



Lumber Depot Limited
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Chairman's Report for the Nine-Month Period Ended January 31, 2024

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 nine-month period ended January 31, 2024. Lumber Depot generated net profits of \$126.1 million on revenues of \$1.2 billion. Our revenues were up marginally, but, as a result of our efficiency measures, we delivered strong profit growth of 18%. Importantly, the business continues to be positively cash-generative and earned cash from operations of over \$137 million and now retains cash and investments in excess of \$388 million.

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

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

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

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

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

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

Jeffrey Hall
Chairman


LUMBER DEPOT LIMITED
Statement of Financial Position
As at January 31, 2024

	Unaudited <u>January 31, 2024</u> \$	**Unaudited <u>January 31, 2023</u> \$	Audited <u>April 30, 2023</u> \$
ASSETS:			
Non-current assets			
Property, plant and equipment	176,560,921	177,272,530	175,884,128
Investments	138,026,091	114,586,206	115,970,905
	<u>314,587,012</u>	<u>291,858,736</u>	<u>291,855,033</u>
Current assets			
Cash and cash equivalents	250,495,234	162,551,334	184,442,791
Accounts receivable and prepayments	33,985,456	47,658,096	43,747,201
Inventories	164,456,402	157,866,076	158,869,582
Taxation recoverable	3,629,922	2,237,031	2,558,501
	<u>452,567,014</u>	<u>370,312,537</u>	<u>389,618,075</u>
Current liabilities			
Accounts payable	104,662,999	113,411,273	94,278,351
	<u>104,662,999</u>	<u>113,411,273</u>	<u>94,278,351</u>
Net Current Assets	<u>347,904,015</u>	<u>256,901,264</u>	<u>295,339,724</u>
Total assets less current liabilities	<u>662,491,027</u>	<u>548,760,000</u>	<u>587,194,757</u>
EQUITY			
Share capital	170,061,991	170,061,991	170,061,991
Retained earnings	492,429,036	378,698,009	417,132,766
	<u>662,491,027</u>	<u>548,760,000</u>	<u>587,194,757</u>
Total Equity	<u>662,491,027</u>	<u>548,760,000</u>	<u>587,194,757</u>

****Restated to be in line with Audited April 2023**

Approved for issue by the Board of Directors on March 8, 2024 and signed on its behalf by:


 _____ Chairman
 Jeffrey Hall


 _____ Director
 Noel Dawes

LUMBER DEPOT LIMITED
Statement of Profit or Loss and Other Comprehensive Income
Nine months ended January 31, 2024

	Unaudited 9 Mths Ended January 31, 2024 \$	**Unaudited 9 Mths Ended January 31, 2023 \$	Unaudited 3 Mths Ended January 31, 2024 \$	**Unaudited 3 Mths Ended January 31, 2023 \$	Audited April 30, 2023 \$
Revenue	1,158,910,945	1,149,620,758	376,850,436	372,872,886	1,522,932,620
Cost of revenue	(911,414,820)	(926,066,981)	(294,652,990)	(301,536,213)	(1,232,117,086)
Gross profit	247,496,125	223,553,777	82,197,446	71,336,673	290,815,534
Impairment (losses)/reversal on trade receivables	(719,782)	3,103,027	2,066,339	(847,206)	3,191,391
Impairment (losses)/reversal on investments and cash and cash equivalents, net	(12,643)	30,568	(27,007)	5,276	15,903
Administrative and other expenses	(129,459,436)	(121,656,601)	(47,869,750)	(42,964,823)	(153,086,606)
	117,304,264	105,030,771	36,367,028	27,529,920	140,936,222
Other income	8,667,851	5,680,442	3,019,878	2,428,937	8,274,454
Profit before net finance costs and taxation	125,972,115	110,711,213	39,386,906	29,958,857	149,210,676
Finance income	6,616,425	2,487,897	2,173,449	733,640	4,535,945
Finance cost	(6,443,170)	(6,459,521)	(2,146,994)	(2,153,790)	(8,572,275)
Net financial income/(costs)	173,255	(3,971,624)	26,455	(1,420,150)	(4,036,330)
Profit before taxation	126,145,370	106,739,589	39,413,361	28,538,707	145,174,346
Taxation	-	-	-	-	-
Profit attributable to members, being total comprehensive income for the period	126,145,370	106,739,589	39,413,361	28,538,707	145,174,346
Earnings per stock unit	\$ 0.18	\$ 0.15	\$ 0.06	\$ 0.04	\$ 0.21

