



# **MEDICAL DISPOSABLES & SUPPLIES LIMITED**

**Unaudited Consolidated Financial Statements  
for the Third Quarter Ended December 31, 2022.**



# Release to Shareholders

For the Third Quarter Ended December 31, 2022

The Board of Directors of Medical Disposables and Supplies Limited (MDS) is pleased to present the following unaudited consolidated financial results for the third quarter, ended December 31, 2022.

## FINANCIAL HIGHLIGHTS

	Three Months Ended Dec 31, 2022	Three Months Ended Dec 31, 2021	Nine Months Ended Dec 31, 2022	Nine Months Ended Dec 31, 2021
Revenue	\$940.54M	\$874.63M	\$2,763.22M	\$2,493.70M
Gross profit	\$272.86M	\$234.04M	\$753.23M	\$644.53M
Total Operational Expenses	\$198.69M	\$175.40M	\$585.05M	\$485.46M
Total Non-Operational Expenses	\$35.82M	\$21.30M	\$86.00M	\$67.08M
Profit After Tax	\$31.96M	\$28.97M	\$67.81M	\$75.90M
Earnings per share (EPS)	12 cents	11 cents	26 cents	29 cents
Total Assets			\$3,151.32M	\$2,820.58M
Shareholders' equity			\$1,171.96M	\$1,074.63M

### RESULT FOR THE THIRD QUARTER ENDED DECEMBER 31, 2022

Sales for the third quarter grew by \$65.91M or 7.5% when compared to the third quarter in the prior year. The Group generated revenue of \$940.54M for the three-month period, compared to \$874.63M at the same point in the prior year. The growth was driven by increased demand for pharmaceutical and consumer items.

Gross profit of \$272.86M for the current quarter improved by 16.6% or \$38.82M when compared to the third quarter of the previous year. This is as a result of increased sales and improved gross profit percentage. Gross profit percentage increased from 26.8% in 2021 to 29% in 2022.

Total operational expenses for the quarter grew 13.3% or \$23.28M when compared to the corresponding period of the prior year, due generally to increased administrative and selling and promotional costs.

Total non-operational expenses for the third quarter increased by \$14.52M when compared to the same period in the prior year. Operating expenses totalled \$35.82M for the current quarter, compared to \$21.30M for the same period in the prior year.

## RESULTS FOR THE NINE MONTHS ENDED DECEMBER 31, 2022

Total Sales increased by 10.8% or \$269.52M for the nine-month period ended December 31, 2022, moving to \$2,763.22M from \$2,493.70M generated for the same period in 2021. This growth was driven by increased sales across all Divisions including the subsidiary, Cornwall Enterprises Limited.

Gross profit for the year to date increased by 16.9% or \$108.70M, moving from \$644.53M in 2021 to \$753.23M in the current period. Gross Profit percentage for the nine months in 2022 increased from 25.85% in 2021 to 27.26%.

Consolidated Profit after tax for the year to date fell 10.7% to \$67.81M compared to \$75.90M at the same point last year. Profit after tax attributable to the owners of Medical Disposables and Supplies Limited at the end of December 2022 was \$57.96M, down by \$6.94M or 10.7% from the previous year.

Out of stock issues continue to affect the Group's profitability as suppliers are faced with global supply chain challenges within their operations. The availability of key specialty products such as vaccines and oncology medicines have become infrequent and inconsistent. Our own internal estimates have tracked over \$100M in lost sales due to the shortages.

Total operational expenses increased by 20.5% or \$99.59M, largely due to higher administrative expenses, higher salaries, staff benefits and related expenses as the Group positions itself to manage the projected expansion possibilities. MDS is cognisant that to achieve the goals and strategic objectives set out, the business must retain and attract the best talent in the industry. This must be a deliberate priority in its medium-term planning. Selling and promotion costs have grown by \$53.56M in line with the significant year over year growth in sales.

Non-operational costs increased by 28.2% or \$18.92M for the year to date when compared to the nine-month period in the prior year. This was due mainly to an overall upward adjustment in financing costs, particularly working capital. The increased usage of the working capital lines of credit was deemed necessary to hold greater levels of inventory in an effort to mitigate against any additional supply chain risks that could lead to further out-of-stock instances. The Group achieved a reduction in exchange rate losses through the prudent management of its foreign exchange reserves.

## BALANCE SHEET

Total assets grew by \$330.73M or 11.7%, increasing from \$2.82B at the end of December 2021 to \$3.15B at the end of December 2022. Inventory increased by 31.2% or \$364.68M when compared to the previous year. During the last year, the Group implemented a new strategic approach to purchasing and logistics, which has resulted in the need to increase the inventory levels on hand. This response will also minimize the risks associated with uncertainties caused by disruptions in the global shipping and logistics sector. Trade and Other Receivables decreased by \$104.92M as at December 31, 2022 when compared to the same period in 2021.

