



## RELEASE TO SHAREHOLDERS

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

### FINANCIAL HIGHLIGHTS

	Three Months Ended Sept 30, 2017	Three Months Ended Sept 30, 2016	Six Months Ended Sept 30, 2017	Six Months Ended Sept 30, 2016	Audited Year Ended March 31, 2017
<b>Sales revenue</b>	<b>\$484.3m</b>	\$401.1m	<b>\$964.9m</b>	\$826.4m	<b>\$1.71b</b>
<b>Gross profit</b>	<b>\$105.9m</b>	\$98.1m	<b>\$208.5m</b>	\$197.3m	<b>\$410.7m</b>
<b>Net profit after taxation</b>	<b>\$15.9m</b>	\$19.8m	<b>\$31.6m</b>	\$37.6m	<b>\$100.6m</b>
<b>Earnings per share (EPS)</b>	<b>6 cents</b>	8 cents	<b>12 cents</b>	14 cents	<b>38 cents</b>
<b>Market share price</b>			<b>\$5.30</b>	\$4.36	<b>\$6.00</b>

For the first six months ending September 30, 2017, the Company generated revenue from sales of \$964.9m, an increase of \$138.5m or 16.7% 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 \$208.5m increased by \$11.2m or 5.7% over the corresponding period in the previous year. This improvement resulted from increased sales arising from the introduction of new business lines.

Compared to the first six month of the 2016 financial year, total operational expenses of \$162.8m increased by \$24.7m or 15.2%, due mainly to staff related expenses, professional fees, marketing expenses, transportation and delivery, insurance, utilities and security expenses. The Company has increased its investment in human capital to improve on its existing infrastructure to sustain the current growth, development and continued expansion of the business.

Total non-operational expenses of \$14m decreased by \$7.6m or 35.1%. The decrease was a result of:

- Lower interest expenses on loans
- Gain on foreign exchange calculated on costs of goods purchased

Profit after tax of \$31.6m, decreased by \$6m or 16%. This was mostly attributable to the Pharmaceutical division, which experienced out of stock situations from major drug houses as well as a larger than usual seasonal decrease in market activity. To remain competitive, no compensating price adjustments were made.

- Total assets grew by \$312m or 28.1% from \$1.110b to \$1.422b due to increased inventories and receivables balances generated from the introduction of new business lines which resulted in the overall increase in sales revenue.

Liabilities of \$826.8m increased by \$218m or 35.8%. This was due to an increase in trade and other payables balances and short term bank loans to support increased purchases from suppliers with regard to the new business lines.

Shareholders' equity of \$595m grew by \$95m or 18.7%.

The Company's liquidity position remains healthy.

### **Three month ended September 30, 2017 compared with the three months ended September 30, 2016**

- Sales revenue of \$484.3m, an increase of \$83.2m or 20.7%
- Gross profit of \$106m, an increase of \$7.9m or 8%
- Operational expenses of \$82.9m, an increase of \$13.m or 19.7%
- Non-operating expenses of \$7.1m, a decrease of \$1.9m or 21%
- Profit after tax of \$15.9m, a decrease of \$3.8m or 19.5%

## **CORPORATE RESPONSIBILITY**

During the second quarter, as part of its demonstration of caring, the company donated medical and pharmaceutical supplies to the Mandeville Regional Hospital (MRH) valued at \$2.6m. The donation is expected to boost the hospital's ability to provide quality healthcare, particularly in areas of critical care.



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

**October 31, 2017**

## Medical Disposables & Supplies Limited

Statement of Comprehensive Income  
For the Period Ended September 30, 2017

	Three Months To September 2017	Three Months To September 2016	Six Months To September 2017	Six Months To September 2016	Audited March 2017
	\$	\$	\$	\$	\$
Revenue	484,294,630	401,080,213	964,884,699	826,436,873	1,714,019,129
Cost of sales	(378,325,226)	(302,982,643)	(756,412,015)	(629,132,397)	(1,303,288,753)
<b>Gross profit</b>	<b>105,969,404</b>	<b>98,097,570</b>	<b>208,472,684</b>	<b>197,304,476</b>	<b>410,730,376</b>
Other income	1,078,000	1,067,892	2,161,068	2,114,840	4,268,152
Administrative expenses	(45,268,439)	(38,506,220)	(86,688,721)	(76,284,493)	(152,221,210)
Selling and promotional costs	(33,396,492)	(25,221,141)	(66,412,559)	(50,855,595)	(102,582,344)
Other operating expenses	597,143	(1,233,802)	(92,105)	(1,880,067)	(2,478,264)
Depreciation	(5,906,987)	(5,373,590)	(11,813,975)	(11,209,263)	(22,134,714)
<b>Total Operational Expenses</b>	<b>(82,896,775)</b>	<b>(69,266,861)</b>	<b>(162,846,292)</b>	<b>(138,114,578)</b>	<b>(275,148,380)</b>
<b>Profit after Operational Expenses</b>	<b>23,072,629</b>	<b>28,830,709</b>	<b>45,626,392</b>	<b>59,189,898</b>	<b>135,581,996</b>
Finance income	7,260	7,339	11,935	79,220	95,404
Finance cost	(8,682,372)	(8,648,111)	(16,729,839)	(17,649,620)	(34,300,839)
Gain / (Loss) on foreign exchange	1,541,523	(396,029)	2,722,953	(3,995,668)	(743,304)
<b>Total Non Operational Expenses</b>	<b>(7,133,589)</b>	<b>(9,036,801)</b>	<b>(13,994,951)</b>	<b>(21,566,068)</b>	<b>(34,948,739)</b>
<b>Profit before tax</b>	<b>15,939,040</b>	<b>19,793,908</b>	<b>31,631,441</b>	<b>37,623,830</b>	<b>100,633,257</b>
Tax expense	(30,000)	(30,000)	(60,000)	(60,000)	(60,000)
<b>PROFIT FOR THE PERIOD</b>	<b>15,909,040</b>	<b>19,763,908</b>	<b>31,571,441</b>	<b>37,563,830</b>	<b>100,573,257</b>
<b>EARNINGS PER SHARE</b>	<b>0.06</b>	<b>0.08</b>	<b>0.12</b>	<b>0.14</b>	<b>0.38</b>

