected for the LASCO/JCF Saluting Our Heroes and Chairman's Award. Six

outstanding finalists, spanning all geographical regions and operations within the JCF, vied for the coveted Award. At the awards ceremony finalists, Woman Constable Georgina Sterling, Woman Sergeant Winsome Higgins, Detective Constable Camoy Stewart, District Constable Alfred Palmer, Woman Sergeant Alsian Clayton, and Corporal Rohan Smith, sat in anticipation as the announcement of the LASCO/JCF Chairman's Top Awardee was made. Corporal Rohan Smith, hailing from New Savannah, St. Elizabeth, was the honouree, receiving the Chairman's Trophy along with a \$150,000 cash prize and other gifts from LASCO.

Woman Sergeant Alsian Clayton, who serves within the Westmoreland Division, was named first runner-up and awarded \$100,000, while District Constable Alfred Palmer of the Area 4 Community Safety and Security (CSS) took the second runner-up spot and received \$75,000.



## ENVIRONMENT



The LASCO Releaf Environmental Awareness Programme (R.E.A.P.) was officially launched on October 7, 2022, at Priory Primary in St. Ann. Launch events also took place at schools that previously participated in and won top awards in the R.E.A.P. programme, namely St. Jago Cathedral Preparatory, Highgate Primary, Louise Bennett Primary, and Kendell Primary and Kindergarten. LASCO nourished the students with hearty breakfast meals and supplied hydration beverages for the day's activities at each location.

LASCO R.E.A.P. garnered 41 participating schools for this year's competition scheduled for judging in April 2023, with the formal awards ceremony set for June 2023. Top schools are awarded for the most trees planted, the most bottles collected, and the best sustainable vegetable garden. During the assessment period, intermediate prizes were given to schools for the best art pieces, songs, poems, essays, and environment-themed fashion created from waste. Winners of these sectional competitions are awarded tablets to enhance their learning platform.

LASCO's adopted school, Gwen Neil Basic School in Central Village, received continued support throughout the year for

special occasions celebrating the children and staff. These included the annual Christmas treat, graduation ceremony, activities during Child's Month and Teacher's Day, and the nutrition programme to provide healthy food options for the children each semester at an annual value of \$180,000.



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[www.lascojamaica.com](http://www.lascojamaica.com) [lascopharmaceuticals](https://www.instagram.com/lascopharmaceuticals)



## CORPORATE SOCIAL RESPONSIBILITY

### SIGMA CORPORATE RUN



LASCO participated in the annual SIGMA Corporate Run held on February 12, 2023, with a team numbering over 200 people. Our financial contribution supported their beneficiaries - the Edna Manley College of the Visual and Performing Arts' Hope Brooks building and the University Hospital of the West Indies' Paediatric Unit.

### HER FLOW FOUNDATION

CURVES partnered with The Her Flow Foundation to award 17 unsung 'sheroes' for their contribution in uplifting their communities after the COVID-19 pandemic. The awards ceremony, held at the Jamaica Pegasus Hotel on Sunday, March 26, 2023, was executed by the foundation's 'Celebrate Her' initiative to recognize Jamaican women who are achieving important goals in business and their community. Lasco Curves has an ongoing commitment to inspiring and uplifting women and girls through our continued partnership with Her Flow Foundation.



### JAMAICA CANCER SOCIETY/MEN'S HEALTH FAIR



In May 2023 LDL partnered with The Jamaica Cancer Society's St. Ann and St. Mary branches in staging the second Men's Health Fair at the Turtle River Park in Ocho Rios, St. Ann. The health fair is part of an initiative to bring greater awareness to men's health issues. The event was a resounding success with male patrons benefiting from prostate screening, diagnosis and several other medical tests free of cost. LASCO Pharmaceuticals introduced its line of vitamins and supplements geared towards men such as Neovita Multivitamins, a dietary supplement for health and vitality made with Ginseng and Vikonon tablets, a vitamin and calcium supplement specially formulated to combat fatigue and erectile dysfunction in males.

### TOP PERFORMING FEMALE PEP STUDENTS

Through our CURVES brand of feminine hygiene products LDL continues to support young girls and advocate for them to have equal access to education. Six of nine top-performing girls in the 2022 Primary Exit Profile (PEP) examination received The Lasco Curves Primary Exit Profile (PEP) Scholarship at a special awards ceremony held at Lasco's Central Village, St Catherine location in November 2022. CURVES is committed to empowering young ladies to achieve their fullest potential and be their best selves every day.



Top performers from Campion College, Holland High, Knox College, Wolmer's Girls and Montego Bay High School accept their scholarship funds from Tracey Wellington-Reid, Category Manager



## MARKETING REPORT

### SunCity Read and Win School Tour

For Child's Month in May, LASCO partnered with SunCity Radio station for their 'Read and Win School Tour' promotion at 10 selected primary and preparatory schools in the parishes of Kingston, St. Andrew and St. Catherine. The promotion focused on the importance of literacy in a fun way for children, along with the importance of breakfast. LASCO conducted sampling of the cereal line with the children, teachers, and parents during this promotional period.

### Miss Jamaica Festival Queen Competition and Miss Universe Jamaica

CURVES Sanitary Napkin continues to be a proud sponsor of the Miss Jamaica Festival Queen Competition and Miss Universe Jamaica, empowering young ladies to achieve their fullest potential, be the strong characters that they portray onstage and be their best selves in their everyday lives. #BeTheWoman – Strong, Bold, Resilient, Confident and Beautiful.

### We Inspire Women 2022

CURVES joined forces with the We Inspire Women sisterhood to motivate women to love themselves, empowering women to connect, collaborate, and thrive in their daily lives and pivot into balanced and successful careers. The We Inspire event was held on Sunday, August 28, 2022, at the Jamaica Pegasus under the theme: "Remember Who You Are & Fix Your Crown." #BeTheWoman – Strong, Bold, Beautiful, Resilient and Confident. There is no limit to what we can achieve.



### Family Food Battle

For 13 weeks the Family Food Battle brought families from across the island to compete against the clock in 90 minutes to create enticing meals from a mystery box prepared in their own kitchen in a creative way that would give them the edge to win \$50,000 in each challenge.

### LASCO Foods

LASCO Distributors sponsored sponsored its first cooking television show and executed a raft of engaging promotional activities including sampling, deals and giveaways at several locations.



### University Orientations

We staged a university takeover at LASCO participated in four major orientation programs in the universities across the island, introducing students to a range of meal solution options satisfying their nutritional requirements and their on-the-go lifestyle.

### Hurricane Season Preparedness

The LASCO Foods advertised a range of shelf stable products in The Star and on the Jamaica Gleaner online platforms during hurricane season to support consumers in getting prepared.

### Coco Series Event

LASCO was in the mix at the Coco series at Hope Gardens. This well-established event attracts a crowd of approximately 1500 patrons. This year, the food court area featured delicious LASCO mackerel party cups, LASCO Hawaiian beans stew and peppered salted fish with crackers which was a hit with attendees.

### World Health Day

LASCO joins forces with Pharmascience for World Heart Day.

Pharmascience recognized World Heart Day in September 2022 with a fitness session at Yاهش Fitness under the theme 'Let's Start...use heart for every heart'. LASCO Consumer Division partnered with Pharmascience in providing iCool water and healthy shakes with LASCO Food Drink to the audience of doctors ranging from general practitioners, cardiologists, urologists, and internists.





## MARKETING REPORT



### LASCO Continuing Education for Jamaica's Pharmacists

Pharmascience, in association with LASCO, hosted the Annual Pharmacist Continuing Education Seminar 2022. Our creative construction concept evoked the theme of "Being Agents of Change" and the over 200 pharmacists and technicians donned construction gear and even made hats showcasing aspects of Pharmascience. We started the day with LASCO Oats Porridge mix and LASCO Instant Chocolate Mix for the hard workers and gave prizes for the most creative attendee and the most creative hat.

### Psychiatry Grand Round

Pharmascience sponsored one of the monthly Psychiatry Grand Round Meetings at the University Hospital of the West Indies (Ward 21) which gave us to the opportunity to present our wide psychiatry portfolio to 15 resident doctors. It was also the ideal occasion to salute their hard work and extend a warm welcome to their first face to face session since the pandemic.

### LASCO partners with the Pharmaceutical Society of Jamaica

LASCO Distributors Pharmaceutical Division sponsored the Pharmaceutical Society of Jamaica's 27th Annual Pharmaceutical Conference, held on September 22, 2022, at the Ocean Coral Spring Mountain Spring Bay, Trelawny under the theme "Pharmacists Promoting Health, Empowering the Nation".



- No artificial flavors & colors
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## PORTFOLIO INNOVATION AND TRANSFORMATION



Everyday Family Values

The LASCO Distributors Limited team continued to deliver a highly targeted approach to brand management to generate a higher return on marketing investment. To drive growth, the company executed a range of innovative and effective marketing activities and invested in new brands. Clear market positioning and brand differentiation guided an optimum mix of targeted digital and physical executions to display the gamut of the LASCO portfolio, both from owned and represented brands.

The vibrant and immersive campaigns ultimately led to increased sales, greater market share, and notable growth across the nutrition, hygiene, and healthcare portfolios.



### FREEJOY Baby Food pouches

Launched in February 2023, FREEJOY Baby Food pouches are available in four delicious flavours and are sold in convenient, flexible packaging making them easy to consume anywhere and on the go.



### Bright Side Farms

We also launched the BRIGHT SIDE FARMS almond milks product line in February 2023. The brand is committed to brightening people's lives by providing a great plant-based alternative to milk that delights the palate and offers richness, delicious flavours, and freshness. This helps satisfy the consumer demand for natural, healthy plant-based beverages.

### SlimFast

SLIMFAST is a global leader in weight management and nutrition beverages. The company created an exciting immersive consumer experience with the SLIMFAST Gym Pop-Up in January 2023, with the aim to increase awareness and give greater visibility to the brand as a credible weight loss supplement.



### Vitalisimo

LASCO launched the Vitalisimo brand of multigrain in February 2023. Vitalisimo satisfies consumers seeking a tasty whole-grain multigrain that is a good source of nutrients and fibre. It is a crunchy multigrain with up to 47% whole grain, hearty oats and wheat combined with fruits and/or nuts. Vitalisimo is packed with eight vitamins, iron, and fibre. Consumers can choose from almond, strawberry, raisin, and chocolate and hazelnut variants.





