



UNAUDITED
Financial Statements
SECOND QUARTER
September 30, 2023



TABLE OF CONTENTS

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

Lasco Manufacturing Limited

Report to the Shareholders

Six Months ended September 30, 2023.

The Board of Directors of LASCO Manufacturing Limited is pleased to present the unaudited financial statements for the quarter ended September 30, 2023.

Quarter Results:

The quarter was a solid one with Sales Revenue growing to \$3.19 billion or an increase of 11% over the comparative quarter of the previous year.

Gross profit increased by 13% on the previous year with gross profit margin increasing to 38% (prior year 37.4%).

Net Profit for the quarter was \$615 million which was 31% above the net profit for the corresponding quarter of the prior year (prior year: \$468 million).

Six Months Results:

Sales Revenue for the six months ended September 2023 was \$6.025 billion or 10% higher than the revenue for the same period of the prior year.

Gross Profit grew to \$2.29 billion – an increase of 16% on the similar period of the previous year, with Gross Profit margin increasing by 190 basis points to 37.9% (prior year margin: 36%)

Selling and Administrative Expenses were \$754.5 million, 4% higher than in the previous year and resulted in an expense to sales ratio of 13%, the same ratio as in the prior year.

Operating Profit was \$1.59 billion 27% above the comparative period of the prior year. The operating profit margin was 26.5% - up from 23% in the prior year reflecting the gross margin improvement, containment of fixed operating expenses and other efficiency gains.

Net Profit for the six months was \$1.14 billion which was 29% higher than in the same period of the previous year. The net profit margin improved to 18.9%, from 16.1% in the year before, resulting from the gains at the operational level and lower finance charges on the lower debt stock as we continued to pay down debt.

Balance Sheet

Our balance sheet remained healthy. Total assets at the end of the six months were \$14.5 billion an increase of 16% on the assets at the end of the same period last year. Current assets were \$9.2 billion or 23 % higher than at the end of September 2022.

Trade and other receivables were \$3.28 billion versus \$2.73 billion, an increase of 20% of which \$326 million were prepayments on capital equipment.

Inventories were valued at \$2.0 billion or 9% above the value for the same period of the prior year but in line with the value at the end of the fiscal year (March 31, 2023).

Trade payables were \$1.2 billion 23.8% above the payables as of September 30, 2022 – primarily reflecting materials price inflation over the period.

Cash and Bank Balance, inclusive of short-term investments was \$3.84 billion up from \$2.87 billion at the end of September 2022.

With respect to the corresponding period of the prior year Shareholders' equity increased by 18.7% to \$11.75 billion; earnings per share grew by 33% to \$0.28 and return on equity was 10% up from 9.2%.

Interim Dividend

An interim dividend of \$0.12 per share (totaling \$496 million) was paid to shareholders on July 14th, 2023.

Innovation and Renovation

We continued our research and development focus to introduce new and renovated products to meet consumer expectations and capitalized on emerging trends. In this regard we introduced a range of iCool Juice Drinks with reduced added sugar which is fully compliant with the Ministry of Health and Wellness guidelines of having sugar content of maximum 2.5 grams per 100 ml for drinks to be sold in schools. This represents a 65% reduction in added sugar content with respect to the standard product. The product has gained good acceptance and is commercialized in the general market as well as in schools.

We also launched a range of refreshing iCool Lemonades (Lemonade, Pink Lemonade and Lemon Ginger) also with reduced sugar content and natural flavours).

Corporate Social Responsibility

During the period the company partnered with the Nurses Association of Jamaica (NAJ), Lasco Distributors Limited and The Lasco Chin Foundation in sponsoring and supporting activities to celebrate International Nurses Day on May 12th, 2023. The ceremony was held at the Terra Nova All Suites Hotel and brought together over one Hundred and Fifty (150) Nurses and Nursing students from across the island to share knowledge and celebrate their contributions to healthcare.

The partnership and support continued with the celebration of Nurses week from July 16th to 21st, 2023 under the theme “Our Nurse Our Future” with various activities including a Founders Day Luncheon to honour retirees who had made significant contribution to the sector. The week culminated with the LASCO/NAJ Nurse and Student Nurse of the Year Awards held at the Jamaica Pegasus Hotel on July 21st.

Other outreach activities included:

- Continued support with infrastructure and Nutrition for the Gwen Neil Basic School
- Support for a labour day project at the Marie Atkins Homeless Shelter.

Recycling Partners of Jamaica:

We continued our strong engagement, along with other industry partners, with recycling Partners of Jamaica (RPJ) in recovering plastic bottles (PET & HDPE) from the environment for recycling. The initiative continued to register significant progress with recovery rates rapidly improving as investments in infrastructure to improve collection, processing and public education continues.

