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MDS

ANNUAL REPORT 2022

F O C U S



VISION

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

MISSION

“Beat the Best!”

VALUES

- Delighted Customers
- Fulfilled Employees
- Premium Service
- Quality Assurance
- Social Responsibility

MDS



MEDICAL DISPOSABLES & SUPPLIES LIMITED (MDS) is a distribution company operating in Jamaica with an island-wide offering of healthcare and consumables in the areas of Pharmaceutical, Medical Sundries, Consumer Goods, Dental Supplies as well as retail pharmacies.

Our Pharmaceutical Division distributes prescription drug items across the pharmacy network, while our Medical Division supplies disposable items, medical sundries and hospital supplies to hospitals, doctor' offices and other entities in the medical arena.

Our newest, the Consumer Division, services supermarkets, wholesales, convenience stores, novelty stores, mom and pop shops and the like with general consumer items, focusing on beauty products, household items, baby and family, and confectionery and snacks.

We actively ensure that the brands we represent are on the shelves of stocking outlets but also facilitate 'walk-in' clients.

We focus on providing an unparalleled experience in our customer interactions and a world-class offering that will delight our partners, fulfil our work family, enrich our shareholders and better the communities we serve.

FOCUS

There is hardly another word that can better describe our collective power in fiscal year 2021 - 2022 than that of "FOCUS". We have upped the ante on refining our focus to more clearly identify and better recruit the right human capital in the right positions (and with the 'right fit' for the organisation). We have focused on sharpening performance metrics to provide better analysis of our accomplishments and, more importantly, our gaps. We focused on improving the quality of our data for an even more useful analytical process. We have focused on being more deliberate in our transition to a distribution and marketing entity as we delve deeper into the consumer space. As we become more performance focused, our team's mindset has rapidly shifted from centering on efforts expended to being results-driven, inherently giving focus to improving shareholder value. It is this company-wide emphasis that has provided singular alignment to guide many of our decisions, one of the major reasons suppliers have made us their distribution home and is the major contributing factor for channelling (and challenging) us to our highest state of growth to date.

Amidst all the intricate moving parts of the business world we operate in which is changing faster than ever before and simultaneously

becoming more complex, it is easy to become distracted and side-tracked by the elusive 'squirrel syndrome', allowing us to get lost in the busy-ness of business – going everywhere and nowhere. It can become seductive to try and be everything to everyone and to try and do everything that customers are willing to pay for, particularly in this buyer's market period. But as the saying goes, "If you chase two rabbits, you will not catch either one."

While COVID-19 radically and rapidly changed how the world does business, it also slowed the usual feverish pace, giving us a rare opportunity to review, reimagine the possibilities and clean our business lens to focus - or refocus our focus - on lesser rabbits but greater outcomes. While being the biggest giant in the industry can be alluring, it is not the rabbit we have decided to pursue. Rather, our hunt is focused on being the best. In furtherance of this outlook, we strengthened our resolve in becoming even closer to our market and understanding what our customers need and value. Through introspection, we have been reminded of our strengths and have been better able to connect this with the business environment and our customers at large with one of our most prized being that of 'focus'.

TABLE OF CONTENTS

09

Corporate Data

23

Notice Of Annual General Meeting

48

Corporate Social Responsibility

12

Chairman's Statement

24

Corporate Governance

56

Audited Financial Statements

14

CEO's Message

36

Five Year Financial Highlights

113

Proxy Form

18

Future Content

40

Management Team

22

Director's Report

46

Human Resource Report



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

Miss Nikeisha Boothe

LIST OF SENIOR OFFICERS

Mrs. Myrtis Boothe – Executive Director

Mr. Kurt Boothe – Chief Executive Officer

Miss Nikeisha Boothe – Business

Development & Corporate Affairs Manager

Mr. Raymond Hernandez – Chief Financial Officer

Mr. Gerard Whyte – Quality Assurance & Special Projects Manager

Mr. Lenworth Murray – Divisional Sales Manager

Mrs. Antoinette McDonald – Divisional Sales Manager

Mr. Louis Manning - Divisional Sales Manager

Mr. Bertino Gordon - Operations Manager

Mrs. Nadine Banton – Human Resource Manager

Ms. Tarin Montaque – Purchasing & Logistics Manager

ATTORNEYS-AT-LAW

PATTERSON MAIR HAMILTON

85 Hope Road

Kingston 5, Jamaica W.I.

BANKERS

NATIONAL COMMERCIAL BANK

The Atrium

32 Trafalgar Road

Kingston 10, Jamaica, W.I.

SAGICOR BANK JAMAICA LIMITED

17 Dominica Drive

Kingston 5, Jamaica, W.I.

BANK OF NOVA SCOTIA LIMITED

Scotia Centre Branch

Cnr. Duke & Port Royal Streets

Kingston, Jamaica, W.I.

AUDITORS

HLB MAIR RUSSELL

3 Haughton Avenue

Kingston 10, Jamaica W.I.

REGISTRAR & TRANSFER AGENT

JAMAICA CENTRAL SECURITIES

DEPOSITORY

40 Harbour Street

Kingston, Jamaica W.I.

MEDICAL DISPOSABLES & SUPPLIES

LTD

REGISTERED OFFICE

83 Hagley Park Road

Kingston 10

Jamaica, W.I.

(876) 546-7411 | (876) 372-7547

info@mdsja.com

www.mdsja.com

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CHAIRMAN'S STATEMENT

GOING FORWARD INTO THE NEW YEAR, WE MAINTAIN OUR COMMITMENT TO THE LONG-TERM SUSTAINABILITY OF OUR BUSINESS OPERATION AND TO THE INCREASE IN SHAREHOLDER VALUE.



During the Financial Year under review, the Company operated in an environment which was one of tremendous challenges and uncertainty, some of which arose from the following:

- Impact of the Covid-19 Pandemic on business activity.
- Negative effect of Global Supply Chain disruptions on world trade, freight rates and commodity prices.
- Upward movement in international oil prices and the resulting cost push effect.
- Low economic growth in the local economy.
- Increase in the actual inflation rate versus projection.
- Heightened competitive environment among our major local competitors.

Despite the influence of these adverse external factors which defined the business environment which obtained, the Financial Year ended March 31, 2022, was another successful year in the 23 years history of the Company.

REVENUE

The Company generated revenues of \$3.416M compared to \$2.423M in the previous year, an increase of \$994M or 41%.

Total revenue increased in all Divisions reflecting increased demand for pharmaceutical, medical and consumer products.

GROSS PROFIT

Gross Profit amounted to \$936.4M compared to \$599M in the previous year, representing an increase in \$337.5M or 56%.

NET PROFIT AFTER TAX

After taxation of \$41M in 2022, Net Profit increased by \$35.8M from \$69.6M in 2021 to \$105.4M in 2022.

EARNINGS PER SHARE

Earnings per share for the year ended March 31, 2022, was \$0.37 compared to \$0.26 in the year ended March 31, 2021.

SPECIAL NOTE:

It should be noted that the recent acquisition of a competing medical and pharmaceutical operation by MDS has been incorporated into the newly formed subsidiary, Cornwall Enterprises Limited.

THE YEAR AHEAD

During the financial year just ended, we were successful in overcoming the challenges which emerged from the harsh external business environment which prevailed.

The challenges of the past year tested our management capabilities and resilience and the lessons learnt have given us the confidence to respond to the unstable business environment which is expected to continue into the future.

Going forward into the new year, we maintain our commitment to the long-term sustainability of our business operation and to the increase in shareholder value.

We maintain a positive outlook for the year ahead, despite the current challenges which we face but wish once again to recommit ourselves to maintaining a high standard of financial performance, to improving our operational efficiency, as well as to increase shareholder value by providing an appropriate return on investment.

As we complete another year of operation, I use this opportunity on behalf of the Board of Directors to express our appreciation to the members of the MDS team for their commitment and dedication, and to our customers for their loyalty and continued support during the year.

Finally, I wish to thank the members of the Board of Directors for their stewardship and guidance in the transition from a family operated business enterprise to a more formal corporate culture and the adoption of a robust Corporate Governance Structure.



WINSTON BOOTHE
CHAIRMAN

CEO'S MESSAGE

WE ARE EXCITED TO CONTINUE OUR JOURNEY WITH YOU NOW AND FOR YEARS TO COME – DOING “BUSINESS UNUSUAL’ WITH LASER FOCUS.

The global COVID-19 pandemic, particularly the outbreak of other variants, extended restrictions on activities island-wide due to the ongoing infection rates.

For us, 2021 was marked by the clear objective of short-term survival with long-term resilience and growth. We endeavoured to support and provide continuous service to our customers, irrespective of the many challenges of the year – whether by the direct effects of the ongoing pandemic or its implications such as global supply chain interruptions, logistical bottlenecks, currency fluctuations and shifts in customer buying behaviour. Though not always fool proof, our team put ‘all hands on deck’ to ensure a laudable, seamless experience.

As a result of these efforts, we have experienced growth in all Divisions. Notably, our fast-moving consumer goods experienced stable movement, even though this portfolio was most exposed to the macro-economic threats of the fight for share of disposable income, given the discretionary nature of items. In our other divisions, our expansion efforts continued with sharpened focus on our core areas of strength, healthcare necessities. Overall, the increased revenues stand as evidence of challenges overcome during the economic downturn.

Undoubtedly, this has been one of the most demanding leadership tests to date, challenging our mettle in restoring business norms amidst an environment where economies are reeling. Added to this is the continued instability of global logistics that has plagued reliable and efficient operational flow. We have started to experience signs of normalcy again, evidenced by normal business hours, opening of schools, healthy business traffic and the restoration of medical services as opposed to the prioritization of critical cases only. These are positive signs that point to the promise of sustainable increased commerce.

As we give eye to the future with great optimism, we wish to express our sincere gratitude to our employees, partners and shareholders for the ongoing trust and support. We are excited to continue our journey with you now and for years to come – doing “business unusual’ with laser focus.

With best personal regards and thanks.



KURT BOOTHE
CHIEF EXECUTIVE OFFICER



VARIETY IS THE SPICE OF LIFE

Simply



FLAVOURINGS

Add a little flavour
to your meals!

PERSONAL CARE

Always ensure
your best self!

HOME REMEDIES

A vital part of
every home!

 JAMAICAN MADE. GLOBAL STANDARD.

Distributed by:

MDS

83 Hagley Park Road, Kingston 10. | 876-372-7547 & 876-276-9998
email: info@mdsja.com | www.mdsja.com

  | [homebymds](https://www.instagram.com/homebymds)

Simply

ADD SOME
FLAVOUR!



FLAVOURINGS

FLAVOUR YOUR CAKES, PASTRIES,
DESSERTS, BLENDED JUICES, MIXED DRINKS,
CAFÉ TREATS & OTHER TASTY DELIGHTS...
SIMPLY

Jamaican Made. Global Standard.

Distributed by
MDS

83 Hagley Park Road, Kingston 10. | 876-372-7547 & 876-276-9998
email: info@midsja.com | www.midsja.com

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BOARD OF DIRECTORS







WINSTON BOOTHE
Chairman

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

Mr. Winston Boothe has over 50 years of experience as a corporate executive. For nearly two decades, until September 2013, he served as the Senior Vice President of the Port Authority of Jamaica (PAJ) in the areas of Corporate Planning & Information Systems, Finance & Administration and Operations. 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.



SANDRA GLASGOW
Independent Member Mentor

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

A certified director, trainer in corporate governance board leadership and mentor, Mrs. Sandra Glasgow has played an integral role in supporting improvements in the Company's Corporate Governance frameworks and processes. She is the founder and Managing Director of BizTactics Limited and sits on the Boards of four JSE listed companies, private companies and not-for-profits. She served for over five years as CEO of the Private Sector Organisation of Jamaica and spent two decades at the University of Technology, capping 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 holds a Doctorate in Public Health from the University of London and owns two thriving pharmacies and a medical clinic.



MYRTIS BOOTHE
Executive Director

Founder

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. Prior to forming the MDS operation in 1998, she served an 11-year management career at one of the country's leading distribution companies in the industry. 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.



KURT BOOTHE
Executive Director

Chief Executive Officer (CEO)

Kurt Boothe joined the Company in 2006 after residing in Florida for over a decade. 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. He holds a Bachelor's degree in Business Administration and an MBA with concentration in Entrepreneurship, Wayne Huizenga School of Business at Nova Southeastern University in Fort Lauderdale, Florida.



NIKEISHA BOOTHE
Executive Director

Business Development & Corporate Affairs Manager

Company Secretary

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 University of the West Indies, Mona School of Business.

DIRECTOR'S REPORT

The Directors of Medical Disposables & Supplies Limited are pleased to present their Report for the 12 months ending March 31, 2022.

FINANCIAL RESULTS

The Statement of Comprehensive Income shows pre-tax profits of \$146.46M and post-tax profits of \$105.43M. Further details of these results, as well as the prior 12-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, 2022 are:

- Mr. Winston Boothe (Chairman)
- Dr. Vincent Lawrence (Non-Executive)
- Mrs. Sandra Glasgow (Non-Executive)
- Dr. Dahlia McDaniel Dickson (Non-Executive)
- Mrs. Myrtis Boothe (Executive Director)
- Mr. Kurt Boothe (Chief Executive Officer)
- Miss Nikeisha Boothe (Business Development & Corporate Affairs Manager)

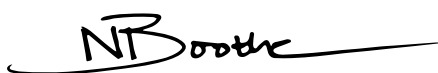
The Directors to retire by rotation in accordance with the Articles of Incorporation are Mrs. Sandra Glasgow, Dr. Vincent Lawrence and Dr. Dahlia McDaniel Dickson but, being eligible, all will offer themselves for re-election.

AUDITORS

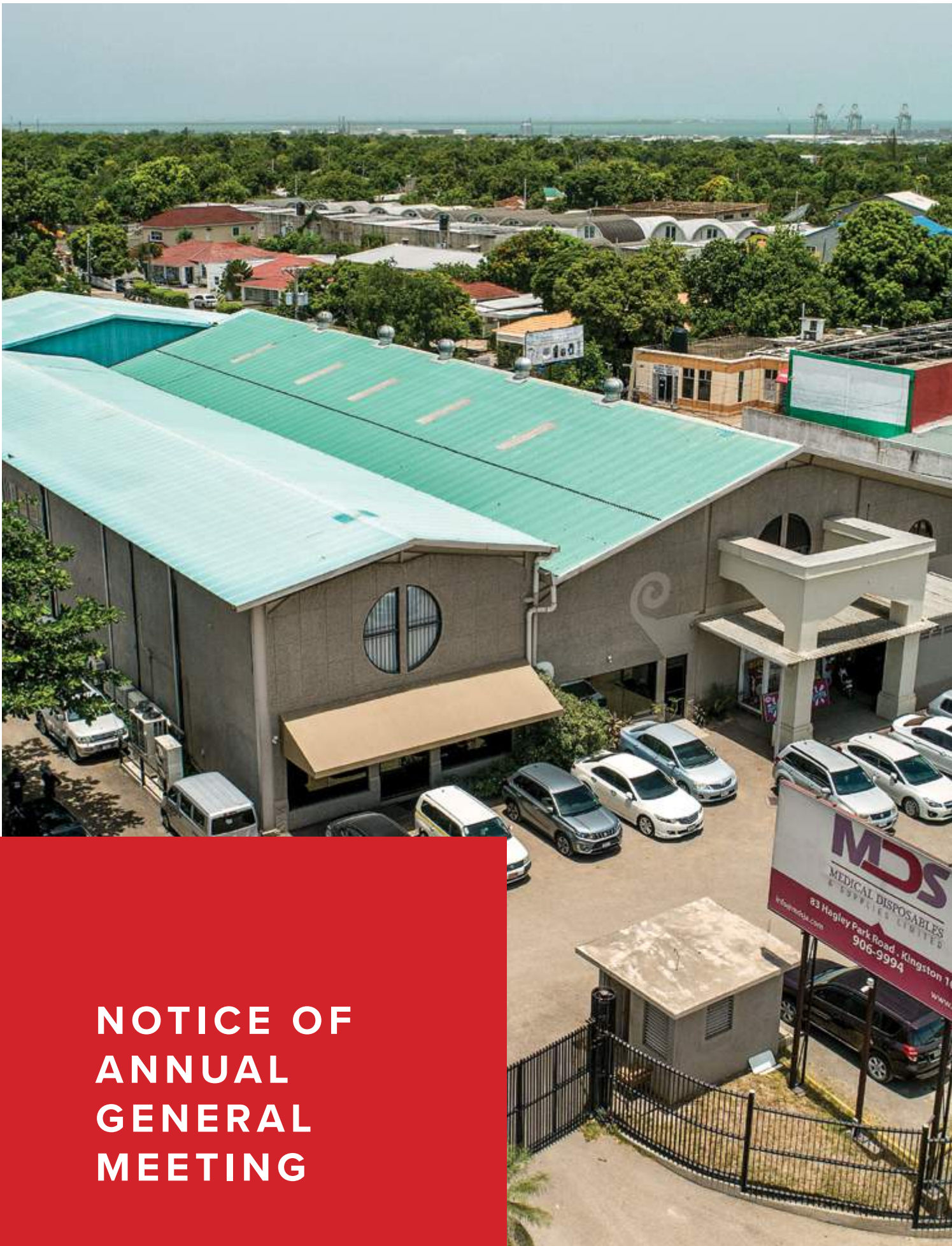
The Auditors of the Company, HLB Mair Russell, of 3 Haughton Avenue, Kingston 10, have conveyed their willingness to continue in office as Auditors of the Company until the next Annual General Meeting.

