



**ANNUAL
REPORT
2023**

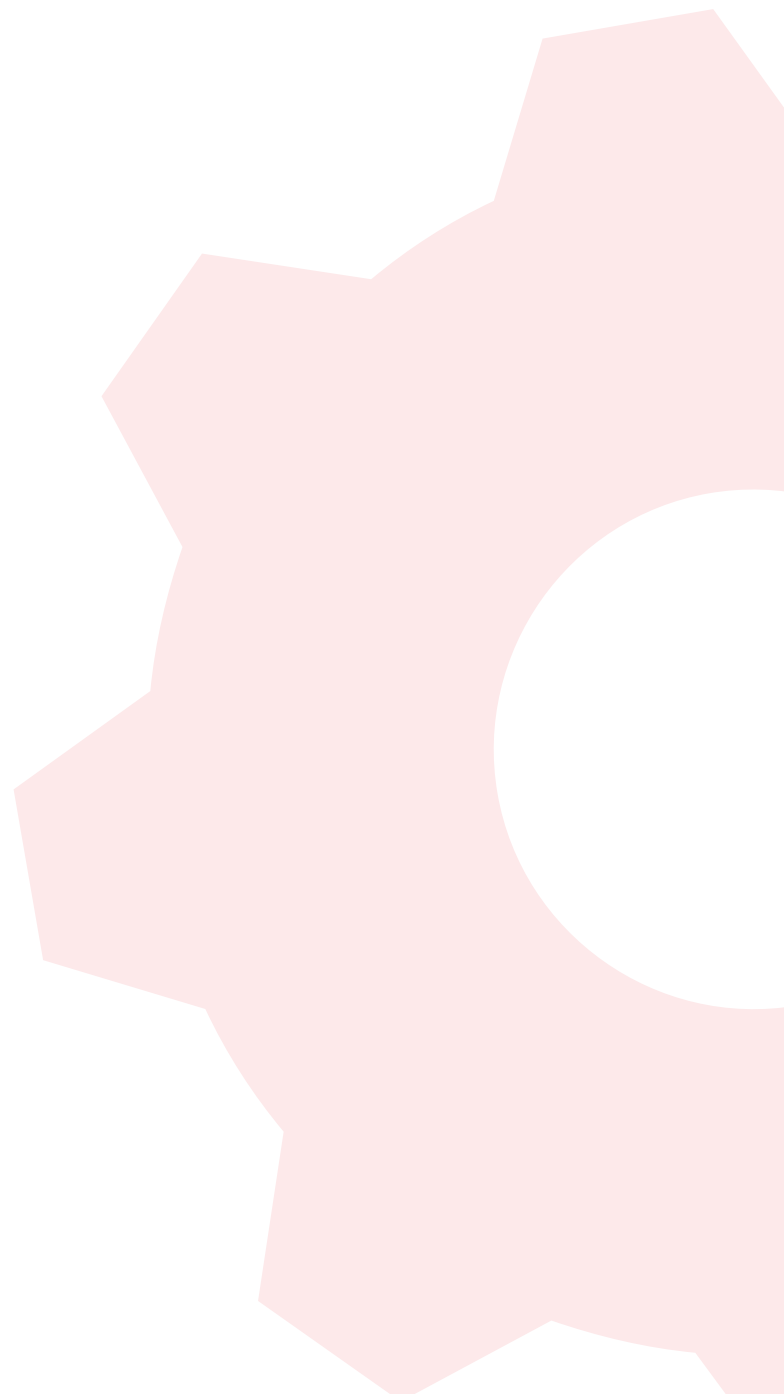


Lumber Depot Limited
Sales Office: 17c Gordon Town Road, Papine,
Kingston 6, Jamaica W.I.
Phone: (876)977-5075
Email: lumberdepotblue@gmail.com
Website: www.lumberdepotjm.com

TABLE OF CONTENTS

LUMBER DEPOT LIMITED

PAGE 1	Vision, Mission and Strategy
PAGE 2	Notice of Annual General Meeting
PAGE 3	Chairman’s Statement
PAGE 4	Financial Highlights
PAGE 5	Management Discussion and Analysis
	- Company Profile
	- Performance Summary
	- Future Strategies & Prospects
	- Risk Management
	- Giving Back to the Community
PAGE 8	Directors’ Report
PAGE 9	Directors and Officers
PAGE 12	Corporate Governance
PAGE 14	Directors and Connected Parties Report
PAGE 15	Corporate Data
	Audited Financial Statements
	Form of Proxy



VISION, MISSION & STRATEGY

LUMBER DEPOT LIMITED

VISION

To “GET THE JOB DONE RIGHT, EVERY TIME” by providing quality hardware and home improvement supplies competitively and with the best customer experience. We exceed the expectations of our team members and other stakeholders, and we are the employer of choice in our industry.

MISSION

Through our hardware and home improvement supplies, we provide our community access to their dreams of well-built, safe, durable and enjoyable homes and productive commercial buildings.

STRATEGY

We will continue to nurture and strengthen our:

- Reputation for superior customer service in our trade
- Highly motivated and knowledgeable work team
- Trusted customer relationships, from concept to finish
- Product quality and availability, in line with our customers highest expectations
- Convenience in executing transactions quickly and with ease
- Continuous engagement with new technology and techniques in the construction sector to minimize time and cost throughout the building process.



NOTICE OF ANNUAL GENERAL MEETING

LUMBER DEPOT LIMITED

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Lumber Depot Limited (the “Company”) will be held at “The Somerset Suite” at Courtleigh Hotel and Suites, 85 Knutsford Boulevard, Kingston 10 on Friday October 20, 2023 at 4pm for shareholders to transact the business set out below and, if thought fit, to pass the following resolutions as ordinary resolutions:

1. To receive and consider the Directors’ Report, Auditors’ Report and Audited Financial Statements of the Company for the year ended April 30, 2023:

RESOLUTION:

“THAT the Directors’ Report, Auditors’ Reports and Audited Financial Statements of the Company for the year ended April 30, 2023, be and are hereby adopted.”

2. To fix the remuneration of the Auditors for 2023 or to determine the manner in which such remuneration is to be fixed:

RESOLUTION:

“THAT the remuneration of the Auditors, KPMG, having been fixed by the Directors for 2023, be and is hereby approved.”

3. To ratify interim dividends and declare them final:

RESOLUTION:

“THAT the interim dividend of 7.2 cents per stock unit on record date September 8, 2023 to be paid on September 25, 2023, be and is hereby ratified and declared final for 2022-23.”

4. To re-appoint the Auditors:

RESOLUTION:

“THAT the Auditors, KPMG, having indicated their willingness to continue in office, be and are hereby re-appointed for the year 2023-24.”

5. To elect Directors:

RESOLUTIONS:

“THAT Noel Dawes who retires by rotation, be and is hereby re-elected a Director of the Company.”

“THAT Vikram Dhiman who retires by rotation, be and is hereby re-elected a Director of the Company.”


6. To fix the remuneration of Directors:

RESOLUTION:

“THAT the amount shown in the Accounts for the year ended April 30, 2023, for Directors’ fees be and is hereby approved.”

7. Any Other Business.

Dated this 15th day of August 2023. By Order of the Board.



LISA KONG-LEE
Company Secretary

A form of proxy accompanies this Notice of Annual General Meeting. A shareholder who is entitled to attend and vote at the Annual General Meeting of the Company may appoint one or more persons to attend in his/her place. A proxy need not be a shareholder of the Company. All completed original proxy forms must be deposited together with the power of attorney or other document appointing the proxy at the registered office of the Company at least 48 hours before the Annual General Meeting.

CHAIRMAN'S STATEMENT

LUMBER DEPOT LIMITED

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 year ended April 30, 2023. Lumber Depot Limited generated net profits of \$145.2 million on revenues of \$1.5 billion. Our annualized return on equity continues to be strong and exceeds 20%. Importantly, the business is highly cash generative and earned cash from operations of over \$139.3 million and now retains cash and investments in excess of \$300 million.

Over the course of this financial year, our customer base reacted to uncertain economic conditions, including relatively high inflation, increasing interest rates, challenges with the availability of certain key hardware items. These conditions are now evident in the slow-down of the construction sector generally across Jamaica. Although our business remains strong and highly competitive, the prevailing economic circumstances have led to some softening in sales (down 3% relative to the prior year) and some compression in gross margins. As a result of these factors, net profit was down to \$145.2 million relative to the prior year net profit of \$183.9 million.

Lumber Depot Limited operates a full-service hardware store in Papine that serves the needs of large and small-scale building contractors, as well as homeowners doing construction projects, renovations and repairs. Lumber Depot Limited 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 wider 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. Over the course of the year, we improved the facility in Papine through investments in our buildings, parking and yard space, financial control systems and operating equipment.

We are pleased that despite the current challenges Lumber Depot Limited continues to trade positively and to deliver strong results and, importantly, to maintain excellent service levels and customer endorsements. Our strategy is to consistently offer competitive prices on our products and to

maintain our service standards and inventory availability. During the year, we took specific measures to improve the flexibility and competitiveness of our procurement, and this included enhancements to our off-site storage facilities and efforts to expand our supply base while maintaining and supporting our most critical existing supply relationships. We have been generally successful with this and in turn this has improved our standing with key customers.

Over the year ahead, we will continue to judiciously manage our cash and inventory levels with a view to paying dividends and improving shareholder returns. Our board and management is completely committed to placing the business in a strong financial and management position to boldly seize and execute on expansion and acquisition opportunities that we expect to arise in Jamaica.

I thank our board, management and staff for their effective work in successfully managing through a challenging business environment to deliver strong results for shareholders.



JEFFREY HALL
Chairman

FINANCIAL HIGHLIGHTS

LUMBER DEPOT LIMITED

	2023	2022	2021	2020
	\$ '000	\$ '000	\$ '000	9 months \$ '000
BALANCE SHEET				
Total Assets	681,473	583,254	526,625	374,011
Net Current Assets (Working Capital)	295,340	187,774	178,445	78,747
Investments, Cash and Cash Equivalents	300,414	193,944	260,128	128,941
Stockholders' Equity	587,195	478,745	323,105	192,240
PROFIT AND LOSS				
Gross revenues	1,522,933	1,573,826	1,429,310	921,454
Profit attributable to stockholders	145,174	183,889	144,990	22,178
Capital Distribution/ Dividend Paid	36,724	28,250	14,125	-
Earnings per stock unit J\$	\$ 0.21	\$ 0.26	\$ 0.21	\$ 0.03
FINANCIAL RATIOS				
Return on Sales	9.53%	11.68%	10.14%	2.41%
Return on Equity	24.72%	38.41%	44.87%	11.54%
Return on Total Assets	21.30%	31.53%	27.53%	5.93%
Debt: Equity Ratio	-	-	0.20:1	0.43:1
Current Ratio	4.13:1	2.80:1	2.29:1	1.79:1
Dividend Cover	3.95	6.51	10.26	-
MARKET STATISTICS				
Closing Stock Price J\$	\$ 2.42	\$ 3.56	\$ 2.91	\$ 1.13

MANAGEMENT DISCUSSION & ANALYSIS

LUMBER DEPOT LIMITED

COMPANY PROFILE

CORE BUSINESS

Lumber Depot Limited (the “Company”) is a full service, hardware and building materials company that has been in operation in the Jamaican building supplies sector since 1998. The Company was incorporated and domiciled in Jamaica on July 30, 2019 but commenced operations over 20 years ago as a division of Blue Power Group Limited. The Company has been listed on the Junior Market of the Jamaica Stock Exchange since December 16, 2019 after a demerger from Blue Power Group in August 2019.