Total Liabilities increased by \$233.40M or 13.4% from \$1.75B at the end of the third quarter of the prior year to \$1.98B for the same period in 2022. Total borrowing grew by \$185.2M which was used to finance the increase in inventory levels. Trade and other payables increased slightly by \$20.48M when compared to the corresponding year.

Shareholders' equity increased by \$97.33M or 9.1% from \$1,074.63M as at December 31, 2021 to \$1,171.96M at the end of the current period. Non-controlling interest accounted for \$140.70M.

Earnings per share attributable to the owners of MDS fell from \$0.25 a year ago to \$0.22 per share at the end of the third quarter.

The integration of the operations of the subsidiary, Cornwall Enterprises Limited continues to be a strategic priority. We have started to realize the expected additional benefits in sales and internal operations. On completion, it is expected that further synergies will be achieved. The key objective is the alignment of long-term business strategies to focus on deeper market penetration and strengthening valued relationships.

We thank all stakeholders for their continued support.

Stay safe.



**Kurt Boothe**  
**CHIEF EXECUTIVE OFFICER**




# Medical Disposables & Supplies Limited

Unaudited Consolidated Statement of Financial Position  
As At December 31, 2022

	Unaudited Nine Months To December 2022	Unaudited Nine Months To December 2021	Audited Twelve Months to March 2022
	\$	\$	\$
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	789,137,139	801,579,803	784,345,334
Right of use asset	5,037,638	1,131,094	6,140,411
Intangible assets	35,370,180	30,321,915	36,541,572
	<u>829,544,957</u>	<u>833,032,812</u>	<u>827,027,317</u>
<b>Current Assets</b>			
Inventories	1,534,648,162	1,169,963,738	1,136,293,546
Trade and Other Receivables	603,338,745	708,256,621	533,271,081
Prepayments	18,978,486	11,517,684	10,743,890
Due from related party	35,677,589	23,800,688	23,800,688
Tax Recoverable	751,995	2,367,745	737,554
Cash and Bank Balances	128,376,535	71,644,805	145,701,094
	<u>2,321,771,512</u>	<u>1,987,551,281</u>	<u>1,850,547,853</u>
<b>Total Assets</b>	<b><u>3,151,316,469</u></b>	<b><u>2,820,584,092</u></b>	<b><u>2,677,575,170</u></b>
<b>Equity</b>			
<b>Capital and Reserve</b>			
Share Capital	107,835,764	107,835,764	107,835,764
Revaluation Reserve	108,518,073	108,518,074	108,518,073
Retained Profits	814,904,836	735,884,510	756,945,547
Non-Controlling interest	140,704,830	122,391,000	130,858,434
<b>Total Equity</b>	<u>1,171,963,503</u>	<u>1,074,629,347</u>	<u>1,104,157,818</u>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Interest-bearing Borrowings	444,807,208	273,513,186	243,488,782
Due on Business Acquisition	21,098,000	31,098,000	31,098,000
Deferred liability	42,403,678	21,710,391	42,403,680
	<u>508,308,886</u>	<u>326,321,577</u>	<u>316,990,462</u>
<b>Current Liabilities</b>			
Trade and Other Payables	762,327,791	741,847,344	505,777,308
Income tax payable	34,375,864	17,387,760	20,000,568
Short Term Borrowings	424,750,000	500,000,000	571,439,927
Bank Overdraft	249,590,425	160,398,064	159,209,087
	<u>1,471,044,080</u>	<u>1,419,633,168</u>	<u>1,256,426,890</u>
<b>Total Liabilities</b>	<u>1,979,352,966</u>	<u>1,745,954,745</u>	<u>1,573,417,352</u>
<b>Total Equity and Liabilities</b>	<b><u>3,151,316,469</u></b>	<b><u>2,820,584,092</u></b>	<b><u>2,677,575,170</u></b>

Approved for issue by the Board of Directors on February 8, 2023 and signed on its behalf by:

  
KURT BOOTHE  
CHIEF EXECUTIVE OFFICER and DIRECTOR

  
WINSTON BOOTHE  
CHAIRMAN

**Medical Disposables & Supplies Limited**  
**Unaudited Consolidated Statement of Comprehensive Income**  
**For the Period Ended December 31, 2022**

