HLB MAIR RUSSELL
CHARTERED ACCOUNTANTS

Image Plus Consultants Limited

Financial Statements
February 28, 2023

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HLB MAIR RUSSELL
CHARTERED ACCOUNTANTS

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We have audited the financial statements of Image Plus Consultants Limited ("the Company") which comprise the statement of financial position as at February 28, 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the company as at February 28, 2023, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the requirement of the Jamaican Companies Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and those charge with governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS and the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

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Independent auditor's report (cont'd)

To the Members of
Image Plus Consultants Limited

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional 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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required
to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

HLB MAIR RUSSELL
CHARTERED ACCOUNTANTS

Independent auditor's report (cont'd)

To the Members of
Image Plus Consultants Limited

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that presents a true and fair view.

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.

Kingston, Jamaica

April 29, 2023

HLB Mair Russell
Chartered Accountants

Image Plus Consultants Limited
Statement of Financial Position
February 28, 2023

	Note	2023 $	2022 $
Assets			
Non-current assets			
Property, plant and equipment	(3)	318,767,478	206,273,018
Right of-use asset	(4)	2,875,597	6,326,313
Other investments	(5)	19,989,671	11,343,579
Deferred tax asset	(6)	5,822,008	-
		347,454,754	**223,942,910**
Current assets			
Due from related party	(7)	19,655,616	19,505,269
Trade and other receivables	(8)	298,417,462	139,017,075
Financial investments	(9)	435,016,560	13,834,670
Cash and cash equivalents	(10)	57,459,994	51,100,414
		810,549,632	**223,457,428**
Total assets		**1,158,004,386**	**447,400,338**
Equity			
Capital and reserve			
Share capital	(11)	465,765,789	1,027,000
Fair value reserve	(12)	4,334,664	4,334,664
Retained earnings		467,915,590	261,481,449
Total equity		**938,016,043**	**266,843,113**
Liabilities			
Non-current liabilities			
Borrowings	(13)	74,613,190	40,071,949
Lease liability	(4)	-	3,297,593
Deferred tax liability	(6)	-	5,829,814
		74,613,190	**49,199,356**
Current liabilities			
Trade and other payables	(14)	66,068,564	76,200,086
Current portion of borrowings	(13)	35,347,148	26,349,828
Current portion of lease liability	(4)	3,297,593	3,719,208
Income tax payable		40,661,848	25,088,747
		145,375,153	**131,357,869**
Total liabilities		**219,988,343**	**180,557,225**
Total equity and liabilities		**1,158,004,386**	**447,400,338**

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

Approved for issue by the Board of Directors on April 29, 2023 and signed on its behalf by:

________________________) Chairman
Dr. Karlene McDonnough

________________________) Director
Dr. Jacqueline Leckie

Image Plus Consultants Limited
Statement of Profit or Loss and Other Comprehensive Income
Year ended February 28, 2023

	Note	2023 $	2022 $
Revenue	(2d)	1,093,802,387	777,468,851
Costs of sales	(15)	(377,493,031)	(272,199,449)
Gross profit		**716,309,356**	**505,269,402**
Administrative expenses	(15)	(417,187,492)	(364,724,307)
Net movement on impairment provision	(21b)	-	16,131,082
Depreciation and amortisation	(15)	(43,233,505)	(36,425,843)
Other expense	(15)	(73,200)	(5,191,207)
Operating profit		**255,815,159**	**115,059,127**
Other income		373,500	244,291
Derecognition of liabilities	(17)	-	340,551
Foreign exchange (loss)/gain		(1,132,014)	1,493,244
Gain on disposal of property, plant and equipment		-	233,857
Finance income	(18)	3,742,510	2,019,830
Finance cost	(18)	(6,815,759)	(6,326,660)
Profit before tax		**251,983,396**	**113,064,240**
Income tax expense	(19)	(15,549,255)	(18,769,554)
Profit for the year being total comprehensive income		**236,434,141**	**94,294,686**
Earnings per share	(20)	**0.23**	**0.09**

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

Image Plus Consultants Limited
Statement of Changes in Equity
Year ended February 28, 2023

	Share capital $	Fair value reserve $	Retained earnings $	Total $
Balance at February 28, 2021	1,027,000	4,334,664	167,186,763	172,548,427
Profit for the year being total comprehensive. income	-	-	94,294,686	94,294,686
Balance at February 28, 2022	1,027,000	4,334,664	261,481,449	266,843,113
Transactions with owners				
Dividend for the year	-	-	(30,000,000)	(30,000,000)
Share capital issued	495,779,872	-	-	495,779,872
Transaction costs	(31,041,083)	-	-	(31,041,083)
	464,738,789	-	(30,000,000)	434,738,789
Profit for the year being total comprehensive income	-	-	236,434,141	236,434,141
Balance at February 28, 2023	**465,765,789**	**4,334,664**	**467,915,590**	**938,016,043**

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

Image Plus Consultants Limited
Statement of Cash Flows
Year ended February 28, 2023

