



MEDICAL DISPOSABLES  
& SUPPLIES LIMITED



# MEDICAL DISPOSABLES & SUPPLIES LIMITED

**Unaudited Financial Statements**

**For Six Months Ended September 30, 2020**



# RELEASE TO SHAREHOLDERS

For the Six Months Ended September 30, 2020

The Board of Directors of Medical Disposables and Supplies Limited (MDS) hereby releases the following unaudited financial results for the second quarter, ended September 30, 2020.

## FINANCIAL HIGHLIGHTS

	Three Months Ended Sep 30, 2020	Three Months Ended Sep 30, 2019	Year over Year	Audited Year Ended March 31, 2020
Revenue	\$630.157M	\$565.044M	\$65.112M	\$2.418B
Gross profit	\$150.585M	\$133.114M	\$17.472M	\$558.930M
Total Operational Expenses	\$118.370M	\$106.268M	(\$12.102M)	\$460.324M
Total Non-Operational Expenses	\$38.253M	\$18.855M	(\$19.398M)	\$63.128M
Profit after Tax	(\$6.038M)	\$6.737M	(\$12.776M)	\$34.557M
Earnings per share (EPS)	(2 cents)	9 cents		13 cents
Total Assets	\$1.777B	\$1.608B	\$169.402M	\$1.65B
Shareholders' equity	\$956.590M	\$854.941M	\$67.753M	\$775.11M

## RESULTS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020

For the second quarter ended September 30, 2020, the Company generated sales revenue of \$630.16M, an 11.52% increase compared to the corresponding period in the previous year. The growth in sales is being driven by increases in the performance of the Pharmaceutical and Medical Divisions. This may be attributed to the partial reopening of the economy as well as the relaxation of some of the measures being employed to curtail the spread of Covid-19. Although opening hours have been reduced, we are noticing a positive adjustment in consumer buying pattern to fit into the new reality. Institutional sales are also seeing a rally, although not back to regular levels, as hospitals and doctors' offices continue to be observant of social distancing measures. Year over year saw increases of 16% or \$62.9M in Pharmaceutical sales and 20.7% or \$21.6M in sales of Medical supplies.

Gross profit of \$150.59M was up 13% or \$17.47M over the previous year, as a result of the increase in sales of pharmaceutical and medical disposable products. Gross Profit percentage for the period grew marginally from 23.56% in Q2 of 2019 to 23.90% in Q2 of the current year.

Total operational expenses increased by \$12.10M from \$106.27M in the second quarter of 2019 to \$118.37M in Q2 of 2020, representing an increase of 11.39%. The movement was due to the costs associated with boosting the sales effort, particularly in the Consumer Division. Operational expenses accounted for 18.78% of sales revenue for the current period, down marginally from 18.81% of sales revenue for corresponding period in the previous year.

Total non-operational expenses increased from \$18.86M in Q2 of 2019 to \$38.25M in Q2 of 2020. This was due primarily to an increase of \$24.7M in Finance costs. Increased interest expense and one off costs relating to the renewal of financing arrangements accounted for the lion's share of the increase. There was a \$6.4M reduction in foreign exchange losses during the second quarter of 2020 compared to the same period last year.

The Company incurred a Loss after Taxation of \$6.038M for the quarter, a decrease of \$12.776M when compared to the previous year. The major contributor to the loss is the the one off finance cost described above.

## **RESULTS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2020**

Year to date sales revenue for the six months ended September 30, 2020 was \$1.14B, an increase of \$17.96M or 1.6% when compared to the prior year. The Pharmaceutical Division realized sales growth of 4% (\$28.6M) year over year. The Medical Division saw a marginal decline in sales and the Consumer Division suffered a 8.2% (\$9.9M) decline in sales when compared to the same period last year.

Gross profit amounting to \$263.42M for the six month period, reflects a 4% or \$10.87M decrease over the previous year. This reduction resulted from an increase in cost of sales.

Total operational expenses for the period under review amounted to \$234.6M, increasing by \$12.1M or 5.8% over previous year. This increase was accounted for mainly by increases in the staff complement as well as increased selling and distribution costs, all of which are required to support the planned increase in business activity.

Total non-operational expenses amounted to \$41.9M at the end of September 2020, up from \$37.6M in 2019. A total of \$44.9M was spent on Finance related expenses as the company inked a new Banking arrangement to facilitate the expansion in business. At the same time, the loss on foreign exchange was reduced by \$19.8M when compared to year to date 2019.

The Company recorded a year to date loss of \$13.1M, down from a profit of \$22.64M at the same point last year.

Total assets grew by \$169.402M or 10.54% from \$1.607B to \$1.777B, due to increases in Inventories, Trade Receivables and Property, Plant and Equipment.

Total Liabilities as at September 2020 have increased by \$101.649M or 11.89% from \$854.9M to \$956.590M over the prior year. This was due to an increase in the working capital line of credit which is being used to facilitate growth and business expansion. Trade payables was reduced by \$106.219M to \$152.649M at the end of September 2020 from \$258.867M in September 2019.

Shareholders' equity increased by \$67.753M or 9% from \$752.9M to \$820.6M.