## PORTFOLIO INNOVATION AND TRANSFORMATION



### Tunnock's

LASCO Distributors Limited expanded our portfolio to include Tunnock's milk chocolate wafer and Tunnock's caramel wafer. Tunnock's is a renowned confectionery company that has been delighting taste buds for over a century.

The Tunnock's Milk Chocolate Wafer is a classic and iconic biscuit consisting of multiple layers of crispy wafers held together by a smooth and creamy caramel filling. The entire wafer is then enrobed in a layer of high-quality milk chocolate, adding a rich and indulgent touch to every bite. The Tunnock's Caramel Wafer features a caramel filling which adds a delightful chewiness and a hint of sweetness that balances perfectly with the smooth milk chocolate coating.

Each wafer is individually wrapped, convenient for on-the-go snacking or sharing with friends.



Everyday Family Values



### FESTIVAL, DUX and TOSH – Cookies and crackers

LASCO Distributors Limited expanded our portfolio to include cookies and crackers, Festival, Dux and Tosh.

One of the unique features of **FESTIVAL** Cookies is their high cream content. The smooth and velvety cream in every cookie, adds a touch of indulgence, making them a truly decadent treat.

From classic favourites like strawberry, chocolate, and vanilla to the refreshing zing of lemon, there's a flavour to suit every craving for an exceptional treat, our unique Recreo flavour offers a blend of delightful surprises. The exceptional flavour of Festival Chocolate Chip cookies has become a favourite in the line of products. Festival Cookies are individually packed and are perfect for on-the-go enjoyment.

**TOSH** is more than just a brand of snacks. Tosh cookies and crackers are crafted to provide a guilt-free indulgence that maintains a balanced lifestyle without sacrificing flavour or enjoyment. Tosh cookies and crackers are 0% cholesterol and 0% trans-fat. Tosh prioritizes using wholesome ingredients to create treats that are satisfying and align with one's desire to make healthier choices.

**DUX** are classic crackers that boast exceptional crunchiness and a variety of flavours: Dux Original and Dux Wheat. The versatility of Dux Crackers allows consumers to explore different flavour combinations and create unique culinary experiences. The crackers can be enjoyed alone or paired with your favourite dips, spreads, or toppings.



# FINANCIAL STATEMENTS

Independent Auditors' Report

Statement of Profit or Loss and Other Comprehensive Income

Statement of Financial Position

Statement of Changes in Equity

Statement of Cash Flows

Notes of Financial Statements



Everyday Family Values



Tel: (876) 926-1616/7, 926-4421  
Fax: (876) 926-7580  
www.bdo.com.jm

Chartered Accountants  
26 Beechwood Avenue  
P.O. Box 351  
Kingston 5, Jamaica

## INDEPENDENT AUDITORS' REPORT

To the Members of  
Lasco Distributors Limited

### Report on the Financial Statements

#### Opinion

We have audited the financial statements of Lasco Distributors Limited set out on pages 72-118, which comprise the statement of financial position at 31 March 2023, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the company as at 31 March 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Jamaican Companies Act.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the International Ethics Standards Board for International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Partners: S. M. McFarlane, J. Hibbert, D. Hobson, B. Vanriel, K. Heron  
Associate Partner: D. Brown  
Offices in Montego Bay, Mandeville and Ocho Rios

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### INDEPENDENT AUDITORS' REPORT (CONT'D)

To the Members of  
Lasco Distributors Limited

#### Key audit matters (cont'd)

Key audit matter	How the matter was addressed in our audit
<p><i>Expected credit losses in relation to financial assets.</i></p> <p>See notes 3(m)(iv), 5(c)(ii) and 19 to the financial statements for management's related policies and disclosures.</p> <p>Trade receivables amounted to \$2.67 billion at 31 March 2023 and the expected credit loss provision totalled \$57.3 million.</p> <p>Management makes judgement regarding the collectability of receivables by making certain assumptions and judgements in arriving at the provision for impairment. The company estimates expected credit losses (ECL) on trade receivables using a provision matrix based on historical credit loss experience. Customers were placed in aging buckets and a default risk percentage calculated using the incurred loss analyses over delinquent accounts, the credit history, risk profile of each customer and the aging of receivables.</p>	<p>The company's accounting policy as it relates to the impairment provision for trade receivables was obtained and the reasonableness of the accounting policy assessed in relation to the requirements of the relevant standard.</p> <p>We focused on this area due to the number of significant judgements made by management in relation to future economic scenarios.</p> <ul style="list-style-type: none"> <li>We updated our understanding of management's ECL model including source data, the effectiveness of the implementation and the mathematical accuracy of the model. We tested the reliability of the source data used in the design of the model by confirming a sample to the historical data.</li> <li>We tested manual and automated controls over the aging of receivables. Our testing of automated controls involved using our own information technology specialist to test the design, implementation and operating effectiveness of the automated controls.</li> <li>We evaluated the appropriateness of management's assumptions and judgement in arriving at the forward looking multiple, by assessing the basis of the multiple economic scenarios used and the weighting assigned by management. The main macro factors used were compared to external public information and calculations tested through recomputation.</li> <li>We determined whether the default risk percentage was accurately calculated and correctly applied to the relevant buckets of accounts receivable.</li> </ul> <p>Based on our audit procedures performed, the assumptions used by management in determining the increase in credit risk and forward looking information were considered reasonable. Therefore, no adjustments to the financial statements were deemed necessary.</p>



### INDEPENDENT AUDITORS' REPORT (CONT'D)

To the Members of  
Lasco Distributors Limited

#### Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

#### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS and the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

#### Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.





### INDEPENDENT AUDITORS' REPORT (CONT'D)

To the Members of  
Lasco Distributors Limited

#### Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that presents a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



### INDEPENDENT AUDITORS' REPORT (CONT'D)

To the Members of  
Lasco Distributors Limited

#### Report on additional matters as required by the Jamaican Companies Act

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion, proper accounting records have been kept, so far as appears from our examination of those records, and the financial statements, which are in agreement therewith, give the information required by the Jamaican Companies Act, in the manner required.

The engagement partner on the audit resulting in this independent auditors' report is Donna Hobson.

Chartered Accountants

29 May 2023





## LASCO DISTRIBUTORS LIMITED

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year Ended 31 March 2023

	Note	2023 \$'000	2022 \$'000
REVENUE	7	26,559,286	23,337,292
COST OF SALES		(21,974,511)	(19,459,686)
GROSS PROFIT		4,584,775	3,877,606
Other operating income	8	211,559	246,784
		<u>4,796,334</u>	<u>4,124,390</u>
EXPENSES:			
Administrative and other expenses		( 2,534,375)	( 2,204,053)
Selling and promotion expenses		( 636,674)	( 651,176)
	9	<u>( 3,171,049)</u>	<u>( 2,855,229)</u>
OPERATING PROFIT		1,625,285	1,269,161
Finance costs	11	( 4,269)	( 1,928)
PROFIT BEFORE TAXATION		1,621,016	1,267,233
Taxation	12	( 267,440)	( 250,805)
NET PROFIT FOR THE YEAR		<u>1,353,576</u>	<u>1,016,428</u>
OTHER COMPREHENSIVE INCOME:			
Item that will not be reclassified to profit or loss -			
Share option plan	26(c)	2,502	-
Unrealised gains on financial instruments	22(b)	45,028	27,585
		<u>47,530</u>	<u>27,585</u>
TOTAL COMPREHENSIVE INCOME		<u>1,401,106</u>	<u>1,044,013</u>
EARNINGS PER STOCK UNIT	13		
Basic		<u>38.53¢</u>	<u>28.95¢</u>


## LASCO DISTRIBUTORS LIMITED

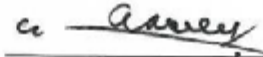
## STATEMENT OF FINANCIAL POSITION

31 March 2023

	Note	2023 \$'000	2022 \$'000
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS:</b>			
Property, plant and equipment	14	1,932,509	1,813,652
Intangible assets	15	7,736	29,667
Right-of-use asset	16(a)	3,033	6,066
Investments	17	504,052	459,216
		<u>2,447,330</u>	<u>2,308,601</u>
<b>CURRENT ASSETS:</b>			
Inventories	18	4,469,208	3,787,487
Receivables	19	3,579,728	3,945,825
Related companies	20	51,295	42,661
Directors' current account	20	19,521	9,867
Taxation recoverable		6,259	4,801
Short term investments	21	551,240	391,433
Cash and bank balances	22	2,253,277	1,959,307
		<u>10,930,528</u>	<u>10,141,381</u>
		<u>13,377,858</u>	<u>12,449,982</u>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY:</b>			
Share capital	23	513,186	472,686
Revaluation reserve	24	75,387	75,387
Fair value reserve	25	61,055	16,027
Other reserve		-	6,959
Retained earnings	26(c)	7,764,260	6,717,186
		<u>8,413,888</u>	<u>7,288,245</u>
<b>NON-CURRENT LIABILITIES:</b>			
Deferred tax liability	27	47,174	96,545
Lease liability	16(b)	-	3,396
		<u>47,174</u>	<u>99,941</u>
<b>CURRENT LIABILITIES:</b>			
Payables	28	4,686,876	4,927,546
Current portion of lease liability	16(b)	3,396	3,204
Taxation		226,524	131,046
		<u>4,916,796</u>	<u>5,061,796</u>
		<u>13,377,858</u>	<u>12,449,982</u>

Approved for issue by the Board of Directors on 26 May 2023 and signed on its behalf by:

  
John De Silva  
Managing Director

  
Colin D. W. Maxwell, FCCA, FCA  
Director



**LASCO DISTRIBUTORS LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**

Year Ended 31 March 2023

Note	Share Capital \$'000	Revaluation Reserve \$'000	Fair Value Reserve \$'000	Other Reserve \$'000	Retained Earnings \$'000	Total \$'000
<b>BALANCE AT 1 APRIL 2021</b>	472,686	75,387	(11,558)	6,959	5,928,954	6,472,428
<b>TOTAL COMPREHENSIVE INCOME</b>						
Net profit	-	-	-	-	1,016,428	1,016,428
Other comprehensive income	-	-	27,585	-	-	27,585
	-	-	27,585	-	1,016,428	1,044,013
<b>TRANSACTION WITH OWNERS</b>						
Dividends paid	29	-	-	-	( 228,196)	( 228,196)
	-	-	-	-	( 228,196)	( 228,196)
<b>BALANCE AT 31 MARCH 2022</b>	472,686	75,387	16,027	6,959	6,717,186	7,288,245
<b>TOTAL COMPREHENSIVE INCOME</b>						
Net profit	-	-	-	-	1,353,576	1,353,576
Other comprehensive income	-	-	45,028	2,502	-	47,530
Transfer from other reserve	26(c)	-	-	(9,461)	9,461	-
	-	-	45,028	(6,959)	1,363,037	1,401,106
<b>TRANSACTIONS WITH OWNERS</b>						
Issue of shares	23	40,500	-	-	-	40,500
Dividends paid	29	-	-	-	( 315,963)	( 315,963)
	-	-	-	-	( 315,963)	( 275,463)
<b>BALANCE AT 31 MARCH 2023</b>	513,186	75,387	61,055	-	7,764,260	8,413,888

