CELEBRATING TWENTY YEARS IN 20

MDS

MEDICAL DISPOSABLES & SUPPLIES LIMITED

2020 ANNUAL REPORT

TWENTYIN2

MDS is an island-wide distributor of healthcare and consumer products with a catalogue spanning pharmaceuticals, vaccines, injectables, hospital supplies, medical disposable items, consumer products and beauty items.

We actively ensure that the brands we represent are on the shelves of health and personal care providers and resellers but also facilitate 'walk-in' clients. We exist to provide an unparalleled experience in every aspect of our customer interaction and a world-class offering that will better the lives of our partners, our work family, our shareholders and the communities we serve.

VISION: To be the most customer-centric and profitable distributor in the Caribbean region.

MISSION: Beat the Best!

VALUES:

- Delighted customers
- Fulfilled employees
- Premium service
- Quality assurance
- Social responsibility

Contents

> Myrtis Boothe's strong sense of family, sacrifice and training prepared her for the safe journey on which MDS is indelibly planted.

" I must say thanks to God for allowing me to work at MDS for the past 17 years. The love is felt here, it's a home away from home and it is indeed a pleasure to work here. Happy 20th Anniversary! May MDS grow from strength to strength while brightening the future of health and personal care. God bless."

Stephen Nelson

Our First Male Employee

Haughton's Pharmacy is honoured to share with MDS these twenty years of trailblazing in Pharmacy.MDS and its founder, Myrtis Boothe, ranks as one of the leaders in Jamaican Pharmaceutical and its contribution to Jamaica is outstanding.

We remember well a call from the Boothes to introduce its small range of mostly disposable and prescription brands. We were on board as one of their loyal customers from day one.

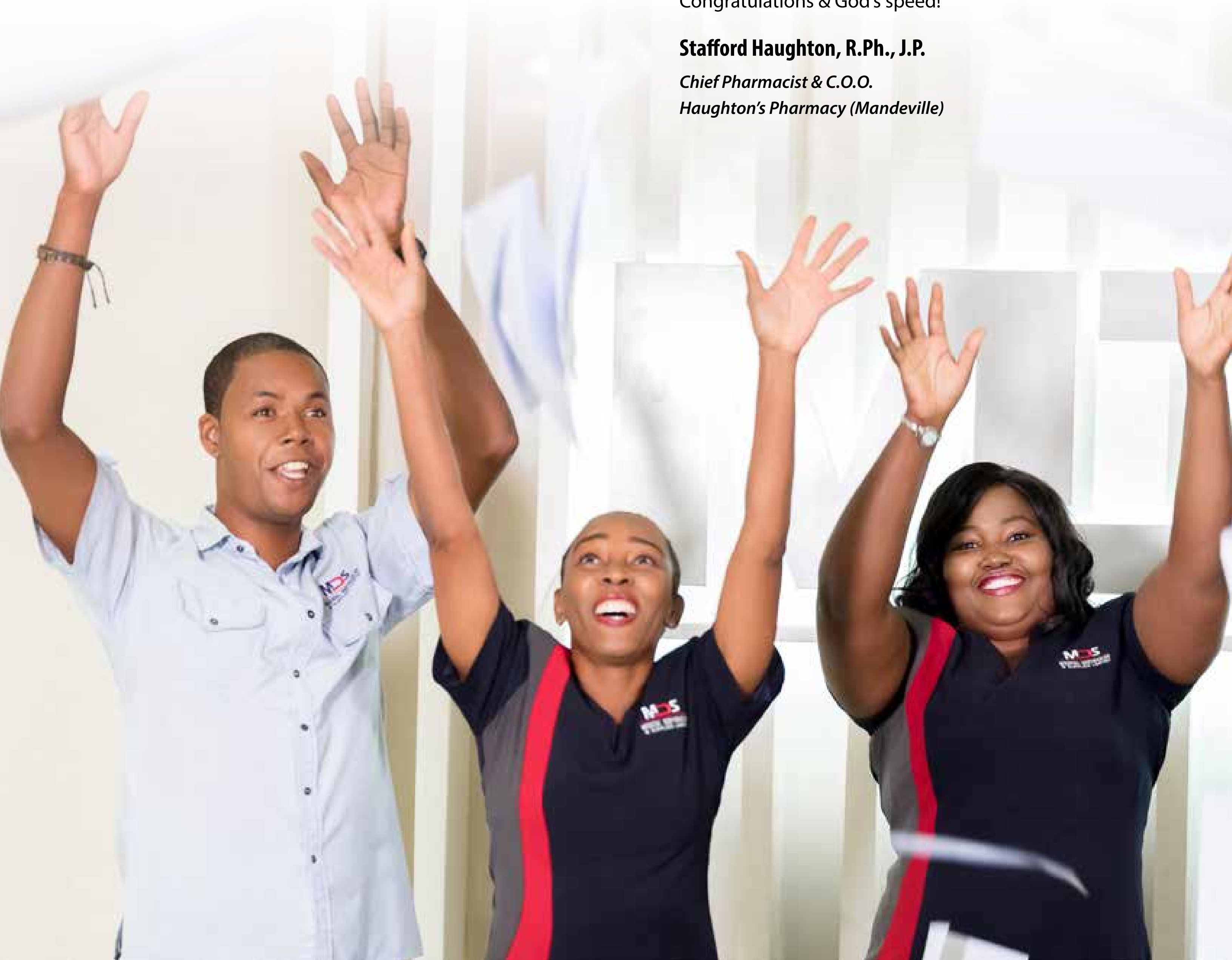
We have observed its steady growth over these twenty years. Myrtis Boothe's strong sense of family, sacrifice and training prepared her for the safe journey on which MDS is indelibly planted. MDS offers a unique customer service experience via its knowledgeable, trained, courteous, dedicated, hardworking staff.

Congratulations & God's speed!

Stafford Haughton, R.Ph., J.P.

Chief Pharmacist & C.O.O.

Haughton's Pharmacy (Mandeville)



"I came to MDS as an intern two years ago and ever since then I've known that this Company would be a family to me. This was my first work experience and it has taught me a lot. I've seen where this Company has grown and will continue to grow over the years to come."

Ronaldo Fowler
Summer Intern 2018, Now a Full-Time Employee

"Observing and experiencing the growth and success of MDS gives a feeling of great pride and joy knowing that I was there contributing to the accomplishments and development in at least some minute way."

Well wishes for MDS...

It's almost impossible to work at a company for seventeen years and not become attached. This is especially so when you started during the 'teething' or 'infancy' stage of the company. A staff complement of four inside the office/warehouse dictated that we either get along or get out and I remembered that was something Mrs. Boothe would also make clear from the get go. Mrs. B was the 'office mother'/boss who would see you looking troubled and will not accept a 'nothing' answer when she enquires the cause. Not because she prods but due to that knowing, caring disposition she possesses and exudes so naturally. My co-workers seemed to have been hand-picked by her and therefore all somehow must share something in common which is not very easy to explain or fathom.

In the earlier days a stranger to the office could never have visited and determined that Mrs. Boothe was the boss. It was never uncommon to see her with a broom or a mop. She could have also been picking/packing an order which she would load in her car and deliver somewhere. She regularly took to the office, breakfast she made for herself but then thought that we would enjoy. As the staff complement grew, she found other ways of being 'mother hen' to each and every one of us (without putting herself on the mass production line).

Observing and experiencing the growth and success of MDS gives a feeling of great pride and joy knowing that I was there contributing to the accomplishments and development in at least some minute way. The Boothes are like family members I get to choose. I wish for the company and the Boothes continued success while remaining humble and personable. Mother Boothe, Kurt and Nikeisha, I love you. Thanks for having the faith and vision which allowed me the experience of being a part of the growth of MDS.

Happy twentieth anniversary!

Lecia DeLisser
Senior Sales Representative & Longest Serving Employee

MYRTIS BOOTHE'S TOP20

Twenty years ago, dial-up internet was likely being used to connect loved ones through Microsoft MSN Messenger and to share music on Napster. Unless you were one of the lucky few who owned a StarTAC cellular phone in its early years, you would likely be using a pager to contact a mobile friend and be entertained by a movie rented from a DVD store. You would have been busy saving important documents on floppy discs and worrying about Y2K – the end of the world. You may have been paying keen attention to the introduction of the Euro by the European Union and bearing witness to the infamous gas protests and riots that were sparked across Jamaica.

When we take the nostalgic trip down 20 years' worth of memory lane and think of all these 'lifemarks', some of which are still in existence and others which have been laid to rest, it can simultaneously feel like a close yet distant memory. It can also trigger thoughts on how vastly things have changed since then. We now have Facebook, Instagram, Google Maps, Uber, Netflix, Pay Pal, curb-side delivery service, Siri and a host of other novelties that have us wondering how we ever lived without them. Things have certainly changed over the years. And, with that, we are quite pleased that MDS has withstood the 20-year test of time and evolved with the rapidly changing environment while remaining relevant to the needs of society and steadfast in our core tenet of always 'taking care'.

From the trunk of a car to a stand-alone facility. From one woman to a formidable team. From a small family operation to a ticker on the Jamaica Stock Exchange. From two medical products to a portfolio of brands across three business Divisions.

Undoubtedly, the net effect over the twenty years has been kind to us. We have come a far way and, while there are many miles to go and many more efficiencies to be had to achieve our vision, we celebrate all the seeming failures, all the glaring successes and all the people that have propelled MDS into a new millennium by anchoring our home base, motivating us to step outside our comfort zone to explore new areas of business, pressing us to shift with technology and allowing us to 'take care' of a new generation of users.

...Here's to 20 and beyond!

MDS' 20-year history is filled with many profound moments and any attempt to identify the most significant ones is an almost impossible task. But here are 20 memorable moments from Mrs. Myrtis Boothe, founder and Managing Director.

1. 53

My age when I founded MDS.

2. FAILING …FORWARD

After the dissolution of my professional relationship with my former employer, (for whom I still have great admiration), failing was not an option. I used the funds from my termination and the cash surrender value from lapsing my insurance policy to start MDS.

3. FIRST SUPPLIER

After incorporating MDS in 1998, business commenced in January 1999 when a Miami-based Supplier of medical disposable items agreed to provide MDS with goods.

4. FIRST PRODUCTS

Three items - syringes, needles, and gloves.

5. VOLVO 850

Our very first office was a roving one… the trunk of my blue Volvo 850.

6. FIRST CUSTOMER

Mr. Stafford Haughton (pictured above) of Haughton's Pharmacy, if not MDS' first customer, was one of the most memorable. Earlier in my career, as a Sales Rep., I serviced that account and gave all efforts to provide a quality experience. When I began seeking business for MDS, I approached Mr. Haughton who expressed that, even if he had no need for the products, he would have to lend support because my service had meant so much to him. (Thank you, Mr. Haughton!)

7. $20K – WESTMINISTER ROAD

We graduated from the Volvo to our very first brick and mortar warehousing space in the latter part of 1999 – a small room on the side of a building at 18 Westminister Road, rented for $20,000.

8. FIRST EMPLOYEES

Mrs. Sonia Lee joined my vision when it would have been easier for most to only envisage the unpolished appearance of our Westminister Road abode and the magnitude of work. Mrs. Lee is no longer with the Company, but we still have two of our earliest MDS Team members with us today – Ms. Lecia DeLisser, Senior Sales Representative and Mr. Stephen Nelson (the first male employee) who now assists with Quotations, Purchasing and Logistics.

MDS' second home in The Domes Business Complex (85 Hagley Park Road).

> MDS is my baby, my labour of love. It was difficult to let go, but in the words to one of my favourite songs: Know when to hold. Know when to fold.

9. MOST DEVASTATING

One morning while at Westminister Road, I realised that the goods which were stored on pallets in their original cardboard cartons were termite infested. The gnawing pests had eaten through almost all of our initial inventory (syringes and gloves) which rendered the goods unsaleable. All the money invested in the stock was lost and the landlord refused to remedy the issue.

10. THE DOMES

We were able to fund the 10% down payment for the 2,000 sq. ft. unit in The Domes Business Complex with the residual cash in my severance package and with the assistance of Mr. Winston Boothe, current Chairman of the Board. The pressure to increase sales to meet the mortgage payments and cover other expenses was incredibly intense.

11. ENTRY INTO THE WORLD OF TECHNOLOGY

When our operations began, and for some time after, our sales orders, accounting and company records were manual and tedious. It was not until 2002 that we received our first computer - a prize won by Nikeisha Boothe (Senior Marketing Executive) after completion of a Maths Unlimited computer course at the top of the class.

12. BUSINESS UNUSUAL

With their brands being in high demand, our sub-distributorships for Johnson & Johnson and, subsequently, Consumer Brands provided a foot in the door. To make our footing more sure, we started selling in manageable quantities to suit our clientele's ability to purchase.

13. FIRST DELIVERY VAN

Having always doubled as Sales Reps. and Delivery personnel using our personal vehicles, it was an exceptionally proud moment when we purchased our first van dedicated to deliveries. Although second-hand, the feeling of achievement made it feel no less than the highest rated luxury car.

14. FIRST FORMAL DISTRIBUTORSHIP

Our first representational appointment came through GSK Vaccines in 2006.

15. EXPANSION OF THE PHARMACUEITCAL DIVISION

Our first divisional expansion came in the pharmaceutical segment through the addition of Dr. Reddy's Laboratories, a multinational branded generics pharmaceutical company headquartered in India.

16. MEANINGFUL DECISION

Inviting Kurt Boothe to join the Company six (6) years into the life of the business has been a very rewarding move. Having someone who could manage the technological aspects, provide sound guidance, who I believed in and who believed in the business was important. After years of assisting in his summer holidays, he formally joined the Company in 2006.

17. BIGGEST DECISION TO DATE

Listing on the Junior Market of the Jamaica Stock Exchange (JSE) – Dec 24, 2013 – was a hard decision at the time, but I knew it was for the best. MDS is my baby, my labour of love. It was difficult to let go, but, in the words of one of my favourite songs: "Know when to hold, know when to fold".

18. 83 HPR

After maximising our operational capacity in a few splintered units in The Domes, we believed that the 83 Hagley Park Road location was ideally positioned, with ample size and an outlay generally suited for our needs but thought it very ambitious and a near impossibility. When the opportunity to purchase arose, we decided that it had to materialise by any means possible – and it did on January 06, 2015.

19. MEDIUM SIZED ENTERPRISE

In their 34th annual staging of the Chamber of Commerce Awards, MDS was nominated for the "Best of Chamber" Award in the Medium Enterprise category, judged on overall performance in areas such as finance, business growth and innovation. The May 2016 acknowledgement made me feel like we were recognised in the Corporate world as a Company that was a force to contend with …and reminded me that we were no longer considered small.

20. 3M

Being a Nurse, the Medical Division has been a soft spot for me and being able to offer the best in quality health care products has been my gold standard. It was therefore very gratifying in 2018 when 3M Healthcare, manufacturers of patient-centred quality solutions and a brand I had been eyeing for years, appointed us as their official distributor.

Young Mrs. Boothe started her career as a nurse.

Outside of these memories, which are but a few of the pieces in our puzzle, I am glad I not only lived to see the broadening of the business from three medical items to three business Divisions (Medical, Pharmaceutical and Consumer), but I am particularly heartened at our hosting of our inaugural and unforgettable M-Powered Continuing Education Seminar in January 2020. A wonderful way to help pull the curtains down on our 20th.

Mrs. Boothe (left) and Mrs. Lee (the Company's 1st employee) when MDS just moved to The Domes.

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors of Medical Disposables and Supplies Limited (MDS), I am pleased to report on the performance of the Company for the financial year ended March 31, 2020.

The financial period witnessed significant progress in MDS' journey as we are now well advanced in the transformation of the organisation from a small family business to a corporate public entity. This signals a strategic turning point for the sustainability of our business as it provides a platform for continued growth in the coming year and beyond.

During the period under review, the Company performed in an environment of tremendous challenges and uncertainty. Some of these are as follows:

- Reduction in margins on products with high contribution to overall Company sales and profit.
- Heightened competitive environment among major local competitors.
- Shortages in supply of foreign exchange which did not allow for orderly and structured approach to securing foreign exchange, thus resulting in increased costs.

MDS maintained its commitment to its shareholders with the distribution of dividends amounting to $28M or $0.11 per share.

