

LASCO MANUFACTURING LIMITED

FINANCIAL STATEMENTS

31 MARCH 2026

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Chartered Accountants
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INDEPENDENT AUDITORS' REPORT

To the Members of
Lasco Manufacturing Limited

Report on the Financial Statements

Opinion

We have audited the financial statements of Lasco Manufacturing Limited set out on pages 5 to 40, 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 Manufacturing 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.

INDEPENDENT AUDITORS' REPORT (CONT'D)

To the Members of
Lasco Manufacturing 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:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

INDEPENDENT AUDITORS' REPORT (CONT'D)

To the Members of
Lasco Manufacturing Limited

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

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.

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 MANUFACTURING 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	6	12,689,442	12,417,367
COST OF SALES		(7,854,644)	(7,761,522)
GROSS PROFIT		4,834,798	4,655,845
Other operating income	7	<u>404,977</u>	<u>362,085</u>
		<u>5,239,775</u>	<u>5,017,930</u>
EXPENSES:			
Administrative and other expenses		(1,580,272)	(1,567,018)
Selling and promotion expenses		(133,480)	(132,619)
	8	<u>(1,713,752)</u>	<u>(1,699,637)</u>
OPERATING PROFIT		3,526,023	3,318,293
Finance costs	10	(51,023)	(2,557)
PROFIT BEFORE TAXATION		3,475,000	3,315,736
Taxation	11	(710,783)	(747,609)
NET PROFIT		<u>2,764,217</u>	<u>2,568,127</u>
OTHER COMPREHENSIVE INCOME:			
Item that may not be reclassified to profit or loss - Unrealized loss on financial instruments		(70,947)	(37,100)
TOTAL COMPREHENSIVE INCOME		<u>2,693,270</u>	<u>2,531,027</u>
EARNINGS PER STOCK UNIT	12		
Basic		<u>66.67¢</u>	<u>62.08¢</u>

LASCO MANUFACTURING LIMITED
STATEMENT OF FINANCIAL POSITION

31 MARCH 2026

	<u>Note</u>	<u>2026</u> <u>\$'000</u>	<u>2025</u> <u>\$'000</u>
ASSETS			
NON-CURRENT ASSETS:			
Property, plant and equipment	13	5,382,986	4,626,687
Investments	14	<u>575,188</u>	<u>699,955</u>
		<u>5,958,174</u>	<u>5,326,642</u>
CURRENT ASSETS:			
Inventories	15	2,775,465	2,589,281
Receivables	16	3,855,893	2,774,943
Taxation recoverable		245,199	152,239
Short term investments	18	5,109,321	4,285,831
Cash and cash equivalents	19	<u>3,374,832</u>	<u>3,352,876</u>
		<u>15,360,710</u>	<u>13,155,170</u>
		<u>21,318,884</u>	<u>18,481,812</u>
EQUITY AND LIABILITIES			
EQUITY:			
Share capital	20	636,317	606,267
Fair value reserve	22	(113,032)	(42,085)
Retained earnings		<u>16,348,322</u>	<u>14,371,258</u>
		<u>16,871,607</u>	<u>14,935,440</u>
NON-CURRENT LIABILITIES:			
Deferred taxation	23	1,004,383	836,719
Long term loan	24	923,667	-
Non-government grant	25	<u>85,561</u>	<u>95,339</u>
		<u>2,013,611</u>	<u>932,058</u>
CURRENT LIABILITIES			
Payables	26	1,961,634	2,069,296
Current portion of long term loan	24	54,333	-
Taxation		<u>417,699</u>	<u>545,018</u>
		<u>2,433,666</u>	<u>2,614,314</u>
		<u>21,318,884</u>	<u>18,481,812</u>

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



James E. D. Rawle, CD
 Managing Director



Compton Rodney
 Director

LASCO MANUFACTURING LIMITED
STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 MARCH 2026

