

LASCO DISTRIBUTORS LIMITED

FINANCIAL STATEMENTS

31 MARCH 2026

LASCO DISTRIBUTORS LIMITED
FINANCIAL STATEMENTS
31 MARCH 2026

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INDEPENDENT AUDITORS' REPORT

To the Members of
Lasco Distributors Limited

Report on the Financial Statements

Opinion

We have audited the financial statements of Lasco Distributors Limited set out on pages 5 to 49, which comprise the statement of financial position at 31 March 2026, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material 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 31 March 2026, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards and the requirements of 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.

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. No key audit matter was determined.

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.

INDEPENDENT AUDITORS' REPORT (CONT'D)

To the Members of
Lasco Distributors Limited

Other Information (cont'd)

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 the financial statements that give a true and fair view in accordance with IFRS Accounting Standards and with the requirements of 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.

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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism 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.

INDEPENDENT AUDITORS' REPORT (CONT'D)

To the Members of
Lasco Distributors Limited

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also (cont'd):

- 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.

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

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.

INDEPENDENT AUDITORS' REPORT (CONT'D)

To the Members of
Lasco Distributors 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.

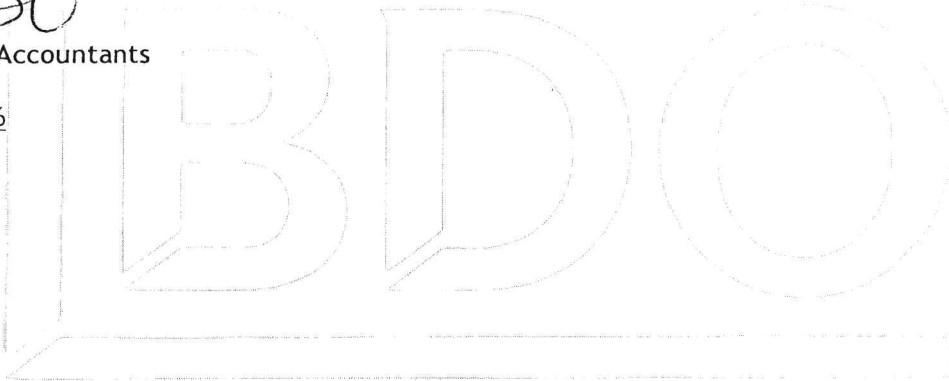
In our opinion, proper accounting records have been kept, so far as appears from our examination of those records, and the financial statements, which are in agreement therewith, give the information required by the Jamaican Companies Act, in the manner required.

The engagement partner on the audit resulting in this independent auditors' report is Balvin Vanriel.



Chartered Accountants

29 May 2026




LASCO DISTRIBUTORS LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
YEAR ENDED 31 MARCH 2026

	<u>Note</u>	<u>2026</u> <u>\$'000</u>	<u>2025</u> <u>\$'000</u>
REVENUE	7	31,674,360	30,256,427
COST OF SALES		<u>(26,422,370)</u>	<u>(25,020,741)</u>
GROSS PROFIT		5,251,990	5,235,686
Other income	8	344,287	322,297
Impairment losses on financial assets	9	<u>(13,276)</u>	<u>(9,648)</u>
		<u>5,583,001</u>	<u>5,548,335</u>
EXPENSES:			
Administrative and other expenses		<u>(3,291,794)</u>	<u>(3,053,212)</u>
Selling and promotion expenses		<u>(916,965)</u>	<u>(800,533)</u>
	9	<u>(4,208,759)</u>	<u>(3,853,745)</u>
OPERATING PROFIT		1,374,242	1,694,590
Finance costs	11	<u>(45,916)</u>	<u>(16,755)</u>
PROFIT BEFORE TAXATION		1,328,326	1,677,835
Taxation	12	<u>(264,868)</u>	<u>(338,967)</u>
NET PROFIT FOR THE YEAR		<u>1,063,458</u>	<u>1,338,868</u>
OTHER COMPREHENSIVE INCOME:			
Items that will not be reclassified to profit or loss -			
Unrealised (losses)/gains on financial instruments	23(b)	<u>(34,032)</u>	<u>3,512</u>
TOTAL COMPREHENSIVE INCOME		<u>1,029,426</u>	<u>1,342,380</u>
EARNINGS PER STOCK UNIT	13		
Basic		<u>30.05¢</u>	<u>37.97¢</u>
Diluted		<u>30.02¢</u>	<u>37.97¢</u>


LASCO DISTRIBUTORS LIMITED
STATEMENT OF FINANCIAL POSITION
31 MARCH 2026

	<u>Note</u>	<u>2026</u> <u>\$'000</u>	<u>2025</u> <u>\$'000</u>
<u>ASSETS</u>			
NON-CURRENT ASSETS:			
Property, plant and equipment	14	2,589,563	2,231,340
Intangible assets	15	84,537	119,208
Right-of-use asset	16(a)	4,549	10,615
Investment property	17	555,000	478,268
Investments	18	<u>411,160</u>	<u>444,736</u>
		<u>3,644,809</u>	<u>3,284,167</u>
CURRENT ASSETS:			
Inventories	19	6,035,742	5,319,697
Receivables	20	4,843,096	4,745,459
Related companies	21	125,980	94,647
Directors' current account	21	12,150	12,150
Taxation recoverable		37,487	33,999
Short term investments	22	983,219	780,967
Cash and bank balances	23	<u>2,575,876</u>	<u>1,592,460</u>
		<u>14,613,550</u>	<u>12,579,379</u>
		<u>18,258,359</u>	<u>15,863,546</u>
<u>EQUITY AND LIABILITIES</u>			
<u>EQUITY:</u>			
Share capital	24	531,686	513,186
Revaluation reserve	25	75,387	75,387
Fair value reserve	26	42,298	76,330
Retained earnings		<u>10,449,945</u>	<u>9,809,571</u>
		<u>11,099,316</u>	<u>10,474,474</u>
NON-CURRENT LIABILITIES:			
Deferred tax liability	29	160,922	108,164
Long-term loans	28	774,269	333,795
Lease liability	16(b)	<u>6,771</u>	<u>9,623</u>
		<u>941,962</u>	<u>451,582</u>
CURRENT LIABILITIES:			
Payables	30	6,047,594	4,713,405
Current portion of lease liability	16(b)	2,852	2,851
Current portion of long-term loans	28	31,790	31,790
Taxation		<u>134,845</u>	<u>189,444</u>
		<u>6,217,081</u>	<u>4,937,490</u>
		<u>18,258,359</u>	<u>15,863,546</u>

Approved for issue by the Board of Directors on 26 May 2026 and signed on its behalf by:



 James E. D. Rawle, CD
 Executive Chairman



 Colin D. W. Maxwell, FCCA, FCA
 Director

LASCO DISTRIBUTORS LIMITED
STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 MARCH 2026

	<u>Note</u>	<u>Share Capital \$'000</u>	<u>Revaluation Reserve \$'000</u>	<u>Fair Value Reserve \$'000</u>	<u>Retained Earnings \$'000</u>	<u>Total \$'000</u>
BALANCE AT 1 APRIL 2024		513,186	75,387	72,818	8,858,530	9,519,921
TOTAL COMPREHENSIVE INCOME						
Net profit		-	-	-	1,338,868	1,338,868
Other comprehensive income		-	-	3,512	-	3,512
		-	-	3,512	1,338,868	1,342,380
TRANSACTION WITH OWNERS						
Dividends paid	31	-	-	-	(387,827)	(387,827)
		-	-	-	(387,827)	(387,827)
BALANCE AT 31 MARCH 2025		513,186	75,387	76,330	9,809,571	10,474,474
TOTAL COMPREHENSIVE INCOME						
Net profit		-	-	-	1,063,458	1,063,458
Other comprehensive income		-	-	(34,032)	-	(34,032)
		-	-	(34,032)	1,063,458	1,029,426
TRANSACTIONS WITH OWNERS						
Issue of share capital		18,500	-	-	-	18,500
Dividends paid	31	-	-	-	(423,084)	(423,084)
		18,500	-	-	(423,084)	(404,584)
BALANCE AT 31 MARCH 2026		531,686	75,387	42,298	10,449,945	11,099,316