Lumber Depot Limited provides customers with over-the-counter service at competitive prices at its retail outlet at 17c Gordon Town Road in Papine, St. Andrew. The outlet carries an extensive inventory of construction materials, hardware, plumbing and electrical fixtures. The site includes purpose-built warehousing, loading bays, retail space and office facilities. The Company also facilitates online quotations and pre-ordering for customers at lumberdepotblue@gmail.com.

CUSTOMERS AND SUPPLIERS

Lumber Depot serves the needs of small to large-scale building contractors, service professionals and homeowners embarking on renovation projects. The central location of the retail office at the “exit of the city” allows the Company to service the ongoing commercial developments in Kingston and the communities in rural St. Andrew area.

Most of the supplies are obtained locally from established local specialist companies with market leading cement, lumber, steel and paint products while other items such as plywood, treated lumber and other competitive products are imported from source companies.

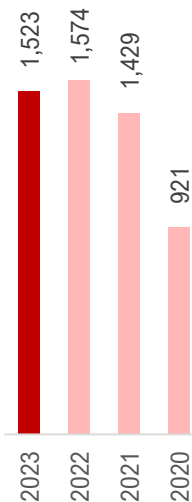
PERFORMANCE SUMMARY

Lumber Depot Limited’s financial year covers May 1, 2022 to April 30, 2023. The Company delivered a solid performance for the twelve-month period with revenues of 1.5 billion in the face of uncertain economic conditions and increasing interest rates. During the twelve-month period, the Planning Institute of Jamaica reported four consecutive quarters of decline in the construction sector. This has contributed to softening in sales of 3% compared to prior year.

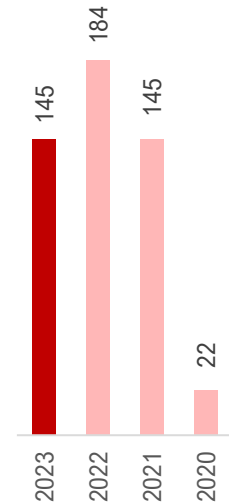
Despite these challenging economic conditions, Lumber Depot Limited continued to trade positively for the year to record profits for the year of \$145m. Lumber Depot Limited

currently enjoys a 100% tax free incentive. This tax incentive arises from our listing on the Jamaica Stock Exchange, Junior Market and will support the expansion of our business.

REVENUE (J\$M)



NET PROFIT AFTER TAX (J\$M)

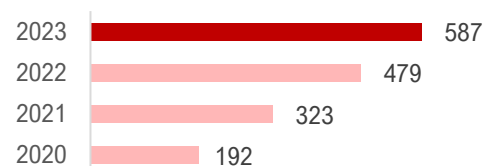


BALANCE SHEET

As at April 30, 2023, the Company had total assets of \$681 million. The Company continues to be highly cash generative retaining cash and investments in excess of \$300 million. The Company’s strong cash position allows it to meet any unexpected eventualities as can be observed from the current ratio of 4.13:1. This shows that we are able to deploy current assets to cover more than four times the amount of our current liabilities.

Shareholders’ equity increased by 23% to \$587 million and dividend payments increased by 30% to \$37 million compared to the prior financial year.

SHAREHOLDER’S EQUITY (J\$M)



MANAGEMENT DISCUSSION & ANALYSIS

LUMBER DEPOT LIMITED

FUTURE STRATEGIES AND PROSPECTS

Over the next twelve months the Company will continue to pursue its growth strategy while maintaining shareholder interests in this period of uncertainty.

We will work assiduously to seek solutions to maintain timely inventory supplies in the face of shipping and logistics challenges. We will continue to reign in non-essential spend to keep a tight control of our cost base. We will leverage our debt-free position and improved equity standing to take advantage of strategic investment opportunities that may arise.

We will also continue to grow our digital footprint for new and existing customers to minimize traffic in the store and seek to expand our customer base with the introduction of new products. We will aim to maintain cutting edge technology to make contemporary building systems available to our customers.

CONCLUSION

We have had tremendous support from our customers which, when combined with the commitment of our staff to provide excellent service, has given us the ability to produce excellent results for our shareholders. I would like to thank our loyal customers, shareholders, fellow directors and committed staff for maintaining their faith in us.

RISK MANAGEMENT

The Board of Directors, together with management, has overall responsibility for the establishment and oversight of the Company's risk management framework.

OPERATIONAL RISK

It is management's responsibility to monitor and evaluate operational risks involved in the nature of our business. Over the period, management has striven to be conservative by limiting or mitigating exposure while maximizing returns. Lumber Depot Limited has undertaken considerable effort to strengthen measures for security arrangements and to attract a high calibre of staff while maintaining the excellent delivery of customer service.

Economic Conditions

Business operations and financial results of the Company partly depend on general economic conditions and the performance of the construction industry.

The Board's Audit Committee and the Company's management regularly assess the economic climate, developing as necessary, contingency plans to address

major issues that could impact the performance of the Company negatively.

Market and Competition

Construction and hardware is a competitive space in the local market with established players commanding a sizeable segment of the market share. Lumber Depot Limited continues to operate as a reputable and consistent supplier of construction needs with excellent customer service and competitive prices.

Security and Safety

Lumber Depot Limited remains committed to the safety and security of its stakeholders and continues to operate in line with best practices to ensure a safe and secure business environment for all that come into contact with our operations.

Business Continuity Plan

Lumber Depot Limited is continually developing comprehensive business continuity plans to ensure that the business operations will recover in the shortest possible time in the event of a potential threat or major disruption to business activities.

FINANCIAL RISK

The Company has exposure to market risk, credit risk and liquidity risk from its use of financial instruments.

Market Risk

Changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The Company manages foreign exchange exposure by maintaining adequate liquid resources in appropriate currencies and by managing the timing of payments on foreign currency liabilities. The Company manages interest rate risk by maintaining deposits and negotiating the most advantageous interest rates.

Liquidity Risk

Management mitigates the risk that the Company will not be able to meet its financial obligations as they fall due by maintaining an adequate amount of its financial assets in liquid form to meet contractual obligations and other recurring payments.

Credit Risk

The COVID-19 pandemic has caused significant market volatility which may increase the Company's impact risk. To

MANAGEMENT DISCUSSION & ANALYSIS

LUMBER DEPOT LIMITED

mitigate against the risk that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss, Management has established a credit policy under which its customers are analysed for creditworthiness prior to being offered with a credit facility. The company is also timely, organised and proactive in collecting its debts.

FINANCIAL STATEMENTS

Management is responsible for the preparation of the financial statements accompanying this annual report and all other information in the report.

The Company's financial statements are presented in accordance with International Financial Reporting Standards (IFRS) to enable management, directors and shareholders to provide an acceptable basis for examination and comparisons.

INSURANCE ARRANGEMENTS

The Company has procured reasonable insurance coverage for major risks facing its premises at 17c Gordon Town Road and off-site storage facilities at 4 Musgrave Avenue taking into account the overall insurance arrangement and gearing coverage towards mitigating unforeseeable circumstances.

GIVING BACK TO THE COMMUNITY

At Lumber Depot Limited, giving back is an important part of what we do. We believe in contributing to the overall development of the communities we serve, and especially those who are most vulnerable within these communities. It is with this community-based approach that we continue to focus our philanthropic efforts on supporting two of society's most vulnerable groups - our youth and our elderly.

MAJOR NOEL DAWES
Managing Director

DIRECTORS' REPORT

LUMBER DEPOT LIMITED

The Directors of Lumber Depot Limited are pleased to present their report for the year ended April 30, 2023.

FINANCIAL RESULTS

The Statement of Profit or Loss and Other Comprehensive Income shows pre-tax profit of \$145 million from \$1.5 billion in revenue.

DIVIDENDS

An interim dividend of 5.2 cents per stock unit on record date September 30, 2022, was paid to stockholders on October 14, 2022 for the financial year ended April 30, 2022.

An interim dividend of 7.2 cents per stock unit on record date September 8, 2023 will be paid to stockholders on September 25, 2023 for the financial year ended April 30, 2023.

The Directors recommend that this interim dividend be ratified and declared as final and that no further dividend be paid in respect of the year under review.

DIRECTORS

The Directors of Lumber Depot Limited as at April 30, 2023 were: Jeffrey Hall, Noel Dawes, Vikram Dhiman, George Overton, Lisa Kong-Lee, Paul B. Scott and Melanie Subratie.

Noel Dawes retires by rotation and being eligible, offers himself for re-election in accordance with the Articles of Incorporation.

Vikram Dhiman retires by rotation and being eligible, offers himself for re-election in accordance with the Articles of Incorporation.

AUDITORS

The Auditors, KPMG, Chartered Accountants, 6 Duke Street, Kingston, Jamaica have expressed their willingness to continue in office.

On behalf of the Board of Directors,



JEFFREY HALL
Chairman
August 15, 2023

DIRECTORS & OFFICERS

LUMBER DEPOT LIMITED



JEFFREY HALL

CD, BA, MPP, JD

Chairman and Mentor

Jeffrey Hall, C.D. is the Chief Executive Officer of Pan Jamaica Group Limited and sits on the Board of Directors as Executive Vice Chairman. Mr. Hall continues to hold the position of Group Managing Director of Jamaica Producers Group and has been a member of the Board since 2004. He is also the Chairman of Blue Power Group Limited and Kingston Wharves Limited, as well as a member of the Board of Directors of several companies, including Sagicor Group Jamaica Limited, Sagicor Bank Jamaica Limited, Sagicor Investments Jamaica Limited, Sagicor Life Jamaica Limited, SAJE Logistics Infrastructure Limited and Eppley Caribbean Property Fund Limited SCC. He has practiced as an Attorney-at-Law and has served as a Director of the Jamaica Stock Exchange and the Bank of Jamaica.