**LASCO DISTRIBUTORS LIMITED**  
**STATEMENT OF CASH FLOWS**

Year Ended 31 March 2023

Note	2023 \$'000	2022 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net profit	1,353,576	1,016,428
Items not affecting cash resources:		
Unrealised exchange gain on foreign balances	93,399	( 52,820)
Stock grant	2,502	-
Depreciation and amortisation	14,15	150,061
Right-of-use asset	16	3,033
Adjustment to property, plant and equipment	14	394
Interest income	8	( 31,389)
Dividend income	8	( 3,240)
Interest expense	11	4,269
Taxation expense	267,440	250,805
	1,840,045	1,341,555
Changes in operating assets and liabilities:		
Inventories	( 681,721)	( 873,868)
Receivables	329,073	( 688,826)
Directors' current account	( 9,654)	( 9,867)
Payables	( 235,464)	824,359
Related companies	( 8,634)	( 14,573)
	1,233,645	578,780
Taxation paid	( 221,333)	( 211,670)
Cash provided by operating activities	1,012,312	367,110
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Short term investments	22(c)	( 159,807)
Investments	22(b)	6,065
Interest received	25,555	21,748
Dividend received	3,240	6,152
Purchase of property, plant and equipment	14	( 247,381)
Cash used in investing activities	( 372,328)	( 188,923)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Issue of shares	40,500	-
Interest paid	( 3,873)	( 1,351)
Dividends paid	29	( 315,963)
Loan repayments	-	( 13,333)
Lease payment	( 3,600)	( 3,600)
Cash used in financing activities	( 282,936)	( 246,480)
<b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	357,048	( 68,293)
Exchange effect on foreign cash balances	( 63,078)	7,389
Cash and cash equivalents at beginning of year	1,959,307	2,020,211
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	22	2,253,277
		1,959,307



**LASCO DISTRIBUTORS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

31 March 2023

**1. IDENTIFICATION AND PRINCIPAL ACTIVITIES:**

- (a) Lasco Distributors Limited is a limited liability company incorporated and domiciled in Jamaica. The registered office of the company is 27 Red Hills Road, Kingston 10. The company is listed on the Junior Market of the Jamaica Stock Exchange.
- (b) The principal activity of the company is the distribution of pharmaceuticals and consumable items. The company also exports some of its consumable items.

**2. REPORTING CURRENCY:**

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). These financial statements are presented in Jamaican dollars, which is considered the company's functional and presentation currency.

**3. SIGNIFICANT ACCOUNTING POLICIES:**

The principal accounting policies applied in the preparation of these financial statements are set out below. The policies have been consistently applied to all the years presented. Amounts are rounded to the nearest thousand, unless otherwise stated. Where necessary, prior year comparatives have been reclassified to conform to current year presentation.

(a) **Basis of preparation**

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), and have been prepared under the historical cost convention as modified by the revaluation of freehold land and buildings. They are also prepared in accordance with requirements of the Jamaican Companies Act.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. Although these estimates are based on management's best knowledge of current events and action, actual results could differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

**New, revised and amended standards and interpretations that became effective during the year**

Certain new standards, interpretations and amendments to existing standards have been published that became effective during the current financial year. The company has assessed the relevance of all such new standards, interpretations and amendments and has concluded that the following amendments are relevant to its operations:

**Amendments to IAS 16 'Property, Plant and Equipment, (effective for accounting periods beginning on or after 1 January 2022).** The amendment changes the accounting for proceeds from sale of items produced before Property, Plant and Equipment (PPE) is available for use. Previously, IAS 16 requires the proceeds from selling items before intended use to be offset against the cost of PPE. Under the amendments these proceeds are to be included the statement of profit or loss and should not be deducted from the cost of the PPE.

**LASCO DISTRIBUTORS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

31 March 2023

**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(a) **Basis of preparation (cont'd)**

**New, revised and amended standards and interpretations that became effective during the year (cont'd)**

**Annual Improvements to IFRS Standards 2018-2020 cycle (effective for accounting periods beginning on or after 1 January 2022).** These amendments include minor changes to the following applicable standards:

- (i) IFRS 9, 'Financial Instruments' amendment clarifies that - for the purpose of performing the '10 per cent test' for derecognition of financial liabilities - in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.
- (ii) IFRS 16, 'Leases' amendment removes the illustration of payments from the lessor relating to leasehold improvements.

The adoption of these standards and amendments did not have a significant impact on the company.

**New standards, amendments and interpretations not yet effective and not early adopted**

At the date of authorization of these financial statements, there were certain new standards, amendments and interpretations to existing standards which were in issue but not yet effective and which the company has not early adopted.

The standards which management considered may be relevant to the company are as follows:

**Amendments to IAS 1, 'Presentation of Financial Statements', (effective for accounting periods beginning on or after 1 January 2023).** These amendments clarify that liabilities are classified as either current or non-current depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. The adoption of these amendments is not expected to have a significant impact on the company.

**Amendments to IAS 1, 'Presentation of Financial Statements', Practice Statement 2 and IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', (effective for accounting periods beginning on or after 1 January 2023).** The amendments introduce a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. The adoption of these amendments is not expected to have a significant impact on the company.



**LASCO DISTRIBUTORS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

31 March 2023

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(a) **Basis of preparation (cont'd)**

**New standards, amendments and interpretations not yet effective and not early adopted (cont'd)**

**Amendments to IAS 12 'Income Taxes', (effective for annual reporting periods beginning on or after 1 January 2023).** The main change in deferred tax related to assets and liabilities from a single transaction is an exemption from the initial recognition exemption provided in IAS 12.15 and IAS 12.24. accordingly, the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition. The company is assessing the impact this amendment will have on its 2024 financial statements.

The company does not expect any other standards or interpretations issued by the IASB but not yet effective, to have a material effect on its financial statements.

(b) **Foreign currency translation**

Foreign currency translations are accounted for at the exchange rates prevailing at the dates the transactions.

Monetary items denominated in foreign currency are translated to Jamaican dollars using the closing rate as at the reporting date.

Exchange differences arising from the settlement of transactions at rates different from those at the dates of the transactions and unrealized foreign exchange differences on unsettled foreign currency monetary assets and liabilities are recognised in profit or loss.

(c) **Property, plant and equipment**

Items of property, plant and equipment are recorded at historical cost or deemed cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

**LASCO DISTRIBUTORS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

31 March 2023

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(c) **Property, plant and equipment (cont'd)**

Depreciation on assets under construction does not commence until they are complete and available for use. Depreciation on all other items of property, plant and equipment is calculated on the straight-line method to write off the cost of assets or the revalued amounts, to their residual values over their estimated useful lives. Land is not depreciated as it is deemed to have an indefinite life. The expected useful lives of the other property, plant and equipment are as follows:

Buildings	40 years
Furniture and fixtures	10 years
Equipment	5 years
Motor vehicles	5 years
Computer	5 years

Gains or losses on disposal of property, plant and equipment are determined by comparing proceeds with carrying amounts and are included in profit or loss. On disposal of revalued assets, amounts in revaluation reserve relating to those assets are transferred to retained earnings.

(d) **Intangible assets**

Intangible assets represent computer software and distribution rights of CIPLA products. Computer software is deemed to have a finite useful life of five years and is measured at cost, less accumulated amortisation and accumulated impairment losses, if any. Distribution rights are deemed to have an indefinite life, are initially recognized at cost and reviewed annually for impairment losses.

(e) **Inventories**

Inventories are stated at the lower of cost and fair value less costs to sell, cost being determined on the first-in, first-out basis. Fair value less costs to sell is the estimated selling price in the ordinary course of business, less selling expenses.

(f) **Provisions**

Provisions are recognized when the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.



**LASCO DISTRIBUTORS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

31 March 2023

**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

**(g) Revenue recognition**

**Sale of goods**

Revenue is recognised at a point in time in the amount of the price, before tax on sales, expected to be received by the company for goods supplied as a result of their ordinary activities, as contractual performance obligations are fulfilled, and control of goods passes to the customer. Revenue is decreased by any trade discounts granted to customers.

For contracts that permit return of goods, revenue is recognised to the extent that it is highly probable that a significant reversal will not occur.

The right to recover returned goods is measured at the former carrying amount of inventory less any expected cost to recover.

**Interest income**

Interest income is recognised in profit or loss using the effective interest method. The “effective interest rate” is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instruments to its gross carrying amount.

When calculating the effective interest rate for financial instruments, the company estimates future cash flows considering all contractual terms of the financial instrument, but not ECL.

**Commission income**

Commission income is recognised on an accrual basis when the service has been provided. Commission arising from negotiating or participating in a negotiation of transaction for a third party is recognised on completion of the underlying transaction.

**Dividend income**

Dividends are recognised when the right to receive payments is established.

**(h) Impairment of non-current assets**

Property, plant and equipment and other non-current assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the greater of an asset’s net selling price and value in use. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identified cash flows. Non financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

**LASCO DISTRIBUTORS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

31 March 2023

**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

**(i) Investments**

**Debt instruments**

Investment securities are initially recognized at cost, which includes transaction costs and are classified as those to be measured subsequently at fair value through other comprehensive income. Management determines the appropriate classification of investments at the time of purchase based on the objectives of the company’s business model for managing financial instruments and the contractual cash flow characteristics of the instruments. The assumption made by management is that these investment securities are managed within a business model of collecting contractual cash flows and to sell.