LASCO DISTRIBUTORS LIMITED
STATEMENT OF CASH FLOWS
YEAR ENDED 31 MARCH 2026

	<u>Note</u>	<u>2026</u> <u>\$'000</u>	<u>2025</u> <u>\$'000</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net profit		1,063,458	1,338,868
Items not affecting cash resources:			
Unrealised exchange loss on foreign balances		60,853	6,777
Gain on disposal of property, plant and equipment		-	(300)
Depreciation	14	127,088	113,324
Amortisation	15	34,671	54,735
Right-of-use asset amortisation	16	6,066	4,550
Interest income		(66,527)	(68,335)
Dividend income	8	(7,019)	(6,166)
Impairment losses on financial assets		13,276	9,648
Gain on revaluation of Investment Property	8	(76,732)	-
Interest expense	11	45,916	16,755
Taxation expense		<u>264,868</u>	<u>338,967</u>
		1,465,918	1,808,823
Changes in operating assets and liabilities:			
Inventories		(716,045)	(758,302)
Receivables		(121,940)	(428,298)
Directors' current account		-	3,043
Payables		1,325,918	321,706
Related companies		<u>(31,333)</u>	<u>(6,467)</u>
		1,922,518	940,505
Taxation paid		<u>(270,197)</u>	<u>(342,346)</u>
Cash provided by operating activities		<u>1,652,321</u>	<u>598,159</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Short term investments (net)	23(c)	(202,252)	(234,598)
Interest received		69,313	68,335
Dividend received		7,019	6,166
Proceeds from disposal of property plant and equipment		-	300
Purchase of investment property	17	-	(478,268)
Purchase of property, plant and equipment	14	(485,311)	(506,306)
Purchase of intangible assets		<u>-</u>	<u>(735)</u>
Cash used in investing activities		<u>(611,231)</u>	<u>(1,145,106)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Loan proceeds	28	472,264	381,480
Loan payments	28	(31,790)	(15,895)
Interest paid		(45,168)	(15,846)
Dividends paid	31	(423,084)	(387,827)
Issue of share capital		18,500	-
Lease payment		<u>(3,600)</u>	<u>(3,600)</u>
Cash used in financing activities		<u>(12,878)</u>	<u>(41,688)</u>
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		1,028,212	(588,635)
Exchange effect on foreign cash balances		(44,796)	(6,755)
Cash and cash equivalents at beginning of year		<u>1,592,460</u>	<u>2,187,850</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	23	<u>2,575,876</u>	<u>1,592,460</u>

LASCO DISTRIBUTORS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31 MARCH 2026****1. IDENTIFICATION AND PRINCIPAL ACTIVITIES:**

- (a) Lasco Distributors Limited is a limited liability company incorporated and domiciled in Jamaica. The registered office of the company is 27 Red Hills Road, Kingston 10. The company is listed on the Main Market of the Jamaica Stock Exchange.
- (b) The principal activity of the company is the distribution of pharmaceuticals and consumable items. The company also exports some of its consumable items.

2. REPORTING CURRENCY:

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). These financial statements are presented in Jamaican dollars, which is considered the company's functional and presentation currency.

3. MATERIAL ACCOUNTING POLICIES:

The principal accounting policies applied in the preparation of these financial statements are set out below. The policies have been consistently applied to all the years presented. Amounts are rounded to the nearest thousand, unless otherwise stated. Where necessary, amounts have been reclassified to conform to current year presentation.

(a) Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively IFRS Accounting Standards), and have been prepared under the historical cost convention as modified by the revaluation of freehold land and buildings. They are also prepared in accordance with requirements of the Jamaican Companies Act.

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. Although these estimates are based on management's best knowledge of current events and action, actual results could differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

New, revised and amended standards and interpretations that became effective during the year

Certain new standards, interpretations and amendments to existing standards have been published that became effective during the current financial year. The company has assessed the relevance of all such new standards, interpretations and amendments and has concluded that the following amendments are relevant to its operations:

LASCO DISTRIBUTORS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2026

3. **MATERIAL ACCOUNTING POLICIES (CONT'D):**

(a) **Basis of preparation (cont'd)**

New, revised and amended standards and interpretations that became effective during the year (cont'd)

Amendments to IAS 21, 'Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability, (effective for accounting periods beginning on or after 1 January 2025). The amendments specify when a currency is exchangeable into another currency and when it is not as well as how an entity determines the exchange rate to apply when a currency is not exchangeable. A currency is exchangeable when there is an ability to obtain the other currency and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations. The amendments also require the disclosure of additional information that would enable users of the financial statements of an entity to evaluate how a currency's lack of exchangeability affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The adoption of the amendments to the above standards and interpretations did not have a material impact on the company's financial statements.

New standards, amendments and interpretations not yet effective and not early adopted

At the date of authorization of these financial statements, there were certain new standards, amendments and interpretations to existing standards which were in issue but not yet effective and which the company has not early adopted.

The standards which management considered may be relevant to the company are as follows:

Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7, (effective for accounting periods beginning on or after 1 January 2026). These amendments clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system, clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion, add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets), and update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI). The adoption of these amendments is not expected to have a material impact on the company.

LASCO DISTRIBUTORS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2026

3. **MATERIAL ACCOUNTING POLICIES (CONT'D):**

(a) **Basis of preparation (cont'd)**

New standards, amendments and interpretations not yet effective and not early adopted (cont'd)

IFRS 18, 'Presentation and Disclosures in Financial Statements', (effective for accounting periods beginning on or after 1 January 2027). The International Accounting Standards Board (IASB) has published its new standard, IFRS 18 that will replace IAS 1 'Presentation of Financial Statements'. The new standard is the result of the primary financial statements project and aims at improving how entities communicate in their financial statements. The new standard introduces defined categories (Operating, Investing, Financing, Income Tax and Discontinued Operations) and mandatory subtotals in the statement of profit or loss to enhance comparability and structure, along with stricter rules on aggregation, disaggregation, and the presentation of operating expenses. It also requires detailed disclosures on Management-defined Performance Measures (MPMs), including their calculation, purpose, and reconciliation to IFRS totals, to improve transparency and consistency. The company is still assessing the impact the adoption of this new standard will have on its financial statements.

Amendments to IAS 21 'The effects of Changes in Foreign Exchange Rates', (effective for accounting reporting periods beginning on or after 1 January 2027). The amendments in Translation to a Hyperinflationary Presentation Currency are; When an entity translates amounts from a functional currency that is the currency of a non-hyperinflationary economy to a presentation currency that is the currency of a hyperinflationary economy, the entity translates those amounts, including comparative amounts, using the closing rate at the date of the most recent statement of financial position; when the entity's presentation currency ceases to be the currency of a hyperinflationary economy and its functional currency continues to be the currency of a non-hyperinflationary economy, the entity applies prospectively (without restatement of the comparative amounts) the method currently applicable in IAS 21 to such situations; and the entity would have to disclose that it has applied the method, including summarised financial information about its foreign operations translated applying the proposed translation method; it would also have to disclose if the economy concerned ceased to be hyperinflationary.

Amendments to IAS 7, 'Statement of Cash Flows', (effective for accounting periods beginning on or after 1 January 2027). The amendments require all companies to use the operating profit subtotal as defined in IFRS 18 as the starting point for the indirect method of reporting cash flows from operating activities. Additionally, the presentation alternatives for cash flows related to interest and dividends paid and received will be removed.

The company does not expect any other standards or interpretations issued by the IASB but not yet effective, to have a material effect on its financial statements.

LASCO DISTRIBUTORS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2026

3. MATERIAL ACCOUNTING POLICIES (CONT'D):

(b) Foreign currency translation

Foreign currency translations are accounted for at the exchange rates prevailing at the dates the transactions.

Monetary items denominated in foreign currency are translated to Jamaican dollars using the closing rate as at the reporting date.

Exchange differences arising from the settlement of transactions at rates different from those at the dates of the transactions and unrealized foreign exchange differences on unsettled foreign currency monetary assets and liabilities are recognised in profit or loss.

(c) Property, plant and equipment

Items of property, plant and equipment are recorded at historical cost or deemed cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation on assets under construction does not commence until they are complete and available for use. Depreciation on all other items of property, plant and equipment is calculated on the straight-line method to write off the cost of assets or the revalued amounts, to their residual values over their estimated useful lives. Land is not depreciated as it is deemed to have an indefinite life. The expected useful lives of the other property, plant and equipment are as follows:

Buildings	40 years
Furniture and fixtures	10 years
Equipment	5 years
Motor vehicles	5 years
Computer	5 years

Gains or losses on disposal of property, plant and equipment are determined by comparing proceeds with carrying amounts and are included in profit or loss. On disposal of revalued assets, amounts in revaluation reserve relating to those assets are transferred to retained earnings.

LASCO DISTRIBUTORS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2026

3. MATERIAL ACCOUNTING POLICIES (CONT'D):

(d) Intangible assets

Intangible assets represent computer software and distribution rights of CIPLA products. Computer software is deemed to have a finite useful life of five years and is measured at cost, less accumulated amortisation and accumulated impairment losses, if any. Distribution rights are deemed to have an indefinite life, are initially recognized at cost and reviewed annually for impairment losses.