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, 2022
BY ORDER OF THE BOARD



NIKEISHA BOOTHE
COMPANY SECRETARY



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Ninth Annual General Meeting of Medical Disposables & Supplies Limited (the “Company”) will be held on Thursday, October 13, 2022 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, 2022, 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, 2022, 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 Mrs. Sandra Glasgow be and is hereby re-elected a Director of the Company for the ensuing Year”.

Ordinary Resolution No. 3

“That Dr. Vincent Lawrence be and is hereby re-elected a Director of the Company for the ensuing Year”.

Ordinary Resolution No. 4

“That Dr. Dahlia McDaniel Dickson 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. 5

“That the amount shown in the Audited Accounts for the year ended March 31, 2022 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. 6

“That HLB Mair Russell 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. 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, 2022
BY ORDER OF THE BOARD**



**NIKEISHA BOOTHE
COMPANY SECRETARY**

NOTE:

A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him / her. 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.



CORPORATE GOVERNANCE STATEMENT



CORPORATE GOVERNANCE STATEMENT

Medical Disposables and Supplies (“the Company”) strives to manage the business in a manner that promotes transparent governance and strong ethics; maintains extensive customer, employee and other stakeholder engagement, helping to achieve growth in a strategic, sustainable and responsible manner.

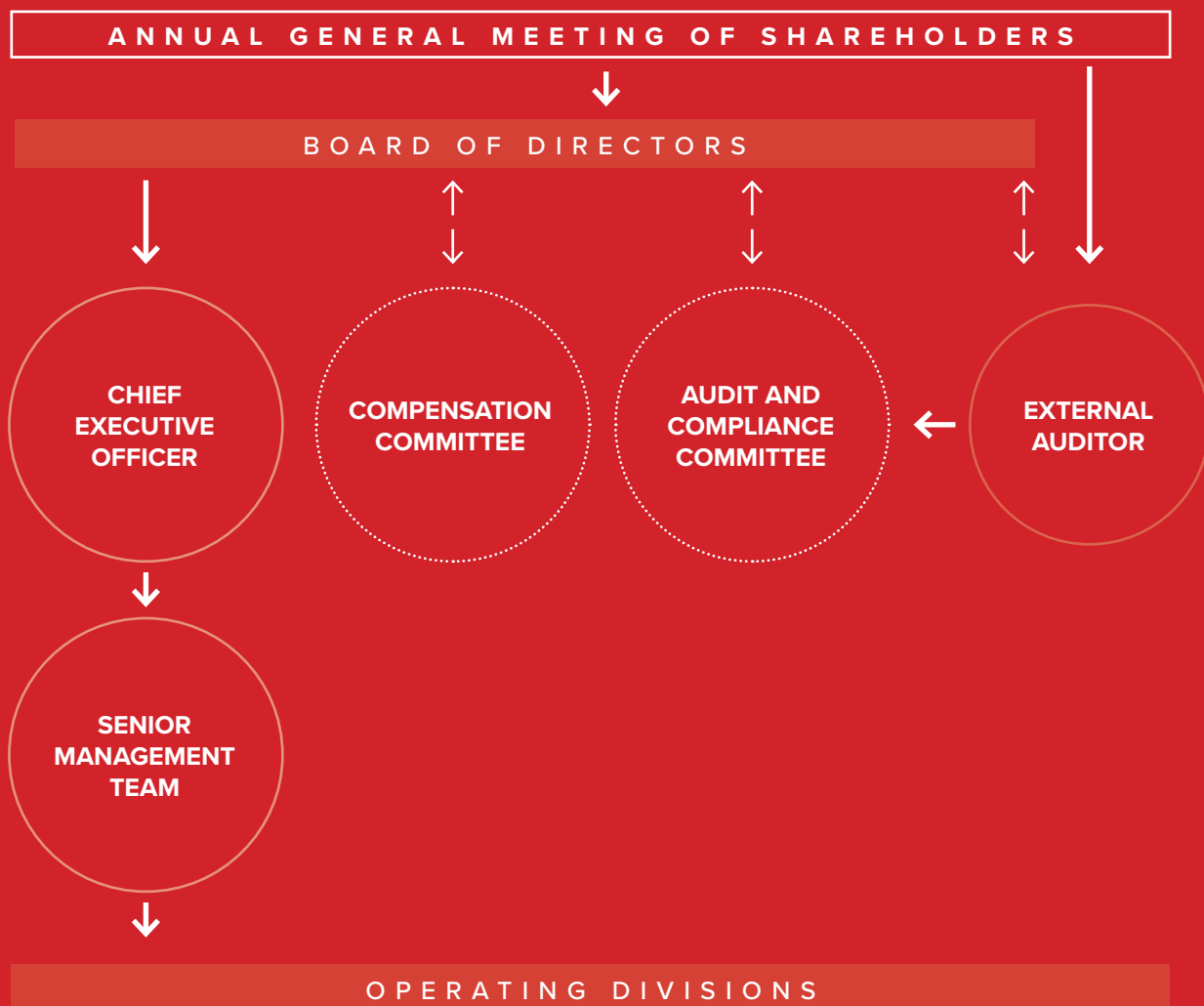
In keeping with the Company’s vision “to be the most efficient, customer-centric and profitable distributor in the Caribbean”, the governance of MDS is underpinned by our values of delighting our customers, ensuring fulfilled employees, providing premium services and discharging our responsibilities to the environment and our communities. As we grow and pursue our vision, we have strengthened our compliance and risk management, and a management structure that allows for agile decision-making but that is also sound and transparent. Through these efforts, we continue to improve our corporate governance,

thereby maximising value for our shareholders.

The Company is committed to complying with all relevant corporate governance requirements; in particular with all applicable laws, the rules of the Jamaica Stock Exchange (JSE) and the Private Sector Organisation’s (PSOJ) Code of Corporate Governance. The Company’s internal governance framework, particularly its Articles of Incorporation, embodies all the principles needed to ensure that the Company is managed and supervised in a manner consistent with good corporate governance, including the necessary checks and balances.

GOVERNANCE FRAMEWORK

Our corporate governance framework enables the effectiveness of the Board and its support to the Company’s Chief Executive Officer (CEO) and senior management team.



THE DUTIES OF THE BOARD

The Board acts on behalf of, and is accountable to its shareholders. It seeks to understand the expectations of the Company's shareholders, as well as its obligations to regulatory bodies and strives to meet those expectations and obligations. The Board is also responsible for identifying areas of significant business risk and ensuring that appropriate policies and procedures are in place to adequately manage those risks.

The role of the Board is to oversee and guide the management of the Company, with the aim of protecting and enhancing the interests of its shareholders, also taking into account the interests of other stakeholders, including employees and the wider community in which it operates.

The Board has adopted a formal charter that clearly establishes the relationship between the Board and management and describes their functions and responsibilities. The Board Charter was last revised and approved by the Board in May 2022 and is posted on the corporate governance section of the Company's website www.mdsja.com.

The Board is responsible for setting the strategic direction of the Company, establishing strategic and operational goals for management and monitoring the achievement of those goals. The CEO is responsible for the day-to-day management of the Company and reports to the Board on key management and operational issues on a quarterly basis. The Board has ensured that the CEO is appropriately qualified and experienced to discharge his responsibilities and that he leads a senior management team that is also appropriately qualified and experienced.

The Board also appoints the Company Secretary who is responsible for coordination of all Board

business, including agendas, Board papers, minutes and communication with our main regulator, the Jamaica Stock Exchange.

The Board has formally reserved specific matters to itself for determination and approval which include strategic issues and strategic plans, the annual budget, changes in share capital, approval of the Company's financial statements, approval of material contracts and succession planning for senior management. In addition, it reviews the Company's internal controls, risk management and other policies and approves its Code of Conduct and Ethics. It also monitors and evaluates the performance of the Company as a whole.

BOARD COMPOSITION

The composition of the Board remained unchanged during the year. The seven directors - three Non-Executive, Independent Directors, one Non-Executive Director and three Executive Directors are as follows:

- Winston Boothe, Chairman, Non-Executive Director
- Sandra Glasgow, Non-Executive, Independent Director and Mentor
- Dr. the Hon. Vincent Lawrence, O.J., Non-Executive, Independent Director
- Dr. Dahlia McDaniel-Dixon, Non-Executive, Independent Director
- Myrtis Boothe, Executive Director
- Kurt Boothe, Chief Executive Officer
- Nikeisha Boothe, Marketing Manager and Company Secretary

The Board considers a director to have met the criteria for independence if he or she:

- does not represent a substantial shareholding
- is not a close relative of a significant shareholder
- does not have an employment relationship with the Company.

ATTENDANCE AT BOARD MEETINGS

The Board met four (4) times during the year. Attendance by Directors is indicated below:

	17-Jun-21	08-Jul-21	05-Aug-21	08-Feb-22
Mr. Winston Boothe – Chairman	☑	☑	☑	☑
Dr. the Hon. Vincent Lawrence, OJ	☑	☑	☑	☑
Mrs. Sandra Glasgow	☑	☑	☑	☑
Dr. Dahlia McDaniel-Dickson	☑	☑	☑	☑
Mrs. Myrtis Boothe	☑	☑	☑	☑
Mr. Kurt Boothe	☑	☑	☑	☑
Miss Nikeisha Boothe	☑	☑	☑	☑

During the year, the Board fulfilled the following responsibilities:

Governance

- Reviewed and approved a revised Board Charter.
- Provided oversight over Management's activities.

M&A Activity

- Approved post-acquisition activities with respect to Cornwall Enterprises Limited.

Strategy

- Reviewed and approved a 3-year Strategic Plan and Budget for the Company and its subsidiary, Cornwall Enterprises Limited.

Business Decisions

- Reviewed reports from the CEO and recommendations therein.
- Approved investments in Information Technology infrastructure.
- Approved new distribution arrangements
- Approved new product lines.
- Approved proposals for insurance coverage
- Approved the write-off of bad debts.
- Monitored the recovery of customs charges

HUMAN RESOURCES

- Discussed and approved proposals from the Compensation and Human Resources Committee and Management's recommendations for a new Performance Management System and compensation packages and incentive schemes for management and employees.

FINANCIAL PERFORMANCE AND EXTERNAL AUDIT

- Approved the Annual Report to shareholders, the quarterly financial statements and releases to the JSE and the annual audited consolidated financial statements and

ensured that these all presented a 'true and fair' view of the Company's position and performance and in accordance with International Financial Reporting Standards (IFRS) and other relevant standards.

- Approved the re-appointment of the external auditor.

COMPLIANCE

- Ensured that the Company operates within applicable laws and regulations.

RISKS

- Ensured that management identified the principal risks faced by the Company and that appropriate systems were in place to manage these risks.

INTERNAL CONTROLS

- Assessed the adequacy of the systems of risk management, internal control, control environment and regulatory compliance.

COMMITTEES OF THE BOARD

The Board has established and delegated specific duties to two committees: the Audit and Compliance Committee and the Compensation and Human Resources Committee. Each Committee has written terms of reference which have been approved by the Board and both committees met during the year.

AUDIT AND COMPLIANCE COMMITTEE

The Committee has been established to oversee the accounting and financial reporting processes of the Company, the audit of its financial statements and the effectiveness of the Company's risk management and internal control framework.

The Committee, chaired by Director Sandra Glasgow, met five (5) times during the year. All committee members were present at each meeting.

The Board met four (4) times during the year. Attendance by Directors is indicated below:

	02-Jul-21	08-Jul-21	05-Aug-21	09-Nov-21	08-Feb-22
Mrs. Sandra Glasgow - Chairperson	✓	✓	✓	✓	✓
Dr. the Hon. Vincent Lawrence, OJ	✓	✓	✓	✓	✓
Mr. Winston Boothe	✓	✓	✓	✓	✓
Dr. Dahlia McDaniel-Dickson	✓	✓	✓	✓	✓

The Chief Financial Officer (CFO), Mr. Raymond Hernandez and the CEO, Mr. Kurt Boothe attended all meetings at the invitation of the Committee. Representatives of the external auditor were in attendance at one meeting of the Committee.

During the year, the Committee discharged the following responsibilities:

FINANCIAL REPORTING AND DISCLOSURE

The Committee assisted the Board in discharging its ultimate responsibility for the preparation of financial statements and for the monitoring of systems of internal control. The Board strives to present a balanced assessment of the Company's financial position and prospects and it strives to present all financial and other information in a way that is understood by shareholders and stakeholders. During the year, the Committee reviewed the quarterly financial statements and quarterly regulatory releases as well as the Company's annual audited financial statements, the disclosure in the Management Discussion and Analysis (MD&A) and the Annual Report published by the Company, to ensure the completeness and accuracy of the information and recommended these to the Board for approval.

RISK MANAGEMENT, COMPLIANCE AND INTERNAL CONTROL

The Board recognises its overall responsibility to maintain sound risk management and internal control systems to safeguard shareholders' investments and the Company's assets and to regularly review the effectiveness of such systems. During the year the Committee, on behalf of the Board:

- Discussed significant risks and exposures, and the steps taken to monitor and minimise such risks and exposures.
- Reviewed and discussed the effectiveness of the system for monitoring the Company's compliance with laws and regulations.

MERGERS AND ACQUISITIONS

The Committee assisted the full board in the due diligence activities regarding the acquisition of a majority stake in Cornwall Enterprises Limited (CEL), evaluating matters which were within the core area of expertise of the Committee. These included:

- Evaluating the financial analysis of the proposed acquisition.
- Identifying CEL's financial, operational and market risks post-closing understanding the spectrum of those risks.
- Considering, with management, how the range of risks could be mitigated, and
- Projecting the potential impact of the acquisition on the Company's financial results.

FINANCIAL REPORTING AND DISCLOSURE, INTERNAL CONTROL AND THE ROLE OF THE EXTERNAL AUDITOR

The Board has established formal and transparent arrangements for financial reporting, and external auditing. During the year, the Committee, on behalf of the Board, discharged the following responsibilities:

- Reviewed and recommended to the Board, the approval of the external auditors' scope of and approach to the annual audit.
- Discussed the significant matters arising from the annual audit relating to the Company's financial statements.
- Discussed and approved changes to the Company's accounting controls, procedures and practices proposed by the external auditor.
- Formally evaluated the performance of the external auditor, discussed the results with the external audit team and made recommendations to the Board on the re-appointment of the external auditor.