- Volatility in the rate of exchange of the Jamaican dollar in relation to its United States counterpart.
- Human Resource shortages, as we operated with some vacant key positions.
- Out-of-stock situations in supply arrangements caused by the COVID-19 pandemic during the last quarter of the financial year.

Notwithstanding these challenges, we were able to achieve robust growth in revenue across all business divisions.

The year just ended was one of mixed financial performance in so far as revenue and profit were concerned.

Revenue recorded for the period reached the highest level in the history of the Company, while profit before tax fell well below normal expectations.

The Company generated **Revenues** of $2.48B, an increase of $259M or 12% when compared to the previous year. This was due mainly to an increase in the range of our product offerings, adjustments in selling prices and above average growth in the Pharmaceutical Division.

Gross Profit increased by $10M or 2% totalling $559M in 2020 compared to $549M in 2019.

Total Operating Expenses rose by 27% to close the year at $465.8M compared to $367.3M in 2019.

Net Profit After Tax was $34.5M compared to $112.8M in the previous year. This disappointing performance represents a break in the trend of consistent growth in profit levels in every year since the Company listed on the Junior Market of the Jamaica Stock Exchange in 2013.

The reduction in profit level has resulted mainly from a reduction in the margins from a major supplier which contributed to a higher than normal cost of goods sold.

Additionally, foreign exchange losses of $19.5M resulted from exchange rates fluctuation in the foreign exchange market which occurred throughout the year. During the period under review, MDS maintained its commitment to its shareholders with the distribution of dividends amounting to $28M or $0.11 per share.

Going forward into the new financial year, it is expected that the Company will develop and apply strategic responses to address the issues of the fall in profitability. The Pharmaceutical Industry will be playing a central role in the COVID-19 fight in the infectious disease landscape as the rate for treatment approval for COVID-19 therapy intensifies. MDS is taking note of this situation and stands ready to capitalise on any opportunities arising from the COVID-19 pandemic.

Additionally, it is of extreme importance for the Company to focus attention to the widening of the product range, particularly in the Medical and Consumer Divisions in an effort to raise the level of the gross profit percentage. At the same time, it is imperative that the Company should intensify its cost reduction and cost management efforts.

On behalf of the Board of Directors, I wish to express our gratitude to our valued customers and shareholders for their loyalty and continued support and to the MDS team for their consistent hard work and dedication during the year.

Finally, let me use this opportunity to thank the members of the Board of Directors for the leadership and the value which have been added through their wide-ranging experiences.

WINSTON BOOTHE
Chairman

$559M
Total Gross Profit

$2.48B
Total Revenues

$34.56M
Net Profit After Tax

27%
Increase in Total Operating Expenses

GENERAL MANAGER'S STATEMENT

> "The strengthening of our balance sheet over the past year reflects the solid foundation upon which the Company is built…"

At the end of another fiscal year filled with challenges and unexpected events, we are proud to rely on the foundation and fundamentals upon which our company was founded.

Our long-term growth position is to remain focused on business life beyond quarter end. It lays the foundation for a future of systematic and sustainable growth - despite the trials, both expected and unforeseen. We have seen the benefits of long-term planning, and proactive positioning for the road ahead, which has allowed us to navigate a path that has pierced through different stages of expansion challenges in the business cycle.

Over the years, our journey has taken us from startup with little capital by our founder Myrtis Boothe, to sympathy sales in the beginning to developing a small staff complement. Then with increased patronage of a medical customer base, to a pharmaceutical distribution company to being one of the islands leading distribution companies, broadened now to include a burgeoning consumer goods division.

The need for diversification has served not only to widen our portfolio as a part of our growth strategy, but also to hedge against risks associated with being too heavily concentrated in any single area. While these small improvements are grounds for celebration, we are very mindful of the competitive environment in which we continue to do business.

We believe that our people are our greatest resource. Our vision of competing at elevated levels, sees the company being piloted by greater talent. Only then will we be able to survive the new competitive heights attained, to soar among our blue-chip rivals. The investment in improving the talent pool,

is reflected in the increased expenses. This is coupled with the widening of the sales force and supporting staff in additional channels of distribution, commensurate with our diversification plans.

Unpredictably, we encountered the test of margin reductions this year in the Pharmaceutical area, on the global scale. This visibly impacted our cost of sales, and further confirmed that our long-term outlook for the need to diversify our portfolio, was a step in the right direction. In our expansion, we have also discovered areas of inefficiencies which are targeted for swift improvement.

The strengthening of our balance sheet over the past year reflects the solid foundation upon which the company is built and offers some amount of confidence in being essentially sound. This furthermore serves as an 'asset' in pressing through the tough times that COVID-19 has brought our way. However, being a healthcare provider, we continue to ensure that we are positioned to contribute to providing solutions, which will in turn provide its own rewards. This offers us not only business opportunities, but the chance to serve our nation well.

In looking ahead, we continue to restructure and adjust to an ever-changing environment, to ensure that beyond this our twentieth anniversary, we will serve well past another twenty years of 'taking care'.

Take Care,

KURT BOOTHE
General Manager

Dr. Neil Gardner, guest speaker at the staging of our inaugural continuing education seminar for pharmacists in January 2020 – advancing and improving the field of medicine locally.

Dr. Gardner is a Jamaican Olympian, and Director and Lead Doctor of Gardner Chiropractic Neurology.

2020

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Seventh Annual General Meeting of Medical Disposables & Supplies Limited (the "Company") will be held on Tuesday, October 6, 2020 at 10:00 a.m. at the Company's offices, 83 Hagley Park Road, Kingston 10, to consider, and if thought fit, pass the following resolutions:

1. RECEIPT OF AUDITED ACCOUNTS

To receive the Audited Accounts for the financial year of the Company ended March 31, 2020, together with the Reports of the Directors and Auditors thereon.

Ordinary Resolution No. 1

"That the Audited Accounts for the financial year of the Company ended March 31, 2020, together with the Reports of the Directors and Auditors thereon be and are hereby adopted".

2. RETIREMENT OF DIRECTORS BY ROTATION AND RE-APPOINTMENT

THAT the following Directors of the Board who, being the longest serving have retired by rotation prior to the reading of the resolution in accordance with the Articles of Incorporation of the Company, and, being eligible, have consented to be re-appointed and to act on re-appointment:

Ordinary Resolution No. 2

"That Mr. Winston Boothe be and is hereby re-elected a Director of the Company for the ensuing Year".

Ordinary Resolution No. 3

"That Mrs. Myrtis Boothe be and is hereby re-elected a Director of the Company for the ensuing Year".

3. DIRECTORS' REMUNERATION

To authorise the Board of Directors to fix the remuneration of Directors.

Ordinary Resolution No. 4

"That the amount shown in the Audited Accounts for the year ended March 31, 2020 as fees to the Directors for services as Directors, be and is hereby approved".

4. RE-APPOINTMENT AND REMUNERATION OF AUDITORS

To appoint the Auditors and authorise the Board of Directors to fix the remuneration of the Auditors.

Ordinary Resolution No. 5

"That Mair Russell Grant Thornton was selected by way of tender and having consented to continue as the Auditors of the Company be and are hereby appointed Auditors of the Company to hold office until the next Annual General Meeting at a remuneration to be fixed by the Directors of the Company".

5. FINAL DIVIDEND

To approve aggregate dividends paid during the financial year.

Ordinary Resolution No. 6

"That the aggregate amount of interim dividends paid to shareholders on record as at July 30, 2019, being J$28,947,369 or J$0.11 per ordinary share, be treated on the recommendation of the Directors as the final dividend for the financial year ended March 31, 2020".

6. OTHER ROUTINE BUSINESS

To deal with any other business that is considered routine and appropriate for the Annual General Meeting.

Ordinary Resolution No. 7

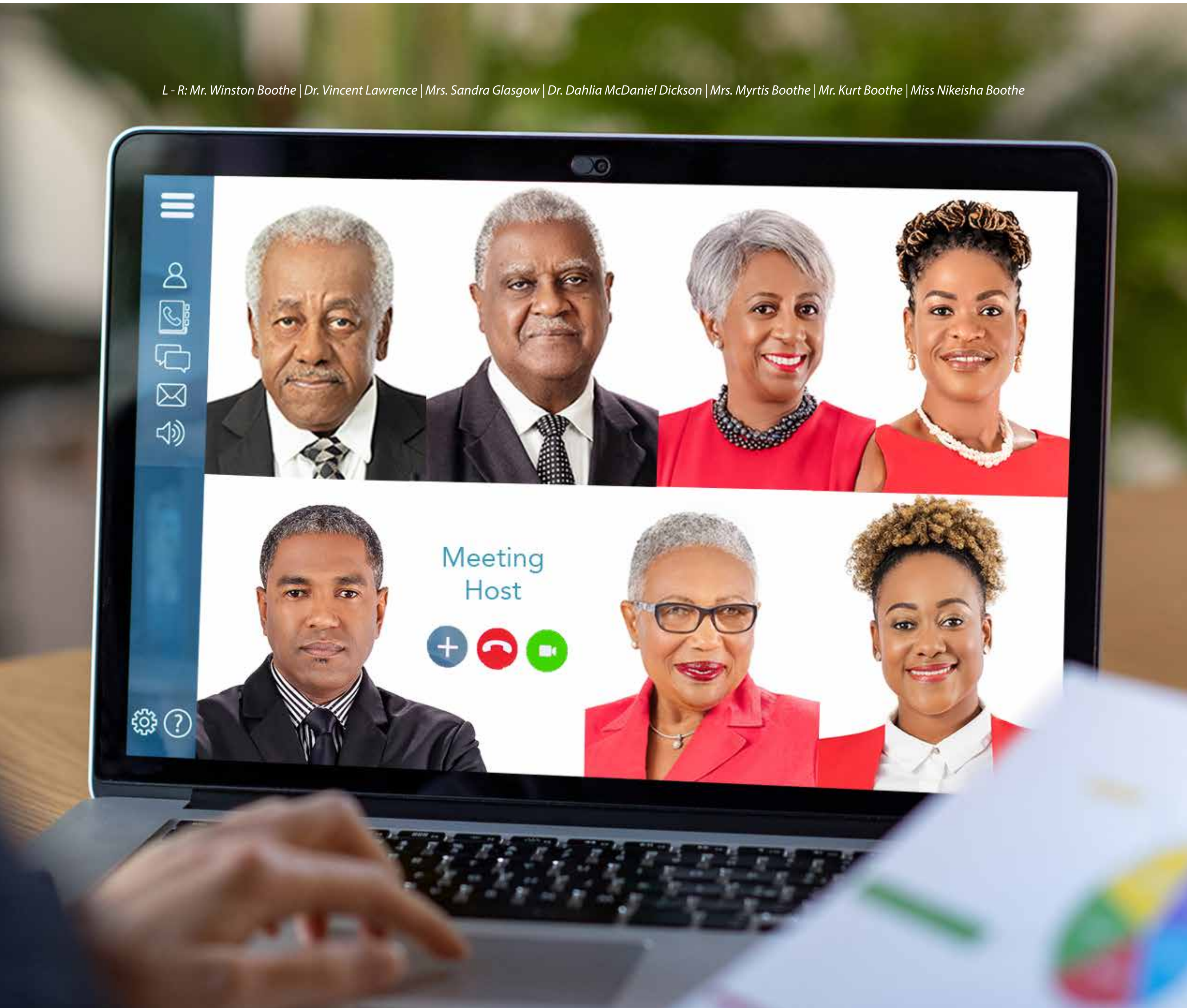
"To transact any other ordinary business of the Company that can be transacted at an Annual General Meeting'.

Dated this 17th day of July, 2020

BY ORDER OF THE BOARD

KURT BOOTHE
Company Secretary

NOTE: A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member of the Company. A form of proxy is enclosed and if it is used it should be completed in accordance with the instructions on the form and returned so as to reach the Company's Registrar at the address shown on the form not less than forty-eight (48) hours before the time fixed for the meeting.



L - R: Mr. Winston Boothe | Dr. Vincent Lawrence | Mrs. Sandra Glasgow | Dr. Dahlia McDaniel Dickson | Mrs. Myrtis Boothe | Mr. Kurt Boothe | Miss Nikeisha Boothe

CONNECT
WITH THE DIRECTORS

MR. WINSTON BOOTHE

Chairman

Independent Member of the Compensation & Human Resources Committee and the Audit & Compliance Committee

For nearly two decades, until September 2013, Mr. Winston Boothe served in the capacity of Senior Vice President of the Port Authority of Jamaica (PAJ) in the areas of Corporate Planning & Information Systems, Finance & Administration and Operations. With over 50 years of experience as a corporate executive, Mr. Boothe offers an expansive business network. He has served as director of the Petroleum Corporation of Jamaica, the Port Authority of Jamaica, Jamaica International Free Zone Development Limited, Master Blend Feeds and the Wortley Home for Girls. He has also held the post of Group VP of the Jamaica Broilers Group of Companies.

DR. VINCENT LAWRENCE

Non-Executive, Independent Director

Independent Chairman of the Compensation & Human Resources Committee and Independent Member of the Audit & Compliance Committee

During his over 50 years of experience as a civil and geotechnical engineer, Dr. Vincent Lawrence has been widely recognised as a skilled negotiator who has played a pivotal role in the engineering community and has exhibited a strong commitment to national service. Dr. Lawrence is currently the Executive Chairman of JenTech Consultants Limited and member of the Incorporated Lay Body & the Diocesan Financial Board of the Diocese of Jamaica and the Cayman Islands.

MRS. SANDA GLASGOW

Non-Executive, Independent Director

Chairman of the Audit & Compliance Committee, Independent Member of the Compensation & Human Resources Committee and Mentor to the Board

Mrs. Glasgow, founder and Managing Director of BizTactics Limited, has played an integral role in supporting improvements in the Company's Corporate Governance frameworks and processes. A certified director, trainer in corporate governance board leadership and mentor, Mrs. Glasgow sits on the Boards of Directors of four JSE listed companies, private companies and not-for-profits. She is the past CEO of the Private Sector Organisation of Jamaica for over five years, she spent two decades at the University of Technology where she founded the Technology Innovation Centre and capped her distinguished career as Senior Vice President of Corporate Services.

DR. DAHLIA McDANIEL DICKSON

Non-Executive, Independent Director

Independent Member of the Audit & Compliance Committee and the Compensation & Human Resources Committee

Dr. McDaniel Dickson adds an essential dimension to the MDS Board through her strong command of the pharmaceutical industry from both academia and business perspectives. As a registered pharmacist for over 30 years, her contagious fervour for the discipline helps to ensure output of the highest standard with an outlook supported by intelligent industry specific applications. She currently sits on the Pharmacy Council of Jamaica's Standards Committee, holds a Doctorate in Public Health from the University of London and owns two thriving pharmacies and a medical clinic.

MRS. MYRTIS BOOTHE

Executive Director

Founder & Managing Director

With over 50 years of passionate and extensive medical experience, Mrs. Boothe has provided invaluable contributions to the Company through her immense product knowledge, first-hand understanding of the inner workings of health institutions, expansive industry network and keen dedication to providing service excellence in patient care. A Registered Nurse by profession with training from the University Hospital of the West Indies, Mrs. Boothe has practised at the National Chest Hospital as Ward Administrator, served as an In-service Education Officer and Nursing Tutor at the Ministry of Health and honed her business instincts through an 11-year management career at one of the country's leading distribution companies in the industry before forming the MDS operation (in 1998) – where she has been successfully leading the charge ever since.

MR. KURT BOOTHE

Executive Director

General Manager & Company Secretary

Kurt Boothe joined the Company in 2006 after residing in Florida for over a decade. Mr. Boothe's financial acumen, intimate familiarity with global best practices and openness to the application of modern solutions to business challenges are welcomed additions to the skill sets of the Company. While in Florida, as part of the American Express Financial Advisors Team and as Portfolio Administrator with the Private Client Group of Franklin Templeton Investments Inc., Mr. Boothe developed his proficiency in finance. He also spent time in property valuation consulting services and independent real estate investments after gaining his MBA from the Wayne Huizenga School of Business at Nova Southeastern University. He is a past Non-Executive Director of the Petroleum Company of Jamaica and volunteers his time as a football manager and mentor to young boys at the secondary level.