(e) Investment property

Investment property, comprising principally land and building, is held for rental yields and capital appreciation and is treated as a long term investment. It is measured initially at cost, including related transaction costs, and subsequently measured at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset.

The fair value reflects on a similar basis, expected cash outflows in respect of the property. Fair value is determined by an independent registered valuer. Fair value is based on current prices in an active market for similar properties in the same location and condition. Any gain or loss arising from a change in fair value is recognized in profit or loss.

(f) Inventories

Inventories are stated at the lower of cost and fair value less costs to sell, cost being determined on the first-in, first-out basis. Fair value less costs to sell is the estimated selling price in the ordinary course of business, less selling expenses.

(g) Provisions

Provisions are recognized when the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

LASCO DISTRIBUTORS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2026

3. MATERIAL ACCOUNTING POLICIES (CONT'D):

(h) Revenue recognition

Sale of goods

Revenue is recognised at a point in time in the amount of the price, before tax on sales, expected to be received by the company for goods supplied as a result of their ordinary activities, as contractual performance obligations are fulfilled, and control of goods passes to the customer. Revenue is decreased by any trade discounts granted to customers.

For contracts that permit return of goods, revenue is recognised to the extent that it is highly probable that a significant reversal will not occur.

The right to recover returned goods is measured at the former carrying amount of inventory less any expected cost to recover.

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 company estimates future cash flows considering all contractual terms of the financial instrument but not expected credit losses.

Commission income

Commission income is recognised on an accrual basis when the service has been provided. Commission arising from negotiating or participating in a negotiation of transaction for a third party is recognised on completion of the underlying transaction.

Dividend income

Dividends are recognised when the right to receive payments is established.

(i) Impairment of non-current assets

Property, plant and equipment and other non-current assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the greater of an asset’s net selling price and value in use. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identified cash flows. Non financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

LASCO DISTRIBUTORS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2026

3. MATERIAL ACCOUNTING POLICIES (CONT'D):

(j) Current and deferred income taxes

Current tax charges are based on taxable profits for the year, which differ from the profit before tax reported because taxable profits exclude items that are taxable or deductible in other years, and items that are never taxable or deductible. The company's liability for current tax is calculated at tax rates that have been enacted at the reporting date.

Deferred tax is the tax that is expected to be paid or recovered on differences between the carrying amounts of assets and liabilities and the corresponding tax bases. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred tax is charged or credited to profit or loss, except where it relates to items charged or credited to other comprehensive income or equity, in which case deferred tax is also dealt with in other comprehensive income or equity.

(k) Employee benefits

(i) Defined contribution plan

The company operates a defined contribution pension plan which is funded by employees' contribution of 5% of salary and employer's contribution of 5%. Once the contributions have been paid, the company has no further obligations. Contributions are charged to the statement of profit or loss, in the year to which they relate.

(ii) Profit-sharing and bonus plan

The company recognizes a liability and an expense for bonuses and profit-sharing based on a formula that takes into consideration the profit attributable to the company's stockholders after certain adjustments. The company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

LASCO DISTRIBUTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2026

3. MATERIAL ACCOUNTING POLICIES (CONT'D):

(k) Employee benefits (cont'd)

(iii) Annual vacation leave and other benefits

Employee entitlement to annual vacation leave and other benefits are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave and other benefits as a result of services rendered by employees up to the end of the reporting period.

(iv) Restricted stock units plan

The restricted stock units plan is an equity-settled share-based compensation plan. The fair value of the employees' past services received in exchange for the grant shares is recognized as an expense with the corresponding increase in equity. The total expensed is determined by reference to the fair value of the shares at the vested date.

(l) Financial instruments

A financial instrument is any contract that gives rise to both a financial asset in one entity and a financial liability or equity of another entity.

Financial assets

(i) Recognition and derecognition

Financial assets are initially recognized on the settlement date, which is the date that an asset is delivered to the company. This includes regular purchases of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

Translation differences and changes in fair value of non-monetary securities classified as fair value through other comprehensive income (FVOCI) are recognized in other comprehensive income.

Dividends on FVOCI equity instruments are recognized in profit or loss as part of other operating income when the company's right to receive payment is established.

The company derecognizes a financial asset when the contractual rights to the cash flows from the 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 it neither transfers nor retains all or substantially all the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such de-recognized financial assets that are created or retained by the company is recognized as a separate asset or liability.

When securities classified as FVOCI are sold or impaired, the accumulated fair value adjustments previously recognized as other comprehensive income are not recycled to the profit or loss but instead are transferred within reserves to retained earnings.

LASCO DISTRIBUTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2026

3. MATERIAL ACCOUNTING POLICIES (CONT'D):

(l) Financial instruments (cont'd)

Financial assets (cont'd)

(ii) Classification

The company classifies all its of financial instruments at initial recognition based on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value, except in the case of financial assets recorded at Fair Value through Profit or Loss, transaction costs are added to, or subtracted from, this amount.

The company classifies its financial assets as those measured at amortised cost and fair value through other comprehensive income.

(iii) Measurement categories

Amortised cost

These assets arise principally from the provision of goods and services to customers (eg. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest (SPPI). They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

The company's financial assets measured at amortised cost comprise trade and other receivables, related company balances, short term investments and cash and cash equivalents in the statement of financial position.

Cash and cash equivalents are carried in the statement of financial position at fair value. For the purpose of the statement of cash flows, cash and cash equivalents comprise cash at bank and in hand and short term deposits with original maturities of three months or less.

Fair value through other comprehensive income (FVOCI)

The company has made an irrevocable election to classify its investments at fair value through other comprehensive income rather than through profit or loss as the company considers this measurement to be the most representative of the business model for those assets. They are carried at fair value with changes in fair value recognized in other comprehensive income and accumulated in the fair value through other comprehensive income reserve. Upon disposal any balance within fair value through other comprehensive income reserve is reclassified directly to retained earnings and is not reclassified to profit or loss.

The company's financial assets measured at FVOCI are its investments securities which includes equity instruments in the statement of financial position.

LASCO DISTRIBUTORS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2026

3. MATERIAL ACCOUNTING POLICIES (CONT'D):

(l) Financial instruments (cont'd)

(iv) Impairment

Impairment provisions for current and non-current trade receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses (ECL).

During this process the probability of the non-payment of the trade receivables is assessed by taking into consideration historical rates of default for each segment of trade receivables as well as the estimated impact of forward looking information. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime ECL for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within the statement of profit or loss. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Financial liabilities

The company's financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method. At the reporting date, the following items were classified as financial liabilities: trade and other payables, loan and lease liability.

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

(m) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributed to the issue of ordinary shares are recognized as a deduction from equity.

(n) Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. Operating segments are reported in a manner consistent with internal reporting to the company's chief operating decision maker.

(o) Dividend distribution

Dividend distribution to the company's shareholders is recognized as a liability in the company's financial statements in the period in which the dividends are approved by the company's shareholders. In the case of interim dividends, this is recognized when declared by the directors.

Dividends for the year that are declared after the reporting date are dealt with in the subsequent events note.

LASCO DISTRIBUTORS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2026

3. MATERIAL ACCOUNTING POLICIES (CONT'D):

(p) Borrowings

Borrowings are recognised initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective yield method. Any differences between proceeds, net of transaction costs and the redemption yield is recognized in profit or loss over the period of the borrowings.

(q) Leases

All leases are accounted for by recognising a right-of-use asset and a lease liability for all leases with a term greater than 12 months.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the company's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes amounts expected to be payable under any residual value guarantee, the exercise price of any purchase option granted in favour of the company if it is reasonably certain to assess that option, any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for lease payments made at or before commencement of the lease, initial direct costs incurred and the amount of any provision recognised where the company is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset, whichever is shorter.

When the company revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining lease term.

LASCO DISTRIBUTORS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2026

3. MATERIAL ACCOUNTING POLICIES (CONT'D):

(r) Related party balances and transactions

Parties are considered to be related if directly, or indirectly through one or more intermediaries, the party controls, is controlled by or is under common control with the entity (this includes parents, subsidiaries and fellow subsidiaries), has significant influence over the entity or has joint control over the entity. Related party balances and transactions are disclosed for the following:

- (i) Enterprises and individuals owning, directly or indirectly, a significant interest in voting power of the company and /or having significant influence over the company's affairs and close members of the family of these individuals.
- (ii) Key management personnel, that is, those persons having authority and responsibility for planning directing and controlling the activities of the company, including directors, officers and close members of the families of these individuals.

