



Lumber Depot Limited  
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## Chairman's Report for the Six-Month Period Ended October 31, 2023

On behalf of the board of directors of Lumber Depot Limited, I am pleased to share with you the results of our operations for the six-month period ended October 31, 2023 (the "First Half"). Lumber Depot generated net profits of \$86.7 million on revenues of \$782 million. Our revenues were up marginally, by 1%, but, as a result of our efficiency measures, we delivered strong profit growth of 11%. Importantly, the business continues to be positively cash-generative and earned cash from operations of over \$65 million and now retains cash and investments in excess of \$300 million.

Over the course of this financial year, our customer base faced uncertain economic conditions, including relatively high inflation, increasing interest rates and challenges with the availability of certain key hardware items. These conditions are now evident in a slow-down of the Jamaican construction sector. We are pleased that our business remains strong and highly competitive, despite the challenging economic circumstances.

Lumber Depot operates a full-service hardware store in Papine. We serve the needs of large and small-scale building contractors, as well as homeowners doing construction projects, renovations, and repairs. The Lumber Depot business has been in operation for over 20 years and during this time has established a market leading position in the communities we directly serve and a strong reputation for excellent service and good value across the entire corporate area.

We consider our location in Papine to be an important part of our success. The facility in Papine is now owned by the company. Papine is a vibrant and fast-growing university community that also serves as a main access point to the St. Andrew hills. Our location is immediately within the most trafficked part of the community, is purpose built and well established. During the First Half, we improved our facility in Papine through investments in our buildings, yard space, financial control systems and operating equipment.

We are pleased that despite the current challenges Lumber Depot maintains excellent service levels and customer endorsements. Our strategy is to consistently offer competitive prices on our products and to ensure inventory availability. We have generally been successful with this and in turn this has improved our standing with key customers.

Looking forward, we will continue to judiciously manage our cash and inventory levels with a view to improving shareholder returns and paying dividends. Moreover, our board and management are completely committed to placing the business in a strong financial and management position to boldly seize the expansion and acquisition opportunities that we expect to become available to the stronger participants in the Jamaican construction and hardware sector as economic conditions improve.

I thank our board, management, and staff for their good work, and I thank our customers and suppliers for their loyalty and commitment.

Jeffrey Hall  
Chairman

**LUMBER DEPOT LIMITED**  
**Statement of Financial Position**  
**As at October 31, 2023**

	<u>Unaudited</u> <u>October 31, 2023</u>	<u>Unaudited</u> <u>October 31, 2022</u>	<u>Audited</u> <u>April 30, 2023</u>
<b>ASSETS:</b>			
<b>Non-current assets</b>			
Property, plant and equipment	178,353,799	176,566,079	175,884,128
Investments	<u>119,846,686</u>	<u>143,260,287</u>	<u>115,970,905</u>
	<u>298,200,485</u>	<u>319,826,366</u>	<u>291,855,033</u>
<b>Current assets</b>			
Cash and cash equivalents	194,315,445	117,900,412	184,442,791
Accounts receivable and prepayments	45,779,661	45,971,330	43,747,201
Inventories	177,307,527	158,554,261	158,869,582
Taxation recoverable	<u>3,198,714</u>	<u>2,011,325</u>	<u>2,558,501</u>
	<u>420,601,347</u>	<u>324,437,328</u>	<u>389,618,075</u>
<b>Current liabilities</b>			
Accounts payable	<u>95,724,166</u>	<u>124,042,402</u>	<u>94,278,351</u>
	<u>95,724,166</u>	<u>124,042,402</u>	<u>94,278,351</u>
<b>Net Current Assets</b>			
	<u>324,877,181</u>	<u>200,394,926</u>	<u>295,339,724</u>
<b>Total assets less current liabilities</b>			
	<u><b>623,077,666</b></u>	<u><b>520,221,292</b></u>	<u><b>587,194,757</b></u>
<b>EQUITY</b>			
Share capital	170,061,991	170,061,991	170,061,991
Retained earnings	<u>453,015,675</u>	<u>350,159,301</u>	<u>417,132,766</u>
	<u><b>623,077,666</b></u>	<u><b>520,221,292</b></u>	<u><b>587,194,757</b></u>
<b>Total Equity</b>			
	<u><b>623,077,666</b></u>	<u><b>520,221,292</b></u>	<u><b>587,194,757</b></u>

