



**UNAUDITED**  
**Financial Statements**  
**THIRD QUARTER**  
**December 31, 2023**



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## LASCO Manufacturing Limited

### Report to the Shareholders Nine Months ended December 31, 2023

The Board of Directors of LASCO Manufacturing Limited is pleased to present the unaudited financial statements for the quarter ended December 31, 2023.

Growth continued in the third quarter with **Sales Revenue** increasing to \$3.215 billion, 12.5% over the comparative quarter of the previous year.

**Gross profit** grew by 10% on the previous year to \$1.188 billion, with gross profit margin of 37% (prior year: 37.8%) reflecting increased maintenance and labour costs.

**Operating Profit** was \$812.6 million or a 14% growth on the prior year with **Net Profit** for the quarter of \$568.3 million – an increase of 16.6% when compared to the corresponding period of the prior year. **Earnings per share** increased to \$0.14 (prior year: \$0.12)

#### Nine Months Results:

**Sales Revenue** for the nine months was \$ 9.241 billion or 11% higher than the revenue for the same period of the prior year.

**Gross Profit** grew to \$ 3.47 billion – an increase of 14% on the similar period of the previous year, with Gross Profit margin increasing to 37.6% (prior year margin: 36.6%)

**Selling and Administrative Expenses** were \$1.174 billion, 7% 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** increased to \$2.41 billion, 22% above the comparative period of the prior year with operating profit margin improving to 26.1% - up from 23.7% in the year before, reflecting the gross margin improvement, containment of fixed expenses and other efficiency gains.

**Net Profit** for the nine months was **\$1.709 billion** which was 25% higher than for the same period of the previous year. The net profit margin improved to 8.5%, from 16.5% in the year before. **Earnings per stock** unit for the period was \$0.41 up from \$0.33 for the nine months of the prior year.

#### Balance Sheet

Our balance sheet remained healthy with a current ratio of 4.95 and Shareholders equity of \$12.3 billion an increase of 18% over the prior year.

Total assets at the end of the nine months were \$15.2 billion an increase of 17% on the assets at the end of the same period last year. Net Current assets were \$8.0 billion or 32 % higher than at the end of December 2022.

Trade and other receivables were \$2.82 (inclusive of \$311 million of prepayments on capital equipment).

Inventories were valued at \$1.70 billion or 15% below the value for the same period of the prior year and 22% below the value at the end of the fiscal year (March 31, 2023). Trade payables were \$1.2 billion 55% above the payables as of December 31, 2022 – primarily reflecting materials price inflation over the period.

Cash and Bank Balance, inclusive of short-term investments were \$5.4 billion up from \$3.3 billion at the end of December 2022 and \$3.9 billion at the end of the last fiscal year.

### **Interim Dividend**

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

### **Corporate Social Responsibility**

#### **Annual Educators of the Year Awards**

During the third quarter the company collaborated with the Lasco Chin Foundation, the Ministry of Education and Youth (MoEY) and the Jamaica Teaching Council (JTC) in recognising and awarding outstanding Educators for their contributions to the sector throughout the year. This marked the 26<sup>th</sup> staging of this annual programme and culminated in the awards ceremony, held at the Jamaica Pegasus, at which 130 educators were recognised for their impact on education and exceptional contributions to the various school communities across the island. From the 130 recognised three educators were declared top awardees in the categories: Principal of the Year; Teacher of the year; TVET Teacher of the Year. These top Awardees are fully sponsored to attend the annual Association for Supervision and Curriculum Development (ASCD) conference in Washington DC during March 22-25, 2024.

The sponsorship of the LASCO REAP Schools environment programme continued as the 2022-2023 edition of this on-going 12 year initiative, which focuses on environmental awareness and education in schools, concluded with measurable successes. Forty-one Preparatory and Primary schools participated in 22/23 and an increased number is foreseen in the new (23/24) edition.

We also continued to support the outreach activities of the Nurses Association of Jamaica (NAJ) and the Jamaica Constabulary Force (JCF) as a part of the respective annual awards programmes held earlier in the year.

Other outreach activities included:

- Continued Nutrition support for the Gwen Neil Basic School.
- Care packages distribution and children treats during the festive season.

### **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 in excess of 30% and improving as investments in infrastructure to improve collection, processing and public education continues. RPJ opened a new recycling (sorting and baling) operation in December which will significantly increase processing capacity. Expectations are that recovery rates will reach 50% during calendar year 2023.

### **Outlook**

Organic profitable growth with progressive margin improvement remains our priority. We will therefore continue to systematically execute our value creation strategies including driving continuous improvement in operational efficiencies, investments in our brands and innovation. We are aware of the negative impacts on the global supply chain of current geo-political issues and conflicts and the climate related impacts on transit via the Panama Canal. We will therefore continue to take appropriate mitigatory measures to minimise disruptions to our operations.

