



MEDICAL DISPOSABLES  
& SUPPLIES LIMITED

*— Taking Care...*

# MEDICAL DISPOSABLES & SUPPLIES LIMITED

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Unaudited Consolidated Financial  
Statements For The First Quarter  
Ended June 30, 2023



# RELEASE TO SHAREHOLDERS

For the Three Months Ended June 30, 2023

The Board of Directors of Medical Disposables and Supplies Limited (MDS) has released the following unaudited consolidated financial results for the first quarter, ended June 30, 2023.

## FINANCIAL HIGHLIGHTS

	THREE MONTHS ENDED JUN 30, 2023	THREE MONTHS ENDED JUN 30, 2022	YEAR OVER YEAR	AUDITED YEAR ENDED MARCH 31, 2023
Revenue	\$925.51M	\$892.43M	3.71%	\$3.769B
Gross Profit	\$234.67M	\$229.45M	2.28%	\$1.014B
Total Operational Expenses	\$209.23M	\$184.66M	13.31%	\$818M
Total Non-Operational Expenses	\$27.11M	\$24.95M	8.62%	\$99M
Profit Before Tax	(\$1.68M)	19.84M	8.47%	\$96.72M
Profit After Tax	(\$1.50M)	\$16.54M	(9.01%)	\$80.2M
Earnings per Share (EPS)	(0.01 cents)	6 cents	(0.17%)	30 cents
Total Assets	\$2,913.11M	\$2,892.66M	0.71%	\$3.03B
Shareholders' Equity	\$1,198.65M	\$1,120.70M	6.96%	\$1,200M

### RESULTS FOR THE THREE MONTHS ENDED JUNE 30, 2023

Total revenue increased by 3.7% or \$33.08M to \$925.51M for the quarter ended 30 June 2023 when compared with the corresponding 2022 period. All three major sales divisions, namely Pharmaceutical, Medical and Consumer Goods experienced sales growth, with the Medical Division recording a 34% increase year-on-year due to a combination of normality in the supply chain as well as specific initiatives to reduce high levels of inventory arising from advanced purchase arrangements to mitigate supply chain issues at the time. Revenues for our subsidiary Cornwall Enterprises Ltd were relatively flat but are expected to increase during the summer and periods leading up to back to school.

Gross Profit Margins remained relatively stable at 25.4% when compared to 25.7% in 2022. To negate the impact of higher inflation levels arising from the post-pandemic global recovery, MDS implemented several strategic initiatives including enhanced supplier negotiations to manage pricing, increased volume purchases to capitalize on additional discounts as well as better management of our FX position. We continue to monitor our pricing and creating the balance between value for money for our customers and profitability.

Total operating expenses increased by \$24.6M year-on-year due to on-boarding of key talent in our Medical and Consumer Divisions to drive growth and product visibility which is reflected in the strong performances of both divisions. Additionally, other roles were recruited to

strengthen our control environment and promote operational efficiencies for which the benefits accruing to MDS will manifest during the course of FY2024.

Inflationary pressures also contributed to increased expenses related to utilities, distribution costs and security costs while our significant stock of inventory is susceptible to potential inventory write-offs further compounding our operating expenses. With total borrowings exceeding \$1 billion in relation to working capital financing, primarily procurement of inventory, our finance costs remain significant at \$26.5M but will gradually decrease in keeping with our debt reduction strategy. These factors contributed to the net loss after tax of \$1.50M. During Q2 FY2024, Management will continue the planned initiatives to increase sales and improve margin management while reviewing internal processes to identify cost saving initiatives for key operating expenses.

Total assets of the Group grew by \$20.45M or 1% year on year, increasing to \$2.91B at the end of June 2023. When compared to the year ended 31 March 2023 results, total assets declined by \$121M or 4% while total liabilities had a similar decline of \$120m or 6.5%, moving from \$1.83B at 31 March 2023 to \$1.71B as at 30 June 2023. During the first quarter, Management continued its efforts to reduce overall inventory levels (which would have been impacted by advanced purchase arrangements in our response to supply chain issues), while using a combination of available cash and additional debt to further reduce accounts payable and overdraft facilities. During FY2024, Management will be implementing more effective cash management strategies, including enhanced receivables management to improve cash flow and reduce dependence on overdraft facilities.

Shareholders' equity increased by \$78M or 7% from \$1,120.7M to \$1,198.6M as at June 30, 2023. Non-controlling interest accounted for \$138.83M. Earnings per share fell from \$0.06 as at 30 June 2022 to (\$0.01) at the end of the current quarter.

We thank all our stakeholders for their loyalty and patronage during the current period. You have journeyed with us through trying times and for that we remain extremely grateful. The Group has been working assiduously to integrate the operations of our subsidiary and we believe when this is completed, we will start to benefit from the much-anticipated synergies. Our main aim remains the alignment of our long-term business strategies to focus on deeper market penetration and strengthening valued relationships.