	<u>Note</u>	<u>Share Capital \$'000</u>	<u>Fair Value Reserve \$'000</u>	<u>Retained Earnings \$'000</u>	<u>Total \$'000</u>
BALANCE AT 31 MARCH 2024		<u>563,167</u>	<u>(4,985)</u>	<u>12,423,068</u>	<u>12,981,250</u>
TOTAL COMPREHENSIVE INCOME					
Net profit		-	-	2,568,127	2,568,127
Other comprehensive income		<u>-</u>	<u>(37,100)</u>	<u>-</u>	<u>(37,100)</u>
		<u>-</u>	<u>(37,100)</u>	<u>2,568,127</u>	<u>2,531,027</u>
TRANSACTIONS WITH OWNERS					
Share issue	20	43,100	-	-	43,100
Dividends	27	<u>-</u>	<u>-</u>	<u>(619,937)</u>	<u>(619,937)</u>
		<u>43,100</u>	<u>-</u>	<u>(619,937)</u>	<u>(576,837)</u>
BALANCE AT 31 MARCH 2025		<u>606,267</u>	<u>(42,085)</u>	<u>14,371,258</u>	<u>14,935,440</u>
TOTAL COMPREHENSIVE INCOME					
Net profit		-	-	2,764,217	2,764,217
Other comprehensive income		<u>-</u>	<u>(70,947)</u>	<u>-</u>	<u>(70,947)</u>
		<u>-</u>	<u>(70,947)</u>	<u>2,764,217</u>	<u>2,693,270</u>
TRANSACTIONS WITH OWNERS					
Share issue	20	30,050	-	-	30,050
Dividends	27	<u>-</u>	<u>-</u>	<u>(787,153)</u>	<u>(787,153)</u>
		<u>30,050</u>	<u>-</u>	<u>(787,153)</u>	<u>(757,103)</u>
BALANCE AT 31 MARCH 2026		<u>636,317</u>	<u>(113,032)</u>	<u>16,348,322</u>	<u>16,871,607</u>

LASCO MANUFACTURING 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		2,764,217	2,568,127
Items not affecting cash resources:			
Depreciation	13	284,695	254,215
Effect of exchange rate translation		33,440	(4,374)
Interest income	7	(383,695)	(350,644)
Dividend Income		(8,984)	-
Non-government grant - release to income		(9,778)	(2,445)
Loss on disposal of property, plant and equipment		166	173
Interest expense	10	51,023	2,557
Taxation expense	11	<u>710,783</u>	<u>747,609</u>
		3,441,867	3,215,218
Changes in operating assets and liabilities:			
Inventories		(186,184)	(453,011)
Receivables		(1,072,676)	(451,136)
Related companies		-	65
Taxation recoverable		(92,960)	(73,932)
Payables		<u>(113,934)</u>	<u>116,062</u>
		1,976,113	2,353,266
Taxation paid		<u>(670,438)</u>	<u>(733,874)</u>
Cash provided by operating activities		<u>1,305,675</u>	<u>1,619,392</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received		381,175	307,960
Short term investments	19(b)	(823,490)	(1,005,497)
Purchase of bonds	14	(146,180)	(404,028)
Dividend received		8,984	-
Purchase of property, plant and equipment	13	(1,041,160)	(424,715)
Proceeds from disposal of investment		200,000	200,000
Non-government grant	25	<u>-</u>	<u>97,784</u>
Cash used in investing activities		<u>(1,420,671)</u>	<u>(1,228,496)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Interest paid		(51,023)	(2,557)
Share issue		30,050	43,100
Loans repaid		-	(43,125)
Proceeds from loan	24	978,000	-
Dividends paid	27	<u>(787,153)</u>	<u>(619,937)</u>
Cash provided by/(used in) financing activities		<u>169,874</u>	<u>(622,519)</u>
Increase/(decrease) in cash and cash equivalents		54,878	(231,623)
Exchange effects on foreign cash balances		(32,922)	12,053
Cash and cash equivalents at beginning of year		<u>3,352,876</u>	<u>3,572,446</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	19	<u>3,374,832</u>	<u>3,352,876</u>

LASCO MANUFACTURING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2026

1. IDENTIFICATION AND PRINCIPAL ACTIVITIES:

- (a) Lasco Manufacturing Limited is a limited liability company incorporated and domiciled in Jamaica. The registered office of the company is 27 Red Hills Road, Kingston 10 and it currently operates from premises at White Marl, St. Catherine. The company is listed on the Main Market of the Jamaica Stock Exchange (JSE).
- (b) The principal activities of the company are the manufacturing of soy based products, juice drinks, water and packaging of milk based products. Distribution of these products is done in the local market.

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. 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 MANUFACTURING 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

The following amendments to standards which are not effective and have not been adopted early in these financial statements will or may have an effect on the company's financial statements.

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 MANUFACTURING 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 MANUFACTURING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2026

3. MATERIAL ACCOUNTING POLICIES (CONT'D):

(b) Foreign currency translation

Foreign currency transactions are accounted for at the exchange rates prevailing at the dates of 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 recognized in profit or loss.