We thank all our team members for their hard work, valued inputs and dedication throughout the period, and you our shareholders and other stakeholders for your continued confidence and support.

Yours sincerely,

**LASCO MANUFACTURING LIMITED**



**James E. D. Rawle CD**

Managing Director

**LASCO Manufacturing Limited**

## Statement of Comprehensive Income

For the nine months ended December 31, 2023

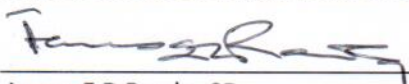
*Unaudited and expressed in J\$'000*

	3 Months to Dec. 31, 2023	3 Months to Dec. 31, 2022	9 Months to Dec. 31, 2023	9 Months to Dec. 31, 2022
Revenue	3,215,815	2,857,994	9,241,569	8,329,970
Cost of Sales	<u>(2,026,847)</u>	<u>(1,778,741)</u>	<u>(5,766,857)</u>	<u>(5,278,835)</u>
<b>Gross Profit</b>	<b>1,188,969</b>	<b>1,079,253</b>	<b>3,474,712</b>	<b>3,051,135</b>
<b>Gross Margins %</b>	<b>37%</b>	<b>38%</b>	<b>38%</b>	<b>37%</b>
Other Operating Income / (Loss)	43,674	(11,363)	111,940	15,180
Operating Expenses	<u>(420,011)</u>	<u>(352,773)</u>	<u>(1,174,516)</u>	<u>(1,093,036)</u>
Profit from Operations	<b>812,632</b>	<b>715,117</b>	<b>2,412,136</b>	<b>1,973,279</b>
Finance Costs	<u>(1,571)</u>	<u>(5,026)</u>	<u>(6,494)</u>	<u>(19,825)</u>
<b>Profit before Taxation</b>	<b>811,061</b>	<b>710,091</b>	<b>2,405,642</b>	<b>1,953,454</b>
Taxation	<u>(242,765)</u>	<u>(222,523)</u>	<u>(696,419)</u>	<u>(583,101)</u>
<b>Net Profit</b>	<b>568,296</b>	<b>487,568</b>	<b>1,709,224</b>	<b>1,370,353</b>
Unrealised Gains (Loss) on Financial Instrument	<u>(20,121)</u>	<u>17,195</u>	<u>(13,226)</u>	<u>93,678</u>
<b>Total Comprehensive Income</b>	<b>548,175</b>	<b>504,763</b>	<b>1,695,998</b>	<b>1,464,031</b>
<b>Number of Stock units in Issue</b>	4,132,913	4,132,913	4,132,913	4,132,913
<b>Earnings per Stock</b>	<b>0.14</b>	<b>0.12</b>	<b>0.41</b>	<b>0.33</b>

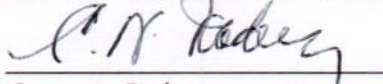
**LASCO Manufacturing Limited**  
**Statement of Financial Position**  
**as at December 31, 2023**

	<i>DEC-23</i> <i>UnAudited</i> <i>J\$'000</i>	<i>DEC-22</i> <i>Unaudited</i> <i>J\$'000</i>	<i>MAR-23</i> <i>Audited</i> <i>J\$'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, Plant & Equipment	4,281,573	4,483,414	4,445,737
Capital Work in Progress	428,963	130,812	130,728
Long Term Investment	520,953	644,916	584,179
<b>Total Non-Current Assets</b>	<b>5,231,489</b>	<b>5,259,142</b>	<b>5,160,643</b>
<b>CURRENT ASSETS</b>			
Inventories	1,689,934	1,994,972	2,163,821
Trade & Other Receivables	2,822,318	2,411,895	2,502,471
Related companies	49,146	13,503.57	-
Taxation Recoverable	65	-	29,257
Directors Current Accounts	-	-	1,817
Short Term Investments	2,613,184	1,616,638	1,659,515
Cash and Bank Balances	2,839,045	1,697,400	2,223,238
	10,013,691	7,734,408	8,580,119
<b>CURRENT LIABILITIES</b>			
Trade Payables	1,284,491	828,659	1,261,701
Related companies	-	15,307	-
Bank Overdraft	-	-	-
Current Portion of Long Term Loan	66,120	199,870	114,055
Taxation	661,757	638,052	395,591
	2,012,368	1,681,889	1,771,347
<b>Net Current Assets</b>	<b>8,001,323</b>	<b>6,052,520</b>	<b>6,808,772</b>
	<b>13,232,812</b>	<b>11,311,662</b>	<b>11,969,415</b>
<b>Financed by:</b>			
Share Capital	563,168	563,168	563,168
Other Reserve	11,475	171,487	-
Retained Earnings	10,042,507	8,285,073	8,456,561
Fair Value Reserve	(17,059)	8,924	(3,834)
Current Earnings	1,709,223	1,370,352	2,081,897
	12,309,314	10,399,004	11,097,792
<b>Non-Current Liabilities</b>			
Long Term Loan	0	0	43,125
Deferred Taxation	923,498	912,657	828,498
	<b>13,232,812</b>	<b>11,311,662</b>	<b>11,969,415</b>