PERFORMANCE OF THE EXTERNAL AUDITOR

The external audit was undertaken by HLB Mair Russell, the Company's external, independent auditor since 2018, following a competitive tender process. Mr Sixto P. Coy was appointed as the engagement partner in 2019.

At the end of the year, the Committee evaluated the work of the external auditor and concluded that the firm had provided effective audit services, maintained constructive relationships with the management team and the Committee and that the lead engagement partner, Mr Coy, provided clear and constructive leadership to the audit team. As part of this evaluation, the Committee examined the following specific areas:

1. Auditor's independence, objectivity and professional scepticism

The Committee agreed that the external auditor informed it about matters that might reasonably be thought to bear on the firm's independence. The Committee reviewed the independence safeguards of the auditor and were satisfied that auditor independence had not been compromised.

Changes in the business environment were discussed and adjustments made to the audit plan to accommodate these changes; specifically, those concerning the acquisition of majority shares in Cornwall Enterprises Limited, which required a specific focus.

2. Quality of the engagement team provided by the external auditor.

The Committee considered that the engagement partner and audit team ensured that the necessary knowledge and skills were dedicated to the audit.

3. Communication and interaction with the external auditor.

The Committee agreed that HLB Mair Russell demonstrated clear-sighted judgement in the matters on which it provided an opinion and was open to an appropriate level of challenge and debate with management and Committee members.

4. Quality of service provided by the external auditor.

The Committee considered that the auditor undertook an effective and in-depth assessment and verification exercise in respect of the Company's financial statements and associated disclosures for the year ended 31 March 2022 and that the level of expertise that HLB Mair Russell brought to bear was high.

Accordingly, the Committee recommended to the Board the retention of the services of HLB Mair Russell.

The Committee reported to the Board of Directors on its activities after each meeting.

COMPENSATION AND HUMAN RESOURCES COMMITTEE

The Compensation and Human Resources Committee assists the Board by ensuring that the Company adopts, maintains and applies appropriate compensation policies that are aligned with the achievement of performance goals, that motivate and reward management appropriately, and that attract and retain talent with the leadership abilities and experience necessary to develop and execute business strategies, achieve outstanding results, and build long-term shareholder value.

The Committee, chaired by Director Dr. the Hon. Vin Lawrence O.J., met three (3) times during the year. All committee members were present at all meetings. Additionally, the Chief Executive Officer, Mr. Kurt Boothe, Executive Director, Mrs. Myrtis Boothe and the Chief Financial Officer, Mr. Raymond Hernandez, attended all meetings at the invitation of the Committee.

	16-Jun-21	02-Jul-21	09-Nov-21
Dr. the Hon. Vincent Lawrence OJ - Chairman	✓	✓	✓
Mr. Winston Boothe	✓	✓	✓
Mrs. Sandra Glasgow	✓	✓	✓
Dr. Dahlia McDaniel-Dickson	✓	✓	✓

The matters discussed the following matters and as appropriate, recommended certain of these matters to the Board for approval:

- The Committee reviewed and recommended to the Board for approval, a new Performance Management System (PMS) Policy and procedures that was designed to ensure that all employees understand the impact that their contributions make on the achievement of the Company's strategic goals and targets and that employees are provided the opportunity for ongoing personal growth. The PMS creates a link between the Company's business strategies and the outcomes expected of its employees culminates in an annual performance review and the payment of incentives linked to performance.
- The Committee reviewed and approved the Organisational Charts for the Company and for its new subsidiary, Cornwall Enterprises

Limited.

- The Committee reviewed and approved job descriptions for new or revised positions, including the Company's Chief Executive Officer and the Manager, Business Development & Corporate Affairs and for CEL, the General Manager, Sales Director – Medical & Dental Divisions and the Sales Director – Retail Division
- The Committee reviewed and recommended to the Board for approval, compensation packages for executive management, senior management, line staff and sales representatives, including annual adjustments to salary scales.
- The Committee met with the Company's six Division Directors and Heads of Departments to discuss their roles and to elicit their feedback on the implementation of the new Performance Management
- The Committee reported to the Board of Directors on its activities after its meeting.

DIRECTORS' REMUNERATION

The Company's remuneration policy for directors, last reviewed in 2017, is built on a transparent and clearly defined framework for calculating the fees paid to directors for their services. The current fees are as follows:

Board of Directors

- Chairman \$40,000 per meeting; All other eligible directors 75% of this amount, or \$30,000 per meeting.

Audit and Compliance Committee

- Chairman \$35,000 per meeting; All other eligible directors 75% of this amount, or \$26,250 per meeting.

Compensation and Human Resources Committees

- Chairman \$35,000 per meeting; All other eligible directors 75% of this amount, or \$26,250 per meeting

The Mentor, who is a Board Member, performs special assignments for the Company under contract to her company, BizTactics Limited, in addition to her directorship. Information on total remuneration of Executive and Non-Executive Directors paid during the financial year is presented in Note 8 to the financial statements.

CODE OF CONDUCT AND ETHICS

A Company's success and reputation are built on the principles of fair dealing and ethical conduct of its directors, officers and employees. The Company is committed to the highest standards of honesty, integrity, and impartiality in our business and personal dealings, including the avoidance of situations that may lead to conflicts of interest. Our reputation for integrity and excellence is important to us and requires our observance of both the spirit and letter of all applicable laws and regulations. Our continued success depends on the trust that our customers, employees, shareholders and suppliers have in us. We are committed to preserving that trust. In that regard, the Directors have approved a Code of Conduct and Ethics a guide for our employees and Board of Directors to live the values of:

- Fulfilled Employees
- Premium Service
- Quality Assurance
- Delighted Customers
- Contented Affiliates
- Social Responsibility

The Board and employees of the Company understand this Code of Conduct and Ethics as their obligation and work continuously to ensure that its spirit and provisions are respected and acted upon throughout the Company.

DISCLOSURE

The Company has developed a Disclosure Policy which aims to ensure that information disclosed to shareholders and the public is timely, accurate, comprehensive, authoritative and relevant to all aspects of its operations while at the same time consistent with all legal requirements. Adherence to the policy is intended to provide an effective and efficient framework to facilitate the timely dissemination of material information to the investing public in the spirit of full disclosure and in compliance with the disclosure regulations of the JSE on which the Company's shares are listed, and the Financial Services Commission. The policy has been developed in accordance with applicable provisions of the laws of Jamaica and the Company's Articles of Incorporation.

The designated authorised persons to make public statements on behalf of the Company are its CEO and the Chairman of the Board.

BOARD AND COMMITTEE PERFORMANCE

At the end of the financial year, the Board undertook a formal evaluation of its effectiveness and that of its committees, led by the Company's Mentor. Board members completed a questionnaire that elicited their feedback on:

- Overall Board Effectiveness
- Board Size and Composition
- Board Meetings
- Board Relationships

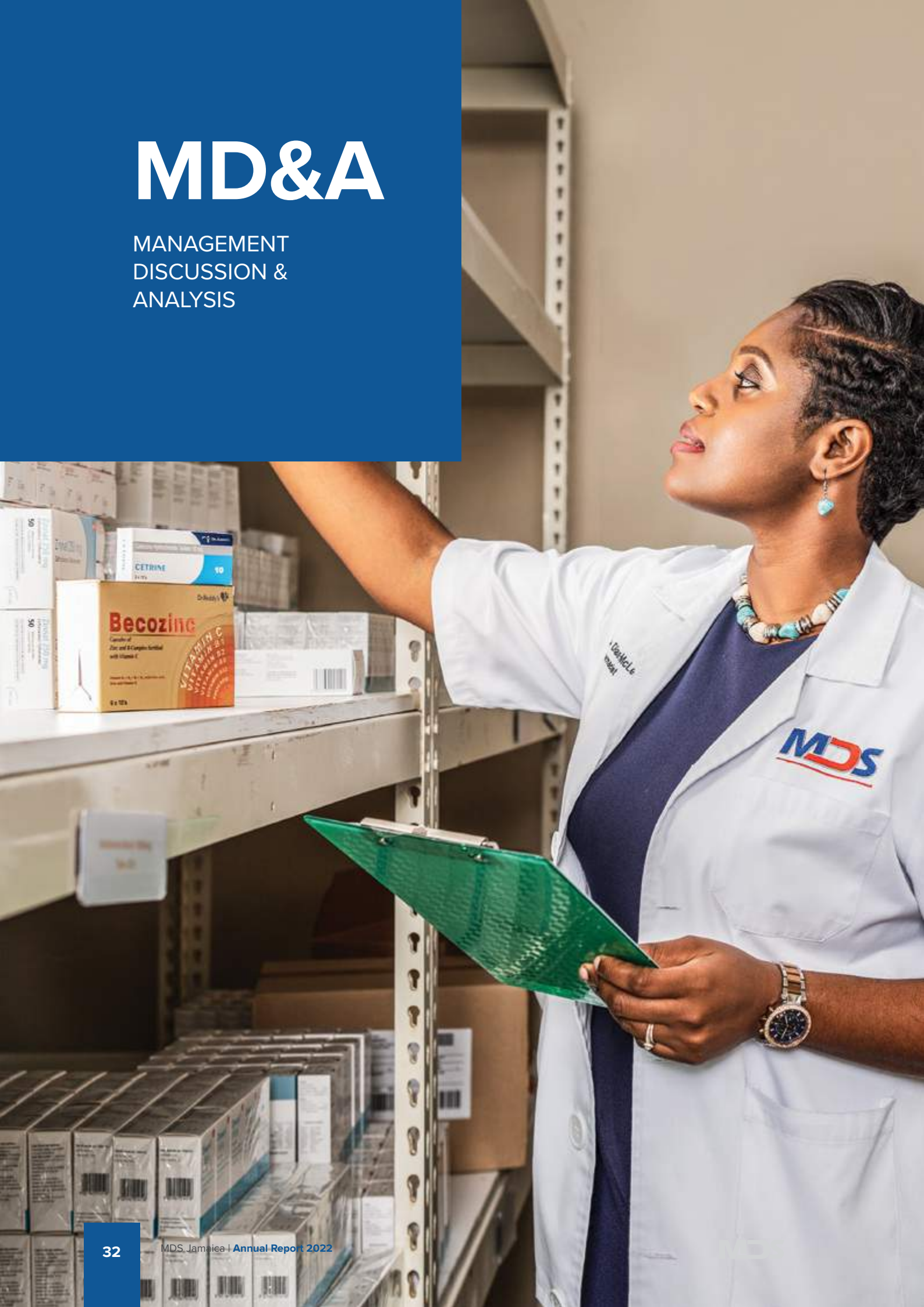
Open-ended questions also elicited directors' views on how the effectiveness of the Board and its Committees could be improved and the areas of priority on which the Board should focus its attention in the coming financial year. The results of the evaluation will be shared with the Board and the findings will form the basis of a performance improvement plan to be implemented in the financial year 2022/2023.

ANNUAL GENERAL MEETING

In light of restrictions on public gatherings during the COVID-19 pandemic in October 2021, most shareholders were unable to physically attend the 2021 Annual General Meeting held at the Company's registered office at 83 Hagley Park Road. The Company therefore provided live electronic access to the meeting, allowing shareholders to pose questions and vote on the resolutions presented at the meeting. The Company therefore provided live electronic access to the meeting, allowing shareholders to pose questions and vote on the resolutions presented at the meeting. All the resolutions presented at the meeting were approved by shareholders.

MD&A

MANAGEMENT
DISCUSSION &
ANALYSIS



Crises are nothing new to businesses in developing countries. Inflation, credit crunches and currency volatility often put business owners to the test to navigate the turbulent waters. But hardly any of us could have fathomed the challenges and prolonged uncertainty that we would face with the Coronavirus pandemic.

MDS has not been insulated from the immediate economic shocks of the pandemic, particularly with the effects from the country being on lockdown, the contraction in economic activity and the limited services provided by medical institutions. The lowered patient traffic that resulted from hospitals attending only to emergency cases, significantly contributed to the internal shocks we experienced. These external pressures could have easily directed a move to scale back and reduce expenses by such means as cutting jobs. However, the strategies employed focused on the opposite direction. That is, the company shifted towards increasing the distribution in fledgling areas and marketing new products, with an aim of attaining greater market poise in the post pandemic period. The period was viewed as an interval that presented an opportunity to retool, reinvest and strengthen the company for the rebound.

It was during this period that MDS established a subsidiary, Cornwall Enterprises Limited (CEL), which acquired the assets of Cornwall Medical and Dental Supplies Limited (CMDSL), a distribution company headquartered in Montego Bay, with which MDS has enjoyed a friendly rivalry over the years. Like MDS, CMDSL distributed medical supplies and disposables items, but they were also involved in additional areas of commerce – a key distributor of dental products and operators of retail segments through three pharmacies under the Corn-Med Pharmacy brand, with two located in Montego Bay and one in Savanna-la-Mar. MDS has a 60% stake in the newly formed entity, with the remainder owned by the previous directors.

The venture has proven to be synergistic, especially in our Medical Division which we regard as a key strength and an area of competitive advantage. This move now expands our market share in this area, and adds a niche in dental supplies. Augmenting our existing offering with this new complementary area of business, having the ability to service new clients and becoming more vertically integrated as a result of the pharmacy retail section is nothing short of exciting.

Embarking on such a major project guided by a two-year strategic plan to successfully transition the entity and proactively create a seamless 'post-merger integration', we now have to continue to keep our core competencies in focus, with the full knowledge that there are many upsides in our core business that must be maximised.

LONG-TERM GROWTH FOCUSED

As we pass through the phases of the growth cycle, adapting and adjusting to shifts in the internal and external environment, we continue to set our sights on further growth through a combination of organic and inorganic means.

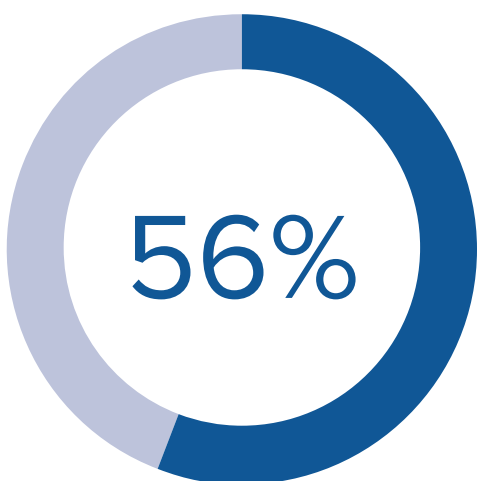
A few years ago, our rising administrative costs were attributed to the implementation of support systems such as talent, procedures and Information Technology as a result of the Company's active introspection to build the internal structures required to support the next phase of growth which would have placed us in acquisition mode, and here we are.

MDS may be regarded as a defensive stock on the Jamaica Stock Exchange's Junior Market, as the company operates in a space where it provides necessities which generally have an inelastic demand. The strategy is to continue providing stability by capitalizing on opportunities to offer products and services with a constant demand during periods of surplus and periods of crises.

The management views the company as one suited for the long-term investor interested in growth oriented fundamentals.

Gross Profit of
\$936.46M

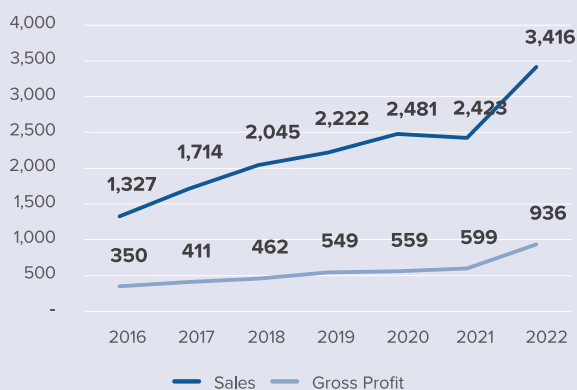
Increase of
\$337.57M



REVENUE

For the year ended March 31, 2022, the Group generated total revenue of \$3.42B, an increase of 41% or \$993.50M when compared to the total revenue produced last year. The increase in sales can be attributed to an increase in overall business activity coupled with the consolidation of the operations of the recently acquired subsidiary, Cornwall Enterprises Limited. Consumer demand for pharmaceutical and medical disposable items has seen a significant improvement over the prior period, rebounding from what was a sluggish twelve months, characterised by the implementation of Government measures aimed at decelerating the spread of the Coronavirus.