(c) Property, plant and equipment

Items of property, plant and equipment are recorded at historical 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 basis at annual rates estimated to write off the carrying value of the assets over the period of their estimated useful lives. Land is not depreciated. The expected useful lives of the other property, plant and equipment are as follows:

Buildings	40 years
Furniture and fixtures	10 years
Machinery and equipment	10 to 20 years
Computer equipment	5 years
Motor vehicles	5 years
Leasehold improvements	5 years

(d) Investments

The fair values of quoted instruments are based on the spread between the bid and ask prices at valuation date. Upon initial recognition, the company irrevocably classifies its equity instruments at fair value through other comprehensive income (FVOCI) when they meet the definition of equity under IAS 32, Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Gains and losses on these equity instruments are never recycled to profit or loss. Equity instruments at FVOCI are not subject to an impairment assessment.

LASCO MANUFACTURING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2026

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(e) Inventories

Inventories are stated at the lower of cost and fair value less costs to sell. Cost is determined as follows:

Finished goods	-	Cost of product plus all indirect costs to bring the item to a saleable condition.
Raw material	-	Cost of product plus duty and related cost in bringing the inventories to their present location.
Goods-in-transit	-	Cost of goods converted at the year end exchange rate.

Net realisable value is the estimate of the selling price in the ordinary course of business, less selling expenses.

(f) 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 risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

(g) 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.

LASCO MANUFACTURING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2026

3. MATERIAL ACCOUNTING POLICIES (CONT'D):

(g) Revenue recognition (cont'd)

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 ECL.

(h) 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.

(i) Borrowings

Borrowings are recognized initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost.

Borrowing costs incurred for the construction of the qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed.

(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.

LASCO MANUFACTURING LIMITED
NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2026

3. MATERIAL ACCOUNTING POLICIES (CONT'D):

(j) Current and deferred income taxes (cont'd)

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% to 15% 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.

(iii) Other employee benefits

Employee entitlement to annual 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) Share-based compensation

Restricted stock unit 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.

LASCO MANUFACTURING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2026

3. MATERIAL ACCOUNTING POLICIES (CONT'D):

(l) Financial instruments (cont'd)

Financial assets

(i) Classification

The company classifies its financial assets as amortised cost and fair value through other comprehensive income. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

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 recognized 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 cash and cash equivalents, receivables, due from related company and short term deposits.

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash at bank and in hand and short term deposits with original maturity 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 MANUFACTURING 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) Recognition and measurement

Regular purchases and sales of financial assets are recognized on the trade-date - the date on which the company commits to purchase or sell the asset. Financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership.

The company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss - is removed from other comprehensive income and recognized in profit or loss.

(iii) 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 were classified as financial liabilities: long term loan and payables.

LASCO MANUFACTURING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2026

3. MATERIAL ACCOUNTING POLICIES (CONT'D):

(m) Segment reporting

An operating segment is a component of the company that engages in business activities from which it may earn revenues and incur expenses; whose operating results are regularly reviewed by the entity's Chief Operation Decision Maker (CODM) to make decisions about resources to be allocated to the segment and assess its performance; and for which discrete financial information is available.

Based on the information presented to and reviewed by the CODM, the entire operations of the company are considered as one operating segment.

(n) 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.

(o) Other receivables

Other receivables are stated at amortised cost less impairment losses, if any.

(p) 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.

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

(q) Leases

(i) As lessee:

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments under operating leases are charged to the statement of income on a straight-line basis over the period of the lease.

(ii) As lessor:

Where assets are leased under finance lease, the present value of the lease payments is recognized as a receivable. The difference between the gross receivable and the present value of the receivable is recognized as unearned finance income. Lease income is recognized over the term of the lease in a manner which reflects a constant periodic rate of return on the net investment in the lease.

LASCO MANUFACTURING LIMITED
NOTES TO THE FINANCIAL STATEMENTS

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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.

(s) Non-Government grant

Capital grants received for the acquisition of fixed assets are initially recognised as deferred income and subsequently credited to profit or loss on a systematic basis over the useful life of the related asset. This treatment ensures the grant income matches the depreciation expense of the asset.

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:

LASCO MANUFACTURING 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

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.

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 at 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/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 MANUFACTURING 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) 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.

(iv) 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.

(v) Measurement of the expected credit loss allowance

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 loss experience over the last 12 months and analysis of future default, that is applied to the balance of the trade receivables.