Approved for issue by the board of Directors on February 6, 2024 and signed on its behalf by:



**James E D Rawle, CD**  
Executive Chairman



**Compton Rodney**  
Chair, Audit & Risk Management Committee

**LML STATEMENT OF CASH FLOWS**

Year-to-date December 31, 2023

Unaudited and expressed in JS'000

<i>STATEMENT OF CASH FLOWS</i>	<i>YTD Dec-23 JS'000</i>	<i>YTD Dec-22 JS'000</i>
Cash Flows from Operating Activities		
Operating Activities		
Profit /(Loss) for the period	1,709,223	1,370,352
Depreciation	201,809	202,708
Interest Income	(81,259)	(5,714)
Dividened Income	(12,341)	(8,257)
Loss on disposal of property, plant and equipment	124	701
Interest Expense	6,494	19,825
Taxation Expense	696,419	583,102
<b>Items not affecting cash</b>	<b>811,245</b>	<b>792,365</b>
(Increase) /Decrease in Current Assets		
Inventories	473,888	(248,132)
Trade & Other Receivables	(339,801)	18,843
Taxation paid	(335,245)	(219,102)
Payables	36,073	(220,691)
<b>Cash provided by operating activities</b>	<b>2,355,384</b>	<b>1,493,634</b>
Interest Received	81,259	5,714
Short Term Investments	(953,669)	(797,987)
Purchase of Investments	-	-
Acquisition of Property, Plant & Equipment	(336,004)	(90,876)
Proceeds from disposal of investment	50,000	-
Proceeds from disposal of property, plant and equipment	-	-
<b>Cash used in Investing Activities</b>	<b>(1,158,414)</b>	<b>(883,150)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Interest Paid	(6,494)	(19,825)
Loan Repayment	(91,060)	(164,234)
Share Issue	-	-
Long term investment	-	(292,721)
Dividends Received	12,341	8,257
Dividends Paid	(495,950)	(413,291)
Cash provided by /(used in) Financing Activities	(581,162)	(881,814)
<b>Net Change in Cash and Cash Equivalents</b>	<b>615,808</b>	<b>(271,330)</b>
Exchagnge gain on foreign cash balances	-	-
Cash and cash equivalents at the beginning of the period	2,223,238	1,968,730
<b>Cash and cash equivalents at the end of the period</b>	<b>2,839,045</b>	<b>1,697,401</b>

**Comprised of:**

Cash and Bank balances	2,839,045	1,697,400
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**LASCO Manufacturing Limited**

## Statement of Changes in Shareholders' Equity

For the nine months ended December 31, 2023

*Unaudited and expressed in J\$'000*

<b>2022</b>					
<b>TOTAL COMPREHENSIVE INCOME</b>	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	-	-	93,678	-	93,678
Payment of Dividends	-	-	-	(413,291)	(413,291)
Net Profit	-	-	-	1,370,353	1,370,353
<b>Balance as at December 31, 2022</b>	<b>563,168</b>	<b>171,487</b>	<b>8,923</b>	<b>9,655,427</b>	<b>10,399,005</b>
<b>2023</b>					
<b>TOTAL COMPREHENSIVE INCOME</b>	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	-	11,475	-	-	11,475
Fair Value Reserve	-	-	(13,226)	-	(13,226)
Payment of Dividends	-	-	-	(495,950)	(495,950)
Net Profit	-	-	-	1,709,223	1,709,223
<b>Balance as at December 31, 2023</b>	<b>563,168</b>	<b>11,475</b>	<b>(17,059)</b>	<b>11,751,731</b>	<b>12,309,314</b>

# LASCO Manufacturing Limited

Notes to the Financial Statements  
December 31, 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.
- 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 31<sup>st</sup> 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. TRADE & OTHER RECEIVABLES      2023                      2022

a. Trade Receivables	JA\$ '000	JA\$ '000
1. Local	2,403,132	2,156,742
2. Foreign	107,722	83,424

b. Other Receivables	<u>311,463</u>	<u>171,729</u>	This comprises of prepayments made for capital goods & stock.
	2,822,318	2,411,895	

**SHARE CAPITAL**

	2023	2022
Authorized:-		
4,427,500,000 (2021 – 4,427, 500,000) ordinary shares of no par value		
Stated capital –		
Issued and fully paid –		
Number of ordinary shares		
4,132,913,151 (2021 – 4,132,913,151) ordinary shares of no par value	<u>563,168</u>	<u>563,168</u>