	2023 $	2022 $
Cash flows from operating activities:		
Profit before tax	251,983,396	113,064,240
Adjustments for:		
Interest expense	6,454,967	5,722,555
Interest expense on lease liabilities	360,792	604,105
Interest income	(84,500)	(249,023)
Gain on disposal of property, plant and equipment	-	(233,857)
Depreciation and amortisation	43,233,505	36,425,843
	301,948,160	**155,333,863**
Increase in receivables	(159,400,387)	(66,353,279)
(Decrease)/increase in payables	(10,131,522)	15,612,364
(Increase)/decrease in due from related party	(150,347)	759,433
Cash generated from operations	**132,265,904**	**105,352,381**
Income tax paid	(11,627,976)	(3,525,618)
Interest paid	(6,454,967)	(5,722,555)
Net cash provided by operating activities	**114,182,961**	**96,104,208**
Cash flows from investing activities:		
Interest received	84,500	249,023
Purchase of property, plant and equipment	(152,277,249)	(20,321,591)
Proceeds from sale of property, plant and equipment	-	10,285,957
Increase in investments	(429,827,982)	(17,920,085)
Net cash (used) in investing activities	**(582,020,731)**	**(27,706,696)**
Cash flows from financing activities:		
Repayment of borrowings	(29,522,067)	(37,825,193)
Repayment of lease liability	(3,719,208)	(3,475,895)
Interest paid on lease payments	(360,792)	(604,105)
Proceeds from borrowings	73,060,628	-
Dividend paid	(30,000,000)	-
Proceeds from issue of shares	495,779,872	-
Transaction costs on issue of shares	(31,041,083)	-
Net cash provided by/(used in) financing activities	**474,197,350**	**(41,905,193)**
Net increase in cash and cash equivalents	**6,359,580**	**26,492,319**
Cash and cash equivalents at beginning of year	**51,100,414**	**24,608,095**
Cash and cash equivalents at end of year (Note 10)	**57,459,994**	**51,100,414**

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

1. General information and nature of operations

Image Plus Consultants Limited was incorporated under the laws of Jamaica on February 27, 1996 and is domiciled in Jamaica. The company operates from 3 locations in Kingston namely, Apex Medical Centre, Winchester Medical and Surgical Institute, 129 Pro (Liguanea) and White River Commercial Complex Shops 8,9&10, Ocho Rios, St. Ann.

The company offers diagnostic X-Ray, Ultrasound, Computerized Tomography and Intervention services under the business name of Apex X-Ray and Ultrasound Services.

The company was listed on the Jamaica Stock Exchange (JSE) Junior Market via an Initial Offering (IPO) on January 20, 2023.

2. Summary of significant accounting policies

a Basis of preparation

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

Changes in accounting policies
New and revised standards that are effective during the current year

Certain new and amended standards came into effect during the current financial year. The adoption of those standards and amendments did not have a significant impact on the 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 January 1, 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'.

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

a Basis of preparation (cont'd)

Changes in accounting policies

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

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 Company'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.

Narrow scope amendments to I AS 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.

Amendment to IAS 12 - deferred tax relates to assets and liabilities arising from a single transaction. (effective for annual periods beginning on or after January 1, 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.

b Property, plant and equipment

Land and buildings are shown at deemed cost less impairment losses, and less subsequent depreciation for buildings. All other property, plant and equipment are stated at historical cost less accumulated and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Entity and the cost of the item can be measured reliably. All other repairs and maintenance costs are charge to other operating expenses during the financial period which they are incurred.

Repairs and maintenance expenses are charged to the statement of comprehensive income during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the assets when it is probable that future economic benefits are in excess of the originally assessed standard of performance of the existing asset that will flow to the company; such major renovations are depreciated over the remaining useful life of the related asset.

Land is not depreciated. Depreciation on other assets is calculated on the straight-line basis at annual rates that will write off the carrying value of each asset over the period of its expected useful life. Annual depreciation rates or period over which depreciation is charged are as follows:

Building – Freehold	2.50%
Leasehold Improvements	10%
Laboratory Equipment	10%
Furniture, Fixtures and Accessories	10%
Computer Equipment and Accessories	20%

Gain or losses on disposals are determined by comparing proceeds with carrying amount. These are included in other operating income in the income statement.

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

c Investment in associate

An associate is an equity in which an investor has significant influence but not control or joint control. A holding of twenty percent (20%) or more of the voting power (directly or through subsidiaries) of an investee will indicate significant influence unless it can be clearly demonstrated otherwise.

The company uses the equity method of accounting to record its investment in associate. Equity investment is initially recorded at cost and is subsequently adjusted to reflect the investor's share of net profit or loss of the associate.

d Revenue recognition

Revenue arises from the rendering of services administered to patients. It is measured at the fair value of consideration received or receivable, excluding sales taxes and discounts.

e Foreign currency translation

Functional and presentation currency

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

Foreign currency translations and balances

(i) Foreign currency balances the date of the statement of financial position have been translated at the rates of exchange ruling at that date;

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

(iii) Gains/losses arising from fluctuations in exchange rates are included in the Statement of Comprehensive Income.

f Due from/(to) related parties

Amounts due from /(to) related parties are classified as financial assets and liabilities measured at amortised cost. These are initially recognised at the original amount received (which represents fair value) and subsequently measured at amortised cost.

g Cash and cash equivalents

Cash and cash equivalents comprise of current and savings accounts held with licensed financial institutions and cash in hand maintained by the company.

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

h Equity

Share capital is determined using the proceeds received for the shares that have been issued.

Fair value reserve represents pre-acquisition profits.

Retained earnings include all current and prior period results as disclosed in profit or loss.

i Lease

The company as a lessee

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

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

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

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

Measurement and recognition of leases as a lessee

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

The company amortises the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The company also assesses the right-of-use asset for impairment when such indicators exist. At the commencement date, the company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the company's incremental borrowing rate.