NIKEISHA BOOTHE

Executive Director

Senior Marketing Executive

In 2012, Nikeisha Boothe joined the Company after performing roles as Marketing Executive at Dunlop Corbin Communications – a full-service marketing and advertising agency – and Brand Manager at Restaurant Associates Limited (franchise holders for Popeyes and Burger King in Jamaica). These have provided her with an in-depth knowledge of advertising, media, production, public relations, event planning, consumer behaviour, budget management and financial marketing. Miss Boothe graduated with honours from the University of Miami where she earned a B.A. in International Marketing and Finance and holds an MBA with concentration in Marketing from the Mona School of Business.

DIRECTORS' REPORT

The Directors of Medical Disposables & Supplies Limited are pleased to present their Report for the 12 months ending March 31, 2020.

FINANCIAL RESULTS

The Statement of Comprehensive Income shows pre-tax profits of $35.48M and post-tax profits of $34.56M. Further details of these results, as well as the prior12-month performance are outlined in the Management Discussion and Analysis and Financial Statements which are included as part of this Annual Report.

DIRECTORS

The Directors of the Company as at March 31, 2020 are:

- Mr. Winston Boothe (Chairman)
- Dr. Vincent Lawrence (Non-Executive)
- Mrs. Sandra Glasgow (Non-Executive)
- Dr. Dahlia McDaniel Dickson (Non-Executive)
- Mrs. Myrtis Boothe (Managing Director)
- Mr. Kurt Boothe (General Manager)
- Miss Nikeisha Boothe (Senior Marketing Executive)

The Directors to retire by rotation in accordance with the Articles of Incorporation are Mr. Winston Boothe and Mrs. Myrtis Boothe but, being eligible, all will offer themselves for re-election.

AUDITORS

The Auditors of the Company, Mair Russell Grant Thornton, of 3 Haughton Avenue, Kingston 10, have conveyed their willingness to continue in office as Auditors of the Company until the next Annual General Meeting.

We wish to thank all our customers, employees, agents and shareholders for their continued support and contribution to the Company's performance.

Dated this 17th day of July, 2020
BY ORDER OF THE BOARD

KURT BOOTHE
Company Secretary

Meet the men and women who lead our incredible team.

MANAGEMENT TEAM

MR. GERARD WHYTE

Quality and Special Projects

A glimpse at Mr. Whyte's resume reveals a career in the pharmaceutical industry dating back to 1980 with a long thread of positions held while at Cari-Med Limited and Glaxosmithkline Caribbean – Medical Representative, Supervisor and Caribbean District Manager. Prior to joining MDS in 2009, Mr. Whyte was a founding partner in a pharmaceutical distribution firm where he was Director of Sales and Marketing. After seven years as the Business Development Manager at MDS, Mr. Whyte's role has now pivoted in a new direction, as the Quality and Special Projects Manager - a vital role in this ever-evolving organisation.

MR. LENWORTH MURRAY

Divisional Sales Manager (Pharmaceutical Division)

Mr. Murray joined the MDS team as Trade Manager in 2012, a position that has since been modified to Divisional Sales Manager, rendering him responsible for managing sales output, strengthening communication in distribution channels, enhancing customer relationships, steering on-the-ground activities and promoting the MDS brand and products to target users. His more than 20 years of experience in the pharmaceutical industry and nearly a decade in sales have equipped him with a strong understanding of the world of pharmaceuticals, invaluable sales skills and a robust network base. Throughout his longstanding professional career in the medical field which began in 1991, he has enjoyed the challenges of varying roles including that of Sales Representative, Medical Representative (Apotex), North Caribbean Manager (Apotex Inc), Pharma Sales Supervisor and Medical Representative (Schering Plough Caribe).

MANAGEMENT TEAM (CONT.)

MRS. ANTOINETTE McDONALD

Divisional Sales Manager (Pharmaceutical Division and Medical Division)

Mrs. McDonald joined the MDS family as Sales Supervisor in 2016, with her role now expanded to that of Divisional Sales Manager with direct responsibility for the Dr. Reddy's Laboratories line of products and the Company's entire Medical Division. Mrs. McDonald guides the Sales and Medical teams to optimise business outcomes. and also manages the development of brand building strategies, product growth approaches and the advancement of consumer relationships. Prior to MDS, Mrs. McDonald enjoyed 17 years in the pharmaceutical arena in varying capacities, working for some of the most well-respected companies in the industry including Glaxosmithkline Caribbean Limited. Her broad wealth of experience in the field and depth of knowledge have served to equip her to make a profound footprint on the MDS team, topped with her uncanny way of engaging people – both staff and customers alike.

MR. LOUIS MANNING

Divisional Sales Manager (Consumer Division)

Mr. Louis Manning joined the MDS Team in 2019 to spearhead the Consumer Division. Prior to joining the team, Mr. Manning excelled as divisional, regional and commercial manager for leading local distributors as well as international principals such as Wysinco Group Limited and Suntory Beverage and Food Limited, respectively. His wealth of experience will add tremendously to the build out of the Division as per MDS' strategic growth initiatives.

MS. JANICE PITTER

Financial Controller

Ms. Pitter joined MDS in February 2013 after serving a period of nine years at one of the island's oldest and largest retail, manufacturing and distribution companies. While there, her varying capacities included that of Finance Manager and Chief Accountant. These posts were superseded by her 12-year tenure as Audit Senior at BDO Chartered Accountants. Ms Pitter serves on MDS' executive team as Financial Controller; a role which allows her oversight of the Company's corporate financial strategy and the continued buoyance of the MDS operation In particular, she integrates her regulatory expertise and financial acumen to streamline procedures related to planning, procurement, investment and accounting.

MR. BERTINO GORDON

Operations Manager

Mr. Bertino Gordon rejoined the Company in March 2020 as Operations Manager after a brief hiatus. Mr. Gordon has oversight responsibilities for inventory, warehousing, delivery fleet and all operational functions related to company facilities. Mr. Gordon is an experienced supply chain manager with a demonstrated history of working in the logistics and supply chain industry. Mr. Gordon has a Master of Business Administration (M.B.A.) from the Mona School of Business and Management (UWI).

MDS CORPORATE DATA

DIRECTORS

CHAIRMAN
Mr. Winston Boothe

EXECUTIVES
Mrs. Myrtis Boothe
Miss Nikeisha Boothe

NON-EXECUTIVES
Dr. Vincent Lawrence
Mrs. Sandra Glasgow
Dr. Dahlia McDaniel Dickson

SECRETARY
Mr. Kurt Boothe

SENIOR OFFICERS

Mrs. Myrtis Boothe
Mr. Kurt Boothe
Miss Nikeisha Boothe
Ms. Janice Pitter
Mr. Gerard Whyte
Mr. Lenworth Murray
Mrs. Antoinette McDonald
Mr. Louis Manning
Mr. Bertino Gordon

ATTORNEYS-AT-LAW

PATTERSON MAIR HAMILTON
85 Hope Road,
Kingston 5, Jamaica, W.I.

BANKERS

BANK OF NOVA SCOTIA LIMITED
Scotia Centre Branch
Cnr, Duke & Port Royal Streets
Kingston, Jamaica, W.I.

NATIONAL COMMERCIAL BANK
90 - 94 Slipe Road,
Kingston 5,
Jamaica, W.I.

SAGICOR BANK JAMAICA LIMITED
17 Dominica Drive
Kingston 5,
Jamaica, W.I.

AUDITORS

MAIR RUSSELL GRANT THORNTON
3 Haughton Avenue,
Kingston 10,
Jamaica, W.I.

REGISTRAR & TRANSFER AGENT

JAMAICA CENTRAL SECURITIES DEPOSITORY
40 Harbour Street,
Kingston,
Jamaica, W.I.

REGISTERED OFFICE

MEDICAL DISPOSABLES & SUPPLIES LIMITED
83 Hagley Park Road,
Kingston 10, Jamaica, W.I

T: (876) 546-7411
or (876) 906-9994-5
E: info@mdsja.com
www.mdsja.com

TOP TEN SHAREHOLDERS AS AT MARCH 31, 2020

Shareholders	Number of Units	Shareholding %
Kurt Boothe	51,154,333	19.44%
Myrtis Boothe	50,000,000	19.00%
Winston Boothe	50,000,000	19.00%
Nikeisha Boothe	50,000,000	19.00%
Mayberry Jamaican Equities Limited	13,958,725	5.30%
Mayberry Managed Clients A/Cs	7,359,830	2.80%
Apex Pharmacy	3,496,926	1.33%
VM Wealth Equity Fund	2,968,948	1.13%
Nigel Coke	1,823,092	0.69%
Lawrence and Associates	1,284,222	0.49%
Konrad Limited	1,204,337	0.46%
Dahlia McDaniel-Dickson	1,159,398	0.44%

SHAREHOLDING OF DIRECTORS AND SENIOR MANAGERS

Directors	Total	Direct	Connected Parties
Kurt Boothe	201,154,333	51,154,333	150,000,000
Myrtis Boothe	201,154,333	50,000,000	151,154,333
Winston Boothe	201,154,333	50,000,000	151,154,333
Nikeisha Boothe	201,154,333	50,000,000	151,154,333
Dahlia McDaniel-Dickson	1,459,398	1,159,398	300,000
Vincent Lawrence	1,284,222	Nil	1,284,222
Sandra Glasgow	Nil	Nil	Nil

Senior Managers	Total	Direct	Connected Parties
Kurt Boothe	201,154,333	51,154,333	150,000,000
Myrtis Boothe	201,154,333	50,000,000	151,154,333
Nikeisha Boothe	201,154,333	50,000,000	151,154,333
Lenworth Murray	63,000	63,000	Nil
Gerard Whyte	54,000	54,000	Nil
Antoinette McDonald	30,500		30,500

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Medical Disposables and Supplies Limited ("The Company") recognises the importance of a sound corporate governance framework and practices and strives to comply with the corporate governance guidelines prescribed by the Jamaica Stock Exchange (JSE). The Board believes that our corporate governance framework is appropriate for the Company, having regard to its size and nature.

The Company is fully compliant with the provisions of its Articles of Association, The Companies Act, 2004, the Pharmacy Act and its regulations and other applicable legislation.

Further information on the Company's governance policies and practises may be found on the Company's website at **http://www.mdsja.com** under the tab: "Investor Relations"/Corporate Governance. The Board's responsibilities and functions are summarised in the Board Charter which sets out, amongst other things, the Board's specific responsibilities and functions, including requirements for Board composition, its delegation of responsibilities to Committees and the delegation to management, the authority to execute strategy. It also sets out the responsibilities of management and the matters expressly reserved to the Board.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The Board's key responsibility and that of its directors, is to oversee the Company's activities for the benefit of its shareholders, employees and other stakeholders and to protect and enhance shareholder value. Responsibility for management of the Company's business is delegated to the Managing Director, who is accountable to the Board.

Further, the Board takes specific responsibility for:

- Contributing to the development of and approving the corporate strategy and strategic plans.
- Appointing and assessing the performance of the Managing Director and the General Manager.
- Reviewing and approving business plans, the annual budget and financial plans including major capital expenditure initiatives.
- Overseeing and monitoring:
    - o Organisational performance and the achievement of strategic goals and objectives
    - o Compliance with the Company's Code of Conduct
    - o Progress of major capital expenditures, including acquisitions, mergers and divestments
- Monitoring the Company's financial performance including approval of the annual and quarterly reports to shareholders and liaison with the auditor.
- Ensuring there are effective management processes in place, including reviewing and ratifying systems of risk identification and management, ensuring appropriate and adequate internal control processes, and that monitoring and reporting procedures for these systems are effective.
- Approving major capital expenditure, capital management, acquisitions and divestments.
- Reporting to shareholders.
- Appointment of directors; and
- Any other matter considered appropriate and in the interest of the Company.

CORPORATE GOVERNANCE POLICES AND PROCEDURES

The Company has adopted a number of corporate governance policies and procedures, which are available for viewing on the Company's website, **http://www.mdsja.com** under the "Investor Relations"/Corporate Governance. These policies and procedures include the following:

Board Charter

The purpose of the Board Charter is to outline the principal role of the Board of Directors (Board), the delineation of the roles, functions, responsibilities and powers of the Board vis-à-vis management, the Committees of the Board and matters reserved for decision-making by the Board.

The Charter defines the specific responsibilities of the Board of Directors, in order to enhance coordination and communication between the Executive Directors and the Board and more specifically, to clarify both Board and Management accountability for the benefit of the Company and its shareholders.

The Charter further sets out, in detail, the following:

- Board Composition and Quorum
- Duties and Responsibilities of Directors
- Understanding the Business of The Company
- Board Meetings: Purpose and Frequency
- Committees of the Board
- Access to Information and Independent Advice
- The Role of the Chairperson
- Responsibilities of the Managing Director
- Code of Conduct for Directors
- Communication with Directors
- The role of the External Auditor
- Review and Disclosure

Audit and Compliance Committee Charter

The Charter for the Audit and Compliance Committee sets out the Committee's roles and responsibilities in assisting the Board with the oversight of the integrity of the financial statements of the Company, the effectiveness of the internal control over financial reporting, the external auditor's qualifications and independence, and the Company's compliance with legal and regulatory requirements. The Charter further sets out the basis on which the Committee operates, with respect to:

- Membership
- Attendance at meetings
- Frequency of meetings
- Authority
- Responsibilities
- Reporting procedures

Compensation and Human Resources Committee Charters

The Charter of the Compensation and Human Resources Committee outlines the Committee's purpose to assist the Board in fulfilling its fiduciary responsibilities relating to the fair and competitive compensation of the non-executive directors, executives and other employees of the Company, and the administration of the general employee welfare plans of the Company.

The Charter further describes the Committee's:

- Organisation
- Meetings, and
- Responsibilities

Code of Business Conduct and Ethics

The Company has adopted Codes of Business Conduct and Ethics that apply to all our directors, officers and employees. The Company's values of fulfilled employees, premium service, quality assurance, delighted customers, contented affiliates and social responsibility are fundamental to its business philosophy and guide the way it conducts its business and interacts with all stakeholders. Included in the Board Charter is a Code of Conduct for Directors that sets the ethical and behavioural standards expected of all Directors of the Company. Additionally, the Company has developed a board-approved Code of Conduct and Ethics which is a guide for employees to live the Company's values.

The Code outlines the Company's ethical principles and the specific standards for its relationships with stakeholders, and covers a broad range of issues and refers to those practices necessary to maintain confidence in the Company's integrity, including procedures in relation to:

- compliance with the law
- equal employment opportunity
- business and financial records
- dishonesty, including embezzlement and bribery
- fair competition
- conflicts of interest
- use of Company vehicles
- discrimination
- insider trading
- acceptance of gifts
- money laundering
- protection of assets
- occupational health and safety
- substance abuse
- conduct within and outside the workplace; and
- confidentiality and use of information.

It is the responsibility of management and supervisory personnel to ensure adherence to the Code. Directors are required to responsibly manage any conflict with the interests of the Company and to declare to the Board any personal interest, whether direct or indirect, that he or she may have in matters brought before the Board. This declaration is recorded in the Minutes and the interested Director may not be present for the deliberations, discussion or voting on the resolutions to be adopted in this respect.

It is also the responsibility of each employee to promptly report any violations of the Code to the responsible officer, the General Manager of the Company. An Ethics E-mail Address, overseen by the Company's Audit and Compliance Committee, has been established at auditcommitteemds@gmail.com and employees may report violations or other information, which they believe, should be reported under this Code using either method. Any concerns that employees may have regarding questionable accounting, internal accounting controls or auditing matters may also be reported confidentially or anonymously to the Company's Ethics E-mail Address. Noncompliance with the policies contained in the Code may result in disciplinary action, up to and including termination of employment and/or legal action.

Securities Trading Policy and Procedures

The Company strongly opposes the unauthorised disclosure of any confidential, proprietary or non-public information about the Company by any director, officer, employee or agent of the Company who may have acquired such information in the course of his or her service with the Company. MDS also opposes the misuse of such material non-public information when trading in the securities of the Company. Any such actions are deemed violations of the Securities Trading Policy which clearly outlines the procedures to be followed by related parties in order to trade in the Company's securities.

Disclosure Policy

The Disclosure Policy sets out the Company's approach to disclosure by members of the Board, senior management, employees and others who have undisclosed material information about the Company. The Policy also aims to ensure that information disclosed by the Company to shareholders and the public is transparent, timely, accurate, comprehensive, authoritative and relevant to all aspects of the Company's operations while at the same time consistent with all legal requirements. The Company wishes to ensure that shareholders and financial analysts can make informed decisions about the Company.