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



**MEDICAL DISPOSABLES & SUPPLIES LIMITED**  
**Unaudited Consolidated Statement of Financial Position**  
**As at June 30, 2023**

	Unaudited Three Months to June 2023 \$	Unaudited Three Months to June 2022 \$	Audited Twelve Months to March 2023
<b>ASSETS</b>			
<b>Non- Current Assets</b>			
Property, Plant and Equipment	809,668,985	840,851,231	819,013,139
	<b>809,668,985</b>	<b>840,851,231</b>	<b>819,013,139</b>
<b>Current Assets</b>			
Inventories	1,419,143,889	1,331,446,042	1,491,110,412
Trade Receivables	533,402,900	580,509,236	527,635,566
Prepayments	14,531,055	28,705,640	13,302,713
Due from Related Party	51,336,883	23,800,688	41,090,831
Tax Recoverable	776,330	740,465	754,219
Cash and Bank Balances	84,251,652	86,329,983	141,513,590
	<b>2,103,442,709</b>	<b>2,051,532,054</b>	<b>2,215,407,331</b>
<b>Total Assets</b>	<b>2,913,111,694</b>	<b>2,892,383,285</b>	<b>3,034,420,470</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	843,458,978	771,528,671	844,864,942
Non-controlling Interest	138,832,528	132,820,101	138,921,718
<b>Total Equity</b>	<b>1,198,645,343</b>	<b>1,120,702,610</b>	<b>1,200,140,497</b>
<b>LIABILITIES</b>			
<b>Non-current Liabilities</b>			
Due on Business Acquisition	21,098,000	31,098,000	21,098,000
Interest-bearing Borrowings	659,825,176	468,497,662	421,262,760
Deferred Liability	44,886,066	42,403,679	44,886,066
	<b>725,809,242</b>	<b>541,999,341</b>	<b>487,246,826</b>
<b>Current Liabilities</b>			
Trade and Other Payables	402,936,062	726,981,390	748,731,913
Income Tax Payable	21,664,806	23,298,245	23,096,547
Short-term Borrowings	400,000,000	300,000,000	380,000,000
Bank Overdraft	164,056,240	179,401,699	195,204,686
	<b>988,657,108</b>	<b>1,229,681,334</b>	<b>1,347,033,146</b>
<b>Total Liabilities</b>	<b>1,714,466,350</b>	<b>1,771,680,675</b>	<b>1,834,279,972</b>
<b>Total Equity and Liabilities</b>	<b>2,913,111,693</b>	<b>2,892,383,285</b>	<b>3,034,420,469</b>

Approved for issue by the Board of Directors on August 10, 2023 and signed on its behalf by:



KURT BOOTHE  
**CEO and DIRECTOR**



WINSTON BOOTHE  
**CHAIRMAN**

**MEDICAL DISPOSABLES & SUPPLIES LIMITED**  
**Unaudited Consolidated Statement of Comprehensive Income**  
**For the Period Ended June 30, 2023**

	Unaudited Three Months to June 2023 \$	Unaudited Three Months to June 2022 \$	Audited Twelve Months to March 2023 \$
<b>Revenue</b>	<b>925,508,200</b>	<b>892,431,338</b>	<b>3,769,710,643</b>
Cost of Sales	(690,839,753)	(662,985,266)	(2,755,988,748)
<b>Gross Profit</b>	<b>234,668,447</b>	<b>229,446,072</b>	<b>1,013,721,895</b>
Other Income	2,639,661	2,554,949	10,096,785
Administrative Expenses	(130,962,457)	(106,477,319)	(456,386,711)
Selling and Promotional Costs	(70,401,672)	(75,169,565)	(327,111,806)
Impairment of Financial Assets	0	0	(3,657,179)
Depreciation	(10,508,020)	(8,457,796)	(40,943,064)
<b>Total Operational Expenses</b>	<b>(209,232,488)</b>	<b>(187,549,731)</b>	<b>(818,001,975)</b>
<b>Profit after Operational Expenses</b>	<b>25,435,959</b>	<b>41,896,341</b>	<b>195,719,920</b>
Finance Income	91,686	914,744	2,473,980
Finance Cost	(26,529,953)	(21,225,237)	(104,173,425)
Gain/(Loss) on Disposal of Property, Plant and Equipment	0	(171,046)	(171,046)
Gain/(Loss) on Foreign Exchange	(674,587)	(1,572,336)	2,869,457
<b>Total Non-operational Expenses</b>	<b>(27,112,854)</b>	<b>(22,053,875)</b>	<b>(99,001,034)</b>
<b>Profit/(Loss) before Tax</b>	<b>(1,676,895)</b>	<b>19,842,466</b>	<b>96,718,886</b>
Tax Expense	181,742	(3,297,669)	(16,520,447)
<b>PROFIT FOR THE PERIOD/YEAR</b>	<b>(1,495,153)</b>	<b>16,544,797</b>	<b>80,198,439</b>
<b>EARNINGS PER SHARE</b>	<b>(0.01)</b>	<b>0.06</b>	<b>0.30</b>

**MEDICAL DISPOSABLES & SUPPLIES LIMITED**  
**Unaudited Consolidated Statement of Changes in Equity**  
**For the Period Ended June 30, 2023**