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

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

i Lease (cont'd)

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

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

Payments associated with short-term lease are recognised as an expense in profit or loss on a straight-line basis over the lease term. Short-term lease are leases with a lease term of 12 months or less.

j Financial instruments

Recognition and derecognition

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

Financial assets 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 company does not have any financial assets categorised as FVTPL or 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.

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

j 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 company's 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.

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

The company accounts 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 loss 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.

Recognition of credit losses is no longer dependent on the company first identifying a credit loss event. Instead the company 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.

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

j Financial instruments (cont'd)

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

Classification and measurement of financial liabilities

The company's financial liabilities include borrowings, leases and trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs, unless the company 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.

k Borrowings

Borrowings comprise loans and are classified as financial liabilities measured at amortised cost and are recognised initially at fair value, being their issued proceeds net of transaction costs incurred.

Subsequently, borrowings are measured at amortised cost and any difference between net proceeds and the redemption value is recognised in the profit and loss account over the period of the borrowings using the effective interest method. Interest charges are recognised in the profit or loss in the period in which they occur.

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

l Income tax

Estimates are required in determining the provision for income tax. There rare some transactions and calculations for which the ultimate tax determination is uncertain. The company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period which such determination is made.

When applicable current tax is calculated on taxable profits at current tax rates.

Current tax is the expected tax payable on the taxable income for the year, using tax values enacted at the end of the reporting period, and any adjustment to the 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 tax basis used in the computation of taxable profit. In principle, deferred tax liabilities are recognised for all 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 differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled. Deferred tax is charged or credited to profit or loss, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

As a result of the company's listing of the Junior Market of the Jamaica Stock Exchange on January 20,2023, the Company will not be liable to pay corporate income tax in its first 5 years on the Junior Market. It will be liable to corporate income tax at half of the usual rate in years in years 6 to 10 on the Junior Market. If the Company breaches any Junior Market requirements, it may be liable to repay the tax that was remitted.

m Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

n Impairment

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

For the purposes 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 asset's or cash-generating unit's 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.

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

o Use of estimates and judgements

The preparation of financial statements in accordance with International Financial Reporting Standards requires management to make estimates and assumptions that affect the amounts reported in the financial statements. These estimates are based on historical experience and management's best knowledge of current events and actions. Actual results may differ from these estimates and assumptions.

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

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

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

(i) Depreciation of property, plant and equipment

Depreciation is provided so as to write down the respective assets to their residual values over their expected useful lives and, as such, the selection of the estimated useful lives and the expected residual values of the assets requires the use of estimates and judgements. Details of the estimated useful lives are as shown in Note 2(b).

(ii) Taxation

The company is required to estimate income tax payable to the Commissioner of Taxpayer Audit and Assessment on any profit derived from operations. This requires an estimation of the current tax liability together with an assessment of the temporary differences which arise as a consequence of different accounting and tax treatments. These temporary differences result in deferred tax assets or liabilities which are included in the statement of financial position. Deferred tax assets and liabilities are measured using the enacted tax rate at the end of the reporting period.

If the tax eventually payable or recoverable differs from the amounts originally estimated then the difference will be accounted for in the accounts in the year such determination is made.

3. Property, plant and equipment

The carrying amounts for property, plant and equipment for the years included in these financial statements as at February 28, 2023 can be analysed as follows:

	Land and Building and Leasehold Improvement $	Motor vehicles $	Furniture and Fixtures $	Lab Equipment $	Computers & accessories $	Total $
Gross carrying amount						
Balance at March 1, 2022	86,728,798	13,200,000	19,363,196	390,684,275	35,308,076	545,284,345
Additions	42,904,687	-	3,486,047	103,525,528	2,360,987	152,277,249
Balance at February 28, 2023	**129,633,485**	**13,200,000**	**22,849,243**	**494,209,803**	**37,669,063**	**697,561,594**
Depreciation						
Balance at March 1, 2022	(23,721,122)	(3,553,000)	(13,270,334)	(271,358,213)	(27,108,658)	(339,011,327)
Charge for the year	(5,775,239)	(2,244,000)	(1,243,907)	(27,353,140)	(3,166,503)	(39,782,789)
Balance at February 28, 2023	**(29,496,361)**	**(5,797,000)**	**(14,514,241)**	**(298,711,353)**	**(30,275,161)**	**(378,794,116)**
Carrying amount at February 28, 2023	**100,137,124**	**7,403,000**	**8,335,002**	**195,498,450**	**7,393,902**	**318,767,478**

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

	Land and Building and Leasehold improvement $	Motor vehicles $	Furniture and Fixtures $	Lab Equipment $	Computers & accessories $	Total $
Gross carrying amount						
Balance at March 1, 2021	81,813,202	27,800,000	18,787,644	377,387,550	33,774,358	539,562,754
Additions	4,915,596	-	575,552	13,296,725	1,533,718	20,321,591
Disposal	-	(14,600,000)	-	-	-	(14,600,000)
Balance at February 28, 2022	**86,728,798**	**13,200,000**	**19,363,196**	**390,684,275**	**35,308,076**	**545,284,345**
Depreciation						
Balance at March 1, 2021	(19,700,215)	(4,602,111)	(12,173,885)	(249,936,630)	(24,171,259)	(310,584,100)
Disposal	-	4,547,900	-	-	-	4,547,900
Charge for the year	(4,020,907)	(3,498,789)	(1,096,449)	(21,421,583)	(2,937,399)	(32,975,127)
Balance at February 28, 2022	**(23,721,122)**	**(3,553,000)**	**(13,270,334)**	**(271,358,213)**	**(27,108,658)**	**(339,011,327)**
Carrying amount at February 28, 2022	**63,007,676**	**9,647,000**	**6,092,862**	**119,326,062**	**8,199,418**	**206,273,018**