	Three Months To December 2022 \$	Three Months To December 2021 \$	Nine Months To December 2022 \$	Nine Months To December 2021 \$
<b>Revenue</b>	940,542,211	874,630,129	2,763,217,150	2,493,695,731
Cost of sales	(667,686,787)	(640,589,813)	(2,009,986,843)	(1,849,166,486)
<b>Gross profit</b>	<b>272,855,424</b>	<b>234,040,316</b>	<b>753,230,306</b>	<b>644,529,244</b>
Other income	2,499,583	1,556,959	7,556,212	6,305,401
Administrative expenses	(114,307,826)	(103,603,282)	(330,051,780)	(278,552,952)
Selling and promotional costs	(77,597,328)	(64,612,983)	(235,548,387)	(181,989,685)
Other operating expenses	-	-	-	(2,134,066)
Depreciation	(9,279,646)	(8,743,949)	(27,006,804)	(29,092,047)
<b>Total Operational Expenses</b>	<b>(198,685,217)</b>	<b>(175,403,256)</b>	<b>(585,050,760)</b>	<b>(485,463,350)</b>
<b>Profit after Operational Expenses</b>	<b>74,170,207</b>	<b>58,637,060</b>	<b>168,179,546</b>	<b>159,065,894</b>
Finance income	192,826	(140,831)	2,253,020	4,965,981
Finance cost	(31,511,287)	(14,745,372)	(84,135,075)	(60,211,783)
Gain on disposal of property, plant & equipment	-	-	(171,046)	-
Gain / (loss) on foreign exchange	(4,503,639)	(6,416,503)	(3,945,476)	(11,830,428)
<b>Total Non Operational Expenses</b>	<b>(35,822,100)</b>	<b>(21,302,706)</b>	<b>(85,998,576)</b>	<b>(67,076,229)</b>
<b>Profit Before Tax</b>	<b>38,348,107</b>	<b>37,334,354</b>	<b>82,180,970</b>	<b>91,989,665</b>
Tax expense	(6,391,295)	(8,361,648)	(14,375,286)	(16,085,380)
<b>PROFIT FOR THE PERIOD / YEAR</b>	<b>31,956,812</b>	<b>28,972,706</b>	<b>67,805,684</b>	<b>75,904,285</b>
<b>Net Profit for the year attributable to:</b>				
Owners of Medical Disposables & Supplies Ltd.	28,122,136	20,103,978	57,959,288	64,896,272
Non-Controlling interest	3,834,675	8,868,728	9,846,396	11,008,013
	<b>31,956,811</b>	<b>28,972,706</b>	<b>67,805,684</b>	<b>75,904,285</b>

Earnings per share attributable to owners of the company:

**0.11**

**0.08**

**0.22**

**0.25**

## Medical Disposables & Supplies Limited

Unaudited Consolidated Statement of Changes In Equity

For the Period Ended December 31, 2022

	Share Capital \$	Revaluation Reserve \$	Retained Profit \$	Non-Controlling Interest \$	Total \$
Balance at April 1, 2021	107,835,764	108,518,074	678,401,277	122,391,000	1,017,146,115
Dividend paid	-	-	(18,421,053)		(18,421,053)
Total comprehensive income for the period	-		64,896,272	11,008,013	75,904,285
<b>BALANCE AT December 31, 2021</b>	<b>107,835,764</b>	<b>108,518,074</b>	<b>724,876,497</b>	<b>133,399,013</b>	<b>1,074,629,347</b>
Balance at April 1, 2022	107,835,764	108,518,073	756,945,547	130,858,434	1,104,157,818
Total comprehensive income for the period	-	-	57,959,288	9,846,396	67,805,684
<b>BALANCE AT December 31, 2022</b>	<b>107,835,764</b>	<b>108,518,073</b>	<b>814,904,835</b>	<b>140,704,830</b>	<b>1,171,963,503</b>

## Medical Disposables & Supplies Limited

Unaudited Consolidated Statement of Cash Flows  
For the Nine Months Ended December 31, 2022

