



MEDICAL DISPOSABLES & SUPPLIES LIMITED

**Unaudited Consolidated Financial Statements
For First Quarter Ended June 30, 2021.**



RELEASE TO SHAREHOLDERS

For the Three Months Ended June 30, 2021

The Board of Directors of Medical Disposables and Supplies Limited (MDS) is pleased to release the following unaudited consolidated financial results for the first quarter, ended June 30, 2021.

FINANCIAL HIGHLIGHTS

	THREE MONTHS ENDED JUN 30, 2021	THREE MONTHS ENDED JUN 30, 2020	YEAR OVER YEAR	AUDITED YEAR ENDED MARCH 31, 2021
Revenue	\$682.58M	\$510.08M	33.82%	\$2,422.81M
Gross profit	\$176.49M	\$112.84M	56.41%	\$598.89M
Total Operational Expenses	\$127.01M	\$112.15M	-13.30%	\$504.45M
Total Non-Operational Expenses	\$20.35M	\$7.76M	-162.40%	\$80.59M
Profit Before Tax	\$29.12M	(\$7.07M)	512.10%	\$13.85M
Earnings per share (EPS)	10 cents	(3 cents)	-150%	3 cents
Total Assets	\$2,474.86M	\$1,973.518M	8.58%	\$2,289.26M
Shareholders' equity	\$920.24M	\$826.69M	3.90%	\$894.76M

RESULTS FOR THE THREE MONTHS ENDED JUNE 30, 2021

For the quarter ended June 30, 2021, the Company generated sales revenue of \$682.58M, an increase of 33.8% or \$172.5M compared to the corresponding period in the previous year. This increase in sales is the result of increased consumer demand for pharmaceutical and medical disposable items. The first quarter of 2020 was characterized by government restrictions and measures aimed at decelerating the spread of the covid-19 virus. Those measures led to a downturn in economic activity and a contraction in consumer demand for products and services.

With the partial relaxation of some of these measures in the current period, the economy is showing encouraging signs of recovery, the result being an improvement in the demand for products, particularly pharmaceutical drugs and personal protective equipment. The strengthening of the Consumer Division has positively impacted sales which reflects growth in a number of product areas brought to the market within the last fifteen months.

Gross profit of \$176.49M was up 56.4% or \$63.65M over the previous year mostly attributable to the increase in sales of pharmaceutical and medical disposable products. Gross Profit percentage for the period rose to 25.9% compared to 22.1% in 2020.

Total operational expenses increased by \$14.92M from \$113.42M in 2020 to \$128.36M in 2021, representing an increase of 13.2%. This movement was due to the costs associated with boosting the sales effort, particularly in the Consumer Division. Operational expenses accounted for 18.6% of sales for the current period, down from 22% of sales for the corresponding period in the previous year. Total non-operational expenses increased by \$12.59M from \$7.76M in 2020 to \$20.35M in 2021. The main drivers of the increase were finance costs and losses on foreign exchange trading.

The Company returned a profit after taxation of \$25.48M, an increase of 460% over prior year losses after tax of \$7.07M.

Total assets grew by \$501.35M or 25.4% from \$1.97B to \$2.47B, due to the acquisition of a 60% stake in subsidiary company, Cornwall Enterprises Limited (CEL). This resulted in assets totalling \$453.5M being consolidated into the Group.

Total Liabilities increased by \$285.42M or 24.9% from \$1,146.82M to \$1,432.23M over the prior year. This was due to an increase in interest bearing loans (\$168.8M) and Trade and other payables of \$230.76M. Overdraft decreased by \$148.78M. A portion of the loan was used to finance the acquisition.

Shareholders' equity increased by \$93.55M or 11.3% from \$826.69M to \$920.24M.

Earnings per share increased from (\$0.03) a year ago to \$0.10.

Despite the significant impact on the business brought about by the containment strategies imposed to combat the spread of COVID-19, the Company continues to be resilient. Our aim is always to align our business strategies to focus on deeper market penetration and strengthening relationships with our customers, shareholders and our MDS team. We thank all our shareholders and stakeholders for your continued support. MDS Cares, be safe.