MEMBERS OF THE BOARD

Page 28 of the Annual Report sets out the qualifications, expertise, experience and length of service of each director serving on the Board as at the date of this report. The Board currently comprises seven directors, four of whom, Chairman Winston Boothe, Lead Independent Director, Dr. the Hon. Vincent Lawrence OJ, Sandra A. C. Glasgow and Dr. Dahlia McDaniel Dickson, are non-executives. The other three executive directors are Managing Director, Myrtis Boothe, General Manager, Kurt Boothe and Marketing Manager, Nikeisha Boothe.

Board Member	Board	Audit & Compliance Committee	Compensation & Human Resources Committee
Winston Boothe, Non-Executive Director	Chairman	Member	Member
Myrtis Boothe, Managing Director, Executive Director	Member		
Kurt Boothe, General Manager, Executive Director	Member		
Nikeisha Boothe, Marketing Manager, Executive Director	Member		
Dr. the Hon Vincent Lawrence, OJ, Lead Independent, Non-Executive Director	Independent Member	Independent Member	Independent Chairman
Dr. Dahlia McDaniel-Dickson, Independent, Non-Executive Director	Independent Member	Independent Member	Independent Member
Sandra A. C. Glasgow, Independent, Non-Executive Director and Mentor	Independent Member	Independent Chairman	Independent Member

RESPONSIBILITIES OF THE CHAIRMAN AND MANAGING DIRECTOR

There is a clear separation of the roles of the Managing Director and the Non-Executive Chairman. The non-Executive Chairman is responsible for overseeing the running of the Board, ensuring that no individual or group dominates the Board's decision-making and ensuring the non-Executive Directors are properly briefed on matters. Responsibility for the day-to-day management of the Company is delegated to the Managing Director, General Manager and other members of the management team.

BOARD INDEPENDENCE

The Board consists of three independent directors as well as non-independent directors in the roles of Non-Executive Chairman, Managing Director, General Manager and Marketing Manager. Given the scope and size of the Company's current operations and the skills of the existing Board members, the Board considers that the composition of the existing Board is appropriate.

The Board has determined that Dr. the Hon Vincent Lawrence, OJ, Dr. Dahlia McDaniel Dickson and Mrs. Sandra A. C. Glasgow are independent directors pursuant to the JSE Listing Rules and are members of or chair the Audit and Compliance and Compensation and Human Resources Committees.

As of March 31, 2020, the length of service of each independent director is as follows:

Director	Date Of Appointment	Length Of Service
Dr. the Hon. Vincent Lawrence OJ	December 5, 2013	6 years and 4 months
Dr. Dahlia McDaniel Dickson	December 5, 2013	6 years and 4 months
Sandra A. C. Glasgow	December 3, 2013	6 years and 4 months

BOARD SKILLS AND EXPERIENCE

The Board's structure enables directors with a range of experiences and expertise to contribute to the growth and development of the Company. The directors have key competencies in a diverse range of business areas.

The Board has identified the key skills, experience and qualities required for the effective management of the business. The Board's collective areas of expertise are summarised in the list of skills below.

- Strategy
- Financial Knowledge and Experience
- Capital Management
- Pharmaceutical and Distribution Industry Experience
- Health and Safety
- Risk Management
- Commercial Acumen
- Executive Leadership
- Executive Performance and Remuneration
- Governance and Compliance
- Government and Regulatory Affairs

BOARD MEETING ATTENDANCE

The Board met four times during the year under review. Each director is expected to attend all meetings of the Board and the committees on which they serve. If a director is unable to attend a Board or committee meeting, he or she is expected to notify the Board or Committee Chairperson and attempt to participate in the meeting by videoconference or telephone, if possible. All directors strive to achieve at least 75% attendance at the meetings of the full Board and the committees on which they serve. During the year under review, Dr. the Hon. Vincent Lawrence OJ, tendered his apologies for his absence from several Board and Committee meetings due to illness. The directors' attendance at Board meetings is detailed below.

Directors	# Meetings Attended	Overall Attendance
Winston Boothe, Chairman	4	100%
Myrtis Boothe	4	100%
Kurt Boothe	4	100%
Nikeisha Boothe	4	100%
Sandra A. C. Glasgow	3	75%
Dr. the Hon. Vincent Lawrence, OJ	2	50%
Dr. Dahlia McDaniel-Dickson	4	100%

BOARD COMMITTEES

Audit and Compliance Committee

There were four Committee meetings held during the year under review. Members of the management team and the External Auditor attended meetings at the invitation of the Committee. Attendance by directors at meetings of the Committee is detailed below:

Members	# Meetings Attended	Overall Attendance
Sandra A. C. Glasgow Chairperson	4	100%
Dr. the Hon. Vincent Lawrence, OJ	2	50%
Dr. Dahlia McDaniel-Dickson	4	100%
Winston Boothe	4	100%

Compensation and Human Resources Committee

The Committee met once during the year under review as outlined below:

Members	# Meetings Attended	Overall Attendance
Dr. the Hon. Vincent Lawrence, OJ, Chairman	1	100%
Sandra A. C. Glasgow	1	100%
Dr. Dahlia McDaniel-Dickson	1	100%
Winston Boothe	1	100%

REMUNERATION FOR NON-EXECUTIVE DIRECTORS

There was no change to the remuneration policy in the financial year under review.

RISK MANAGEMENT

The Company defines risk management as the identification, assessment and treatment of risks that have the potential to materially impact the Company's operations, its financial viability, its employees, its reputation and the environment and communities in which the Company is situated.

The Board executes its oversight responsibility for risk management directly and through its committees, as follows:

- The Audit and Compliance Committee focuses on the most significant risks the Company faces. Committee meetings include discussions of specific risk areas throughout the year, including, among others, those relating to financial risks.
- The Compensation and Human Resources Committee oversees risks associated with its areas of responsibility. As part of its overall review of the Company's compensation policies and practices, the Committee generally considers the risks associated with these policies and practices.

RELATIONSHIPS WITH SHAREHOLDERS

The Board values good relations with the Company's shareholders and understands the importance of effectively communicating the Company's operational and financial performance as well as its future strategy. The Company's website provides financial information as well as historical news releases and matters relating to corporate governance.

The Chairman, Managing Director, General Manager and Chief Financial Officer maintain ongoing dialogue with shareholders and communicate their views to the Board. The Board recognises that it is accountable to shareholders and ensures that their views are taken into account in discussing and agreeing on the Company's strategy and other operational matters.

Annual and quarterly results are communicated to the market through regulatory releases. Shareholders may also attend the Annual General Meeting where they can discuss matters with members of the Board.

All shareholders have the right to receive a copy of the Annual Report, whether in print or electronic form.

RELATIONS WITH OTHER STAKEHOLDERS

In the performance of its duties, the Board takes into consideration the views of other key stakeholders, including our employees, overseas suppliers, pharmacists, clinicians, and regulators, and is cognisant of the potential impacts of decisions made by the Board. Our director, Dr. Dahlia McDaniel Dickson, provides valuable guidance from the perspective of pharmacists and the pharmaceutical and medical supplies industries, in general.

ANNUAL GENERAL MEETING

The Board encourages the attendance of and full participation of shareholders at the Company's Annual General Meeting (AGM) to ensure a high level of accountability and identification with the Company's strategies and goals. The Board sets the time and place of each AGM to allow maximum attendance by shareholders. Notices of Meeting are released to the JSE and the media and mailed out or emailed to all shareholders in advance of the Meeting.

The Company's next AGM will be held on 06, October, 2020 at 10:00 a.m. at MDS Ltd (83 Hagley Park Road, Kingston 10). The Notice is sent to shareholders at least 21 days prior to the meeting, along with the Minutes of the last AGM. The Notice includes the resolutions to be put to shareholders for approval at the AGM.

SANDRA A. C. GLASGOW
Mentor

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

For the financial year ended March 31, 2020, MDS Limited continued to grow its income through the diversification of the Company's product portfolio. This has resulted in our revenues attaining record levels, surpassing the $2 billion mark for a third straight year. Net profit after tax fell to $34.56 million from $112.8 million at year end March 2019.

FIVE-YEAR FINANCIAL REVIEW

Profit and Loss Summary *(in millions of dollars)*

	2016	2017	2018	2019	2020
Sales	1,327.25	1,714.02	2,045.44	2,221.90	2,481.14
Gross Profit	350.23	410.73	461.54	548.51	558.93
Operating Profit	123.17	136.92	141.80	186.62	98.75
EBITDA	134.03	158.40	168.01	190.27	112.96
Profit after tax	97.41	101.91	109.59	112.76	34.56

Balance Sheet Summary *(in millions of dollars)*

	2016	2017	2018	2019	2020
Total Assets	1,121.70	1,214.25	1,474.44	1,648.92	1,742.48
Shareholders Equity	488.01	563.54	673.13	759.21	833.76
Total Liability	633.68	650.71	774.97	889.70	908.73
Borrowing	329.49	324.28	336.65	424.45	533.54
Current Assets	646.52	727.15	935.21	1,089.40	1,128.07
Current Liabilities	443.39	449.37	605.44	756.28	813.95
Return on Assets	8.68%	8.39%	7.43%	6.84%	1.98%
Return on Equity	19.96%	18.08%	16.28%	14.85%	4.14%
Debt to Equity	130%	115%	115%	117%	109%
Current Ratio	146%	162%	154%	144%	139%

Important Ratios

	2016	2017	2018	2019	2020
Revenue Growth	15%	29.14%	19.34%	8.63%	11.67%
Gross Margin	26.39%	23.96%	22.56%	24.69%	22.53%
EBITDA Margin	10.10%	9.24%	8.21%	8.56%	4.55%
Operating Margin	9.28%	7.99%	6.93%	8.40%	3.98%
Profit Margin/ Net Margin	7.34%	5.95%	5.36%	5.08%	1.39%
Efficiency Ratio	19.19%	18.23%	17.38%	19.81%	21.31%

Total Revenue and Gross Profit

Revenue for the year was $2.48B, growing by $259M or 12% when compared to the prior year. This was mainly attributable to a combination of an increase in product offerings, price increases and above average growth in the pharmaceutical division.

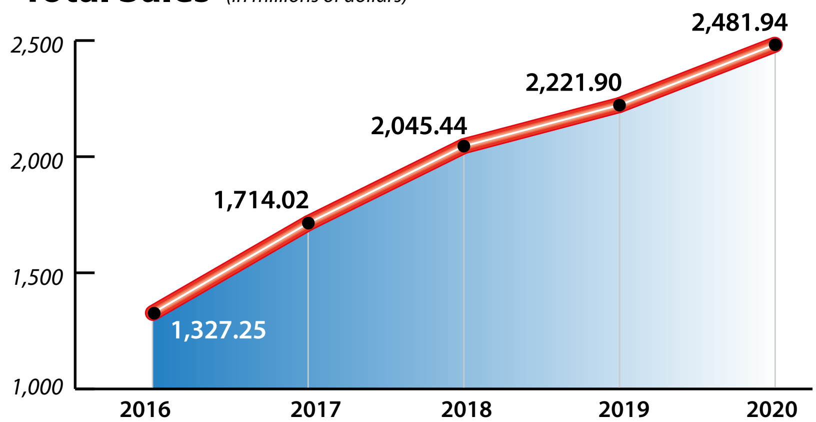
Gross profit of $559M for the year increased by $10M or 2% when compared to the year ended March 31, 2019. This was due primarily to an increase in cost of goods sold. The Company experienced a reduction in margin from a major supplier which contributed to a higher than normal cost of goods sold and therefore affected the profitability of that division. For these reasons, MDS embarked on a diversification strategy over the past two years and continues to invest in expanding its range, to mitigate this type of exposure. During the current year, the Company made several changes to its operations to reduce the level of inefficiencies, particularly to treat with expiring and damaged inventory, which also had an impact on profitability.

Operating Expenses

Operating expenses of $465.8M increased by $98.5M or 27% due mainly to the costs associated with the growth in sales and talent acquisition and retention. These operational expenses include:

- **Salaries, commissions and other related expenses** of $222.37M, increased by $49.4M when compared to prior year. This was due to the addition of new staff in critical areas of expansion as well as increased commercial activities.
- **Professional fees** increased by $3.7M over prior year due to the acquisition of consultancy services during the current year.
- **General insurance** increased by $4M due to increased property, plant and equipment.

Total Sales *(in millions of dollars)*



- **Delivery expenses** increased by $5M based on increased commercial activities.
- **Utility expenses** increased by $2.1M over the same period last year.

The increase in staff related expenses was due to the activation of the Company's long-term strategic plan to build out the expansion model which will guide the Company into the future. This required an increase in the talent pool to a level that could provide sustainable support for the next phase of growth including inorganic options. The Company was restructured into three divisions thereby requiring persons of the management level to oversee the operations with increased focus, to drive the growth in each segment. Described as a reset year for MDS Ltd., the Company is systematically equipping itself to take on the challenges that will inevitably present themselves.

Total non-operational expenses of $63.3M was flat when compared to March 2019. There was a reduction in foreign exchange losses of $3.8M. That was offset by an increase in finance costs of $6.6M.

Foreign Exchange Movements

The Company recorded $23M in foreign exchange losses in the prior year. This trend continued into the current year. By October

> “The Company was restructured into three divisions thereby requiring persons of the management level to oversee the operations with increased focus, to drive the growth in each segment.”

"Despite it being a challenging year, the Company generated a profit after tax of approximately $35M. This was $78M below the previous year."

2019, MDS had accumulated foreign exchange losses of $23M. Several mitigating strategies were employed to negate the effects that the depreciation on the Jamaican dollar was having on the operations of the Company. By end of the current year, the Company suffered a loss of $19.5M in foreign exchange losses.

Despite it being a challenging year, the Company generated a profit after tax of approximately $35M. This was $78M below the previous year.

Total Assets and Liabilities

Total assets grew by $94M or 5.7% to $1.74B when compared to the previous year. Non-current Assets grew by $54.9M or 9.8% when compared to the year March 31, 2019. The increase included $68.9M in revaluation of property.

Current Assets grew by $38.6M or 3.6% when compared to last year at the same time. The growth was driven by an increase in trade receivables of 35% or $139.2M when compared to prior year. This was as a direct result of expanded business opportunities which resulted in increased sales in all three divisions. The Company's inventory decreased by 11.8% or $76.4M year-over-year.

These assets were supported by shareholders' equity of $833.8M, a $75M or 9.8% increase over prior year. Total liabilities grew by $19M or 2% to $908.7M during the current year. Non-current liabilities fell $38.6M or 29% as the Company reduced long-term borrowing by 27.4% or $34.7M.

Current Liabilities increased by $56.7M or 7.6% when compared to the prior year. This is due to an increase utilization of a bank overdraft to finance working capital. Trade payables and other loans saw reductions of $89.3M and $10M, respectively. Short-term borrowing increased by 5.9% or $14.4M when compared to prior year.

Earnings per Share

Earnings per share fell 70% from $0.43 in 2019 to $0.13 in 2020.

HUMAN RESOURCES

MDS has withstood 20 years which is a huge milestone and is, in large part, due to our human capital. With eyes fixed on the decades ahead, our ability to thrive will require separation from some old paradigms, embracing new ways of working and more importantly, adopting new ways of thinking.

This mental renovation is a mandatory exercise to allow for personal improvements and Company-wide advancements – an ongoing project dubbed MDS 2.0. This clear vision of advancing into 2020 and beyond includes:

- Shifting from a fixed mindset to a growth mindset
- Developing ongoing strategies for personal and professional improvement

RECRUITMENT

Having solidified our position as a formidable player in the Medical and Pharmaceutical distribution field, our 20th year saw us executing a major overhaul and expansion of the Consumer Division. Team expansion included the addition of a Sales and Marketing Manager and additional supporting team members that expanded the sales team from five (5) to nine (9). In other vital areas of the business, we were able to identify and fill vacant roles and, in some cases, short-list future-oriented candidates who are aligned with our vision. One such replacement happened shortly before the end of the FY with the departure of our Operations Manager, Mr. Sheldon Rose, who was replaced by Mr. Bertino Gordon on March 09, 2020 - one day shy of the island's first Covid-19 case.