Mr. Hall is a graduate of the Harvard Law School; and holds a Master of Public Policy from Harvard University, USA. He also earned a Bachelor of Arts (BA) degree in Economics from Washington University, USA.



MAJOR (RET'D) NOEL DAWES

Dip. Mgmt.

Managing Director

Major Noel Dawes (Ret'd) is the Managing Director of the Company and also serves as a Director of Blue Power Group Limited. He has been a member of the Hardware Business' executive team since it commenced operations at the Papine location in November 1999.

Prior to joining the Hardware Business Major Dawes served as a commissioned officer in the Jamaica Defence Force for over 10 years. In that capacity he trained at various military institutions in Canada, the United States, and the United Kingdom.

Besides his military qualifications Major Dawes holds a Diploma in Management from the Jamaica Institute of Management.



VIKRAM DHIMAN

BSc, CA, CPA, MBA

Independent Non-Executive Director

Vikram Dhiman is the Chief Operating Officer of ICD Group Holdings Limited. He has worked in several countries in multiple sectors and as a strategy consultant to several Fortune 500 companies. Vikram's experience includes managing large businesses, startups, mergers, acquisitions, divestments, and the development of strategy and leading of change programmes for companies and organisations that he has worked with.

Vikram mentors young men and women and has been responsible for developing the National Junior Golf programme for the Jamaica Golf Association and raising funds for the development of squash and golf in Jamaica.

DIRECTORS & OFFICERS

LUMBER DEPOT LIMITED



LISA KONG-LEE

Level 2 ACCA, Dip. BA

Non-Executive Director and
Company Secretary

Lisa Kong-Lee is the Company Secretary and Financial Controller of Lumber Depot Limited. She was appointed Executive Director of Blue Power Group Limited effective June 1, 2022, after previously having the role of General Manager. She joined Blue Power Group Limited in August 2001.

Mrs. Kong-Lee has also been the Financial Controller at Caribbean Casting and Engineering Ltd, Delta Supply Company, Automotive Power Limited, Silver Sands Estate and held accountancy roles at Neal and Massy Jamaica Limited and KPMG.



LIEUTENANT COMMANDER (RET'D) GEORGE OVERTON JP

Independent Non-Executive Director

Lt. Cdr. George Overton (Ret'd) represents the Guardsman Group at the Private Sector Organisation of Jamaica (PSOJ) where he chairs the Standing Committee on National Security and Justice. He also represents the PSOJ on the National Council of Justice. He is the Immediate Past President of the St. Andrew Justices of the Peace Association.

For the past eight years, he has served as the president of the Jamaica Society for Industrial Security (JSIS) and is currently the second vice-president of the St. Andrew Justices of the Peace Association.

He served the country as a naval officer where he developed his skills as a security consultant and received training at the Britannia Naval College and U.S. Naval War College.



PAUL B. SCOTT

CD

Independent Non-Executive Director

Paul B. Scott is the Chairman, Chief Executive Officer and principal shareholder of the Musson Group. His chairmanship extends to Musson's subsidiaries and affiliates; namely Facey Group Ltd, T. Geddes Grant (Distributors) Ltd., General Accident Insurance Company Ltd., Seprod Ltd. and PBS Group Ltd.

In addition to his responsibilities at Musson, he serves on several boards and commissions which include being Chairman of the Development Bank of Jamaica. He is a former President of the Private Sector Organization of Jamaica.

DIRECTORS & OFFICERS

LUMBER DEPOT LIMITED



MELANIE SUBRATIE

BSc (Hons.)

Independent Non-Executive Director

Melanie Subratie is the Deputy Chairman of Musson (Jamaica) Limited and is the Chairman and CEO of Stanley Motta Limited and Felton Property Management. Additionally, she is the Executive Chairman of the Musson Foundation and the Seprod Foundation. Melanie is the Vice-Chairman of General Accident Insurance Company Limited and T. Geddes Grant Limited, a director of Facey Group, Interlinc Limited, Eppley Limited, Eppley Caribbean Property Fund, PBS Group and all its subsidiaries, and Seprod Limited and all its subsidiaries.

Mrs. Subratie is Chairman of the Audit Committees for Seprod Limited, Interlinc Limited, and PBS Group. A keen angel investor, she is a director of First Angels, and a director of Bookfusion Limited. She is the First Vice President of the Jamaica Chamber of Commerce.

Mrs. Subratie is a graduate of the London School of Economics.

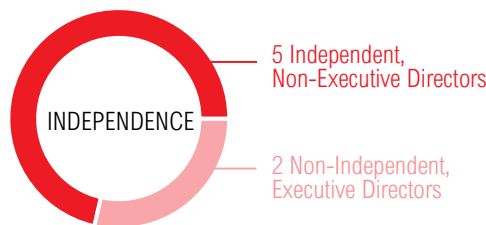
CORPORATE GOVERNANCE

LUMBER DEPOT LIMITED

BOARD FUNCTION AND RESPONSIBILITY

The Board of Directors (the “Board” or “Directors”) of the Company represents the owners’ interests in the Company. The Board’s primary role is to grow and maintain a successful business, to optimize long-term shareholders’ financial value and to adhere to the best practices of corporate governance.

The Board’s functions are fully described in the Company’s Corporate Governance Policy which can be found on the website of the Jamaica Stock Exchange (jamstockex.com).



TRANSPARENCY

Directors are required to periodically provide updated biographical data and declare appointments to other companies. Relevant details are included in this annual report. Information on nominated or elected members will also be presented to shareholders and directors in a timely manner.

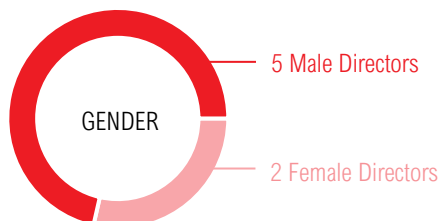
COMPOSITION

As at April 30, 2023, the Board was comprised of seven directors. This included two executive directors and five non-executive directors.

DIVERSITY

The Board composition reflects a mix of skills, expertise, gender and independence to allow for a diversity of perspectives in decision making.

Under the Company’s Corporate Governance Policy, the number of Independent Directors of the Company should equal or exceed 50% of the total number of Directors. “Independence” is defined in the Company’s Corporate Governance Policy available on the website of the Jamaica Stock Exchange.



EXPERTISE

Directors are required to apply a diversity of skill, knowledge and experience to the execution of their responsibilities. Their areas of expertise are set out below.

Board Expertise	Strategy & Leadership	Finance	Legal	Corporate Governance	Human Resources	Construction
Jeffrey Hall	●		●	●		
Noel Dawes	●					●
Vikram Dhiman	●	●				●
Lisa Kong-Lee	●	●				
George Overton	●				●	●
Paul B. Scott	●	●				
Melanie Subratie	●			●		●

COMMITTEES

The Board has established the following committees in accordance with the Securities Act and regulations made thereunder, and Junior Market Rules of the JSE.

AUDIT AND FINANCE COMMITTEE

Duties include oversight of good fiscal discipline, financial reporting, and general compliance with Junior Market Rules.

- Vikram Dhiman (Independent Chairman)
- George Overton
- Melanie Subratie
- Paul B. Scott

CORPORATE GOVERNANCE

LUMBER DEPOT LIMITED

CORPORATE GOVERNANCE, HUMAN RESOURCES AND COMPENSATION (“CG”) COMMITTEE

Duties include oversight of the Company’s corporate governance issues and remuneration arrangements for the executive directors and officers.

- Jeffrey Hall (Independent Chairman)
- George Overton
- Vikram Dhiman

MEETINGS

Board meetings and committee meetings are held regularly with a formal schedule of matters reserved for decision. Management is responsible for providing the Board with accurate information on the Company in a timely manner ahead of each board and committee meeting.

MEETING ATTENDANCE

The table below provides the attendance record of directors at various meetings.

	Board Meetings	Audit and Finance Committee	CG Committee
Total Meetings for the Year	5	5	1
Jeffrey Hall	5		1
Noel Dawes	5		
Vikram Dhiman	4	5	1
Lisa Kong-Lee	5		
George Overton	5	5	1
Paul B. Scott	2	2	
Melanie Subratie	2	3	

ACCOUNTING STANDARDS

The Company has engaged Blue Power Group Limited to provide administrative and accounting services on terms approved by independent members of both Boards of Directors and pursuant to a Corporate Services Agreement between the parties. The Corporate Services Agreement was renewed effective May 1, 2021 and has a term of three years.

REMUNERATION

The Directors receive an annual stipend and reimbursement of reasonable fees and expenses for attendance at each meeting of the Board of the Company and any Committee thereof. All compensation arrangements are subject to review and approval by the CG Committee of the Board.

DIRECTORS AND CONNECTED PARTIES REPORT

LUMBER DEPOT LIMITED

APRIL 30, 2023

TOTAL SHARES OUTSTANDING: 706,237,500

DIRECTORS AND CONNECTED PARTIES REPORT

PRIMARY HOLDER (JOINT HOLDER)	RELATIONSHIP	UNITS	PERCENTAGE
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

PRIMARY HOLDER (JOINT HOLDER)	UNITS	PERCENTAGE
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	37,801,854	5.3526
MARY J. FRAY	30,954,000	4.3829
JN FUND MANAGERS LIMITED	23,919,341	3.3869
NOEL DAWES	16,627,150	2.3543
QWI INVESTMENTS LTD	15,283,269	2.1640
JPS EMPLOYEES SUPERAN. FUND		
- PRIME ASSET MANAGEMENT	10,102,288	1.4304
THE MAYBERRY FOUNDATION	10,000,000	1.4160
TOTAL UNITS OWNED BY TOP 10	437,020,680	61.8801

CORPORATE DATA

LUMBER DEPOT LIMITED

DIRECTORS

Jeffrey Hall, CD, BA, MPP, JD (Chairman)
Major (Ret'd) Noel Dawes, Dip. Mgmt. (Managing Director)
Vikram Dhiman, BSc, CA, CPA, MBA
Lisa Kong-Lee, Level 2 ACCA, Dip. BA
Symone Mayhew, QC
Lt. Cdr. (Ret'd) George Overton, JP
Paul B. Scott, CD
Melanie Subratie, BSc

COMPANY SECRETARY

Lisa Kong-Lee, Level 2 ACCA, Dip. BA

REGISTERED OFFICE

4 Victoria Avenue
Kingston CSO, Jamaica W.I.
Phone: 876-928-1882
Email: bluepowergrouplimited@gmail.com

SALES OFFICE

17C Gordon Town Road, Papine
Kingston 6, Jamaica W.I.
Phone: 876-977-5075
Email: lumberdepotblue@gmail.com

REGISTRAR

Jamaica Central Securities Depository
40 Harbour Street
Kingston, Jamaica W.I.

