



## RELEASE TO SHAREHOLDERS

The Board of Directors of Medical Disposables and Supplies Limited (MDS) is pleased to present the unaudited financial statements for the three months ended June 30, 2017.

### FINANCIAL HIGHLIGHTS

	Three Months Ended June 30, 2017	Three Months Ended June 30, 2016	Audited Year Ended March 31, 2017
<b>Sales revenue</b>	<b>\$480.6m</b>	\$425.3m	<b>\$1.71b</b>
<b>Gross profit</b>	<b>\$102.5m</b>	\$99.2m	<b>\$410.73m</b>
<b>Net profit after taxation</b>	<b>\$15.7m</b>	\$17.8m	<b>\$100.57m</b>
<b>Earnings per share (EPS)</b>	<b>6 cents</b>	7 cents	<b>38 cents</b>
<b>Market share price</b>	<b>\$5.50</b>	\$3.40	<b>\$6.00</b>

For the three month period ending June 30, 2016, the Company generated sales revenue of \$480.6m which was an increase of \$55.3m or 13% when compared to the same period last year. This positive performance was driven by the Company's strategic plan to increase its market share, through increased product offerings and the widening of the customer base in all categories of the Company's business operations.

Gross profit of \$102.5m increased by \$3.3m or 3.3%. This improvement resulted from increased sales arising from the introduction of new business lines.

Total operational expenses of \$79.9m increased by \$11.1m or 16.1%, due mainly to staff related expenses, depreciation and amortization, insurance, utilities, and security expenses. Staff related expenses, in particular, increased because of the strategic decision to realign the staff complement and compensation to sustain the current growth, development and expansion of the business.

Total non operational expenses of \$6.9m decreased by \$5.6m or 44.8%. The decrease was as a result of:

- Lower interest expenses on loans

- Gain on foreign exchange calculated on costs of goods purchased

Profit after tax of \$15.7m, decreased by \$2.1m or 11.8%. This was mostly attributable to the Pharmaceutical division which experienced out of stock situations from major drug houses and above average seasonal market activities.

Total assets grew by \$142m or 11.7% from \$1.214b to \$1.356b.

- Increase in non-current assets, namely the expansion of the warehouse facilities to accommodate additional business lines, office furniture and equipment
- Increased inventory and receivables balances as a direct result of new business lines resulted in the overall increase in sales revenue.

Liabilities of \$776.9m increased by \$126.3m or 19.4%. This was due to an increase in the bank overdraft and trade and other payables balances as a result of the increased purchases from suppliers to support the new business lines.

Shareholders' equity of \$579.2m grew by \$15.7m or 2.8%.

The Company's liquidity position remains healthy.

## **CORPORATE RESPONSIBILITY**

During the first quarter, the company participated in the Pharmaceutical Society of Jamaica 32<sup>nd</sup> Annual Pharmaceutical Conference held at the Montego Bay Convention Centre. The theme this year was **"Pharmacists: Advancing Sustainable Development Goals For A Healthier You"**.



**Kurt Boothe**  
**GENERAL MANAGER**

**July 25, 2017**

## Medical Disposables & Supplies Limited

Statement of Comprehensive Income

For the Period Ended June 30, 2017

	Three Months To June 2017 \$	Three Months To June 2016 \$	Audited March 2017 \$
Revenue	480,590,069	425,356,659	1,714,019,129
Cost of sales	(378,086,789)	(326,149,754)	(1,303,288,753)
<b>Gross profit</b>	<b>102,503,280</b>	<b>99,206,905</b>	<b>410,730,376</b>
Other income	1,083,068	1,046,948	4,268,152
Administrative expenses	(41,419,323)	(37,756,073)	(152,221,210)
Selling and promotional costs	(33,011,066)	(25,634,453)	(102,582,344)
Other operating expenses	(689,248)	(646,265)	(2,478,264)
Depreciation	(5,906,987)	(5,835,673)	(22,134,714)
<b>Total Operational Expenses</b>	<b>(79,943,556)</b>	<b>(68,825,516)</b>	<b>(275,148,380)</b>
<b>Profit after Operational Expenses</b>	<b>22,559,724</b>	<b>30,381,389</b>	<b>135,581,996</b>
Finance income	4,675	71,881	95,404
Finance cost	(8,047,467)	(9,001,509)	(34,300,839)
Gain / (Loss) on foreign exchange	1,181,430	(3,599,639)	(743,304)
<b>Total Non Operational Expenses</b>	<b>(6,861,362)</b>	<b>(12,529,267)</b>	<b>(34,948,739)</b>
<b>Profit before tax</b>	<b>15,698,362</b>	<b>17,852,122</b>	<b>100,633,257</b>
Tax expense	(30,000)	(30,000)	(60,000)
<b>PROFIT FOR THE PERIOD / YEAR</b>	<b>15,668,362</b>	<b>17,822,122</b>	<b>100,573,257</b>
<b>EARNINGS PER SHARE</b>	<b>0.06</b>	<b>0.07</b>	<b>0.38</b>