	December 2022	December 2021
	\$	\$
<b>Cash flows from operating activities:</b>		
Profit before tax	82,180,970	91,989,665
Adjustments for:		
Depreciation	27,006,804	29,092,047
Interest expenses	84,135,075	58,018,861
Interest income	(31,442)	(68,483)
Loss on of property, plant & equipment	171,046	-
	<u>193,462,453</u>	<u>179,032,090</u>
Increase in inventories	(398,354,616)	(316,161,236)
Increase in trade and other receivables	(90,179,161)	(140,135,944)
Increase in trade and other payables	246,550,483	47,910,579
	<u>(48,520,842)</u>	<u>(229,354,511)</u>
<b>Cash used in operations</b>	<b>(48,520,842)</b>	<b>(229,354,511)</b>
Income tax paid	(14,432)	(10,631,141)
Interest paid	(84,135,075)	(58,018,861)
<b>Net cash used in operating activities</b>	<b>(132,670,348)</b>	<b>(298,004,513)</b>
<b>Cash flows from investing activities:</b>		
Purchase of property, plant & equipment	(29,524,444)	(8,242,266)
Proceeds from sales of property, plant & equipment	(171,046)	-
Interest received (net of withholding tax)	31,442	68,483
<b>Net cash used in investing activities</b>	<b>(29,664,048)</b>	<b>(8,173,783)</b>
<b>Cash flows from financing activities:</b>		
Dividend payments	-	(18,421,053)
Proceeds from borrowings	493,250,000	836,862,210
Repayment of borrowings	(437,859,632)	(571,580,896)
Lease repayment (net)	(761,869)	(1,083,568)
<b>Net cash provided by financing activities</b>	<b>54,628,499</b>	<b>245,776,693</b>
Net Increase/ (Decrease) in cash & cash equivalents	(107,705,897)	(60,401,603)
Cash and cash equivalent at beginning of period	(13,507,993)	(28,351,657)
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	<b>(121,213,890)</b>	<b>(88,753,260)</b>



# Medical Disposables & Supplies Limited

Notes to the Unaudited Consolidated Financial Statements  
Nine Months Ended December 31, 2022

## 1. Identification and activities

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

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

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

The main activity of the Company is the sale of pharmaceuticals, medical disposables, and consumables products.

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.

## 2. Basis of preparation

The condensed interim financial statements for the Nine Months Ended December 31, 2022, have been prepared in accordance with IAS 34 – Interim Financial Reporting. The interim financial statements should be read in conjunction with the audited financial statements as at March 31, 2022, which have been prepared in accordance with IFRSs as issued by the International Accounting Standards Board (IASB).

## 3. Accounting Policies

There have been no changes in accounting policies since the most recent audited financial statements as at March 31, 2022.

#### 4. Share capital

	2022	2021
	\$	\$
Authorised:		
408,000,000 ordinary shares (2018 - 408,000,000)		
Stated capital		
Issued and fully paid:		
263,157,895 ordinary shares	<b>107,835,764</b>	<b>107,835,764</b>
<b>Balance at end of the period</b>	<b>107,835,764</b>	<b>107,835,764</b>

#### 5. Taxation

The Company's shares were listed on the Junior Market of the Jamaica Stock Exchange on December 24, 2013. Consequently, the Company is entitled to a waiver of income taxes for ten years in the proportions set out below, provided that the shares remain listed for at least fifteen years. The waiver will expire on December 23, 2023 at which time the Company will be liable for Corporate taxes at 25%.

Year 1 – 5	100%
Year 6 – 10	50%

## TOP TEN (10) SHAREHOLDERS

Shareholders	Number of Units	Shareholding %
Kurt Boothe	51,154,333	19.44%
Myrtis Boothe	50,000,000	19.00%
Winston Boothe	50,000,000	19.00%
Nikeisha Boothe	50,000,000	19.00%
Mayberry Jamaican Equities Limited	8,911,550	3.39%
Mayberry Managed Clients A/Cs	5,666,941	2.15%
Apex Pharmacy	3,496,926	1.33%
Nigel Coke	2,528,365	0.96%
VM Wealth Equity Fund	2,344,948	0.89%
QWI Investments limited	2,000,000	0.76%
JMMB Securities Ltd. (House Account)	1,743,923	0.66%
Lawrence and Associates Ltd.	1,284,222	0.49%

## SHAREHOLDING OF DIRECTORS AND SENIOR MANAGERS

Directors	Total	Direct	Connected Parties
Kurt Boothe	201,154,333	51,154,333	150,000,000
Myrtis Boothe	201,154,333	50,000,000	151,154,333
Winston Boothe	201,154,333	50,000,000	151,154,333
Nikeisha Boothe	201,154,333	50,000,000	151,154,333
Dahlia McDaniel-Dickson	1,459,398	1,159,398	300,000
Vincent Lawrence	1,284,222	Nil	1,284,222
Sandra Glasgow	Nil	Nil	Nil
Senior Managers	Total	Direct	Connected Parties
Kurt Boothe	201,154,333	51,154,333	150,000,000
Myrtis Boothe	201,154,333	50,000,000	151,154,333
Nikeisha Boothe	201,154,333	50,000,000	151,154,333
Lenworth Murray	63,000	63,000	Nil
Gerard Whyte	54,000	54,000	Nil
Antoinette McDonald	30,500	Nil	30,500