4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES:

Judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical judgements in applying the company's accounting policies

In the process of applying the company's accounting policies, management has not made any judgements that it believes would cause a significant impact on the amounts recognized in the financial statements.

(b) Key sources of estimation uncertainty

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Fair value estimation

A number of assets and liabilities included in the company's financial statements require measurement at, and/or disclosure of, fair value.

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.

LASCO DISTRIBUTORS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2026

4. **CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES: (CONT'D)**

(b) **Key sources of estimation uncertainty (cont'd)**

(i) **Fair value estimation (cont'd)**

The fair value measurement of the company's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorized into different levels based on how observable the inputs used in the valuation technique utilized are; the 'fair value hierarchy:

Level 1 Quoted prices in active markets for identical assets or liabilities. (unadjusted).

Level 2 Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item.

The fair value of financial instruments traded in active markets, such as investments fair value either through OCI or through profit or loss, is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the company is the current bid price. These instruments are included in level 1 and comprise equity instruments traded on the JSE.

The fair values of financial instruments that are not traded in an active market are deemed to be or determined as follows:

The carrying values less any impairment provision of financial assets and liabilities with a maturity of less than one year are estimated to approximate their fair values due to the short term maturity of these instruments. These financial assets and liabilities are cash and cash equivalents, trade receivables, trade payables, related company balances and unquoted investments.

LASCO DISTRIBUTORS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2026

4. **CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D):**

(b) **Key sources of estimation uncertainty (cont'd)**

(ii) **Income taxes**

Estimates are required in determining the provision for income tax. There are some transactions and calculations for which the ultimate tax determination is uncertain. The company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(iii) **Allowance for impairment losses on trade receivables**

Allowances for doubtful accounts were established using the total credit sales for the financial year, excluding Government receivables and cash on delivery invoices. For all other credit sales, a payment pattern was determined for customers within this segment. Based on the incurred loss analyses over delinquent accounts, the credit history, risk profile of each customer and aging of receivables, customers were placed in aging buckets and a default risk percentage calculated for each bucket. Allowances are determined upon origination of the trade receivable based on a model that calculates the expected credit loss (ECL) of the trade receivables.

Under this ECL model, the company segments its trade receivables in a matrix by days past due and determined for each age bracket 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 trade receivables.

The historical loss rates were adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The company has also identified and assessed the change in the industry in which it sells its goods and has included its impact on historical loss rate percentage. The average ECL rate increases in each segment of days past due until the rate is 100% for the segment of 365 days or more past due. The use of assumptions make uncertainty inherent in such estimates.

LASCO DISTRIBUTORS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2026

4. **CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D):**

(b) **Key sources of estimation uncertainty (cont'd)**

(iv) **Depreciable assets**

Estimates of the useful life and the residual value of property, plant and equipment are required in order to apply an adequate rate of transferring the economic benefits embodied in these assets in the relevant periods. The company applies a variety of methods in an effort to arrive at these estimates from which actual results may vary. Actual variations in estimated useful lives and residual values are reflected in the statement of income through impairment or adjusted depreciation provisions.

(v) **Net realizable value of inventories**

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

(vi) **Fair value of investment property**

Investment property is carried at fair value based on valuations performed by independent valuers using recognized valuation methodologies. The valuation process involves significant judgment and estimation, particularly in relation to capitalization rates, projected rental income, occupancy levels, discount rates, and comparable market data.

Due to the subjective nature of these assumptions and limited observable market inputs, changes in assumptions could materially affect the fair value of investment property reported in the financial statements.

LASCO DISTRIBUTORS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2026

5. FINANCIAL RISK MANAGEMENT:

The company is exposed through its operations to the following financial risks:

- Credit risk
- Fair value or cash flow interest rate risk
- Foreign exchange risk
- Other market price, and
- Liquidity risk

In common with all other businesses, the company is exposed to risks that that arise from its use of financial instruments. This note describes the company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

(a) Principal financial instruments

The principal financial instruments used by the company, from which financial instrument risk arises, are as follows:

- Trade and other receivables
- Cash and bank balances
- Trade and other payables
- Short term investments
- Due from related companies
- Investments
- Lease liability
- Long term loans

(b) Financial instruments by category

Financial assets

	Fair value through other comprehensive income		Amortised cost	
	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Investments	411,160	444,736	-	-
Short term investments	-	-	983,219	780,967
Cash and cash equivalents	-	-	2,575,876	1,592,460
Due from related companies	-	-	125,980	94,647
Receivables	-	-	<u>3,673,067</u>	<u>3,879,664</u>
Total financial assets	<u>411,160</u>	<u>444,736</u>	<u>7,358,142</u>	<u>6,347,738</u>

LASCO DISTRIBUTORS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2026

5. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(b) **Financial instruments by category (cont'd)**

Financial liabilities

	Amortised cost	
	<u>2026</u>	<u>2025</u>
	<u>\$'000</u>	<u>\$'000</u>
Lease liability	9,623	12,474
Payables	5,521,062	4,275,707
Long term loans	<u>806,059</u>	<u>365,585</u>
Total financial liabilities	<u>6,336,744</u>	<u>4,653,766</u>

(c) **Financial risk factors**

The Board has overall responsibility for the determination of the company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the company's finance function. The Board receives quarterly reports from the Chief Financial Officer through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets. The company's internal auditors also review the risk management policies and processes and report their findings to the Audit and Risk Management Committee.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the company's competitiveness and flexibility. Further details regarding these policies are set out below:

(i) **Market risk**

Market risk arises from the company's use of interest bearing, tradable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk).

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates.

Currency risk arises from transactions for sales, purchases and US dollar cash and bank balances. The company manages this risk by ensuring that the net exposure in foreign assets and liabilities is kept to an acceptable level by monitoring currency positions. The company further manages this risk by maximizing foreign currency earnings and holding net foreign currency assets.

LASCO DISTRIBUTORS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2026

5. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(c) **Financial risk factors (cont'd)**

(i) **Market risk (cont'd)**

Concentration of currency risk

The company is exposed to foreign currency risk in respect of US dollar as follows:

	<u>2026</u> <u>\$'000</u>	<u>2025</u> <u>\$'000</u>
Investments	190,440	185,735
Cash and cash equivalents	658,642	439,826
Trade receivables	1,375,266	1,495,068
Other receivables	153,922	200,302
Trade payables	(1,299,348)	(581,645)
	<u>1,078,922</u>	<u>1,739,286</u>

Foreign currency sensitivity

The following table indicates the sensitivity of profit before taxation to changes in foreign exchange rates. The change in currency rate below represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis represents outstanding foreign currency denominated cash and bank balances, accounts receivable, investments and payable balances, and adjusts their translation at the year-end for 1.5% (2025 - 4%) depreciation and a 1% (2025 - 1%) appreciation of the Jamaican dollar against the US dollar. The changes below would have no impact on other components of equity.

	<u>% Change in</u> <u>Currency Rate</u> <u>2026</u>	<u>Effect on</u> <u>Profit before</u> <u>taxation</u> <u>2026</u> <u>\$'000</u>	<u>% Change in</u> <u>Currency Rate</u> <u>2025</u>	<u>Effect on</u> <u>Profit before</u> <u>taxation</u> <u>2025</u> <u>\$'000</u>
Currency:				
USD	-1.5	16,184	-4	69,571
USD	<u>+1.0</u>	<u>(10,789)</u>	<u>+1</u>	<u>(17,392)</u>

LASCO DISTRIBUTORS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2026

5. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(c) **Financial risk factors (cont'd)**

(i) **Market risk (cont'd)**

Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. The company is exposed to market price fluctuations arising from equity securities held. A 1.5% increase/2% decrease (2025 - 6% increase/2% decrease) in the price of equity stocks will result in a \$3,311,000 increase/\$4,414,000 decrease (2025 - \$15,540,000 increase/\$5,180,000 decrease) in net results or stockholders equity.

Cash flow and fair value 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.

Floating rate instruments expose the company to cash flow interest rate risk, whereas fixed rate instruments expose the company to fair value interest rate risk.

The company is primarily exposed to cash flow interest rate risk on its short term investments.

Short term investments and investment securities are the only interest bearing assets within the company. The company's short term investments are due to mature within a year of the reporting date.

Interest rate sensitivity

There is no significant exposure to interest rate risk on short term deposits, as these deposits have a short term to maturity and are constantly reinvested at current market rates.

There is no significant exposure to interest rate risk, as loan notes and investments securities are at a fixed interest rate.

(ii) **Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Credit risk arises from trade receivables, related company balances and cash and bank balances.