AUDITORS

KPMG – Chartered Accountants
6 Duke Street
Kingston, Jamaica, W.I.

BANKERS

JN Bank
JN Premier
2 Belmont Road
Kingston 5, Jamaica, W.I.

ATTORNEY-AT-LAW

Patterson Mair Hamilton
Attorneys-at-Law
Temple Court
85 Hope Road
Kingston 6, Ja

LUMBER DEPOT LIMITED

FINANCIAL STATEMENTS

APRIL 30, 2023



KPMG
Chartered Accountants
P.O. Box 436
6 Duke Street
Kingston
Jamaica, W.I.
+1 (876) 922 6640
firmmail@kpmg.com.jm

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
LUMBER DEPOT LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Lumber Depot Limited ("the company"), set out on pages 7 to 41, which comprise the statement of financial position as at April 30, 2023, 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 April 30, 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board, and 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 Accountants 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.



Page 2

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Shareholders of
LUMBER DEPOT LIMITED

Report on the Audit of the Financial Statements (continued)

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. We have determined that there are no key audit matters to communicate in our report.

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 financial statements that give a true and fair view in accordance with IFRS Standards 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.



Page 3

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Shareholders of
LUMBER DEPOT LIMITED

Report on the Audit of the Financial Statements (continued)

Responsibilities of Management and Those Charged with Governance for the Financial Statements (continued)

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.

A further description of our responsibilities for the audit of the financial statements is included in the Appendix to this auditors' report. This description, which is located at pages 5 to 6, forms part of our auditors' report.



Page 4

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Shareholders of
LUMBER DEPOT 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 maintained, 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 Al Johnson.

KPMG

Chartered Accountants
Kingston, Jamaica

June 29, 2023



Page 5

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Shareholders of
LUMBER DEPOT LIMITED

Appendix to the Independent Auditors' Report

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism 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 achieves fair presentation.



Page 6

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Shareholders of
LUMBER DEPOT LIMITED

Appendix to the Independent Auditors' Report (continued)

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 communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or related safeguards applied.

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.


LUMBER DEPOT LIMITEDStatement of Financial Position
As at April 30, 2023

	<u>Notes</u>	<u>2023</u> \$	<u>2022</u> \$
NON-CURRENT ASSETS			
Property, plant and equipment	4	175,884,128	179,835,007
Investments	5	<u>115,970,905</u>	<u>111,135,448</u>
		<u>291,855,033</u>	<u>290,970,455</u>
CURRENT ASSETS			
Cash and cash equivalents	6	184,442,791	82,808,589
Accounts receivable and prepayments	7	43,747,201	39,800,066
Inventories	8	158,869,582	167,852,845
Taxation recoverable		<u>2,558,501</u>	<u>1,821,875</u>
		<u>389,618,075</u>	<u>292,283,375</u>
CURRENT LIABILITIES			
Accounts payable	9	<u>94,278,351</u>	<u>104,509,070</u>
NET CURRENT ASSETS			
		<u>295,339,724</u>	<u>187,774,305</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>587,194,757</u>	<u>478,744,760</u>
EQUITY			
Share capital	11	170,061,991	170,061,991
Retained earnings		<u>417,132,766</u>	<u>308,682,769</u>
		<u>587,194,757</u>	<u>478,744,760</u>
TOTAL EQUITY			
		<u>587,194,757</u>	<u>478,744,760</u>

The financial statements on pages 7 to 41 were approved for issue by the Board of Directors on June 29, 2023 and signed on its behalf by:



Noel Dawes Director



Vikram Dhiman Director

The accompanying notes form an integral part of the financial statements.

LUMBER DEPOT LIMITEDStatement of Profit or Loss and Other Comprehensive Income
For the year ended April 30, 2023

	<u>Notes</u>	<u>2023</u> \$	<u>2022</u> \$
Revenue	12	1,522,932,620	1,573,825,502
Cost of sales	13	<u>(1,232,117,086)</u>	<u>(1,233,511,236)</u>
Gross profit		290,815,534	340,314,266
Impairment losses on trade receivables reversed	7	3,191,391	2,588,044
Impairment losses on investment and cash and cash equivalent, net	20(b)	15,903	844,263
Administrative and other expenses	14	<u>(153,086,606)</u>	<u>(165,374,290)</u>
		140,936,222	178,372,283
Other income	15	<u>8,274,454</u>	<u>12,771,189</u>
Profit before net finance income and taxation		149,210,676	191,143,472
Finance income	16	4,535,945	3,145,381
Finance costs	16	<u>(8,572,275)</u>	<u>(10,399,974)</u>
Net finance costs	16	<u>(4,036,330)</u>	<u>(7,254,593)</u>
Profit before taxation		145,174,346	183,888,879
Taxation	17	<u>-</u>	<u>-</u>
Profit for the period attributable to members, being total comprehensive income		<u>145,174,346</u>	<u>183,888,879</u>
Earnings per stock unit	19	<u>0.21</u>	<u>0.26</u>

The accompanying notes form an integral part of the financial statements.

LUMBER DEPOT LIMITEDStatement of Changes in Equity
For the year ended April 30, 2023

	<u>Share capital</u> \$ (note 11)	<u>Retained earnings</u> \$	<u>Total</u> \$
Balances at April 30, 2021	170,061,991	153,043,390	323,105,381
Profit for the period, being total comprehensive income	-	183,888,879	183,888,879
Dividends paid (note 11c)	<u>-</u>	(28,249,500)	(28,249,500)
Balances at April 30, 2022	<u>170,061,991</u>	<u>308,682,769</u>	<u>478,744,760</u>
Profit for the period, being total comprehensive income		145,174,346	145,174,346
Dividends paid (note 11c)	<u>-</u>	(36,724,349)	(36,724,349)
Balances at April 30, 2023	<u>170,061,991</u>	<u>417,132,766</u>	<u>587,194,757</u>

The accompanying notes form an integral part of the financial statements.

LUMBER DEPOT LIMITEDStatement of Cash flow
For the year ended April 30, 2023

	<u>Notes</u>	<u>2023</u> \$	<u>2022</u> \$ Restated*
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		145,174,346	183,888,879
Adjustments for:			
Depreciation	4	7,738,455	10,544,609
Adjustment to property, plant and equipment	4	-	(3,985)
Interest income	16	(3,336,937)	(3,145,381)
Interest expense		-	1,064,497
Unrealised exchange gains		(193,149)	-
Appreciation on investments in mutual funds	15	(4,642,308)	(2,214,820)*
Loss on disposal of property, plant and equipment		<u>128,333</u>	<u>-</u>
Cash generated before changes in working capital		144,868,740	190,133,799
Accounts receivable and prepayments		(3,556,868)	2,559,575
Inventories		8,983,263	(36,254,156)
Accounts payable		(10,230,719)	(26,409,209)
Taxation recoverable		<u>(736,626)</u>	<u>(1,019,283)</u>
Cash provided by operations		139,327,790	129,010,726
Interest paid		<u>-</u>	<u>(1,064,497)</u>
Net cash provided by operating activities		139,327,790	127,946,229
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	4	(3,915,909)	(165,935,268)
Proceeds from sale of investments		-	49,254,610*
Purchase of investments		-	(40,708,887)*
Interest received		<u>2,946,670</u>	<u>3,016,577</u>
Net cash used by investing activities		<u>(969,239)</u>	<u>(154,372,968)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(36,724,349)	(28,249,500)
Lease liability		<u>-</u>	<u>(5,177,090)</u>
Net cash used by financing activities		<u>(36,724,349)</u>	<u>(33,426,590)</u>
Net increase/(decrease) in cash and cash equivalents		101,634,202	(59,853,329)
Cash and cash equivalents at beginning of period		<u>82,808,589</u>	<u>142,661,918</u>
Cash and cash equivalents at end of period		<u>184,442,791</u>	<u>82,808,589</u>

*Restated see note 21

The accompanying notes form an integral part of the financial statements.

LUMBER DEPOT LIMITED

Notes to the Financial Statements
Year ended April 30, 2023

1. Incorporation and identity

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.

The company commenced operations on August 1, 2019. Also, as at August 1, 2019 Blue Power Group Limited sold its' Lumber division to the company, and at that time certain assets and liabilities of the Lumber division were transferred at book value to the company (see note 3).

2. Basis of preparation

(a) Statement of compliance:

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations issued by the International Accounting Standards Board, and comply with the provisions of the Jamaican Companies Act.

New and amended standards and interpretations that became effective during the year:

Certain new and amended standards came into effect during the current financial year. The company has assessed them and has adopted those which are relevant to its financial statements. The adoption of these standards did not have an impact on the Company's financial statements.

New and amended standards and interpretations that are not yet effective:

At the date of authorisation of these financial statements, certain new and amended standards and interpretations have been issued which were not effective for the current year and which the company has not early-adopted. The company has assessed them with respect to its operations and has determined that the following are relevant:

- Amendments to IAS 1 *Presentation of Financial Statements*, will apply retrospectively for annual reporting periods beginning on or after 1 January 2023. The amendments promote consistency in application and clarify the requirements on determining if a liability is current or non-current.

Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the requirement for a right to be unconditional has been removed and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period. A company classifies a liability as non-current if it has a right to defer settlement for at least twelve months after the reporting period. It has now been clarified that a right to defer exists only if the company complies with conditions specified in the loan agreement at the end of the reporting period, even if the lender does not test compliance until a later date.

LUMBER DEPOT LIMITED

Notes to the Financial Statements (Continued)
 Year ended April 30, 2023

2. Basis of preparation (continued)

(a) Statement of compliance (continued):

New and amended standards and interpretations that are not yet effective (continued):

- Amendments to IAS 1 *Presentation of Financial Statements* (continued)

With the amendments, convertible instruments may become current. In light of this, the amendments clarify how a company classifies a liability that includes a counterparty conversion option, which could be recognised as either equity or a liability separately from the liability component under IAS 32. Generally, if a liability has any conversion options that involve a transfer of the company's own equity instruments, these would affect its classification as current or non-current. It has now been clarified that a company can ignore only those conversion options that are recognised as equity when classifying liabilities as current or non-current.

- Amendments to IAS 1 *Presentation of Financial Statements* are effective for annual periods beginning on or after January 1, 2023 and may be applied earlier. The amendments help companies provide useful accounting policy disclosures.

The key amendments to IAS 1 include:

- requiring companies to disclose their *material* accounting policies rather than their *significant* accounting policies;
- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

The amendments are consistent with the refined definition of material:

“Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements”.

- Amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* are effective for periods beginning on or after January 1, 2023, with early adoption permitted. 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.