**Restated to be in line with Audited April 2023

LUMBER DEPOT LIMITED
Statement of Changes in Equity
Nine months ended January 31, 2024

	<u>Share Capital</u>	<u>Retained earnings</u>	<u>Total</u>
	\$	\$	\$
Balances as at April 30, 2022 (audited)	170,061,991	308,682,769	478,744,760
Dividends Paid	-	(36,724,349)	(36,724,349)
Profit for the period, being total comprehensive income for the quarter	<u>-</u>	<u>106,739,589</u>	<u>106,739,589</u>
Balances as at January 31, 2023 (unaudited)	<u>170,061,991</u>	<u>378,698,009</u>	<u>548,760,000</u>
Balances as at April 30, 2023 (audited)	170,061,991	417,132,766	587,194,757
Dividends Paid	-	(50,849,100)	(50,849,100)
Profit for the period, being total comprehensive income for the quarter	<u>-</u>	<u>126,145,370</u>	<u>126,145,370</u>
Balances as at January 31, 2024 (unaudited)	<u>170,061,991</u>	<u>492,429,036</u>	<u>662,491,027</u>

LUMBER DEPOT LIMITED
Statement of Cash Flows
Nine months ended January 31, 2024

	Unaudited January 31, 2024 \$	**Unaudited January 31, 2023 \$	Audited April 30, 2023 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period	126,145,370	106,739,589	145,174,346
Adjustments for:			
Depreciation	5,876,851	5,808,248	7,738,455
Interest Income	(4,589,545)	(1,897,971)	(3,336,937)
Unrealised exchange loss/(gains)	1,228,570	(47,746)	(193,149)
Appreciation on investments in mutual funds	(4,279,722)	(3,173,584)	(4,642,308)
Loss on disposal of property, plant and equipment	-	128,333	128,333
Cash generated before changes in working capital	124,381,524	107,556,869	144,868,740
Accounts receivables and prepayments	9,761,745	(7,858,030)	(3,556,868)
Inventories	(5,586,820)	9,986,769	8,983,263
Accounts payable	10,384,648	8,902,203	(10,230,719)
Taxation recoverable	(1,071,421)	(415,156)	(736,626)
Cash provided by operations	137,869,676	118,172,655	139,327,790
Net cash provided by operating activities	137,869,676	118,172,655	139,327,790
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	(7,762,793)	(3,374,104)	(3,915,909)
Purchase of investments	(17,500,107)	-	-
Interest received	4,294,767	1,668,543	2,946,670
Net cash used by investing activity	(20,968,133)	(1,705,561)	(969,239)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid	(50,849,100)	(36,724,349)	(36,724,349)
Net cash used by financing activities	(50,849,100)	(36,724,349)	(36,724,349)
Net increase in cash and cash equivalents	66,052,443	79,742,745	101,634,202
Cash and cash equivalents at beginning of the period	184,442,791	82,808,589	82,808,589
Cash and cash equivalents at end of period	250,495,234	162,551,334	184,442,791

****Restated to be in line with Audited April 2023**

LUMBER DEPOT LIMITED
Notes to the Unaudited Financial Statements
January 31, 2024

1 Identification and principal activities

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

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

2 Basis of preparation

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

New and amended standards that became effective during the period

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

3 Use of estimates and judgements:

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

4 Financial instruments:

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

5 Revenue:

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

6 Foreign currencies:

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

7 Significant accounting policies

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

8 Net realisable value of inventories:

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

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

9 Finance cost

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



JANUARY 31, 2024
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	49,947,695	7.0724
MARY J. FRAY	30,954,000	4.3829
JN FUND MANAGERS LIMITED	23,919,341	3.3869
QWI INVESTMENTS LTD	17,353,269	2.4571
NOEL DAWES	16,627,150	2.3543
JPS EMPLOYEES SUPERAN.FUND		
-PRIME ASSET MANAGEMENT	12,102,288	1.7136
THE MAYBERRY FOUNDATION LTD.	10,000,000	1.4160

TOTAL UNITS OWNED BY TOP 10	453,236,521	64.1762
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