LASCO DISTRIBUTORS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2026

5. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(c) **Financial risk factors (cont'd)**

(ii) **Credit risk (cont'd)**

Trade receivables

Revenue transactions in respect of the company's primary operations are done on a cash or credit basis. The company has policies in place to ensure that sales are made to customers with an appropriate credit history.

Cash and bank balances

Cash transactions are limited to high credit quality financial institutions. The company has policies that limit the amount of credit exposure to any one financial institution.

Maximum exposure to credit risk

The maximum exposure to credit risk is equal to the carrying amount of trade and other receivables and cash and cash equivalents in the statement of financial position.

Trade receivables expected credit losses

The impairment requirements of IFRS 9 are based on the Expected Credit Loss (ECL) model. The guiding principle of the ECL model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments.

For trade receivables and contract assets that do not have a financing component, it is a requirement of IFRS 9 to recognize a lifetime expected credit loss. This was achieved in the current year by the development and application of historical data relating to trade receivables and write-offs, as well as forecasting payment probabilities based on historical payment pattern.

The company estimates expected credit losses (ECL) on trade receivables using a provision matrix based on historical credit loss experience. Based on the incurred loss analyses over delinquent accounts, the credit history, risk profile of each customer and aging of receivables, customers were placed in aging buckets and a default risk percentage calculated for each bucket of customers. The following table provides information about the ECLs for trade receivables as at 31 March.

LASCO DISTRIBUTORS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2026

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(c) Financial risk factors (cont'd)

(ii) Credit risk (cont'd)

Trade receivables impairment provision

<u>Aging</u>	<u>Gross Carrying Amount</u> <u>\$'000</u>	<u>2026</u>	<u>Lifetime ECL Allowance</u> <u>\$'000</u>
		<u>Default Rate</u> <u>%</u>	
Government			
0 - 30 days	530,252	-	-
31 - 60 days	91,411	-	-
61 - 90 days	33,574	-	-
Over 90 days	<u>445,833</u>	-	<u>-</u>
	<u>1,101,070</u>		<u>-</u>
Other trade receivables -			
0 - 30 days	1,691,794	0.21	3,574
31 - 60 days	439,374	0.30	1,318
61 - 90 days	63,963	1.46	933
Over 90 days	<u>101,965</u>	<u>76.47</u>	<u>77,970</u>
	<u>2,297,096</u>		<u>83,795</u>
Total	<u>3,398,166</u>		<u>83,795</u>

<u>Aging</u>	<u>Gross Carrying Amount</u> <u>\$'000</u>	<u>2025</u>	<u>Lifetime ECL Allowance</u> <u>\$'000</u>
		<u>Default Rate</u> <u>%</u>	
Government			
0 - 30 days	609,842	-	-
31 - 60 days	96,580	-	-
61 - 90 days	65,962	-	-
Over 90 days	<u>469,239</u>	-	<u>-</u>
	<u>1,241,623</u>		<u>-</u>
Other trade receivables -			
0 - 30 days	1,626,952	0.21	3,417
31 - 60 days	501,769	0.30	1,505
61 - 90 days	88,897	1.46	1,298
Over 90 days	<u>115,430</u>	<u>56.26</u>	<u>64,938</u>
	<u>2,333,048</u>		<u>71,158</u>
Total	<u>3,574,671</u>		<u>71,158</u>

LASCO DISTRIBUTORS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2026

5. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(c) **Financial risk factors (cont'd)**

(ii) **Credit risk (cont'd)**

The aging of trade receivables is:

	<u>2026</u> <u>\$'000</u>	<u>2025</u> <u>\$'000</u>
0-30 days	2,222,046	2,236,794
31-60 days	530,785	598,349
61-90 days	97,537	154,859
Over 90 days	<u>547,798</u>	<u>584,669</u>
	<u>3,398,166</u>	<u>3,574,671</u>

Movements in the provision for expected credit losses are as follows:

	<u>2026</u> <u>\$'000</u>	<u>2025</u> <u>\$'000</u>
At 1 April	71,158	63,206
Provision for expected credit losses	13,276	9,648
Write off	<u>(639)</u>	<u>(1,696)</u>
At 31 March	<u>83,795</u>	<u>71,158</u>

The creation and release of provision for expected credit losses have been included in profit or loss. Amounts charged to the provision account are generally written off when there is no expectation of recovering additional cash.

(iii) **Liquidity risk**

Liquidity risk is the risk that the company will be unable to meet its payment obligations associated with its financial liabilities when they fall due. Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents, and the availability of funding through an adequate amount of committed credit facilities.

LASCO DISTRIBUTORS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2026

5. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(c) **Financial risk factors (cont'd)**

(iii) **Liquidity risk (cont'd)**

Liquidity risk management process

The company's liquidity risk management process, as carried out within the company and monitored by the Finance Department, includes:

- (i) Monitoring future cash flows and liquidity on a daily basis.
- (ii) Maintaining a portfolio of short term investment balances that can easily be liquidated as protection against any unforeseen interruption to cash flow.
- (iii) Maintaining committed lines of credit.
- (iv) Optimising cash returns on investments.

Cash flows of financial liabilities

The maturity profile of the company's financial liabilities, based on contractual undiscounted payments, is as follows:

	Within 1 Year \$'000	1 to 2 Years \$'000	3 to 5 Years \$'000	Over 5 Years \$'000	Total \$'000
31 March 2026					
Payables	5,521,062	-	-	-	5,521,062
Lease liability	3,600	3,600	3,600	-	10,800
Long term loans	<u>94,734</u>	<u>237,448</u>	<u>338,450</u>	<u>550,553</u>	<u>1,221,185</u>
Total financial liabilities (contractual maturity dates)	<u>5,619,396</u>	<u>241,048</u>	<u>342,050</u>	<u>550,553</u>	<u>6,753,047</u>
	Within 1 Year \$'000	1 to 2 Years \$'000	3 to 5 Years \$'000	Over 5 Years \$'000	Total \$'000
31 March 2025					
Payables	4,275,707	-	-	-	4,275,707
Lease liability	3,600	3,600	7,200	-	14,400
Long term loan	<u>60,756</u>	<u>113,706</u>	<u>150,796</u>	<u>209,730</u>	<u>534,988</u>
Total financial liabilities (contractual maturity dates)	<u>4,340,063</u>	<u>117,306</u>	<u>157,996</u>	<u>209,730</u>	<u>4,825,095</u>

LASCO DISTRIBUTORS LIMITED
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5. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(d) **Capital management**

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for stockholders and benefits for other stakeholders. The Board of Directors monitors the return on capital, which the company defines as net operating income, excluding non-recurring items, divided by total stockholders' equity. The Board of Directors also monitors the level of dividends to stockholders.

There are no particular strategies to determine the optimal capital structure. There are also no external capital maintenance requirements to which the company is subject.

(e) **Fair values of financial instruments**

The following table presents the company's investments that are measured at fair value. There are no liabilities that are measured at fair value at the year end and the company has no instruments classified in Level 3 during the year. There were no transfers between levels during the year.

	<u>2026</u>		
	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Investment securities fair value through other comprehensive income	<u>220,720</u>	<u>190,440</u>	<u>411,160</u>
Equity securities			
	<u>2025</u>		
	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Investment securities fair value through other comprehensive income	<u>259,001</u>	<u>185,735</u>	<u>444,736</u>
Equity securities			

The fair value of financial instruments that are traded in an active market for which there are no quoted market prices, is determined by using valuation techniques. When using valuation techniques, the company uses a variety of methods and makes assumptions that are based on market conditions existing at year end. The following methods and assumptions have been used.

- (i) Investment securities classified as fair value through profit or loss and fair value through other comprehensive income are measured at fair value by reference to quoted market prices when available. If quoted prices are not available, then fair values are estimated on the basis of pricing models or other recognized valuation techniques.

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5. FINANCIAL RISK MANAGEMENT (CONT'D):

(e) **Fair values of financial instruments (cont'd)**

- (ii) The fair value of liquid assets and other assets maturing within three months is assumed to approximate their carrying amount. The assumption is applied to liquid assets and the short term elements of all other financial instruments.
- (iii) The fair value of variable rate financial instruments is assumed to approximate their carrying value.

6. SEGMENT REPORTING:

The company has two reportable segments which are based on the different types of products that it offers. These products are described in its principal activities (Note 1). The identification of business segments, is based on the management and internal reporting structure. Segment results, assets and liabilities include items directly attributable to a segment, as well as those that can be allocated on a reasonable basis.