LUMBER DEPOT LIMITED

Notes to the Financial Statements (Continued)
 Year ended April 30, 2023

2. Basis of preparation (continued)

(a) Statement of compliance (continued):

New and amended standards and interpretations that are not yet effective (continued):

- Amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors (continued)*

Developing an accounting estimate includes both:

- selecting a measurement technique (estimation or valuation technique) – e.g. an estimation technique used to measure a loss allowance for expected credit losses when applying IFRS 9 *Financial Instruments*; and
- choosing the inputs to be used when applying the chosen measurement technique – e.g. the expected cash outflows for determining a provision for warranty obligations when applying IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

The effects of changes in such inputs or measurement techniques are changes in accounting estimates.

- Amendments to IAS 12 *Income Taxes* are effective for annual reporting periods beginning on or after January 1, 2023, with early adoption permitted. The amendments clarify how companies should account for deferred tax on certain transactions – e.g. leases and decommissioning provisions.

The amendments narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision.

For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. If a company previously accounted for deferred tax on leases and decommissioning liabilities under the net approach, then the impact on transition is likely to be limited to the separate presentation of the deferred tax asset and the deferred tax liability.

For all other transactions, the amendments apply to transactions that occur after the beginning of the earliest period presented.

Management is evaluating the impact that the foregoing amendments to standards and interpretations may have on its financial statements when they are adopted.

LUMBER DEPOT LIMITED

Notes to the Financial Statements (Continued)
Year ended April 30, 2023

2. Basis of preparation (continued)

(b) Basis of measurement and functional currency:

The financial statements are prepared using the historical cost basis (modified by certain items that are measured at fair value) and are presented in Jamaica dollars (\$), which is the functional currency of the company.

(c) 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.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next financial year are discussed below:

(i) Judgements:

For the purpose of these financial statements, judgement refers to the informed identification and analysis of reasonable alternatives, considering all relevant facts and circumstances, and the well-reasoned, objective and unbiased choice of the alternative that is most consistent with the agreed principles set out in IFRS. The key relevant judgements are as follows:

(1) Impairment of financial assets:

Establishing the criteria for determining whether credit risk on a financial asset has increased significantly since initial recognition, determining methodology for incorporating forward-looking information into measurement of expected credit loss (ECL) and selection and approval of models used to measure ECL requires significant judgement. The Judgements factors which are used for incorporating forward looking information are GDP growth, unemployment rate and inflation rate.

Detailed information about the judgements and estimates made by the Company in the above areas is set out in notes 3(f) and 20(b).

LUMBER DEPOT LIMITED

Notes to the Financial Statements (Continued)
Year ended April 30, 2023

2. Basis of preparation (continued)

(c) Use of estimates and judgements (continued):

Key assumptions concerning the future and other sources of estimation uncertainty:

(ii) Allowance for impairment losses:

In determining amounts recorded for impairment of financial assets in the financial statements, management makes assumptions in determining the inputs to be used in the ECL measurement model, including incorporation of forward-looking information. Management also estimates the likely amount of cash flows recoverable on the financial assets in determining loss given default. The use of assumptions makes uncertainty inherent in such estimates [see note 20(b)].

It is reasonably possible, based on existing knowledge, that outcomes within the next financial year that are different from those assumptions could require a material adjustment to the carrying amount reflected in the financial statements.

3. Significant accounting policies

(a) Property, plant and equipment:

(i) Property, plant and equipment are measured at cost, less accumulated depreciation and impairment losses, if any.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of day-to-day servicing of property, plant and equipment are recognised in profit or loss.

Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds with the carrying amount and are included in profit or loss.

LUMBER DEPOT LIMITED

Notes to the Financial Statements (Continued)
Year ended April 30, 2023

3. Significant accounting policies (continued)

(a) Property, plant and equipment (continued):

(ii) Depreciation:

Depreciation is computed on the straight-line basis at annual rates estimated to write down the cost of the assets to their estimated residual values at the end of their expected useful lives. No depreciation is charged on freehold land. Annual depreciation rates are as follows:

Building	2.5%
Machinery and equipment	10-20%
Furniture, fixtures and office equipment	10-20%
Computers	22.50%
Motor vehicle	20%

The depreciation methods, useful lives and residual values are reassessed at each reporting date and adjustments made if appropriate.

(b) Cash and cash equivalents:

Cash and cash equivalents comprise cash, bank balances, certificate of deposit and resale agreements.

Cash and cash equivalents include cash in hand, deposits held at call with banks.

Certificates of deposit where the maturities do not exceed three months from the date of acquisition.

Resale agreements are short-term transactions which mature within three month or less whereby an entity buys securities and simultaneously agrees to resell them on a specified date and at a specified price. The difference between the purchase and resale considerations is recognised as interest income on the accrual basis over the period of the agreements, using the effective interest method.

(c) Inventories:

Inventories are measured at the lower of cost, determined on the weighted average basis, and net realisable value.

(d) Accounts receivable:

Trade and other accounts receivables are measured at amortised cost, less impairment losses [see note 3(g)].

(e) Accounts payable:

Trade and other payables are measured at amortised cost.

LUMBER DEPOT LIMITED

Notes to the Financial Statements (Continued)
Year ended April 30, 2023

3. Significant accounting policies (continued)

(f) Impairment :

Financial assets

The company recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost.

12-month ECLs are the portion of ECLs that result from default events on a financial instrument that are possible within 12 months after the reporting date. Financial instruments for which a 12-month ECL is recognised are referred to as 'Stage 1 financial instruments'.

Life-time ECLs are the ECLs that result from all possible default events over the expected life of the financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the company is exposed to credit risk.

The company measures loss allowances at an amount equal to lifetime ECLs. Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the company considers reasonable and supportable information relevant and available without undue cost or effort.

This includes both quantitative and qualitative information and analysis, based on the company's historical experience and informed credit assessment and including forward looking information.

The company assumes that the credit risk on financial assets has increased significantly if it is more than 60 days past due.

The company considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The company does not apply the low credit risk exemption to any other financial instruments.

The company recognises loss allowances for ECLs and considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the company in full, without recourse by the company to action such as realising security if any is held; or
- the financial asset is more than 180 days past due.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the company in accordance with the contract and the cash flows that the company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

LUMBER DEPOT LIMITED

Notes to the Financial Statements (Continued)
Year ended April 30, 2023

3. Significant accounting policies (continued)

(f) Impairment (continued):

*Financial assets (continued)**Credit-impaired financial assets*

At each reporting date, the company assesses whether financial assets carried at amortised costs are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is the case when the company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

Recoveries of amounts previously written off are included in 'impairment losses on financial instruments' in the statement of profit or loss. Financial assets that are written off could still be subject to enforcement activities in order to comply with the company's procedures for recovery of amounts due.

Non-financial assets

The carrying amount of the company's non-financial assets is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit (CGU) exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

LUMBER DEPOT LIMITED

Notes to the Financial Statements (Continued)
Year ended April 30, 2023

3. Significant accounting policies (continued)

(f) Impairment (continued):

Non-financial assets (continued)

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the assets' carrying amount does not exceed the carrying amount that would have been determined, if no impairment loss had been recognised.

(g) 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.

(i) Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

LUMBER DEPOT LIMITED

Notes to the Financial Statements (Continued)
Year ended April 30, 2023

3. Significant accounting policies (continued)

(g) Financial instruments (continued):

(ii) Classification and subsequent measurement (continued)

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

In assessing whether the contractual cash flows are solely payments of principal and interest, the company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Amortised cost represents the net present value (“NPV”) of the consideration receivable or payable as of the transaction date. This classification of financial assets comprises the following captions:

- Cash and cash equivalents
- Trade and other receivables
- Corporate bonds at amortised cost

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial liabilities

All financial liabilities are recognised initially at fair value and in the case of borrowings, plus directly attributable transaction costs. The company’s financial liabilities, which include trade and other payables are recognised initially at fair value.

Financial assets and liabilities – Subsequent measurement and gains and losses

Financial assets at FVTPL as subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in the profit or loss.

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

LUMBER DEPOT LIMITED

Notes to the Financial Statements (Continued)
Year ended April 30, 2023

3. Significant accounting policies (continued)

(g) Financial instruments (continued):

(ii) Classification and subsequent measurement (continued)

Financial assets and liabilities – Subsequent measurement and gains and losses (continued)

The subsequent measurement of financial liabilities depends on their classification as described in the particular recognition methods disclosed in the individual policy statements associated with each item.

Financial assets

The company derecognises a financial asset when the contractual rights to the cash flows from the financial 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 in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities

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

(h) Employee benefits:

Employees' entitlement to annual leave and other benefits are recognised when they accrue to employees.

(i) 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.

Revenue is recognised at a point in time in the amount of the price, before tax on sales and after deducting discounts and rebates, expected to be received by the company for sale of lumber, hardware supplies and related products in their ordinary activities, as performance obligations are fulfilled and the product is delivered to the customers. The invoices are generated and the revenue recognised at that point in time. Invoices are usually payable within 30 days.

Other income

Other income comprises mainly rental income. Revenue is recognized on a straight-line basis over the lease term.

LUMBER DEPOT LIMITED

Notes to the Financial Statements (Continued)
Year ended April 30, 2023

3. Significant accounting policies (continued)

(j) Finance income and Finance cost

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 group estimates future cash flows considering all contractual terms of the financial instrument, but not ECL.

The calculation of the effective interest rate includes transaction costs and fees paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition of a financial asset.

The ‘amortised cost’ of a financial asset is the amount at which the financial asset is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance.

The ‘gross carrying amount of a financial asset’ is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

The effective interest rate of a financial asset is calculated on initial recognition of a financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). The effective interest rate is revised as a result of periodic re-estimation of cash flows of floating rate instruments to reflect movements in market rates of interest.

Finance cost

Finance cost comprises bank charges, foreign exchange losses and lease interest and is recognised in profit or loss.

(k) Taxation:

Taxation on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is also recognised accordingly.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the reporting date.

LUMBER DEPOT LIMITED

Notes to the Financial Statements (Continued)
Year ended April 30, 2023

3. Significant accounting policies (continued)

(k) Taxation (continued):

A deferred tax liability is recognised for all taxable temporary differences associated with investments in subsidiaries, except to the extent that the company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(l) 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, 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. Non-monetary assets and liabilities denominated in foreign currencies, which are measured at historical cost, are translated at the foreign exchange rates ruling at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the foreign exchange rates ruling at the dates that the values were determined.

For the purposes of the statement of cash flows, foreign exchange gains and losses are treated as cash items and included in cash flows along with the movements in the relevant balances.

(m) Related parties:

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in IAS 24 *Related Party Disclosures* as the “reporting entity”).

(a) A person or a close member of that person’s family is related to a reporting entity if that person:

- (i) has control or joint control over the reporting entity;
- (ii) has significant influence over the reporting entity; or
- (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies:

- (i) The entity and the reporting entity are members of the same company (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a company of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.