Team members at Version 2.0, a series of training workshops.

Orientation & training programmes with all new entrants continue to be important components in the process of developing a committed and flexible high-potential workforce and socializing new employees at MDS. Our recruitment 2.0 outlook more clearly distinguishes candidates who will be a good fit for the role, a good fit for the organization and a good fit for our vision through a more perfected knowledge of where we are heading and the characteristics that are needed to get us 'there'.

TRAINING AND DEVELOPMENT

The goal of the Human Resource Department at Medical Disposables & Supplies Limited is to ensure its strategic mission while ensuring employees are trained, engaged, and motivated. Three major personal growth training and development initiatives executed this year, all designed with inclusion of our 2.0 ingredient were:

1. Millennial Team Training Programme
2. Empowering the Sales Force: "The Big Picture"
3. Internship Programme

VERSION 2.0 - MILLENNIAL TEAM TRAINING PROGRAMME

Our Version 2.0 series of workshops was launched with the first cohort in September 2019 which engaged the team on a personal and intrinsic level while making the broader connection to the organizational goals. The pre-requisite to entry was two-fold: Each team member had to be willing to embrace new methods and techniques, some of which would push them out of their comfort zone, and each had to promise to make use of their learning. Included in these sessions were visualization exercises, public speaking, selection of accountability partners and personal inventory awareness, to name a few. Already, it has yielded signs of improvements in re-shaping the culture and work environment to be more accepting of inevitable and pending changes and it also served to produce greater individual and collective performance.

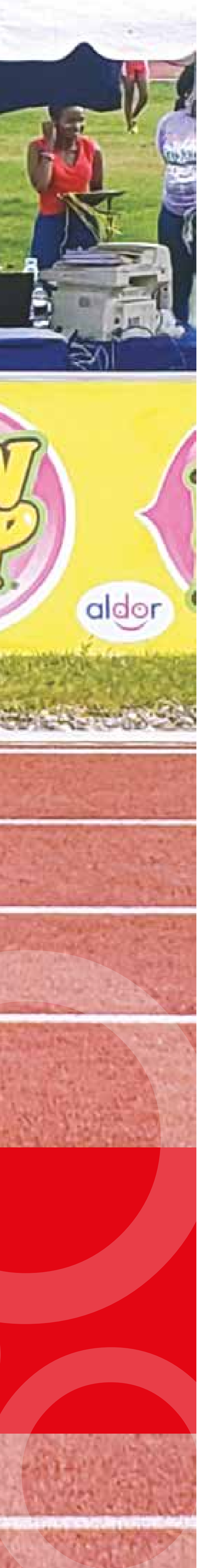
EMPOWERING THE SALES FORCE: "THE BIG PICTURE"

There are two ways in which we continually sharpen our Sales Teams. One being product-specific knowledge – edifying participants on new products and material reminders on existing products as they progress along the life cycle. The second being more directed to varying approaches that the Team can adopt to yield better sales results. This year, a third was more heavily integrated in the sessions for the purpose of nurturing the person (minus the active selling component) with the outlook that a healthy being with better awareness of themselves will ultimately build better relationships in the field. Guest speakers included Mrs. Michelle Gordon who delivered a thought-provoking session on "The Big Picture" which aimed at providing each participant with greater awareness of how they fit into the MDS puzzle by constantly eyeing the overarching MDS goals and Everick Clarke who delivered invaluable information on being more safety conscious in everyday life and while visiting the trade.

INTERNSHIP PROGRAMME

Our annual summer internship programme is a vehicle for empowering our applicants by helping to groom them in professional and personal capacities. With application requests outweighing space limitations, the creation of two cohorts with shortened durations was decided upon to accommodate as many slots as we could facilitate. Our HR and Management Teams leaned into this year's initiative with an even greater appreciation for the process by designing activities that would provide opportunities for the participants to demonstrate their ideas and amplify their voice through advocacy of their analytical viewpoints. The interns were placed on teams and invited to combine their working knowledge of the Company with researched information and apply both towards improving selected aspects of the Company. The presentations they delivered to our executive panel were outstanding and served as proof that this model of carefully monitored meaningful and practical learning experiences produces optimal results. The experience has resulted in the conversion of one student-intern to a full-time member of the MDS Team this year.

CORPORATE SOCIAL RESPONSIBILITY



We are Taking Care with Time, Talent & Resources

MDS has been committed to improving the lives of Jamaican citizens by 'taking care' of their physical, physiological, personal care and consumption needs through offerings that lead to overall wellness. Our commitment, however, extends beyond taking care of business to the inclusion of promoting healthy minds and positive attitudes. We believe that educating and motivating today's youth will help to solve the challenges of tomorrow. We embrace the idea that we can grow and flourish while still committing to a higher purpose; that we can build a Company that can do well and do good – regardless of the size of the profit. It often takes cash to care and, as such, we dedicate resources as part of the effort to developing young minds, but we also devote our time and talent to the cause because we know that caring about the experiences of those around us and making healthy profits are not mutually exclusive ideas. We still have a long journey ahead of us, but we know that as we grow, our impact will grow with us and we will continue to take steps towards having a positive impact through our MDS brand.

We continue to support the industries of which we are a part across all three of our divisions - Medical, Pharmaceutical and Consumer - through our involvement in customer appreciation days, health fairs and other special events. We also contributed to a number of non-industry initiatives, some of which are outlined.

Anthrick Management Corporate Prep Schools Development Meet

In May 2019, we continued to champion the cause of our nation's young and promising athletes through support of the Anthrick Management Team's staging of a development meet for students at the primary level in preparation for the ultimate annual show down - JISA Prep School Championships.

JISA Prep School Championships

Connecting product to purpose, Aldor Candies linked its brand vision of evoking 'The Joy of Life' in every child to the thrill of participating in the JISA Prep School Championships. Not only did the brand sponsor the event to support the premise of expending energy in positive ways but, more importantly, it endorses the unseen inner process that happens within most of the athletes during the training preparation, often resulting in powerful character building, lifelong lessons, unshakable discipline and an understanding of the immense drive required to attain personal goals – all of which are huge strides in shaping their future. The three-day event brought together 55 schools, 1,800 athletes across 55 schools between the ages of six (6) and 12 years and over 4,200 spectators over the period.

Sydenham Basic School

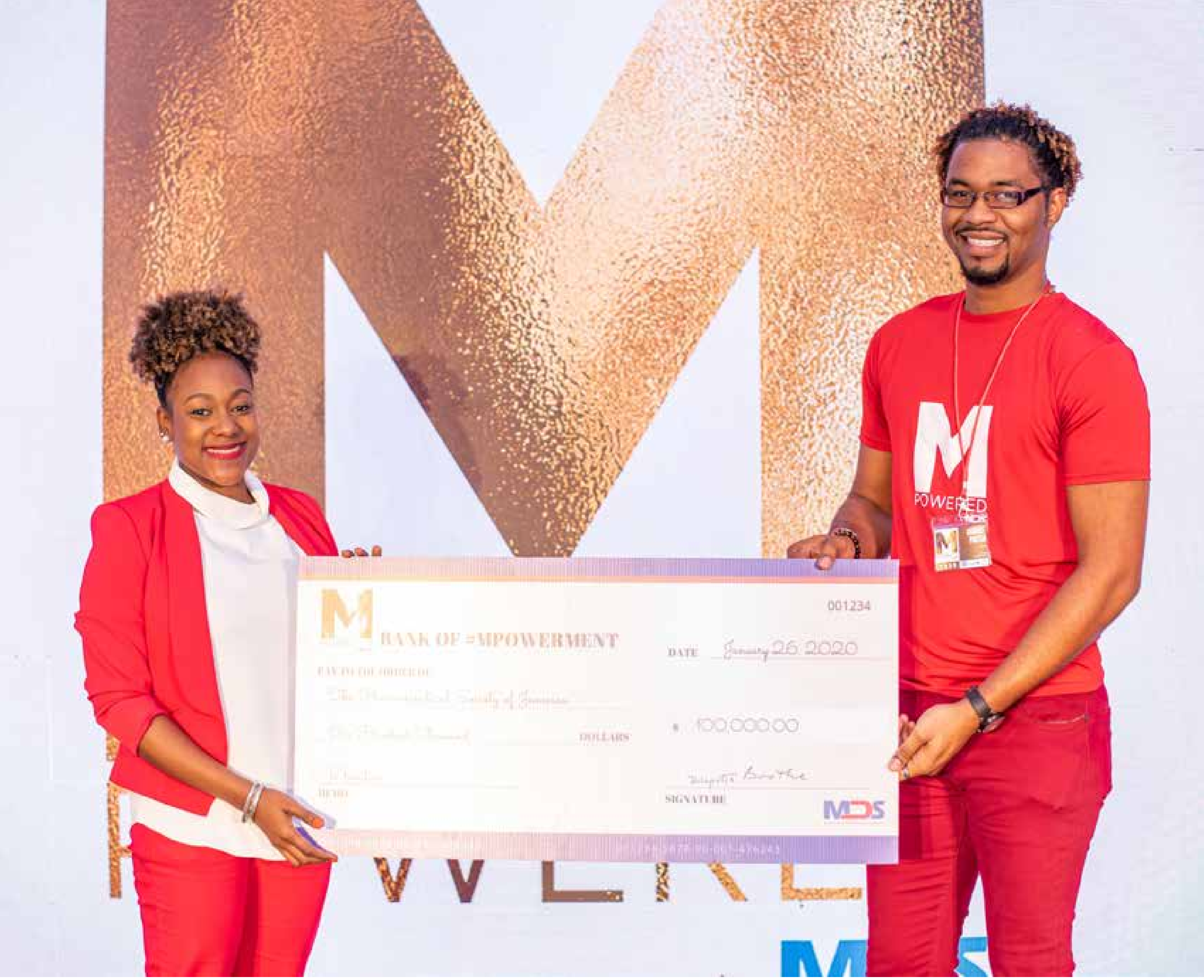
Children who feel good about themselves understand that they provide value to the world simply by being who they are. They are more likely to mature into resilient independent adults with strong self-advocacy skills and a growth mindset that allows them to be self-motivated in assuming new challenges and learning from mistakes. Our sponsorship of the Spanish Town-based Sydenham Basic School "Mr and Miss Competition" through the sashing and lead-up preparation of contestant Aaliyah Suckie and through contributions toward the general event was worth every clap, every scream and the standing ovation that was doted on the brave participants. In our visits to the school prior to the event, our MDS Team was able to meet the principal, staff and students of this small charming institution and be endeared by their big spirit. We feel heartened to have played a part in nurturing confident and emotionally healthy members of Generation Z.

Mona School of Business (MSB) – Finance Class (October 2019)

MDS was selected as the business case study for the MSB's Financial and Managerial course. Being big subscribers to the power of education and sharing our knowledge for the betterment of young bright minds, we gladly answered the call when our General Manager, Mr. Kurt Boothe, was invited to share the story of the Company with the MBA aspirants. The discussions included MDS' decision to become publicly listed, the resulting impact and the financial performance of the business pre-IPO to current. So enthused were the students that they requested that Mr. Boothe remain following the lecture for ensuing discussions. Devoting our time to the enrichment of future leaders is a contribution that we are extremely honoured to make.

Our Sons

MDS was proud to part-sponsor the second staging of 'Our Sons', a novel concept of a motivational day geared towards male teens and young men, which was held on the heels of Father's Day 2019. Boys and young men from a broad scope of socio-economic backgrounds were invited to attend. The football themed session included a mix of motivational speaking engagements by well renowned football players turned leaders and ended with the use of the actual sport to impart life lessons.



POWERED by MDS

M-powered Continuing Education (CE) Event

Our commitment to advancing and improving the field of medicine locally gave rise to the staging of our inaugural continuing education seminar for pharmacists in January 2020 under the theme 'M-powered'. Sponsored in part by Dr. Reddy's Laboratories and Sagicor Life, the event, held at the Spanish Court Hotel, was offered free of cost to nearly 200 members of our pharmacy community, providing them the opportunity to fulfil required credits towards the annual renewal of their professional licensure. A financial contribution was also extended to the Pharmaceutical Society of Jamaica to assist them in carrying out their mandate of protecting and promoting the well-being of and excellence within the profession. The illuminating Terri-Karelle held our hands through the all-day informative sessions which were delivered by well-known speakers in their respective fields. The aptly chosen theme set the tone for providing guests with the perfect mix of edification, entertainment and inspiration through stories of overcoming. Amidst the backdrop of continued learning, there was an injection of the soul stirring ‘From Board House to Boardroom’ journey of Myrtis Boothe – a narrative that many related to. The emotionally charged experience was met with a downpour of (happy) tears, minutes long rousing applause and standing ovation …and most of all unforgettable empowerment.

CELEBRATING TWENTY YEARS IN 20

AUDITED FINANCIAL STATEMENTS

Independent auditor's report

To the Members of
Medical Disposables & Supplies Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Medical Disposables & Supplies Limited ("the Company") which comprise the statement of financial position as at March 31, 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, includingng a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at March 31, 2020, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and 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 Auditor's 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' Code of Ethics for Professional Accountants (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 judgement were of most significance in our audit of the financial statements of the current period. The matter was addressed in the context of our audit of financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Allowance for expected credit losses

As at March 31, 2020 trade and other receivables after allowance for expected credit losses of $9,765,606 amounted to $529,404,611 or 30% of the total assets. We consider the measurement of expected credit losses a key audit matter as the determination is based on management's judgement and subject to significant uncertainty.

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HLB Mair Russell is an independent member of HLB the global advisory and accounting network

Independent auditor’s report (cont’d)

To the Members of
Medical Disposables & Supplies Limited

Report on the Audit of the Financial Statements (cont’d)

Allowance for expected credit losses (cont’d)

The principles for determining expected credit losses are described in the summary of significant accounting policies. The management of credit risk and the review for impairment are described in more detail in Note 25 to the financial statements.

How our audit addressed the key audit matter

Our audit procedures included, amongst others:

- Ensuring compliance with IFRS 9, we evaluated the techniques and methodologies used by the company in order to assess expected credit losses.
- Evaluated the information of economic parameters included in the forward-looking information.
- Tested the accuracy of the ECL calculation.
- Tested subsequent collection from selected overdue customer assets.
- Assessed the adequacy of the disclosures in the financial statements.
- Assessed and validated the inputs used and assumptions applied in determining the loss rates which are integral to the provision matrix used in determining the expected credit losses for trade receivables.

Based on the work performed, managements ECL calculations were not unreasonable.

Other information

Management is responsible for the other information. The other information comprises the information in the annual report but does not include the financial statements and our auditor’s report thereon. The annual report is expected to be made available to us after the date of this auditor’s report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon. 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 financial statements that give a true and fair view in accordance with IFRS and 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.

HLB MAIR RUSSELL
CHARTERED ACCOUNTANTS

Independent auditor's report (cont'd)

To the Members of
Medical Disposables & Supplies Limited

Report on the Audit of the Financial Statements (cont'd)

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- 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 auditor's 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 auditor's 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 presents a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entity or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

Independent auditor's report (cont'd)

To the Members of
Medical Disposables & Supplies Limited

Report on the Audit of the Financial Statements (cont'd)

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe the matter in our auditor's 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 maintained, 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 auditor's report is Mr. Sixto P. Coy.

Kingston, Jamaica

July 15, 2020

HLB Mair Russell
Chartered Accountants

STATEMENT OF FINANCIAL POSITION

March 31, 2020

	Note	2020 $	2019 $
Assets			
Non-current assets			
Property, plant and equipment	(3)	**611,071,709**	557,723,750
Right of use asset	(4)	**2,184,182**	-
Intangible assets	(5)	**1,157,886**	1,792,313
		614,413,777	559,516,063
Current assets			
Inventories	(6)	**571,600,120**	647,955,332
Trade and other receivables	(7)	**529,404,611**	390,206,586
Prepayments		**6,810,967**	10,621,009
Taxation recoverable		**2,340,447**	2,337,129
Cash and short-term deposits	(8)	**17,914,911**	38,279,922
		1,128,071,056	1,089,399,978
Total assets		**1,742,484,833**	1,648,916,041
Equity and liabilities			
Equity			
Share capital	(9)	**107,835,764**	107,835,764
Revaluation reserve	(10)	**117,135,199**	48,198,190
Retained profits		**608,787,503**	603,178,188
Total equity		**833,758,466**	759,212,142
Liabilities			
Non-current liabilities			
Lease liability	(4)	**493,778**	-
Borrowings	(11)	**91,863,805**	126,583,691
Deferred tax liabilities	(12)	**2,419,746**	6,836,034
		94,777,329	133,419,725
Current liabilities			
Lease liability	(4)	**1,611,499**	-
Bank overdraft	(13)	**141,800,495**	204,610
Current portion of borrowings	(11)	**40,126,127**	42,314,357
Short term borrowings	(11)	**259,750,000**	245,346,138
Other loans	(11)	**-**	10,000,000
Trade and other payables	(14)	**365,353,854**	454,701,255
Income tax payable		**5,307,063**	3,717,814
		813,949,038	756,284,174
Total liabilities		**908,726,367**	889,703,899
Total equity and liabilities		**1,742,484,833**	1,648,916,041

The notes on the accompanying pages form an integral part of these financial statements.