Information regarding results of each reportable segment is included below. Performance is measured on segment profit before taxation as included in the management reports. Segment profit before taxation is used to measure performance as management believes that such information is most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

	2026		
	Consumer Division \$'000	Pharmaceutical Division \$'000	Total \$'000
Revenue -			
Total revenue	<u>26,556,279</u>	<u>5,118,081</u>	<u>31,674,360</u>
Segment result	<u>1,062,661</u>	<u>265,665</u>	<u>1,328,326</u>
Segment assets(1)			
Unallocated assets	<u>6,201,172</u>	<u>3,449,790</u>	<u>9,650,962</u>
Total assets			<u>18,258,359</u>
Segment liabilities(2)			
Unallocated liabilities	<u>4,533,393</u>	<u>933,495</u>	<u>5,466,888</u>
Total liabilities			<u>7,159,043</u>
Other items -			
Finance income	<u>66,527</u>	<u>-</u>	<u>66,527</u>
Finance costs	<u>45,916</u>	<u>-</u>	<u>45,916</u>

LASCO DISTRIBUTORS LIMITED
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6. SEGMENT REPORTING (CONT'D):

	<u>2025</u>		
	<u>Consumer Division \$'000</u>	<u>Pharmaceutical Division \$'000</u>	<u>Total \$'000</u>
Revenue -			
Total revenue	<u>25,039,355</u>	<u>5,217,072</u>	<u>30,256,427</u>
Segment result	<u>1,258,376</u>	<u>419,459</u>	<u>1,677,835</u>
Segment assets⁽¹⁾			
Unallocated assets	<u>5,988,807</u>	<u>3,168,320</u>	<u>9,157,127</u>
Total assets			<u>15,863,546</u>
Segment liabilities⁽²⁾			
Unallocated liabilities	<u>3,774,769</u>	<u>451,624</u>	<u>4,226,393</u>
Total liabilities			<u>5,389,072</u>
Other items -			
Finance income	<u>68,335</u>	<u>-</u>	<u>68,335</u>
Finance costs	<u>16,755</u>	<u>-</u>	<u>16,755</u>

(1) Reportable segments' assets are reconciled to the company's total assets as follows:

	<u>2026 \$'000</u>	<u>2025 \$'000</u>
Segment assets from reportable segments	9,650,962	9,157,127
Unallocated assets -		
Property, plant and equipment	2,589,563	2,231,340
Intangible assets	84,537	119,208
Right-of-use assets	4,549	10,615
Investment Property	555,000	478,268
Investments	411,160	444,736
Taxation recoverable	37,487	33,999
Related companies	125,980	94,647
Other receivables	1,227,876	908,029
Directors' current account	12,150	12,150
Short term investments	983,219	780,967
Cash and bank balances	<u>2,575,876</u>	<u>1,592,460</u>
	<u>18,258,359</u>	<u>15,863,546</u>

LASCO DISTRIBUTORS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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6. SEGMENT REPORTING (CONT'D):

(²) Reportable segments' liabilities are reconciled to the company's total liabilities as follows:

	<u>2026</u> <u>\$'000</u>	<u>2025</u> <u>\$'000</u>
Segment liabilities from reportable segments	5,466,888	4,226,393
Unallocated liabilities -		
Payables	580,707	487,012
Deferred tax liability	160,922	108,164
Taxation	134,845	189,444
Long term loan	806,059	365,585
Lease liability	<u>9,622</u>	<u>12,474</u>
	<u>7,159,043</u>	<u>5,389,072</u>

7. REVENUE:

Revenue represents the price of goods sold and transferred to customers at a point in time, after discounts and allowances.

The company's revenue is disaggregated as follows:

	<u>2026</u> <u>\$'000</u>	<u>2025</u> <u>\$'000</u>
Consumer division	26,556,279	25,039,355
Pharmaceutical division	<u>5,118,081</u>	<u>5,217,072</u>
	<u>31,674,360</u>	<u>30,256,427</u>

8. OTHER OPERATING INCOME:

	<u>2026</u> <u>\$'000</u>	<u>2025</u> <u>\$'000</u>
Dividend income	7,019	6,166
Commission - Roche	163,435	151,827
Interest income	66,527	68,335
Fair value gain on investment property	76,732	-
Gain on disposal of property, plant and equipment	-	300
Miscellaneous income	18,481	8,960
Rental income	12,093	10,077
Insurance income (Keyman insurance)	<u>-</u>	<u>76,632</u>
	<u>344,287</u>	<u>322,297</u>

The company has a non-exclusive distribution agreement with Productos Roche Interamericana S.A. - Diagnostics Division (Roche) to distribute its products in Jamaica. Commission is earned on sales and collection of receivables.

LASCO DISTRIBUTORS LIMITED
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9. EXPENSES BY NATURE:

Total administrative, selling and other expenses:

	<u>2026</u> <u>\$'000</u>	<u>2025</u> <u>\$'000</u>
Staff costs (note 10)	2,241,030	2,167,497
Directors' fees	21,453	23,186
Property expenses	109,812	105,849
Transportation and communication	14,017	22,491
Advertising and promotion	475,494	372,616
Management and consultancy fees	82,554	71,049
Legal and professional fees	6,385	4,957
Insurance	165,857	157,794
Stationery	23,389	22,497
Utilities and postage	123,507	116,058
Security	235,487	195,743
Donations and subscriptions	240,669	196,664
Bank charges	151,438	135,442
Auditors' remuneration	12,375	11,250
Foreign exchange loss	82,178	27,028
GCT irrecoverable	46,870	44,317
Computer repairs expense	2,369	1,587
Depreciation and amortisation	161,759	168,059
Right-of-use-asset amortisation	6,066	4,550
Other expenses	<u>6,050</u>	<u>5,111</u>
	<u>4,208,759</u>	<u>3,853,745</u>
Impairment losses:		
Credit sales	<u>13,276</u>	<u>9,648</u>

10. STAFF COSTS:

	<u>2026</u> <u>\$'000</u>	<u>2025</u> <u>\$'000</u>
Salaries and wages	1,490,605	1,364,776
Directors' remuneration	65,366	65,668
Statutory contributions	161,809	153,181
Pension costs	45,615	41,581
Share options - employees	(1,240)	47,150
Commission and incentive	222,311	247,907
Accommodation	9,018	11,622
Other	<u>247,546</u>	<u>235,612</u>
	<u>2,241,030</u>	<u>2,167,497</u>

The average number of persons employed by the company during the year was 493, (2025: 476).

LASCO DISTRIBUTORS LIMITED

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11. FINANCE COSTS:

	<u>2026</u> <u>\$'000</u>	<u>2025</u> <u>\$'000</u>
Interest expense -		
Loan interest	44,838	15,339
Lease interest	<u>1,078</u>	<u>1,416</u>
	<u>45,916</u>	<u>16,755</u>

12. TAXATION EXPENSE:

(a) Taxation is computed on the profit for the year, adjusted for tax purposes, and comprises income tax at 25%.

	<u>2026</u> <u>\$'000</u>	<u>2025</u> <u>\$'000</u>
Current taxation	219,207	282,238
Prior year (over)/under provision	(7,097)	4,696
Deferred taxation (note 29)	<u>52,758</u>	<u>52,033</u>
	<u>264,868</u>	<u>338,967</u>

(b) The tax on the profit before taxation differs from the theoretical amount that would arise using the applicable tax rate as follows:

	<u>2026</u> <u>\$'000</u>	<u>2025</u> <u>\$'000</u>
Profit before taxation	<u>1,328,326</u>	<u>1,677,835</u>
Taxation calculated @ 25%	332,082	419,459
Adjusted for the effects of:		
Expenses not deducted for tax purposes	140,202	66,775
Unrealized foreign exchange loss	(60,853)	(230)
Income not subject to tax	(83,529)	(19,233)
Capital allowances	(79,747)	(63,624)
Deferred taxation	52,758	52,033
Other	(5,461)	(3,889)
Prior year under provision	(7,097)	4,696
Employment tax credit	<u>(23,487)</u>	<u>(117,020)</u>
	<u>264,868</u>	<u>338,967</u>

LASCO DISTRIBUTORS LIMITED
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13. **EARNINGS PER STOCK UNIT:**

Basic earnings per stock unit is calculated by dividing the net profit attributable to stockholders by the weighted average number of ordinary stock units in issue at year end.

	<u>2026</u>	<u>2025</u>
Net profit attributable to stockholders (\$'000)	1,063,458	1,338,868
Weighted Average Number of ordinary stocks units ('000)	<u>3,538,576</u>	<u>3,525,703</u>
Basic earnings per stock unit (¢ per share)	<u>30.05</u>	<u>37.97</u>

The diluted earnings per stock unit is calculated by adjusting the weighted average number of ordinary stock units in issue at the year end to assume conversion of all dilutive potential ordinary stock units.