4. Leases

Right-of-use assets

The carrying amounts for right-of-use assets for the years included in these financial statements can be analysed as follows:

	Right-of-use assets $
Gross carrying amount	
Balance at March 1, 2022	13,227,745
Balance at February 28, 2023	**13,227,745**
Amortisation	
Balance at March 1, 2022	(6,901,432)
Charge for the year	(3,450,716)
Balance at February 28, 2023	**(10,352,148)**
Carrying amount at February 28, 2023	**2,875,597**

	Right-of-use assets $
Gross carrying amount	
Balance at March 1, 2021	13,227,745
Balance at February 28, 2022	**13,227,745**
Amortisation	
Balance at March 1, 2021	(3,450,716)
Charge for the year	(3,450,716)
Balance at February 28, 2022	**(6,901,432)**
Carrying amount at February 28, 2022	**6,326,313**

The company has leases for office space with the exception of short-term leases and leases of low value underlying assets, each lease is reflected on the statement of financial position as a right-of-use asset and a lease liability. Variable lease payments which do not depend on a rate are excluded from the initial measurement of the lease liability and asset.

The nature of the company's leasing activities recognised in the statement of financial position are as follows:

- The right-of-use asset consists of office space, with a remaining term of thirty-four (34) months.
- The lease imposes a restriction that the right-of-use asset can only be used by the company.

4. Leases (cont'd)

Lease liability

Lease liability is presented in the statement of financial position is as follows:

	2023 $	2022 $
Current	3,297,593	3,719,208
Non-current	-	3,297,593
	3,297,593	**7,016,801**

Future minimum lease payments are as follows:

2023

	Within 1 year $
Lease payments	3,400,000
Finance charges	(102,407)
Net present values	**3,297,593**

2022

	Within 1 year $	1 - 2 years $	Total $
Lease payments	4,080,000	3,400,000	7,480,000
Finance charges	(360,792)	(102,407)	(463,199)
Net present values	**3,719,208**	**3,297,593**	**7,016,801**

Lease payment not recognised as a lease

The company has elected not to recognise a lease liability for short-term leases. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.

The expense relating to payments not included in the measurement of the lease liability is as follows:

	2023 $	2022 $
Short-term leases	15,650,342	9,978,637

5. Other investments

Other investments represent the following:

	2023 $	2022 $
(i) Certificate of deposit	231,434	231,434
(ii) Keyman Insurance	15,158,156	11,112,145
(iii) Winchester MRI	4,600,081	-
	19,989,671	**11,343,579**

(i) Certificate of deposit held at Sagicor Bank

(ii) Keyman Insurance policies which are carried at net surrender values.

(iii) Short term deposit

6. Deferred tax asset/(liability)

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

	2023 $	2022 $
Balance at beginning of year	(5,829,814)	(11,365,395)
Deferred tax credit (Note 19)	11,651,822	5,535,581
Balance at end of year	**5,822,008**	**(5,829,814)**

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

	2023 $	2022 $
s		
Deferred tax asset on:		
Lease liability	1,754,200	1,754,200
	1,754,200	**1,754,200**
Deferred tax asset/(liability) on:		
Property, plant and equipment	4,067,808	(7,584,014)
Deferred tax asset/(liability)	**5,822,008**	**(5,829,814)**

7. Related party balances and transactions

A company is related by virtue of common shareholders and directors.

i Due from related party

	2023 $	2022 $
Winchester MRI Limited		
(a) Loan 1- US$50,000	3,364,147	3,925,586
(b) Loan 2- US$80,000	16,291,469	15,579,683
	19,655,616	**19,505,269**

(a) This loan bears interest at 8% per annum, is unsecured and fully subordinated to any charges or rights accrued. The loan was effective October 1, 2018, with repayment date October 1, 2020. Early repayment is permitted without any penalty at any time in whole or in part. Interest accrued is due on the last of each interest period. The directors are currently in discussion with the related party to formalize repayment term extension within the 2023/2024 financial year.

(b) This loan bears interest at 10% per annum, is unsecured and fully subordinated to any charges or rights accrued. The loan was effective October 25, 2019, with repayment date August 24, 2021. Early repayment is permitted without any penalty at any time in whole or in part. Interest accrued is due on the last of each interest period. The directors are currently in discussion with the related party to formalize repayment term extension within the 2023/2024 financial year.