The Company continues to be affected by the containment strategies imposed to combat the spread of COVID-19. However we continue to realign our business strategies to focus on deeper market penetration, while capitalizing on a number of opportunities to provide medical responses with regards to the pandemic.

As always, strengthening relationships with our customers, shareholders and the MDS family remains at the forefront, as we strive to manage our business in this challenging business environment. We thank all our shareholders and stakeholders for your continued support .



**Kurt Boothe**  
**GENERAL MANAGER**



**October 27, 2020**

## Medical Disposables & Supplies Limited

### Statement of Comprehensive Income

For the Period Ended September 30, 2020

	Three Months To September 2020	Three Months To September 2019	Six Months To September 2020	Six Months To September 2019	Twelve Months to March 2020
	\$	\$	\$	\$	\$
<b>Revenue</b>	630,156,510	565,044,082	1,140,237,859	1,122,276,975	2,481,141,479
Cost of sales	(479,571,019)	(431,930,305)	(876,814,097)	(847,985,138)	(1,922,211,922)
<b>Gross profit</b>	<b>150,585,490</b>	<b>133,113,777</b>	<b>263,423,762</b>	<b>274,291,836</b>	<b>558,929,557</b>
Administrative expenses	(64,953,507)	(58,035,876)	(118,013,792)	(109,375,178)	(243,480,216)
Selling and promotional costs	(46,460,387)	(40,777,805)	(102,594,773)	(86,949,236)	(185,411,901)
Other operating expenses	-	(212,871)	-	393,837	(7,594,269)
Depreciation	(6,956,558)	(7,241,647)	(13,990,166)	(14,384,181)	(29,343,036)
<b>Total Operational Expenses</b>	<b>(118,370,453)</b>	<b>(106,268,199)</b>	<b>(234,598,732)</b>	<b>(210,314,758)</b>	<b>(465,829,422)</b>
<b>Profit after Operational Expenses</b>	<b>32,215,037</b>	<b>26,845,577</b>	<b>28,825,030</b>	<b>63,977,078</b>	<b>93,100,135</b>
Finance income	200,686	12,945	418,183	20,006	2,848,993
Other income	1,311,960	1,463,328	2,585,430	2,871,412	5,645,110
Finance cost	(35,703,834)	(10,968,263)	(44,907,185)	(21,735,150)	(48,135,335)
Gain on disposal of property, plant & equipment	50,000	1,150,833	50,000	1,150,833	1,500,833
Gain / (loss) on foreign exchange	(4,112,273)	(10,513,867)	(76,823)	(19,912,104)	(19,482,279)
<b>Total Non Operational Expenses</b>	<b>(38,253,459)</b>	<b>(18,855,023)</b>	<b>(41,930,395)</b>	<b>(37,605,003)</b>	<b>(57,622,677)</b>
<b>Profit Before Tax</b>	<b>(6,038,423)</b>	<b>7,990,554</b>	<b>(13,105,365)</b>	<b>26,372,075</b>	<b>35,477,458</b>
Tax expense	-	(1,252,920)	-	(3,736,402)	(920,775)
<b>PROFIT FOR THE PERIOD / YEAR</b>	<b>(6,038,423)</b>	<b>6,737,634</b>	<b>(13,105,365)</b>	<b>22,635,673</b>	<b>34,556,683</b>
<b>EARNINGS PER SHARE</b>	<b>(0.02)</b>	<b>0.03</b>	<b>(0.05)</b>	<b>0.09</b>	<b>0.13</b>

# Medical Disposables & Supplies Limited

Unaudited Statement of Financial Position  
As At September 30, 2020

	Six Months To September 2020	Six Months To September 2019	Twelve Months to March 2020
	\$	\$	\$
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	<u>601,072,781</u>	<u>547,796,386</u>	<u>614,413,778</u>
<b>Current Assets</b>			
Inventories	656,044,792	601,938,040	571,600,120
Trade Receivables	359,501,829	324,312,334	451,464,311
Other Receivables & Prepayments	135,412,419	125,287,033	115,079,350
Tax Recoverable	2,343,455	2,338,292	2,340,458
Cash and Bank Balances	<u>22,868,194</u>	<u>6,169,583</u>	<u>2,116,964</u>
	<u>1,176,170,690</u>	<u>1,060,045,283</u>	<u>1,142,601,203</u>
<b>Total Assets</b>	<b><u>1,777,243,470</u></b>	<b><u>1,607,841,668</u></b>	<b><u>1,757,014,981</u></b>
<b>Equity</b>			
<b>Capital and Reserve</b>			
Share Capital	107,835,764	107,835,764	107,835,764
Revaluation Reserve	117,135,200	48,198,190	117,135,200
Retained Profits	<u>595,682,137</u>	<u>596,866,491</u>	<u>608,787,501</u>
<b>Total Equity</b>	<b><u>820,653,101</u></b>	<b><u>752,900,446</u></b>	<b><u>833,758,465</u></b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Interest-bearing Borrowings	151,846,994	160,719,517	134,095,208
Deferred liability	<u>2,419,747</u>	<u>6,836,034</u>	<u>2,419,747</u>
	<u>154,266,741</u>	<u>167,555,551</u>	<u>136,514,955</u>
<b>Current Liabilities</b>			
Trade Payables	152,648,669	258,867,531	320,807,976
Other Payables	65,447,948	72,243,900	74,873,973
Income tax payable	5,307,062	7,454,216	5,307,062
Short Term Borrowings	400,000,000	180,000,000	259,750,000
Bank Overdraft	<u>178,919,948</u>	<u>168,820,023</u>	<u>126,002,548</u>
	<u>802,323,628</u>	<u>687,385,671</u>	<u>786,741,560</u>
<b>Total Liabilities</b>	<b><u>956,590,369</u></b>	<b><u>854,941,223</u></b>	<b><u>923,256,515</u></b>
<b>Total Equity and Liabilities</b>	<b><u>1,777,243,470</u></b>	<b><u>1,607,841,668</u></b>	<b><u>1,757,014,979</u></b>