Sales Growth \$'M



GROSS PROFIT

Gross Profit of \$936.46M for the twelve-month period reflects a 56% or \$337.57M increase over the previous year. The year-to-date gross profit margin increased to 27.4%, up from 24.7% achieved the previous year.

OPERATING EXPENSES

Subsidiary company Cornwall Enterprises Limited added to the Group's top line, and has also lifted the company's operating expenses, moving from \$509.66M in 2021 to \$723.93M in the current

period, an increase of \$214.27M or 42%. The increase was accounted for mainly through higher administrative expenses and selling and promotional costs. A significant amount of this relates to the consolidation of the subsidiary's operations. The standout line items are as follows:

- Salaries, wages, commission, and other related expenses of \$269.8M increased by \$85.3M or 46% when compared to prior year. This was due to the consolidation of staff expenses associated with the subsidiary as well as the addition of new staff in key areas of the business to boost the expansion in commercial activities.
- Utilities increased by \$7.68M when compared to the previous year, the difference being \$8M incurred by the subsidiary.
- Legal and Professional fees decreased significantly, falling from \$25.73M in the prior year to \$9.50M for the period ended March 2022. Prior year charges included one-off costs incurred for external consultancies to close out opportunities in the market.

NON-OPERATIONAL EXPENSES

Total non-operating expenses amounted to \$86.4M, up marginally from \$81M at the end of 2021. A total of \$71.7M of that amount was spent on Finance related expenses. This was comparable to the cost incurred in the prior year. Year-end foreign exchange losses were \$18M, \$6.9M more than prior year. Prior year expenses were offset by a one-off gain relating to the acquisition of business of \$62.1M.

CONSOLIDATED PROFIT AFTER TAX

The Group continued to rebound from the challenges experienced during the prior year to

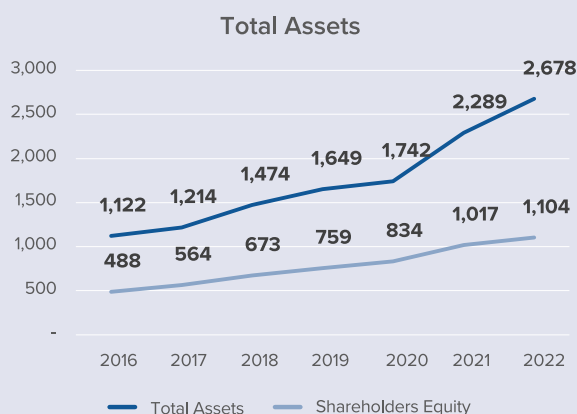
post profit after tax of \$105.43M. This is up from a profit after tax of \$69.61M in 2021.

STATEMENT OF FINANCIAL POSITION

Assets & Liabilities

Total Group assets grew by \$388.32M or 17% from \$2.29B to \$2.68B when compared to year-ended March 31, 2021. This was mainly due to increases in Inventories (\$282.49M), Trade and other receivables (\$75.88M), Cash and cash balances (\$29.06M).

Total Liabilities increased by \$301.30M or 23.7% from \$1.27B as at March 2021 to \$1.57B at the end of the current year. This was driven by increases in Borrowings (\$306.27M), Trade and other payables (\$67.91M) and Deferred tax liability (\$20.69M). The increase in borrowings reflected working capital support to keep pace with rising product demand.



Shareholders' equity increased by \$87.01M or 8.6% from \$1.02B in prior year to \$1.1B for the year in review.

Shareholders' Equity
\$1.1B

Increase of
\$87.01M

FIVE YEAR FINANCIAL HIGHLIGHTS

Profit and Loss Summary	2016	2017	2018	2019	2020	2021	2022
Sales	1,327	1,714	2,045	2,222	2,481	2,423	3,416
Gross Profit	350	411	462	549	559	599	936
Operating Profit	123	137	142	187	99	94	222
EBITDA	134	158	168	190	113	175	258
Profit after tax	97	102	110	113	35	70	105

Profitability Ratios							
Revenue Growth	15%	29.14%	19.34%	8.63%	11.67%	-2.35%	41.01%
Gross Margin	26.39%	23.96%	22.56%	24.69%	22.53%	24.72%	27.41%
EBITDA Margin	10.10%	9.24%	8.21%	8.56%	4.55%	7.20%	7.54%
Operating Margin	9.28%	7.99%	6.93%	8.40%	3.98%	3.90%	6.49%
Profit Margin/ Net Margin	7.34%	5.95%	5.36%	5.08%	1.39%	2.87%	3.09%
Operating Efficiency Ratio	17.36%	16.34%	15.74%	17.65%	19.75%	21.51%	21.95%

Balance Sheet Summary	2016	2017	2018	2019	2020	2021	2022
Total Assets	1,122	1,214	1,474	1,649	1,742	2,289	2,678
Shareholders Equity	488	564	673	759	834	1,017	1,104
Total Liability	634	651	775	890	909	1,272	1,573
Borrowing	329.49	324.28	336.65	424.45	533.54	653.65	974.14
Current Assets	646.52	727.15	935.21	1,089.40	1,128.07	1,435.38	1,850.55
Current Liabilities	443.39	449.37	605.44	756.28	813.95	1,061.84	1,251.51
Return on Assets	8.68%	8.39%	7.43%	6.84%	1.98%	3.04%	3.94%
Return on Equity	19.96%	18.08%	16.28%	14.85%	4.14%	6.84%	9.55%
Debt to Equity	130%	115%	115%	117%	109%	125%	142%
Current Ratio	146%	162%	154%	144%	139%	135%	148%



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COMING 'CLEAN' ON BEING GROWTH FOCUSED

Started with but a handful of medical sundry items, MDS has long moved away from being solely focused on medical products. We have since grown by leaps and bounds, now with three (3) Divisions - Medical, Pharmaceutical and Consumer - and the recent addition of its subsidiary, Cornwall Enterprises Limited (CEL). This addition has expanded our market presence in the medical arena and added the new area of dental supplies along with the operation of three retail pharmacies.

The financial year not only saw the Company focused on mitigating and spreading risk through a broadening of synergy within the industry, but also through the bolstering of our Divisions at the product level. The MDS Consumer Division continued its expansion with the addition of hand-selected products that the Company can proudly stand behind and for which the Principals share a similar ethos including that of transparency, trust, partnership, a winning mindset and a laser-sharp focus on being the best.

May 2021 marked the beginning of one such distributorship arrangement with Miracle Corporation Limited, a Jamaican company incorporated in the 1970's, representing locally manufactured and international brands in the automotive, food service and tourism gift shop supplies segments. The exclusive distribution sees MDS supplying the market with three (3) of

its soap brands from its Beauty and Hair Care Division:

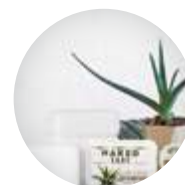
- True & Natural Face & Body Soap Bars
- Naked Care Face & Body Soap Bars
- Blue Maxx Antibacterial Laundry Soap

Not only are we proud to boast such quality products that carry the 'made in Jamaica' emblem, but we are also prideful about the points of difference that make these products both effective and endearing. The True & Natural Face and Body Soap Bars and the Naked Care Face & Body Soap Bars are made from all-natural ingredients with the former carrying lightly pleasant fragrances obtained from its natural inputs while the latter bears no aroma, making it even more well-suited for persons with very sensitive skin. The manufacturing process excludes the input of hazardous elements that lurk in many other brands and does not incorporate beef tallow or pork lard (two common types of animal fat) often found in soap composition as a lathering agent.

As part of the everyday hygiene routine and the need for their repeated use, the potential for immense impact looms. We are intently focused on sharing these remarkable benefits with the Jamaican populace and making these brands household names.



TRUE & NATURAL



NAKED CARE



BLUE MAXX



MANAGEMENT TEAM



PICTURED FROM L - R
FRONT ROW (SEATED): MS. TARIN MONTAQUE, MISS NIKEISHA BOOTHE AND MRS. MYRTIS BOOTHE
BACK ROW (STANDING): MRS. NADINE BANTON, MR. GERARD WHYTE, MR. BERTINO GORDON, MR. KURT BOOTHE, MR. LENWORTH MURRAY, MR. RAYMOND ERNANDEZ AND MRS. ANTOINETTE McDonald

MEET THE TEAM



GERARD WHYTE
Quality & Special Projects

Mr. Whyte's résumé reveals a career in the pharmaceutical industry dating back to 1980 with a long thread of positions held – 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 pivoted to a vital and evolving role in the organisation as the Quality and Special Projects Manager.



LENWORTH MURRAY
Divisional Sales Manager (Pharmaceutical)

Mr. Murray joined the MDS team in 2012 as Trade Manager after more than 20 years of experience in the pharmaceutical industry dating back to 1991 and over a decade in sales which equipped him with a strong understanding of the industry, invaluable sales skills and a robust network. Now occupying the position of Sales Manager of the Pharmaceutical Division, Mr. Murray has responsibility for sales output, customer relationship management, steering on-the-ground activities and bolstering the MDS brand in the trade.



ANTOINETTE McDONALD
Divisional Sales Manager (Pharmaceutical & Medical)

As Sales Manager with direct responsibility for Dr. Reddy's Laboratories (pharmaceutical) and the Medical Division, Mrs. McDonald optimises business opportunities, by executing brand building strategies and advancing customer relationships. Her wealth of experience and uncanny way of engaging have aided in her profound footprint on both staff and customers alike. Prior to joining MDS in 2016, she enjoyed 17 years at some of the most respected companies in the industry including Glaxosmithkline Caribbean Limited.



RAYMOND ERNANDEZ
Chief Financial Officer

Mr. Hernandez shoulders the responsibility of all the Company's financial functions including accounting, audit and corporate finance. His career spans more than 26 years of varied experience across industries. He is an experienced Group Financial Controller with a track record of success in the Finance, Insurance, Shipping and Logistics and Retail sectors. He is a Fellow of the Institute of Chartered Accountants of Jamaica and holds a Master of Science Degree in Accounting from the University of the West Indies.



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, University of the West Indies.



NADINE BANTON
Human Resources and Administration

Appointed to the post of Human Resource & Administrative Manager in October 2020, Mrs. Banton has utilised her wealth of experience in partnering with executive teams and general staff to build strategic, people-focused human resources policies. She holds a Bachelor of Science Degree in Business Administration and a Postgraduate Diploma in Human Relations Management. She is currently pursuing the Society of Human Resources Management Senior Certified Professional Certification.



TARIN MONTAQUE
Purchasing & Logistics Manager

Ms. Tarin Montaque was appointed as the Company's Purchasing and Logistics Manager on October 1, 2020. Ms. Montaque holds a Bachelor of Science Degree in Business Administration with a major in Finance from Northern Caribbean University and also earned a Master of Science Degree in Logistics Engineering from the Caribbean Maritime University. Ms. Montaque has served in the areas of distribution, logistics and inventory management for the past 20 years.



LOUIS MANNING
Divisional Sales & Marketing Manager (Consumer)

Mr. Louis Manning joined the MDS team in June 2019 to lead the newest Division at MDS after excelling as divisional regional and commercial manager for leading local distributors as well as international principals. At MDS, Louis leads the build-out of this segment in keeping with MDS' strategic growth initiatives. He is a route to market professional with a demonstrated history of working in the Fast-Moving Consumer Goods (FMCG) industry. Mr. Manning holds a Bachelor of Science Degree in Business Administration from the University College of the Caribbean.

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PEOPLE
FOCUSED

HUMAN RESOURCE
REPORT

The pandemic's sudden arrival meant that we, like everyone else, had to reimagine ways of working in real time. This led to a focus on systems, processes and a greater adoption of digital and technological improvements and efficiencies. While these elements of business are undoubtedly necessary, particularly in our 'new normal', and while the enhancements to the ways in which we operate are very welcomed, we cannot lose sight of the core human element that has built the very essence of our MDS brand; the connection that provides both the personal touch necessary for our invaluable relationships with our external partners and preserves the legacy of our internal culture. To this end, we have been intent on having key processes and meetings most always being undertaken through face-to-face discourse or at least with enough individual attention to make remote interactions feel like personal ones.

Having this type of proximity with employees is also key to identifying potential people-related challenges, particularly in this period of attending to mental wellness, as well as identifying future leaders and the hidden champions who contribute more quietly though significantly. This has resulted in a few promotions from within the Company which has served as a source of motivation for others through observation that change and movement are possible.

In getting more personal with the employees, the HR Team resumed the use of casual and formal two-way dialogue which have contributed to a feeling of more openness, better communication, greater buy-in, greater cohesion, greater inclusion and greater performance.

RECRUITMENT

Another people focused avenue has been that of talent acquisition and honing our abilities to recruit the best-suited candidates for our Team across the entire organisation, filling specific sites with pockets of excellence.

ORIENTATION & ONBOARDING

Our new employees undergo our "Orientation and On-boarding – The MDS Way" programme, a first-class experience we pride ourselves on as part of the preparation process to more comfortably ease them into their roles, to guide faster adaptation and to provide better acclimation to the Company culture.

This took on even greater significance this year with our subsidiary company, Cornwall Enterprises Limited (CEL), becoming part of the fold. As two become one, it is only natural that there will be some growing pains, but we continue to advance steadily with the integration of systems and cultures through an ongoing, structured change management process.

SPIRIT COMMITTEE

"All work and no play" is a sure way to create an environment devoid of the passion and connectedness that spurs employees to extend their best efforts and misses the opportunity to tie the work body together. With this in mind, a Spirit Committee" was mindfully formed from an equitable representation of staff members across various roles, departments and gender divide to drive social activities within the organisation that will serve to stimulate internal enthusiasm.

The objectives of the Spirit Committee are to: Design activities aimed at keeping employees engaged and motivated.

- Foster high employee relationships.
- Solidify and improve the relationship between the employees and the Company.
- Create and maintain a thriving and energized workforce.

The "Spirit" Committee successfully executed its first official task in the planning of the General Staff Meeting held on July 23, 2021. This gathering was hosted under the theme "Reignite the Light" to evoke the spark needed to challenge each team member to reset and recommit to ensuring the achievement of the Company's strategic objectives.

This enthusiastic beginning was enhanced by a strong 90% participation in the end of (calendar) year 'Enigma' Mystery Gift Exchange and set the tone for the End of Year travel-themed party dubbed 'The Big Escape'.

Already, the investment and effort in building the Committee and the staff-led social activities have started to pay dividends by returning huge gains in corporate spirit, staff energy and commitment.

PERFORMANCE MANAGEMENT SYSTEM

In furtherance of the Company's focus on measurements and results, the Company's Performance Management System (PMS) was developed through a six-step approach to allow for the alignment and cascading of strategic objectives and targets throughout the Company, aligning them with the performance management process, and creating employee development plans that are connected to business strategy.

FUTURE FOCUSED, HUMAN FOCUSED

As we focus on the future of MDS' human potential, we put into sharp focus the Human Resource department's vision:

To ensure that MDS is the Employer of Choice by motivating, developing and training our employees while selecting and retaining the best fit for our Company.

CORPORATE SOCIAL RESPONSIBILITY

We work hard at being a company that our employees and our customers can be proud of. That means doing our best to support the many people and communities we serve. Even as Covid-19 impacted sponsorship budgets and the ability to financially support social initiatives, we remained focused on the health and productivity of our nation.

We continue to engage in the traditional sense through our support of Customers in the health sector and with health-based events and fairs.

Being well aware that active communities lead to healthier communities, we also remain particularly passionate about

youth development, with a focus on two pillars - sports and education - for the mental, social and emotional benefits they provide, the discipline they encourage, the spirit of determination they encourage and as the access point to a higher education and a brighter future for many.