Approved for issue by the Board of Directors on July 15, 2020 and signed on its behalf by:

_________________ Director
Winston Boothe

_________________ Director
Kurt Boothe

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended March 31, 2020

	Note	2020 $	2019 $
Revenue		**2,481,141,479**	2,221,895,285
Cost of sales	(16)	**(1,922,211,921)**	(1,673,385,401)
Gross profit		**558,929,558**	548,509,884
Other income	(15)	**5,645,110**	5,458,992
Administrative expenses	(16)	**(244,240,744)**	(194,817,586)
Selling and promotional costs	(16)	**(184,651,373)**	(145,095,528)
Impairment of financial assets		**(7,594,269)**	(2,052,419)
Depreciation and amortisation	(16)	**(29,343,036)**	(25,380,120)
Operating profit		**98,745,246**	186,623,223
Finance income	(17)	**2,848,993**	20,993
Finance costs	(17)	**(48,135,334)**	(41,547,833)
Gain on disposal of property, plant and equipment		**1,500,833**	1,505,500
Loss on foreign exchange		**(19,482,279)**	(23,255,775)
Profit before tax		**35,477,459**	123,346,108
Income tax expense	(18)	**(920,775)**	(10,583,848)
Profit for the year		**34,556,684**	112,762,260
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Revaluation of land and buildings		**68,937,009**	-
		68,937,009	-
Total comprehensive income for the year		**103,493,693**	112,762,260
Earnings per share	(19)	**0.13**	0.43

The notes on the accompanying pages form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

Year ended March 31, 2020

	Share Capital $	Revaluation Reserve $	Retained Profits $	Total $
Balance at March 31, 2018	107,835,764	48,198,190	517,095,066	673,129,020
Adjustment from the adoption of IFRS 9	-	-	689,283	689,283
Restated balances as at April 1, 2018	107,835,764	48,198,190	517,784,349	673,818,303
Dividends (Note 20)	-	-	(27,368,421)	(27,368,421)
Transactions with owners	-		(27,368,421	(27,368,421)
Profit for the year being total comprehensive income for the year	-	-	112,762,260	112,762,260
Balance at March 31,2019	107,835,764	48,198,190	603,178,188	759,212,142
Dividends (Note 20)	-	-	(28,947,369)	(28,947,369)
Transaction with owners	-	-	(28,947,369)	(28,947,369)
Profit for the year being total comprehensive income for the year	-	-	34,556,684	34,556,684
Other comprehensive income	-	68,937,009	-	68,937,009
Total comprehensive income	-	68,937,009	34,556,684	103,493,693
Balance at March 31, 2020	**107,835,764**	**117,135,199**	**608,787,503**	**833,758,466**

The notes on the accompanying pages form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

Year ended March 31, 2020

	Note	2020 $	2019 $
Cash flows from operating activities:			
Profit before tax		**35,477,459**	123,346,108
Adjustments for:			
Depreciation and amortisation		**29,343,036**	25,380,120
Interest expense	(17)	**47,965,363**	41,547,833
Adoption of IFRS9		**-**	689,283
Interest income	(17)	**(2,848,993)**	(20,993)
Gain on disposal of property, plant, and equipment		**(1,500,833)**	(1,505,500)
		108,436,032	189,436,851
Decrease/(increase) in inventories		**76,355,212**	(104,173,212)
Increase in trade and other receivables		**(139,198,025)**	(33,977,230)
Decrease/(increase) in prepayments		**3,810,042**	(7,166,753)
(Decrease)/increase in trade and other payables		**(89,347,401)**	16,377,757
Cash (used in)/generated from operations		**(39,944,140)**	60,497,413
Interest paid		**(47,699,839)**	(41,547,833)
Income taxes paid		**(3,717,815)**	(30,000)
Net cash (used in)/provided by operating activities		**(91,361,794)**	18,919,580
Cash flows from investing activities:			
Interest received (net of withholding tax)		**2,845,674**	18,583
Purchase of property, plant and equipment	(3)	**(19,098,798)**	(72,213,138)
Proceeds from disposal of property, plant and equipment		**8,700,000**	1,717,500
Purchase of intangible asset	(5)	**(127,837)**	-
Net cash used in investing activities		**(7,680,961)**	(70,477,055)
Cash flows from financing activities:			
Proceeds from borrowings		**259,750,000**	394,096,138
Repayment of borrowings		**(282,254,254)**	(306,362,224)
Repayment of other loan		**(10,000,000)**	-
Lease repayment		**(1,466,518)**	-
Dividends paid		**(28,947,369)**	(27,368,421)
Net cash (used in)/provided by financing activities		**(62,918,141)**	60,365,493
Net (decrease)/increase in cash and cash equivalents		**(161,960,896)**	8,808,018
Cash and cash equivalents at beginning of year		**38,075,312**	29,267,294
Cash and cash equivalents at end of year	(8)	**(123,885,584)**	38,075,312

The notes on the accompanying pages form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Year ended March 31, 2020

1. General information and nature of operation

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

The Company's shares were listed on the Junior Market of the Jamaica Stock Exchange on December 24, 2013.

The Company is domiciled in Jamaica with registered offices located at 83 Hagley Park Road, Kingston 10, Jamaica.

The main activity during the year was the sale of pharmaceutical, medical and other supplies.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Changes in accounting policies

New and revised standards that are effective during the current year

Certain new standards, interpretations and amendments to existing standards have been published and became effective during the current financial year. The Company has assessed the relevance of all such new standards, interpretations and amendments and determined that the following will have an impact on the Company.

IFRS 16 'Leases' (effective for annual periods beginning on or after January 1, 2019)

IFRS 16, Leases replaces IAS 17, Leases, and the related interpretations, (IFRIC 4, 'Determining whether an arrangement contains a lease', SIC 15, 'Operating leases – incentives', and SIC 27, 'Evaluating the substance of transactions involving the legal form of a lease').

It introduces a single accounting model for lessees, which requires a lessee to recognise a right-of-use asset and a lease liability for all leases, except for leases that have a lease term of 12 months or less ("short-term leases") and leases of low-value assets. IFRS 16 defines a lease on the basis of whether a customer controls the use of an identified asset for a period of time, which may be determined by a defined amount of use. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use. The Company applies the new definition of a lease in IFRS 16 only to contracts that were entered into or changed on or after January 1, 2019. For contracts entered into before January 1, 2019, the Company has used the transitional practical expedient to grandfather the previous assessment of which existing arrangements are or contain leases.

Accordingly, contracts that were previously assessed as leases under IAS 17 continue to be accounted for as leases under IFRS 16 and contracts previously assessed as non-lease service arrangements continue to be accounted for as executory contracts. Lessee accounting and transitional impact IFRS 16 eliminates the requirement for a lessee to classify leases as either operating leases or finance leases, as was previously required by IAS 17. Instead, the Company is required to capitalise all leases when it is the lessee, including leases previously classified as operating leases under IAS 17, other than those short-term leases and leases of low-value assets which are exempt.

The adoption of the standard had no material impact on the Company's financial statements.

2. Summary of significant accounting policies (cont'd)

a Basis of preparation (cont'd)

New and revised standards that are effective during the current year (cont'd)

IFRIC 23 'Uncertainty over Income Tax Treatment'
The interpretation addresses the accounting for income taxes, when tax treatments involve uncertainty in the application of IAS 12. An entity must determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty needs to be followed.

The adoption of the interpretation had no impact on the Company's financial statements.

- Annual improvement 2015-2017, (effective for annual periods beginning on or after January 1, 2019).
  This amendment includes minor changes to:
  (i) IFRS 3, 'Business combinations', – a company remeasures its previously held interest in a joint operation when it obtains control of the business.
  (ii) IFRS 11, 'Joint arrangements', – a company does not remeasures its previously held interest in a joint operation when it obtains joint control of the business.
  (iii) IAS 12, 'Income taxes' – a company accounts for all income tax consequences of dividend payments in the same way.

Standards, amendments and interpretations issued but not yet effective and have not been adopted early by the Company

At the date of authorisation of these financial statements, certain new standards, interpretations and amendments to existing standards have been issued which are mandatory for the Company's accompanying accounting periods beginning on or after January 1, 2019 or later periods, but were not effective at the statement of financial position date. The Company has assessed the relevance of all such new standards, interpretations and amendments, has determined that the following may be immediately relevant to its operations, and has concluded as follows:

- Amendment to IFRS 3 'Business Combination' (effective for annual periods beginning on or after January 1, 2020). This amendment revises the definition of a business.
- Amendment to IAS 1 and IAS 8, (effective for annual periods beginning on or after January 1, 2020).

  These amendments to IAS 1, 'Presentation of financial statements', and IAS 8, 'Accounting policies, changes in accounting estimates and errors', and consequential amendments to other IFRSs: i) use of a consistent definition of materiality throughout IFRSs and the Conceptual Framework for Financial Reporting; ii) clarify the explanation of the definition of material; and iii) incorporate some of the guidance in IAS 1 about immaterial information.

2. Summary of significant accounting policies (cont'd)

b. Property, plant and equipment

(i) Property, plant and equipment are carried at cost or fair value less accumulated depreciation and impairment losses.

(ii) Land and buildings are stated at their revalued amounts, being the fair value at the date of revaluation less accumulated depreciation and accumulated impairment losses, if any. Fair values are based on appraisals prepared by external professional valuators once every (3) years, or more frequently, if market factors indicate a material change in fair value. Any surplus arising on revaluation of land and buildings is recognised in other comprehensive income and credited to revaluation
reserve in equity. To the extent that any decrease or impairment loss had previously been recognised in profit or loss, a revaluation increase is credited to
profit or loss with the increase recognised in other comprehensive income.

Downward revaluations of land and buildings are recognised upon revaluation or impairment testing, with the decrease being charged to other comprehensive income to the extent of any surplus in equity relating to this asset and any remaining decrease recognised in profit or loss.

(iii) Depreciation is charged on assets from the date of acquisition.

Depreciation is provided on the straight line basis at such rates as will write off the cost of various assets over the period of their expected useful lives.

The following useful lives are applied:

Furniture, fixtures and equipment	10 – 20%
Computers	20%
Motor vehicles	20%
Buildings	2.5%

(iv) Repairs and renewal

The costs of repairs and renewals which do not enhance the value of existing assets are written off to profit or loss as they are incurred.

c Inventories

Inventories are stated at the lower of cost, determined on the average cost basis, and net realisable value. Costs of inventory comprise cost of pharmaceuticals and supplies plus applicable charges; net realisable value is based upon estimated selling price less cost to sell.

d Revenue recognition

Revenue arises from the sale of goods. It is measured at the fair value of consideration received or receivable, excluding General Consumption Tax, trade discounts or rebates.
A sale of goods is recognised when the Company has transferred to the buyer the significant risks and rewards of ownership, generally when the customer accepts undisputed delivery of the goods.

2. Summary of significant accounting policies (cont'd)

e Finance and other Income

Finance and other income comprise interest earned on short-term investments and miscellaneous income. Income is recognised on the basis of agreements in place or when it has been transferred to the third parties.

f Foreign currency translation

Functional and presentation currency

The financial statements are prepared and presented in Jamaican dollars, which is the functional currency of the Company.

Foreign currency translations and balances:

(i) Foreign currency balances at the end of the reporting period have been translated at rates of exchange ruling at that date.

(ii) Transactions in foreign currency are converted at rates of exchange ruling at the dates of those transactions.

(iii) Gains/losses arising from fluctuations in exchange rates are included in profit or loss.

g Cash and cash equivalents

The above comprise cash on hand and demand deposits together with other short-term highly liquid investments maturing within ninety (90) days from the date of acquisition that are readily convertible in known amounts of cash and bank overdraft.

h Income tax

Income tax on the results for the year comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using the tax rate enacted at statement of financial position date, and any adjustments to tax payable in respect of previous years.

Deferred tax is accounted for using the liability method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding basis used in the computation of taxable profit. In principle, deferred tax liabilities are recognised for taxable differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary difference can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply to the year when the asset is realised or the liability settled. Deferred tax is charged or credited in the Statement of Comprehensive Income, except when it is related to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

2. Summary of significant accounting policies (cont'd)

i Financial instruments

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

Financial assets
The Company's financial assets comprise investments, cash and bank balances and receivables.

Financial liabilities
The Company's financial liabilities comprise payables and due to related parties.

(i) Recognition and derecognition
Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets and derecognised when the contractual rights to receive cash flows from the financial assets expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership.

(ii) Classification and measurement of financial assets
At initial recognition, the company measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial assets.

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. There are the three measurement categories for debt instruments under IFRS 9:

- Amortised cost - Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured

  at amortised cost. Interest income from these financial assets using the effective interest rate method is included in other operating income together with foreign exchange gains and losses. Any gain or loss on derecognition is recognised directly in profit or loss and presented in other gains/(losses). Impairment losses are presented as a separate line item in the statement of profit or loss.

- Fair value through other comprehensive income (FVOCI) - Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial is included in other operating income using the effective interest rate method. Foreign exchange gains and losses are presented in other operating income and impairment expenses are presented as a separate line item in the statement of profit or loss.

2. Summary of significant accounting policies (cont'd)

i Financial instruments (cont'd)

Equity instruments
The company subsequently measures all equity investments at fair value. The company's management has elected to present fair value gains or losses on equity investments in OCI. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other operating income when the company's right to receive payments is established.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

- Fair value through profit or loss (FVPL) -Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net in the statement of profit or loss within other gains/(losses) in the period in which it arises.

(iv) Impairment
The Company assesses on a forward-looking basis the expected credit loss associated with its financial instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

In applying this forward-looking approach, a distinction is between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credited quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

For loan, trade and other receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(v) Financial liabilities
The Company's financial liabilities are initially measured at fair value and are subsequently measured at amortised cost using the effective interest method. At the end of the reporting period, the following items were classified as financial liabilities: payables, borrowings, due to related parties and due to shareholders.

2. Summary of significant accounting policies (cont'd)

j Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective yield method. Any difference between the proceeds, net of transaction costs, and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

Borrowings costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and
prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

k Impairment

The Company's property, plant and equipment are subject to impairment testing.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.
An impairment loss is recognised for the amount by which the assets or cash-generating units carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value in use, based on an internal discounted cash flow evaluation. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

l Intangible asset – computer software

Computer software is capitalised on the basis of the costs incurred to acquire and install the specific software.

All intangible assets are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives, as these assets are considered finite. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing as described in note 2(iv) The useful lives approximate to five (5) years. The initial amortisation period will commence in the month following capitalisation.

Subsequent expenditures on the maintenance of computer software are expensed as incurred.

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in profit or loss within other income or other expenses.

2. Summary of significant accounting policies (cont'd)

m Equity, reserves and dividend payments

Share capital is determined using the par value of shares that have been issued and any premiums received on the initial issuing of shares. Any transaction costs associated with the issuing of shares are deducted from premiums received.

Revaluation reserve comprises the accumulated surplus arising on the revaluation of property, plant and equipment.

Retained profits include all current and prior period results as disclosed in the statement of comprehensive income.

Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved by the shareholders prior to the reporting date.

n Leases

As described in Note 4, the Company has applied IFRS 16 using the modified retrospective approach and therefore comparative information has not been restated. This means comparative information is still reported under IAS 17 and IFRIC 4.