LUMBER DEPOT LIMITED

Notes to the Financial Statements (Continued)
Year ended April 30, 2023

3. Significant accounting policies (continued)

(m) Related parties (continued):

(b) An entity is related to a reporting entity if any of the following conditions applies (continued):

- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity.
- (vi) The entity is controlled, or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity or any member of a company of which it is a part provides key management services to the reporting entity or to the parent of the reporting entity.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

(n) Fair value measurement:

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. Market price is used to determine fair value where an active market exists as it is the best evidence of the fair value of a financial instrument.

The carrying values reflected in the financial statements for cash and cash equivalent, trade and other receivables, and trade and other payables are assumed to approximate fair value due to their relatively short-term nature.

The fair value of amounts due from related party are assumed to approximate carrying value due to their relatively short-term nature.

(o) Segment reporting:

A segment is a distinguishable component of the company that is engaged either in providing products (business segment), or in providing products within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

The company's activities are limited to the sale of lumber, hardware supplies and related products to Jamaican consumers, operating in a single segment, therefore no additional segment information is provided.

LUMBER DEPOT LIMITEDNotes to the Financial Statements (Continued)
Year ended April 30, 20234. Property, plant and equipment

	<u>Land</u>	<u>Building</u>	<u>Leasehold</u>	<u>Plant and</u>	<u>Furniture</u>	<u>Computers</u>	<u>Motor</u>	<u>Construction</u>	<u>Total</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>and</u>	<u>\$</u>	<u>vehicle</u>	<u>work-in-progress</u>	<u>\$</u>
					<u>fixtures</u>				
					<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Cost:									
April 30, 2021	-	-	1,564,925	15,924,094	456,981	2,936,212	8,015,936	-	28,898,148
Additions	50,000,000	115,300,500	-	-	79,196	555,572	-	-	165,935,268
Disposals	-	-	(1,564,925)	-	(42,707)	-	-	-	(1,607,632)
April 30, 2022	50,000,000	115,300,500	-	15,924,094	493,470	3,491,784	8,015,936	-	193,225,784
Additions	-	-	-	3,211,999	407,163	384,100	-	412,647	4,415,909
Disposals	-	-	-	(1,885,000)	-	-	-	-	(1,885,000)
April 30, 2023	<u>50,000,000</u>	<u>115,300,500</u>	<u>-</u>	<u>17,251,093</u>	<u>900,633</u>	<u>3,875,884</u>	<u>8,015,936</u>	<u>412,647</u>	<u>195,756,693</u>
Accumulated depreciation:									
April 30, 2021	-	-	189,561	3,114,168	137,960	1,328,657	2,637,242	-	7,407,588
Charge for the year	-	1,441,256	78,246	2,396,536	81,981	678,302	1,603,187	-	6,279,508
Adjustment	-	-	-	-	-	(3,985)	-	-	(3,985)
Disposal	-	-	(267,807)	-	(24,527)	-	-	-	(292,334)
April 30, 2022	-	1,441,256	-	5,510,704	195,414	2,002,974	4,240,429	-	13,390,777
Charge for the year	-	2,882,513	-	2,373,286	96,707	782,762	1,603,187	-	7,738,455
Disposal	-	-	-	(1,256,667)	-	-	-	-	(1,256,667)
April 30, 2023	-	4,323,769	-	6,627,323	292,121	2,785,736	5,843,616	-	19,872,565
Net book values:									
April 30, 2023	<u>50,000,000</u>	<u>110,976,731</u>	<u>-</u>	<u>10,623,770</u>	<u>608,512</u>	<u>1,090,148</u>	<u>2,172,320</u>	<u>412,647</u>	<u>175,884,128</u>
April 30, 2022	<u>50,000,000</u>	<u>113,859,244</u>	<u>-</u>	<u>10,413,390</u>	<u>298,056</u>	<u>1,488,810</u>	<u>3,775,507</u>	<u>-</u>	<u>179,835,007</u>

Machinery disposed of was traded at a value of \$500,000 (2022:Nil) for a similar asset.

LUMBER DEPOT LIMITEDNotes to the Financial Statements (Continued)
Year ended April 30, 20235. Investments

	<u>2023</u>	<u>2022</u>
	\$	\$
Amortised cost:		
Corporate bonds:		
United States Dollars[US\$100,000 (2022: US\$100,000)] (i)	<u>15,021,061</u>	<u>15,175,718</u>
Fair value through profit and loss:		
Mutual Fund:		
United States Dollars [US\$ 276,013]	42,492,373	40,708,887
Jamaican Dollars	<u>58,457,471</u>	<u>55,250,843</u>
	<u>100,949,844</u>	<u>95,959,730</u>
	<u>115,970,905</u>	<u>111,135,448</u>

(i) These are stated net of allowances for impairment losses of \$180,939 (2022: \$222,482).

6. Cash and cash equivalents

	<u>2023</u>	<u>2022</u>
	\$	\$
Cash in hand	7,301,860	4,904,950
Cash in bank (a)	102,869,819	77,903,639
Resale agreements (b), (c)	7,208,112	-
Certificate of deposit (d)	<u>67,063,000</u>	<u>-</u>
	<u>184,442,791</u>	<u>82,808,589</u>

(a) Cash in bank include US\$1,078 (2022: US\$211) which earns interest at an average rate of 0.01% (2022: 0.1%) and J\$102,705,919 (2022: \$77,748,111).

(b) The fair value of securities obtained by the company under resale agreement approximates the carrying value of the agreements. This is stated net of allowance for impairment losses \$25,640 (2022: \$ Nil).

(c) The resale agreement is held with JN Fund Managers Limited and equates to US\$47,584 (2022: US\$ Nil) which earns interest at an average rate of 2% (2022: 1.15%).

(d) The certificate of deposits are held with JN Fund Managers and earns interest at an average rate of 7.5 % (2022: Nil).

LUMBER DEPOT LIMITEDNotes to the Financial Statements (Continued)
Year ended April 30, 20237. Accounts receivable and prepayments

	<u>2023</u>	<u>2022</u>
	\$	\$
Trade receivables (i)	44,527,801	48,168,790
Less: Allowances for impairment losses (ii)	<u>(10,640,641)</u>	<u>(14,522,660)</u>
	<u>33,887,160</u>	<u>33,646,130</u>
Prepayments	8,302,408	5,464,330
Other	<u>1,557,663</u>	<u>689,606</u>
	<u>43,747,201</u>	<u>39,800,066</u>

(i) Included in trade receivables is \$4,696,242 (2022: \$2,313,662) due from related parties in the ordinary course of business [note 10(b)]. No provision was made for these amounts as management did not identify any indicators of impairment.

(ii) Allowances are determined upon origination of the trade accounts receivable based on the ECL model.

Under the ECL model, the company uses accounts receivable based on days past due and determines 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 accounts receivable. A weighted average ECL rate is used as at April 30, 2023 to apply against the accounts receivable balance [note 20 (b)].

Movement in trade receivables impairment allowance is as follows:

	<u>2023</u>	<u>2022</u>
	\$	\$
Balance as at May 1	14,522,660	17,110,704
Bad debt written off	(690,628)	-
Impairment loss reversed	<u>(3,191,391)</u>	<u>(2,588,044)</u>
Balance as at April 30	<u>10,640,641</u>	<u>14,522,660</u>

8. Inventories

	<u>2023</u>	<u>2022</u>
	\$	\$
Merchandise	158,639,033	163,389,848
Goods in transit	<u>230,549</u>	<u>6,296,591</u>
	158,869,582	169,686,439
Less: Allowance for impairment	<u>-</u>	<u>(1,833,594)</u>
	<u>158,869,582</u>	<u>167,852,845</u>

LUMBER DEPOT LIMITEDNotes to the Financial Statements (Continued)
Year ended April 30, 20238. Inventories (continued)

No provision has been made in these financial statements for other expenses to be incurred in clearing goods-in-transit.

During the period, merchandise inventories included in cost of revenue amounted to \$1,217,568,231 (2022: \$1,227,239,780).

9. Accounts payable

	<u>2023</u>	<u>2022</u>
	\$	\$
Trade payables	50,551,457	69,271,540
Audit fee accruals	7,500,000	4,700,000
Statutory payables	1,028,129	3,472,022
Customer deposit	14,036,164	4,111,577
GCT payables	4,320,332	3,343,265
Bonus provision	7,105,342	3,992,902
Goods in transit	-	6,296,591
Other payables	<u>9,736,927</u>	<u>9,321,173</u>
	<u>94,278,351</u>	<u>104,509,070</u>

Included in trade payables is amount of \$119,747 (2022: \$11,617,988) due to a related party [note 10(c)].

Included in other payables is amount of \$725,694 (2022: \$1,873,618) due to a related party [note 10(a)].

10. Due from/(to) related party and related party transactions

	<u>2023</u>	<u>2022</u>
	\$	\$
(a) Included in other payables:		
Blue Power Group Limited (significant influence)	<u>(725,694)</u>	<u>(1,873,618)</u>
(b) Included in trade receivables:		
Blue Power Group Limited (significant influence)	402,464	228,530
Guardsman Group of Companies (common directors)	<u>4,293,778</u>	<u>2,085,132</u>
	<u>4,696,242</u>	<u>2,313,662</u>
(c) Included in trade payables:		
Blue Power Group Limited (significant influence)	<u>(119,747)</u>	<u>(11,617,988)</u>
(d) Related party transactions:		
Charged/(credited) to income:		
Sales to related parties –		
Blue Power Group Limited (significant influence)	13,440,132	22,934,533
Purchase from related party –		
Blue Power Group Limited (significant influence)	<u>(54,220,691)</u>	<u>(171,299,860)</u>

LUMBER DEPOT LIMITED

Notes to the Financial Statements (Continued)
Year ended April 30, 2023

10. Due from/(to) related party and related party transactions (continued)

	<u>2023</u>	<u>2022</u>
	\$	\$
(d) Related party transactions (continued):		
Purchase of property from related party – Cotrade Limited (subsidiary of an entity which exercises significant influence)	-	(164,000,000)
Management fee Blue Power Group Limited (significant influence)	(13,527,164)	(16,745,420)
Rent expenses Blue Power Group Limited (significant influence)	(3,675,000)	(3,500,000)
(e) Key management personnel expense:		
Salaries and other short-term employee benefits	<u>(21,261,798)</u>	<u>(32,506,654)</u>

11. Share capital

	<u>2023</u>	<u>2022</u>
	\$	\$
Authorised:		
Unlimited ordinary shares of no par value		
Stated capital:		
Issued and fully paid:		
706,237,500 Ordinary stock units of no par value	<u>170,061,991</u>	<u>170,061,991</u>

- (a) On incorporation the company issued 564,990,000 shares of no par value for a consideration of \$564,991.
- (b) In December 2019, the company issued 141,247,500 stock units at \$1.20 per stock unit for a consideration of \$169,497,000.
- (c) The company declared and paid dividend of 5.2 cents (2022: 4 cents) per stock unit during the year.