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 MANUFACTURING 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

The company is exposed through its operations to the following financial risks (cont'd):

In common with all other businesses, the company is exposed to risks 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:

- Receivables
- Cash and cash equivalents
- Investments
- Payables
- Long term loan
- Short term investments
- Related companies

(b) Financial instruments by category

Financial assets

	<u>Amortised cost</u>		<u>Fair value through other comprehensive income</u>	
	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Cash and cash equivalents	3,374,832	3,352,876	-	-
Short term investments	5,109,321	4,285,831	-	-
Receivables	3,077,772	2,119,635	-	-
Investments	<u>350,208</u>	<u>404,028</u>	<u>224,980</u>	<u>295,927</u>
Total financial assets	<u>11,912,133</u>	<u>10,162,370</u>	<u>224,980</u>	<u>295,927</u>

LASCO MANUFACTURING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2026

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

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

Financial liabilities

	<u>Amortised cost</u>	
	<u>2026</u>	<u>2025</u>
	<u>\$'000</u>	<u>\$'000</u>
Payables	1,633,504	1,222,582
Long term loan	<u>978,000</u>	<u>-</u>
Total financial liabilities	<u>2,611,504</u>	<u>1,222,582</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 operating processes that ensure the effective implementation of the objectives and policies to the company's finance function. The Board receives monthly reports from the Financial Controller 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 denominated investments. 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 maximising foreign currency earnings.

LASCO MANUFACTURING 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's exposure to foreign currency risk was as follows:

	<u>2026</u> <u>\$'000</u>	<u>2025</u> <u>\$'000</u>
Cash and cash equivalents	1,974,881	1,671,367
Short term investments	119,801	118,351
Receivables	143,553	115,833
Payables	<u>(1,172,322)</u>	<u>(994,660)</u>
	<u>1,065,913</u>	<u>910,891</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, short term investments, accounts receivable balances and accounts payable balances, and adjusts their translation at the year-end for 1.5% (2025 - 3.5%) 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.

	% Change in Currency Rate <u>2026</u>	Effect on Profit before tax 31 March <u>2026</u> <u>\$'000</u>	% Change in Currency Rate <u>2025</u>	Effect on Profit before tax 31 March <u>2025</u> <u>\$'000</u>
Currency:				
USD	+1	(10,659)	+1	(9,109)
USD	<u>-1.5</u>	<u>15,989</u>	<u>-3.5</u>	<u>31,881</u>

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 the equity securities price risk arising from its holding in financial assets at fair value through other comprehensive income.

LASCO MANUFACTURING 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 (cont'd)

A 1.5% (2025 - 6%) increase in the price of equity stocks will result in a \$3,375,000 (2025 - \$17,756,000) increase and a 2% (2025 - 2%) decrease in the price of equity stocks will result in a \$4,500,000 (2025 - \$5,919,000) decrease in 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 variable rate borrowings. The company analyses its interest rate exposure arising from borrowings on an ongoing basis, taking into consideration the options of refinancing, renewal of existing positions and alternative financing.

Short term investments, fixed deposits and borrowings are the only interest bearing assets and liabilities respectively, within the company. The company's short term investments and fixed deposits are due to mature and re-price respectively, within three months to one year of the reporting date and the company's borrowings are fixed for a period and then revised.

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 on borrowings. A 0.25% increase/0.25% decrease in interest rates on Jamaican dollar borrowings would result in a \$2,445,000 decrease/increase in profit before tax for the company.

(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, short term investments, due from related companies and cash and bank balances.

LASCO MANUFACTURING 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 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.

The aging of trade receivables is:

	<u>2026</u> <u>\$'000</u>	<u>2025</u> <u>\$'000</u>
0-30 days	2,692,342	2,090,038
31-60 days	1,239	(683)
Over 60 days	<u>25,444</u>	<u>5,538</u>
	<u>2,719,025</u>	<u>2,094,893</u>

The majority of the sales are made to a related company and based on payment patterns, no history of default was identified as all payments are made within the year. No provision for expected credit losses was required during the year.

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

LASCO MANUFACTURING LIMITED
NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2026

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(c) Financial risk factors (cont'd)

(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 marketable securities, and the availability of funding through an adequate amount of committed credit facilities.

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 deposit 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 <u>\$'000</u>	1 to 2 Years <u>\$'000</u>	2 to 5 Years <u>\$'000</u>	Over 5 Years <u>\$'000</u>	Total <u>\$'000</u>
31 March 2026					
Payables	1,633,504	-	-	-	1,633,504
Long term loan	<u>127,138</u>	<u>134,666</u>	<u>373,130</u>	<u>885,180</u>	<u>1,520,114</u>
Total financial liabilities (contractual maturity dates)	<u>1,760,642</u>	<u>134,666</u>	<u>373,130</u>	<u>885,180</u>	<u>3,153,618</u>
31 March 2025					
Payables	<u>1,222,582</u>	-	-	-	<u>1,222,582</u>
Total financial liabilities (contractual maturity dates)	<u>1,222,582</u>	-	-	-	<u>1,222,582</u>

LASCO MANUFACTURING LIMITED
NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2026

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 2 or 3 during the year. There were no transfers between levels during the year.