Accounting policy applicable from January 1, 2019

For any new contracts entered into on or after 1 January 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company.
- the Company has the right to obtain substantially all of the economic benefits from use of identified asset throughout the period of use, considering its rights within the defined scope of the contract.
- the Company has the right to direct the use of the identified asset throughout the period of use.

The Company assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

2. Summary of significant accounting policies (cont'd)

n Leases (cont'd)

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

o Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin. Expenditure for warranties is recognised and charged against the associated provision when the related revenue is recognised.

p Interest income and expense

Interest income and expense are recognised in the statement of comprehensive income on an accrual basis using the effective interest method.

q Short-term employee benefits

Short-term employee benefits including holiday entitlement are current liabilities included in accruals, measured at the undiscounted amount that the company expects to pay as a result of the unused entitlement.

r Operating segments

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 (chief operating decision makers) to make decisions about resources to be allocated to the segments and assess its performance. Results by segments are disclosed in (Note 22).

The company has three operating segments: pharmaceutical, medical and consumer.

2. Summary of significant accounting policies (cont'd)

s Use of estimates and judgments

Information about estimates and assumptions that may have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

These estimates are based on historical experience and management's best knowledge of current events and actions. Actual results may differ from these estimates and assumptions.

There were no critical judgements, apart from those involving estimation, that management has made in the process of applying the company's accounting policies that have a significant effect on the amounts recognised in the financial statements.

The estimates and assumptions which have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below.

(i) Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment.

(ii) Fair value measurement

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management basis its assumptions on observable data as far as possible but this is not always available. In that case, management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

3. Property, plant and equipment comprise:

The carrying amounts for property, plant and equipment for the period included in these financial statements as at March 31, 2020 can be analysed as follows:

	Land and Buildings $	Construction In Progress $	Leasehold Improvement $	Furniture Fixtures and Equipment $	Computers $	Motor Vehicles $	Total $
Gross carrying amount							
Balance at April 1, 2019	486,785,829	9,711,641	2,826,409	93,175,150	10,370,281	37,941,320	640,810,630
Additions	-	-	-	734,342	2,327,940	16,036,514	19,098,798
Transfers	12,538,050	(9,711,641)	(2,826,409)	-	-	-	-
Disposal	-	-	-	-	-	(10,750,000)	(10,750,000)
Revaluation increase	40,676,121	-	-	-	-	-	40,676,121
Balance at March 31, 2020	**540,000,000**	**-**	**-**	**93,909,492**	**12,698,221**	**43,227,834**	**689,835,549**
Depreciation							
Balance at April 1, 2019	(18,138,611)	-	(1,029,473)	(33,204,007)	(6,956,696)	(23,758,093)	(83,086,880)
Charge for the year	(10,643,514)	-	(141,320)	(9,528,007)	(1,573,528)	(5,602,313)	(27,488,682)
Transfers	(1,170,793)	-	1,170,793	-	-	-	-
Eliminated on disposal	-	-	-	-	-	3,550,833	3,550,833
Eliminated on revaluation	28,260,889	-	-	-	-	-	28,260,889
Balance at March 31, 2020	**(1,692,029)**	**-**	**-**	**(42,732,014)**	**(8,530,224)**	**(25,809,573)**	**(78,763,840)**
Carrying amount at March 31, 2020	**538,307,971**	**-**	**-**	**51,177,478**	**4,167,997**	**17,418,261**	**611,071,709**

i Land and buildings were revalued by independent valuators, David Thwaites and Associates, Chartered Valuation Surveyors, on February 25, 2020, February 27, 2020 and February 29, 2020. The resulting increase in valuation has been debited to revaluation reserve in equity.

ii Under the cost model, the carrying amount of revalued land and buildings at reporting date would be $331,088,175 (2019 - $303,127,383).

iii Land and buildings have been pledged as security for loans received from a financial institution (Note 11).

3. Property, plant and equipment comprise (cont'd):

	Land and Buildings $	Construction In Progress $	Leasehold Improvement $	Furniture Fixtures and Equipment $	Computers $	Motor Vehicles $	Total $
Gross carrying amount							
Balance at April 1, 2018	425,053,677	27,065,614	2,826,409	74,431,340	9,429,132	32,971,320	571,777,492
Additions	6,940,570	37,437,609	-	18,743,810	941,149	8,150,000	72,213,138
Disposal	-	-	-	-	-	(3,180,000)	(3,180,000)
Transfer	54,791,582	(54,791,582)	-	-	-	-	-
Balance at March 31, 2018	486,785,829	9,711,641	2,826,409	93,175,150	10,370,281	37,941,320	640,810,630
Depreciation							
Balance at April 1, 2019	(9,011,281)	-	(888,153)	(24,219,596)	(5,657,070)	(21,757,072)	(61,533,172)
Eliminated on disposal	-	-	-	-	-	2,968,000	2,968,000
Charge for the year	(9,127,330)	-	(141,320)	(8,984,411)	(1,299,626)	(4,969,021)	(24,521,708)
Balance at March 31, 2019	(18,138,611)	-	(1,029,473)	(33,204,007)	(6,956,696)	(23,758,093)	(83,086,880)
Carrying amount at March 31, 2019	468,647,218	9,711,641	1,796,936	59,971,143	3,413,585	14,183,227	557,723,750

4. Leases

The company leased premises at 85 Hagley Park Road, for a period of 28 months with an option to renew.

The lease was previously classified as an operating lease under IAS 17.

Information about the lease for which the company is a lessee is presented below:

(a) Right of use asset

	Buildings $
Adoption of IFRS 16 at April 1, 2019	3,276,273
Amortisation charged for the year	(1,092,091)
Balance at March 31, 2020	**2,184,182**

(b) Lease liability

	Buildings $
Maturity analysis – contractual	
Less than one year	1,760,445
two to five years	539,417
	2,299,862
Less: Future interest	(194,585)
	2,105,277

(c) Amounts recognised in profit or loss

	$
Amortisation charged on right-of-use asset	1,092,091
Interest expense on lease liability	295,524
	1,387,615

(d) Amounts recognised in the statement of cash flow

	$
Total cash outflow for lease	**1,466,518**

5. Intangible assets

Details of intangible assets and their carrying amounts are as follows:

	Acquired Software $	Total $
Gross carrying amount		
Balance at April 1, 2019	**8,149,857**	8,149,857
Addition	**127,837**	127,837
Balance at March 31, 2020	**8,277,694**	8,277,694
Amortisation		
Balance at April 1, 2019	**(6,357,544)**	(6,357,544)
Charge for the year	**(762,264)**	(762,264)
Balance at March 31, 2020	**(7,119,808)**	(7,119,808)
Carrying amount at March 31, 2020	**1,157,886**	1,157,886

	Acquired Software $	Total $
Gross carrying amount		
Balance at April 1, 2018	8,149,857	8,149,857
Balance at March 31, 2019	8,149,857	8,149,857
Amortisation		
Balance at April 1, 2018	(5,499,132)	(5,499,133)
Charge for the year	(858,412)	(858,411)
Balance at March 31, 2019	(6,357,544)	(6,357,544)
Carrying amount at March 31, 2019	1,792,313	1,792,313

6. Inventories

	2020 $	2019 $
Pharmaceuticals	**356,061,992**	397,591,894
Medical and other supplies	**175,250,810**	121,381,772
Goods in transit	**40,287,318**	128,981,666
Total	**571,600,120**	647,955,332

The cost of inventories recognised as an expense during the year was $1,922,211,921 (2019 - $1,673,385,401). This includes $22,637,218 (2019 - $4,367,358) in respect of expired items and write-downs to net realisable value.

7. Trade and other receivables

	2020 $	2019 $
Trade	**460,294,667**	340,011,678
Less: Allowance for expected credit loss	**(9,765,606)**	(12,206,445)
	450,529,061	327,805,233
Other	**78,875,550**	62,401,353
Total	**529,404,611**	390,206,586

The average credit period on sale of goods is 30 – 60 days. The Company provides for approximately 75% of trade receivables over 365 days based on management's experience, as the Company consistently collects on average 30% of debts over 365 days.

The age of trade receivables and other receivables past due but not impaired is as follows:

	2020 $	2019 $
Not more than 3 months	**301,453,237**	214,113,159
More than 3 months but not more than 6 months	**116,457,384**	84,173,948
More than 6 months but not more than 1 year	**22,733,839**	13,529,041
More than 1 year	**9,884,601**	15,989,085
Total	**450,529,061**	327,805,233

8. Cash and cash equivalents

	Interest Rate % p.a.	2020 $	2019 $
Cash and short-term deposits:			
Bank and cash:			
Petty Cash		**101,000**	101,000
- J$ Current account		**12,978,655**	19,221,262
- US$ Savings account (US$31,884) (2019 – US$150,274))	0.01 – 0.05	**4,661,161**	18,787,247
Sterling savings account (£321) (2019 - £321))	0.05	**53,135**	52,817
Cash at bank and in hand		**17,793,951**	38,162,326
Short-term deposits	2.0 - 2.85	**120,960**	117,596
Total cash and short-term deposits		**17,914,911**	38,279,922
Less: Bank overdraft (Note 15)		**(141,800,495)**	(204,610)
Total cash and cash equivalents		**(123,885,584)**	38,075,312

Included in cash and cash equivalents is $1,822,317 (2019 - $5,031,899) which represents amounts held for a major supplier.

9. Share capital

	2020 $	2019 $
Authorised:		
408,000,000 ordinary shares		
Issued shares at no par value		
263,157,895 ordinary shares	**107,835,764**	107,835,764

10. Revaluation reserve

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

	2020 $	2019 $
Balance as at April 1	**48,198,190**	48,198,190
Surplus arising on revaluation of land and buildings	**68,937,009**	-
Balance at end of the year	**117,135,199**	48,198,190

11. Borrowings

	2020 $	2019 $
Non-revolving loans –		
(a) Bank of Nova Scotia (BNS)	**131,989,932**	168,898,048
Less: Current portion	**40,126,127**	42,314,357
	91,863,805	126,583,691
Short-term borrowings – revolving loan		
(a) Bank of Nova Scotia (BNS)	**259,750,000**	125,000,000
(b) Sagicor Bank Jamaica Limited	**-**	120,346,138
	259,750,000	245,346,138
(c) Other Loans	**-**	10,000,000

(a) Bank of Nova Scotia (BNS)
Non-revolving loans

- A loan of $200 million was received January 2, 2015 towards the purchase of commercial real estate. The loan is for a period of sixty (60) months with twelve (12) months moratorium on principal payments. Interest is fixed at a rate of 7% per annum.
- Loans of $25,000,000 and $36,870,000 were received July 2016. The loans are repayable by fifty-nine (59) monthly payments of $208,330 and $307,250 respectively plus a final payment of $12,708,530 and $18,742,250 respectively. Interest on the loan are 4.764% and 7% per annum respectively.

11. Borrowings (cont'd)

(a) Bank of Nova Scotia (BNS) (cont'd)

Short-terms borrowings – revolving loan

- The revolving loan facility with Bank of Nova Scotia (BNS), bears interest rates between 6.5% and 7% per annum.

  The loans and overdraft are secured by:

  Demand debenture stamped for an aggregate creating a fixed charge over the assets of the Company's supported by:

  - First and second Legal Mortgages stamped an aggregate collateral to Debenture over commercial properties of units #25, 26 and 27, located at 85 Hagley Park Road, Kingston 10, registered at Volume 1327 Folios 620 and 621 and Volume 1312 and Folio 165 in the name of Medical Disposables and Supplies Limited and having an appraised value of $80,000,000.

  - First to third Legal Mortgage over commercial property located at 83 Hagley Park Road, Kingston 10 registered at Volume 1066 Folio 337 and 338 appraised May 24, 2017.

Assignment of All Risk Peril Insurance policy over asset of the Company.

(b) Sagicor Bank Jamaica Limited

The Company entered into an unsecured revolving loan facility with Sagicor Bank Jamaica Limited in April 2018. Interest on the loan was 10.5% per annum. The loan was repaid during the year.

(c) Other loans

This represented a loan from a third party which was unsecured. Interest on the loan was at (8.5%) per annum. This loan was repaid during the year.

12. Deferred tax liability

Deferred tax balance arose on temporary differences in respect of the following:

	2020 **$**	2019 $
Property, plant, and equipment	**2,419,746**	6,836,034

Deferred tax is calculated on all temporary differences under the liability method using a tax rate of 25%. The movement on the deferred tax is as follows:

	2020 **$**	2019 $
Balance at beginning of year	**6,836,034**	-
(Credit)/charge to tax expense (Note 18)	**(4,416,288)**	6,836,034
Deferred tax liability	**2,419,746**	6,836,034

13. Bank overdraft

(i) The Company has an overdraft facility with Bank of Nova Scotia which bears interest currently at 9.75% per annum. The securities held are disclosed at Note 11.

(ii) The Company has an overdraft facility of $130,000,000 with Sagicor Bank Limited at a rate of 8.5% per annum. The facility is unsecured.

14. Trade and other payables

	2020 $	2019 $
Trade	**290,198,574**	391,744,913
Accruals	**19,056,468**	18,822,006
Other	**56,098,812**	44,134,336
Total	**365,353,854**	454,701,255

All amounts are short-term and the carrying value is considered a reasonable approximation of fair value.

15. Other income

	2020 $	2019 $
Warehousing service fee	**5,645,110**	5,458,992

The Company has a Warehousing Service Agreement with a supplier to provide warehousing and other ancillary services.

NOTES TO THE FINANCIAL STATEMENTS

Year ended March 31, 2020

16. Expenses by nature

Total direct, administrative and other operating expenses:

	2020 $	2019 $
Cost of inventories recognised as expense	**1,922,211,921**	1,673,385,401
Administrative and other expenses		
Directors' remuneration	**25,568,595**	25,904,352
Directors' fees	**1,945,000**	2,593,750
Salaries, wages and related expenses (Note 22)	**76,345,738**	64,000,059
Medical and other staff benefits (Note 22)	**12,296,133**	9,691,645
Insurance	**16,447,601**	12,354,640
Legal and professional fees	**16,370,678**	11,807,321
Motor vehicle expenses	**6,531,275**	8,363,616
Auditors' remuneration	**2,836,775**	1,931,781
Utilities	**17,608,609**	15,512,702
Printing and stationery	**7,249,391**	6,660,978
Donations	**5,395,337**	3,160,527
Security	**8,216,619**	7,488,819
Bank charges	**10,379,619**	8,295,206
Other administrative expenses	**37,049,374**	17,052,190
	244,240,744	194,817,586
Selling and promotional costs		
Salaries, wages and related expenses (Note 21)	**76,697,372**	54,646,140
Travel and accommodation	**3,195,503**	2,690,785
Postage and courier service	**30,922,287**	25,892,186
Advertising and promotion	**16,810,406**	14,857,064
Commission	**57,025,805**	47,009,353
	184,651,373	145,095,528
Depreciation and amortisation		
Depreciation	**27,488,682**	24,521,708
Amortisation - intangible asset	**762,263**	858,412
- right of use asset	**1,092,091**	-
	29,343,036	25,380,120

17. Finance income and finance cost

Finance income comprises:

	2020 $	2019 $
Interest income on financial assets measured at amortised cost	**2,848,993**	20,993
Total	**2,848,993**	20,993

Finance cost comprises:

	2020 $	2019 $
Interest expense for borrowings measured at amortised cost	**47,839,810**	41,547,833
Interest expense on lease liabilities	**295,524**	-
Total	**48,135,334**	41,547,833

18. Income tax

The Company's shares were listed on the Jamaica Stock Exchange Junior Market (JSE Junior Market) on December 24, 2013. As a result, the Company is entitled to a remission of taxes for an allowable period not exceeding ten (10) years from the date of the listing on the JSE Junior Market provided the shares remain listed for at least fifteen (15) years. The remissions of taxes are applicable as follows:

Years 1 to 5	100%
Years 6 to 10	50%

The company is in its sixth year since being listed on the Jamaican Stock Exchange Junior Market and is now subject to fifty percent (50%) tax remission as of December 24, 2019.

i Income tax adjusted for tax purposes and computed at the tax rate of 12.5% comprise:

	2020 $	2019 $
Current tax expense	**5,337,063**	3,747,814
Deferred tax (credit)/expense (Note 12)	**(4,416,288)**	6,836,034
Total	**920,775**	10,583,848

ii Reconciliation of theoretical tax charge to effective tax charge:

	2020 $	2019 $
Profit before tax	**35,477,459**	123,346,108
Tax at the applicable rate of 25%	**8,869,365**	30,836,527
Tax effect of expenses not deductible for tax purposes	**9,013,335**	214,791
Tax effect of income not subject to tax	**(375,208)**	(188,187)
Tax effect of allowable capital allowances and other charges	**(11,279,654)**	5,955,417
Remission of tax	**(5,307,063)**	(26,234,700)
Income tax expense for the year	**920,775**	10,583,848

19. Earnings per share

Basic earnings per share is calculated by dividing profit for the year by the weighted average number of ordinary share outstanding during the year.