'Taking Care' of business is only one of our responsibilities. 'Taking Care' of our communities is another of marked importance.

We have and will continue to strive to make meaningful positive contributions, building on this foundation as far as we can, for as long as we can.



ANTHRICK MANAGEMENT CORPORATE AREA HIGH SCHOOL DEVELOPMENT TRACK MEET



LTB UNDER 8 & UNDER 10 FOOTBALL TOURNAMENT





F O C U S E D

ON INSPIRING
OTHERS TO BE

M
POWERED
M&A



▲ The Legendary Queen of Reggae, Marcia Griffiths, giving an 'electric' performance



▲ Ivor Gordon, OTC Channel Manager 2022.



▲ Comedic legacy leader, Glen 'Titus' turntables as DJ Glen C



▲ The Ative Ennis, Commercial Director of Digicel Business with event host, Dr. Terri-Karelle Reid, discussing solutions for business growth and security.



▲ Dr. Norman Dunn, owner of the Sup over a cheque to Dr. Andrea Daly, Technology



...er of Dr. Reddy's Laboratories, the Premier Partner of Mpowered



▲ The MDS Mpowered Team



... Campbell, took his theatrics to another level - this time on the



...perMed Group of Pharmacies, and Kurt Boothe, CEO of MDS, hand... as contribution to the School of Pharmacy at the University of

"Mpowered 2022: Building An Empowering Legacy" was the third staging of our annual accredited learning and personal development experience held on January 30, 2022. The event is specially designed to focus on Pharmacists and their accumulation of credits to maintain their professional licensure. It also presents participants, all of whom receive complimentary entry, an 'Mpowering' opportunity for personal and professional introspection, development and growth.

This event delivery was the second in virtual format due to the continued mandates of covid-19. In addition to the education content and soul lifting motivational messages, the virtual guests were treated to legacy-filled conversations, rhythmic entertainment by the local comedic legend turned DJ, Glen Campbell and an unforgettable performance by the Queen of Reggae, Marcia Griffiths.



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AUDITED FINANCIAL STATEMENTS



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focusing on results. You
get results by focusing on
the actions that produce

RESULTS



**Medical Disposables & Supplies
Limited**

Financial Statements

March 31, 2022

Medical Disposables & Supplies Limited

March 31, 2022

Contents

	Page
Independent auditors' report	1-3
Financial Statements	
Consolidated Statement of Financial Position	4
Consolidated Statement of Profit or Loss	5
Consolidated Statement of Other Comprehensive Income	6
Consolidated Statement of Changes in Equity	7
Consolidated Statement of Cash Flows	8
Statement of Financial Position (The Company)	9
Statement of Profit or Loss (The Company)	10
Statement of Other Comprehensive income (The Company)	11
Statement of Changes in Equity (The Company)	12
Statement of Cash Flows (The Company)	13
Notes to the Financial Statements	14

Independent auditors' report

To the Members of
Medical Disposables & Supplies Limited

Report on the Audit of the Financial Statements

We have audited the consolidated and stand-alone financial statements of Medical Disposables & Supplies Limited (“the Company”) and its subsidiaries (together the Group) which comprise the consolidated and stand-alone statement of financial position as at March 31, 2022, the consolidated and stand-alone statement of profit or loss and other comprehensive income, consolidated and stand-alone statement of changes in equity and consolidated and stand-alone statement of cash flows for the year then ended and notes to the financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion, the consolidated and stand-alone financial statements give a true and fair view of the consolidated and stand-alone financial position of the Group and the Company as at March 31, 2022, and of the consolidated and stand-alone 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 Group and 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

We have determined there are no key audit matters to communicate in our report.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Stand-alone 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 consolidated and stand-alone financial statements, management is responsible for assessing the Group’s and 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 Group or the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group’s and Company’s financial reporting process.

hlbjm.com

Partners: Sixto P. Coy, Karen A. Lewis

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

Independent auditors' 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 Consolidated and Stand-alone Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and stand-alone 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 skepticism 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 Group's and 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 Group's or 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 consolidated and stand-alone 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 Group or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and stand-alone financial statements, including the disclosures, and whether the consolidated and stand-alone financial statements represent the underlying transactions and events in a manner that presents a true and fair view.

Independent auditors' 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 Consolidated and Stand-alone Financial Statements (cont'd)

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

We communicate with the Board of Directors 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.

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 Sixto P. Coy.



HLB Mair Russell
Chartered Accountants

Kingston, Jamaica

May 30, 2022

Medical Disposables & Supplies Limited

Consolidated Statement of Financial Position

March 31, 2022

	Note	2022 \$	2021 \$
Assets			
Non-current assets			
Property, plant and equipment	(3)	784,345,334	819,679,345
Right of use asset	(4)	6,140,411	780,065
Intangible assets	(5)	36,541,572	33,423,182
		827,027,317	853,882,592
Current assets			
Inventories	(6)	1,136,293,546	853,802,501
Trade and other receivables	(7)	533,271,081	457,389,463
Prepayments		10,743,890	5,188,312
Due from related party	(8)	23,800,688	-
Taxation recoverable	(9)	737,554	2,350,718
Cash and short-term deposits	(10)	145,701,094	116,644,932
		1,850,547,853	1,435,375,926
Total assets		2,677,575,170	2,289,258,518
Equity and liabilities			
Equity			
Share capital	(11)	107,835,764	107,835,764
Revaluation reserve	(12)	108,518,073	108,518,073
Retained profits		756,945,547	678,401,286
Non-controlling interest		130,858,434	122,391,000
Total equity		1,104,157,818	1,017,146,123
Liabilities			
Non-current liabilities			
Due on business acquisition	(13)	31,098,000	31,098,000
Lease liability	(4)	4,917,676	-
Borrowings	(14)	243,488,782	157,464,241
Deferred tax liability	(15)	42,403,680	21,710,392
		321,908,138	210,272,633
Current liabilities			
Lease liability	(4)	1,372,173	660,520
Bank overdraft	(10 & 16)	159,209,087	144,996,589
Borrowings	(14)	571,439,927	351,190,677
Trade and other payables	(17)	499,487,459	431,575,470
Due on business acquisition	(13)	-	121,500,000
Income tax payable		20,000,568	11,916,506
		1,251,509,214	1,061,839,762
Total liabilities		1,573,417,352	1,272,112,395
Total equity and liabilities		2,677,575,170	2,289,258,518

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

Approved for issue by the Board of Directors on May 30, 2022 and signed on its behalf by:



Director

Winston Boothe



Director

Kurt Boothe

Medical Disposables & Supplies Limited

Consolidated Statement of Profit or Loss

Year ended March 31, 2022

	Note	2022 \$	2021 \$
Revenue		3,416,303,288	2,422,806,606
Cost of sales	(19)	(2,479,839,025)	(1,823,914,361)
Gross profit		936,464,263	598,892,245
Other income	(18)	9,266,092	5,215,620
Administrative expenses	(19)	(395,864,896)	(254,825,054)
Selling and promotional costs	(19)	(274,278,543)	(225,344,159)
Impairment of financial assets		(14,392,991)	(1,000,000)
Depreciation and amortisation	(19)	(39,394,892)	(28,493,524)
Operating profit		221,799,033	94,445,128
Finance income	(21)	11,102,605	484,818
Finance costs	(21)	(71,654,631)	(70,085,966)
Gain on disposal of property, plant and equipment		3,179,640	50,000
Loss on foreign exchange		(17,968,707)	(11,042,237)
Gain arising on business acquisition	(22)	-	62,085,000
Profit before tax		146,457,940	75,936,743
Income tax expense	(23)	(41,025,192)	(6,322,960)
Net profit for the year		105,432,748	69,613,783
Net profit for the year attributable to:			
Owners of Medical Disposables & Supplies Limited		96,965,314	69,613,783
Non-Controlling interest		8,467,434	-
		105,432,748	69,613,783
Earnings per share attributable to owners of the company during the year:			
Basic and diluted	(24)	0.37	0.26

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

Medical Disposables & Supplies Limited

Consolidated Statement of Other Comprehensive Income

Year ended March 31, 2022

	Note	2022 \$	2021 \$
Net profit for the year		105,432,748	69,613,783
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Deferred tax liabilities related to revaluation		-	(8,617,126)
Other comprehensive loss net of tax		-	(8,617,126)
Total comprehensive income for the year		105,432,748	60,996,657
Total comprehensive income for the year attributable to:			
Owners of Medical Disposables & Supplies Limited		96,965,314	60,996,657
Non-Controlling interest		8,467,434	-
		105,432,748	60,996,657

Medical Disposables & Supplies Limited Consolidated Statement of Changes in Equity

Year ended March 31, 2022

	Share Capital \$	Revaluation Reserve \$	Retained Profits \$	Noncontrolling Interest \$	Total \$
Balance at March 31, 2020	107,835,764	117,135,199	608,878,503	-	833,758,466
Non-controlling interest	-	-	-	122,391,000	122,391,000
Profit for the year	-	-	69,613,783	-	69,613,683
Other comprehensive deficit	-	(8,617,126)	-	-	(8,617,126)
Total comprehensive income	-	-	69,613,783	-	60,996,657
Balance at March 31, 2021	107,835,764	108,518,073	678,401,286 (18,421,053)	122,391,000	1,017,146,123 (18,421,053)
Dividends (Note 25)	-	-	-	-	-
Profit for the year	-	-	96,965,314	8,467,434	105,432,748
Total comprehensive income	-	-	96,965,314	8,467,434	105,432,748
Balance at March 31, 2022	107,835,764	108,518,073	756,945,547	130,858,434	1,104,157,818

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

Medical Disposables & Supplies Limited

Consolidated Statement of Cash Flows

Year ended March 31, 2022

	Note	2022 \$	2021 \$
Cash flows from operating activities:			
Profit before tax		146,457,940	75,936,743
Adjustments for:			
Depreciation and amortisation		39,394,892	28,493,524
Interest expense	(21)	71,654,631	70,085,966
Interest income	(21)	(11,102,605)	(484,818)
Gain on disposal of property, plant, and equipment		(3,179,640)	(50,000)
Gain on business acquisition		-	(62,085,000)
		243,225,218	111,896,415
Increase in inventories		(282,491,044)	(157,721,381)
(Increase)/ decrease in trade and other receivables		(75,881,617)	143,876,148
(Increase)/decrease in prepayments		(5,555,578)	1,622,657
Increase/(decrease) in trade and other payables		67,911,988	(39,276,384)
Increase in due from related party		(23,800,688)	-
Cash (used in)/generated from operations		(76,591,721)	60,397,455
Interest paid		(71,654,631)	(70,085,966)
Income taxes paid		(11,382,341)	-
Net cash used in operating activities		(159,628,693)	(9,688,511)
Cash flows from investing activities:			
Interest received (net of withholding tax)		12,152,470	474,550
Purchase of property, plant and equipment	(3)	(1,972,272)	(10,772,341)
Proceeds from disposal of property, plant and equipment		6,830,000	50,000
Purchase of intangible asset	(5)	(7,132,613)	-
Net cash provided by/(used) in investing activities		9,877,585	(10,247,791)
Cash flows from financing activities:			
Proceeds from borrowings		671,500,000	508,654,918
Repayment of borrowings		(365,226,209)	(391,739,932)
Lease repayment		(1,757,966)	(1,444,757)
Dividends paid		(18,421,053)	-
Paid on business acquisition		(121,500,000)	-
Net cash provided by financing activities		164,594,772	115,470,229
Net increase in cash and cash equivalents		14,843,664	95,533,927
Cash and cash equivalents at beginning of year		(28,351,657)	(123,885,584)
Cash and cash equivalents at end of year	(10)	(13,507,993)	(28,351,657)

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

Medical Disposables & Supplies Limited

Statement of Financial Position (The Company)

Year ended March 31, 2022

	Note	2022 \$	2021 \$
Assets			
Non-current assets			
Property, plant and equipment	(3)	568,535,295	595,368,345
Right of use asset	(4)	6,140,411	780,065
Intangible assets	(5)	6,911,572	544,182
Investment in subsidiaries		121,500,000	121,500,000
		<u>703,087,278</u>	<u>718,192,592</u>
Current assets			
Inventories	(6)	914,156,800	729,321,501
Trade and other receivables	(7)	469,220,034	385,528,463
Prepayments		10,743,890	5,188,312
Taxation recoverable	(9)	735,696	2,350,718
Due from related party	(8)	77,361,221	-
Cash and short-term deposits	(10)	105,188,435	116,644,932
		<u>1,577,406,076</u>	<u>1,239,033,926</u>
Total assets		<u>2,280,493,354</u>	<u>1,957,226,518</u>
Equity and liabilities			
Equity			
Share capital	(11)	107,835,764	107,835,764
Revaluation reserve	(12)	108,518,073	108,518,073
Retained profits		682,159,396	616,316,286
Total equity		<u>898,513,233</u>	<u>832,670,123</u>
Liabilities			
Non-current liabilities			
Lease liability	(4)	4,917,676	-
Borrowings	(14)	243,488,782	157,464,241
Deferred tax liability	(15)	10,750,392	10,750,392
		<u>259,156,850</u>	<u>168,214,633</u>
Current liabilities			
Lease liability	(4)	1,372,173	660,520
Bank overdraft	(10 & 16)	156,088,774	144,996,589
Borrowings	(14)	571,439,927	351,190,677
Trade and other payables	(17)	380,881,543	326,077,470
Due on business acquisition	(13)	-	121,500,000
Income tax payable		13,040,854	11,916,506
		<u>1,122,823,271</u>	<u>956,341,762</u>
Total liabilities		<u>1,381,980,121</u>	<u>1,124,556,395</u>
Total equity and liabilities		<u>2,280,493,354</u>	<u>1,957,226,518</u>

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

Approved for issue by the Board of Directors on May 30, 2022 and signed on its behalf by:



Director

Winston Boothe



Director

Kurt Boothe

Medical Disposables & Supplies Limited

Statement of Profit or Loss (The Company)

Year ended March 31, 2022

	Note	2022 \$	2021 \$
Revenue		2,825,999,494	2,422,806,606
Cost of sales	(19)	(2,086,080,238)	(1,823,914,361)
Gross profit		739,919,256	598,892,245
Other income	(18)	5,486,130	5,215,620
Administrative expenses	(19)	(288,880,592)	(254,825,054)
Selling and promotional costs	(19)	(256,192,216)	(225,344,159)
Impairment of financial assets		(1,000,000)	(1,000,000)
Depreciation and amortisation	(19)	(26,676,720)	(28,493,524)
Operating profit		172,655,859	94,445,128
Finance income	(21)	11,056,883	484,818
Finance costs	(21)	(71,137,965)	(70,085,966)
Gain on disposal of property, plant and equipment		2,899,640	50,000
Loss on foreign exchange		(17,838,064)	(11,042,237)
Profit before tax		97,636,353	13,851,743
Income tax expense	(23)	(13,372,190)	(6,322,960)
Net profit for the year		84,264,163	7,528,783

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

Medical Disposables & Supplies Limited
Statement of Other Comprehensive Income (The Company)
Year ended March 31, 2022

	Note	2022	2021
		\$	\$
Net profit for the year		<u>84,264,163</u>	<u>7,528,783</u>
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Deferred tax liabilities related to revaluation		-	(8,617,126)
Other comprehensive loss net of tax		<u>-</u>	<u>(8,617,126)</u>
Total comprehensive income/(loss) for the year		<u><u>84,264,133</u></u>	<u><u>(1,088,343)</u></u>

Medical Disposables & Supplies Limited

Statement of Changes in Equity (The Company)

Year ended March 31, 2022

	Share Capital \$	Revaluation Reserve \$	Retained Profits \$	Total \$
Balance at March 31, 2020	107,835,764	117,135,199	608,787,503	833,758,466
Profit for the year	-	-	7,528,783	7,528,783
Other comprehensive loss	-	(8,617,126)	-	(8,617,126)
Total comprehensive deficit for the year	-	(8,617,126)	7,528,783	(1,088,343)
Balance at March 31, 2021	107,835,764	108,518,073	616,316,286	832,670,123
Dividend for the year	-	-	(18,421,053)	(18,421,053)
Profit for the year	-	-	84,264,163	84,264,163
Total comprehensive income for the year	-	-	84,264,163	84,264,162
Balance at March 31, 2022	107,835,764	108,518,073	682,159,396	898,513,233