	<u>2026</u>	<u>2025</u>
Net profit attributable to stockholders (\$'000)	<u>1,063,458</u>	-
Weighted Average Number of ordinary stocks units ('000)	3,538,576	-
Adjusted for share options ('000)	<u>3,427</u>	<u>-</u>
	<u>3,542,003</u>	<u>-</u>
Diluted earnings per stock unit (¢ per share)	<u>30.02</u>	<u>-</u>

LASCO DISTRIBUTORS LIMITED
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14. PROPERTY, PLANT AND EQUIPMENT:

	<u>Freehold Land & Buildings</u> \$'000	<u>Computer</u> \$'000	<u>Furniture, Fixtures & Equipment</u> \$'000	<u>Assets Under Construction</u> \$'000	<u>Motor Vehicles</u> \$'000	<u>Total</u> \$'000
Cost/deemed cost -						
1 April 2024	1,780,863	197,673	854,395	44,278	106,021	2,983,230
Additions	7,083	5,031	92,337	401,855	-	506,306
Transfer	23,725	-	1,617	(25,342)	-	-
Disposal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,374)</u>	<u>(4,374)</u>
31 March 2025	1,811,671	202,704	948,349	420,791	101,647	3,485,162
Additions	<u>-</u>	<u>186,042</u>	<u>41,118</u>	<u>258,151</u>	<u>-</u>	<u>485,311</u>
31 March 2026	<u>1,811,671</u>	<u>388,746</u>	<u>989,467</u>	<u>678,942</u>	<u>101,647</u>	<u>3,970,473</u>
Depreciation -						
1 April 2024	250,113	176,616	622,546	-	95,597	1,144,872
Charge for the year	39,172	6,917	62,834	-	4,401	113,324
Disposal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,374)</u>	<u>(4,374)</u>
31 March 2025	289,285	183,533	685,380	-	95,624	1,253,822
Charge for the year	<u>38,046</u>	<u>27,080</u>	<u>57,999</u>	<u>-</u>	<u>3,963</u>	<u>127,088</u>
31 March 2026	<u>327,331</u>	<u>210,613</u>	<u>743,379</u>	<u>-</u>	<u>99,587</u>	<u>1,380,910</u>
Net book value -						
31 March 2026	<u>1,484,340</u>	<u>178,133</u>	<u>246,088</u>	<u>678,942</u>	<u>2,060</u>	<u>2,589,563</u>
31 March 2025	<u>1,522,386</u>	<u>19,171</u>	<u>262,969</u>	<u>420,791</u>	<u>6,023</u>	<u>2,231,340</u>

The net book value of property, plant and equipment includes assets under construction amounting to \$678,942,000 (2025 - \$420,791,000) relating to warehouse expansion at White Marl location.

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15.	INTANGIBLE ASSETS:		<u>\$'000</u>
	Cost:		
	1 April 2024		335,633
	Transfer from property, plant and equipment		<u>735</u>
	31 March 2025 and 31 March 2026		<u>336,368</u>
	Amortisation -		
	1 April 2024		162,425
	Charge for the year		<u>54,735</u>
	31 March 2025		217,160
	Charge for the year		<u>34,671</u>
	31 March 2026		<u>251,831</u>
	Net book value -		
	31 March 2026		<u>84,537</u>
	31 March 2025		<u>119,208</u>
16.	RIGHT-OF-USE ASSET:		
	(a) Right-of-use asset		
		Building	
		<u>2026</u>	<u>2025</u>
		<u>\$'000</u>	<u>\$'000</u>
	At 1 April	10,615	15,165
	Amortisation	<u>(6,066)</u>	<u>(4,550)</u>
	At 31 March	<u>4,549</u>	<u>10,615</u>
	(b) Lease liability		
	At 1 April	12,474	15,165
	Interest expense	749	909
	Lease payments	<u>(3,600)</u>	<u>(3,600)</u>
	31 March	9,623	12,474
	Less: current portion	<u>(2,852)</u>	<u>(2,851)</u>
		<u>6,771</u>	<u>9,623</u>

The company leases property located at 29 Red Hills Road, Kingston 10. The five year lease contract ended on 31 March 2024 and was renewed as at 1 April 2024.

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17. INVESTMENT PROPERTY:

	<u>2026</u> <u>\$'000</u>	<u>2025</u> <u>\$'000</u>
Opening Balance	478,268	-
Acquisition of investment property	-	478,268
Revaluation gain	<u>76,732</u>	<u>-</u>
	<u>555,000</u>	<u>478,268</u>

On 1 May 2024, the company acquired property located at 38½ and 40 Red Hills Road, Kingston Jamaica. The property is held to earn rental income and for capital appreciation. The property was valued on 24 March 2026 by independent valuers, DC Tavares & Finson Realty.

Rental income recognized in the statement of comprehensive income for the year amounted to \$12,093,000 (2025 - \$10,077,000).

The fair value of the company's investment property is categorized as Level 3 in the fair value hierarchy.

The technique used to determined the fair value of investment property is as follows:

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
<p>Cost Approach, Income Approach and Comparison Approach. These models take into account the nature and use of the property:</p> <ul style="list-style-type: none"> - The assumed estimate of the current replacement cost less deductions for physical deterioration and obsolescence. - The estimated or actual cash benefits generated by an income property to arrive at the current present value. - The fair value estimate for subject property by comparing similar properties recently sold, with adjustments made for differences. 	<ul style="list-style-type: none"> - Estimates of physical, functional and external depreciation and estimated cost to replace or reproduce the asset. - The projected rental income and expected future growth rate, discount rate and forecast of operating expenses. - The adjustment factors for comparable sales to account for property condition, location, size and time adjustments reflecting changes in market condition. range of potential uses. 	<p>The estimated fair value would increase/(decrease) if:</p> <ul style="list-style-type: none"> - Higher depreciation or obsolescence assumptions decrease fair value. - Higher discount or capitalization rates decrease fair value; higher income growth increases fair value. - Higher positive adjustments increase fair value; negative adjustments reduce it.

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18. INVESTMENTS:

At fair value through other comprehensive income:

	<u>2026</u> Units	<u>2025</u> Units	<u>2026</u> \$'000	<u>2025</u> \$'000
Sigma USD Principal Protector	1,007,521	1,007,521	190,440	185,735
Equities (JMD)	<u>25,919,271</u>	<u>25,919,271</u>	<u>220,720</u>	<u>259,001</u>
			<u>411,160</u>	<u>444,736</u>

Investments at fair value through other comprehensive income represent investments in quoted equities and Sigma Funds.

19. INVENTORIES:

	<u>2026</u> \$'000	<u>2025</u> \$'000
Goods for resale -		
Roche	467,837	375,037
Regular trade	4,683,300	4,140,998
Goods-in-transit	<u>884,605</u>	<u>803,662</u>
	<u>6,035,742</u>	<u>5,319,697</u>

20. RECEIVABLES:

	<u>2026</u> \$'000	<u>2025</u> \$'000
Trade receivables -		
Roche (see below)	870,927	826,318
Regular trade	<u>2,527,239</u>	<u>2,748,353</u>
	3,398,166	3,574,671
Less: Provision for expected credit losses	(83,795)	(71,158)
	3,314,371	3,503,513
Other receivables	<u>1,528,725</u>	<u>1,241,946</u>
	<u>4,843,096</u>	<u>4,745,459</u>

Included in trade receivables for Roche are items on which Roche bears the credit risk solely. The corresponding liability is included in trade payables (note 30).

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21. **RELATED PARTY TRANSACTIONS AND BALANCES:**

	<u>2026</u> <u>\$'000</u>	<u>2025</u> <u>\$'000</u>
(a) Transactions between the company and its related parties -		
Purchases of goods and services:		
Lasco Manufacturing Limited -		
Goods	12,677,871	12,249,419
Lasco Financial Services Limited -		
Rental income	12,093	10,077
Foreign currency	6,692,448	6,412,839
Lascelles Chin Estate -		
Investment property	<u>-</u>	<u>478,268</u>
(b) Key management compensation (included in staff costs - Note 10):		
Key management includes directors and senior managers -		
Salaries and other short-term employee benefits	<u>297,851</u>	<u>333,210</u>
Directors' emoluments -		
Fees	21,453	23,186
Management remuneration (included above)	65,366	65,668
Share based payments	<u>(1,240)</u>	<u>47,150</u>
(c) Year end balances arising from transactions with related parties		
With related companies:		
Due from -		
Lasco Manufacturing Limited	59,955	50,223
Lasco Financial Services Limited	65,921	44,204
Lasco Chin Foundation	<u>104</u>	<u>220</u>
	<u>125,980</u>	<u>94,647</u>

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21. **RELATED PARTY TRANSACTIONS AND BALANCES (CONT'D):**

	<u>2026</u> <u>\$'000</u>	<u>2025</u> <u>\$'000</u>
(c) Year end balances arising from transactions with related parties (cont'd)		
Due to -		
Lasco Manufacturing Limited (included in trade payables)	<u>2,664,352</u>	<u>2,052,910</u>
These balances are due and payable within forty-five (45) days which is the company's normal credit term.		
Due from -		
Directors	<u>12,150</u>	<u>12,150</u>

22. **SHORT TERM INVESTMENTS:**

These represent interest bearing amounts which have been invested with various financial institutions for a period greater than three (3) months but up to one (1) year. The weighted average interest rate for the investments is 5.9% (2025 - 6.6%).