Outlook

Organic profitable growth remains our priority. We project that macro-economic environment will continue to improve and are therefore optimistic that we will deliver our growth and profitability targets for the year.

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

Yours sincerely,

LASCO Manufacturing Limited



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James E. D. Rawle, CD
Managing Director

LASCO Manufacturing Limited

Statement of Comprehensive Income

For the six months ended September 30, 2023

Unaudited and expressed in J\$'000

	3 Months to Sept. 30, 2023	3 Months to Sept. 30, 2022	6 Months to Sept. 30, 2023	6 Months to Sept. 30, 2022
Revenue	3,192,430	2,867,634	6,025,754	5,471,976
Cost of Sales	<u>(1,975,691)</u>	<u>(1,793,924)</u>	<u>(3,740,010)</u>	<u>(3,500,094)</u>
Gross Profit	1,216,738	1,073,710	2,285,744	1,971,882
Gross Margins %	38%	37%	38%	36%
Other Operating Income / (Loss)	53,419	(9,934)	68,267	11,158
Operating Expenses	<u>(394,528)</u>	<u>(378,328)</u>	<u>(754,506)</u>	<u>(724,879)</u>
Profit from Operations	875,630	685,449	1,599,505	1,258,162
Finance Costs	<u>(2,278)</u>	<u>(7,177)</u>	<u>(4,923)</u>	<u>(14,799)</u>
Profit before Taxation	873,352	678,272	1,594,582	1,243,362
Taxation	<u>(258,338)</u>	<u>(209,568)</u>	<u>(453,653)</u>	<u>(360,579)</u>
Net Profit	615,014	468,704	1,140,929	882,784
Unrealised Gains (Loss) on Financial Instrumen	<u>(22,878)</u>	<u>(35,730)</u>	6,895	76,483
Total Comprehensive Income	592,136	432,974	1,147,824	959,267
Number of Stock units in Issue	4,132,913	4,132,913	4,132,913	4,132,913
Earnings per Stock	0.15	0.11	0.28	0.21

LASCO Manufacturing Limited
Statement of Financial Position
as at September 30, 2023

	SEP-23 UnAudited J\$'000	SEP-22 Unaudited J\$'000	MAR-23 Audited J\$'000
NON-CURRENT ASSETS			
Property, Plant & Equipment	4,339,705	4,499,508	4,445,737
Capital Work in Progress	411,851	130,812	130,728
Long Term Investment	541,074	428,141	584,179
Total Non-Current Assets	5,292,629	5,058,462	5,160,643
CURRENT ASSETS			
Inventories	2,028,672	1,856,254	2,163,821
Trade & Other Receivables	3,285,008	2,731,214	2,502,471
Related companies	43	-	-
Taxation Recoverable	43,142	12,587	29,257
Directors Current Accounts	-	4,305	1,817
Short Term Investments	2,248,160	1,217,454	1,659,515
Cash and Bank Balances	1,594,274	1,656,369	2,223,238
	9,199,299	7,478,183	8,580,119
CURRENT LIABILITIES			
Trade Payables	1,198,994	968,822	1,261,701
Related companies	-	17,164	-
Bank Overdraft	-	-	-
Current Portion of Long Term Loan	89,032	207,388	114,055
Taxation	570,740	533,564	395,591
	1,858,766	1,726,936	1,771,347
Net Current Assets	7,340,533	5,751,246	6,808,772
	12,633,162	10,809,708	11,969,415
Financed by:			
Share Capital	563,168	563,168	563,168
Other Reserve	0	171,487	-
Retained Earnings	10,042,507	8,285,073	8,456,561
Fair Value Reserve	3,061	(8,271)	(3,834)
Current Earnings	1,140,928	882,783	2,081,897
	11,749,664	9,894,240	11,097,792
Non-Current Liabilities			
Long Term Loan	0	47,810	43,125
Deferred Taxation	883,498	867,657	828,498
	12,633,162	10,809,708	11,969,415