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

Medical Disposables & Supplies Limited

Statement of Cash Flows (The Company)

Year ended March 31, 2022

	Note	2022 \$	2021 \$
Cash flows from operating activities:			
Profit before tax		97,636,353	13,851,743
Adjustments for:			
Depreciation and amortisation	(19)	26,676,720	28,493,524
Interest expense	(21)	71,137,965	70,085,966
Interest income	(21)	(11,056,883)	(484,818)
Gain on disposal of property, plant, and equipment		(2,899,640)	(50,000)
		181,494,515	111,896,415
Increase in inventories		(184,835,299)	(157,721,381)
(Increase)/decrease in trade and other receivables		(83,691,571)	143,876,148
Increase/(decrease) in prepayments		(5,555,578)	1,622,657
Increase/(decrease) in trade and other payables		54,804,073	(39,276,114)
Increase in due from related party		(77,361,221)	-
Cash generated from/(used in) operations		(115,145,081)	60,397,455
Interest paid		(71,137,965)	(70,085,966)
Income taxes paid		(10,330,616)	-
Net cash used in operating activities		(196,613,662)	(9,688,511)
Cash flows from investing activities:			
Interest received (net of withholding tax)		11,056,883	474,550
Purchase of property, plant and equipment	(3)	(1,004,062)	(10,772,341)
Proceeds from disposal of property, plant and equipment		6,550,000	50,000
Purchase of intangible asset	(5)	(7,132,613)	-
Net cash provided/(used in) investing activities		9,470,208	(10,247,791)
Cash flows from financing activities:			
Proceeds from borrowings		671,500,000	508,654,918
Repayment of borrowings		(365,226,209)	(391,739,932)
Lease repayment		(1,757,966)	(1,444,757)
Dividends paid		(18,421,053)	-
Paid on business acquisition		(121,500,000)	-
Net cash provided by financing activities		164,594,772	115,470,229
Net (decrease)/increase in cash and cash equivalents		(22,548,682)	95,533,927
Cash and cash equivalents at beginning of year		(28,351,657)	(123,885,584)
Cash and cash equivalents at end of year	(10)	(50,900,339)	(28,351,657)

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

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2022

1. Identification and principal activities

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

Medical Disposables & Supplies Limited is the parent company of Cornwall Enterprises Limited. The subsidiary is 60% owned by the Company. The Company and its subsidiary are referred to as the Group.

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

Subsidiary

The subsidiary incorporated in Jamaica, with operating activities as follows:

Company	Shareholdings	Main activities
Cornwall Enterprises Limited	60%	Retail and wholesale of Pharmaceutical, medical and other supplies

2. Summary of significant accounting policies

a Basis of preparation

These consolidated and stand-alone financial statements have been prepared in accordance with and comply with International Financial Reporting Standards (IFRS) and have been prepared under the historical cost convention as modified by the revaluation of certain fixed and financial assets, investment properties and financial liabilities.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2t.

Standards, interpretations and amendments to published standards effective in the current year

Certain new standards, interpretations and amendments to existing standards have been published that became effective during the current financial year. The Group has assessed the relevance of all such new standards, interpretations and amendments and has put into effect the following:

Amendments to IAS 1 and IAS 8 on the definition of material. 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 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.

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2022

2. Summary of significant accounting policies

a Basis of preparation (cont'd)

Standards, interpretations and amendments to published standards effective in the current year (cont'd)

Amendments to IFRS 9 IAS 39, IFRS 4, IFRS 16 and IFRS 7- Interest rate benchmark reform. These amendments provide certain reliefs in connection with interest rate benchmark reform. The reliefs relate to hedge accounting and have the effect that IBOR reform should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the income statement.

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

At the date of approval of these financial statements, certain new standards amendments and interpretations to existing standards have been published but are not yet effective, and have not been early adopted by the company.

Management anticipates that all relevant pronouncements will be adopted in the group's accounting policies for the first period beginning after the effective date of the pronouncement.

New standards, interpretations and amendments not early adopted or listed below are not expected to have a material impact on the company's financial statements.

Amendments to IAS 1, 'Presentation of financial statements', on classification of liabilities, (effective for annual periods beginning on or after January 1, 2022). These narrow-scope amendments to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.

A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 37 and some annual improvements on IFRS 1, IFRS 9 and IFRS 16, (effective for annual periods beginning on or after 1 January 2022). Amendments to IFRS 3, 'Business combinations' update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations. Amendments to IAS 16, 'Property, plant and equipment' prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss. Amendments to IAS 37, 'Provisions, contingent liabilities and contingent assets' specify which costs a company includes when assessing whether a contract will be loss-making. Annual improvements make minor amendments to IFRS 1, 'First-time Adoption of IFRS', IFRS 9, 'Financial instruments' and the Illustrative examples accompanying IFRS 16, 'Leases'.

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2022

2. Summary of significant accounting policies

a Basis of preparation (cont'd)

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group and Company (cont'd)

Amendments to IAS 12 – deferred tax relates to assets and liabilities arising from a single transaction.

(effective for annual periods beginning on or after 1 January 2023). These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.

Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8, (effective for annual periods beginning on or after January 1, 2023). The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.

b Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities over which the Group has control. The Group has control over an entity when the Group is exposed to the variable returns from its ownership interest in the entity and when the Group can effect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group, and subsidiaries are de-consolidated from the date on which control ceases.

All material intra-Group balances, transactions and gains are eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

The Group uses the acquisition method of accounting when control over entities and insurance businesses is obtained by the Group. The cost of an acquisition is measured as the fair value of the identifiable assets given, the equity instruments issued and the liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date irrespective of the extent of any minority interest. Acquisition-related costs are expensed as incurred.

The excess of the cost of the acquisition, the non-controlling interest recognised and the fair value of any previously held equity interest in the acquiree, over the fair value of the net identifiable assets acquired is recorded as goodwill. If there is no excess and there is a shortfall, the Group reassesses the net identifiable assets acquired. If after reassessment, a shortfall remains, the acquisition is deemed to be a bargain purchase and the shortfall is recognised in income as a gain on acquisition. Any non-controlling interest balances represent the equity in a subsidiary not attributable to the Group's interests.

On an acquisition-by-acquisition basis, the Group recognises at the date of acquisition the components of any minority interest in the acquiree either at fair value or at the proportionate share of the acquiree's net identifiable assets. The latter option is only available if the minority interest component is entitled to a proportionate share of net identifiable assets of the acquiree in the event of liquidation.

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2022

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

b Basis of consolidation

Non-controlling interest balances are subsequently re-measured by the minority's proportionate share of changes in equity after the date of acquisition. Investments in subsidiaries are stated in the Company's financial statements at cost less impairment.

- (ii) Change in ownership interests in subsidiaries without change in control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity, Gains or losses on disposals to non-controlling interests are also recorded in equity.

c Segment reporting

An operating segment is a component of the Group 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 segment and assess its performance. The Group has three operating segments, pharmaceuticals, medical and consumables.

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions.

d Property, plant and equipment

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

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 valuers 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.

- (ii) 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.

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2022

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

d Property, plant and equipment

The following useful lives are applied:

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

(iii) 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.

e Inventories

Inventories are stated at the lower of cost, determined on the average cost basis, and net realisable value. Cost represents invoiced cost-plus direct inventory related expenses; net realisable value is based upon estimated selling price less cost to sell.

f 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.

g Finance and other income

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

h Foreign currency translation

Functional and presentation currency

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

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.

i 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.

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2022

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

j 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.

k Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI)

In the periods presented, the Group had no financial assets categorised as FVOCI.

The classification is determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2022

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

k Financial instruments (cont'd)

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows.
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model other than 'hold to collect' or hold to collect and sell are categorised at fair value through profit and loss. Further, irrespective of business model, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL.

The category also contains equity investments. The Group accounts for these equity investments at FVTPL and did not make the irrevocable election to account for these equity investments at fair value through other comprehensive income (FVOCI).

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Financial assets at fair value through other comprehensive income (FVOCI)

The Group account for financial assets at FVOCI if the assets meet both of the following conditions:

- they are held under a business model whose objective is achieved by both collecting the contractual cash flows and selling the financial assets and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Any gains or losses are recognised in other comprehensive income (OCI).

Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. This replaces IAS 39's 'incurred loss model'. Instruments within the scope of the new requirements financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2022

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

k Financial instruments (cont'd)

Recognition of credit losses is no longer dependent on the Group first identifying a credit loss event. Instead, the Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made 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 credit 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.

Other receivables and contract assets

The Group makes use of a simplified approach in accounting for impairment of other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Company uses its historical experience, external indicators, and forward-looking information to calculate the expected credit losses using a provision matrix.

The Group assess impairment of other receivables on a collective basis as they possess shared credit risk characteristics and have been grouped based on the days past due.

Classification and measurement of financial liabilities

The Group's financial liabilities include borrowings, lease liability, bank overdraft, trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs, unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2022

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

l Borrowings (cont'd)

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.

m Impairment

The Group 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.

n Intangible assets

Certain relations and trade names acquired in a business combination that qualify for separate recognition are recognised as intangible assets at their fair values.

All finite-lived intangible assets are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing as described in Note 2(m). The following useful lives are applied:

- Acquired software: 5 years
- Customer relations: 7 years

Trade name is carried at cost less amortised impairment losses.

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.

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2022

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

o 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.

p Leases

At lease commencement date, the Group 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 Group, 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 Group 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 Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group 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 Group'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.

q 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.

r 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.

s Short-term employee benefits

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

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2022

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

t 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 Group'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.

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2022

3. Property, plant and equipment comprise: (The Group)

The carrying amounts for property, plant and equipment for the period included in these financial statements as at March 31, 2022 can be analysed as follows:

	Land and Buildings \$	Furniture Fixtures and Equipment \$	Computers \$	Motor Vehicles \$	Total \$
Gross carrying amount					
Balance at April 1, 2021	743,461,791	122,608,914	15,620,349	42,950,106	924,641,160
Additions	-	1,050,613	921,659	-	1,972,272
Disposals	-	(20,601)	-	(8,135,580)	(8,156,181)
Balance at March 31, 2022	743,461,791	123,638,926	16,356,286	34,814,526	918,457,251
Depreciation					
Balance at April 1, 2021	(11,848,625)	(52,465,180)	(10,418,206)	(30,229,804)	(104,961,815)
Charge for the year	(14,806,073)	(12,452,924)	(2,076,657)	(4,320,270)	(33,655,924)
Disposals	-	3,948	-	4,501,873	4,505,821
Balance at March 31, 2022	(26,614,698)	(65,928,320)	(12,494,863)	(30,048,201)	(134,111,918)
Carrying amount at March 31, 2022	716,870,931	57,710,606	3,861,423	4,766,325	784,345,334

- i Land and buildings were revalued by independent valuers, 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 \$514,280,017 (2020 - \$329,637,647).
- iii Land and buildings have been pledged as security for loans received from a financial institution (Note 14).

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2022

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

	Land and Buildings \$	Furniture Fixtures and Equipment \$	Computers \$	Motor Vehicles \$	Total \$
Gross carrying amount					
Balance at April 1, 2020	540,000,000	93,909,492	12,698,221	43,227,834	689,835,547
Additions	7,552,791	1,727,422	1,492,128	-	10,772,341
Acquired on Business Acquisition	195,909,000	26,972,000	1,430,000	-	224,311,000
Disposals	-	-	-	(277,728)	(277,728)
Balance at March 31, 2021	743,461,791	122,608,914	15,620,349	42,950,106	924,641,160
Depreciation					
Balance at April 1, 2020	(1,692,029)	(42,732,014)	(8,530,224)	(25,809,573)	(78,763,840)
Charge for the year	(10,156,596)	(9,733,166)	(1,887,982)	(4,697,959)	(26,475,703)
Disposals	-	-	-	277,728	277,728
Balance at March 31, 2021	(11,848,625)	(52,465,180)	(10,418,206)	(30,229,804)	(104,961,815)
Carrying amount at March 31, 2021	731,613,166	70,143,734	5,202,143	12,720,302	819,679,345

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2022

3. **Property, plant and equipment comprise: (The Company)**

The carrying amounts for property, plant and equipment for the period included in these financial statements as at March 31, 2022 can be analysed as follows:

	Land and Buildings \$	Furniture Fixtures and Equipment \$	Computers \$	Motor Vehicles \$	Total \$
Gross carrying amount					
Balance at April 1, 2021	547,552,791	95,636,914	14,190,349	42,950,106	700,330,160
Additions	-	457,241	546,821	-	1,004,062
Disposals	-	20,601	-	(8,135,580)	(8,156,181)
Balance at March 31, 2022	547,552,791	96,073,554	14,737,170	34,814,526	693,178,041
Depreciation					
Balance at April 1, 2021	(11,848,625)	(52,465,180)	(10,418,206)	(30,229,804)	(104,961,815)
Charge for the year	(10,132,196)	(8,401,183)	(1,333,103)	(4,320,270)	(24,186,752)
Disposals	-	3,948	-	4,501,873	4,505,821
Balance at March 31, 2022	(21,980,821)	(60,862,415)	(11,751,309)	(30,048,201)	(124,642,746)
Carrying amount at March 31, 2022	525,571,970	35,211,140	2,985,861	4,766,324	568,535,295

i Land and buildings were revalued by independent valuers, 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 \$323,044,894 (2021 - \$329,637,647).

iii Land and buildings have been pledged as security for loans received from a financial institution (Note 14).