23. **CASH AND CASH EQUIVALENTS:**

	<u>2026</u> <u>\$'000</u>	<u>2025</u> <u>\$'000</u>
Cash and bank balances -		
Short terms deposits	26,741	40,980
Jamaican currency current account	1,351,881	1,078,705
Jamaican currency savings account	535,992	29,915
Foreign currency accounts	658,642	439,826
Cash in hand	<u>2,620</u>	<u>3,034</u>
	<u>2,575,876</u>	<u>1,592,460</u>

(a) The weighted average interest rate on short term deposits is 2.87% (2025 - 2.88%)

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23. CASH AND CASH EQUIVALENTS (CONT'D):

- (b) Reconciliation of movements of investments to cash flows from investing activities. Amounts represent investments at fair value through other comprehensive income and amortised cost.

	<u>2026</u> <u>\$'000</u>	<u>2025</u> <u>\$'000</u>
1 April	444,736	436,121
Non cash -		
Fair value movements	(34,032)	3,512
Foreign exchange gain	<u>456</u>	<u>5,103</u>
	<u>411,160</u>	<u>444,736</u>

- (c) Amounts represent short term investments:

	<u>2026</u> <u>\$'000</u>	<u>2025</u> <u>\$'000</u>
1 April	<u>780,967</u>	<u>546,369</u>
Investments acquired	938,067	200,000
Investment matured	(780,967)	-
Interest	60,197	46,131
Withholding tax	<u>(15,045)</u>	<u>(11,533)</u>
	<u>202,252</u>	<u>234,598</u>
	<u>983,219</u>	<u>780,967</u>

24. SHARE CAPITAL:

	<u>2026</u> <u>\$'000</u>	<u>2025</u> <u>\$'000</u>
Authorised - 3,630,000,000 Ordinary shares of no par value		
Stated capital - Issued and fully paid - 3,530,703,000 (2025: 3,525,703,000) ordinary shares of no par value	<u>531,686</u>	<u>513,186</u>

During the year, 5,000,000 units of shares at a cost of \$18,500,000 were granted and exercised under the Restricted Stock Units Plan for employees and Directors of Lasco Distributors Limited.

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25. **REVALUATION RESERVE:**

This represents unrealized surplus on revaluation of property, plant and equipment.

26. **FAIR VALUE RESERVE:**

This represents the net unrealised surplus on revaluation of equity investments at fair value through other comprehensive income.

27. **OTHER RESERVE:**

Restricted Stock Units:

On 29 December 2022, the Board of Directors approved the Restricted Stock Units Plan (RSU) to replace the Employee Stock Option Plan (ESOP) that expired on 30 May 2021. At the expiration of the Employee Share Option Plan (ESOP) the total number of unissued shares amounted to 24,050,000 units. These remaining units were transferred to the Restricted Stock Units Plan.

Under the Restricted Stock Option Plan (RSU), the company granted 15,000,000 units to eligible employees in March 2023. During the year, an additional 5,000,000 units were granted.

Movement on stock option

	<u>2026</u> No. of shares <u>'000</u>	<u>2025</u> No. of shares <u>'000</u>
Opening unit	9,050	9,050
Units vested during the year	(5,000)	-
31 March	<u>4,050</u>	<u>9,050</u>

	<u>2026</u> \$'000	<u>2025</u> \$'000
First Caribbean International Bank		
Opening Balance	365,585	-
Loan acquired	472,264	381,480
Less: Principal payments	(31,790)	(15,895)
	806,059	365,585
Less: Current portion	(31,790)	(31,790)
	<u>774,269</u>	<u>333,795</u>

The loan balance comprises two facilities obtained from CIBC First Caribbean International Bank.

The first loan was obtained on 20 September 2024 and bears interest at 8.25% per annum. The facility is repayable on 20 September 2034 and is secured by a mortgage over the real estate property located at 38½ and 40 Red Hills Road, Kingston, Jamaica, together with fire and perils insurance over the mortgaged property and related assets.

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28. LONG TERM LOANS (CONT'D):

The second loan was obtained on 7 April 2025 and bears interest at 7.75% per annum. The facility is repayable on 13 August 2037 and was established to finance the Company's warehouse expansion project.

Under the terms of the agreement, financing is provided on a drawdown basis whereby the Company initially incurs and settles qualifying project expenditures using its own resources. The lender subsequently reimburses approved expenditures upon submission of the required supporting documentation. The facility has a maximum limit of \$560,000,000, of which \$472,264,000 had been drawn down as at the reporting date. Amounts reimbursed by the lender are recognized as financial liabilities upon receipt of funds.

29. DEFERRED TAXES:

Deferred taxes are calculated in full on temporary differences under the liability method using a principal tax rate of 25%.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities. The amounts determined after appropriate offsetting are as follows:

	<u>2026</u> <u>\$'000</u>	<u>2025</u> <u>\$'000</u>
Deferred tax liability	(160,922)	(108,164)

The movement in deferred tax is as follows:

	<u>2026</u> <u>\$'000</u>	<u>2025</u> <u>\$'000</u>
Balance at beginning of year	(108,164)	(56,131)
Charge for the year (note 12)	(52,758)	(52,033)
Balance at end of year	(160,922)	(108,164)

Deferred tax is due to the following temporary differences:

	<u>2026</u> <u>\$'000</u>	<u>2025</u> <u>\$'000</u>
Accelerated capital allowances	(205,798)	(150,624)
Bad debt provision	20,949	17,790
Interest receivable	(6,128)	(6,825)
Accrued vacation leave	41,136	32,724
Foreign exchange gain	(15,213)	(1,694)
Other	4,132	465
	<u>(160,922)</u>	<u>(108,164)</u>

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29. DEFERRED TAXES (CONT'D):

Deferred tax charged to profit or loss comprises the following temporary differences:

	<u>2026</u> <u>\$'000</u>	<u>2025</u> <u>\$'000</u>
Accelerated capital allowances	(55,174)	(53,576)
Bad debt provision	3,159	3,728
Interest receivable	697	(3,133)
Accrued vacation leave	8,412	4,082
Foreign exchange loss	(13,519)	(3,547)
Other	<u>3,667</u>	<u>413</u>
	<u>(52,758)</u>	<u>(52,033)</u>

30. PAYABLES:

	<u>2026</u> <u>\$'000</u>	<u>2025</u> <u>\$'000</u>
Trade payables -		
Roche (see note 20)	848,821	604,473
Regular trade	<u>4,618,068</u>	<u>3,621,920</u>
Other payables and accruals	5,466,889	4,226,393
	<u>580,705</u>	<u>487,012</u>
	<u>6,047,594</u>	<u>4,713,405</u>

31. DIVIDENDS:

	<u>2026</u> <u>\$'000</u>	<u>2025</u> <u>\$'000</u>
In respect of 31 March 2025 (11¢ per share)	-	387,827
In respect of 31 March 2026 (12¢ per share)	<u>423,084</u>	<u>-</u>
	<u>423,084</u>	<u>387,827</u>

An interim dividend of 12¢ per share was approved by the Board of Directors on 17 June 2025 for payment on 24 July 2025, based on shareholders on record at 1 July 2025.

On 17 June 2024, an interim dividend of 11¢ per share was approved by the Board of Directors for payment on 24 July 2024, based on shareholders on record at 1 July 2024.

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32. PENSION PLAN:

The company operates a defined contribution pension plan which is administered by Sagikor Life Jamaica Limited and is open to all permanent employees.

The plan is funded by the company's and employees' contributions. The company's contributions to the scheme are expensed and amounted to \$45,615,000 for the year (2025 - \$41,581,000).

33. CONTINGENCIES:

The company had guarantees with a financial institution totalling \$12 million which occurred during the normal course of business.