# Medical Disposables & Supplies Limited

Unaudited Statement of Financial Position

As At September 30, 2017

	6 Months To 30-Sept-17 \$	6 Months To 30-Sept-16 \$	Audited 31-Mar-17 \$
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	501,380,166	472,836,383	487,100,657
<b>Current Assets</b>			
Inventories	534,920,859	303,038,329	369,382,694
Trade Receivables	276,602,348	249,743,550	272,564,684
Other Receivables & Prepayments	78,576,166	54,849,016	57,639,282
Tax Recoverable	2,334,647	2,334,151	2,334,564
Cash and Bank Balances	28,179,846	27,137,853	25,225,310
	<u>920,613,866</u>	<u>637,102,899</u>	<u>727,146,534</u>
<b>Total Assets</b>	<b><u>1,421,994,032</u></b>	<b><u>1,109,939,282</u></b>	<b><u>1,214,247,191</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	439,076,960	357,653,989	407,505,519
<b>Total Equity</b>	<u>595,110,913</u>	<u>501,103,020</u>	<u>563,539,473</u>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Interest-bearing Borrowings	217,586,622	248,392,034	233,274,769
	<u>217,586,622</u>	<u>248,392,034</u>	<u>233,274,769</u>
<b>Current Liabilities</b>			
Trade Payables	351,073,113	187,034,432	279,591,010
Other Payables	54,649,041	52,703,242	46,841,548
Short Term Borrowings	125,000,000	50,000,000	50,000,000
Other Loans	10,000,000	10,000,000	10,000,000
Bank Overdraft	68,574,342	60,706,554	31,000,391
	<u>609,296,496</u>	<u>360,444,228</u>	<u>417,432,949</u>
<b>Total Liabilities</b>	<u>826,883,118</u>	<u>608,836,262</u>	<u>650,707,718</u>
<b>Total Equity and Liabilities</b>	<b><u>1,421,994,032</u></b>	<b><u>1,109,939,282</u></b>	<b><u>1,214,247,191</u></b>

Approved for issue by the Board of Directors on October 31, 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 September 30, 2017

	Share Capital	Revaluation Reserve	Retained Profit	Total
	\$	\$	\$	\$
Balance at April 1, 2016	107,835,764	35,613,267	344,563,843	488,012,874
Dividend paid	-	-	(24,473,684)	(24,473,684)
Total comprehensive income for the period	-	-	37,563,830	37,563,830
<b>BALANCE AT SEPTEMBER 30, 2016</b>	<b>107,835,764</b>	<b>35,613,267</b>	<b>357,653,989</b>	<b>501,103,020</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	-	-	31,571,441	31,571,441
<b>BALANCE AT SEPTEMBER 30, 2017</b>	<b>107,835,764</b>	<b>48,198,190</b>	<b>439,076,960</b>	<b>595,110,914</b>

## Medical Disposables & Supplies Limited

Unaudited Statement of Cash Flows

For The Six Months Ended September 2017

	September 2017 \$	September 2016 \$
<b>Cash flows from operating activities:</b>		
Profit before tax	31,631,441	37,623,830
Adjustments for:		
Depreciation	11,813,975	11,209,263
Interest expenses	16,729,839	17,649,620
Interest income	(11,935)	(79,220)
FX loss on loan	-	1,590,000
	<u>60,163,320</u>	<u>67,993,493</u>
Increase in inventories	(165,538,165)	(15,913,580)
Increase in trade and other receivables	(24,974,548)	(1,049,413)
Increase / (decrease) in trade and other payables	<u>79,289,596</u>	<u>(73,525,881)</u>
<b>Cash used in operations</b>	<b>(51,059,797)</b>	<b>(22,495,381)</b>
Income tax paid	(60,084)	(78,039)
Interest paid	(16,729,839)	(17,649,620)
<b>Net cash used in operating activities</b>	<b>(67,849,720)</b>	<b>(40,223,040)</b>
<b>Cash flows from investing activities:</b>		
Purchase of property, plant & equipment	(26,093,481)	(8,865,303)
Interest received	11,935	79,220
<b>Net cash used in investing activities</b>	<b>(26,081,546)</b>	<b>(8,786,083)</b>
<b>Cash flows from financing activities:</b>		
Dividend payments	-	(24,473,684)
Proceeds from borrowings	125,000,000	113,460,000
Repayment of borrowings	(65,688,148)	(102,450,714)
<b>Net cash provided by / (used in) financing activities</b>	<b>59,311,852</b>	<b>(13,464,398)</b>
Net decrease in cash & cash equivalents	(34,619,414)	(62,473,520)
Cash and cash equivalent at beginning of period	(5,775,081)	28,904,820
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	<b>(40,394,495)</b>	<b>(33,568,700)</b>

# Medical Disposables & Supplies Limited

Notes to the Unaudited Financial Statements

Six Months Ended September 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 six months ended September 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

Six Months Ended September 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	10,467,636	4.00%
Mayberry Managed Cients A/Cs	7,863,915	3.00%
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	1,614,998	0.61%
VM Wealth Equity Fund	1,342,514	0.51%
Lawrence and Associates	1,284,222	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