**Equity instruments**

The fair values of quoted instruments are based on the spread between the bid and ask prices at valuation date. Upon initial recognition, the company irrevocably classifies its equity instruments at fair value through other comprehensive income (FVOCI) when they meet the definition of equity under IAS 32, Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Gains and losses on these equity instruments are never recycled to profit or loss. Equity instruments at FVOCI are not subject to an impairment assessment.

**(j) Current and deferred income taxes**

Current tax charges are based on taxable profits for the year, which differ from the profit before tax reported because taxable profits exclude items that are taxable or deductible in other years, and items that are never taxable or deductible. The company’s liability for current tax is calculated at tax rates that have been enacted at the reporting date.

Deferred tax is the tax that is expected to be paid or recovered on differences between the carrying amounts of assets and liabilities and the corresponding tax bases. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred tax is charged or credited to profit or loss, except where it relates to items charged or credited to other comprehensive income or equity, in which case deferred tax is also dealt with in other comprehensive income or equity.



**LASCO DISTRIBUTORS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

31 March 2023

**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

**(k) Trade and other payables**

Trade payables are stated at amortised cost.

**(l) Employee benefits**

**(i) Defined contribution plan**

The company operates a defined contribution pension plan which is funded by employees' contribution of 5% of salary and employer's contribution of 5%. Once the contributions have been paid, the company has no further obligations. Contributions are charged to the statement of profit or loss, in the year to which they relate.

**(ii) Profit-sharing and bonus plan**

The company recognizes a liability and an expense for bonuses and profit-sharing based on a formula that takes into consideration the profit attributable to the company's stockholders after certain adjustments. The company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

**(iii) Annual vacation leave and other benefits**

Employee entitlement to annual vacation leave and other benefits are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave and other benefits as a result of services rendered by employees up to the end of the reporting period.

**(iv) Share-based compensation**

**Stock option plan**

The company operates an equity-settled share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognized as an expense, with corresponding increase in equity, over the period in which the employee becomes vested to the company. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted. At the end of each reporting period, the company revises its estimates of the number of options that are expected to become exercisable.

It recognizes the impact of the revision of original estimates, if any, in the statement of profit or loss, and a corresponding adjustment to equity over the remaining vesting period.

**LASCO DISTRIBUTORS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

31 March 2023

**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

**(l) Employee benefits (cont'd)**

**(iv) Share-based compensation (cont'd)**

**Stock option plan (cont'd)**

The fair value of employee stock options is measured using a Black-Scholes-Merton formula. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility), weighted average expected life of the instruments (based on historical experience and general option holder behaviours), expected dividends, and the risk-free interest rate (based on treasury bill rates). Service and non-market performance conditions attached to the transactions are not taken into account in determining the fair value.

**Restricted stock units plan**

The restricted stock units plan is an equity-settled share-based compensation plan. The fair value of the employees' past services received in exchange for the grant shares is recognized as an expense with the corresponding increase in equity. The total expensed is determined by reference to the fair value of the shares at the vested date.

**(m) Financial instruments**

A financial instrument is any contract that gives rise to both a financial asset in one entity and a financial liability or equity of another entity.

**Financial assets**

**(i) Recognition and derecognition**

Financial assets are initially recognized on the settlement date, which is the date that an asset is delivered to the company. This includes regular purchases of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

Translation differences and changes in fair value of non-monetary securities classified as fair value through other comprehensive income (FVOCI) are recognized in other comprehensive income.

Dividends on FVOCI equity instruments are recognized in profit or loss as part of other operating income when the company's right to receive payment is established.

The company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains all or substantially all the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such de-recognized financial assets that is created or retained by the company is recognized as a separate asset or liability.



**LASCO DISTRIBUTORS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

31 March 2023

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(m) **Financial instruments (cont'd)**

**Financial assets (cont'd)**

(i) **Recognition and derecognition (cont'd)**

When securities classified as FVOCI are sold or impaired, the accumulated fair value adjustments previously recognized as other comprehensive income is not recycled to the profit or loss but instead is transferred within reserves to retained earnings.

(ii) **Classification**

The company classifies all its of financial instruments at initial recognition based on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value, except in the case of financial assets recorded at FVPL, transaction costs are added to, or subtracted from, this amount.

The company classifies its financial assets as those measured at amortised cost and fair value through other comprehensive income.

(iii) **Measurement categories**

**Amortised cost**

These assets arise principally from the provision of goods and services to customers (eg. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest (SPPI). They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

The company's financial assets measured at amortised cost comprise trade and other receivables, related company balances, short term deposits and cash and cash equivalents in the statement of financial position.

Cash and cash equivalents are carried in the statement of financial position at fair value. For the purpose of the statement of cash flows, cash and cash equivalents comprise cash at bank and in hand and short term deposits with original maturities of three months or less.

**LASCO DISTRIBUTORS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

31 March 2023

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(m) **Financial instruments (cont'd)**

**Financial assets (cont'd)**

(iii) **Measurement categories (cont'd)**

**Amortised cost (cont'd)**

**Fair value through other comprehensive income (FVOCI)**

The company has made an irrevocable election to classify its investments at fair value through other comprehensive income rather than through profit or loss as the company considers this measurement to be the most representative of the business model for those assets. They are carried at fair value with changes in fair value recognized in other comprehensive income and accumulated in the fair value through other comprehensive income reserve. Upon disposal any balance within fair value through other comprehensive income reserve is reclassified directly to retained earnings and is not reclassified to profit or loss.

The company's financial assets measured at FVOCI are its investments securities which includes equity instruments in the statement of financial position.

(iv) **Impairment**

Impairment provisions for current and non-current trade receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses (ECL).

During this process the probability of the non-payment of the trade receivables is assessed by taking into consideration historical rates of default for each segment of trade receivables as well as the estimated impact of forward looking information. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime ECL for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within the statement of profit or loss. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.



**LASCO DISTRIBUTORS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

31 March 2023

**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

**(m) Financial instruments (cont'd)**

**Financial liabilities**

The company's financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method. At the reporting date, the following items were classified as financial liabilities: trade and other payables, and lease liability.

The company derecognises a financial liability when its contractual obligations expire or are discharged or cancelled.

**(n) Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributed to the issue of ordinary shares are recognized as a deduction from equity.

**(o) Other receivables**

Other receivables are stated at amortised cost less impairment losses, if any.

**(p) Segment reporting**

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. Operating segments are reported in a manner consistent with internal reporting to the company's chief operating decision maker.

**(q) Dividend distribution**

Dividend distribution to the company's shareholders is recognized as a liability in the company's financial statements in the period in which the dividends are approved by the company's shareholders. In the case of interim dividends, this is recognized when declared by the directors.

Dividends for the year that are declared after the reporting date are dealt with in the subsequent events note.

**LASCO DISTRIBUTORS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

31 March 2023

**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

**(r) Leases**

All leases are accounted for by recognising a right-of-use asset and a lease liability for all leases with a term greater than 12 months.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the company's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes amounts expected to be payable under any residual value guarantee, the exercise price of any purchase option granted in favour of the company if it is reasonably certain to assess that option, any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for lease payments made at or before commencement of the lease, initial direct costs incurred and the amount of any provision recognised where the company is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset, whichever is shorter.

When the company revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining lease term.



**LASCO DISTRIBUTORS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

31 March 2023

**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

**(s) Related party balances and transactions**

Parties are considered to be related if directly, or indirectly through one or more intermediaries, the party controls, is controlled by or is under common control with the entity (this includes parents, subsidiaries and fellow subsidiaries), has significant influence over the entity or has joint control over the entity. Related party balances and transactions are disclosed for the following:

- (i) Enterprises and individuals owning, directly or indirectly, a significant interest in voting power of the company and /or having significant influence over the company's affairs and close members of the family of these individuals.
- (ii) Key management personnel, that is, those persons having authority and responsibility for planning directing and controlling the activities of the company, including directors, officers and close members of the families of these individuals.

**4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES:**

Judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**(a) Critical judgements in applying the company's accounting policies**

In the process of applying the company's accounting policies, management has not made any judgements that it believes would cause a significant impact on the amounts recognized in the financial statements.

**(b) Key sources of estimation uncertainty**

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

**(i) Fair value estimation**

A number of assets and liabilities included in the company's financial statements require measurement at, and/or disclosure of, fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

**LASCO DISTRIBUTORS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

31 March 2023

**1. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES: (CONT'D)**

**(b) Key sources of estimation uncertainty (cont'd)**

**(i) Fair value estimation (cont'd)**

The fair value measurement of the company's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorized into different levels based on how observable the inputs used in the valuation technique utilized are; the 'fair value hierarchy:

- Level 1 Quoted prices in active markets for identical assets or liabilities. (unadjusted).
- Level 2 Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item.

The fair value of financial instruments traded in active markets, such as investments fair value either through OCI or through profit or loss, is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the company is the current bid price. These instruments are included in level 1 and comprise equity instruments traded on the JSE.

The fair values of financial instruments that are not traded in an active market are deemed to be/determined as follows:

The carrying values less any impairment provision of financial assets and liabilities with a maturity of less than one year are estimated to approximate their fair values due to the short term maturity of these instruments. These financial assets and liabilities are cash and cash equivalents, trade receivables, trade payables, related company balances and unquoted investments.

**(ii) Income taxes**

Estimates are required in determining the provision for income tax. There are some transactions and calculations for which the ultimate tax determination is uncertain. The company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.



**LASCO DISTRIBUTORS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

31 March 2023

4. **CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D):**

(b) **Key sources of estimation uncertainty (cont'd)**

(iii) **Allowance for impairment losses on trade receivables**

Allowances for doubtful accounts were established using the total credit sales for the financial year, excluding Government receivables and cash on delivery invoices. For all other credit sales, a payment pattern was determined for customers within this segment. Based on the incurred loss analyses over delinquent accounts, the credit history, risk profile of each customer and aging of receivables, customers were placed in aging buckets and a default risk percentage calculated for each bucket. Allowances are determined upon origination of the trade receivable based on a model that calculates the expected credit loss (ECL) of the trade receivables.

Under this ECL model, the company segments its trade receivables in a matrix by days past due and determined for each age bracket an average rate of ECL, considering actual credit loss experience over the last 12 months and analysis of future delinquency, that is applied to the balance of the trade receivables.

The historical loss rates were adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The company has also identified and assessed the change in the industry in which it sells its goods and has included its impact on historical loss rate percentage. The average ECL rate increases in each segment of days past due until the rate is 100% for the segment of 365 days or more past due. The use of assumptions make uncertainty inherent in such estimates.