	<u>2026</u>
	Level 1
	<u>\$'000</u>
Investment securities fair value through other comprehensive income	
Equity securities	<u>224,980</u>
	<u>2025</u>
	Level 1
	<u>\$'000</u>
Investment securities fair value through other comprehensive income	
Equity securities	<u>295,927</u>

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) Investments 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.
- (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.

LASCO MANUFACTURING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2026

6. **REVENUE:**

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

7. **OTHER OPERATING INCOME:**

	<u>2026</u> <u>\$'000</u>	<u>2025</u> <u>\$'000</u>
Dividends	8,984	7,556
Interest income	383,695	350,644
Other income	<u>12,298</u>	<u>3,885</u>
	<u>404,977</u>	<u>362,085</u>

8. **EXPENSES BY NATURE:**

Total administrative, selling and other expenses:

	<u>2026</u> <u>\$'000</u>	<u>2025</u> <u>\$'000</u>
Staff costs (note 9)	686,315	751,456
Directors' fees	24,317	25,029
Auditors' remuneration	9,900	9,000
Legal and professional fees	21,836	39,360
Security	47,560	55,073
Insurance	196,312	189,460
Building rental and equipment	3,204	2,404
Advertising and promotion	133,480	132,619
Foreign exchange loss	53,324	19,490
Travelling and entertainment	27,556	27,784
Depreciation	284,695	254,215
Donations and subscriptions	68,108	54,564
Printing and stationery	13,556	11,273
Bank charges	7,684	12,229
Utilities	42,728	38,800
Cleaning and sanitation	37,848	40,201
Container expenses	54,270	35,747
Other operating expenses	<u>1,059</u>	<u>933</u>
	<u>1,713,752</u>	<u>1,699,637</u>

Included in other operating expenses are expense categories amounting to less than \$3 million.

LASCO MANUFACTURING LIMITED
NOTES TO THE FINANCIAL STATEMENTS

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9. STAFF COSTS:

	<u>2026</u> <u>\$'000</u>	<u>2025</u> <u>\$'000</u>
Salaries and related costs	503,413	440,776
Directors' remuneration	73,454	75,299
Pension costs	14,515	13,276
Staff welfare	143,582	152,187
Share option	(48,649)	<u>69,918</u>
	<u>686,315</u>	<u>751,456</u>

The average number of persons employed by the company during the year was one hundred (100), (2025 - one hundred and five (105)).

Also included in cost of sales is an amount of \$393,969,000 (2025 - \$421,171,000) representing production workers' staff costs.

10. FINANCE COSTS:

	<u>2026</u> <u>\$'000</u>	<u>2025</u> <u>\$'000</u>
Interest expense	<u>51,023</u>	<u>2,557</u>

11. 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	543,119	717,844
Deferred taxation (note 23)	<u>167,664</u>	<u>29,765</u>
	<u>710,783</u>	<u>747,609</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>3,475,000</u>	<u>3,315,736</u>
Taxation calculated at 25%	868,750	828,934
Adjusted for the effects of:		
Expenses not deducted for tax purposes	130,088	116,742
Net effect of other charges and allowances	(221,955)	(125,584)
Employment tax credit	<u>(66,100)</u>	<u>(72,483)</u>
Taxation charge in income statement	<u>710,783</u>	<u>747,609</u>

LASCO MANUFACTURING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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12. **EARNINGS PER STOCK UNIT:**

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)	2,764,217	2,568,127
Weighted average number of ordinary stock units (\$'000)	4,145,995	4,136,502
Basic earnings per stock unit (¢ per share)	<u>66.67</u>	<u>62.08</u>

LASCO MANUFACTURING LIMITED

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13. PROPERTY, PLANT AND EQUIPMENT:

	<u>Land & Buildings</u> <u>\$'000</u>	<u>Machinery & Equipment</u> <u>\$'000</u>	<u>Leasehold Improvement</u> <u>\$'000</u>	<u>Assets under Construction</u> <u>\$'000</u>	<u>Motor Vehicles</u> <u>\$'000</u>	<u>Furniture & Fixtures</u> <u>\$'000</u>	<u>Computer Equipment & Accessories</u> <u>\$'000</u>	<u>Total</u> <u>\$'000</u>
At cost:								
1 April 2024	3,390,775	2,868,892	6,579	130,728	39,209	10,169	422,999	6,869,351
Additions	42,581	373,167	-	-	-	5,093	3,874	424,715
Disposal	-	-	-	-	-	-	(192)	(192)
31 March 2025	3,433,356	3,242,059	6,579	130,728	39,209	15,262	426,681	7,293,874
Additions	3,133	1,027,745	-	-	-	5,599	4,683	1,041,160
Disposal	-	(58,136)	-	-	-	-	(192)	(58,328)
31 March 2026	<u>3,436,489</u>	<u>4,211,668</u>	<u>6,579</u>	<u>130,728</u>	<u>39,209</u>	<u>20,861</u>	<u>431,172</u>	<u>8,276,706</u>
Depreciation:								
1 April 2024	660,640	1,286,524	6,579	-	34,662	5,005	419,581	2,412,991
Charge for the year	85,065	164,645	-	-	1,979	1,113	1,413	254,215
Disposal	-	-	-	-	-	-	(19)	(19)
31 March 2025	745,705	1,451,169	6,579	-	36,641	6,118	420,975	2,667,187
Charge for the year	85,237	194,387	-	-	1,140	1,805	2,126	284,695
Disposal	-	(58,136)	-	-	-	-	(26)	(58,162)
31 March 2026	<u>830,942</u>	<u>1,587,420</u>	<u>6,579</u>	<u>-</u>	<u>37,781</u>	<u>7,923</u>	<u>423,075</u>	<u>2,893,720</u>
Net Book Value:								
31 March 2026	<u>2,605,547</u>	<u>2,624,248</u>	<u>-</u>	<u>130,728</u>	<u>1,428</u>	<u>12,938</u>	<u>8,097</u>	<u>5,382,986</u>
31 March 2025	<u>2,687,651</u>	<u>1,790,890</u>	<u>-</u>	<u>130,728</u>	<u>2,568</u>	<u>9,144</u>	<u>5,706</u>	<u>4,626,687</u>

Included in land and buildings is a property located at White Marl, St. Catherine which is owned as Tenants in Common in equal shares with a related company.

LASCO MANUFACTURING LIMITED
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14. INVESTMENTS:

	<u>2026</u> <u>\$'000</u>	<u>2025</u> <u>\$'000</u>
At fair value through other comprehensive income - Quoted equities	<u>224,980</u>	<u>295,927</u>
At amortised cost - Mayberry Investments Limited Bond	146,180	200,000
Barita Finance Limited Investment Bond	<u>204,028</u>	<u>204,028</u>
	<u>350,208</u>	<u>404,028</u>
	<u>575,188</u>	<u>699,955</u>

Investments stated at fair value through other comprehensive income represent quoted equities.

Investment at Mayberry Limited for 2026 represents JMD Fixed Rate Bond issued September 2025, attracts an interest of 8.75% and matures in October 2026.

Investment at Barita Finance Limited represents JMD Fixed rate Bond issued February 2025, attracts an interest rate of 11% and matures in July 2026.

Investment at Mayberry Investments Limited for 2025 represented JMD Fixed Rate Bond issued January 2025, attracted an interest rate of 10.0% and matured in July 2025.

15. INVENTORIES:

	<u>2026</u> <u>\$'000</u>	<u>2025</u> <u>\$'000</u>
Raw materials	785,474	1,027,559
Finished goods	327,091	289,215
Goods in transit	<u>1,267,981</u>	<u>979,397</u>
	2,380,546	2,296,171
Spare parts inventories	<u>394,919</u>	<u>293,110</u>
	<u>2,775,465</u>	<u>2,589,281</u>

16. RECEIVABLES:

	<u>2026</u> <u>\$'000</u>	<u>2025</u> <u>\$'000</u>
Trade receivables	2,719,025	2,094,893
Other receivables	568,413	181,019
Prepayments and deposits	<u>563,455</u>	<u>499,031</u>
	<u>3,855,893</u>	<u>2,774,943</u>

LASCO MANUFACTURING LIMITED
NOTES TO THE FINANCIAL STATEMENTS

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17. RELATED PARTY TRANSACTIONS AND BALANCES:

	<u>2026</u> <u>\$'000</u>	<u>2025</u> <u>\$'000</u>
<u>Transactions during the year</u>		
Purchase of goods/foreign currency:		
Lasco Financial Services Limited	<u>6,279,663</u>	<u>6,455,509</u>
Sale of goods/services:		
Lasco Distributors Limited	<u>12,648,166</u>	<u>12,369,575</u>
Lasco Chin Foundation	<u>8,281</u>	<u>1,425</u>
Cash donation:		
Lasco Chin Foundation	<u>18,198</u>	<u>17,156</u>
Key management compensation (included in staff costs - note 9):		
Key management includes directors (executive) and senior managers -		
Salaries and other short-term employee benefits	97,647	111,908
Share-based payment	<u>30,050</u>	<u>43,100</u>
Directors' emoluments:		
Fees	24,317	25,029
Management remuneration (included above)	73,454	75,299
Share-based payment	<u>30,050</u>	<u>43,100</u>
<u>Year end balances</u>		
With related companies:		
Due from -		
Lasco Distributors Limited (included in non-trade receivable)	<u>38,320</u>	<u>32,687</u>
Lasco Distributors Limited (included in trade receivables)	<u>2,710,647</u>	<u>2,088,691</u>
Lasco Financial Services Limited (included in trade receivables)	<u>4,601</u>	<u>3,748</u>
Lasco Chin Foundation (included in trade receivables)	<u>988</u>	<u>674</u>
Lasco Micro Finance Limited (included in other receivables)	<u>100,000</u>	<u>-</u>
Due to -		
Lasco Distributors Limited (included in payables)	<u>14,586</u>	<u>29,613</u>
Lasco Distributors Limited (included in accruals)	<u>45,551</u>	<u>26,349</u>
Lasco Chin Foundation (included in accruals)	<u>244</u>	<u>-</u>