Approved for issue by the Board of Directors on October 27, 2020 and signed on its behalf by:



KURT BOOTHE  
GENERAL MANAGER and DIRECTOR



WINSTON BOOTHE  
CHAIRMAN

## Medical Disposables & Supplies Limited

Unaudited Statement of Changes In Equity  
For the Period Ended September 30, 2020

	Share Capital \$	Revaluation Reserve \$	Retained Profit \$	Total \$
Balance at April 1, 2019	107,835,764	48,198,190	603,178,186	759,212,141
Dividend paid	-	-	(28,947,369)	(28,947,369)
Total comprehensive income for the period	-	-	22,635,673	22,635,673
<b>BALANCE AT September 30, 2019</b>	<b>107,835,764</b>	<b>48,198,190</b>	<b>596,866,490</b>	<b>752,900,444</b>
Balance at April 1, 2020	107,835,764	117,135,200	608,787,501	833,758,465
Dividend paid	-	-	-	-
Total comprehensive income for the period	-	-	(13,105,365)	(13,105,365)
<b>BALANCE AT September 30, 2020</b>	<b>107,835,764</b>	<b>117,135,200</b>	<b>595,682,136</b>	<b>820,653,100</b>

## Medical Disposables & Supplies Limited

Unaudited Statement of Cash Flows

For the Six Months Ended September 30, 2020

	September 2020	September 2019
	\$	\$
<b>Cash flows from operating activities:</b>		
Profit before tax	(13,105,365)	26,372,075
Adjustments for:		
Depreciation	13,990,166	14,384,181
Interest expenses	33,441,377	21,735,150
Interest income	(11,969)	(20,006)
	<u>34,314,210</u>	<u>62,471,400</u>
(Decrease)/Increase in inventories	(84,444,672)	46,017,292
Increase in trade and other receivables	71,629,413	20,973,055
Decrease in trade and other payables	<u>(177,585,332)</u>	<u>(193,334,706)</u>
<b>Cash used in operations</b>	<b>(156,086,380)</b>	<b>(63,872,960)</b>
Income tax paid	(2,997)	(1,164)
Interest paid	<u>(33,441,377)</u>	<u>(21,735,150)</u>
<b>Net cash used in operating activities</b>	<b>(189,530,755)</b>	<b>(85,609,274)</b>
<b>Cash flows from investing activities:</b>		
Purchase of property, plant & equipment	(649,169)	(2,664,504)
Purchase of Intangible Asset		
Proceeds from sales of property, plant & equipment		
Interest received	11,969	20,006
<b>Net cash used in investing activities</b>	<b>(637,200)</b>	<b>(2,644,499)</b>
<b>Cash flows from financing activities:</b>		
Dividend payments	-	(28,947,369)
Proceeds from borrowings	143,750,000	(134,095,208)
Repayment of borrowings	14,251,786	50,570,540
Repayment of other loan		
Lease repayment (net)		
Advances by Directors		-
<b>Net cash provided by financing activities</b>	<b>158,001,786</b>	<b>(112,472,037)</b>
Net decrease in cash & cash equivalents	(32,166,169)	(200,725,810)
Cash and cash equivalent at beginning of period	<u>(123,885,585)</u>	<u>38,075,370</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	<b>(156,051,754)</b>	<b>(162,650,440)</b>



# Medical Disposables & Supplies Limited

Notes to the Unaudited Financial Statements

Six Months Ended September 30, 2020

## 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.

## 2. Basis of preparation

The condensed interim financial statements for the Three Months Ended June 30, 2020 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, 2020, 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, 2020.

## 4. Share capital

	2020	2019
	\$	\$
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>

# Medical Disposables & Supplies Limited

Notes to the Unaudited Financial Statements

Six Months Ended September 30, 2020

## 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%

## 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	8,511,848	3.13%
Mayberry Managed Clients A/Cs	7,200,374	2.76%
First Rock Capital Holdings Limited	5,000,000	1.90%
Apex Pharmacy	3,496,926	1.33%
VM Wealth Equity Fund	2,968,948	1.13%
Nigel Coke	1,823,092	0.69%

## 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