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2022

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

	Land and Buildings \$	Furniture Fixtures and Equipment \$	Computers \$	Motor Vehicles \$	Total \$
Gross carrying amount					
Balance at April 1, 2020	540,000,000	93,909,492	12,698,221	43,227,834	689,835,547
Additions	7,552,791	1,727,422	1,492,128	-	10,772,341
Disposals	-	-	-	(277,728)	(277,728)
Balance at March 31, 2021	547,552,791	95,636,914	14,190,349	42,950,106	700,330,160
Depreciation					
Balance at April 1, 2020	(1,692,029)	(42,732,014)	(8,530,224)	(25,809,573)	(78,763,840)
Charge for the year	(10,156,596)	(9,733,166)	(1,887,982)	(4,697,959)	(26,475,703)
Disposals	-	-	-	277,728	277,728
Balance at March 31, 2021	(11,848,625)	(52,465,180)	(10,418,206)	(30,229,804)	(104,961,815)
Carrying amount at March 31, 2021	535,704,166	43,171,734	3,772,143	12,720,302	595,368,345

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2022

4. Leases (The Group and Company)

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

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

(a) **Right of use asset**

	Leasehold properties \$	
Gross carrying amount		
Balance at April 1, 2021		-
Addition		7,085,091
Balance at March 31, 2022		<u>7,085,091</u>
Depreciation		
Charge for the year		(944,680)
Carrying amount at March 31, 2022		<u><u>6,140,411</u></u>
	2022	2021
	\$	\$
Balance as at April 1,	780,065	2,184,182
Charge for the year	(780,065)	(1,404,117)
Balance at March 31,	<u>-</u>	<u><u>780,065</u></u>

(b) **Lease liability**

	2022	2021
	\$	\$
Current	1,372,173	660,520
Non-current	4,917,676	-
	<u>6,289,849</u>	<u>660,520</u>
	2022	2021
	\$	\$
Balance at April 1,	660,520	2,105,277
Addition	7,085,091	-
Lease payment	(1,230,453)	(1,289,674)
Interest expense	(225,309)	(155,083)
Balance at March 31,	<u>6,289,849</u>	<u>660,520</u>

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2022

4. Leases (The Group and Company) (cont'd)

(b) Lease liability (cont'd)

	Within 1 year	1 - 2 years	2 - 3 years	3 - 4 years	Over 5 years	Total
	\$	\$	\$	\$	\$	\$
Lease payments	(1,802,679)	(1,742,470)	(1,702,954)	(1,702,098)	(425,547)	(7,374,748)
Finance charges	430,506	329,598	219,016	100,376	5,403	1,084,899
Net present values	(1,372,173)	(1,412,872)	(1,482,938)	(1,601,722)	(420,144)	(6,289,849)

(c) Amounts recognised in profit or loss

	2022	2021
	\$	\$
Amortisation charged on right-of-use asset	1,724,744	1,404,117
Interest expense on lease liabilities	225,309	155,083
	1,950,053	1,559,200

(d) Amounts recognised in the statement of cash flow

	2022	2021
	\$	\$
Depreciation	1,724,744	1,404,117
Interest expense on lease	225,309	155,083
Repayment of lease	(1,757,966)	(1,44,757)

5. Intangible assets (The Group)

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

	Customer relations and trade name	Acquired Software	Total
	\$	\$	\$
Gross carrying amount			
Balance at April 1, 2021	32,879,000	8,277,694	41,156,694
Additions	-	7,132,613	7,132,613
Balance at March 31, 2022	32,879,000	15,410,307	48,289,607
Amortisation			
Balance at April 1, 2021	-	(7,733,512)	(7,733,512)
Charge for the year	(3,249,000)	(765,223)	(4,014,223)
Balance at March 31, 2022	(3,249,000)	(8,498,735)	(11,747,735)
Carrying amount at March 31, 2022	29,630,000	6,911,572	36,541,572

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2022

5. Intangible assets (The Group) (cont'd)

	Customer relations and trade name \$	Acquired Software \$	Total \$
Gross carrying amount			
Balance at April 1, 2020	-	8,277,694	8,277,694
Acquired on business acquisition	32,879,000	-	32,879,000
Balance at March 31, 2021	32,879,000	8,277,694	41,156,694
Amortisation			
Balance at April 1, 2020	-	(7,119,808)	(7,119,808)
Charge for the year	-	(613,704)	(613,704)
Balance at March 31, 2021	-	(7,733,512)	(7,733,512)
Carrying amount at March 31, 2021	32,879,000	544,182	33,423,182

Intangible assets (The Company)

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

	Acquired Software \$	Total \$
Gross carrying amount		
Balance at April 1, 2021	8,277,694	8,277,694
Addition	7,132,613	7,132,613
Balance at March 31, 2022	15,410,307	15,410,307
Amortisation		
Balance at April 1, 2021	(7,733,512)	(7,733,512)
Charge for the year	(765,223)	(765,223)
Balance at March 31, 2022	(8,498,735)	(8,498,735)
Carrying amount at March 31, 2022	6,911,572	6,911,572

	Acquired Software \$	Total \$
Gross carrying amount		
Balance at April 1, 2020	8,277,694	8,277,694
Balance at March 31, 2021	8,277,694	8,277,694
Amortisation		
Balance at April 1, 2020	(7,119,808)	(7,119,808)
Charge for the year	(613,704)	(613,704)
Balance at March 31, 2021	(7,733,512)	(7,733,512)
Carrying amount at March 31, 2021	544,182	544,182

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2022

6. Inventories	The Group		The Company	
	2022	2021	2022	2021
	\$	\$	\$	\$
Pharmaceuticals	607,365,798	485,233,723	555,560,478	360,752,703
Medical and other supplies	462,174,186	259,920,705	291,842,761	259,920,705
Goods in transit	66,753,562	116,766,352	66,753,561	116,966,352
	<u>1,136,293,546</u>	<u>862,120,780</u>	<u>914,156,500</u>	<u>737,639,780</u>
Less provision	-	(8,318,279)	-	(8,318,279)
Total	<u>1,136,293,546</u>	<u>853,802,501</u>	<u>914,156,800</u>	<u>729,321,501</u>

The cost of inventories recognised as an expense during the year was \$2,479,839,025 (2021 -\$1,823,914,361). This includes \$13,280,880 (2021 – 22,412,217) in respect of expired items and write-downs to net realisable value.

7. Trade and other receivables	The Group		The Company	
	2022	2021	2022	2021
	\$	\$	\$	\$
Trade	437,496,716	404,892,838	366,626,737	333,031,838
Less: Allowance for expected credit loss	(21,604,908)	(7,211,917)	(8,211,917)	(7,211,917)
	<u>415,891,808</u>	<u>397,680,921</u>	<u>358,414,820</u>	<u>325,819,921</u>
Other	117,379,273	59,708,542	110,805,214	59,708,542
Total	<u>533,271,081</u>	<u>457,389,463</u>	<u>469,220,034</u>	<u>385,528,463</u>

The average credit period on sale of goods is 30 – 60 days. The Group provides for approximately 100% of trade receivables over 365 days.

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

	The Group		The Company	
	2022	2021	2022	2021
	\$	\$	\$	\$
Not more than 3 months	340,351,079	337,729,404	324,633,619	302,103,685
More than 3 months but not more than 6 months	42,721,054	38,340,976	21,845,826	16,963,862
More than 6 months but not more than 1 year	16,206,716	21,611,541	3,107,980	6,750,734
More than 1 year	16,612,959	-	-	-
Total	<u>415,891,808</u>	<u>397,681,921</u>	<u>358,414,820</u>	<u>325,819,921</u>

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2022

8. Related party balances and transactions (The Group)

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

	2022	2021
	\$	\$
Included in trade and other receivables	-	1,554,639
Included in trade and other payables	22,961,763	10,133,677
Disclosed as due from related party	23,800,688	-

- ii Transactions with key management personnel

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

	2022	2021
	\$	\$
Short-term employee benefits – Salaries including bonuses	43,673,572	24,568,595
Total	43,673,572	24,568,595

- iii The statement of profit or loss and other comprehensive income includes transactions with Charlie Pharmacy, and Benchmark Trading Co. Ltd, controlled by directors.

	2022	2021
	\$	\$
Sales	14,207,408	13,164,263
Purchases	108,160,543	54,037,998
Directors' fees	5,230,904	2,407,500

Related party balances and transactions (The Company)

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

	2022	2021
	\$	\$
Disclosed as due from related party	77,361,221	-
Included in trade and other receivables	16,656,843	17,086,037
Included in trade and other payables	22,961,763	32,266,334

- ii Transactions with key management personnel

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

	2022	2021
	\$	\$
Short-term employee benefits – Salaries including bonuses	25,073,572	23,441,595
Total	25,073,572	23,441,995

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2022

8. Related party balances and transactions (The Company) (cont'd)

- iii The statement of profit or loss and other comprehensive income includes transactions with Charlie Pharmacy, Benchmark Trading Co. Ltd, controlled by directors, and Cornwall Enterprise Limited, a related company.

	2022 \$	2021 \$
Sales	47,322,402	42,059,131
Purchases	108,160,543	119,888,994
Directors' fees	3,498,750	2,407,500

9. Taxation recoverable (The Group and Company)

This represents withholding tax recoverable that is still being pursued by management.

10. Cash and short-term deposit (The Group)

	Interest Rate % p.a.	2022 \$	2021 \$
Cash and short-term deposits:			
Bank and cash:			
Petty Cash		6,239,511	176,563
- J\$ Current account		58,160,860	21,420,731
- US\$ Savings account (US\$529,416) (2021 – US\$ 665,078)	0.01 – 0.05	81,164,788	94,907,745
Sterling savings account (£76) (2021 - £95))	0.05	14,975	18,933
Cash at bank and in hand		145,580,134	116,523,972
Short-term deposits	2.0 - 2.85	120,960	120,960
Total cash and short-term deposits		145,701,094	116,644,932
Less: Bank overdraft (Note 16)		(159,209,087)	(144,996,589)
Total cash and cash equivalents		(13,507,993)	(28,351,657)

Cash and short-term deposit (The Company)

	Interest Rate % p.a.	2022 \$	2021 \$
Cash and short-term deposits:			
Bank and cash:			
Petty Cash		143,304	176,563
- J\$ Current account		24,873,813	21,420,731
- US\$ Savings account (US\$522,049) (2021 – US\$ 655,078))	0.01 – 0.05	80,035,383	94,907,745
Sterling savings account (£76) (2021 - £95))	0.05	14,975	18,933
Cash at bank and in hand		105,067,475	116,523,972
Short-term deposits	2.0 - 2.85	120,960	120,960
Total cash and short-term deposits		105,188,435	116,644,932
Less: Bank overdraft (Note 16)		(156,088,774)	(144,996,589)
Total cash and cash equivalents		(50,900,339)	(28,351,657)

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2022

11. Share capital (The Group and Company)

	2022	2021
	\$	\$
Authorised: 408,000,000 ordinary shares		
Issued shares at no par value 263,157,895 ordinary shares	107,835,764	107,835,764

12. Revaluation reserve (The Group and Company)

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

	2022	2021
	\$	\$
Balance at April 1	108,518,073	117,135,199
Deferred tax related to revaluation	-	(8,617,126)
Balance at end of the year	108,518,073	108,518,073

13. Due on business acquisition (The Group)

	2022	2021
	\$	\$
Current	-	121,500,000
Non-current	31,098,000	31,098,000
	31,098,000	152,598,000

Due on business acquisition (The Company)

	2022	2021
	\$	\$
Current	-	121,500,000
	-	121,500,000

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2022

14. Borrowings (The Group and Company)

	2022	2021
	\$	\$
(a) National Commercial Bank (NCB):		
Revolving loan	550,000,000	350,000,000
Amortising loan facility	248,964,469	141,500,000
(b) Sagicor Bank of Jamaica		
Demand loan	15,964,240	17,154,918
	814,928,709	508,654,918
Current portion	(571,439,927)	(351,190,677)
Non-current	243,488,782	157,464,241

(a) National Commercial Bank (NCB)

- Loan of \$141,500,000, was received July 29, 2021. The loan is repayable by one hundred and twenty (120) monthly instalments of \$1,606,704. Interest on the loan is 5.95%.
- A revolving loan of \$400,000,000 available via multiple short term draw downs with maximum tenure of six (6) months.
- Loan of \$121,500,000, was received April 05, 2021. The loan is repayable by one hundred and twenty (120) monthly instalments of \$1,379,607 with a principal moratorium of 6 months. Interest rate fixed is 6.5% for the first 96 months and is variable thereafter.
- Unsecured Loan of \$200,000,000 was received September 30, 2021, at an interest rate of 6.5%.

The loans and overdraft are secured by:

Debenture over fixed and floating assets of the Company, collaterally stamped and supported by:

- First Legal Mortgage over commercial property registered by Volume 1,327 folios 620 & 621 and Volume 1312 folio 165 located at Units 25, 26 & 27 The Domes, 85 Hagley Park Road, Kingston 10 in the parish of St. Andrew in the name of Medical Disposables and Supplies Limited with a current market value of \$420,000,000.

Assignment of All Risk Peril Insurance policy over assets of the company.

(b) Sagicor Bank Jamaica Limited

A demand loan of \$17,500,000 was received on December 23, 2020. The loan is repayable by one hundred and twenty (120) monthly instalments of \$207, 925. Interest on the loan is 7.85%.

The loan is secured by:

- First Demand Mortgage over commercial property located at 4 Carpenter Road, Kingston 11 registered at Volume 1194 Folio 596 in the name of Medical Disposables and Supplies Limited STC: JMD\$17,250,000.

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2022

15. Deferred tax liabilities (The Group and Company)

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

	2022	2021
	\$	\$
Property, plant, and equipment	42,403,680	21,710,392

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:

	The Group		The Company	
	2022	2021	2022	2021
	\$	\$	\$	\$
Balance at beginning of year	21,710,392	2,419,746	10,750,392	2,419,746
Recognised in business acquisition	-	10,960,000	-	-
Charges to tax expense (Note 23)	20,693,288	(286,480)	-	(286,480)
Deferred tax liabilities related to revaluation (Note 12)	-	8,617,126	-	8,617,126
Deferred tax liability	42,403,680	21,710,392	10,750,392	10,750,392

16. Bank overdraft (The Group)

- (i) The Group and Company have an overdraft facility of \$130,000,000 with Sagicor Bank Limited at a rate of 8.5% per annum. The facility is unsecured.
- (ii) The Group and Company have an overdraft facility of \$200,000,000 with National Commercial Bank at a rate of 9.5% per annum. The facility is unsecured.
- (iii) The Group has an overdraft facility of \$75,000,000 with National Commercial Bank at a rate of 9.5% per annum. The facility is unsecured.

17. Trade and other payables

	The Group		The Company	
	2022	2021	2022	2021
	\$	\$	\$	\$
Trade	407,147,350	341,257,188	394,257,304	235,759,188
Accruals	25,730,892	35,259,553	257,730,892	35,259,551
Other	66,609,217	55,058,729	60,893,347	55,058,729
Total	499,487,459	431,575,470	380,881,543	326,077,470

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

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2022

18. Other income	The Group		The Company	
	2022	2021	2022	2021
	\$	\$	\$	\$
Warehousing service fee	5,485,129	5,215,620	5,486,130	5,215,620
Rental	3,779,963	-	-	-
Total	9,266,092	5,215,620	5,486,130	5,215,620

The Company has a Warehousing Service Agreement with a supplier to provide warehousing and other ancillary services and Cornwall Enterprise Limited has a rented office space to a tenant at Fairview, Montego Bay, St James.

19. Expenses by nature (The Group)

Total direct, administrative and other operating expenses:

	2022	2021
	\$	\$
Cost of inventories recognised as expense	2,479,839,025	1,823,914,361
Administrative and other expenses		
Directors' remuneration	43,673,572	23,441,595
Directors' fees	5,230,904	2,407,500
Salaries, wages and related expenses (Note 20)	177,732,629	86,771,001
Medical and other staff benefits (Note 20)	11,987,990	10,384,202
Insurance	15,803,083	14,378,611
Legal and professional fees	9,501,978	25,734,932
Motor vehicle expenses	9,951,668	4,557,641
Auditors' remuneration	6,087,500	2,500,000
Utilities	33,030,621	25,355,255
Printing and stationery	5,917,088	7,197,523
Donations	9,682,039	8,443,332
Security	8,362,778	6,908,352
Bank charges	14,148,922	9,874,850
Other administrative expenses	44,315,124	26,870,260
	395,864,896	254,825,054
Selling and promotional costs		
Salaries, wages and related expenses (Note 20)	80,099,489	87,403,182
Travel and accommodation	2,081,126	1,199,420
Postage and courier service	57,317,485	43,156,124
Rent	13,347,512	-
Advertising and promotion	43,122,864	28,321,033
Commission	78,310,067	65,264,400
	274,278,543	225,344,159
Depreciation and amortisation		
Depreciation	33,655,924	26,475,703
Amortisation - intangible asset	4,014,223	613,704
- right of use asset	1,724,745	1,404,117
	39,394,892	28,493,524

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2022

19. Expenses by nature (The Company)

Total direct, administrative and other operating expenses:

	2022	2021
	\$	\$
Cost of inventories recognised as expense	2,086,080,238	1,823,914,361
Administrative and other expenses		
Directors' remuneration	25,073,572	23,441,595
Directors' fees	3,498,750	2,407,500
Salaries, wages and related expenses (Note 20)	127,057,938	86,771,001
Medical and other staff benefits (Note 20)	11,939,606	10,384,202
Insurance	15,224,818	14,378,611
Legal and professional fees	5,642,906	25,734,932
Motor vehicle expenses	6,563,694	4,557,641
Auditors' remuneration	3,351,500	2,500,000
Utilities	24,939,741	25,355,255
Printing and stationery	3,959,138	7,197,523
Donations	9,351,362	8,443,332
Security	7,773,620	6,908,352
Bank charges	10,897,655	9,874,850
Other administrative expenses	33,606,292	26,870,260
	288,880,592	254,825,054
Selling and promotional costs		
Salaries, wages and related expenses (Note 20)	80,099,489	87,403,182
Travel and accommodation	2,081,127	1,199,420
Postage and courier service	56,377,350	43,156,124
Advertising and promotion	40,102,664	28,321,033
Commission	77,531,586	65,264,400
	256,192,216	225,344,159
Depreciation and amortisation		
Depreciation	24,186,752	26,475,703
Amortisation - intangible asset	765,223	613,704
- right of use asset	1,724,745	1,404,117
	26,676,720	28,493,524

20. Employee benefits (The Group)

	2022	2021
	\$	\$
Salaries, wages and related expenses		
- Administrative and other expenses	177,732,629	86,771,001
- Selling and promotional costs	80,099,489	87,403,182
Medical and other staff benefits	11,987,990	10,384,202
Total	269,820,108	184,558,385

The average number of employees at year-end was one hundred and eighteen (118), (2021 –seventy-six (76)).