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

Year end balances (cont'd)

	<u>2026</u> <u>\$'000</u>	<u>2025</u> <u>\$'000</u>
Due to (cont'd) -		
Lasco Chin Foundation (included in payables)	<u>155</u>	<u>-</u>
Lasco Financial Services Limited (included in payables)	<u>129</u>	<u>130</u>

There is a forty-five (45) days repayment term of the amounts due to and from related companies.

18. SHORT TERM INVESTMENTS:

These represent JA\$ and US\$ interest bearing deposits which have been invested for a period of one (1) year at weighted average interest rates that range from 0.8% to 6.15% (2025 - 1.85% to 10.5%).

19. CASH AND CASH EQUIVALENTS:

	<u>2026</u> <u>\$'000</u>	<u>2025</u> <u>\$'000</u>
Cash at bank and in hand	3,321,244	3,299,344
Short term deposits	<u>53,588</u>	<u>53,532</u>
	<u>3,374,832</u>	<u>3,352,876</u>

(a) The weighted average interest rates on short term deposits denominated in United States dollars were 0.65% and 0.00% (2025 - 0.65% and 0.00%) and these mature within 30 days.

(b) Reconciliation of movements of assets to cash flows from investing activities:

Amounts represent short term investments.

	<u>2026</u> <u>\$'000</u>	<u>2025</u> <u>\$'000</u>
At 1 April	<u>4,285,831</u>	<u>3,280,334</u>
Addition	738,961	1,582,569
Interest earned	84,733	190,639
Disbursements	-	(770,572)
Non cash - Foreign exchange adjustment	(<u>204</u>)	<u>2,861</u>
	<u>823,490</u>	<u>1,005,497</u>
At 31 March	<u>5,109,321</u>	<u>4,285,831</u>

LASCO MANUFACTURING LIMITED
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20. SHARE CAPITAL:

	<u>2026</u>	<u>2025</u>
	<u>\$'000</u>	<u>\$'000</u>
Authorised - 4,427,500,000 ordinary shares of no par value		
Stated capital - Issued and fully paid - 4,147,913,000 (2025 - 4,142,913,000) ordinary shares of no par value	<u>636,317</u>	<u>606,267</u>

During the year 5,000,000 units of shares at a cost of \$30,050,000 were granted and exercised under the new Restricted Stock Units Plan for Employees and Directors of Lasco Manufacturing Limited.

21. OTHER RESERVE:

Restricted Stock Units:

On 6 November 2024, 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 158,573,000 units. These remaining units were transferred to the Restricted Stock Units Plan.

The company granted 5,000,000 units under the Restricted Stock Units Plan in March 2026.

Movement of shares

	<u>2026</u>
	<u>No. of shares</u>
	<u>'000</u>
Opening units	148,573
Units vested during the year	(<u>5,000</u>)
31 March	<u>143,573</u>

22. FAIR VALUE RESERVE:

This represents the net unrealised deficit on revaluation of equity investments at fair value through other comprehensive income. The investments are not impaired and the recorded deficit is based on short term fluctuations in market prices.

LASCO MANUFACTURING LIMITED
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23. DEFERRED TAXATION:

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	(1,004,383)	(836,719)

The movement in deferred tax is as follows:

	<u>2026</u> <u>\$'000</u>	<u>2025</u> <u>\$'000</u>
Balance at start of year	(836,719)	(806,954)
Charge to profit or loss (note 11)	(167,664)	(29,765)
Balance at end of year	(1,004,383)	(836,719)

Deferred tax is due to the following temporary differences:

	<u>2026</u> <u>\$'000</u>	<u>2025</u> <u>\$'000</u>
Accelerated capital allowances	(978,342)	(817,392)
Interest receivable	(21,583)	(20,953)
Accrued vacation leave	3,760	2,719
Unrealized foreign exchange gain	(8,218)	(1,093)
	(1,004,383)	(836,719)