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

 Chairman  
 Jeffrey Hall

 Director  
 Noel Dawes

**LUMBER DEPOT LIMITED**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**Six months ended October 31, 2023**

	Unaudited 6 Mths Ended <u>October 31, 2023</u>	Unaudited 6 Mths Ended <u>October 31, 2022</u>	Unaudited 3 Mths Ended <u>October 31, 2023</u>	Unaudited 3 Mths Ended <u>October 31, 2022</u>	Audited <u>April 30, 2023</u>
Revenue	782,060,509	776,747,872	364,607,680	376,867,043	1,522,932,620
Cost of revenue	<u>(616,761,830)</u>	<u>(624,530,769)</u>	<u>(288,291,248)</u>	<u>(306,380,129)</u>	<u>(1,232,117,086)</u>
<b>Gross profit</b>	165,298,679	152,217,103	76,316,432	70,486,914	290,815,534
Impairment (losses)/gain on trade receivables	(2,789,121)	3,950,233	(809,316)	(2,099,313)	3,191,391
Impairment gain/(losses) on investments and cash and cash equivalents, net	14,364	25,292	(2,315)	(2,127)	15,903
Administrative and other expenses	<u>(81,586,687)</u>	<u>(78,691,779)</u>	<u>(44,258,315)</u>	<u>(39,017,656)</u>	<u>(153,086,606)</u>
	<b>80,937,235</b>	<b>77,500,849</b>	<b>31,246,486</b>	<b>29,367,818</b>	<b>140,936,222</b>
Other income	<u>2,015,275</u>	<u>1,689,407</u>	<u>1,435,225</u>	<u>312,530</u>	<u>8,274,454</u>
Profit before net finance costs and taxation	<u>82,952,510</u>	<u>79,190,256</u>	<u>32,681,711</u>	<u>29,680,348</u>	<u>149,210,676</u>
Finance income	8,075,674	3,316,356	3,534,622	2,457,717	4,535,945
Finance cost	<u>(4,296,175)</u>	<u>(4,305,731)</u>	<u>(2,043,418)</u>	<u>(2,269,914)</u>	<u>(8,572,275)</u>
Net financial income/(costs)	<u>3,779,499</u>	<u>(989,375)</u>	<u>1,491,204</u>	<u>187,803</u>	<u>(4,036,330)</u>
<b>Profit for the period</b>	<b>86,732,009</b>	<b>78,200,881</b>	<b>34,172,915</b>	<b>29,868,151</b>	<b>145,174,346</b>
Taxation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Profit attributable to members, being total comprehensive income for the period</b>	<b><u>86,732,009</u></b>	<b><u>78,200,881</u></b>	<b><u>34,172,915</u></b>	<b><u>29,868,151</u></b>	<b><u>145,174,346</u></b>
Earnings per stock unit	<u>\$ 0.12</u>	<u>\$ 0.11</u>	<u>\$ 0.05</u>	<u>\$ 0.04</u>	<u>\$ 0.21</u>

**LUMBER DEPOT LIMITED**  
**Statement of Cash Flows**  
**Six months ended October 31, 2023**

	<u>Unaudited</u> <u>October 31, 2023</u>	<u>Unaudited</u> <u>October 31, 2022</u>	<u>Audited</u> <u>April 30, 2023</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit for the period	86,732,009	78,200,881	145,174,346
<b>Adjustments for:</b>			
Depreciation	3,907,936	3,871,031	7,738,455
Interest Income	(2,857,167)	(930,605)	(3,336,937)
Unrealised exchange loss/( gains)	985,305	-	(193,149)
Appreciation on investments in mutual funds	(3,362,696)	-	(4,642,308)
Loss on disposal of property, plant and equipment	-	-	128,333
Cash generated before changes in working capital	85,405,387	81,141,307	144,868,740
Accounts receivables and prepayments	(2,032,460)	(6,171,264)	(3,556,868)
Inventories	(18,437,945)	9,298,584	8,983,263
Accounts payable	1,445,815	17,193,051	(10,230,719)
Due to/from related party	-	2,340,280	-
Taxation recoverable	(640,213)	(189,450)	(736,626)
Cash provided by operations	65,740,584	103,612,508	139,327,790
Net cash provided by operating activities	65,740,584	103,612,508	139,327,790
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	(7,586,756)	(602,103)	(3,915,909)
(Purchase/Sale) of investments	-	(32,124,839)	-
Interest received	2,567,926	930,605	2,946,670
Net cash (used)/provided by investing activity	(5,018,830)	(31,796,337)	(969,239)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividends paid	(50,849,100)	(36,724,349)	(36,724,349)
Net cash used by financing activities	(50,849,100)	(36,724,349)	(36,724,349)
Net increase in cash and cash equivalents	9,872,654	35,091,822	101,634,202
Cash and cash equivalents at beginning of the period	184,442,791	82,808,589	82,808,589
Cash and cash equivalents at end of period	<u>194,315,445</u>	<u>117,900,412</u>	<u>184,442,791</u>