	Share Capital	Revaluation Reserve	Retained Profit	Non-Controlling Interest	Total
	\$	\$	\$	\$	\$
Balance at April 1, 2022	107,835,764	108,518,073	796,413,997	130,858,434	1,143,626,268
Net Profit for the Period					-
<b>BALANCE AT June 30, 2022</b>	<b>107,835,764</b>	<b>108,518,073</b>	<b>796,413,997</b>	<b>130,858,434</b>	<b>1,143,626,268</b>
Balance at April 1, 2023	107,835,764	108,518,073	844,864,942	138,921,718	1,200,140,497
Net Profit for the Period			(1,405,964)	(89,190)	(1,495,154)
<b>BALANCE AT June 30, 2023</b>	<b>107,835,764</b>	<b>108,518,073</b>	<b>843,458,978</b>	<b>138,832,528</b>	<b>1,198,645,343</b>

**MEDICAL DISPOSABLES & SUPPLIES LIMITED**  
**Unaudited Consolidated Statement of Cash Flows**  
**For the Three Months Ended June 30, 2023**

	<b>Unaudited June 2023 \$</b>	<b>Audited March 2023 \$</b>
Profit/(Loss) before Tax	(1,676,895.00)	96,718,887.00
Adjustments for:		
Depreciation	10,508,020.00	40,943,064.00
Interest Expenses	23,333,176.00	104,173,425.00
Interest Income	(91,686.00)	(2,473,980.00)
Loss/(Gain) on Disposal of Property, Plant and Equipment	0.00	171,046.00
	<b>32,072,615.00</b>	<b>239,532,442.00</b>
(Increase)/Decrease in Inventories	71,966,523.00	(354,816,866.00)
(Increase)/Decrease in Trade and Other Receivables	(5,789,445.00)	5,635,515.00
(Increase) in Prepayments	(1,228,342.00)	(2,558,823.00)
Increase/(Decrease) in Trade and Other Payables	(345,795,851.00)	288,712,904.00
(Increase) in due from Related Party	(10,246,052.00)	(17,290,143.00)
<b>Cash used in Operations</b>	<b>(259,020,552.00)</b>	<b>159,215,029.00</b>
Income Tax Paid	(1,250,000.00)	(10,942,082.00)
Interest Paid	(23,333,176.00)	(104,190,088.00)
<b>Net Cash used in Operating Activities</b>	<b>(283,603,728.00)</b>	<b>44,082,859.00</b>
<b>Cash Flows from Investing Activities:</b>		
Purchase of Property, Plant and Equipment	(1,163,867.00)	(33,099,932.00)
Purchase of Intangible Asset	0.00	0.00
Proceeds from Disposal of Property, Plant and Equipment	0.00	0.00
Interest Received (net of withholding tax)	91,686.00	2,473,980.00
<b>Net Cash used in Investing Activities</b>	<b>(1,072,181.00)</b>	<b>(30,625,952.00)</b>
<b>Cash Flows from Financing Activities:</b>		
Dividend Payments	0.00	(23,684,211.00)
Proceeds from Borrowings (net of repayments)	258,920,639.00	(18,606,137.00)
Lease Repayment (net)	(358,223.00)	(1,349,662.00)
Paid on Business Acquisition		(10,000,000.00)
<b>Net Cash Provided by Financing Activities:</b>	<b>258,562,416.00</b>	<b>(53,640,010.00)</b>
Net (decrease) in Cash and Cash Equivalents	(26,113,493.00)	(40,183,103.00)
Cash and Cash Equivalents at beginning of year	(53,691,096.00)	(13,507,993.00)
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>(79,804,589.00)</b>	<b>(53,691,096.00)</b>

# Medical Disposables & Supplies Limited

Notes to the Unaudited Consolidated Financial Statements  
Three Months Ended June 30, 2023

## 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 Three Months Ended June 30, 2023, 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, 2023, 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, 2023.

## 4. Share Capital

	2023	2022
	\$	\$
Authorised:		
408,000,000 ordinary shares (2018 - 408,000,000)		
Stated capital		
Issued and fully paid:		
263,157,895 ordinary shares	107,835,764	107,835,764
<b>Balance at end of the period</b>	<b>107,835,764</b>	<b>107,835,764</b>



## 5. Taxation

The Company's shares were listed on the Junior Market of the Jamaica Stock Exchange on December 24, 2013. Consequently, the Company is entitled to a waiver of income taxes for ten years in the proportions set out below, provided that the shares remain listed for at least fifteen years.

Year 1 – 5	100%
Year 6 – 10	50%

The Company is in its tenth year since being listed on the Junior Market of the Jamaica Stock Exchange and is subject to fifty percent (50%) tax remission up to December 24, 2023.

## 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	10,567,753	4.02%
Mayberry Managed Clients A/Cs	5,511,656	2.09%
Apex Pharmacy	3,496,926	1.33%
Nigel Coke	2,509,365	0.95%
VM Wealth Equity Fund	2,344,948	0.89%
QWI Investments	2,000,000	0.76%

## 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