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2022

20. Employee benefits (cont'd) (The Company)

	2022	2021
	\$	\$
Salaries, wages and related expenses		
- Administrative and other expenses	127,057,938	86,771,001
- Selling and promotional costs	80,099,489	85,116,939
Medical and other staff benefits	11,939,606	10,384,202
Total	219,097,033	182,272,342

The average number of employees at year-end was eighty-four (84), (2021 –seventy-six (76)).

21. Finance income and finance cost (The Group)

Finance income comprises:

	2022	2021
	\$	\$
Interest income on financial assets measured at amortised cost	11,102,605	484,818
Total	11,102,605	484,818

Finance cost comprises:

	2022	2021
	\$	\$
Interest expense for borrowings measured at amortised cost	71,429,322	69,930,883
Interest expense on lease liabilities	225,309	155,083
Total	71,654,631	70,085,966

Finance income and finance cost (The Company)

Finance income comprises:

	2022	2021
	\$	\$
Interest income on financial assets measured at amortised cost	11,056,883	484,818
Total	11,056,883	484,818

Finance cost comprises:

	2022	2021
	\$	\$
Interest expense for borrowings measured at amortised cost	70,912,656	69,930,883
Interest expense on lease liabilities	225,309	155,083
Total	71,137,965	70,085,966

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2022

22. Gain arising on business combination

Effective March 30, 2021 Cornwall Enterprises Limited (CEL), a subsidiary of Medical Disposables & Supplies Limited (MDS) acquired the assets and liabilities of Cornwall Medical and Dental Supplies Limited whose main activities were selling and distribution of medical and dental supplies and also operated registered pharmacies. In accordance with IFRS 3, Business Combination, the transaction was deemed to be a business combination as the assets acquired and liabilities assumed constitute a business. Cornwall Enterprises Limited was identified as the acquirer as prescribed by IFRS 3 qualifying factors. The acquisition date amounts of the identifiable assets acquired and liabilities assumed, measured at fair value was \$348,034,000. The purchase consideration was \$274, 989,000.

This resulted in a bargain purchase of \$62,085,000. The resulting gain was recognised in profit or loss on acquisition date.

Details of the identifiable assets acquired, and liabilities assumed purchased consideration as follows:

Fair value of identifiable assets acquired and liabilities.

	\$
Property, plant and equipment	224,311,000
Intangible assets	32,879,000
Inventories	124,481,000
Trade and other receivable	71,861,000
Trade and other payables	(105,498,000)
Fair value of identifiable assets acquired and liabilities assumed (before deferred tax)	<u>348,034,000</u>
Purchase consideration	<u>(274,989,000)</u>
	73,045,000
Deferred tax liability arising from business acquisition	<u>(10,960,000)</u>
	<u>62,085,000</u>

In accordance with IAS 12 income taxes, the resulting deferred tax liability decreased the amount of bargain purchase gain recognised.

23. Income tax (The Group)

The Company's shares were listed on the Junior Market of the Jamaica Stock Exchange on December 24, 2013. As a result, the Group 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 Group is in its seventh year since being listed on the Junior Market of the Jamaica Stock Exchange and is now subject to fifty percent (50%) tax remission up to December 24, 2023.

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

	2022	2021
	\$	\$
Current tax expense	20,331,904	(6,036,480)
Deferred tax charges/(credit) (Note 15)	20,693,288	(286,480)
Total	<u>41,025,192</u>	<u>(6,322,960)</u>

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2022

23. Income tax (The Group) (cont'd)

ii Reconciliation of theoretical tax charge to effective tax charge:

	2022	2021
	\$	\$
Profit before tax	146,457,940	13,851,743
Tax at the applicable rate of 25%	36,614,485	3,462,936
Tax effect of expenses not deductible for tax purposes	12,640,486	7,371,267
Tax effect of income not subject to tax	(4,957,085)	(15,892,689)
Tax effect of allowable capital allowances and other charges	10,252,186	5,058,486
Remission of tax	(13,524,880)	(6,036,480)
Income tax expense for the year	41,025,192	6,322,960

Income tax (The Company)

The Company's shares were listed on the Junior Market of the Jamaica Stock Exchange 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 seventh year since being listed on the Junior Market of the Jamaica Stock Exchange and is now subject to fifty percent (50%) tax remission up to December 24, 2023.

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

	2022	2021
	\$	\$
Current tax expense	13,372,190	6,036,480
Deferred tax credit (Note 14)	-	286,480
Total	13,372,190	6,322,960

ii Reconciliation of theoretical tax charge to effective tax charge:

	2022	2021
	\$	\$
Profit before tax	97,636,352	13,851,743
Tax at the applicable rate of 25%	24,409,088	3,462,936
Tax effect of expenses not deductible for tax purposes	9,255,248	7,371,267
Tax effect of income not subject to tax	(1,810,181)	(15,892,689)
Tax effect of allowable capital allowances and other charges	(4,957,085)	5,058,486
Remission of tax	(13,524,880)	(6,036,480)
Income tax expense for the year	13,372,190	6,322,960

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2022

24. Earnings per share (The Group)

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

	2022 \$	2021 \$
Net profit attributable to owners	96,965,314	34,556,684
Weighted average number of shares outstanding	263,157,895	263,157,895
Basic earnings per share	0.37	0.13

25. Dividends (The Group)

The Group declared a dividend for the year ended March 31, 2021. A dividend of \$0.07 per share was paid on September 09, 2021.

26. Segment reporting (The Group)

Segment information by divisions are as follows:

	Pharmaceutical \$	Medical \$	Consumables \$	Total \$
Revenue	2,363,721,524	464,913,921	587,667,840	3,416,303,288
Less: Cost of sales	(1,724,027,724)	(318,823,402)	(436,987,698)	(2,479,839,025)
Gross profit	639,684,600	146,090,519	150,680,142	936,464,263

Segment reporting (The Company)

Segment information by divisions are as follows:

	Pharmaceutical \$	Medical \$	Consumables \$	Total \$
Revenue	2,164,231,145	450,706,404	211,061,945	2,825,999,494
Less: Cost of sales	(1,596,763,659)	(318,823,402)	(170,493,177)	(2,086,080,238)
Gross profit	576,467,486	131,883,002	40,568,768	739,919,256

27. Risk management policies

The Group'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 Group 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 Group 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.

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

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2022

27. Risk management policies

a Market risk (cont'd)

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 Group 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\$) is maintained to minimise this risk.

Foreign currency denominated financial assets and liabilities which expose the Group 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

	2022 US\$	2021 US\$
Financial assets		
- Cash and cash equivalents	529,416	665,078
	<u>529,416</u>	<u>665,078</u>
Financial liabilities		
- Trade payables	(483,768)	(1,107,481)
	<u>(483,768)</u>	<u>(1,107,481)</u>
Total net assets/liabilities	<u>45,648</u>	<u>(442,403)</u>

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 was J\$153.31 to US\$1 (2021 – J\$144.88 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 Group'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 Group.

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

Effect on results of the operations:

If the JA Dollar weakens by 8% (2021 – 6%) 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 \$
2022	8	(559,863)
2021	6	<u>(1,787,941)</u>

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2022

27. Risk management policies (cont'd)

a Market risk (cont'd)

i Currency risk (cont'd)

If the JA Dollar strengthens against the US Dollar by 2% (2021 – 2%) this would have the following impact:

	Rate %	Strengthens \$
2022	2	139,966
2021	2	893,970

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 Group's cash and cash equivalents are subject to interest rate risk. However, the Group 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 Group 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 Group's loans are fixed up to the date of maturity expiring at varying dates beginning April 05, 2021. As such there would be no impact on the results of the Group's operations as a result of fluctuations in interest rates.

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 Group'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 Group. The Group 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.

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2022

27. Risk management policies (cont'd)

b Credit risk (cont'd)

The Group continuously monitors the credit quality of its customers. The Group'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 Group does not require collateral or other credit enhancements in respect of its trade and other receivables.

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

	The Group		The Company	
	2022	2021	2022	2021
	\$		\$	\$
Trade and other receivables	533,271,081	457,389,463	473,026,624	385,528,463
Cash and cash equivalents	145,701,094	116,644,932	105,188,435	116,644,932
Total	678,972,175	574,034,395	578,215,059	502,173,395

Trade receivables

The Group 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 Group 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 Group on alternative payment arrangement amongst other is considered indicators of no reasonable expectation of recovery.

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2022

27. Risk management policies (cont'd)

b Credit risk (cont'd)

On the above basis, the expected credit loss for the trade receivables as at March 31, 2022 and 2021 were determined as follows:

March 31, 2022 (The Group)

	Trade receivables days past due						Total \$
	Current	More than 30 days	More than 60 days	More than 90days	More than 180	Over 365 days	
Expected credit loss rate	1%	1.50%	4%	28.75%	3%	100%	
Gross carrying amount	294,869,106	54,311,486	33,101,404	49,959,994	3,204,256	2,050,470	437,496,716
Lifetime expected credit loss	2,956,084	814,672	1,324,056	14,363,498	96,128	2,050,470	21,604,908

March 31, 2022 (The Company)

	Trade receivables days past due						Total \$
	Current	More than 30 days	More than 60 days	More than 90days	More than 180	Over 365 days	
Expected credit loss rate	0.5%	1%	2%	12.5%	3%	100%	
Gross carrying amount	292,685,570	27,155,743	16,550,702	24,979,997	3,204,256	2,050,470	366,626,737
Lifetime expected credit loss	1,463,428	271,557	331,014	3,134,171	96,276	2,050,470	8,211,917

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2022

27. Risk management policies (cont'd)

b Credit risk (cont'd)

On the above basis, the expected credit loss for the trade receivables as at March 31, 2022 and 2021 were determined as follows:

March 31, 2021 (The Group)

	Trade receivables days past due					Total
	Current	More than 30 days	More than 60 days	More than 90days	More than 180	
Expected credit loss rate	0.19%	0.02%	0.7%	6.4%	28.84%	100
Gross carrying amount	311,681,707	37,836,646	18,563,296	25,189,916	9,486,191	404,892,838
Lifetime expected credit loss	592,192	7,567	129,943	1,611,313	2,735,817	7,211,917

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2022

27. Risk management policies (cont'd)

b Credit risk (cont'd)

Trade receivables (cont'd) (The Group)

The closing balance of the trade and other receivables as at March 31, 2022 reconciles with the trade receivables loss allowance opening balance as follows:

	2022 \$	2021 \$
Opening loss allowance at April 1	7,211,917	9,765,606
Receivables written -off during the year	-	(3,558,689)
Loss allowance recognised during the year	14,392,991	1,000,000
	21,604,908	7,211,917

Trade receivables (The Company)

The closing balance of the trade and other receivables as at March 31, 2022 reconciles with the trade receivables loss allowance opening balance as follows:

	2022 \$	2021 \$
Opening loss allowance at April 1,	7,211,917	9,765,606
Receivables written-off during the year	-	(3,553,689)
Loss allowance recognised during the year	1,000,000	1,000,000
	8,211,917	7,211,917

c Liquidity risk

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

The Group 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 Group maintains cash and short-term deposits for up to three months or less to meet its liquidity requirements.

As at March 31, 2022, the Group's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

The Group	2022	
	Current Within 12 Months \$	Non-current 2 to 5 Years \$
Lease Liability	1,372,173	-
Borrowings	571,439,927	4,917,676
Bank overdraft	159,209,087	243,488,782
Trade and other payables	499,487,459	-
Total	1,231,508,646	248,406,458

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2022

27. Risk management policies (cont'd)

c Liquidity risk (cont'd)

The Company

	Current Within 12 Months \$	Non-current 2 to 5 Years \$
Lease Liability	5,815,644	-
Borrowings	571,439,927	243,488,782
Bank overdraft	156,088,774	-
Trade and other payables	376,061,219	-
Total	1,109,405,564	243,488,782

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.

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

The Group and Company

	Current Within 12 Months \$	Non-current 2 to 5 Years \$
Lease liability	660,520	-
Borrowings	351,190,677	157,464,241
Bank overdraft	144,996,589	-
Trade and other payables	431,575,470	-
Total	928,423,256	157,464,241

28. Fair value measurement

- i The Group's financial assets and liabilities are measured at amortised costs, and the fair values for these are disclosed at Note 28(ii).
- 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, 2022.

March 31, 2022	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Property, plant and equipment				
Land and buildings	-	-	716,870,931	716,870,931
Total	-	-	716,870,931	716,870,931

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2022

28. Fair value measurement (cont'd)

- ii Fair value of non-financial assets (cont'd)

March 31, 2021	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Property, plant and equipment				
Land and buildings	-	-	731,613,166	731,613,166
Total	-	-	731,613,166	731,613,166

Land and buildings (Level 3).

Fair value of the Group'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 Group's property, including size, location, encumbrances, and current use of the property.

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.

Land and buildings at Anchovy St James were revalued March 29, 2021, Fairview Montego Bay St James were revalued on March 29, 2021, and March 31, 2021, respectively.

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

	2022 \$
Balance at April 1, 2021	743,461,791
Addition	-
Depreciation	(26,614,698)
Balance at March 31, 2022	716,870,931

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2022

28. Fair value measurement (cont'd)

ii Fair value of non-financial assets (cont'd)

March 31, 2021	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Property, plant and equipment				
Land and buildings	-	-	731,613,166	731,613,166
Total	-	-	731,613,166	731,613,166

Land and buildings (Level 3).

Fair value of the Group'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 Group's property, including size, location, encumbrances, and current use of the property.

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.

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

	2022 \$
Balance at April 1, 2021	743,461,791
Addition	-
Depreciation	(26,614,698)
Balance at March 31, 2022	716,870,931

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2022

29. Summary of financial assets and liabilities by category

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

	2022	2021
	\$	\$
Financial assets measured at amortised cost		
Trade and other receivables	533,271,081	457,389,493
Due from related party	23,800,688	-
Cash and short-term deposits	145,701,094	116,644,932
Total	702,772,863	574,034,345
Financial liabilities measured at amortised cost		
Non-current liabilities		
Due on business acquisition	31,098,000	31,098,000
Lease liability	4,917,676	-
Borrowings	243,488,782	157,464,241
Current liabilities		
Lease liability	1,372,173	660,520
Bank overdraft	159,209,087	144,996,589
Borrowings	571,439,927	351,190,677
Due on business acquisition	-	121,500,000
Trade and other payables	499,487,459	431,575,470
Total	1,511,013,104	1,238,485,497

30. Capital management, policies and procedures

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

There was no change to the Group's approach to capital management policies during the year.

31. Impact of Covid-19 Pandemic

The negative impact of Covid-19 has softened as the Government has moved away from lockdowns and curfews and is urging persons to take personal responsibility for their health and wellness in the continuing effort to minimize the effects of COVID-19. This has allowed commerce to return to normal as seen with an increase in demand for goods. We are optimistic that the policy of shutdown and curfew will not be revisited and as such should not curtail demands for the Group's goods and services. This is easily compromised if any large-scale wave of infection is not well managed.

Management continues to closely monitor the situation and remain flexible to adjust as is necessary.

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FORM OF PROXY

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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 13th day of October 2022 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

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

Signed this _____ day of _____ 2022

Print Name: _____

Signature: _____

NOTES:

- 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.

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