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 allowance	(160,950)	(10,167)
Interest receivable	(630)	(10,671)
Accrued vacation leave	1,041	(1,464)
Unrealized foreign exchange gain	(7,125)	(7,463)
	(167,664)	(29,765)

LASCO MANUFACTURING LIMITED
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24. LONG TERM LOAN:

	<u>2026</u> <u>\$'000</u>	<u>2025</u> <u>\$'000</u>
CIBC FirstCaribbean International (Jamaica) Limited	978,000	-
Less: current portion	(54,333)	-
	<u>923,667</u>	<u>-</u>

The CIBC loan attracts an interest rate of 7.75% per annum for five years, thereafter, variable rate of weighted average treasury bill yield (WATBY) plus a spread of 2.75%, subject to a WATBY floor of 4%. Rate is subject to periodic review. The loan will be amortised over 132 months after a 12 months moratorium on principal. The moratorium ends May 2026.

The above-mentioned principal payments are based on a 15-year amortisation; however, the loan is fully repayable within a 144-month term. At the end of the 144-month term there will be a balloon principal payment of JMD\$260,800,000. CIBC Caribbean will have the right of first refusal (but no obligation) to refinance the outstanding balance.

The loan was secured by the following:

- (i) First mortgage issued by Lasco Manufacturing Limited and Lasco Distributors Limited over each mortgagor's interest in commercial property located at White Marl, St. Catherine and registered at Volume 1092 Folio 796 ("White Marl") in the names of the mortgagors and which mortgage is to be issued by each mortgagor to secure:
 - (a) its indebtedness arising from its borrowing from and other direct liabilities incurred to the bank; and
 - (b) its indebtedness as guarantor of payment of the other mortgagor's indebtedness to the bank as at (a), such guarantee to be limited in each case to the value of the mortgagor's interest in White Marl. The said mortgage to be stamped to cover JMD\$1.207 billion (with power to upstamp) and to be the principal security intended to secure indebtedness arising from advances to Lasco Manufacturing Limited pursuant to this facility letter as well as advances to Lasco Distributors Limited pursuant to a facility letter of even date hereto, issued to Lasco Distributors Limited and in the case of each company, such other indebtedness as may arise pursuant to other agreements with the bank.
- (ii) Fixed and floating charge debenture stamped for JMD\$2.223 billion over the assets of the company.
- (iii) Hypothecation of credit balances held, whether in foreign or local currencies or both, being not less than US\$1.05 million or equivalent.
- (iv) Fire or peril insurance including all risks over building, content (inventories, machinery, equipment) with the interest of the bank noted thereon.
- (v) Overdraft lending agreement of JMD\$8.5M.

LASCO MANUFACTURING LIMITED
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25. NON-GOVERNMENT GRANT:

The company is a signed party to a Memorandum of Understanding (MOU) with the United States Agency for International Development (USAID), LASCO Manufacturing Limited, and LASCO Distributors Limited. The main objective of the MOU is to support the strengthening of Energy Sector Resilience in Jamaica.

Under the terms of this MOU, the company received a non-government capital grant. The grant was provided for the acquisition of battery storage equipment, which forms an integral part of the company's Solar Power System initiative to enhance energy sustainability and efficiency.

Movement in Deferred non-government grant:

	<u>2026</u> <u>\$'000</u>
Opening Balance	95,339
Released to income	(9,778)
Balance at end of year	<u>85,561</u>

26. PAYABLES:

	<u>2026</u> <u>\$'000</u>	<u>2025</u> <u>\$'000</u>
Trade payables	1,490,372	1,120,156
Other payables and accruals	<u>471,262</u>	<u>949,140</u>
	<u>1,961,634</u>	<u>2,069,296</u>

27. DIVIDENDS:

	<u>2026</u> <u>\$'000</u>	<u>2025</u> <u>\$'000</u>
In respect of 2026	787,153	-
In respect of 2025	<u>-</u>	<u>619,937</u>

By Special board meeting dated 17 June 2025, dividend payment of \$0.19 per share was approved by the Board of Directors.

By Special board meeting dated 17 June 2024, dividend payment of \$0.15 per share was approved by the Board of Directors.

LASCO MANUFACTURING LIMITED
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28. PENSION SCHEME:

The company operates a defined contribution pension scheme which is administered by BPM Financial Limited and is open to all permanent employees.

The scheme is funded by the company's and employees' contributions. The company's contributions to the scheme are expensed and amounted to \$14,515,000 (2025 - \$13,276,000) for the year.

29. CONTINGENT LIABILITIES:

The company's banker, CIBC Caribbean (Jamaica) Limited has issued guarantees in favour of third parties totalling \$100,000,000 (2025 - \$100,000,000).