(iv) **Depreciable assets**

Estimates of the useful life and the residual value of property, plant and equipment are required in order to apply an adequate rate of transferring the economic benefits embodied in these assets in the relevant periods. The company applies a variety of methods in an effort to arrive at these estimates from which actual results may vary. Actual variations in estimated useful lives and residual values are reflected in the statement of income through impairment or adjusted depreciation provisions.

(v) **Net realizable value of inventories**

Estimates of net realizable value are based on the most reliable evidence available at the time the estimates are made, of the amount the inventories are expected to realize. The estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of the period to the extent that such events confirm conditions existing at the end of the period.

Estimates of net realizable value also take into consideration the purpose for which the inventory is held.

**LASCO DISTRIBUTORS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

31 March 2023

5. **FINANCIAL RISK MANAGEMENT:**

The company is exposed through its operations to the following financial risks:

- Credit risk
- Fair value or cash flow interest rate risk
- Foreign exchange risk
- Other market price, and
- Liquidity risk

In common with all other businesses, the company is exposed to risks that arise from its use of financial instruments. This note describes the company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

(a) **Principal financial instruments**

The principal financial instruments used by the company, from which financial instrument risk arises, are as follows:

- Trade and other receivables
- Cash and bank balances
- Trade and other payables
- Short term investments
- Due from related companies
- Investments
- Lease liability

(b) **Financial instruments by category**

**Financial assets**

	<u>Fair value through other comprehensive income</u>		<u>Amortised cost</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Investments	454,052	378,650	50,000	80,566
Short term investments	-	-	551,240	391,433
Cash and cash equivalents	-	-	2,253,277	1,959,307
Due from related companies	-	-	51,295	42,661
Receivables	-	-	3,112,011	3,449,350
<b>Total financial assets</b>	<u>454,052</u>	<u>378,650</u>	<u>6,017,823</u>	<u>5,923,317</u>



**LASCO DISTRIBUTORS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

31 March 2023

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(b) Financial instruments by category (cont'd)

Financial liabilities

	Financial liabilities at amortised cost	
	<u>2023</u> \$'000	<u>2022</u> \$'000
Lease liability	3,396	6,600
Payables	4,303,715	4,603,580
<b>Total financial liabilities</b>	<u>4,307,111</u>	<u>4,610,180</u>

(c) Financial risk factors

The Board has overall responsibility for the determination of the company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the company's finance function. The Board receives quarterly reports from the Chief Financial Officer through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets. The company's internal auditors also review the risk management policies and processes and report their findings to the Audit and Risk Management Committee.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the company's competitiveness and flexibility. Further details regarding these policies are set out below:

(i) Market risk

Market risk arises from the company's use of interest bearing, tradable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk).

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates.

Currency risk arises from transactions for sales, purchases and US dollar cash and bank balances. The company manages this risk by ensuring that the net exposure in foreign assets and liabilities is kept to an acceptable level by monitoring currency positions. The company further manages this risk by maximizing foreign currency earnings and holding net foreign currency assets.

**LASCO DISTRIBUTORS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

31 March 2023

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(c) Financial risk factors (cont'd)

(i) Market risk (cont'd)

Concentration of currency risk

The company is exposed to foreign currency risk in respect of US dollar as follows:

	<u>2023</u> \$'000	<u>2022</u> \$'000
Investments	204,119	204,380
Cash and cash equivalents	902,489	908,849
Trade receivables	751,245	1,368,020
Other receivables	302,530	737,385
Trade payables	<u>(1,254,191)</u>	<u>( 636,662)</u>
	<u>906,192</u>	<u>2,581,972</u>

Foreign currency sensitivity

The following table indicates the sensitivity of profit before taxation to changes in foreign exchange rates. The change in currency rate below represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis represents outstanding foreign currency denominated cash and bank balances, accounts receivable, investments and payable balances, and adjusts their translation at the year-end for 4% (2022 - 8%) depreciation and a 1% (2022 - 2%) appreciation of the Jamaican dollar against the US dollar. The changes below would have no impact on other components of equity.

	% Change in Currency Rate <u>2023</u>	Effect on Profit before Taxation <u>2023</u> \$'000	% Change in Currency Rate <u>2022</u>	Effect on Profit before Taxation <u>2022</u> \$'000
Currency:				
USD	-4	36,248	-8	206,558
USD	<u>+1</u>	<u>( 9,062)</u>	<u>+2</u>	<u>( 51,639)</u>



**LASCO DISTRIBUTORS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

31 March 2023

5. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(c) **Financial risk factors (cont'd)**

(i) **Market risk (cont'd)**

**Price risk**

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. The company is exposed to market price fluctuations arising from equity securities held. A 6% increase/decrease (2022 - 5% increase/decrease) in the price of equity stocks will result in a \$17,015,000 increase/decrease (2022 - \$10,241,000 increase/decrease) in net results or stockholders equity.

**Cash flow and fair value interest rate risk**

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

Floating rate instruments expose the company to cash flow interest rate risk, whereas fixed rate instruments expose the company to fair value interest rate risk.

The company is primarily exposed to cash flow interest rate risk on its short term investments.

Short term investments and investment securities are the only interest bearing assets and liabilities respectively, within the company. The company's short term investments are due to mature within a year of the reporting date.

**Interest rate sensitivity**

There is no significant exposure to interest rate risk on short term deposits, as these deposits have a short term to maturity and are constantly reinvested at current market rates.

There is no significant exposure to interest rate risk, as loan notes and investments securities are at a fixed interest rate.

There is no significant exposure to interest rate risk on borrowings.

(ii) **Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Credit risk arises from trade receivables, related company balances and cash and bank balances.

**LASCO DISTRIBUTORS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

31 March 2023

5. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(c) **Financial risk factors (cont'd)**

(ii) **Credit risk (cont'd)**

**Trade receivables**

Revenue transactions in respect of the company's primary operations are done on a cash or credit basis. The company has policies in place to ensure that sales are made to customers with an appropriate credit history.

**Cash and bank balances**

Cash transactions are limited to high credit quality financial institutions. The company has policies that limit the amount of credit exposure to any one financial institution.

**Maximum exposure to credit risk**

The maximum exposure to credit risk is equal to the carrying amount of trade and other receivables and cash and cash equivalents in the statement of financial position.

**Trade receivables expected credit losses**

The impairment requirements of IFRS 9 are based on the Expected Credit Loss (ECL) model. The guiding principle of the ECL model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments.

For trade receivables and contract assets that do not have a financing component, it is a requirement of IFRS 9 to recognize a lifetime expected credit loss. This was achieved in the current year by the development and application of historical data relating to trade receivables and write-offs, as well as forecasting payment probabilities based on historical payment pattern.

The company estimates expected credit losses (ECL) on trade receivables using a provision matrix based on historical credit loss experience. Based on the incurred loss analyses over delinquent accounts, the credit history, risk profile of each customer and aging of receivables, customers were placed in aging buckets and a default risk percentage calculated for each bucket of customers. The following table provides information about the ECLs for trade receivables as at 31 March.



**LASCO DISTRIBUTORS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

31 March 2023

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(c) Financial risk factors (cont'd)

(ii) Credit risk (cont'd)

Trade receivables impairment provision

Aging	2023		
	Gross Carrying Amount \$'000	Default Rate %	Lifetime ECL Allowance \$'000
Government			
0 -30 days	296,592	-	-
31 - 60 days	64,783	-	-
61 - 90 days	38,151	-	-
Over 90 days	377,666	-	-
	<u>777,192</u>		<u>-</u>
Other trade receivables -			
0 -30 days	1,289,540	0.16	2,125
31 - 60 days	451,538	0.24	1,070
61 - 90 days	51,078	1.19	610
Over 90 days	100,177	53.40	53,495
	<u>1,892,333</u>		<u>-</u>
Total	<u>2,669,525</u>		<u>57,300</u>

Aging	2022		
	Gross Carrying Amount \$'000	Default Rate %	Lifetime ECL Allowance \$'000
Government			
0 -30 days	601,215	-	-
31 - 60 days	67,162	-	-
61 - 90 days	96,265	-	-
Over 90 days	533,551	-	-
	<u>1,298,193</u>		<u>-</u>
Other trade receivables -			
0 -30 days	1,284,874	1.49	19,144
31 - 60 days	303,780	1.47	4,465
61 - 90 days	19,472	3.22	626
Over 90 days	93,280	25.27	23,569
	<u>1,701,406</u>		<u>47,804</u>
Total	<u>2,999,599</u>		<u>47,804</u>

**LASCO DISTRIBUTORS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

31 March 2023

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(c) Financial risk factors (cont'd)

(ii) Credit risk (cont'd)

The aging of trade receivables is:

	2023 \$'000	2022 \$'000
0-30 days	1,586,132	1,886,089
31-60 days	516,321	370,942
61-90 days	89,229	115,737
Over 90 days	<u>477,843</u>	<u>626,831</u>
	<u>2,669,525</u>	<u>2,999,599</u>

Movements in the provision for expected credit losses are as follows:

	2023 \$'000	2022 \$'000
At 1 April	47,804	49,826
Provision for expected credit losses	9,702	( 2,022)
Write off	( 206)	-
At 31 March	<u>57,300</u>	<u>47,804</u>

The creation and release of provision for expected credit losses have been included in profit or loss. Amounts charged to the provision account are generally written off when there is no expectation of recovering additional cash.

(iii) Liquidity risk

Liquidity risk is the risk that the company will be unable to meet its payment obligations associated with its financial liabilities when they fall due. Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents, and the availability of funding through an adequate amount of committed credit facilities.



**LASCO DISTRIBUTORS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

31 March 2023

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(c) Financial risk factors (cont'd)

(iii) Liquidity risk (cont'd)

Liquidity risk management process

The company's liquidity risk management process, as carried out within the company and monitored by the Finance Department, includes:

- (i) Monitoring future cash flows and liquidity on a daily basis.
- (ii) Maintaining a portfolio of short term investment balances that can easily be liquidated as protection against any unforeseen interruption to cash flow.
- (iii) Maintaining committed lines of credit.
- (iv) Optimising cash returns on investments.