Kurt Boothe
GENERAL MANAGER



August 5, 2021

Medical Disposables & Supplies Limited

Unaudited Consolidated Statement of Comprehensive Income For the Period Ended June 30, 2021

	Unaudited Three Months To June 2021 \$	Unaudited Three Months To June 2020 \$	Audited Twelve Months to March 2021 \$
Revenue	682,581,976	510,081,350	2,422,806,606
Cost of sales	(506,094,654)	(397,243,078)	(1,823,914,361)
Gross profit	176,487,321	112,838,271	598,892,245
Administrative expenses	(62,607,583)	(50,253,638)	(254,856,989)
Selling and promotional costs	(58,637,384)	(56,134,386)	(225,312,224)
Other operating expenses	-	-	(1,000,000)
Depreciation	(7,112,888)	(7,033,608)	(28,493,524)
Total Operational Expenses	(128,357,856)	(113,421,633)	(509,662,737)
Profit after Operational Expenses	48,129,465	(583,362)	89,229,507
Finance income	471,022	217,496	484,818
Other income	1,345,500	1,273,470	5,215,620
Finance cost	(17,155,067)	(12,009,999)	(70,085,966)
Gain on disposal of property, plant & equipment	-	-	50,000
Gain / (loss) on foreign exchange	(3,667,843)	4,035,450	(11,042,237)
Gain arising on business acquisition	-	-	62,085,000
Total Non Operational Expenses	(19,006,387)	(6,483,582)	(13,292,764)
Profit Before Tax	29,123,078	(7,066,943)	75,936,743
Tax expense	(3,640,385)	-	(6,322,960)
PROFIT FOR THE PERIOD / YEAR	25,482,693	(7,066,943)	69,613,783
EARNINGS PER SHARE	0.10	(0.03)	0.26

Medical Disposables & Supplies Limited

Unaudited Consolidated Statement of Financial Position
As At June 30, 2021

	Unaudited Three Months To June 2021 \$	Unaudited Three Months To June 2020 \$	Audited Twelve Months to March 2021 \$
Assets			
Non-Current Assets			
Property, Plant and Equipment	846,812,810	607,719,339	853,882,592
	<u>846,812,810</u>	<u>607,719,339</u>	<u>853,882,592</u>
Current Assets			
Inventories	910,221,457	782,842,417	853,802,501
Trade Receivables	423,523,818	332,789,152	397,812,213
Other Receivables & Prepayments	180,798,731	123,062,567	122,519,580
Tax Recoverable	2,355,016	2,341,955	2,350,729
Cash and Bank Balances	111,151,173	124,753,234	100,792,193
	<u>1,628,050,196</u>	<u>1,365,789,326</u>	<u>1,477,277,216</u>
Total Assets	<u>2,474,863,005</u>	<u>1,973,508,664</u>	<u>2,331,159,808</u>
Equity			
Capital and Reserve			
Share Capital	107,835,764	107,835,764	107,835,764
Revaluation Reserve	108,518,074	117,135,200	108,518,074
Retained Profits	703,883,971	601,720,559	678,401,277
Non-Controlling Interest	122,391,000		122,391,000
Total Equity	<u>1,042,628,809</u>	<u>826,691,523</u>	<u>1,017,146,115</u>
Liabilities			
Non-Current Liabilities			
Due on Business Acquisition	31,098,000	-	31,098,000
Interest-bearing Borrowings	292,965,522	124,170,065	159,315,438
Deferred liability	21,710,391	2,419,747	21,710,391
	<u>345,773,913</u>	<u>126,589,811</u>	<u>212,123,829</u>
Current Liabilities			
Trade Payables	523,447,132	374,444,586	400,320,365
Other Payables	145,220,199	63,461,845	210,509,143
Income tax payable	15,556,891	5,307,062	11,916,506
Short Term Borrowings	300,000,000	326,000,000	350,000,000
Bank Overdraft	102,236,062	251,013,836	129,143,851
	<u>1,086,460,284</u>	<u>1,020,227,330</u>	<u>1,101,889,865</u>
Total Liabilities	<u>1,432,234,197</u>	<u>1,146,817,142</u>	<u>1,314,013,694</u>
Total Equity and Liabilities	<u>2,474,863,005</u>	<u>1,973,508,664</u>	<u>2,331,159,808</u>