**LUMBER DEPOT LIMITED**  
**Statement of Changes in Equity**  
**Six months ended October 31, 2023**

	<u>Share Capital</u>	<u>Retained earnings</u>	<u>Total</u>
	\$	\$	\$
Balances as at April 30, 2022 (audited)	170,061,991	308,682,769	478,744,760
Dividends Paid		(36,724,349)	(36,724,349)
Profit for the period, being total comprehensive income for the quarter	-	78,200,881	78,200,881
Balances as at October 31, 2022 (unaudited)	<u>170,061,991</u>	<u>350,159,301</u>	<u>520,221,292</u>
Balances as at April 30, 2023 (audited)	170,061,991	417,132,766	587,194,757
Dividends Paid		(50,849,100)	(50,849,100)
Profit for the period, being total comprehensive income for the quarter	-	86,732,009	86,732,009
Balances as at October 31, 2023 (unaudited)	<u>170,061,991</u>	<u>453,015,675</u>	<u>623,077,666</u>

**LUMBER DEPOT LIMITED**  
**Notes to the Unaudited Financial Statements**  
**October 31, 2023**

**1 Identification and principal activities**

Lumber Depot Limited (the company) was incorporated and domiciled in Jamaica on July 30, 2019. The registered office of the company is located at 4 Victoria Avenue Kingston CSO, with retail outlet at 17c Gordon Town Road, Kingston 6. The company is listed on the Junior Market of the Jamaica Stock Exchange since December 16, 2019.

The main activities of the company comprise the sale of lumber, hardware supplies and related products.

**2 Basis of preparation**

The financial statements have been prepared in accordance with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board, and comply with the provisions of the Jamaican Companies Act.

**New and amended standards that became effective during the period**

Certain new and amended standards which were in issue, came into effect during the current financial period. The adoption of these standards did not have any impact on the amounts recognized or disclosures in the financial statements.

**3 Use of estimates and judgements:**

The preparation of the financial statements to conform to IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, contingent assets and contingent liabilities at the reporting date and the income and expense for the year then ended. Actual amounts could differ from those estimates.

**4 Financial instruments:**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. In these financial statements, financial assets comprise investments, cash and cash equivalents and accounts receivable. Financial liabilities comprise accounts payable and due to related party.

**5 Revenue:**

Revenue is measured based on the consideration specified in a contract with a customer. The company recognises revenue when it transfers control over a good or service to a customer.

**6 Foreign currencies:**

Transactions in foreign currencies are converted at the foreign exchange rates ruling at the dates of the transaction. Monetary assets and liabilities denominated in foreign currencies, which are measured at historical cost, are translated at the foreign exchange rates ruling at the reporting date. Foreign exchange differences arising from fluctuations in exchange rates are recognised in profit or loss.

## **7 Significant accounting policies**

The accounting policies followed in these interim financial statements are consistent with those used in the audited financial statements for the period ended April 30, 2023.

## **8 Net realisable value of inventories:**

Estimates of net realisable value are based on the most reliable evidence available at the time the estimates are made, of the amount the inventories are expected to realise. These 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 realisable value also take into consideration the purpose for which the inventory is held.

## **9 Finance cost**

Finance cost comprises bank charges and foreign exchange losses recognised in profit or loss.





OCTOBER 31, 2023  
TOTAL SHARES OUTSTANDING:  
706,237,500

**DIRECTORS AND CONNECTED PARTIES REPORT**

<b>PRIMARY HOLDER (JOINT HOLDER)</b>	<b>RELATIONSHIP</b>	<b>UNITS</b>	<b>PERCENTAGE</b>
NOEL DAWES*	SELF	16,627,150	2.3543
VIKRAM DHIMAN	SELF	100,000	0.0142
LISA KONG	SELF	100,000	0.0142
GEORGE OVERTON	SELF	100,000	0.0142
JEFFREY HALL (SWEE TEEN CHUA)***	SELF	0	0.0000
PAUL SCOTT****	SELF	0	0.0000
MELANIE SUBRATIE****	SELF	0	0.0000
*KAREL DAWES	CONNECTED PARTY	38,070	0.0054

**TOP 10 SHAREHOLDERS**

<b>PRIMARY HOLDER (JOINT HOLDER)</b>	<b>UNITS</b>	<b>PERCENTAGE</b>
STONY HILL CAPITAL LIMITED****	116,189,064	16.4518
BLUE POWER GROUP LIMITED***	116,189,064	16.4518
J KENNETH BENJAMIN & SHEILA BENJAMIN	59,954,650	8.4893
PAM- POOLED EQUITY FUND	44,392,308	6.2857
MARY J. FRAY	30,954,000	4.3829
JN FUND MANAGERS LIMITED	23,919,341	3.3869
QWI INVESTMENTS LTD	17,583,269	2.4897
NOEL DAWES	16,627,150	2.3543
JPS EMPLOYEES SUPERAN.FUND		
-PRIME ASSET MANAGEMENT	12,102,288	1.7136
THE MAYBERRY FOUNDATION	10,000,000	1.4160

<b>TOTAL UNITS OWNED BY TOP 10</b>	<b>447,911,134</b>	<b>63.4222</b>
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