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

	2023 $	2022 $
Disclosed as owing by related companies	19,655,616	19,505,269
Included in trade and other payables	-	(33,116,547)

iii Transactions with key management personnel

The compensation of key management for services is shown below:

	2023 $	2022 $
Professional fees paid to directors	113,221,460	83,158,903
Management remuneration	22,800,000	20,600,000
Total	**136,021,460**	**103,758,903**
Motor vehicle compensation (Note 13a(v))	2,496,000	2,496,000

8. Trade and other receivables

	2023 $	2022 $
Due from patients,MOHW and insurance companies	237,214,210	122,213,767
Less: Allowance for expected credit loss	(2,067,230)	(2,067,230)
	235,146,980	**120,146,537**
Deposits	48,867,012	1,897,701
Due from employees	5,894,556	2,022,792
Other	1,848,646	1,667,898
	291,757,194	125,734,928
Prepayment	6,660,268	13,282,147
Total	**298,417,462**	**139,017,075**

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

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

	2023 $	2022 $
Not more than 1 month	55,210,714	35,774,574
More than 1 month but not more than 2 months	53,703,543	21,879,609
More than 2 months but not more than 3 months	29,880,154	23,873,532
More than 3 months	96,352,569	38,618,822
Total	**235,146,980**	**120,146,537**

9. Financial investments

	2023 $	2022 $
Jamaica Money Market Brokers Ltd	435,016,560	13,834,670

Investments are held until they are encashed, and only upon encashment are the gains realized and taxes withheld.

10. Cash and cash equivalents

	2023 $	2022 $
J$ Current account	56,832,868	49,370,946
J$ Savings account	74,155	74,155
US$ Savings account	497,871	1,600,213
Cash in-hand	55,100	55,100
Total	**57,459,994**	**51,100,414**

11. Share capital

	2023 $	2022 $
Authorised ordinary stocks units of no par value	**Unlimited**	**1,027,000**
Shares issued during the year 247,889,936 stocks units of no par value	**1,239,449,680**	**1,027,000**

	Shares $	2023 $	2022 $
Share capital at beginning of year Issued share capital increased from 1,027,000 ordinary shares to 991,559,744 ordinary shares (ii)	991,559,744	1,027,000	1,027,000
Shares issued during the year 247,889,936 stock units at $2 per share	247,889,936	495,779,872	-
Transaction costs	-	(31,041,083)	-
	247,889,936	**464,738,789**	**-**
Share capital at end of year	**1,239,449,680**	**465,765,789**	**1,027,000**

By virtue of the provisions of the Companies Act, 2004, shares in the Company have no par value.

In anticipation of its Initial Public Offer (IPO) of ordinary shares and listing of the ordinary shares on the JSE, the Company at an Extraordinary General Meeting held on November 8, 2022:

(i) Converted the Company from a private to a public company and adopted new Articles of Incorporation to comply with the requirements of the Rules of the JSE and generally modernise the Company's constitution; increased its authorized share capital from 3,000,000 ordinary shares to an unlimited amount of ordinary shares;

(ii) Increase the issue share capital of the company from 1,027,000 ordinary shares to 991,559,744 ordinary shares;

(iii) Authorised the issue of new ordinary shares to the public via an IPO and resolved that the new ordinary shares to be issued in the IPO be converted to ordinary stock units on issue, along with the existing ordinary shares;

(iv) Authorised the listing of the ordinary stock units on the JSE.

(v) 247,889,936 stock units were issued at a price of $2 to the general public through its IPO in December 2022.

12. Fair value reserve

This represents pre-acquisition profits acquired from the minority shareholder in joint venture. The MDCT operation has been wholly owned since 2011. The business has since been incorporated into the company's operations.

13. Borrowings

	2023 $	2022 $
(a) Bank of Nova Scotia Jamaica Ltd		
(i) Non-revolving term loan	17,650,004	22,692,860
(ii) Non-revolving term loan	-	531,348
(iii) Non-revolving term loan	-	2,423,130
(iv) Non-revolving term loan	17,070,660	22,070,664
(v) Non-revolving term loan	8,485,710	10,371,426
(vi) Non-revolving term loan	66,753,964	-
(b) Sagicor Bank Jamaica Ltd.		
(i) Loan 1	-	5,000,004
(ii) Loan 2	-	3,332,345
	109,960,338	66,421,777
Less: Current portion	(35,347,148)	(26,349,828)
Total	**74,613,190**	**40,071,949**

(a) Bank of Nova Scotia Jamaica Ltd

(i) A loan of $35m was received February 2019 towards the purchase of a CT Scanner Machine. The loan is to be repaid over sixty (60) monthly payments and expires sixty (60) months after disbursement. Interest is charged at a fixed rate of seven-point five percent (7.5%) per annum.

(ii) A loan of $20m was received March 2014 towards the purchase of Xray and DR Printer Machines and renovations and construction. The loan is to be repaid over eighty-four (84) monthly payments and expires April 2023. Interest is charged at a fixed rate of seven-point five percent (7.5%) per annum for the remaining term of the loan. This loan was repaid during the year.

(iii) A loan of $21m was received November 2015 towards the purchase of Real Estate. The loan carries a (6) month moratorium on payments and repayment over fifty-four (54) months payments. The loan which was initially scheduled to expire April 2023 was extended to November 2023. Interest is charged at a fixed rate of seven-point five percent (7.5%) per annum for the remaining term of the loan. This loan was repaid during the year.

(iv) This loan was received in August 2020 towards the purchase of CT Scanner and Ultrasound Machine and leasehold improvement. There was a six (6) month moratorium on principal payments and repayment will be over fifty-four (54) monthly payments. The loan expires February 2024 and interest is charged at a fixed rate of seven-point five percent (7.5%) per annum for the first three (3) years and at the bank's base lending rate less eight-point two five percent (8.25%) per annum thereafter.