# Medical Disposables & Supplies Limited

Unaudited Statement of Financial Position  
As At June 30, 2017

	3 Months To 30-Jun -17 \$	3 Months To 30-Jun -16 \$	Audited 31-Mar-17 \$
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	494,075,302	477,091,109	487,100,658
<b>Current Assets</b>			
Inventories	481,049,447	298,729,260	369,382,694
Trade Receivables	294,017,355	273,301,440	272,564,684
Other Receivables & Prepayments	63,097,207	53,089,354	57,639,282
Tax Recoverable	2,334,612	2,333,077	2,334,564
Cash and Bank Balances	21,605,048	49,943,298	25,225,310
	<u>862,103,670</u>	<u>677,396,429</u>	<u>727,146,534</u>
<b>Total Assets</b>	<b><u>1,356,178,972</u></b>	<b><u>1,154,487,538</u></b>	<b><u>1,214,247,192</u></b>
<b>Equity</b>			
<b>Capital and Reserve</b>			
Share Capital	107,835,764	107,835,764	107,835,764
Revaluation Reserve	48,198,190	35,613,267	48,198,190
Retained Profits	<u>423,173,881</u>	<u>351,070,174</u>	<u>407,505,519</u>
<b>Total Equity</b>	<b><u>579,207,835</u></b>	<b><u>494,519,205</u></b>	<b><u>563,539,474</u></b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Interest-bearing Borrowings	<u>225,475,179</u>	<u>293,777,375</u>	<u>233,274,769</u>
	<u>225,475,179</u>	<u>293,777,375</u>	<u>233,274,769</u>
<b>Current Liabilities</b>			
Trade Payables	367,289,441	198,341,096	279,591,010
Other Payables	47,876,337	49,521,011	46,841,548
Short Term Borrowings	50,000,000	50,000,000	50,000,000
Other Loans	10,000,000	10,000,000	10,000,000
Bank Overdraft	76,330,181	58,328,851	31,000,391
	<u>551,495,958</u>	<u>366,190,958</u>	<u>417,432,949</u>
<b>Total Liabilities</b>	<b><u>776,971,137</u></b>	<b><u>659,968,333</u></b>	<b><u>650,707,719</u></b>
<b>Total Equity and Liabilities</b>	<b><u>1,356,178,972</u></b>	<b><u>1,154,487,538</u></b>	<b><u>1,214,247,192</u></b>

Approved for issue by the Board of Directors on July 25, 2017 and signed on its behalf by:



KURT BOOTHE  
GENERAL MANAGER and DIRECTOR



WINSTON BOOTHE  
CHAIRMAN

## Medical Disposables & Supplies Limited

Unaudited Statement of Changes In Equity  
For the Period Ended June 30, 2017

	Share Capital \$	Revaluation Reserve \$	Retained Profit \$	Total \$
Balance at April 1, 2016	107,835,764	35,613,267	344,563,841	488,012,872
Dividend paid	-	-	(11,315,789)	(11,315,789)
Total comprehensive income for the period	-	-	17,822,122	17,822,122
<b>BALANCE AT JUNE 30, 2016</b>	<b>107,835,764</b>	<b>35,613,267</b>	<b>351,070,174</b>	<b>494,519,205</b>
Balance at April 1, 2017	107,835,764	48,198,190	407,505,519	563,539,473
Dividend paid	-	-	-	-
Total comprehensive income for the period	-	-	15,668,362	15,668,362
<b>BALANCE AT JUNE 30, 2017</b>	<b>107,835,764</b>	<b>48,198,190</b>	<b>423,173,881</b>	<b>579,207,835</b>