12. Revenue

Revenue represents the sale of construction and related hardware supplies and is stated net of General Consumption Tax and after deducting discounts and rebates.

13. Cost of sales

	<u>2023</u>	<u>2022</u>
	\$	\$
Wharfage, freight and customs	248,526	5,527,678
Cost of goods sold	1,229,527,405	1,227,239,780
Damaged goods written off	<u>2,341,155</u>	<u>743,778</u>
	<u>1,232,117,086</u>	<u>1,233,511,236</u>

LUMBER DEPOT LIMITED

Notes to the Financial Statements (Continued)
 Year ended April 30, 2023

14. Administrative and other expenses

	<u>2023</u>	<u>2022</u>
	\$	\$
Advertising and promotion	355,693	107,360
Audit fees	7,500,000	5,250,000
Depreciation	7,738,455	10,544,609
Insurance	6,008,031	5,463,641
Management fees (note 18)	13,527,164	16,745,420
Miscellaneous	2,572,275	1,784,386
Office expenses	5,341,873	6,064,224
Professional fees	9,887,562	11,461,231
Rental expenses (note 10)	3,675,000	3,500,000
Repairs and maintenance	5,153,092	4,225,772
Salaries and wages	70,361,625	79,190,407
Statutory contributions	7,488,165	8,761,876
Security	6,208,216	6,474,024
Taxes, penalties and levy	251,200	1,226
Travel and motor vehicle costs	3,174,668	2,947,036
Utilities	3,843,587	2,853,078
	<u>153,086,606</u>	<u>165,374,290</u>

15. Other income

	<u>2023</u>	<u>2022</u>
	\$	\$
Rental Income	3,511,476	5,954,124
Customer deposits written back	-	3,360,657
Appreciation on investments in mutual funds	4,642,308	2,214,820
Other income	120,670	1,241,588
	<u>8,274,454</u>	<u>12,771,189</u>

16. Net finance costs

	<u>2023</u>	<u>2022</u>
	\$	\$
Finance income:		
Interest income from corporate bonds	755,817	2,690,071
Interest income from certificate of deposit	1,740,256	-
Interest income from savings account	321,794	326,507
Accrued interest	519,070	128,803
	<u>3,336,937</u>	<u>3,145,381</u>
Foreign exchange gain	<u>1,199,008</u>	<u>-</u>
	<u>4,535,945</u>	<u>3,145,381</u>
Finance costs:		
Bank charges and fees	(8,572,275)	(7,686,405)
Interest expense	-	(1,064,497)
Foreign exchange losses	-	(1,649,072)
	<u>(8,572,275)</u>	<u>(10,399,974)</u>
	<u>(4,036,330)</u>	<u>(7,254,593)</u>

LUMBER DEPOT LIMITED

Notes to the Financial Statements (Continued)
Year ended April 30, 2023

16. Net finance costs (continued)

The total interest income is calculated using the effective interest rate method for the financial assets that are measured at amortised cost.

17. Taxation

(a) There was no tax expense in the current or prior year.

Reconciliation of actual tax charge/(credit):

	<u>2023</u>	<u>2022</u>
	\$	\$
Profit before taxation	<u>145,174,346</u>	<u>183,888,879</u>
Computed "expected" tax at 25%	36,293,587	45,972,220
Tax effect of differences between treatment for financial statement and taxation purposes:		
Net effect of other charges and allowances	(2,881,239)	(4,148)
Expenses not allowable for tax purposes	<u>2,400,472</u>	<u>1,976,507</u>
	35,812,820	47,944,579
Adjustment for the effect of tax remission [note (b)]	<u>(35,812,820)</u>	<u>(47,944,579)</u>
	<u>-</u>	<u>-</u>

(b) Remission of income tax:

The company's shares were listed on the Junior Market of the Jamaica Stock exchange, effective December 16, 2019.

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 fifteen (15) years:

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

The financial statements have been prepared on the basis that the company will retain the benefit of tax remissions for the period when listed to the reporting period end.

18. Disclosure of expenses

Profit attributable to shareholders is stated after charging:

	<u>2023</u>	<u>2022</u>
	\$	\$
Directors' emoluments:		
Fees	1,800,000	3,250,000
Management remuneration	21,261,798	32,506,654
Management fee (note 14)	13,527,164	16,745,420

LUMBER DEPOT LIMITED

Notes to the Financial Statements (Continued)
Year ended April 30, 2023

19. Earnings per stock unit

Earnings per ordinary stock unit is calculated by dividing the profit attributable to shareholders by the weighted average number of stock units in issue during the period.

	<u>2023</u>	<u>2022</u>
Profit attributable to shareholders (\$)	<u>145,174,346</u>	<u>183,888,879</u>
Weighted average number ordinary stock units in issue	<u>706,237,500</u>	<u>706,237,500</u>
Earnings per stock unit (\$)	<u>0.21</u>	<u>0.26</u>

There are no dilutive instruments

20. Financial instruments

The company has exposure to the following risks from its use of financial instruments:

- Market risk
- Credit risk
- Liquidity risk
- Operational risk

The Board of Directors, together with management, has overall responsibility for the establishment and oversight of the company's risk management framework.

The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and company's activities.

(a) Market risk:

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

(i) Currency risk :

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The company is exposed to foreign currency risk, primarily on purchases that are denominated in a currency other than the Jamaica dollar. The main currency giving rise to this risk is the United States dollars (US\$).

LUMBER DEPOT LIMITED

Notes to the Financial Statements (Continued)
 Year ended April 30, 2023

20. Financial instruments (continued)

(a) Market risk (continued):

(i) Currency risk (continued):

The company manages foreign exchange exposure by maintaining adequate liquid resources in appropriate currencies and by managing the timing of payments on foreign currency liabilities.

The table below shows the company's main foreign currency exposure at the reporting date.

	2023		2022	
	US\$	J\$	US\$	J\$
Cash and cash equivalents	1,078	163,900	881	135,528
Corporate bonds	100,000	15,021,061	100,000	15,175,718
Mutual Fund	276,013	42,492,373	264,853	40,729,094
Interest receivable	1,265	192,378	840	128,804
Accounts payable	(14,182)	(2,155,947)	-	-
Net position	<u>364,174</u>	<u>55,713,766</u>	<u>366,574</u>	<u>56,169,144</u>

Exchange rates for the US dollar, in terms of Jamaica dollars (\$), were as follows:

April 30, 2023	\$152.02
April 30, 2022	\$153.78

Sensitivity analysis

A 4% strengthening (2022: 8%) of the US\$ against the Jamaica dollar would have increased profit for the year by \$2,214,178 (2022: \$4,509,714).

A 1% weakening (2022: 2%) of the US\$ against the Jamaica dollar would have decreased profit for the year by \$558,947 (2022: \$1,127,429).

The analysis assumes that all other variables, in particular interest rates, remain constant.

(ii) 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.

Interest-bearing financial assets mainly comprise bank deposits, resale agreements and corporate bonds. Bank deposits and resale agreements have been contracted at variable interest rates for the duration of their terms and corporate bonds have been contracted at fixed rate for the duration of their terms.

LUMBER DEPOT LIMITED

Notes to the Financial Statements (Continued)
Year ended April 30, 2023

20. Financial instruments (continued)

(a) Market risk (continued):

(ii) Interest rate risk (continued):

The company's cash and cash equivalents are subject to interest rate risk; however, it manages this risk by maintaining deposits and negotiating the most advantageous interest rates.

At the reporting date the interest profile of the company's interest bearing financial instruments were:

	<u>2023</u>	<u>2022</u>
	\$	\$
Fixed rate:		
Assets	<u>15,021,061</u>	<u>15,521,273</u>
Variable rate:		
Assets	<u>74,271,112</u>	<u>-</u>

Fair value sensitivity analysis for fixed rate instruments

The company's financial instruments that are carried at fair value are mutual fund investments. Therefore, a change in interest rates, at the reporting dates, would not affect profit or equity at the reporting date.

Cash flow sensitivity analysis for variable rate instruments

An increase of 100 basis points in interest rates at the reporting date would have increased profit by \$742,711 (2022: \$Nil).

A decrease of 50 basis points in interest rates at the reporting date would have decreased profit by \$371,356 (2022: \$Nil).

This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

(b) Credit risk:

Credit risk is the risk that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. Credit exposures arise principally from the company's receivables from customers and deposits held with financial institutions.

At reporting date, 98% of the company's cash resources were held with one financial institution which is believed to be a substantial counterparty with a minimal risk of default. Otherwise, there were no significant concentrations of credit risk and the maximum exposure to credit risk is represented by the carrying amount of each financial assets on the statement of financial position.

LUMBER DEPOT LIMITED

Notes to the Financial Statements (Continued)
Year ended April 30, 2023

20. Financial instruments (continued)

(b) Credit risk (continued):

Cash and cash equivalents and investments

Cash and cash equivalents and investments are maintained with financial institutions that are appropriately licensed and regulated, therefore management believes that the risk of default is low.

Impairment on cash and cash equivalents has been measured at 12 months expected loss basis and reflects the short maturities of the exposures. The company considered that cash and cash equivalents have low credit risk. Impairment allowances of \$25,640 (2022:\$Nil) was recognised on repurchase agreements as at the reporting period.

Impairment on investments has been measured on the 12-months expected loss basis. Information about the credit risk and quality of these financial assets are as follows:

	<u>2023</u> Stage 1 12-month ECL \$	<u>2022</u> Stage 1 12-month ECL \$
Gross carrying amount	15,202,000	15,398,200
Less: impairment allowance	(180,939)	(222,482)
	<u>15,021,061</u>	<u>15,175,718</u>

Movement in impairment allowance on cash and cash equivalents and investment is as follows:

	<u>2023</u>		
	<u>Cash and cash equivalents</u> \$	<u>Investment</u> \$	<u>Total</u> \$
Balance as at May 1	-	222,482	222,482
Impairment losses, net	<u>25,640</u>	(41,543)	(15,903)
Balance as at April 30	<u>25,640</u>	<u>180,939</u>	<u>206,579</u>
	<u>2022</u>		
	<u>Cash and cash equivalents</u> \$	<u>Investment</u> \$	<u>Total</u> \$
Balance as at May 1	-	1,066,745	1,066,745
Impairment losses, net	-	(844,263)	(844,263)
Balance as at April 30	<u>-</u>	<u>222,482</u>	<u>222,482</u>

LUMBER DEPOT LIMITED

Notes to the Financial Statements (Continued)
 Year ended April 30, 2023

20. Financial instruments (continued)

(b) Credit risk (continued):

Trade receivables

Management has established a credit policy under which its customers are analysed for creditworthiness prior to being offered with a credit facility. This includes credit evaluations on new customers and procedures for the recovery of amounts owed by defaulting customers. Management has procedures in place to restrict credit sales if the customers have not cleared outstanding debts within the credit period. In monitoring customer credit risk, customers are categorised according to their credit characteristics, including whether they are an individual or company, or aging profile and existence of previous financial difficulties.