(v) A loan of $13.2m was received in August 2020 towards the purchase of a motor vehicle. The loan repayment will be over sixty (60) months payments and expires sixty (60) months after disbursement. Interest is charged at a fixed rate of seven- percent (7%) per annum. The loan repayments are reimbursed from professional fees due to Dr. Bridgewater.

(vi) A loan of $73m was received in May 2022 towards the purchase of Fluoroscopy lab equipment. The loan is to be repaid over sixty (60) monthly payments and expires sixty (60) months after disbursement. Interest is charged at a fixed rate of six point seven five- percent (6.75%) per annum.

13. Borrowings (cont'd)

(a) Bank of Nova Scotia Jamaica Ltd (cont'd)

The loans are secured by:

- First Demand Debenture stamped J$50,000,000.00 creating charge over fixed assets, and a floating charge over the other assets of the company.
- First legal Mortgage stamped J$13,000,000.00 over commercial real estate located at, 2A Molynes Road, Kingston 5, registered at Volume 1272 Folios 935, 936, and 937 and having an appraised value of J$23,600,000.00 as at August 31,2015.
- First Legal Mortgage stamped J$21,000,000.00 over commercial real estate located at Strata lots #4 and 5,129 Old Hope Road, Kingston 6, registered at Volume 1467 Folios 156 and 157 and having an appraised value of J$26,000,000-J$30,000,000 as at April1,2015.
- Bill of Sale over two (2) X-Ray Machines stamped J$14,891,940 collateral to Debenture.
- Bill of Sale over Picture Archiving & Communication System stamped J$13,000,000 collateral to legal Mortgage at #2 above.
- Assignment of unearned premium in respect of insurance policies (details of insurance company and broker to be advised at request date).
- General Securities agreement over CT Scanner equipment to be stamped for J$35,000,000.
- General Security Agreement over 2020 BMW X5 Chassis# WBACV4206LLE32274 and Engine# 1207888306DT stamped $14,600,000.
- Letters of Undertaking from principal Directors/Shareholders to re-inject such management fees,advances,income as necessary to restore Debt Service Covenants to minimum 1.30:1and for such amounts to be formally postponed to the Bank.
- First Demand Debenture dated March 3,2014 up stamped for J$35,300,000.
- 2nd legal mortgage in the amount of J$35,300,000 stamped collateral to Debenture, over properties located at:
  a) 2a Molynes Road, Kingston (lots 5,6 & 7) in name of Image Plus Consultants Limited, registered at Volume 1272 and Folios 935,936 and 937, value at $23,600,000.
  b) Strata Lots# 4 & 5,129 Old Hope Road, Kingston 6 in name of Image Plus Consultants Limited. Volume 1467 and Folios 157 and 156, valued between $26,000,000-J$30,000,000.
- General Security Agreement over one (1) CT Scanner from General Electric, & One (1) Ultrasound machine and X-Ray machine costing J$35,086,000, stamped to cover $19,944,000 as collateral to debenture.
- General Security Agreement over one (1) Luminos Agile Max Fluoroscopy (Siemens brand) stamped collateral to debenture.

13. Borrowings (cont'd)

(b) Sagicor Bank Jamaica Ltd.

(i) Loan of J$30M was received March 2016 to be repaid over seven (7) years and expires February 2023. Interest is charged at a rate of ten percent (10%) per annum. This loan was repaid during the year.

(ii) A loan of J$20M was received March 2016 to be repaid over seven (7) years and expires February 2023. Interest is charged at a rate of ten percent (10%) per annum. This loan was repaid during the year.

The loans are secured by:

- Debenture over the fixed and floating assets of the company to be stamped to cover jmd$50M.
- Bill of sale over the scanner 2014 GE Optima CT660 being acquired to be stamped to cover jmd$50M.
- Assignment over settlement income from Sagicor Life of Jamaica Limited and Medecus to be paid directly to operating account# 5502374167 with Sagicor Bank Jamaica limited (to be held in registrable form).
- General lien over Account #5502374167 through which the settlement income flows are processed.
- Unlimited personal guarantees of the directors of the company; Dr. Karlene McDonnough, Dr. Konrad Kirlew, Dr. Lilieth Bridgewater, Dr. Gordon Bradshaw, Dr. Marian Allison-Vaughan and Leon Vaughan.
- Negative pledge agreement executed in favour of Sagicor Bank Jamaica Limited
- Creditor Life Insurance executed over the lives of Dr. Karlene McDonnough and Dr. Konrad Kirlew.

14. Trade and other payables

	2023 $	2022 $
Trade	52,298,234	34,664,904
Statutory deductions	4,630,902	4,446,319
Directors' fee	-	33,116,547
Deposits	-	1,645,979
Accruals	3,495,760	2,320,085
Other	5,643,668	6,252
Total	**66,068,564**	**76,200,086**

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

15. Expense by nature

Total direct, administrative and other operating expenses.