## Medical Disposables & Supplies Limited

Unaudited Statement of Cash Flows  
For The Three Months Ended June 2017

	June 2017 \$	June 2016 \$
<b>Cash flows from operating activities:</b>		
Profit before tax	15,698,362	17,852,122
Adjustments for:		
Depreciation	5,906,987	5,835,673
Interest expenses	8,047,467	9,001,509
Interest income	(4,675)	(71,881)
FX loss on loan	-	1,314,000
	<u>29,648,141</u>	<u>33,931,423</u>
Increase in inventories	(111,666,752)	(11,604,512)
Increase in trade and other receivables	(26,910,597)	(22,847,641)
Increase / (decrease) in trade and other payables	<u>88,733,219</u>	<u>(65,401,448)</u>
<b>Cash used in operations</b>	<b>(20,195,989)</b>	<b>(65,922,178)</b>
Income tax paid	(30,049)	(46,964)
Interest paid	(8,047,467)	(9,001,509)
<b>Net cash used in operating activities</b>	<b>(28,273,505)</b>	<b>(74,970,651)</b>
<b>Cash flows from investing activities:</b>		
Purchase of property, plant & equipment	(12,881,632)	(7,746,442)
Interest received	4,675	71,881
<b>Net cash used in investing activities</b>	<b>(12,876,957)</b>	<b>(7,674,561)</b>
<b>Cash flows from financing activities:</b>		
Dividend payments	-	(11,315,789)
Proceeds from borrowings	30,000,000	91,870,000
Repayment of borrowings	(37,799,591)	(35,199,372)
<b>Net cash (used in) / provided by financing activities</b>	<b>(7,799,591)</b>	<b>45,354,839</b>
<b>Net decrease in cash &amp; cash equivalents</b>	<b>(48,950,053)</b>	<b>(37,290,373)</b>
<b>Cash and cash equivalent at beginning of period</b>	<b>(5,775,081)</b>	<b>28,904,820</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	<b>(54,725,134)</b>	<b>(8,385,553)</b>

# Medical Disposables & Supplies Limited

Notes to the Unaudited Financial Statements

Three Months Ended June 30, 2017

## 1. Identification and activities

Medical Disposables and Supplies Limited is a limited liability company incorporated under the Laws of Jamaica on November 27, 1998.

The company is domiciled in Jamaica with its registered office located at 83 Hagley Park Road, Kingston 10.

The main activity of the company is the sale of medical disposables and supplies. The company's shares were listed on the Junior Market of the Jamaica Stock Exchange on December 24, 2013.

## 2. Basis of preparation

The condensed interim financial statements for the three months ended June 30, 2017 have been prepared in accordance with IAS 34 – Interim Financial Reporting. The interim financial statements should be read in conjunction with the audited financial statements ended March 31, 2017 which have been prepared in accordance with IFRSs as issued by the International Accounting Standards Board (IASB).

## 3. Accounting Policies

There have been no changes in accounting policies since the most recent audited financial statements as at March 31, 2017.

# Medical Disposables & Supplies Limited

Notes to the Unaudited Financial Statements

Three Months Ended June 30, 2017

## 4. Share capital

	2017	2016
	\$	\$
Authorised:		
408,000,000 ordinary shares (2017 - 408,000,000)		
Stated capital		
Issued and fully paid:		
263,157,895 ordinary shares	<b>107,835,764</b>	107,835,764
<b>Balance at end of the period</b>	<b>107,835,764</b>	<b>107,835,764</b>

## 5. Taxation

The company's shares were listed on the Junior Market of the Jamaica Stock Exchange on December 24, 2013. Consequently, the company is entitled to a waiver of income taxes for ten years in the proportions set out below, provided that the shares remain listed for at least fifteen years.

Year 1 – 5	100%
Year 6 – 10	50%



## Top Ten (10) Shareholders

Shareholders	Number of Units	Shareholding %
Kurt Boothe	50,841,500	19.32%
Myrtis Boothe	50,000,000	19.00%
Winston Boothe	50,000,000	19.00%
Nikeisha Boothe	50,000,000	19.00%
Mayberry West Indies Limited	10,687,636	4.06%
Mayberry Managed Cients A/Cs	7,936,915	3.02%
Apex Pharmacy	3,496,926	1.33%
Bamboo Group Holdings Limited	3,350,631	1.27%
Leon O.W. Headley	1,737,957	0.66%
Nigel O. Coke	1,572,498	0.60%
VM Wealth Equity Fund	1,342,514	0.51%
Manwei International Limited	1,292,000	0.49%

## Shareholding of Directors and Senior Managers

Directors	Total	Direct	Connected Parties
Kurt Boothe	200,841,500	50,841,500	150,000,000
Myrtis Boothe	200,841,500	50,000,000	150,841,500
Winston Boothe	200,841,500	50,000,000	150,841,500
Nikeisha Boothe	200,841,500	50,000,000	150,841,500
Dahlia McDaniel-Dickson	1,373,100	1,073,100	300,000
Vincent Lawrence	1,284,222	Nil	1,284,222
Sandra Glasgow	Nil	Nil	Nil
Senior Managers	Total	Direct	Connected Parties
Kurt Boothe	200,841,500	50,841,500	150,000,000
Myrtis Boothe	200,841,500	50,000,000	150,841,500
Nikeisha Boothe	200,841,500	50,000,000	150,841,500
Janice Pitter	96,000	91,000	5,000
Lenworth Murray	163,000	163,000	Nil
Gerard Whyte	54,000	54,000	Nil