Cash flows of financial liabilities

The maturity profile of the company's financial liabilities, based on contractual undiscounted payments, is as follows:

	Within 1 Year \$'000	1 to 2 Years \$'000	Total \$'000
<b>31 March 2023</b>			
Lease liability	3,600	-	3,600
Payables	4,303,715	-	4,303,715
<b>Total financial liabilities (contractual maturity dates)</b>	<b>4,307,315</b>	<b>-</b>	<b>4,307,315</b>

	Within 1 Year \$'000	1 to 2 Years \$'000	Total \$'000
<b>31 March 2022</b>			
Lease liability	3,600	3,600	7,200
Payables	4,603,580	-	4,603,580
<b>Total financial liabilities (contractual maturity dates)</b>	<b>4,607,180</b>	<b>3,600</b>	<b>4,610,780</b>

**LASCO DISTRIBUTORS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

31 March 2023

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(d) Capital management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for stockholders and benefits for other stakeholders. The Board of Directors monitors the return on capital, which the company defines as net operating income, excluding non-recurring items, divided by total stockholders' equity. The Board of Directors also monitors the level of dividends to stockholders.

There are no particular strategies to determine the optimal capital structure. There are also no external capital maintenance requirements to which the company is subject.

(e) Fair values of financial instruments

The following table presents the company's investments that are measured at fair value. There are no liabilities that are measured at fair value at the year end and the company has no instruments classified in Level 3 during the year. There were no transfers between levels during the year.

	2023		
	Level 1 \$'000	Level 2 \$'000	Total \$'000
<b>Investment securities fair value through other comprehensive income</b>			
Equity securities	249,932	204,120	454,052
	2022		
	Level 1 \$'000	Level 2 \$'000	Total \$'000
<b>Investment securities fair value through other comprehensive income</b>			
Equity securities	204,836	173,814	378,650

The fair value of financial instruments that are traded in an active market for which there are no quoted market prices, is determined by using valuation techniques. When using valuation techniques, the company uses a variety of methods and makes assumptions that are based on market conditions existing at year end. The following methods and assumptions have been used.

- (i) Investments securities classified as fair value through profit or loss and fair value through other comprehensive income are measured at fair value by reference to quoted market prices when available. If quoted prices are not available, then fair values are estimated on the basis of pricing models or other recognized valuation techniques.



**LASCO DISTRIBUTORS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

31 March 2023

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(e) Fair values of financial instruments (cont'd)

- (ii) The fair value of liquid assets and other assets maturing within three months is assumed to approximate their carrying amount. The assumption is applied to liquid assets and the short term elements of all other financial instruments.
- (iii) The fair value of variable rate financial instruments is assumed to approximate their carrying value.

6. SEGMENT REPORTING:

The company has two reportable segments which are based on the different types of products that it offers. These products are described in its principal activities (Note 1). The identification of business segments, is based on the management and internal reporting structure. Segment results, assets and liabilities include items directly attributable to a segment, as well as those that can be allocated on a reasonable basis.

Information regarding results of each reportable segment is included below. Performance is measured on segment profit before taxation as included in the management reports. Segment profit before taxation is used to measure performance as management believes that such information is most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

	2023		
	Consumer Division \$'000	Pharmaceutical Division \$'000	Total \$'000
<b>Revenue -</b>			
Total revenue	21,780,945	4,778,341	26,559,286
Segment result	1,043,146	310,430	1,353,576
<b>Segment assets<sup>(1)</sup></b>			
Unallocated assets	5,360,642	2,121,235	7,481,877
Total assets			13,377,858
<b>Segment liabilities<sup>(2)</sup></b>			
Unallocated liabilities	3,490,727	732,068	4,222,795
Total liabilities			4,963,970
<b>Other items -</b>			
Finance income	31,390	-	31,390
Finance costs	4,269	-	4,269

**LASCO DISTRIBUTORS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

31 March 2023

6. SEGMENT REPORTING (CONT'D):

	2022		
	Consumer Division \$'000	Pharmaceutical Division \$'000	Total \$'000
<b>Revenue -</b>			
Total revenue	18,325,856	5,011,436	23,337,292
Segment result	618,127	398,301	1,016,428
<b>Segment assets<sup>(1)</sup></b>			
Unallocated assets	4,437,400	2,681,950	7,119,350
Total assets			12,449,982
<b>Segment liabilities<sup>(2)</sup></b>			
Unallocated liabilities	3,138,872	1,303,670	4,442,542
Total liabilities			5,161,737
<b>Other items -</b>			
Finance income	24,749	-	24,749
Finance costs	1,928	-	1,928

(1) Reportable segments' assets are reconciled to the company's total assets as follows:

	2023 \$'000	2022 \$'000
Segment assets from reportable segments	7,481,877	7,119,350
Unallocated assets -		
Property, plant and equipment	1,932,509	1,813,652
Intangible assets	7,736	29,667
Right-of-use assets	3,033	6,066
Investments	504,052	459,216
Taxation recoverable	6,259	4,801
Related companies	51,295	42,661
Other receivables	586,580	623,829
Short term investments	551,240	391,433
Cash and bank balances	2,253,277	1,959,307
	<u>13,377,858</u>	<u>12,449,982</u>



**LASCO DISTRIBUTORS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

31 March 2023

**6. SEGMENT REPORTING (CONT'D):**

(<sup>2</sup>) Reportable segments' liabilities are reconciled to the company's total liabilities as follows:

	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Segment liabilities from reportable segments	4,222,795	4,442,542
Unallocated liabilities -		
Payables	464,081	485,004
Deferred tax liability	47,174	96,545
Taxation	226,524	131,046
Lease liability	<u>3,396</u>	<u>6,600</u>
	<u>4,963,970</u>	<u>5,161,737</u>

**7. REVENUE:**

Revenue represents the price of goods sold and transferred to customers at a point in time, after discounts and allowances.

The company's revenue is disaggregated as follows:

	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Consumer line	21,780,945	18,325,856
Pharmaceutical line	<u>4,778,341</u>	<u>5,011,436</u>
	<u>26,559,286</u>	<u>23,337,292</u>

**8. OTHER OPERATING INCOME:**

	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Dividend income	3,240	6,152
Commission - Roche	166,502	213,282
Interest income	31,389	24,749
Miscellaneous income	<u>10,428</u>	<u>2,601</u>
	<u>211,559</u>	<u>246,784</u>

The company has a non-exclusive distribution agreement with Productos Roche Interamericana S.A. - Diagnostics Division (Roche) to distribute its products in Jamaica. Commission is earned on sales and collection of receivables.

**LASCO DISTRIBUTORS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

31 March 2023

**9. EXPENSES BY NATURE:**

Total administrative, selling and other expenses:

	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Staff costs (note 10)	1,837,367	1,781,347
Directors' fees	14,562	16,990
Property expenses	99,555	90,245
Transportation and communication	17,265	9,822
Advertising and promotion	248,419	189,014
Management and consultancy fees	59,174	32,584
Legal and professional fees	488	13,546
Insurance	96,737	101,084
Stationery	25,136	17,924
Utilities and postage	115,823	105,609
Security	146,252	131,642
Donations and subscriptions	131,563	96,692
Bank charges	106,946	97,899
Auditors' remuneration	8,500	8,000
Foreign exchange loss/(gain)	52,642	( 36,211)
GCT irrecoverable	42,670	36,861
Expected credit losses, net of recoveries	9,702	( 797)
Computer repairs expense	4,513	2,789
Depreciation and amortisation	149,989	153,500
Other expenses	<u>3,746</u>	<u>6,689</u>
	<u>3,171,049</u>	<u>2,855,229</u>

**10. STAFF COSTS:**

	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Salaries and wages	1,119,512	1,016,230
Directors' remuneration	106,344	82,421
Statutory contributions	137,528	120,560
Pension costs	36,506	32,685
Share options - employees	( 9,498)	-
Commission and incentive	236,182	301,485
Accommodation	7,990	8,346
Other	<u>202,803</u>	<u>219,620</u>
	<u>1,837,367</u>	<u>1,781,347</u>

The average number of persons employed by the company during the year was five hundred and eleven (511), (2022: 532).



**LASCO DISTRIBUTORS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

31 March 2023

11. FINANCE COSTS:

	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Interest expense -		
Loan interest	1,761	101
Other interest	<u>2,508</u>	<u>1,827</u>
	<u>4,269</u>	<u>1,928</u>

12. TAXATION EXPENSE:

(a) Taxation is computed on the profit for the year, adjusted for tax purposes, and comprises income tax at 25%.

	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Current taxation	302,727	203,282
Prior year under provision	14,084	4,786
Deferred taxation (note 27)	<u>( 49,371)</u>	<u>42,737</u>
	<u>267,440</u>	<u>250,805</u>

(b) The tax on the profit before taxation differs from the theoretical amount that would arise using the applicable tax rate as follows:

	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Profit before taxation	<u>1,621,016</u>	<u>1,267,233</u>
Taxation calculated @ 25%	405,254	316,808
Adjusted for the effects of:		
Expenses not deducted for tax purposes	88,741	74,936
Unrealized foreign exchange loss/(gain)	23,056	( 12,912)
Capital allowances	( 57,961)	( 60,814)
Deferred taxation	( 49,371)	42,737
Other	( 26,623)	( 28,137)
Prior year under provision	14,084	4,786
Employment tax credit	<u>( 129,740)</u>	<u>( 86,599)</u>
	<u>267,440</u>	<u>250,805</u>

12. TAXATION EXPENSE (CONT'D):

(c) Remission of income tax:

The company's shares were listed on the Jamaica Stock Exchange Junior Market, effective 12 October 2010. Consequently, the company is entitled to a remission of taxes for ten (10) years in the proportions set out below, provided the shares remain listed for at least 15 years.

Years 1 to 5	100%
Years 6 to 10	50%

Therefore, on 11 October 2020 the tax benefit expired.

The financial statements have been prepared on the basis that the company will have the full benefit of the tax remissions.

13. EARNINGS PER STOCK UNIT:

Basic earnings per stock unit is calculated by dividing the net profit attributable to stockholders by the weighted average number of ordinary stock units in issue at year end.

	<u>2023</u>	<u>2022</u>
Net profit attributable to stockholders (\$'000)	1,353,576	1,016,428
Weighted average number of ordinary stocks units ('000)	<u>3,512,589</u>	<u>3,510,703</u>
Basic earnings per stock unit (¢ per share)	<u>38.53</u>	<u>28.95</u>

The diluted earnings per stock unit is calculated by adjusting the weighted average number of ordinary stock units in issue at the year end to assume conversion of all dilutive potential ordinary stock units. There was no dilutive potential as at year end.