	2023 $	2022 $
Cost of sales		
Medical supplies	101,173,732	73,486,518
Imaging material	29,772,364	25,430,010
Lab personnel supplies	228,330,635	158,753,616
	359,276,731	**257,670,144**
Repairs and maintenance	1,523,292	2,807,452
Patient gowns	307,180	139,292
Professional fees	12,272,655	7,968,645
Electricity	4,113,173	3,613,916
	377,493,031	**272,199,449**
Administrative expenses		
Advertising and promotion	25,881,068	9,277,062
Auditor’s remuneration	2,120,000	1,925,500
Casual labour	5,007,714	2,067,938
Cleaning and sanitation	5,355,069	3,204,553
Directors’ fees	2,385,000	66,500,000
Electricity	11,568,429	9,694,549
Insurance	4,782,469	3,902,260
Legal and other professional fees	5,180,332	2,196,390
Licences and permits	233,000	273,000
Motor vehicle expenses	9,891,678	7,889,523
Office and general	9,530,801	5,778,601
Parking facilities	330,000	390,000
Printing, postage and stationery	3,666,776	4,014,354
Rates and taxes	1,631,048	1,583,772
Rental of premises	15,650,342	9,978,637
Repairs and maintenance	10,189,820	8,690,868
Salaries and related expenses (Note 16)	264,066,732	191,183,516
Security	1,740,226	2,129,664
Subscriptions and donations	1,108,329	988,000
Telephone	22,166,644	21,257,324
Bank charges and interest	6,060,430	4,532,359
Insurance transaction cost	2,860,006	2,655,950
Travelling and subsistence	5,781,579	4,610,487
	417,187,492	**364,724,307**
Depreciation and amortisation		
Depreciation property, plant and equipment	39,782,789	32,975,127
Amortisation right-of-use asset	3,450,716	3,450,716
	43,233,505	**36,425,843**
Other expenses		
Bad debt written-off	73,200	5,191,207
	73,200	**5,191,207**

16. Employee benefits

	2023 $	2022 $
Salaries and wages	195,250,374	163,982,504
Statutory and other contributions	23,357,413	18,245,490
Other	45,458,945	8,955,522
	264,066,732	**191,183,516**

The number of persons employed at year end was seventy-eight (78)- (2022- seventy-one (71).

17. Derecognition of liabilities

This represents long outstanding liabilities which are no longer considered payable and as such agreed to be derecognized.

18. Finance income and finance cost

Finance income includes all income from short-term deposits and cash at bank

	2023 $	2022 $
Gain on investment	3,658,010	1,770,807
Interest income	84,500	249,023
Total finance income	**3,742,510**	**2,019,830**

Finance cost for the years presented comprises:

	2023 $	2022 $
Interest expense from borrowings at amortised cost	6,454,967	5,722,555
Interest on finance lease	360,792	604,105
Total finance costs	**6,815,759**	**6,326,660**

19. Income taxes

i Income taxes for the year adjusted for tax purposes and computed at the tax rate of 25% comprises:

	2023 $	2022 $
Current tax charge	27,201,077	24,305,135
Deferred tax credit	(11,651,822)	(5,535,581)
Income tax charge	**15,549,255**	**18,769,554**

As a result of the company's listing on the Junior Market of the Jamaica Stock Exchange on January 20,2023, the Company will not be liable to pay corporate income tax in its first 5 years on the Junior Market. It will be liable to corporate income tax at half of the usual rate in years in years 6 to 10 on the Junior Market. If the Company breaches any Junior Market requirements, it may be liable to repay the tax that was remitted.

19. Income taxes (cont'd)

ii Reconciliation of theoretical tax charge to effective tax charge:

	2023 $	2022 $
Profit before tax	**251,983,396**	**113,064,240**
Tax at the applicable tax rate of 25%	62,995,848	28,266,060
Employment Tax Credit	(36,448,787)	(10,442,028)
Tax effect of expenses not deductible for tax purposes	9,878,574	6,481,105
Tax effect of other charges and allowances	(15,090,030)	(5,535,583)
Remission of tax	(5,786,350)	-
Income tax expense for the year	**15,549,255**	**18,769,554**

20. Earnings per share

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

	2023 $	2022 $
Profit attributable to shareholders	236,434,141	94,294,686
Weighted average number of shares	1,025,517,243	991,559,744
Basic and diluted earnings per share	**0.23**	**0.09**

21. Dividend

The Company declared a dividend of $30M on June 30, 2022, payment was made on November 30, 2022

22. Risk management policies

The company is exposed to a variety of financial risks in respect of its financial instruments. These include credit risk, liquidity risk and market risk. Market risk comprises three (3) types of risks: currency risk, interest rate risk and other price risk. The company seeks to manage these risks by close monitoring of each class of its financial instruments as follows:

a Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

Foreign currency risk

The company is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risk, which result from both its operating and investing activities.

The company is exposed to a variety of financial risks in respect of its financial instruments. These include Currency risk.

22. Risk management policies (Cont'd)

a Market risk (cont'd)

i Currency risk (cont'd)

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

The company is exposed to currency risk due to fluctuations in exchange rates on balances that are denominated in currencies other than the Jamaican Dollar. For transactions denominated in United States Dollars (US$) the company, however, maintains US$ bank accounts in an attempt to minimise this risk.

At the end of the reporting period there were net assets of approximately US$10,288(2022 - US$4,702) which were subject to foreign exchange rate changes as follows:

	2023 US$	2022 US$
Financial assets		
- Cash and cash equivalents	3,239	10,288
Total	**3,239**	**10,288**

Concentrations of currency risk

The above amounts are payable/receivable in United States Dollars (US$). The exchange rate applicable at the end of the reporting period is J$153.71. (2022 -155.60) to US$1.

Foreign currency sensitivity

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

The sensitivity analysis is based on the company's United States Dollar financial instruments at the end of the reporting period.