Approved for issue by the Board of Directors on August 5, 2021 and signed on its behalf by:



KURT BOOTHE
GENERAL MANAGER and DIRECTOR



WINSTON BOOTHE
CHAIRMAN

Medical Disposables & Supplies Limited

Unaudited Consolidated Statement of Changes In Equity

For the Period Ended June 30, 2021

	Share Capital \$	Revaluation Reserve \$	Retained Profit \$	Non-Controlling Interest \$	Total \$
Balance at April 1, 2020	107,835,764	117,135,200	608,787,502		833,758,466
Total comprehensive income for the period	-		(7,066,943)		(7,066,943)
BALANCE AT June 30, 2020	107,835,764	117,135,200	601,720,559	-	826,691,523
Balance at April 1, 2021	107,835,764	108,518,074	678,401,278		894,755,116
Non-controlling Interest				122,391,000	122,391,000
Total comprehensive income for the period	-	-	25,482,693		25,482,693
BALANCE AT June 30, 2021	107,835,764	108,518,074	703,883,971	122,391,000	1,042,628,809

Medical Disposables & Supplies Limited

Unaudited Consolidated Statement of Cash Flows

For the Three Months Ended June 30, 2021

	Unaudited 30-Jun -21	Audited March 2021
Cash flows from operating activities:		
Profit before tax	29,123,079	75,936,743
Adjustments for:		
Depreciation	7,112,888	28,493,524
Interest expenses	17,155,067	70,085,966
Interest income	(17,572)	(484,818)
Gain on disposal of fixed assets	-	(50,000)
Gain on business acquisition		(62,085,000)
	53,373,461	111,896,415
Increase in inventories	(56,418,956)	(157,721,381)
Increase in trade and other receivables	(83,990,756)	145,498,805
(Decrease) / Increase in trade and other payables	104,187,822	(39,276,384)
	17,151,572	60,397,455
Income tax paid/recovered	(4,287)	-
Interest paid	(17,155,067)	(70,085,966)
Net cash (used in) / provided by operating activities	(7,781)	(9,688,511)
Cash flows from investing activities:		
Purchase of property, plant & equipment	(43,105)	(10,772,341)
Proceeds from sales of fixed assets	-	50,000
Investment In Subsidiaries	(46,350,000)	-
Interest received	17,572	474,550
Net cash used in investing activities	(46,375,533)	(10,247,791)
Cash flows from financing activities:		
Proceeds from borrowings	136,862,212	508,654,918
Repayment of borrowings	(52,850,939)	(391,739,932)
Lease Repayment (net)	(361,189)	(1,444,757)
Net cash used in financing activities	83,650,084	115,470,229
Net increase in cash & cash equivalents	37,266,769	95,533,927
Cash and cash equivalent at beginning of year	(28,351,657)	(123,885,584)
CASH AND CASH EQUIVALENT AT END OF PERIOD / YEAR	8,915,112	(28,351,657)

Medical Disposables & Supplies Limited

Notes to the Unaudited Consolidated Financial Statements

Three Months Ended June 30, 2021

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. The operations of the subsidiary has not commenced.

2. Basis of preparation

The condensed interim financial statements for the Three Months Ended June 30, 2021 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, 2021, 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, 2021.

4. Share capital

	2021	2020
	\$	\$

Authorised:

408,000,000 ordinary shares
(2018 - 408,000,000)

Stated capital

Issued and fully paid:

263,157,895 ordinary shares

Balance at end of the period

107,835,764

107,835,764

107,835,764

107,835,764

Medical Disposables & Supplies Limited

Notes to the Unaudited Consolidated Financial Statements
Three Months Ended June 30, 2021

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	8,673,220	3.13%
Mayberry Managed Clients A/Cs	6,930,645	2.76%
Firs Rock Capital Holdings Limited	5,000,000	1.90%
Apex Pharmacy	3,496,926	1.33%
VM Wealth Equity Fund	2,829,175	1.13%
Nigel Coke	2,083,598	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