**LASCO DISTRIBUTORS LIMITED**  
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31 March 2023

14. **PROPERTY, PLANT AND EQUIPMENT:**

	<u>Freehold Land &amp; Buildings \$'000</u>	<u>Computer Equipment \$'000</u>	<u>Furniture, Fixtures &amp; Equipment \$'000</u>	<u>Assets Under Construction \$'000</u>	<u>Motor Vehicles \$'000</u>	<u>Total \$'000</u>
Cost/deemed cost -						
1 April 2021	1,454,073	170,312	652,430	279,326	101,255	2,657,396
Additions	303	6,880	25,539	23,265	8	55,995
Adjustments	4,165	( 229)	468	( 6,704)	( 1)	( 2,301)
Transfer	<u>266,632</u>	<u>-</u>	<u>-</u>	<u>(266,632)</u>	<u>-</u>	<u>-</u>
31 March 2022	1,725,173	176,963	678,437	29,255	101,262	2,711,090
Additions	-	9,511	81,263	147,757	8,850	247,381
Adjustments	<u>-</u>	<u>-</u>	<u>( 564)</u>	<u>-</u>	<u>-</u>	<u>( 564)</u>
31 March 2023	<u>1,725,173</u>	<u>186,474</u>	<u>759,136</u>	<u>177,012</u>	<u>110,112</u>	<u>2,957,907</u>
Depreciation -						
1 April 2021	146,452	151,706	395,107	-	81,200	774,465
Charge for the year	30,585	8,060	77,680	-	6,334	122,659
Adjustments	<u>2</u>	<u>( 157)</u>	<u>470</u>	<u>-</u>	<u>( 1)</u>	<u>314</u>
31 March 2022	177,039	159,609	473,257	-	87,533	897,438
Charge for the year	36,042	9,151	76,077	-	6,860	128,130
Adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>( 170)</u>	<u>( 170)</u>
31 March 2023	<u>213,081</u>	<u>168,760</u>	<u>549,334</u>	<u>-</u>	<u>94,223</u>	<u>1,025,398</u>
Net Book Value -						
31 March 2023	<u>1,512,092</u>	<u>17,714</u>	<u>209,802</u>	<u>177,012</u>	<u>15,889</u>	<u>1,932,509</u>
31 March 2022	<u>1,548,134</u>	<u>17,354</u>	<u>205,180</u>	<u>29,255</u>	<u>13,729</u>	<u>1,813,652</u>

The net book value of property, plant and equipment includes assets under construction amounting to \$177,012,000 (2022 - \$29,255,000) relating to fire system upgrade, building of a nurse's station and roadwork being done on the property.

**LASCO DISTRIBUTORS LIMITED**  
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31 March 2023

15. **INTANGIBLE ASSETS:**

	<u>\$'000</u>
Cost:	
31 March 2022 and 31 March 2023	147,453
Amortisation -	
1 April 2021	89,978
Charge for the year	<u>27,808</u>
31 March 2022	117,786
Charge for the year	<u>21,931</u>
31 March 2023	<u>139,717</u>
Net Book Value -	
31 March 2023	<u>7,736</u>
31 March 2022	<u>29,667</u>

16. **RIGHT-OF-USE ASSET:**

(a) **Right-of-use asset**

	<u>Building</u>	
	<u>2023 \$'000</u>	<u>2022 \$'000</u>
At 1 April	6,066	9,099
Amortisation	<u>(3,033)</u>	<u>(3,033)</u>
At 31 March	<u>3,033</u>	<u>6,066</u>
(b) <b>Lease liability</b>		
At 1 April	6,600	9,623
Interest expense	396	577
Lease payments	<u>(3,600)</u>	<u>(3,600)</u>
31 March	3,396	6,600
Less: current portion	<u>(3,396)</u>	<u>(3,204)</u>
	<u>-</u>	<u>3,396</u>

The company leases property located at 29 Red Hills Road, Kingston 10. The lease contract is for a period of five years.



**LASCO DISTRIBUTORS LIMITED**  
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31 March 2023

**17. INVESTMENTS:**

At fair value through other comprehensive income:

	<u>2023</u> Units	<u>2022</u> Units	<u>2023</u> \$'000	<u>2022</u> \$'000
Sigma USD Principal Protector Equities (JMD)	1,007,521	1,007,521	170,477	173,814
Equities (USD)	25,919,271	25,919,271	249,932	204,836
Equities (USD)	<u>376,736</u>	<u>-</u>	<u>33,643</u>	<u>-</u>
			<u>454,052</u>	<u>378,650</u>

At amortised cost:

(1) Convertible loan notes (USD)	-	30,566		
(2) Corporate Bond (JMD)			<u>50,000</u>	<u>50,000</u>
			<u>50,000</u>	<u>80,566</u>
			<u>504,052</u>	<u>459,216</u>

Investments at fair value through other comprehensive income represent investments in quoted equities and Sigma Funds.

Investments at amortised cost represent:

- (1) Convertible loan notes purchased 31 January 2019, attract an interest rate of 8% per annum and matured on 31 December 2022. The company's loan notes will automatically convert to shares at the lower of 80% of the initial public offer price or the price per share based on a US\$75 million value of Cannim Group Pty Limited. On 1 April 2022, convertible notes held with Cannim Group Pty Ltd was converted to equity amounting to 376,736 units.
- (2) Barita Finance Limited Tranche C Series bond is at an interest rate of 5% per annum and matures on 30 June 2023.

**18. INVENTORIES:**

	<u>2023</u> \$'000	<u>2022</u> \$'000
Goods for resale - Roche	208,012	181,705
Regular trade	3,747,586	2,833,605
Goods-in-transit	<u>513,610</u>	<u>772,177</u>
	<u>4,469,208</u>	<u>3,787,487</u>

**LASCO DISTRIBUTORS LIMITED**  
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31 March 2023

**19. RECEIVABLES:**

	<u>2023</u> \$'000	<u>2022</u> \$'000
Trade receivables - Roche (see below)	581,910	1,020,543
Regular trade	<u>2,087,615</u>	<u>1,979,056</u>
	2,669,525	2,999,599
Less: Provision for expected credit losses	<u>( 57,300)</u>	<u>( 47,804)</u>
	2,612,225	2,951,795
Other receivables	<u>967,503</u>	<u>994,030</u>
	<u>3,579,728</u>	<u>3,945,825</u>

Included in trade receivables for Roche are items on which Roche bears the credit risk solely. The corresponding liability is included in trade payables (note 28).

**20. RELATED PARTY TRANSACTIONS AND BALANCES:**

	<u>2023</u> \$'000	<u>2022</u> \$'000
(a) Transactions between the company and its related companies		
Purchases of goods and services/foreign currency:		
Lasco Manufacturing Limited - Goods	16,577,010	9,426,884
Lasco Financial Services Limited - Foreign currency	<u>4,479,801</u>	<u>4,790,856</u>
(b) Key management compensation (included in staff costs - Note 10):		
Key management includes directors and senior managers - Salaries and other short-term employee benefits	<u>234,281</u>	<u>238,505</u>
Directors' emoluments - Fees	14,562	16,990
Management remuneration (included above)	102,744	82,421
Share based payments	<u>( 9,498)</u>	<u>52,500</u>
(c) Year end balances arising from transactions with related parties		
With related companies:		
Due from - Lasco Manufacturing Limited	27,610	24,623
Lasco Financial Services Limited	23,270	17,824
Lasco Chin Foundation (included in other receivables)	<u>415</u>	<u>214</u>
	<u>51,295</u>	<u>42,661</u>



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20. RELATED PARTY TRANSACTIONS AND BALANCES (CONT'D):

	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
(c) Year end balances arising from transactions with related parties (cont'd)		
Due from (cont'd) -		
Lasco Manufacturing Limited (included in trade receivables)	530	156
Due to -		
Lasco Financial Services Limited (included in other payables)	1,484	1,119
Lasco Manufacturing Limited (included in trade payables)	2,126,913	2,237,109
These balances are due and payable within forty-five (45) days which is the company's normal credit term.		
Due from -		
Directors	19,521	9,867

21. SHORT TERM INVESTMENTS:

These represent interest bearing amounts which have been invested with various financial institutions for a period greater than three (3) months but up to one (1) year. The weighted average interest rate for the investments is 4.2% (2022 - 5.2%).

22. CASH AND CASH EQUIVALENTS:

	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Cash and bank balances -		
Short terms deposits	25,775	25,456
Jamaican currency current account	1,320,501	884,006
Jamaican currency savings account	3,259	139,197
Foreign currency accounts	902,489	908,849
Cash in hand	1,253	1,799
	<u>2,253,277</u>	<u>1,959,307</u>

(a) The weighted average interest rate on short term deposits is 1.01% (2022 - 1.01%)

**LASCO DISTRIBUTORS LIMITED**  
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31 March 2023

22. CASH AND CASH EQUIVALENTS (CONT'D):

(b) Reconciliation of movements of assets to cash flows from investing activities. Amounts represent investments at fair value through other comprehensive income and amorised cost.

	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
1 April	459,216	417,858
Acquired during the year	-	676
Non cash -		
Fair value movements	45,028	27,585
Net interest	6,065	-
Foreign exchange (loss)/gain	( 6,257)	13,097
	<u>504,052</u>	<u>459,216</u>

(c) Amounts represent short term investments:

	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
1 April	391,433	231,281
Investment acquired	150,000	150,000
Interest	12,499	13,100
Withholding tax	( 2,692)	( 2,948)
	<u>159,807</u>	<u>160,152</u>
	<u>551,240</u>	<u>391,433</u>

23. SHARE CAPITAL:

	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Authorised -		
3,630,000,000 Ordinary shares of no par value		
Stated capital -		
Issued and fully paid -		
3,525,703,000 (2022 - 3,510,703,000) ordinary shares of no par value	513,186	472,686

During the year, 15,000,000 units of shares at a cost of \$40,500,000.00 were granted and exercised under the new Restricted Stock Units Plan for employees and Directors of Lasco Distributors Limited.

24. REVALUATION RESERVE:

This represents unrealized surplus on revaluation of property, plant and equipment.



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**25. FAIR VALUE RESERVE:**

This represents the net unrealised deficit on revaluation of equity investments at fair value through other comprehensive income. The investments are not impaired and the recorded deficit is based on short term fluctuations in market prices.