The company's average credit period on the sale of its products is 30-60 days. Some trade receivables are provided for based on the estimate of amounts that would be irrecoverable, determined by taking into consideration past default experience, current economic conditions and expected receipts and recoveries. Management also considers the factors that may influence the credit risk of the customer base, including the default risk associated with the industry and country in which the customers operate. The customer is allowed up to 60 days after each invoice date to submit payment of amounts owing to the company.

The company uses a provision matrix to measure ECLs on trade receivables. The provision matrix is based on the historical observed default rates adjusted by forward-looking indicators. The Judgements factors which are used for incorporating forward looking information are GDP growth, unemployment rate and inflation rate.

The following table provides information about the exposure to credit risk and ECL for trade receivables for the reporting date (see note 7).

Age categories	2023			
	Weighted average loss rate	Gross carrying amount	Loss allowance	Credit impaired
		\$	\$	
Current (not past due)	7%	34,398,304	2,239,180	No
Past due 61 - 180 days	40%	2,883,040	1,155,004	No
More than 180 days	100%	<u>7,246,457</u>	<u>7,246,457</u>	Yes
		<u>44,527,801</u>	<u>10,640,641</u>	
Age categories	2022			
	Weighted average loss rate	Gross carrying amount	Loss allowance	Credit impaired
		\$	\$	
Current (not past due)	9.8%	36,402,416	3,823,011	No
Past due 61 - 180 days	45.5%	2,188,964	1,122,239	No
More than 180 days	100%	<u>9,577,410</u>	<u>9,577,410</u>	Yes
		<u>48,168,790</u>	<u>14,522,660</u>	

LUMBER DEPOT LIMITED

Notes to the Financial Statements (Continued)
Year ended April 30, 2023

20. Financial instruments (continued)

(c) Liquidity risk:

Liquidity risk is the risk that the company will not meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure, as far as possible, that it has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

The management of the company maintains an adequate amount of its financial assets in liquid form to meet contractual obligations and other recurring payments, and has a revolving line of credit in place on which the company can draw amounts when needed and repay without penalty.

The following are the contractual maturities of the non-derivative financial liabilities, including interest payments and excluding the impact of netting agreements.

	<u>Carrying amount</u> \$	<u>Contractual cash flow</u> \$	<u>Less than a year</u> \$	<u>1-5 years</u> \$
April 30, 2023:				
Financial liabilities:				
Accounts payable	<u>94,278,351</u>	<u>94,278,351</u>	<u>94,278,351</u>	<u>-</u>
April 30, 2022:				
Financial liabilities:				
Accounts payable	<u>104,509,070</u>	<u>104,509,070</u>	<u>104,509,070</u>	<u>-</u>

(d) Operational risk:

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the company's processes, personnel, technology and infrastructure, and from external factors, other than financial risks, such as those arising from legal, regulatory requirements and other natural disasters.

The company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to its reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to management.

LUMBER DEPOT LIMITED

Notes to the Financial Statements (Continued)
Year ended April 30, 2023

20. Financial instruments (continued)

(e) Capital management:

The company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns to shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital as well as meet externally imposed capital requirements.

The Board of Directors monitors the return on capital, which is defined as profit for the period divided by total stockholders' equity.

The company is not subject to any externally imposed capital requirements.

(f) Fair value disclosure:

The carrying value of cash and cash equivalents, trade and other receivable, and accounts payable are assumed to approximate their fair values due to their short-term nature.

The fair value of mutual funds and corporate bonds are determined in the manner described in note 3(h) and 3(o).

Fair values are disclosed in below.

	2023			
	Asset measured at amortised cost	Fair value through profit or loss	Total	Fair Value
	\$	\$	\$	\$
<u>Financial assets</u>				
Cash and cash equivalents	184,442,791	-	184,442,791	184,442,791
Corporate bonds	15,021,061	-	15,021,061	15,021,061
Mutual fund	-	100,949,844	100,949,844	100,949,844
Trade and other receivable	<u>35,444,793</u>	<u>-</u>	<u>35,444,793</u>	<u>35,444,793</u>
	<u>234,908,645</u>	<u>100,949,844</u>	<u>335,858,489</u>	<u>335,858,489</u>
<u>Financial liabilities</u>				
Accounts payable	<u>-</u>	<u>-</u>	<u>94,278,351</u>	<u>94,278,351</u>

LUMBER DEPOT LIMITED

Notes to the Financial Statements (Continued)
 Year ended April 30, 2023

20. Financial instruments (continued)

(f) Fair value disclosure (continued):

	2022			
	Asset measured at <u>amortised cost</u> \$	Fair value through <u>profit or loss</u> \$	<u>Total</u> \$	Fair Value \$
<u>Financial assets</u>				
Cash and cash equivalents	82,808,589	-	82,808,589	82,808,589
Corporate bonds	15,175,718	-	15,175,718	15,175,718
Mutual fund	-	95,959,730	95,959,730	95,959,730
Trade and other receivable	<u>34,335,736</u>	<u>-</u>	<u>34,335,736</u>	<u>34,335,736</u>
	<u>132,320,043</u>	<u>95,959,730</u>	<u>228,279,773</u>	<u>228,279,773</u>
<u>Financial liabilities</u>				
Accounts payable	<u>-</u>	<u>-</u>	<u>104,509,070</u>	<u>104,509,070</u>

Determination of fair value and fair values hierarchy

IFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. These two types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted prices in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Mutual funds are valued using the pricing information received from the relevant fund manager.
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available.

The company considers relevant and observable market prices in its valuations where possible. The fair values of mutual fund and corporate bonds are classified as level 2. The company has no level 1 or 3 financial assets carried at fair value.

LUMBER DEPOT LIMITED

Notes to the Financial Statements (Continued)
Year ended April 30, 2023

20. Financial instruments (continued)

(f) Fair value disclosure (continued):

The following table shows the valuation technique used in measuring the fair value of mutual fund.

Type	Valuation techniques
Mutual fund	<ul style="list-style-type: none"> • Obtain unit prices quoted by mutual fund manager. • Apply price to estimate fair value.
Corporate bonds	<ul style="list-style-type: none"> • Obtain bid price provided by a recognised broker/dealer • Apply price to estimate fair value.

21. Reclassification

For the purpose of presentation, in the statement of cash flows, the company has reclassified the sale of corporate bonds and purchase of mutual funds, previously combined and reported as net sale/ (purchase) of investment for the year ended April 30, 2022. The error has been corrected by restating each of the financial statement line items for the prior year. The following table summarises the impact on the company's financial statements.

Statement of Cash Flows

	<u>Reclassification</u>		
	<u>As previously reported</u>	<u>April 30, 2022</u>	
	<u>\$</u>	<u>Adjustments</u>	<u>As restated</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>
Appreciation on investments in mutual funds	-	(2,214,820)	(2,214,820)
Others	<u>130,161,049</u>	<u>-</u>	<u>130,161,049</u>
Net cash provided by operating activities	<u>130,161,049</u>	<u>(2,214,820)</u>	<u>127,946,229</u>
Sales/(purchase) of investments	6,330,903	(6,330,903)	-
Proceeds from sale of investments	-	49,254,610	49,254,610
Purchase of investments	-	(40,708,887)	(40,708,887)
Others	<u>(162,918,691)</u>	<u>-</u>	<u>(162,918,691)</u>
Net cash used in investment activities	<u>(156,587,788)</u>	<u>2,214,820</u>	<u>(154,372,968)</u>
Net cash used in financing activity	<u>(33,426,590)</u>	<u>-</u>	<u>(33,426,590)</u>

LUMBER DEPOT LIMITED

Notes to the Financial Statements (Continued)
Year ended April 30, 2023

21. Reclassification (continued)

Statement of Cash Flows (continued)

	As previously reported	<u>Reclassification</u> April 30, 2022	As restated
	\$	\$	\$
Net decrease in cash and cash equivalents	(59,853,329)	-	(59,853,329)
Cash and cash equivalents at beginning of the year	<u>142,661,918</u>	<u>-</u>	<u>142,661,918</u>
Cash and cash equivalents at the end of the year	<u>82,808,589</u>	<u>-</u>	<u>82,808,589</u>

The above reclassifications did not result in any change in prior year's reported profit, equity or statement of financial position.

LUMBER DEPOT LIMITED (THE COMPANY) - FORM OF PROXY

I/We ----- (insert name)

of ----- (address)

being a shareholder /shareholders of the above-named Company, hereby appoint:

----- (proxy name)

of ----- (address)

or failing him ----- (alternate proxy name)

of ----- (address)

as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 4 pm on Friday October 20, 2023 at "The Somerset Suite", Courtleigh Hotel and Suites, 85 Knutsford Boulevard, Kingston 10, and any adjournment thereof, I desire this form to be used for/against the resolutions as follows:

	YES	NO
1. "THAT the Directors' Report, Auditors' Report and Audited Financial Statements of the Company and the Group for the year ended April 30, 2023, be and are hereby adopted."		
2. "THAT the remuneration of the Auditors, KPMG, having been fixed by the Directors for 2022-23, be and is hereby approved."		
3. "THAT the interim dividend of 7.2 cents per stock unit on record date September 8, 2023, to be paid on September 25, 2023, be and is hereby ratified and declared final for 2022-23."		
4. "THAT the Auditors, KPMG, having indicated their willingness to continue in office, be and are hereby re-appointed for the year 2023-24."		
5. a) "THAT Noel Dawes who retires by rotation, be and is hereby re-elected a Director of the Company."		
5. b) "THAT Vikram Dhiman who retires by rotation, be and is hereby elected a Director of the Company."		
6. "THAT the amount shown in the Accounts for the year ended April 30, 2023, for Directors' fees be and is hereby approved."		

Unless otherwise directed the proxy will vote as he thinks fit.

Signed this _____ day _____ 2023

Signature of Shareholder



Lumber Depot Limited
Sales Office: 17c Gordon Town Road, Papine,
Kingston 6, Jamaica W.I.
Phone: (876)977-5075
Email: lumberdepotblue@gmail.com
Website: www.lumberdepotjm.com