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



James E D Rawle, CD
Executive Chairman



Compton Rodney
Chair, Audit & Risk Mangment Committe

LML STATEMENT OF CASH FLOWS

Year-to-date September 30, 2023

Unaudited and expressed in J\$'000

<i>STATEMENT OF CASH FLOWS</i>	<i>YTD SEP-23 J\$'000</i>	<i>YTD SEP-22 J\$'000</i>
Cash Flows from Operating Activities		
Operating Activities		
Profit /(Loss) for the period	1,140,928	882,783
Depreciation	134,113	135,938
Interest Income	(57,012)	(2,988)
Dividened Income	(9,696)	(6,803)
Loss on disposal of property, plant and equipment	124	701
Interest Expense	4,923	14,799
Taxation Expense	453,654	360,579
Items not affecting cash	526,105	502,226
(Increase) /Decrease in Current Assets		
Inventories	135,149	(109,414)
Trade & Other Receivables	(794,648)	(299,560)
Taxation paid	(223,496)	(146,068)
Payables	(62,716)	(99,709)
Cash provided by operating activities	721,322	730,259
Interest Received	57,012	2,988
Short Term Investments	(588,645)	(398,803)
Purchase of Investments	-	-
Acquisition of Property, Plant & Equipment	(309,328)	(40,200)
Proceeds from disposal of property, plant and equipmer	-	-
Cash used in Investing Activities	(840,961)	(436,016)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Interest Paid	(4,923)	(14,799)
Loan Repayment	(68,148)	(109,370)
Share Issue	-	-
Long term investment	50,000	(75,946)
Dividends Received	9,696	6,803
Dividends Paid	(495,950)	(413,291)
Cash provided by /(used in) Financing Activities	(509,324)	(606,604)
Net Change in Cash and Cash Equivalents	(628,964)	(312,361)
Exchange gain on foreign cash balances	-	-
Cash and cash equivalents at the beginning of the period	2,223,238	1,968,730
Cash and cash equivalents at the end of the period	1,594,274	1,656,370

Comprised of:

Cash and Bank balances	1,594,274	1,656,370
	1,594,274	1,656,370

LASCO Manufacturing Limited

LASCO Manufacturing Limited
Statement of Changes in Shareholders' Equity
For the six months ended September 30, 2023
Unaudited and expressed in J\$'000

2022					
TOTAL COMPREHENSIVE INCOME	Share Capital J\$'000	Other Reserve J\$'000	Fair Value Reserve J\$'000	Retained Earnings J\$'000	Total J\$'000
Balance at 1 April 2022	563,168	171,487	(84,755)	8,698,365	9,348,266
Other Comprehensive Income	-	-	-	-	-
Fair Value Reserve	-	-	76,483	-	76,483
Payment of Dividends	-	-	-	(413,291)	(413,291)
Net Profit	-	-	-	882,784	882,784
Balance as at September 30, 2022	563,168	171,487	(8,272)	9,167,858	9,894,242

2023					
TOTAL COMPREHENSIVE INCOME	Share Capital J\$'000	Other Reserve J\$'000	Fair Value Reserve J\$'000	Retained Earnings J\$'000	Total J\$'000
Balance at 1 April 2023	563,168	-	(3,834)	10,538,457	11,097,792
Other Comprehensive Income	-	-	-	-	-
Fair Value Reserve	-	-	6,894	-	6,894
Payment of Dividends	-	-	-	(495,950)	(495,950)
Net Profit	-	-	-	1,140,928	1,140,928
Balance as at September 30, 2023	563,168	-	3,061	11,183,435	11,749,664

LASCO Manufacturing Limited

Notes to the Financial Statements
September 30, 2023

1. IDENTIFICATION AND PRINCIPAL ACTIVITIES

- a. LASCO Manufacturing Limited is a limited liability company incorporated and domiciled in Jamaica. The registered office of the company is at 27 Red Hills Road, Kingston 10 and it currently operates from premises at White Marl in the parish of St. Catherine. The Company is listed on the Junior Market of the Jamaica Stock Exchange.
- b. The principal activities of the company are the manufacturing of soy-based products, juice drinks, water and export of various LASCO branded products.

2. SIGNIFICANT ACCOUNTING POLICIES:

- a. These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the adopted interpretation of those standards by the International Accounting Standards Board and have been prepared under the historical cost convention. They are also prepared in accordance with provisions of the Jamaican Companies Act.
- b. The accounting policies followed in these interim financial statements are consistent with those used in the audited financial statements for the year ended 31st March 2023.
- c. These financial statements are presented in Jamaican dollars unless otherwise indicated.

3. FINANCE COSTS

Finance costs are stated net of foreign exchange gains / losses

4. <u>TRADE & OTHER RECEIVABLES</u>	<u>2023</u>	<u>2022</u>	
a. Trade Receivables	JA\$ '000	JA\$ '000	
1. Local	2,863,843	2,425,171	
2. Foreign	94,834	97,493	
b. Other Receivables	<u>326,331</u>	<u>208,549</u>	This comprises prepayments made for capital goods & stock.
	3,285,008	2,731,213	

5. SHARE CAPITAL

	2023	2022
Authorized:-		
4,427,500,000 (2022 – 4,427, 500,000) ordinary shares of no par value		
Stated capital –		
Issued and fully paid –		
Number of ordinary shares		
4,132,913,151 (2022 – 4,132,913,151) ordinary shares of no par value	<u>563.168</u>	<u>563.168</u>