Effect on results of operations:

If the JA Dollar weakens by 4 % (2022 – 8%) 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 $
2023	**4**	**19,915**
2022	8	128,065

If the JA Dollar strengthens against the US Dollar by 1 % (2022 – 2%) this would have the following impact:

	Rate %	Strengthens $
2023	**1**	**(4,978)**
2022	2	(32,016)

22. Risk management policies (Cont'd)

a Market risk (cont'd)

ii Interest rate risk

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

The company maintains interest-earning bank accounts with licensed financial institutions. Interest rates on interest-earning bank accounts are not fixed but are subject to fluctuations based on prevailing market rates.

Interest rate sensitivity

Due to the fact that interest earned from the company's interest-earning bank accounts is immaterial, there would be no material impact on the results of the company'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 company's financial instruments are substantially independent of changes in market prices as they are short-term in nature.

b Credit risk

The company faces credit risk in respect of its receivables and cash and cash equivalents. However, this risk is controlled by close monitoring of these assets by the company. In addition, cash and cash equivalents are maintained with licensed financial institutions considered to be stable. The maximum credit risk faced by the company is the total of these balances reflected in the financial statements.

In addition, cash and bank balances are maintained with licensed financial institutions considered to be stable. Savings and current accounts held at Commercial Banks are insured under the Jamaica Deposit Insurance Scheme (JDIS). The maximum credit risk faced by the company is the total of these balances reflected in the financial statements.

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

	2023 $	2022 $
Cash and cash equivalents	57,459,994	51,045,314
Trade and other receivables	291,757,194	125,734,928
Due from related party	19,655,616	19,505,269
Total	**368,872,804**	**196,285,511**

However, at the end of the reporting period a maximum of $1,200,000 per Commercial Bank is insured under the JDIS.

22. Risk management policies (cont'd)

b Credit risk (cont'd)

Trade receivables

The company applies IFRS 9 simplified model of recognising lifetime estimate 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 services rendered over the last 24 months before February 28, 2023 as well as the corresponding historical losses during the period. The historical rates are adjusted to reflect forward looking macro-economic factors affecting the customers ability to settle the amount outstanding. The company has identified gross domestic product (GDP) and inflation rates to be the most relevant factors and accordingly adjusts historical loss rates for expected changes in these factors.

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

February 28, 2023

	Trade receivables days past due				
	Current	More than 30 days	More than 60 days	More than 90 days	Total
Expected credit loss rate	0.0%	0.07%	0.2%	2.0%	
Gross carrying amount	55,210,714	53,744,514	29,940,034	98,318,948	237,214,210
Lifetime expected credit loss	**-**	**40,971**	**59,880**	**1,966,379**	**2,067,230**

February 28, 2022

	Trade receivables days past due				
	Current	More than 30 days	More than 60 days	More than 90 days	Total
Expected credit loss rate	0.89%	0%	0.57%	4%	
Gross carrying amount	36,095,827	21,879,609	24,010,391	40,227,940	122,213,767
Lifetime expected credit loss	321,253	-	136,859	1,609,118	2,067,230

22. Risk management policies (cont'd)

b Credit risk (cont'd)

Trade receivables (cont'd)

The closing balance of the trade and other receivables as at February 28, 2023 reconciles with the trade receivables loss allowance opening balance as follows:

	2023 $	2022 $
Opening loss allowance at March 1	2,067,320	18,177,561
Net movement on impairment provision	-	(16,110,331)
	2,067,320	**2,067,320**

No additional provision was deemed necessary as the Ministry of Health provided a formal commitment to pay the outstanding balance.

c Liquidity risk

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

The company manages its liquidity risk by carefully monitoring its cash outflow needs for day-to-day business and maintaining an appropriate level of resources in liquid or near liquid form to meet its needs. The company maintains cash deposits for up to 30-day periods to meet its liquidity requirements.

As at February 28, 2023, the company's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarized below:

	Current Within 12 Months $	Non-current 2-5 Years $
Trade and other payables	66,068,564	-
Borrowings	35,347,148	74,613,190
Lease liability	3,297,593	
Total	**104,713,305**	**74,613,190**

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 company's non-derivative financial liabilities in the previous reporting period as follows:

	Current Within 12 Months $	Non-current 2-5 Years $
Trade and other payables	76,200,086	-
Borrowings	30,469,092	46,026,949
Lease liability	4,080,000	3,400,000
Total	**110,749,178**	**49,426,949**

23. Summary of financial assets and liabilities by category

The carrying amount of the company's financial assets and liabilities are recognised at the end of the reporting periods may be categorised as follows:

	2023 $	2022 $
Financial assets		
Fair value through profit or loss		
Other investments	19,989,671	11,343,579
	19,989,671	**11,343,579**
Financial assets measured at amortised cost		
Cash and cash equivalents	57,459,994	51,100,414
Due from related party	19,655,616	19,505,269
Trade and other receivables	298,417,462	139,017,075
Financial investments	435,016,560	13,834,670
Total	**810,549,632**	**223,457,428**
Financial liabilities measured at amortised cost		
Non-current		
Borrowings	74,613,190	40,071,949
Lease liability	-	3,297,593
Current		
Trade and other payables	66,068,564	76,200,086
Current portion of borrowings	35,347,148	26,349,828
Current portion of lease liability	3,297,593	3,719,208
Total	**104,713,305**	**149,638,664**

24. Segment information

The company's revenue is derived mainly from diagnostic imaging services, as a result there is no relevant segment information.

25. Capital management, policies and procedures

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

The company is not subject to any externally imposed capital requirements.