	2020 $	2019 $
Net profit attributable to owners	**34,556,684**	112,762,260
Weighted average number share outstanding	**263,157,895**	263,157,895
Basic earnings per share	**0.13**	0.43

20. Dividends

The Company declared a final dividend of $0.11 per share for the year ended March 31, 2019 to shareholders on record at July 30, 2019 representing a total pay-out of $28,947,369.

NOTES TO THE FINANCIAL STATEMENTS

Year ended March 31, 2020

21. Employee benefits

	2020 $	2019 $
Salaries, wages and related expenses		
- Administrative and other expenses	**76,345,738**	64,000,059
- Selling and promotional costs	**76,697,372**	54,646,140
Medical and other staff benefits	**12,296,133**	9,691,645
Total	**165,339,243**	128,337,844

The average number of employees at year-end was seventy-one (71), (2019 –sixty-six (66).

22. Segment reporting

Segment information by divisions are as follows:

	Pharmaceutical $	Medical $	Consumer $	Total $
Revenue	1,751,581,714	440,254,325	289,305,440	2,481,141,479
Less: Cost of sales	1,328,847,539	331,096,808	262,267,574	1,922,211,921
Gross profit	**422,734,175**	**109,157,517**	**27,037,866**	**558,929,558**

23. Related party balances and transactions

i The statement of financial position includes balances arising in the normal course of business, with related parties as follows:

	2020 $	2019 $
Included in trade and other receivables	**1,554,639**	499,187
Included in trade and other payables	**10,133,677**	-

ii Transactions with key management personnel

Transactions with key management includes renumeration for executive members of the board.

	2020 $	2019 $
Short-term employee benefits – Salaries including bonuses	**24,568,595**	23,310,602
Total	**24,568,595**	23,310,602

iii The statement of profit or loss and other comprehensive income includes transactions with companies controlled by Directors, and other key management personnel.

	2020 $	2019 $
Sales	**13,164,263**	10,537,944
Purchases	**54,037,998**	75,812,676
Directors' fees	**1,945,000**	2,593,750
Professional fees	**-**	158,578

24. Risk management policies

The Company's activities expose it to a variety of financial risks in respect of its financial instruments: market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company seeks to manage these risks by close monitoring of each class of its financial instruments as follows:

a Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risk, which result from both its operating and investing activities.

i Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company is exposed to currency risk due to fluctuations in exchange rates on transactions and balances that are denominated in currencies other than the Jamaican Dollar. Foreign currency bank accounts denominated in United States Dollars (US$) and Great Britain pounds (£) are maintained to minimise these risks.

Foreign currency denominated financial assets and liabilities which expose the Company to currency risk are described below. The amounts shown are those reported to key management translated into J$ at the closing rate.

Concentrations of currency risk

	2020 US$	2019 US$
Financial assets		
- Cash and cash equivalents	**31,884**	150,274
	31,884	150,274
Financial liabilities		
- Trade payables	**(855,450)**	(1,459,661)
	(855,450)	(1,459,661)
Total net liability	**(823,566)**	(1,309,387)

The above assets/(liabilities) are receivable/payable in United States dollars (US$) and Jamaican Dollars (J$). The exchange rate applicable at the end of the reporting period is J$133.93 to US$1 (2019 – J$125.02 to US$1).

Foreign currency sensitivity

The following table illustrates the sensitivity of the net result for the year end and equity with regards to the Company's financial assets and financial liabilities and US Dollar to Jamaican (JA) Dollar exchange rate. Only movements between the Jamaican Dollar and US Dollar are considered, as these are the two major currencies of the Company.

24. Risk management policies (cont'd)

a Market risk (cont'd)

i Currency risk (cont'd)

The sensitivity analysis is based on the Company's United States Dollar financial instruments at the statement of financial position date.

Effect on results of operations:

If the JA Dollar weakens by 6% (2019 – 4%) against the US Dollar then this would have the effect of the amounts shown below on the basis that all other variables remain constant.

	Rate %	Weakens $
2020	**6**	**(4,412,006)**
2019	4	(3,737,604)

If the JA Dollar strengthens against the US Dollar by 2% (2019 – 2%) this would have the following impact:

	Rate %	Strengthens $
2020	**2**	**2,206,003**
2019	2	1,868,802

ii Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's cash and cash equivalents are subject to interest rate risk. However, the Company attempts to manage this risk by monitoring its interest-bearing instruments closely and procuring the most advantageous rates under contracts with interest rates that are fixed for the life of the contract, where possible.

The Company invests excess cash in short-term deposits and maintains interest-earning bank accounts with licensed financial institutions. Short-term deposits are invested for three (3) months or less at fixed interest rates and are not affected by fluctuations in market interest rates up to the dates of maturity. Interest rates on interest-earning bank accounts are not fixed but are subject to fluctuations based on prevailing market rates.

Interest rate sensitivity

Interest rates on the Company's short-term deposits and loans are fixed up to the date of maturity and interest rates for a period of twenty four (24) months expiring at varying dates beginning April 30, 2018.

24. Risk management policies (cont'd)

a Market risk (cont'd)

ii Interest rate risk (cont'd)

The following table shows the sensitivity to a reasonable possible change in interest rates, with all other variables held constant, on the Company's profit before tax:

	Rate %	Effect on profit before tax $
2020	**1**	**(386,688)**
2019	1	(448,559)

iii Other price risk

Other 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's financial instruments are substantially independent of changes in market prices as they are short-term in nature.

b Credit risk

Credit risk is the risk that a counter party fails to discharge an obligation to the Company. The Company is exposed to credit risk from financial assets including cash and cash equivalents held at banks, trade and other receivables.

Credit risk management

The credit risk in respect of cash balances held with banks and deposits with banks are managed via diversification of bank deposits, and are only with reputable financial institutions.

The Company continuously monitors the credit quality of its customers. The Company's policy is to deal with only credit worthy counterparties. The credit terms range between 15 and 30 days. The credit terms for customers are subject to an internal approval process which considers the credit rating scorecard. The on going credit risk is managed through regular review of aging analysis together with credit limit per customer.

Trade receivables consists of a large number of customers. The Company does not require collateral or other credit enhancements in respect of its trade and other receivables.

The maximum credit risk faced by the Company is limited to the carrying amount of financial assets recognised at the end of the reporting period, as summarised below:

	2020 **$**	2019 $
Trade and other receivables	**529,404,611**	390,206,586
Cash and cash equivalent	**17,914,911**	38,279,922
Total	**547,319,522**	428,486,508

24. Risk management policies (cont'd)

a Credit risk (cont'd)

Trade receivables

The Company applies the IFRS 9 simplified model of recognising lifetime estimated credit losses, for all trade receivables as these items do not have significant financing component. In measuring the expected credit losses, the trade receivables have been
assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due.

The expected loss rates are based on the payment profile for sales over the last 24 months as well as the corresponding historical losses during the period. The historical rates are adjusted to reflect forward looking macro-economic factors affecting the customers' ability to settle the amount outstanding. The Company has identified gross domestic product (GDP) and inflation rates to be the most relevant factors and accordingly adjusts historical loss rates for expected changes in these factors.

Trade receivables are written off when there is no reasonable expectation of recovery, failure to make payments within 365 days from the invoice date and failure to engage with the Company on alternative payment arrangement amongst other is considered indicators of no reasonable expectation of recovery.

24. Risk management policies (cont'd)
a Credit risk (cont'd)

On the above basis, the expected credit loss for the trade receivables as at March 31, 2020 and 2019 were determined as follows:

March 31, 2020

	Trade receivables days past due						
	Current	**More than 30 days**	**More than 60 days**	**More than 90days**	**More than 180**	**Over 365 days**	**Total**
Expected credit loss rate	**0.5%**	**0.68%**	**3.93%**	**8.84%**	**13.48%**	**100%**	
Gross carrying amount	302,961,898	90,162,414	28,007,144	24,918,916	11,435,091	2,792,204	460,277,667
Lifetime expected credit loss	**1,514,809**	**613,104**	**1,100,680**	**2,202,832**	**1,541,977**	**2,792,204**	**9,765,606**

March 31, 2019

	Trade receivables days past due						
	Current	More than 30 days	More than 60 days	More than 90 days	More than 180 days	Over 365 days	Total
Expected credit loss rate	0.85%	1.10%	1.10%	0.96%	1.24%	82%	
Gross carrying amount	217,201,810	85,113,355	13,679,859	6,239,788	6,683,968	11,092,897	340,011,678
Lifetime expected credit loss	1,843,502	939,407	150,817	59,914	82,651	9,130,154	12,206,445

24. Risk management policies (cont'd)

a Credit risk (cont'd)

Trade receivables (cont'd)

The closing balance of the trade and other receivables as at March 31, 2020 reconciles with the trade receivables loss allowance opening balance as follows:

	2020 $	2019 $
Loss allowance as at April 1, 2019	**12,206,445**	21,202,663
Amount restated through opening retained earnings	**-**	(689,283)
Opening loss allowance at April 1, 2019	**12,206,445**	20,513,380
Receivables written-off during the year	**(606,708)**	(9,402,701)
Receivables recovered the during the year	**(9,428,400)**	(1,252,564)
Loss allowance recognised during the year	**7,594,269**	2,348,330
	9,765,606	12,206,445

b Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting its commitments associated with financial liabilities.

The Company manages its liquidity risk by carefully monitoring its cash outflow needs for day-to-day business and maintaining an appropriate level of resources in liquid or near liquid form to meet its needs. The Company maintains cash and short-term deposits for up to three months or less to meet its liquidity requirements.

As at March 31, 2020, the Company's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

	Current Within 12 Months $	Non-current 2 to 5 Years $
Borrowings	40,126,127	91,863,805
Bank overdraft	141,817,495	-
Short-term borrowings	259,750,000	-
Trade and other payables	365,353,854	-
Total	807,047,476	91,863,805

The above contractual maturities reflect the gross cash flows, which may differ from the carrying values of the liabilities at the end of the reporting period.

24. Risk management policies (cont'd)

c Liquidity risk (cont'd)

This compares to the maturity of the Company's non-derivative financial liabilities in the previous reporting period as follows:

	Current Within 12 Months $	Non-current 2 to 5 Years $
Borrowings	54,574,740	153,585,737
Bank overdraft	204,610	-
Short-term borrowings	245,346,138	-
Other loans	10,000,000	-
Trade and other payables	454,701,255	-
Total	764,826,743	153,585,737

25. Fair value measurement

i The Company's financial assets and liabilities are measured at amortised costs, and the fair values for these are disclosed at Note 26.

ii Fair value of non-financial assets.

The following table shows the Levels within the hierarchy of non-financial assets measured at fair value on a recurring basis at March 31, 2020.

March 31, 2020	**Level 1 $**	**Level 2 $**	**Level 3 $**	**Total $**
Property, plant and equipment				
Land and buildings	-	-	538,307,971	538,307,971
Total	**-**	**-**	**538,307,971**	**538,307,971**

March 31, 2019	Level 1 $	Level 2 $	Level 3 $	Total $
Property, plant and equipment				
Land and buildings	-	-	468,647,218	468,647,218
Total	-	-	468,647,218	468,647,218

Land and buildings (Level 3).

Fair value of the Company's land and buildings was estimated based on an appraisal by a professionally qualified valuator. The significant inputs and assumptions were developed in close consultation with management.

The appraisal was carried out using a market approach that reflects observed prices for market transactions and incorporates adjustments for factors specific to the Company's property, including size, location, encumbrances, and current use of the property.

25. Fair value measurement (cont'd)

Land and buildings at 83 and 85 Hagley Park Road, Kingston 10 were revalued on February 25, 2020, February 27, 2020, and February 29, 2020, respectively.

Reconciliation of opening and closing balances of the company's land and buildings:

	2020 $
Balance at April 1, 2019	**486,785,829**
Transfers	**11,367,257**
Revaluation adjustment	**50,798,399**
Depreciation	**(10,643,514)**
Balance at March 31, 2020	**538,307,971**

26. Summary of financial assets and liabilities by category

The carrying amount of the Company's financial assets and liabilities recognised at the statement of financial position date may be categorised as follows:

	2020 $	2019 $
Financial assets measured at amortised cost		
Trade and other receivables	**529,404,611**	390,206,586
Cash and short-term deposits	**17,914,911**	38,279,922
Total	**547,319,522**	428,486,508
Financial liabilities measured at amortised cost		
Non-current liabilities		
Borrowings	**131,989,931**	126,583,691
Current liabilities		
Bank overdraft	**141,800,495**	204,610
Current portion of borrowings	**-**	42,314,357
Short term borrowings	**259,750,000**	245,346,138
Other loans	**-**	10,000,000
Trade and other payables	**365,353,854**	454,701,255
Total	**898,894,280**	879,150,051

27. Capital management, policies and procedures

The Company's capital management objectives are to ensure the Company's ability to continue as a going concern and to sustain future development of the business. The Company's Board of Directors reviews the financial position of the Company at regular meetings.

The Company maintains a minimum tangible net worth of $300 Million, which is in line with the covenant included in the terms of the agreement for its borrowings. There are no other externally imposed capital requirements.

There was no change to the Company's approach to capital management polices during the year.

28. Subsequent event

The spread of the Coronavirus disease (COVID-19) which was declared a global pandemic by the World Health Organization (WHO) on March 11, 2020, and the subsequent health measures instituted by the Government of Jamaica, including stay at home orders and social distancing, have severely impacted the Company's operations. The measures implemented resulted in a significant downturn in commercial activity. Hospitals have cancelled elective surgeries which has affected sales in the Medical Division. Shorter opening hours and reduced demand have triggered a reduction in pharmacy sales. The closure of schools has affected the sales in our Consumer Division. However, the Company is expecting to realise improved earnings as the economy gradually reopens. However, a reasonable estimate of the effect cannot be made at this time.


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FORM OF PROXY

I/We ____ [insert name]

of ____ [address]

being a shareholder(s) of the above-named Company, hereby appoint:

____ [proxy name]

of ____ [address]

or failing him, ____ [alternate proxy]

of ____ [address]

as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 10:00 a.m. on the 06th day of October 2020 at the Medical Dispoables & Supplies office at 83 Hagley Park Road, Kingston 10 and at any adjournment thereof.

This Form is to be used as instructed. Unless otherwise instructed, the Proxy Form will be used as he/she thinks fit. Please tick appropriate box.

ORDINARY RESOLUTIONS

RESOLUTIONS	FOR	AGAINST
Ordinary Resolution 1		
Ordinary Resolution 2		
Ordinary Resolution 3		
Ordinary Resolution 4		
Ordinary Resolution 5		
Ordinary Resolution 6		
Ordinary Resolution 7		

NOTES:

1. When completed, this Form of Proxy must be received by the Registrar of the Company, Jamaica Central Securities Depository, 40 Harbour Street, Kingston, Jamaica, W.I. not less than forty-eight (48) hours before the time for holding the meeting.

- *The Proxy Form should bear stamp duty of $100.00 which may be adhesive and duly cancelled by the persons signing the proxy form.*

If the appointer is a Corporation, this Form of Proxy must be executed under its common seal or under the hand of an officer or attorney duly authorised in writing.

Place $100.00 stamp here

Signed this ______________ day of ____________________________________ 2020

Print Name: ____ Signature: ________________________________

NOTES

WORKS WONDERS

Wonder Gro is a line of products designed to nourish, restore and promote healthy hair. This easy to use hair care line is infused with "tried and true" ingredients including Jamaican Black Castor Oil, Coconut Oil, Argan Oil, Olive Oil, Hemp Seed and Bergamot. Includes hair and scalp conditioners, oils, edge products and an amazing growth oil that works wonders.

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