**26. OTHER RESERVE:**

**Stock Option Reserve**

**(a) Stock option description and movements:**

On 30 September 2013, the company obtained approval from stockholders at its annual general meeting for authorised but unissued shares up to a maximum of 5% of the total number of issued shares of no par value to be set aside for allocation and sale to the directors and managers of the company. Consequently, the company has set aside 168,320,000 of the authorised but unissued shares for the stock option plan.

On 9 June 2014, under the rules of the stock option plan, the following allocations were made:

	<u>No. of shares</u> <u>'000</u>
Non-executive directors and professional service providers	<u>10,500</u>

The options were granted at a subscription price of \$1.00 and are exercisable over a period of five (5) years, at the end of which time unexercised options will expire. The total grant of each director and professional service provider vested immediately on the grant date. The plan provides for equitable adjustment of the allocated number of shares by reason of stock splits, combinations or exchanges of shares, stock dividends and reclassifications or other similar corporate changes.

	<u>No. of shares</u> <u>'000</u>
Executive director and managers	<u>104,322</u>

The options were granted at a subscription price of \$1.00 and are exercisable over a period of seven (7) years, at the end of which time unexercised options will expire. The total of the grant of the director and each manager will fully vest on the third anniversary of the grant date. The plan provides for equitable adjustment of the allocated number of shares by reason of stock splits, combinations or exchanges of shares, stock dividends and reclassifications or other similar corporate changes.

**Movement on this option:**

	<u>2023</u> <u>'000</u>	<u>2022</u> <u>'000</u>
At 1 April	4,667	4,667
Forfeiture	<u>(4,667)</u>	-
At 31 March	<u>-</u>	<u>4,667</u>

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**26. OTHER RESERVE (CONT'D):**

**Stock Option Reserve (cont'd)**

**(a) Stock option description and movements (cont'd):**

On 26 August 2015, under the rules of the stock option plan, the following allocations were made:

	<u>No. of shares</u> <u>'000</u>
Managers	<u>39,500</u>

The options were granted at a subscription price of \$1.60 and are exercisable over a period of seven (7) years, at the end of which time unexercised options will expire. The total of the grant of each manager will fully vest on the third anniversary of the grant date. The plan provides for equitable adjustment of the allocated number of shares by reason of stock splits, combinations or exchanges of shares, stock dividends and reclassifications or other similar corporate changes.

	<u>2023</u> <u>'000</u>	<u>2022</u> <u>'000</u>
Movement on this option:		
At 1 April	3,683	3,683
Forfeiture	<u>(3,683)</u>	-
At 31 March	<u>-</u>	<u>3,683</u>

**(b) Fair value of options granted:**

The fair value of options granted determined using the Black-Scholes-Merton valuation model was \$97,789,000. The significant inputs into the model were the share prices of \$1.21 and \$1.60 at the grant dates, exercise prices of \$1.00 and \$1.60, the risk free interest rates of 8.93% and 6.49%, standard deviation of expected share price returns of 47.80% and 61.87%, expected dividends of \$0.03 and the option life of five (5) years for non-executive directors and professional service providers, and seven (7) years for the executive director and managers. It is expected that these options will be exercised within two and a half (2½) years and four and a half (4½) years respectively.

The breakdown of the fair value of options granted is as follows:

	<u>\$'000</u>
Fair value of options granted	97,789
Expensed in 2015	(32,811)
Expensed in 2016	(24,017)
Expensed in 2017	(30,657)
Expenses in 2019	(10,304)
Expenses written back in 2021	2,810
Expense written off	<u>( 2,810)</u>
	<u>-</u>



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26. **OTHER RESERVE (CONT'D):**

**Stock Option Reserve (cont'd)**

(b) **Fair value of options granted (cont'd):**

Fair value of options granted during the year:

The fair value of options granted determined using the Black-Scholers-Merton valuation model was \$1,188,000. The significant inputs into the model were the share price of \$1.60 at the grant dates, exercise prices of \$1.00 and \$1.60, the risk free interest rates of 2.047%, standard deviation of expected share price returns of 56.45% expected dividends of 0.117 and the option life of seven (7) years for the executive director and managers. It is expected that these options will be exercised within two and a half (2½) years and four and a half (4½) years respectively.

	<u>No. of shares</u> <u>'000</u>
Managers	100,000
Fair value of options granted during the year 2019	353
Fair value of options granted during the year 2021	218
Fair value of options granted during the year 2022	617
Amount to Expenses	1,188
Expensed in 2019	( 118)
Expensed in 2021	( 453)
Expensed in 2022	( 308)
Expensed in 2023	( 309)
	<u>-</u>

(c) **Movement on the share option reserve is as follows:**

	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
At 1 April	6,959	6,959
Fair value of options recognized	2,502	-
Options transferred to other reserves	(9,461)	-
At 31 March	<u>-</u>	<u>6,959</u>

Upon expiration of the Employee Stock Option Plan (ESOP), units of shares remaining were transferred to the new Restricted Stock Units Plan.

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26. **OTHER RESERVE (CONT'D):**

(d) **Restricted Stock Units:**

On the 29 December 2022, the Board of Directors approved the Restricted Stock Units Plan (RSU) to replace the Employee Stock Option Plan (ESOP) that expired on 30 May 2021. At the expiration of the Employee share Option Plan (ESOP) the total number of unissued shares amounted to 24,050,000 units. These remaining units were transferred to the Restricted Stock Units Plan.

During the year, the company granted 15,000,000 units under the Restricted Stock Units Plan.

Movement of shares

	<u>2023</u> <u>No. of shares</u> <u>'000</u>	<u>2022</u> <u>No. of shares</u> <u>'000</u>
Opening units	24,050	-
Units vested during the year	(15,000)	-
31 March	<u>9,050</u>	<u>-</u>

The fair value of units granted and vested during the year amounted to \$40,500,000 which represents the market value of the shares vested on 3 March 2023.

27. **DEFERRED TAXES:**

Deferred taxes are calculated in full on temporary differences under the liability method using a principal tax rate of 25%.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities. The amounts determined after appropriate offsetting are as follows:

	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Deferred tax liability	(47,174)	(96,545)



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**27. DEFERRED TAXES (CONT'D):**

The movement in deferred tax is as follows:

	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Balance at start of year	(96,545)	(53,808)
Credit/(charge) for the year (note 12)	<u>49,371</u>	<u>(42,737)</u>
Balance at end of year	<u>(47,174)</u>	<u>(96,545)</u>

Deferred tax is due to the following temporary differences:

	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Accelerated capital allowances	(103,636)	(93,815)
Bad debt provision	14,325	12,350
Interest receivable	( 3,520)	( 2,062)
Interest payable	-	144
Accrued vacation leave	22,692	1,894
Foreign exchange loss/(gain)	23,055	(14,906)
Other	<u>( 90)</u>	<u>( 150)</u>
	<u>( 47,174)</u>	<u>(96,545)</u>

Deferred tax credited/(charged) to profit or loss comprises the following temporary differences:

	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Accelerated capital allowances	( 9,821)	( 34,343)
Bad debt provision	1,975	10,445
Interest receivable	( 1,458)	( 750)
Accrued vacation leave	20,798	( 3,713)
Interest payable	( 144)	-
Foreign exchange loss/(gain)	37,961	(14,376)
Other	<u>60</u>	<u>-</u>
	<u>49,371</u>	<u>(42,737)</u>

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**28. PAYABLES:**

	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Trade payables - Roche (see note 19)	721,100	652,980
Regular trade	<u>3,568,956</u>	<u>3,936,353</u>
	4,290,056	4,589,333
Other payables and accruals	<u>396,820</u>	<u>338,213</u>
	<u>4,686,876</u>	<u>4,927,546</u>

**29. DIVIDENDS:**

	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
In respect of 31 March 2023 (\$0.09¢ per share)	315,963	-
In respect of 31 March 2022 (\$0.065¢ per share)	<u>-</u>	<u>228,196</u>
	<u>315,963</u>	<u>228,196</u>

An interim dividend of \$0.09¢ per share was approved by the Board of Directors on 25 May 2022 for payment on 29 June 2022, based on shareholders on record at 10 June 2022.

On 26 June 2021, an interim dividend of \$0.065¢ per share was approved by the Board of Directors for payment on 26 July 2021, based on shareholders on record at 8 July 2021.

**30. PENSION PLAN:**

The company operates a defined contribution pension plan which is administered by Sagikor Life Jamaica Limited and is open to all permanent employees.

The plan is funded by the company's and employees' contributions. The company's contributions to the scheme are expensed and amounted to \$36,506,000 for the year (2022 - \$35,797,000).

**31. CONTINGENCIES:**

The company had guarantees with financial institutions totalling J\$12M which occurred during the normal course of business.



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32. **LITIGATION:**

The court of appeal has dismissed the company’s appeal regarding the claim of damages against Pfizer, which has been ongoing since April 2017. The company was advised by it’s legal council not to appeal to the Privy Council on the matter. The legal council has also stated they are of the opinion that there is no liability for any amount to be paid by the company, as the costs on issue of liability exceeds any liability ordered against the company.



**LASCO DISTRIBUTORS LIMITED**

**PROXY FORM**

I/We \_\_\_\_\_  
of \_\_\_\_\_  
being a Member/Members of the above-named Company, hereby appoint \_\_\_\_\_  
of \_\_\_\_\_  
or failing him/her, \_\_\_\_\_  
of \_\_\_\_\_

as my/our proxy to vote on my/our behalf at the Annual General Meeting of the Company to be held on Wednesday, October 4, 2023 at 1:00 p.m., in the Montego Bay Suite Room at the Jamaica Pegasus Hotel, 81 Knutsford Boulevard, Kingston 5 adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2023

Signature: \_\_\_\_\_

**NOTES:**

1. When completed, this form must be received by the Registrar of the Company at the address given below, not less than forty-eight (48) hours before the time for holding the meeting.
2. The Proxy Form should bear stamp duty of \$100.00 which may be adhesive and duly cancelled by the person signing the proxy form.

3. If the appointer is a Corporation, this Form of Proxy must be executed under its common seal or under the hand of an officer or attorney duly authorized in writing.

The Registrar and Transfer Agent  
Jamaica Central Securities Depository  
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## SYMPTOMS

- Itching around the anus
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